

PRICES, WAGES AND PUBLIC DISTRIBUTION

4 Chapter

PRICES

One of the foremost concerns of Governments is to have a regular and periodic check on the movement of prices of essential commodities since a change in price level is likely to have an impact on the pattern of consumption of the consumer. This confers great importance on collection and analysis of prices. The Directorate of Economics and Statistics collects the prices of essential commodities from selected centres across the State on daily basis.

Rice, Red gramdal, Groundnut Oil, Tamarind (without seed), Red Chillies (dry) and Onions are the essential commodities that are being monitored. The State average daily retail prices of essential commodities are shown in Table 4.1.

Table 4.1 : State average daily retail prices of essential commodities

(Rs./Kg)

Commodity	Apr - Dec. 2011	Apr - Dec. 2012	Growth rate (%) of Apr-Dec.12 over Apr-Dec.11
Rice (II sort)	17.92	19.84	10.71
Redgramdal (II sort)	56.16	59.74	6.43
Groundnut Oil	91.42	114.14	24.85
Common Tamarind (Without seed)	75.96	55.59	(-)26.82
Red Chillies Dry (Gr II)	97.16	60.98	(-)37.24
Onions(Gr II)	11.36	10.80	(-)4.93

Source: Directorate of Economics and Statistics, Hyderabad.

A perusal into the trends of the data on prices reveals that the average daily retail prices of rice (II sort), Redgramdal (II sort) and Groundnut Oil have shown an increasing trend whereas prices of Common Tamarind

(Without seed), Red Chillies Dry (Gr II) and Onions (Gr II) have shown a decreasing trend in the period April to December 2012 compared to the corresponding period of last year.

Price Index is a statistical tool for measuring the relative change in price level with reference to time, geographical location and other characteristics. It is also considered as a barometer of economic activity.

Consumer Price Index is of great relevance for this purpose and is used as a device for measuring changes in the level of retail prices of goods and services consumed by concerned population segments. Industrial Workers and Agricultural Labour are the main population groups usually covered by these indices.

Consumer Price Indices for Industrial Workers

The Consumer Price Indices for Industrial Workers (CPIIW) Old Base 1982=100 was replaced with the New Base 2001=100 from January, 2006. Twelve centres in Andhra Pradesh were selected both for Central and State Series based on Industrial workforce for the construction and compilation of CPI Numbers for Industrial Workers with New Base 2001=100.

These centres are 1.Hyderabad, 2.Visakhapatnam, 3.Warangal, 4.Guntur, 5.Vijayawada, 6.Godavarikhani, 7.Vijaya-nagaram-Chittivalasa,8.Kakinada- Rajahmundry, 9.Jaggaihpeta - Miryalaguda, 10.Tirupati - Renigunta, 11. Kothagudem- Palwancha and 12. Nizamabad-Bodhan. Labour Bureau, Simla compiles the index for the first six selected centres since they are treated as Central Series, while the State Directorate of Economics and Statistics compiles the index covering the remaining six complex centres in Andhra Pradesh.

Consumer Price Indices for Industrial Workers increased by 10% both in the State and All India level during the period from April to November 2012 over the corresponding period of previous year. Details about the Consumer Price Indices for Industrial Workers from 2006-07 to 2011-12 and growth of indices during

the period from April to November 2012 over the corresponding period of previous year are shown in Table 4.2 below.

Table 4.2 : Consumer Price Index Numbers for Industrial Workers

(Base : 2001 =100)

Year	Andhra Pradesh	All India
2006-07	125	125
2007-08	132	133
2008-09	147	145
2009-10	168	163
2010-11	185	180
2011-12	195	195
Apr. to Nov.12	212	212
Growth rate(%) Apr. to Nov. 2012 over Apr. to Nov.,2011	10	10

Source: Labour Bureau, Simla.

Consumer Price Index Numbers for Agricultural Labour

The Labour Bureau, Simla compiles the Consumer Price Index Numbers for Agricultural Labour (CPI-AL) with 1986-87 as base year. The Table 4.3 given below indicates the indices during April to November 2012. The Consumer Price Index Numbers for Agricultural Labour increased by 7.57% in the State and 8.91% at All India compared to the corresponding period in previous year.

Table 4.3 : Consumer Price Index Numbers for Agricultural Labour

(Base : 1986-87 =100)

Year	Andhra Pradesh	All India
2009-10	534	513
2010-11	589	564
2011-12	654	611
2012-13 (Apr to Nov, 2012)	696	660
Growth rate of Apr to Nov, 2012 over Apr to Nov, 2011	7.57	8.91

Source: Labour Bureau, Simla.

Consumer Price Index Numbers for Rural, Urban and Combined.

The Government of India observed that Consumer Price Index (CPI) Numbers compiled and released for industrial workers, agricultural labourers and rural labourers, reflect the fluctuations in retail prices pertaining to these specific segments only and do not encompass all segments of the population and as such do not reflect the true picture of price behavior in the country.

It therefore wanted to have a new series of CPI for the entire urban population, viz. CPI (Urban), and CPI for the entire rural population, viz. CPI (Rural), which will reflect changes in price levels of various goods and services consumed by urban and rural population respectively.

Consequently, the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation recently introduced a new series of overall Consumer Price Indices for rural, urban and combined on base 2010=100 for all India and States/ Union Territories from January 2011. These new indices are compiled at State/UT and all-India levels.

The average Consumer Price Indices during April to December 2012 for rural and combined in Andhra Pradesh were less than that of India. The average indices for the period April to December 2012 in AP and All India are shown in Table 4.4.

Table 4.4 : Average Consumer Price Index Numbers for Rural, Urban and Combined (Apr-Dec.12)

(Base : 2010 =100)

Year	Andhra Pradesh	All India
Rural	121.53	123.36
Urban	120.74	120.51
Combined	121.21	122.12

Source: Central Statistics Office, New Delhi.

The Consumer Price Indices for rural, urban and combined for AP and All-India from January 2011 to December 2012 are given in Annexure 4.2.

WAGES

On account of various social and economical factors, agricultural labour and artisans in rural areas constitute the weakest segment of labour force. They are in the un-organized sector. Wages data is being collected from 82 centres spread over the State. Average daily wages

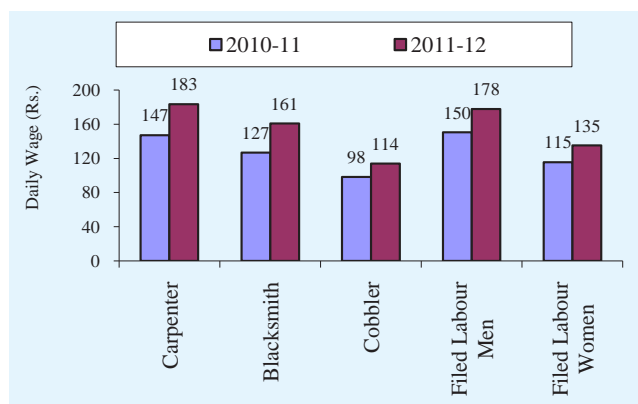
of artisans and field labour in the State are presented in Table 4.5 and depicted in the Chart 4.1 below.

Table 4.5 : State average daily wages of artisans and field labour (Rs.)

Category	2010-11	2011-12	Apr- Dec.12
Carpenter	147.13	183.40	240.59
Blacksmith	126.64	160.89	225.54
Cobbler	98.27	113.78	167.38
Field Labour			
Men	150.43	177.75	227.47
Women	115.34	135.17	150.83

Source: Directorate of Economics and Statistics, Hyderabad.

Chart 4.1 : State average daily wages of artisans & field labour



Source: Directorate of Economics & Statistics Department

The average daily wages of artisans and field labour (both men and women) increased during 2011-12 compared to the previous year. Similarly the wages also increased from April to Dec'12 compared to corresponding period of last year.

PUBLIC DISTRIBUTION

Fair Price Shops

There are 44,778 Fair Price shops functioning in the State as on 31.10.2012. Out of them 7,393 are in urban areas and 37,385 in rural areas. On an average, each shop has 535 cards / families. There is one shop for every 1,965 persons in Andhra Pradesh as against the Government of India norm of one fair price shop for every 2,000 persons.

Rationalization of Fair Price Shops

Rationalization of existing F.P. shops has been done to ensure effective functioning of PDS, and enable card holders have easy access to F.P. shops without having to travel long distances.

Rural areas: 400 to 450 BPL and 50 Pink ration cards are attached to each F.P.shop in rural areas.

Urban Areas: 500 to 550 BPL and 250 Pink ration cards are attached to each F.P. shop in urban areas.

Municipal Corporations: 600 to 650 BPL and 250 Pink ration cards are attached to each F.P. shop in Municipal Corporations.

Subsidy Rice scheme

Government of Andhra Pradesh attaches paramount importance to supply of rice at subsidized rate to below poverty line families through Targeted Public Distribution System (TPDS). Since 1.11.2011, rice is being supplied at Rs1/- per Kg, as against Rs.2/- per Kg supplied hitherto. It is an important constituent for the strategy for the upliftment Below Poverty Line (BPL) population. The endeavor of the Government is to implement TPDS effectively, efficiently and transparently to the best advantage of beneficiaries.

Kerosene

38,382 KLs. of Kerosene is being allocated per month for distribution to all BPL cardholders.

Issue of Iris-based Ration cards

Ration cards have been issued by using iris technology to cover all eligible families and to avoid duplicate/ ghost cards. The eligibility for obtaining white ration card is a limit of annual family income up to Rs.60,000 in Rural areas and upto Rs.75,000 in Urban areas. Guidelines prescribed by the Government of India have been followed regarding AAY and Annapurna schemes.

De-duplication and Cleansing of Ration cards through field verification

An integrated survey was taken up for weeding out bogus, duplicate and ineligible ration cards and rationalization of ration card database through out the state from August, 2009 in 4 phases in all districts. This was followed by grievance redressal mechanism process of Gram Sabha before the removal of cards. Details

about the ration card position is (as per dynamic key register up to Oct.2012) given in Table 4.6.

Table 4.6 : Ration Cards Position

1	White	1,74,93,192
2	AAY	17,22,775
3	Annapurna	93,200
4	Pink	29,94,431
5	Temporary Cards	26,40,048
	Total	2,49,43,646

Source : Civil Supplies Department.

About 17 lakh ration cards were deleted after survey. However, residual grievances, if any, are also being currently entered at the State level. About 9.00 lakh BPL cards were re-issued (missing in database). About 29.16 lakh temporary coupons were distributed to eligible families for drawing essential commodities pending capturing of biometrics in “Rachabanda” 1&2 conducted in 2011.

AADHAR

Unique Identification Authority of India

The UIDAI has a mandate to issue a unique identification number (UID) to all residents of India. This project is being implemented by the Government of India in coordination with State Governments.

Andhra Pradesh is one of the pioneering states in the country in implementation of Aadhar. So far 6.29 crore enrollments have been done out of which 5.3 crore Aadhaar numbers generated up to December, 2012.

Food and Civil Supplies Department is the Registrar for Aadhaar enrolment and has taken up enrolment of residents in 7 districts of Adilabad, East Godavari, Srikakulam, Chittoor, Anantapur, Rangareddy and Hyderabad. The IT&C department will complete enrolment in non-municipal areas of remaining 16 districts of the state.

The Government of India identified 5 districts of Hyderabad, Chittoor, East Godavari, Ananthapur and Ranga Reddy in the state on pilot basis for putting in place Aadhaar based service delivery system. It is proposing to roll out subsidy management in Kerosene, Pensions, Janani Suraksha Yojana, Scholarships, Financial inclusion, Kisan Credit Cards and MGNREGS wage disbursement through Aadhaar.

2nd phase-refresh strategy

25 permanent enrolment centers in East Godavari, and 15 permanent enrolment centres in Hyderabad were set up for completion of residuary enrolments. The agencies are permitted to continue enrolments under Refresh Strategy in Srikakulam, Rangareddy and Adilabad. It is also proposed to set up enrolment centres in Chittoor and Ananthapur districts.. Permanent enrolment centers are to be established in Mee-seva centers under the control of IT&C at least one in every mandal head quarter. Ideally each mee-seva centre should offer this service. District Collectors identify the places and coordinate with IT&C department. AP is carrying out an online pilot in East Godavari and Hyderabad and offline pilot in Ananthapur.

Point of sale solutions using Aadhar online authentication provided by UIDAI

The Government of India has formulated guidelines for end-to-end computerization of TPDS in compliance with the directions of the Supreme Court. The State Government introduced the Point of Sale solution using online authentication service provided by UIDAI for sale and distribution of commodities to BPL beneficiaries.

Procurement of Paddy, Maize and Other Coarse Grains/ Pulses at Minimum Support Price

Minimum Support Price is being ensured to farmers for their produce. The Government relaxed the specifications for purchase of paddy imposing cuts in the value / MSP to facilitate disposal of paddy which does not conform to specifications.

It has been made mandatory on the rice millers that they purchase paddy of Fair Average Quality (FAQ) at a price not less than minimum support price of Rs.1280/- per quintal for Grade A and Rs.1250/- per quintal for common paddy. Only rice millers who purchase FAQ paddy at a price not less than MSP and above or non – FAQ paddy with value cuts as prescribed by the Government are permitted to deliver levy to the Food Corporation of India. Details about the procurement of paddy by Government agencies under MSP operations are shown below:

152.04 Lakh MTs of Paddy was procured by the Government agencies and rice millers in 2011-12. Details about procurement and distribution of Rice in 2011-12 and 2012-13 are shown in Table 4.7.

Table 4.7 : Procurement and Distribution of Rice

Year	Procurement during Crop year (incl.CMR) (Lakh MTs)	Distribution during Financial Year (Lakh MTs)
2011-12	73.56	41.69
2012-13 (as on 15.11.2012)	0.59	19.42

Source : Civil Supplies Department.

Market Intervention Scheme

The public distribution system distributes Palmolein Oil, Redgramdal to BPL cardholders to control prices in the open market and offer assistance to BPL families against rising prices.

Palmolein Oil

The Civil Supplies Corporation purchases imported RBD Palmolein oil under Government of India subsidy

scheme and makes it available for distribution through PDS to BPL families at subsidized rates. All BPL card holders are being supplied 1 litre per card at Rs.40/- per litre. 6,65,978 MTs. Palmolien Oil has been distributed through PDS since July, 2008.

Redgramdal

The Civil Supplies Corporation makes Redgramdal available for distribution to BPL families at subsidized rates through the PDS. Redgramdal is being allotted to all BPL cardholders at Rs.50/- per kg at the rate of 1kg per family w.e.f. December 2010. 2,55,288 million tonnes of Redgramdal has been distributed through PDS since July, 2008. The scheme was run on subsidy from both Government of India and State Government. Government of India subsidy scheme expired on 31-03-2012. Presently the scheme is being run by the State Government at a subsidy of Rs.10/ per Kg.