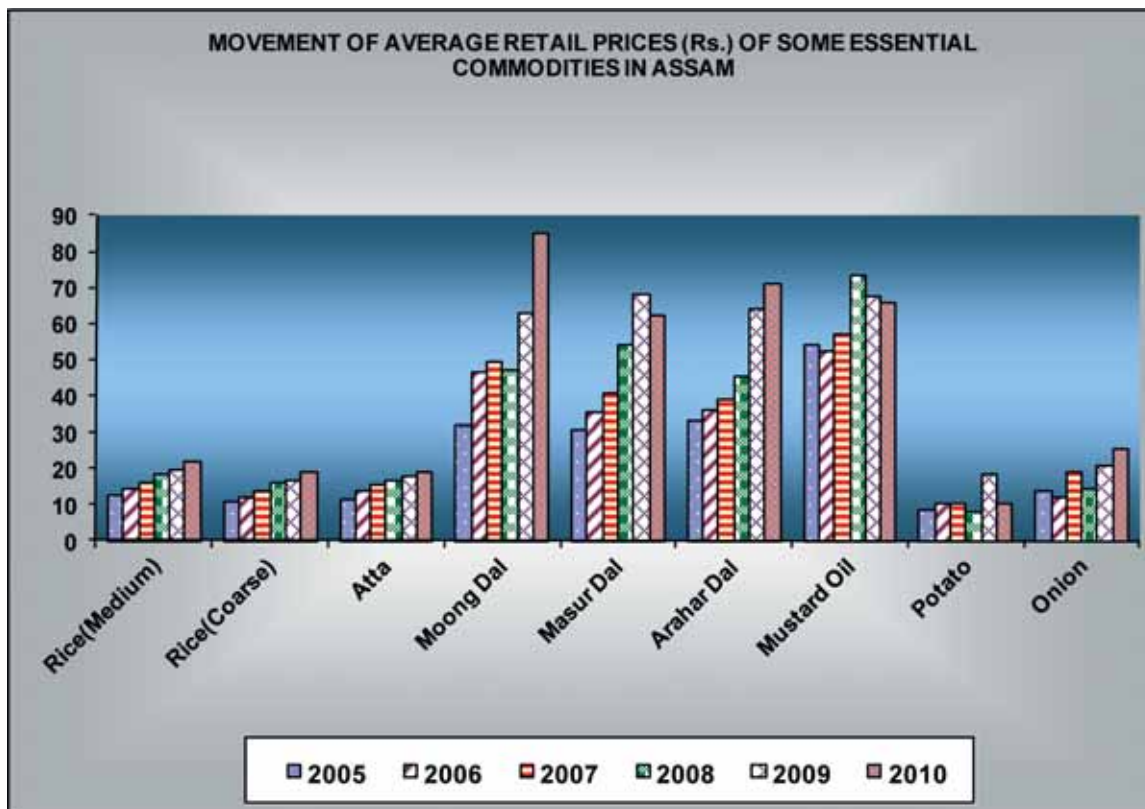


CHAPTER XVI

PRICES AND PUBLIC DISTRIBUTION SYSTEM

The stability in price level has a direct impact on the economic development of the economy of a state. Rising prices lead to increase in the inequalities of incomes. It also affects the fixed income groups of the society. For the last couple of years the state in particular and the country as a whole is experiencing high price rise. The upward movement of the price level in Assam as evident in different price indices as well as from retail price movement is briefly analysed in the following paragraphs.

Average retail prices of some essential commodities recorded a more or less rise of prices during the year 2010. Prices of Rice, Atta, Masur and Aarahar fluctuated around 2 percent and price of Moong oscillated in the range around seven percent. During the later part of the year, a high price rise was noticed in case of Potato and Onion. While the price of Potato recorded more than 20 percent increase during the month of June 2010, the price of Onion increased more than 40 percent in the month of November 2010. The movement of average retail prices of some essential commodities from 2005 to 2010 is depicted in the graph below.



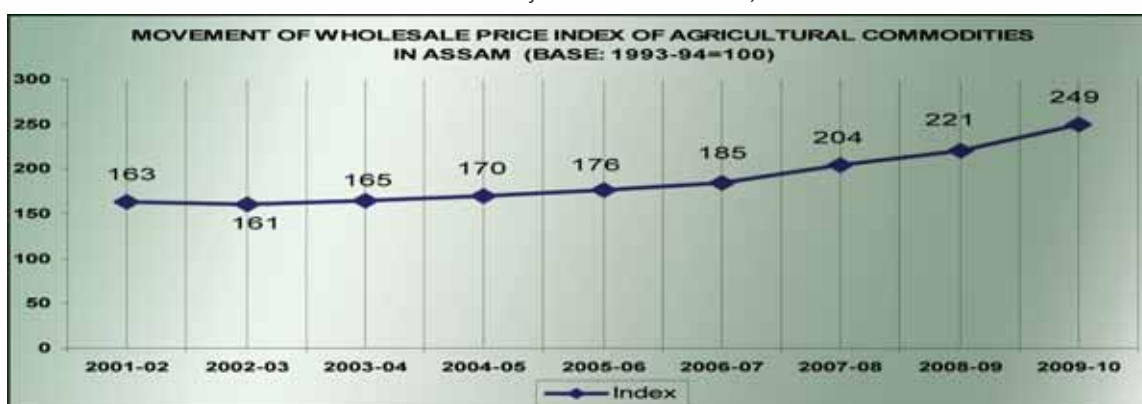
Wholesale Price Index Number for Agricultural Commodities

The annual average of Wholesale Price Index of Agricultural Commodities in Assam (Base 1993-94=100) stood at 249 in 2009-10 as against 221 in 2008-09 and 204 in 2007-08. The Index thus displayed the increase of prices of 12.67 per cent in 2009-10 over 2008-09 as against 8.33 percent increase in 2008-09 over the previous year. As per available information, the Wholesale Price Index of Agricultural Commodities in Assam increased by 5.34 percent during the period April 2010 to December 2010. Table at 16.1 shows the movement of Wholesale Price Index of Agricultural Commodities in Assam for last few years.

TABLE-16.1
INDEX NUMBER OF WHOLESALE PRICES OF AGRICULTURAL COMMODITIES IN ASSAM
(Base 1993-94=100)

Year	Index	Price Change over the year (in percentage)
2001-02	163	-
2002-03	161	(-)1.23
2003-04	165	2.48
2004-05	170	3.03
2005-06	176	3.53
2006-07	185	5.11
2007-08	204	10.27
2008-09	221	8.33
2009-10	249	12.67

Source: Directorate of Economics and Statistics, Assam



Consumer Price Index for Working Class Population

The average Consumer Price Index for Working Class Population for the State is compiled by the Directorate of Economics and Statistics, Assam taking into account the weighted average of the indices of the three centre viz., Guwahati, Silchar, and Tinsukia. The annual average of Consumer Price Index for Working Class Population (Base 2001=100) in Assam increased by 10.81 percent in 2010 and 10.45 percent in 2009 over the previous year. The centre-wise increase is comparatively high in Silchar (14.84%) followed by Guwahati (9.09%) and Tinsukia (8.84%).

TABLE-16.2
CONSUMER PRICE INDEX NUMBER FOR WORKING CLASS POPULATION IN ASSAM

(Base 2001=100)

Year	Guwahati	Silchar	Tinsukia	Assam
2006	115	121	116	117
2007	120 (4.35)	130 (7.44)	125 (7.76)	125 (6.84)
2008	128 (6.67)	143 (10.00)	133 (6.40)	134 (7.20)
2009	143 (11.72)	155 (8.39)	147 (10.53)	148 (10.45)
2010	156 (9.09)	178 (14.84)	160 (8.84)	164 (10.81)

(Figures in bracket indicate the percentage change over the previous year.)

Consumer Price Index for Industrial Workers

The Consumer Price Index for Industrial Workers with base 2001=100 is constructed and compiled by taking weighted average of the indices for the five centres, the weights being Guwahati (23.86), Doomdooma (Tinsukia) (18.98), Labac (Silchar) (19.51), Morioni (Jorhat) (18.70) and Rangapara (Tezpur) (18.95). During the year 2010 the CPI for Industrial Workers in Assam increased 9.52 percent as against 12.10 percent at all India level over 2009. The rate of increase of the Index in different centres in 2010 is higher by 14.84 percent in Labac, followed by 9.09 percent in Guwahati, 8.84 percent in Doomdooma 7.48 percent in Morioni and 6.94 percent in Rangapara over the previous year.

TABLE-16.3

CONSUMER PRICE INDEX NUMBER FOR INDUSTRIAL WORKERS IN ASSAM AND INDIA

(Base 2001=100)

Year	Guwahati	Morioni	Doomdooma	Labac	Rangapara	Assam	All India
2006	115	116	116	121	114	116	123
2007	120	127	125	130	126	125	131
2008	128	133	133	143	131	133	142
2009	143	147	147	155	144	147	157
2010	156	158	160	178	154	161	176

Source: Directorate of Economics and Statistics, Assam

Consumer Price Index for Agricultural Labourers (CPI-AL)

The Labour Bureau, Simla compiles the CPI-AL with base year 1986-87. During the period April 2010 to January 2011 the CPI-AL (Base 1986-87=100) of Assam increased by 12.05 percent as against 8.0 percent increase at All India level. CPI-AL for last few years is given in Table-16.4.

TABLE-16.4

CONSUMER PRICE INDEX FOR AGRICULTURAL LABOURERS

(Base 1986-87=100)

Year	Assam	India
2005-06	362	358
2006-07	388	388
2007-08	417	417
2008-09	450	462
2009-10	507	517
Percentage Change in 2009-10 over 2008-09	12.67	11.90

Public Distribution System

The Food, Civil Supplies and Consumer Affairs Department of the State was constituted to give solace to price rise by increasing supply of goods and a transparent public distribution system of essential commodities so that the vulnerable sections of the population and the society as a whole are benefited. Presently the following schemes are being implemented by the department for welfare of the masses.

Fair Price Shops: The State has a network of 34,536 Fair price shops as on March, 2010 out of which 30,506 are located in rural areas and 4,030 in urban areas. On an average, each shop covers 898 persons.

The present monthly requirement, allocation and off-take of commodities for Public Distribution System for the State are shown in Table-16.5.

TABLE-16.5
REQUIREMENT, ALLOCATION AND OFF-TAKE OF PDS ITEMS IN ASSAM

(In metric tons)

Items	Monthly Requirement		Monthly Allocation (average)		Monthly Off-take (average)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
1	2	3	4	5	6	7
RICE	174363	174363	98491	98490	97937	98226
WHEAT	46137	46137	18697	18697	18460	18116
L/SUGAR	22050	22050	18451	18463	12412	18235
S.K. OIL	44125	44125	21489	21475	21488	21472

Source: Directorate of Food & Civil Supplies, Assam

The Above Poverty Line (APL) Schemes: At present there are 43.94 lakh APL families in the State out of which 39 lakh families are provided with APL rice, S.K. Oil, L/Sugar and Iodized salt as per quantum of allocation in each month.

The Below Poverty Line (BPL) Schemes: The State has achieved the given target of selecting 19.06 lakh beneficiaries from BPL families by providing distinct ration cards and also providing BPL PDS items at subsidized rates. Out of 19.06 lakh selected beneficiaries 12.02 lakh of beneficiaries take benefits as BPL families and the rest 7.04 lakh of beneficiaries are included under AAY category families as per directions and guidelines of the Central Government.

The Antyodaya Anna Yojana (AAY): The Scheme is in implementation in the State since November 2001 as per guidelines of the Govt. of India. At present there are 7.04 lakh families under AAY category. Under this scheme, the selected beneficiaries are provided with 35 Kg. of Rice per family per month at a highly subsidized rate of Rs.3.00 per Kg. The transportation charge @ Rs.30.00 per quintal for carrying AAY Rice from the FSD of FCI to the various outlets for distributing the Rice amongst the selected beneficiaries is provided by the State Government under Non-plan head to the PDS nominees.

Village Grain Banks Scheme: To provide food security to the BPL families, the State Government has implemented the Village Grain Banks Scheme by setting up 100 nos. of Grain Banks in chronically flood and natural calamities effected areas. Every VGB were allotted 40 Qtls. of rice. The scheme is being implemented by the Deputy Commissioners in their respective districts. The necessary fund for the Village Grain Banks is shared by both the Central and State Govt. under Non-plan head.

Consumer Protection Affairs: Under the provisions of Consumer Protection Act 1986, the Food and Civil Supplies Department being the State Nodal Centre has one State Commission with Head Quarter at Guwahati and eight numbers of regular District Forum and another fifteen numbers of part time District Fora in rest of the Districts to dispose off the cases and complaints lodged before the Commission/Fora as per the provisions of the aforesaid Act.

At present, the complaints value at per Rupees Twenty lakhs may be filed in District Fora, the State Commission undertakes the complaints valuing Rupees Twenty lakh to Rupees One crore and National Commission is taking care of the complaints valuing Rupees One crore and above for necessary redressal.

Several Consumer Clubs are proposed to be set up at various schools of the State with an intention to

provide knowledge to the student community to safeguard them from the exploitation from scrupulous businessmen.

Randhan Jyoti Scheme: The scheme is in implementation in the State since August 2003. The State has already implemented 1st, 2nd, 3rd, and 4th phase of the scheme by providing LPG connection at free of cost to 1,68,221 numbers of person selected from BPL families in order of preference of widow, women members of the Self-Help groups and any other female members of the BPL families of lower income groups. This scheme is sponsored by the State Government. The 4th phase of the scheme with a financial grant of Rupees One hundred fifty lakh is already completed covering a target of 8,726 nos. of selected beneficiary families in the State.

The 5th and 6th phase of Randhan Jyoti Scheme is in the process of implementation. For the 5th phase of the scheme, a sum of Rupees Two hundred lakh has already been drawn by the Department for giving benefit to 11,514 numbers of new beneficiary families.

Jana Kerosene Pariyojana: The Ministry of Petroleum and Natural Gas has launched a pilot project viz. Jana Kerosene Pariyojana in the country to ensure timely supply of required S.K. oil to the rural consumer at fair price. The project was launched in Assam on 2nd of October 2005 covering 34 blocks in 35 S.K. oil agents of the State. The wholesalers have been provided 150 to 250 numbers of specially painted Jana Kerosene logo bearing barrels to ensure supply of the commodity to the consumers.

The State Level co-ordinator of Oil Marketing Companies of Assam monitors the entire progress of the scheme.

Mukhya Mantrir Anna Suraksha Yojana: Under the Targeted Public Distribution System (TPDS), a total of 19.06 lakh numbers of families are covered as per target fixed by the Planning Commission of Govt. of India based on the population as well as family status of 1993-94 and no extra target for inclusion of more deserved families is taken into consideration by the Central Govt. Hence, to bring the deserved poor families i.e. lowest strata of APL families under the ambit of food security, the Anna Suraksha Yojana is launched under the leadership of Hon'ble Chief Minister of Assam.

At present the scheme is envisaged to cover 13,00,000 families amongst the poorest and most economically backward of the APL families. Such identified families will be provided Ten kgs of subsidized rice at the rate of Rupees Six per kg to each beneficiaries upon production of distinctive Ration card to be issued by the concern department. In rural areas, the beneficiaries are selected by the selection committee comprising of Block Development Officer as Chairman and another five members including one PRI member and two social workers and in urban areas the committee is headed by the local Revenue Circle Officer and another five members to select the beneficiaries for the scheme.