



**FOOD
SYSTEMS
DIALOGUE**
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India International Centre, New Delhi



**Bharat
Krishak
Samaj**



**The
Food and Land Use
Coalition**
India Country Platform

Reducing the 'True Cost' of the Public Distribution System

Session Partner: Tata-Cornell Institute for Agriculture and Nutrition

Background:

The Public Distribution System (PDS) provides highly subsidized food grain to over 800 million Indians every month. The government procures rice and wheat from farmers nationwide and distributes this food grain through an extensive network of PDS shops. While the PDS plays a pivotal role in ensuring the food security of low-income households in India, it has been criticized for promoting the production of staple grains (rice and wheat) over more nutritious alternatives such as millets and pulses.

Food grain procurement for the PDS is highly concentrated in a handful of states. Currently, 71 percent of PDS food grain is procured from six states of India (38 percent from Punjab and Haryana). Not only does this create high transaction costs of transporting food grain across the country, but it also results in the over-exploitation of resources in these states. Two prominent examples of the harmful impacts of intensive rice and wheat cultivation in India's northwest are the air pollution from crop residue burning and the declining groundwater levels.

In this session, speakers and participants will discuss ways to make the PDS more environmentally sustainable. This session will begin with a presentation of a new study on the 'true cost' of the PDS by TCI. This study uses the true cost accounting (TCA) methodology to estimate costs associated with food-related impacts of the PDS on the environment, health, economy, and livelihoods. Other speakers will focus on alternative and existing models of the PDS that promote environmental sustainability, better health outcomes, and higher incomes for small and marginal farmers.