

Study on Customer Satisfaction, Procurement and Utilization Pattern of Rice from Fair Price Shops in Kollam Region, Kerala

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ABSTRACT: *The Public Distribution System was brought about by the Central Government to address the rapidly climbing number of people suffering from the unavailability of food despite the massive amount of crops and other food products that are produced annually in India. But despite its successful implementation, it has been observed, general customer dissatisfaction towards the centers and a tendency to prefer alternative retail stores despite the products being offered at low prices. This study aims to find the causes that result in these observed complaints among the customers by studying the procurement, quality and utilization pattern of two varieties of rice obtained from fair price shops in Kollam region, Kerala.*

Key Words: *Public Distribution System, Customer dissatisfaction, Fair Price Shops.*

1. INTRODUCTION

India has one of the largest Public Distribution System (PDS) in the world. There are about 5.27 lakhs Fair price shops (FPSs) working across the country (<https://dfpd.gov.in/index.htm>). The systems intend to impart food security to the population that is deprived of food (Dreze et al. 2018). Later the priority has been shifted from providing food security to the whole population to targeting the priority household to provide them a means to purchase food grains at a subsidized rate. The households who are eligible will receive subsidized food grains, i.e. rice, wheat, coarse grains under PDS. The price issued by the central are comparatively very low from market price and are different for different type of card holders.

The functioning of PDS is such that both central and state governments share responsibilities to provide food grains (Bhagyasree 2018). The central government procures food grains directly from farmers at a minimum support price (MSP) and the sells it to the state government at the central issue prices. This is known as centralized procurement. Usually, the minimum support price is higher than the market price. Another type of procurement is such that ten states or union territories procure food grains for the central pool at minimum support price on behalf of the FCI. This type of procurement is known as decentralized procurement. It was introduced the expenditure of transport of grains from central godown to other states. If surplus stock occurs, it must be handed over to FCI, and in case of shortage, FCI provides with sufficient amount of grains. PDS also has the responsibility of transporting grains to the state godowns in each state. Then it is the responsibility of the state government to transport the grains from the godowns to the fair price shops. Also, there are many states where the price of the grains is further subsidized before providing it to the consumers. The Food Corporation of India is a nodal agency that has the responsibility to transport food grains to the state godowns.

When it comes to the storage of food grains, the grains procured from different areas are stored under different godowns under the control of FCI. Other than the grains required for the immediate distribution of the public distribution system, the extra amount of grains are stored in the case of emergency use (Grover 2017). According to the storage rules of the food corporation of India, food grains are stored in covered godowns and silos. As the godowns of FCI are not sufficient for storing the procured amount of grains, FCI hires godowns from central and state warehousing corporations, government agencies and other private parties (<http://fci.gov.in/>).

The networks of ration shops within a state are under the control of state-level ministries of food and civil supplies. They also have the authority to handout licenses to the private traders who operate the shops. The consumers are availed to purchase food grains only if they own a ration card (Kaul 2018). State governments also issue ration cards to the natives and determine the quantities which consumers are to be allotted. Recently Aadhaar cards are also being used in public distribution system for simplifying several processes. The inclusion of Aadhaar cards in the system helps to identify and authenticate beneficiaries

entitled to receive subsidies under the public distribution system. This also helps to prevent some of the mal-practices that are likely to occur in fair price shops (<https://epos.kerala.gov.in/>).

According to FAO estimates in ‘The State of Food Security and Nutrition in the World, 2018’ report 195.9 million people go hungry every day in India. 21 % of children below 5 are under weight, 38.4% of children under five years of age are stunted. India was ranked 100 out of 119 countries of the Global Huger Index 2017. A country on the path of development cannot afford to be a country where people lack food. Also, this shows that there is a need to review the current Public Distribution System (Velmurugan et al. 2017).

There are total 8528512 cards in the state of Kerala and 35384875 peoples are the total beneficiaries in the Kerala state. Within this, there are 731756 cards and 2842322 beneficiaries in the Kollam district, Kerala (<https://civilsupplieskerala.gov.in/index.php/cards>).

2. RESEARCH METHODOLOGY

2.1 SURVEY

2.1.1 Research Design

Primary data has been collected from selected Fair Price Shop (FPS) in different regions of Kollam district, Kerala. The present study is confined to consumers who reside in various regions in Kollam district. A quantitative approach is applied in the study. Consumer’s level of satisfaction towards commodity collected from FPS has been identified through an interview pre-schedule (questionnaire) which is shown in Figure 1.

2.1.2 Selection of area

To conduct the present study, four regions in Kollam district of Kerala state was selected. Random sampling technique has been employed for their selection. Out of the selected regions survey has been carried out among 100 cardholders.

2.1.3 Collection of Data

Among the 100 card holders the following data was collected:

- Card distribution pattern
- Dependency pattern
- Procurement pattern
- Utilization pattern
- Consumer’s suggestion

2.1.4 Procedure

To conduct the study, primary data was collected from the FPS of different regions in Kollam based on pre-structured interview schedule, and the results were tabulated. The format of the pre-structured interview schedule was as shown in Figure 1 below. The questionnaire also helped in collecting the details regarding the quantity of the rice allotted, collected and consumed by the card holders. It also helps on enquiring about the amount of rice used as feed. The collected data were analysed to find out the consumer’s satisfaction level.

QUESTIONNAIRE					
Name:		Address:		Ration Card No:	
				Ration Card Type: APL <input type="checkbox"/>	
				BPL <input type="checkbox"/>	
Subsidy Items	Quantity allotted per month	Quantity Collected per month	Is it fully consumed (YES/NO)	The quantity used for consumption	Quantity used as feed
Rice (White)					
Rice (Rose)					
[1] Do you completely depend upon cereals from FPS? If not why? [2] Do you often buy cereals from the super market? If so, have you felt any difference [3] between cereals from supermarkets and FPS? [4] How frequently do you consume these cereals? [5] Did you experience any health problems while consuming these cereals? [6] Are these cereals used for any other purpose? [7] Are you satisfied with the quality of the cereals you are getting? If not, give [8] your suggestions.					

Figure. 1 The format of pre-structured interview schedule for collecting data from Fair Price Shops

3. SURVEY REPORT AND INTERPRETATION

3.1 Key Findings

Based on the survey results, among the 100 card holders are that 63% of the people partially and completely depends on the FPS. Even though a higher percentage of the people depend on the FPS most of them are not at all satisfied with the quality of rice provided. The rice from the FPS often has a foul odor and undesirable taste. Also, the cooking time of the rice is not stable and, rice after cooking doesn't often get desired consistency. A minority of the card holders have an opinion that the rice allotted for them are not supplied on the right time and, this may be the reason for relinquishing of the commodities from the FPS. Majority of the card holders have an opinion that the amount of broken rice is more and this is considered to be the insufficient amount of rice after cooking.

The procurement pattern of rice by the card holders shows that 78% of the card holders procure rice from the FPS whereas the rest 22% relinquishes the rice provided through the FPS because of the low quality and uneven supply of the rice. The survey also helped in finding out the utilization pattern of the rice from the FPS. The card holders commonly use rice as a whole, processed into rice flour and also used as animal or poultry feed.

3.2 Card Distribution Pattern

Different types of card holders were involved in the survey. The card distribution pattern based on the economic status participated in the survey was depicted in Table 1.

Table 1: Card distribution Pattern

Card type	Number of card holders
Non-priority	32
Subsidy	37
Priority	24
AAY	7

There are four types of cards viz., Non-priority, Subsidy, Priority, and AAY (Antyodaya Anna Yojana) cards. The non-priority card is a white color card given to the people who are economically better and comes above the poverty line whereas Subsidy card is a blue color card given to the people above the poverty line, but they are not much economically better. Priority card is a pink color card given to the people below poverty line such as poor people comes under this category. Antyodaya Anna Yojana (AAY) card is a yellow color card given to the poorest of the poor people. Among the 100 card holders come under the purview of the study, 32 come under the 'Non-priority' type whereas 37 card holders come under the 'Subsidy' card types. Overall 69 card holders come above the poverty line, and the remaining 31 card holders come below the poverty line. Among this 31 card holder's 24 holds the priority cards, and seven card holders were the poorest of the poor and hold AAY cards.

3.3 Dependency pattern

The dependency pattern shows how the card holders depend on the rice from the FPS; it depicts whether they are completely dependent or partially dependent or nondependent and the dependency pattern was shown in Table 2.

Table 2: Dependency pattern

Dependency Pattern	No. of Card holders		
	APL	BPL	Total
Fully dependent	0	14	14
Partially dependent	33	16	49
Non dependent	36	1	37

Among the 100 card holders 63 of them completely or partially depends on FPS, and the rest 37 does not depend on Fair price shops. Within this 37 card holders, 36 are of the above poverty line (APL), and the remaining 1 comes under below poverty line (BPL). Also, some of the card holders with in these independent category depends on the fair price shop commodities but the procured commodities may not be used for consumption but may be used as animal or poultry feed. From the survey, we understood that 14 card holders completely depend on the Fair price shops that belong to the BPL category. Moreover, 33 card holders (APL category) and 16 card holders (BPL category) partially depend on the Fair price shops.

3.4 Procurement Pattern

The procurement pattern gives details about the number of card holders who procures or relinquishes rice from the FPS. The following data shown in Table 3 provides the details of the same.

Table 3: Procurement pattern

Procurement pattern	No. of Card holders
Procures	78
Relinquishes	22

Table 3 shows the procurement pattern of the card holders. It states that 78 card holders procure the commodities from the Fair price shops and the rest 22 card holders relinquish their ration. These 22 card holders do not even collect any commodities for consumption or other uses like animal or poultry feed i.e.; they do not utilize the service. According to the information provided by the Civil Supplies Department, Government of Kerala, only 2% of the card holders utilize the services provided by the public distribution system during the year 2002-2005. Now it has been increased to 55-60%. It shows that more card holders procure commodities from FPS than in 2002-2005.

3.5 Utilization Pattern of Rice

The survey conducted helped to find out the utilization pattern of the rice (Table 4) that is collected from the FPS. Customers utilize rice in different ways mainly as rice as a whole, flour and as feed.

Table 4: Utilization pattern of Rice

Utilization	Percentage
Rice	58.9
Flour	61.8
Feed	47.43
Rice & Flour	25.5
Rice & Feed	14.5
Flour & Feed	23.5
Rice, Flour & Feed	3.5

It was clear from the Table 4 that 58.9% use the rice directly for cooking whereas 61.8% of people processed this rice into flour for their convenience. It was also found that, 25.5% utilize the rice from FPS as rice as a whole and as rice flour and 47.3% of the card holders use this rice as animal or poultry feed. There are also people who use rice as a whole, and as feed; there are 14.5% who belongs to this category. It was also found that 23.5% of card holders do not utilize the rice as a whole but utilized as flour and feed. Moreover, 3.5% of the card holders utilize the rice from FPS as rice as whole, flour and feed.

4. CONCLUSION

The prime aim of this study was to identify the customer's satisfaction, procurement and utilization pattern of commodities from the Fair Price Shop. The utilization of commodities by the consumers depends on satisfaction which they obtained from Fair Price Shop. The result of this study reveals that the customers are satisfied when they obtain commodity with sufficient quantity and quality for their use. According to their suggestion, the good quality commodity is rose rice which is not given to them in sufficient quantity. Among the consumers, there are fully dependent, partially dependent and non-dependent categories. A fully dependent consumer will be satisfied if they get sufficient good quality rice. Most of the consumers suggest that the white rice obtained from Fair Price Shop has an unacceptable odor and consistency. The consumer's procurement of commodity can be increased through the accurate supply of quality and quantity they needed.

6. REFERENCES

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