



CHAPTER **4** PRICES  
WAGES AND  
PUBLIC DISTRIBUTION

## Prices

Demand as well as supply, both factors are responsible for change in prices of essential commodities. It is therefore important for the government to have a 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 common man. Apart from increasing population which itself is a major cause of rising demand, changing food habits also give push to demand

pull inflation. Prices will also be impacted by various activities resulting in a spike in consumption of certain products. Similarly, there are supply side concerns resulting in the short supply of commodities consequently pushing the prices up. The Directorate of Economics & Statistics collects prices of essential commodities.

Monitoring of prices of six essential commodities from selected centres across the state on daily basis is being done for tracking the changes. 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)

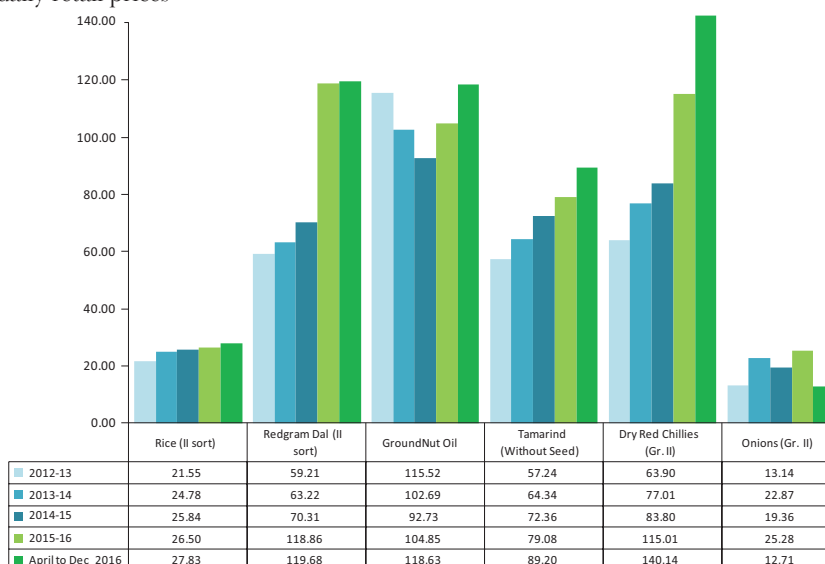
Commodity	2015 -16 (Apr to Dec 2015)	2016 -17 (Apr to Dec 2016)	Variation (%) of Apr – Dec 2016 over Apr - Dec 2015
Rice (II sort)	26.40	27.83	(+) 5.42
Redgramdal (II sort)	117.25	119.68	(+) 2.08
Groundnut Oil	104.48	118.63	(+) 13.55
Common Tamarind (Without seed)	78.05	89.20	(+)14.29
Red Chillies Dry (Gr II)	107.78	140.14	(+) 30.03
Onions(Gr II)	28.35	12.71	(-)55.14

Source: Directorate of Economics and Statistics, Hyderabad.

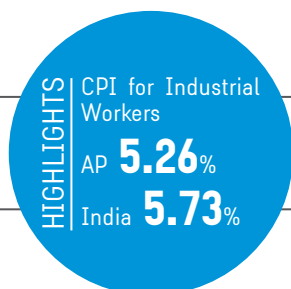
Recent price trends indicate that the average daily retail prices of essential commodities have shown an ascendancy. Out of the six essential commodities, except Onions (Gr.II), five commodities have shown increasing trend during the period from April to Dec 16 compared to the corresponding

period of last year. The year-wise average daily retail prices of six essential commodities from 2004-05 to April to Dec 16 are shown in Annexure - 4.1. and from 2012-13 (Aprl to March) to April to Dec 2016 are shown in the following chart 4.1.

Chart 4.1. Average daily retail prices



Source: Directorate of Economics and Statistics, Hyderabad



## Price Index- an economic barometer

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 different population segments. Industrial workers and agricultural labour, rural labour from the main population groups are usually covered by these indices.

## Consumer Price Indices for Industrial Workers

The Consumer Price Indices for Industrial Workers (CPIIW) are being constructed and compiled at the new base 2001=100. The data is collected from from seven centres selected in Andhra Pradesh under central and state series based on Industrial workforce.

The CPIIW related centres are: 1.Visakhapatnam 2.Guntur 3.Vijayawada 4.Vijayanagaram-Chittivalasa 5.Kakinada-Rajahmundry 6.Jaggaiahpet and 7.Tirupati – Renigunta. Labour Bureau, Simla compiles the index for the first three centres since they come under central series, while the State Directorate of Economics and Statistics compiles the indices covering the remaining four complex centres in Andhra Pradesh.

Consumer Price Indices for Industrial Workers grew by 5.26% and 5.73% in the State and All India level respectively during the period from April, 2016 to Oct,2016 over the corresponding period of previous year. Details about the Consumer Price Indices for Industrial Workers from 2006-07 to 2016-17 and growth of indices during the period from April, 2016 – October, 2016 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	198	195
2012-13	219	215
2013-14	239	236
2014-15	257	251
2015-16	269	265
2016-17 (Apr to Oct)	280	277
Growth rate (%) April to Oct'2016 over April to Oct,2015	5.26	5.73

Source: Labour Bureau, Simla

Note:CPI-IW from 2006-07 to 2010-11 is for combined AP

## CPI Numbers for Agricultural Labour

The Consumer Price Index Numbers for Agricultural Labour (CPI- AL) with 1986-87 as base year are compiled by the Labour Bureau, Simla, The Table 4.3 given below gives the indices during April, 2016 to November, 2016 and the data relates to the combined state of Andhra Pradesh. The Consumer Price Index Numbers for Agricultural Labour increased by 5.74% in the State(Combined AP) and 4.96% for All India compared to the corresponding period in the previous year.

**HIGHLIGHTS**  
 CPI for Agricultural Labour  
 AP **5.74%**  
 India **4.96%**

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	711	672
2013-14	805	750
2014-15	860	800
2015-16	914	835
2016-17(Apr to Nov)	956	870
Growth rate (%) April to Nov'2016 over April to Nov'2015	5.74	4.96

Source: Labour Bureau, Simla.

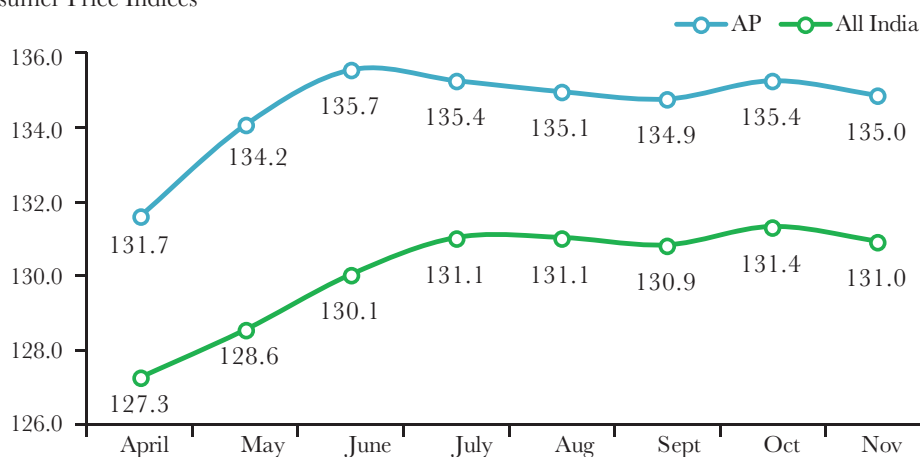
### CPI Numbers - Rural, Urban and Combined

Since the Consumer Price Index (CPI) Numbers reflect the fluctuation in retail prices pertaining to specified segments such as industrial workers, agricultural labourers and rural labourers only and do not encompass all segments of the population, these numbers do not capture the holistic picture of price behavior in the country. Thus, in order to reflect changes in price levels of various goods and services consumed by respective population groups in rural and urban areas, a new series of CPI for the entire urban population, viz. CPI (Urban), and CPI for the entire rural population, viz. CPI (Rural) are compiled.

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has revised the base year of the Consumer Price Index (CPI) from 2010 to 2012 with effect from 2015 for release of indices and the new base is being followed by the States & UTs.

The average indices for the period April to November, 2016 in AP and All India are shown in Chart 4.2, Table 4.4 and month wise index given in Annexure 4.2.

Chart: 4.2 Consumer Price Indices



Source: Directorate of Economics and Statistics



Table 4.4: Average Consumer Price Index Numbers for Rural, Urban and Combined

(Base: 2012 =100) (Apr.-November.2016)

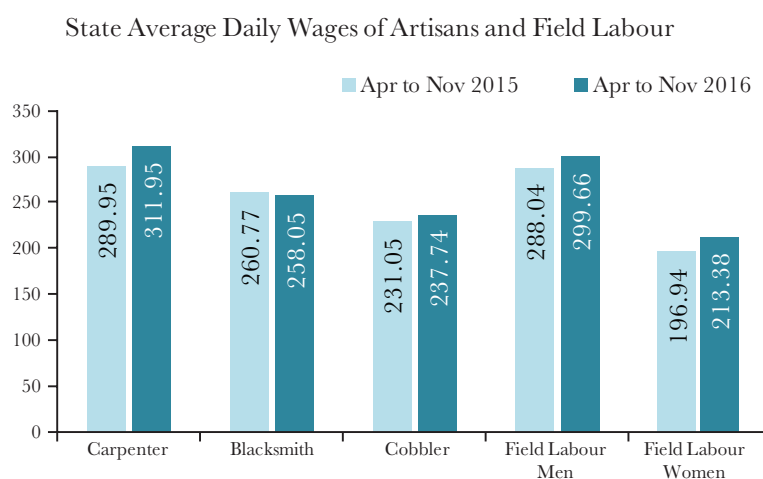
Year	Andhra Pradesh	All India
Rural	136	132
Urban	132	128
Combined	135	130

Source: CSO, New Delhi, Note: Index is for AP (13 districts)

### Wholesale Price Index

Wholesale Price Index (WPI) serves as an important determinant in formulation of trade, fiscal and other economic policies by the government. It is also used by banks, industry and business circles. It is released on monthly basis by the office of the Economic Adviser, Ministry of Commerce & Industries, GOI. It covers 676 commodities, of which 102 are from 'Primary Articles' group, 555 from 'Manufactured Products' group and 19 from 'Fuel and Power' group. WPI for 'All Commodities' increased from 177.8 in Apr 2016 to 183.1 in Nov 2016. It increased from 251.9.6 to 259.4 for Primary Articles group and from 155.5 to 157.9 for Manufactured Products and from 175.4 to 190.7 for Fuel & Power group during the same period.

Chart: 4.5 Average daily wages(Rs.) of artisans and field labour



Source: Directorate of Economics and Statistics

## Wages

Agricultural labour and artisans constitute the weakest segment of rural labour force in the un-organized sector. 'Wage' data is collected from 44 centres spread over the State covering 42 divisions and 23 occupations. Average daily wages of artisans and field labour in the State are presented in Table 4.5 and depicted in the Chart 4.6 below.

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

Category	April to Nov 2015	April to Nov 2016
Carpenter	289.95	311.95
Blacksmith	260.77	258.05
Cobbler	231.05	237.74
Field Labour		
Men	288.04	299.66
Women	196.94	213.38

Source: Directorate of Economics and Statistics

The Average Daily Wages of Artisans and Field Labour (both men and women) in general, except Blacksmith category, have increased during April - Nov 16 compared to the corresponding period of previous year.

## Public Distribution

### Fair Price Shops

29,054 Fair Price (FP) shops are functioning in the State as on 31.12.2016. On an average, each shop serves 450 cards/ families. There is one shop for every 1,725 persons in Andhra Pradesh vis- à-vis the Government of India's norm of one shop for every 2,000 persons. There are about 141.99 lakh cards in the state, of which, 99.87 lakh are in Rural areas and 42.12 lakh are in Urban areas.

### Subsidy Rice Scheme

At present a quantity of 2.17 lakh MTs of Rice (0.32 Lakh MTs for AAY families & 1.85 Lakh MTs to priority house hold families) is being allotted every month for distribution at subsidized rates @ Rs.1/- per Kg to cater to the need of 1.41 crore BPL families. Government is attaching highest importance to provide food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a dignified life.

Government of India is allocating 31796.42 MTs of rice per month under AAY @ Rs.3,000/- per MT, 122351.62 MTs of rice under priority category @ Rs.3,000/- per MT and 1838.97 MTs of rice under Tide over category @ Rs.8,300/- per MT for distribution to all the eligible card holders under NFSA,2013.

119 MTs of rice is being supplied to beneficiaries under Annapurna scheme for distribution @ 10 kgs. per beneficiary per month free of cost. In addition to Rice, the following commodities are supplied to the BPL card holders, every month.

Sl No	Name of the Commodity	Quantity @ 1 packet per each BPL card	Consumer price per each packet (in Rs.ps)	Quantity allotted (in MTs)
1	Sugar	½ kg	6.75	7100
2	Wheat	1 kg	7.00	14199
3	Wheat Atta	1 kg	16.50	
4	Redgram dal to the BPL card holders in ITDA areas	1 kg	40.00	217
5.	Kerosene	4Lts. in Municipal Corporations. 2Lts. in Mandal Headquarters & Municipalities. 2Lts. in Rural areas. 1 liter for LPG & Deepam holders in all areas	Without LPG Rs.15.00 per liter. With LPG Connection Rs.19.00 per liter	17,040 (KLs)

Source: Civil Supplies Dept.

### Kerosene

17,040 KLs of Kerosene is being allocated per month for distribution to all BPL cardholders.

### Ration Cards

Category-wise ration cards in existence in the State during the month of February, 2017 are given in the following Table 4.6 and district wise card position is given in Annexure 4.3.

Table 4.6 : Ration Cards Position(number)

1	White ration cards	132.63
2	Annapurna	0.12
3	Antyodaya Anna Yojana Cards	9.24
	Total	141.99

Source: Civil Supplies Dept.

### National Food Security Act,2013

The State Government is implementing the National Food Security Act, 2013 enacted by the Government of India with effect from 01.04.2015. In all, 2.68 crore persons are identified under NFSA and Holograms stickers were affixed to the ration cards of all identified households under NFSA, 2013.

### Integrated Child Development Services (ICDS) Scheme

Integrated Child Development Services (ICDS) Scheme is a unique early childhood development programme aimed at addressing health, nutrition and development needs of young children, pregnant and nourishing mothers. Under Supplementary Nutrition Programme to Anganwadi Centers, essential commodities like Rice, Dal and Oil are being procured from various sources.

The Government (Women, Children, Disabled & Senior Citizen Department) issued orders to procure and supply of Rice, Dal and Oil to the Anganwadi Centers from the Civil Supplies Department through the F.P. Shop network directly to the Anganwadi Centers through ePoS.

### End-to-end Computerisation of TPDS Operations

The Government of India has taken up modernization including 'End-to-end Computerisation of Targeted Public Distribution System (TPDS) operations' with a view to address challenges such as leakages and diversion of food grains, fake and bogus ration cards, inclusion and exclusion errors, lack of transparency, weak grievance redressal & social audit mechanisms, etc.

Andhra Pradesh is the first State in the country to implement FP Shops Automation under the Scheme "End-to- End Computerization of TPDS Operations". Out of the total, 29,054 F.P. Shops, 28,445 F.P.Shops are functioning through ePoS Devices-cum-Electronic Weighing Machines. 28,422 Iris readers were also integrated to ePoS devices for authentication whenever biometric authentication is not successful. With the implementation of FP Shops Automation, the savings in essential commodities noticed are shown in Table 4.7

Table 4.7 Savings after Implementation of e-PoS

Sl. No.	Commodity	Qty saved (in MTS)	Value of savings noticed (Rs. in crores)
1	Rice:	314522.286	957.65
2	Sugar	14224.766	22.60
3	Wheat	7518.287	11.65
TOTAL:		336265.339	991.90

Source: Civil Supplies Dept.

### Installation of Global Positioning System

The State Government is implementing GPS/GPRS-based vehicle tracking system to monitor the movement of essential commodities from MLS Points to FP Shops (Stage II movement) to prevent diversion of essential commodities and for ensuring greater transparency in distribution of ECs under PDS.

### F.P. shops Portability within district

To leverage of technology to the benefit of BPL cardholders, government has introduced F.P. shops portability system in the state in May, 2015. Under this system, the ration cardholder can draw essential commodities from any ePoS enabled F.P. shop irrespective of having his / her ration card number in Dynamic Key Register of a particular ePoS enabled F.P. shop.

## PRICES WAGES AND PUBLIC DISTRIBUTION

## Aadhaar SCHEME (Unique Identification Authority of India (UIDAI))

This scheme is being implemented by the Government of India in coordination with the State Governments. The Consumer Affairs, Food & Civil Supplies Department is one of the State Registrars appointed by the UIDAI. 507.01 lakh UIDs are generated so far.

## Kaizala – A Messaging and Productivity Application

Kaizala, a Microsoft Garage Project, is a messaging and productivity App that helps to get the work done quickly with built-in actions while chatting. Whether it is a small business team or a community with a large number of people, Kaizala helps to achieve results faster. No need to have a computer or laptop for use of Kaizala app.

Kaizala provides following capabilities:

- Setup hierarchy of groups for the community to broadcast messages to everyone as well as enable chatting among members;
- Create, send and respond to actions to complete common tasks quickly;
- Get information at the finger steps with built-in summary on action cards;
- Chat privately in a small group, in a mega-group or 1:1 with colleague.
- Android 4.4 and above Version smart phone with at least 2G Internet connection

Kaizala Application of Microsoft is being used in Civil Supplies department and A.P. State Civil Supplies Corporation Limited by forming different groups of officials including F.P. Shop Dealers for the monitoring of day-to-day activities

## Cash less Transactions

Aadhaar enabled cashless transactions has been taken up from 1st Dec, 2016 in all FP shops functioning with ePOS devices to facilitate the card holders by avoiding hardship for purchase of essential commodities with smaller denominations. Cashless Aadhaar Enabled Payment

System is being implemented in 21,349 FP shops. No Service charges are being collected by the bankers in the process of cashless transactions. The shops/ cardholders who are not ready to implement cashless transaction, ECs are distributed on credit basis for the month of December and the credit to be recovered in ensuing month.

## Market Intervention Scheme

Whenever there is abnormal hike in prices, review of prices of selected essential commodities, their availability and measures to be taken up to control prices and to ensure availability of commodities at affordable prices, is taken up through market intervention by government under the scheme..

## Redgram dal and Urad dal

Government of India has allotted 11,421.844 MTs of Redgram (Tur) @ Rs.66/-per kg. for retail distribution of the Redgram dal not more than Rs.120/- per kg. The Government issued orders for distribution of Redgram dal to the Tribal Families in Agency Areas @ (one) 1 kg per family at the rate of Rs.40/- per kg from November 2016. onwards. So far 365 MTs of Redgram dal has been distributed. Orders issued for distribution of Urad (Blackgram dal) to the BPL families @ Rs.70/- per kg. So far 81 MTs of Urad dal has been distributed.

## Chandranna Christmas Kanuka 2016/ Sankranthi Kanuka 2017

Government has supplied (6) commodities i.e., Redgram Dal ½ kg, P.Oil ½ liter, Chana dal ½ kg, Jaggery (in tin) ½ kg, Wheat Atta 1kg, and Ghee 100 ml, in a carry bag as festival Special Gift Pack to all 1.41 crore BPL families at free of cost on the eve of Christmas / Sankranthi festivals. The commodities under Chandranna Christmas / Sankranthi Kanuka are supplied through ePoS devices in a packed form in the presence of Janmaboomi Committee members.

## Deepam

There are 40.49 lakh Deepam connections in the state