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Date: 29/05/2026

PUBLIC DISTRIBUTION SYSTEM

SYLLABUS:

GS 3 > Economic Development >> Food Security

REFERENCE NEWS:

The Union Cabinet has approved the **SARTHAK Public Distribution System (PDS)** scheme to strengthen food security through technology-driven reforms in the Public Distribution System.

SARTHAK-PDS Scheme: Key Features

- **Duration:** 5 years (April 2026 – March 2031)
- **Outlay:** ₹25,530 crore
- **Coverage:** Entire PDS value chain, from beneficiary identification to foodgrain delivery and grievance redressal.

Objectives

- Improve **transparency, efficiency, and sustainability** in PDS operations.
- Reduce leakages and enhance accountability.
- Strengthen implementation of the **National Food Security Act (NFSA)**, which covers **81.35 crore beneficiaries**.

Major Reforms

- Integration of two existing schemes:
 - Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers' margins.
 - SMART PDS (technology reforms in PDS).
- Creation of a **single umbrella framework** for PDS administration.

Technology Components

- The scheme will use Artificial Intelligence (AI), Machine Learning (ML), Blockchain, Natural Language Processing (NLP)
- These technologies will support real-time monitoring, data-driven decision-making, grievance redressal systems, State-level Command and Control Centres. Enhanced security and transparency through ISO-certified processes

Financial Support

The scheme provides funding for:

- Intra-State transportation and handling of foodgrains
- Fair Price Shop (FPS) dealer margins
- Modernisation of PDS infrastructure

Significance

- Does **not replace** the existing PDS but modernises and reforms it.

Hyderabad

9966436875, 6309078111

CSB IAS ACADEMY, Bala Latha's Tushara building,
Ashok Nagar, Hyderabad, Telangana - 500080.
www.csbias.com | Email: csbiasacademy@gmail.com

Vijayawada

9963378333, 9989589222

CSB IAS ACADEMY, Lagadapati's Block, Andhra Loyola College,
Veterinary Colony, Vijayawada, Andhra Pradesh - 520008
www.csbias.com | Email: csbiasacademy@gmail.com

- Aims to create a **citizen-centric and interoperable PDS architecture** for efficient last-mile delivery.
- Expected to improve food security, minimise wastage and leakages, and ensure better service delivery to beneficiaries.

PUBLIC DISTRIBUTION SYSTEM:

The **Public Distribution System (PDS) in India** is the world's largest food security program, aimed at providing subsidized food grains to the poor. It is jointly managed by the **Central Government** and **State Governments**:

- **Central Government** (via FCI) handles procurement, storage, and bulk allocation.
- **States** manage identification of beneficiaries, distribution through **5.37 lakh Fair Price Shops (FPSs)**, and ration card issuance



EVOLUTION OF PDS:

- **Origins during World War II (1940s)**: Introduced by the **British colonial government** during World War II after 1942-43 Bengal famines to control food inflation and shortages. It became a tool for ensuring food security in urban areas.
- **Establishment of the Food Corporation of India (1965)**: Under the **Food Corporations Act, 1964**, the **Food Corporation of India (FCI)** was established in 1965, aimed procurement of food grains at **Minimum Support Price (MSP)**, maintenance of buffer stocks, and distribution through state agencies. PDS became **universal**, supplying wheat, rice, sugar, and kerosene at subsidized prices.
- **Revamped Public Distribution System (RPDS) – 1992**: Introduced to improve reach in **remote, hilly, and tribal areas**. Adopted an **area-based approach** to cover disadvantaged regions with higher poverty levels. Marked the beginning of **targeted distribution**, recognizing that not all households needed equal support.
- **Targeted Public Distribution System (TPDS) – 1997**: A major reform shifting from a **universal** to a **targeted approach**. Beneficiaries classified into **BPL (Below Poverty Line)**, entitled to subsidized food grains and **APL (Above Poverty Line)** who continued to get food grains, but at higher prices. Based on the **Lakdawala Committee (1993-94)** estimates of poverty. However, TPDS was criticized for **exclusion and inclusion errors**.
- **Antyodaya Anna Yojana (AAY) – 2000**: Aimed at the “**poorest of the poor**” BPL families. Initially 25 kg/month of food grains at highly subsidized prices (₹2/kg wheat, ₹3/kg rice), later raised to **35 kg/month**. Covered **2.5 crore households** (~10 crore people).
- **National Food Security Act (NFSA) – 2013**: Landmark legislation making access to food a **legal right** under Article 21 (Right to Life). Coverage of **67% of population** (~81.35 crore people).

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Entitlement of **AAV households**: 35 kg/month and **Priority households**: 5 kg/person/month at subsidized rates. Ensured food security on a **rights-based approach**.

- **Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) – 2020**: Launched during **COVID-19 pandemic** to prevent hunger during lockdown. Provided **an extra 5 kg of free food grains** per person per month to all NFSA beneficiaries (AAV + PHH). Covered **81.35 crore people** alongside regular PDS entitlements.
- **One Nation, One Ration Card (ONORC)** initiative ensures portability of PDS benefits across states, aiding migrant workers.
- Technological reforms include **digitization of ration cards, Aadhaar authentication, GPS tracking of supplies, and ePOS machines**.

SIGNIFICANCE OF PDS SYSTEM IN INDIA:

Ensuring Food Security

- Provides subsidized **wheat, rice, sugar, and kerosene** (and in some states, pulses and edible oil) to millions.
- **NFSA 2013** legally entitled **81.35 crore people (67% of India's population)** to receive subsidized foodgrains.
- During COVID-19, **PMGKAY** distributed **1,118 LMT of free food grains (2020–22)** benefiting the poor and migrants.
- During the **COVID-19 pandemic**, the PDS prevented starvation by ensuring continued food supplies to 80+ crore citizens despite supply chain disruptions (FAO & World Bank reports praised India's model).

Poverty Alleviation & Nutritional Support

- By providing food at highly subsidized rates (₹2/kg wheat, ₹3/kg rice), PDS increases **disposable income** for poor households.
- Contributes directly to reduction in **hunger and malnutrition**. NFSA ensures at least **5 kg of food grains per person/month**.
- **Global Hunger Index 2023** ranked India **111/125 to 105/127 countries in 2024**, but PDS significantly cushions extreme hunger levels for the poorest.
- **Antyodaya Anna Yojana (AAV)** targeted 2.5 crore poorest households with **35 kg/month** food grains, reducing destitution among the most vulnerable.

Price Stabilization & Inflation Control

- By offloading grains from buffer stocks through PDS, government keeps market prices in check. Acts as a **safety valve** during inflationary pressures in cereals.
- During **2009 drought**, PDS ensured stability in rice and wheat prices despite production shocks.

Support to Farmers through Procurement

- PDS is backed by procurement at **Minimum Support Price (MSP)**. Ensures **income security for farmers** by guaranteeing purchase of wheat and rice.

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- **2022–23 procurement:** ~ 262 LMT of rice and 262 LMT of wheat procured for PDS distribution. Strengthens India's food sovereignty and reduces dependence on imports.
- Punjab and Haryana farmers heavily rely on MSP-procurement for PDS, forming the backbone of India's foodgrain supply chain.

Reducing Inequality & Promoting Social Justice

- Acts as a tool for **redistribution of resources** by subsidizing the poor at the cost of government expenditure. Strengthens Article 21 (**Right to Life**) by ensuring the **Right to Food**. Particularly beneficial to **marginalized groups**, women-headed households, and tribal populations in remote regions.
- Ensures food equity by redistribution among surplus and deficit states.
- **Chhattisgarh's PDS reforms (2007 onwards)** — universal access, doorstep delivery, digitization, and local oversight reduced leakages from 55% (2004–05) to less than 10% (2012), making it a model for other states.

Buffer Against Crises

- During **COVID-19**, the PDS fed ~80 crore people through **PMGKAY**.
- During **natural disasters (cyclones, floods, droughts)**, PDS becomes the first line of support.
- Helps prevent food riots and unrest, thereby ensuring political stability.

Women & Child Welfare

- Strengthens **nutrition schemes** like Mid-Day Meal Scheme and ICDS, which source grains from PDS.
- Indirectly improves **maternal and child nutrition** outcomes.
- PDS contributes to **SDG-2 (Zero Hunger)** and **SDG-3 (Good Health and Well-being)**.
- According to **NITI Aayog's SDG Index 2023**, states with better PDS coverage like **Kerala and Tamil Nadu** score higher on nutrition and hunger reduction.

It remains a **symbol of India's welfare state**, balancing **economic growth with social justice**.

CHALLENGES OF PDS SYSTEM IN INDIA:

Leakages and Diversion of Foodgrains

- Large-scale **pilferage and black marketing**. According to **Shanta Kumar Committee Report (2015)**, nearly **46.7% of PDS grain never reached beneficiaries**. Foodgrains are often diverted to open markets or smuggled across borders.
- A CAG audit (2013–14) found that in Uttar Pradesh, **foodgrains worth ₹2,500 crore** were diverted from PDS to black markets.

Exclusion and Inclusion Errors

- Beneficiaries are wrongly identified due to poor **BPL/APL categorization** and outdated socio-economic data.

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- **NITI Aayog (2016)** noted **exclusion errors of 12%** (poor excluded) and **inclusion errors of 23%** (non-poor included).
- Marginalized groups like **migrants and urban homeless** often remain outside the system.
- In Delhi during the COVID-19 lockdown, migrant workers without ration cards struggled for food until the state introduced temporary e-coupons.

Poor Quality of Foodgrains

- Beneficiaries often complain about **rotten, poor-quality grains**. **Storage losses** due to pests, moisture, and rodents in FCI warehouses.
- India loses about **10% of food grains annually post-harvest**, part of which is PDS stock.
- In 2010, the Supreme Court rebuked FCI for **rotting grains in godowns** while millions starved.

Regional Inequity

- PDS coverage and efficiency vary across states. States like **Tamil Nadu and Chhattisgarh** have **universal and efficient PDS**, while states like **Bihar and UP** face high leakages.
- **NFSA (2013)** covers 75% of rural and 50% of urban population, but state-wise allocation is often contested.
- Chhattisgarh's PDS reforms (doorstep delivery, digitization, vigilance committees) reduced leakages drastically to **<10%**, unlike Bihar where leakages are still **40%+**.

High Fiscal Burden

- India spends **₹2.05 lakh crore (2022-23)** on food subsidy, forming **~1% of GDP**. Subsidy bills have ballooned due to **buffer stock maintenance, MSP procurement, and transportation costs**.
- Shanta Kumar Committee estimated that only **₹1 given as subsidy translates to ₹0.36 worth of grain reaching beneficiaries**.
- In 2020-21, during PMGKAY, the **food subsidy bill doubled to ₹5 lakh crore**, straining fiscal space.

Inefficient Procurement & Storage

- Over-reliance on **rice and wheat procurement** leads to monocropping, further leading to **ecological issues** (Punjab's groundwater depletion).
- **FCI godowns** face storage shortages; 20-25 MT of excess stock often piled up.
- Punjab & Haryana produce **~60% of PDS rice**, despite being water-stressed states, creating **agro-ecological imbalances**.

Corruption and Weak Monitoring

- Fake ration cards, ghost beneficiaries, and weak accountability mechanisms. Lack of transparency in **ration shop functioning**.
- Digitization (e-POS, Aadhaar seeding) improved monitoring but exclusion errors increased due to biometric failures.

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- Jharkhand saw **several starvation deaths (2017–18)** linked to Aadhaar-based biometric authentication failures (Ranchi's Santoshi Kumari case).

Migrant & Mobility Issues

- Migrant workers often excluded due to **ration card portability issues**. Before **One Nation One Ration Card (ONORC)**, ration was not portable across states.
- **Economic Survey 2017** estimated **100 million migrants**, highlighting portability challenges.
- During the **COVID-19 lockdown**, millions of migrants could not access ration in destination states, leading to hunger until ONORC was fast-tracked.

Environmental & Health Concerns

- Focus on **rice and wheat distribution** neglects pulses, coarse grains, and millets → weakens nutritional security. Encourages **rice-wheat monoculture**, leading to soil degradation and GHG emissions.
- NFSA distribution of only cereals has limited impact on malnutrition (India still has **35% stunted children – NFHS-5**).
- **Odisha and Karnataka** began including millets in PDS (Ragi, Jowar, Bajra) to improve nutrition and support local farmers.

Technological Barriers

- Aadhaar-linked e-POS systems often fail due to **poor connectivity, fingerprint mismatch** for elderly and manual laborers. Creates new **exclusion risks**, particularly for vulnerable groups.
- In rural Rajasthan, several reports highlighted that elderly people and widows could not authenticate fingerprints, leading to denial of foodgrains.

WAY FORWARD:

Strengthening Targeting and Coverage

- Use **SECC (Socio-Economic Caste Census) data** and upcoming **Census 2027** for accurate identification of beneficiaries.
- **Shanta Kumar Committee (2015)** recommended reducing NFSA coverage from 67% to **40%** to focus on the most vulnerable.
- **Chhattisgarh PDS model** – universal access with transparency measures (SMS alerts, grievance redressal) reduced leakages to below 10%.

Reducing Leakages and Diversion

- GPS tracking of grain movement, AI-enabled surveillance in warehouses and **Social audits & vigilance committees** at village level.
- Justice Wadhwa Committee (2010) suggested **decentralised procurement and doorstep delivery** to reduce corruption.
- **Tamil Nadu's Universal PDS** – highly subsidised food for all ensures political and social accountability, reducing diversion.

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Enhancing Portability and Access

- Scale up **One Nation, One Ration Card (ONORC)** with 100% portability across states.
- During COVID-19, ONORC was a lifeline in states like Maharashtra, Delhi, and Karnataka.

Diversifying the Food Basket

- Integrate **nutri-cereals (millets), pulses, and fortified foods**. Support aligned with **International Year of Millets (2023)**.
- **Odisha's Millet Mission & Karnataka's PDS ragi distribution** improved nutrition and supported local farmers.

Financial Sustainability

- Shanta Kumar Committee advised shifting to **Direct Benefit Transfers (DBT)** in food subsidy (cash transfers in urban areas, in-kind in rural).
- **Brazil's Bolsa Família (now Auxílio Brasil)** provides direct cash transfers linked to nutrition and schooling outcomes.

Storage and Infrastructure Modernisation

- Upgrade **FCI warehouses**, promote **silos & cold storage chains** through PPPs.
- High Level Committee on Reorienting the Role of FCI (2015) called for modern storage and scientific grain handling.
- **Punjab silos project with Adani Agri Logistics** reduced storage losses significantly.

Technological Innovations

- **Aadhaar-based authentication + biometric seeding**, with **offline options** for vulnerable groups (elderly, widows). **AI-based demand forecasting** to prevent overstocking.
- **Andhra Pradesh e-PDS** system uses biometrics, GPS, and SMS alerts, drastically reducing fraud.

Linking PDS with Farmers' Welfare

- Procure from **local farmers** → reduces transport costs and ensures fair MSP returns.
- Promote **decentralised procurement** as recommended by the **Wadhwa Committee**.
- **Chhattisgarh's decentralised procurement** sourced from local farmers, boosting state agricultural growth.

Integrating Nutrition & Health

- Move from **food security** → **nutrition security**. Supply **fortified rice, iodised salt, fortified edible oils** through PDS.
- **WFP's fortified rice pilots in Odisha and Jharkhand** improved child nutrition indicators.

PRACTICE QUESTION:

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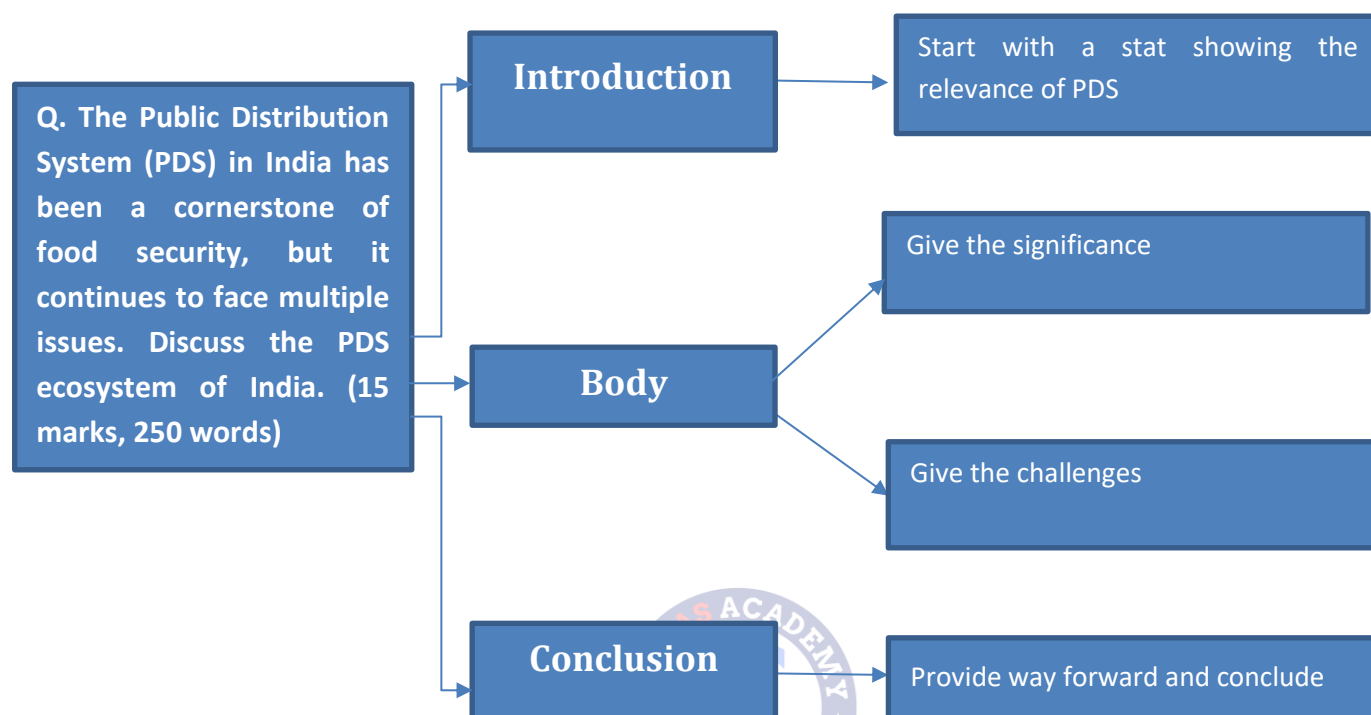
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Q. The Public Distribution System (PDS) in India has been a cornerstone of food security, but it continues to face multiple issues. Discuss the PDS ecosystem of India. (15 marks, 250 words)

APPROACH:



MODEL ANSWER:

India's Public Distribution System (PDS), the world's largest food security program, covers **81.35 crore people (67% of the population)** under the National Food Security Act (2013). Despite its crucial role in ensuring food security, it struggles with inefficiency, corruption, and sustainability concerns.

Significance of PDS

- **Food Security:** Prevented starvation; praised by FAO during COVID.
- **Poverty Alleviation:** ₹2/kg wheat & ₹3/kg rice enhance disposable income.
- **Price Stabilisation:** Acts as buffer against inflation (e.g., 2009 drought).
- **Farmer Support:** Procurement at MSP secures farmer incomes (262 LMT wheat & rice each procured in 2022-23).
- **Social Justice:** Benefits marginalised groups, women, tribal areas (Chhattisgarh model reduced leakages to <10%).

Challenges

- **Leakages & Diversion:** Shanta Kumar Committee (2015) → 46.7% grains diverted.
- **Exclusion/Inclusion Errors:** NITI Aayog (2016) → 12% poor excluded, 23% non-poor included.
- **Poor Quality:** Rotting grains in FCI godowns (SC rebuke, 2010).
- **High Fiscal Burden:** Food subsidy ₹2.05 lakh crore (2022-23), ~1% of GDP.
- **Regional Inequality:** Efficient in TN/Chhattisgarh vs. leakages >40% in Bihar.

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- **Environmental Issues:** Over-reliance on rice/wheat → groundwater depletion in Punjab & Haryana.
- **Tech Barriers:** Aadhaar-based ePOS failures led to starvation deaths in Jharkhand (2017–18).

Way Forward

- **Better Targeting:** Update SECC & Census data for accurate beneficiary lists.
- **Leakage Reduction:** GPS tracking, AI-enabled surveillance, social audits (Justice Wadhwa Committee, 2010).
- **Diversify Basket:** Include millets & pulses (Odisha Millet Mission, Karnataka's ragi distribution).
- **Financial Sustainability:** Explore DBT for urban areas (Brazil's Bolsa Família as a model).
- **Infrastructure Modernisation:** Silos & PPP storage (as per FCI Reorientation Committee, 2015).
- **Strengthen Portability:** ONORC full implementation for 100+ million migrants.
- **Nutrition Linkages:** Fortified grains via PDS; integrate with ICDS & Mid-Day Meal schemes.

The PDS remains vital for India's food and nutrition security, farmer welfare, and social justice. However, reforms focusing on **efficiency, transparency, diversification, and sustainability** are essential to transform it from **food security to nutrition security** while ensuring fiscal prudence and resilience.



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