



# MINISTRY OF PLAN IMPLEMENTATION

## SURVEY REPORT OF THE FOOD STAMP SCHEME

FOOD AND NUTRITION POLICY PLANNING DIVISION  
COLOMBO, SRI LANKA.

1981

PUBLICATION No : 8





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REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR

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FOR THE YEAR

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## FOREWORD

THIS report is complementary to the evaluation report of the Food Stamp Scheme which was submitted to Government in August, 1981. It relates to the survey component of the Food Stamp Report covering 18,460 households of the 24 districts which includes almost 1% of the island's total population.

The findings of the survey will provide the necessary bench marked data for the restructuring of this scheme. The methodology of the survey was developed by the Food & Nutrition Policy Planning Division of the Ministry of Plan Implementation in consultation with Dr. James Levinson, Consultant to the Food & Nutrition Policy Planning Division. The report also provides assessments and useful indicators which could be monitored as an ongoing exercise to further improve the scheme. In the next evaluation it may be desirable to assist the nutritional levels of the food stamp beneficiaries as well as those not in receipt of food stamps.

I sincerely believe that the policy-makers and planners should take serious note of the findings of this report, as the continuation of this scheme in the future will depend on the extent to which we can refine the scheme to reach the appropriate target groups. I am happy to note that the government has already taken action on the findings of this report.

Finally, I wish to express my sincere thanks to the Director, Food & Nutrition Policy Planning Division, Dr. Raja Ameresekere and his staff, Dr. Gamini Abeysekere, Senior Economist of the Central Bank, and Dr. James Levinson, Consultant to the Food & Nutrition Policy Planning Division, for their useful contributions.

DR. W. S. WEERASOORIA,  
Secretary,  
Ministry of Plan Implementation.

FOREWORD

The first of the two volumes of the Noolaham Foundation's 'Noolaham Series' was published in 2010. It was a landmark event, marking the beginning of a new era in the history of the foundation. The second volume, 'Noolaham Series II', is now being published. It is a continuation of the first volume and contains the same type of information as the first volume.

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Dr. W. S. Lakshminarayana  
President, Noolaham Foundation

## PREFACE

THE purpose underlying the Food Stamp Scheme Survey was to establish its credibility in terms of the achievement of the objectives for which the scheme was formulated.

The main findings of the survey are discussed in detail and summarised in the concluding section of the report. A revealing feature observed throughout the study was the eroding nature of food stamps consequent to inflation and rising costs of basic food commodities.

In this context it is abundantly clear that the lowest deciles of the population whose real incomes will not improve with increases in G.N.P. per capita have to be provided with continuing support through food stamps or some other form of food subsidy.

The question arises here as to what extent can the subsidy be provided to meet the basic calorie demands of the poorer households. The second important aspect of the problem entails the introduction of ways and means for better targetting of resources so that the Government may be able to yield to the first requirement without increasing its present budgetary commitments.

The study in itself has proved very useful and should provide valuable information for refining the survey methodology and technique for future investigations on similar subsidy oriented programmes.

DR. RAJA AMERESKERA  
Director  
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## SECTION I

### INTRODUCTION

THE Secretary, Ministry of Plan Implementation with the concurrence of the National Food Policy Committee decided to undertake a complete evaluation of the Food Stamp Scheme in July, 1980. The Food & Nutrition Policy Planning Division (F & NPPD) of the Ministry was assigned this responsibility. The evaluation included a review of the Food Stamp Scheme in relation to the earlier ration schemes, examination of its administrative mechanism, financial costs., overheads and implementation problems coupled with a survey conducted in all 24 districts to ascertain specific features of the Food Stamp Scheme. Dr. James Levinson, FAO Consultant to the Institute of Food and Health Studies (USA and UK), assisted the division in formulating the terms of reference and scope of this study and designing the questionnaire for the survey. The present report deals with the survey component of the evaluation.

The main objectives underlying the survey were to (i) assess stamp coverage in terms of beneficiary levels and unintended recipients, (ii) determine adequacy of stamp value in relation to the various income slabs below the poverty line, (iii) ascertain the validity of the Rs. 300- cut-off point for an average household of 5 persons from a nutrition standpoint, (iv) examine stamp usage in respect of the commodities provided in the food basket.

The survey sample (18,450) consisted of approximately 1% of the total number of household in the island representative of the entire 24 districts. The sample selected comprised about 2% of the total number of households eligible for food stamps. Quantitative assessments were made on the incidence and the coverage of the scheme, as well as about its effect on income status and enhancement of purchasing power to procure the basic food commodities. Qualitative assessments were also made in respect of consumer reactions to the food stamp scheme, their preferences for the food stamp scheme over the earlier rationing schemes and the benefits accruing to these recipients from other public assistance programmes such as the Thripasha and School Biscuit Feeding Projects and other Social Welfare Programmes. An opinion poll was taken to seek the views of the households regarding the sale of food stamps and abuses in the scheme and possible modifications that may be introduced in order to improve the effectiveness of the scheme.

Pending the submission of the final report, an Interim Paper on the status of the food stamp survey was presented by the F & NPPD in a report titled "Nutritional Status, its Determinants & Intervention Programmes" submitted to Government in October, 1980. These findings were restricted to 6 districts (Kurunegala, Puttalam, Matale, Moneragala, Vavuniya and Nuwra Eliya). These preliminary results were useful in providing valuable guidelines for re-structuring the scheme at the macro-level of planning.

The findings of the entire 24 district survey have substantially confirmed some of the observations made in the Interim Report. Among these are the stamp value in relation to the cost of living index and food pricing, the need for a more realistic stamp value based on rice quantity, and the progressive reduction of the food stamp subsidy accruing to unintended beneficiaries in order to strengthen the effectiveness of the programme to service the real poverty groups. Further, the information obtained in this survey could also provide valuable baseline data for future monitoring of the programme and the development of an appropriate surveillance model. The newly constituted

District Development Councils may utilise these data in assessing the probable impact the scheme may have had on levels of income and food consumption of the district population. Another use outcome of this study would be to highlight the importance of incorporating nutrition considerations to strengthen the general purpose of the food subsidy schemes.

The survey was conducted by the F & NPPD staff with the assistance of the Government Agents and the District Development Officers of the Ministry of Plan Implementation. The collection, scheduling and coding of data together with the writing of the computer programme and computer analysis of data were done by the F & NPPD Research Unit. The writing of the final report was completed with the assistance of the consultants nominated to this project. Financial support for the project was provided by the United Nations Children's Emergency Fund, while Dr Levinson's consultancy for this project was sponsored by the United States Agency for International Development.

## SECTION II

### SURVEY METHODOLOGY

#### Questionnaire

THE questionnaire schedules employed for the survey was designed with the assistance of Dr. James Levinson, the details of which are given in the two annexures (Page ). Separate questionnaires were designed for those households receiving food stamps and those eligible but not receiving food stamps. The designing of the questionnaires enabled identification of households on the basis of household location (rural-urban-estate), composition, size and income.

The questionnaire was so structured that it was possible to obtain answers to specific questions in a phased out manner. The questionnaire pertaining to the comparison of the food stamps scheme and other ration schemes was formulated so as to make only qualitative assessments of these schemes. The format of the questionnaire permitted coding to be done directly in the field. Based on a pilot survey conducted on 14th July 1981, the questionnaire was slightly modified.

#### Sampling unit and size

The household constituted the simplest sampling unit for the purpose of this survey. The number of households selected in respect of each district was proportional to its population. The 18,450 households selected from the entire 24 districts amounted to about 1% of the total number of households in the island.

These households comprised those of receiving food stamps as well as those who qualify for food stamps but are not in receipt of the benefit. The category of the households drawing food stamps although ineligible for such assistance was not covered by the survey because of time and financial constraints. However, the sample selected included about 2% of households eligible for food stamps. The above sample was considered to be adequate.

#### Sample selection and survey

The sampling was done on a two stage sampling frame. The first stage consisted of the selection of a sample of AGA divisions from each of the districts by the staff of the District Planning Units. The number of AGA divisions in the sample to be considered for the survey was worked out by dividing the total number of households selected for each district by 150, since it was decided to survey 150 households in respect of each AGA division. The sample was selected on a purposive basis in order to include AGA divisions in the districts which had the required cadre of Development Officers to conduct the survey.

The second stage of sampling involved the random selection of 150 households from each of the pre-determined AGA divisions. These households were drawn from two villages and one urban area, representative of that specific AGA division. Fifty households were sampled from each village or urban area by selecting a convenient point within the respective area, and thereafter sampling the closest eligible households until the required number of 50 households was reached. This procedure had to be adopted due to staff and financial constraints. Prior to evaluation the inmates of the households were questioned on their income status and whether they are in receipt of food stamps and only those households in receipt of an income of Rs. 300—p.m. or less or enjoying the benefit of food stamps were surveyed.

The field investigations pertaining to the survey were done by the Development Officers of the District Planning Units. These officers were selected by the Government Agents after suitable screening. Training manuals with appropriate instructions were prepared for the guidance of the field staff. The training of the field staff was carried out at the District Planning Units by the F & NPPD officials and the Kachcheri personnel. Each Development officer was provided with 150 questionnaire schedules and assigned a particular AGA division. The survey commenced on the 14th of July 1980 and was completed within 3 weeks.

### **Data analysis**

The data were analysed on a single-data-entry type-pet micro-computer model, consisting of a printer, dual disc drive and two cassette recorders as its peripherals and having a capacity of 32K-bytes. The software for the computer was prepared by the Programming Coordinator of the F & NPPD. The data entry to the computer was done by trained Development Officers under the supervision of the Programming Coordinator.

A random sample of 300 questionnaire schedules was selected and carefully studied so that any problems associated with the collection of field data could be given due consideration prior to writing of the computer programmes. Four programmes were written in BASIC, for data input and analysis. Separate programmes were written for the two questionnaires pertaining to those receiving food stamps and those eligible but not receiving food stamps. The programme enabled input data to be displayed on the screen prior to subsequent entries. By this means it was possible to correct any errors that would have occurred during data entry. The programme had the further advantage of rejecting data that fell outside logically acceptable regions, thereby minimising errors associated with data collection. Using this programme it was also possible to check consistency of answers provided for the different questions and thus discard any inaccurate data.

Approximately 6% of the questionnaire schedules were not processed because of inconsistencies observed in the reporting of data. On the basis of the computer output it was possible to prepare 13 tables, five of which characterised those households eligible for food stamps but were not in receipt of same while the other 8 tables were representative of those households that benefitted from food stamps. The data was disaggregated in terms of mean household income levels in respect of each district and also in relation to average district incomes.

The answers to qualitative questions were not pre-coded. By studying a sample of raw data it was possible to broadly categorise the responses to these questions into four or five major groups. It was considered unsuitable to characterize this kind of data through a computer and hence the processing of this part of the data was done manually.

## SECTION III

## SURVEY REPORT OF THE FOOD STAMP SCHEME

## Findings and Discussion

The quantitative data as well as the qualitative information gathered from all the 24 districts are discussed in this report, the main focus being to highlight the overall features and trends pertaining to the entire country. However, the data have been so tabulated and organised as to permit a more micro level examination of results at the district level and also to enable inter-district comparisons. The 24 districts covered by the survey are listed in the statistical tables according to the number of schedules processed in descending order. The districts are identified by name in the text.

2. *Scope of the survey.*—The Survey was conducted on an island-wide basis. A district-wise breakdown of this total and the percentage distribution of the sample by districts are given in Table 1. The highest number of households actually surveyed was in the Gampaha District which contained about 10% of the sample. It is important to note here that the Colombo District would have contained the highest number of households (i.e. 2106) according to the distribution of the district population, but due to various problems encountered during the period of the survey it was possible to sample only 918 households ; hence the Gampaha District has occupied first place in the district classification based on sample size. The information provided in annexe 2 shows the percentage distribution of the district population, number of households selected and schedules processed. The lowest percentages (less than 1%) were seen in respect of Vavuniya, Mullaitivu and Mannar. Eight districts (Kandy, Kurunegala, Kalutara, Galle, Jaffna, Colombo and Ratnapura) each had between 5% and 10% of the sample. The remaining 12 districts (Kegalle, Puttalam, Matara, Anuradhapura, Matale, Nuwara Eliya, Batticaloa, Amparai, Hambantota, Moneragala, Polonnaruwa and Trincomalee) contained between 1% and 5% of the survey households.

TABLE 1  
SAMPLE SIZE AND ITS DISTRIBUTION BY DISTRICT

Districts*	Sample size (No. of households)	Distribution of the sample (% basis)	%Distribution of the sample population by district
Gampaha	1,594	10.24	9.1
Kandy	1510	9.70	9.0
Kurunegala	1499	9.63	8.2
Kalutara	1021	6.56	5.7
Galle	973	6.25	5.7
Jaffna	935	6.01	5.7
Colombo	816	5.24	11.7
Badulla	810	5.20	4.6
Ratnapura	806	5.18	5.2
Kegalle	634	4.07	5.0
Puttalam	599	3.85	3.1
Matara	596	3.83	4.7
Anuradhapura	507	3.26	3.3
Matale	450	2.89	2.5
Nuwara Eliya	438	2.81	3.2
Batticaloa	415	2.67	2.2
Amparai	366	2.35	2.3
Hambantota	317	2.04	2.8
Moneragala	293	1.89	1.7
Polonnaruwa	289	1.86	1.3
Trincomalee	270	1.73	1.6
Vavuniya	150	0.96	0.5
Mullaitivu	149	0.95	0.3
Mannar	125	0.80	0.6
Total	15,562	100.00	100.0

\* Districts are listed according to the size of the sample.

The survey ascertained information from both recipients of food stamps and non-recipients who claimed eligibility for food stamps. Except where it has been specifically indicated, the statistical data given in the tables pertain to the information collected from the recipient households. Among the main attributes that the survey has focussed on are the following ; the size and composition of households, their income status, the incidence of the benefit of food stamps, the relative contribution of food stamps to the average income of households, the pattern of utilization of food stamps and the extent of rice and milk food purchases by households. Furthermore, observations have been made on the incidence of the supplementary feeding programmes, the consumer's preferences for food stamps, and the extent of sales of food stamps.

3. *Recipient and Non Recipient Households in the Sample.*—In all, questionnaires relating to 15,562 households were processed for the extraction of data. Of this total 14,040 households or 90.22% belonged to the recipients group. In other words about 10% of the households that claimed eligibility for food stamps were not receiving the benefits. If one out of every ten of the poor households in the country needing some form of income supplement did not have access to food stamps it should be considered as a matter for further investigation and remedial action.

While the overall average of non-recipients in the island was around 10%, certain districts appeared to have, much higher rates of non-recipients (Table 2). Amparai district had the highest percentage of non recipients at 31.7%, while Mullaitivu and Kegalle districts also recorded relatively high values of 19.5% and 18.6%, respectively. Interestingly the proportion of non recipients was zero in Vavuniya and Mannar districts. The percentage of households with no food stamps was quite low in Galle, Batticaloa, Moneragala and Trincomalee districts, ranging from 2 to 4%.

An income-wise breakdown of the sample population revealed that almost 95% of the total households surveyed were in income groups of less than Rs. 300 per month. The highest concentration of households was seen in the Rs. 101–200 income group (Table 3). These observations were also true in respect of the households classified as recipients of food stamps. In the case of non-recipient households the composition was somewhat different, as only 88% were in the income group of less than Rs. 300 per month while the highest concentration of households was in the Rs. 201–300 income bracket.

In general, the fact that the non-recipient households belonged to relatively higher income brackets partly explains the deprivations of the food stamps benefit, despite their claiming eligibility. It should, however, be noted that income was not the only criterion adopted in the determination of eligibility for food stamps. Family size was also taken into consideration. Hence it may be possible that in the process of screening, oversights or misunderstandings of income declarations may have occurred causing the denial of the benefit to deserving segments of the population.

Further, there could be households where the main income earner has either died or become indisposed or lost his job subsequent to the original screening. It is likely that these families would be now claiming the benefit as their income levels have fallen below the cut-off point. As much as certain eligible households were not receiving the food stamps there would have been a sizeable proportion of the recipients who did not really deserve the benefit. In particular, there could be households who have subsequently gained higher incomes through increased employment opportunities and/or improved agricultural prices exceeding the specified cut-off point.

Of the non-recipient households, about 95% were aware of the existence of the Food Stamps Scheme. It was not ignorance that prevented these persons from having access to the benefit (Table 4). The percentage of the non-recipient households which knew about the scheme did not vary very much among districts. It was as high as 100% in more than half the districts. However, in the case of Kandy, Kalutara and Ratnapura districts, the number of households which reported that they were not aware of the Food Stamp Schemes was as high as 10 to 18%. Since all eligible households apparently received food stamps in Vavuniya and Mannar districts the above question did not arise.

TABLE 2

**DISTRICT-WISE DISTRIBUTION OF RECIPIENTS AND NON-RECIPIENTS  
OF FOOD STAMPS IN THE SAMPLE**

District	Number of Households			Distribution		
	Recipients	Non-Recipients	Total	Recipients	Non-Recipients	Total
	(1)	(2)	(3)			
Gampaha	1475	119	1,594	92.53	7.47	100.0
Kandy	1326	184	1,510	87.81	12.19	100.0
Kurunegala	1362	137	1,499	90.86	9.14	100.0
Kalutara	929	92	1,021	91.08	8.92	100.0
Galle	949	24	973	97.53	2.47	100.0
Jaffna	878	57	935	93.90	6.10	100.0
Colombo	741	75	816	90.81	9.19	100.0
Badulla	704	106	810	86.91	13.09	100.0
Ratnapura	737	69	806	91.44	8.56	100.0
Kegalle	516	118	634	81.39	18.61	100.0
Puttalam	518	81	599	86.48	13.52	100.0
Matara	541	55	596	91.54	8.46	100.0
Anuradhapura	442	65	507	87.19	12.82	100.0
Matale	396	54	450	88.00	12.00	100.0
Nuwara Eliya	381	57	438	86.99	13.01	100.0
Batticaloa	405	10	415	97.59	2.41	100.0
Amparai	250	116	366	68.31	31.69	100.0
Hambantota	286	31	317	90.22	9.78	100.0
Moneragala	283	10	293	96.59	3.41	100.0
Polonnaruwa	261	28	289	90.31	9.69	100.0
Trincomalee	264	6	270	97.78	2.22	100.0
Vavuniya	150	0	150	100.00	0.00	100.0
Mullaitivu	121	28	149	80.54	19.46	100.0
Mannar	125	0	125	100.00	0.00	100.0
<b>TOTAL</b>	<b>14,040</b>	<b>1,522</b>	<b>15,562</b>	<b>90.22</b>	<b>9.78</b>	<b>100.00</b>

TABLE 3

**PERCENTAGE DISTRIBUTION OF THE SAMPLE POPULATION (BOTH RECIPIENT AND NON-RECIPIENT  
HOUSEHOLD) BY INCOME GROUP**

Income Group (Rs./P.M.)	Recipient households		Non-Recipient households		Both types of households	
	No.	%	No.	%	No.	%
	Below 100	2,341	16.7	104	6.8	2,245
101 - 200	6,008	42.8	441	29.0	6,449	41.5
201 - 300	5,024	35.8	799	52.5	5,823	37.4
Above 300	667	4.7	178	11.7	845	5.4
<b>Total</b>	<b>14,040</b>	<b>100.0</b>	<b>1,522</b>	<b>100.0</b>	<b>15,562</b>	<b>100.00</b>

TABLE 4

**AWARENESS OF THE NON-RECIPIENTS ABOUT THE FOOD STAMPS SCHEME AND THEIR EFFORTS TO PROCURE STAMPS BY HOUSEHOLDS**

District	Percent non-household recipient)		Percent households which tried to procure stamps
	Aware of scheme	Unaware of scheme	
Gampaha	96.6	3.4	73.0
Kandy	89.7	10.3	86.7
Kurunegala	99.2	0.8	83.1
Kalutara	81.5	18.5	89.3
Galle	95.8	4.2	73.9
Jaffna	96.5	3.5	83.6
Colombo	98.6	1.4	71.6
Badulla	98.1	1.9	91.3
Ratnapura	87.0	13.0	88.3
Kegalle	91.5	8.5	85.2
Puttalam	97.5	2.5	84.8
Matara	96.4	3.6	77.4
Anuradhapura	98.5	1.5	68.8
Matale	100.0	0.0	81.5
Nuwara Eliya	98.2	1.8	100.0
Batticaloa	100.0	0.0	100.0
Amparai	97.4	2.6	74.3
Hambantota	100.0	0.0	70.4
Moneragala	100.0	0.0	60.0
Polonnaruwa	100.0	0.0	64.3
Trincomalee	100.0	0.0	83.3
Vavuniya	n.a.	n.a.	n.a.
Mullaitivu	100.0	0.0	93.0
Mannar	n.a.	n.a.	n.a.
Average	95.1	4.9	81.9

From those households that were aware of the existence of the Food Stamp Scheme the question was asked "whether they made any effort to procure stamps". The response was "Yes" from nearly 82% of all such households. The percentage of households that tried to procure stamps, however, varied significantly from district to district (Table 4). The highest rate (100%) was recorded for Nuwara Eliya and Batticaloa districts while the lowest rate ranging from 60 to 70% was observed in Moneragala (60%), Polonnaruwa (64%), Anuradhapura (69%), and Hambantota (70%) districts.

These relatively low rates observed could be indicative to some extent of the apathy of the people arising from lack of hope of procuring the benefit or the inaccessibility of administrative organizations, or their diffidence that their claims would merit consideration. They may also be due to the fact that the Food Commissioner's Department stopped entertainment of appeals and updating of beneficiary lists, shortly after the implementation of the scheme so that the efforts made by the non-recipients to obtain stamps were of no avail.

4. *Characteristics of the recipient households.*—As observed earlier, about 90% of the households in the sample were beneficiaries of food stamps. This does not sound surprising as the survey was confined to the examination of the households that were either receiving food stamps or claimed eligibility for the benefit. Since the statistical investigations were confined to households based on income levels, the population sampled was a relatively homogenous group for all the districts. Therefore, the characteristics of the sample population could not vary widely between districts.

The average family size of the recipient households in all districts worked out to 5.08 persons (Table 5). The highest figures of 26.45 and 6.23 persons were observed in respect of Kandy and Amparai districts, respectively. The lowest average of 4.08 persons was reported for Kurunegala and

Badulla districts. There was no distinct correlation between the total population and the average family sizes of the different districts. It was also not possible to establish a specific relationship between the average household income of a district and its average family size.

The average household income of all 24 districts was estimated at Rs. 165 per month (Table 5). Ten districts reported less than the all-island average monthly income while the lowest figure was observed in the case of Vavuniya district which had an unusually low average of Rs. 58 per month. Relatively high averages were noticed, in Mullaitivu, Anuradhapura and Polonnaruwa districts. These high averages do not necessarily imply the relative affluence of these districts. The majority of the food stamp beneficiaries in these districts were in higher incomes brackets compared to their counterparts in the other districts. Thus it must be stressed that the average income in Table 5 refer to the estimated mean income of the food stamp recipient households in the respective districts and not to the overall average income of those districts.

The all-island average value of the food stamps received by a household worked out to Rs. 90.27 per month (Table 5). The contribution of food stamps to household income were Rs. 100/- per month or more in the Amparai, Moneragala, Kandy, Mannar and Hambantota districts. It is interesting to note that these districts contained relatively large family sizes as well (Table 5). The contribution to household incomes was lowest (Rs. 25/00 per month) in the Vavuniya district. In all other districts, the average value of food stamp contribution to household incomes had been in the range of Rs. 80–100 per month per household.

TABLE 5  
AVERAGE FAMILY SIZE, AVERAGE MONTHLY INCOME AND AVERAGE VALUE OF FOOD STAMPS  
BY DISTRICT

<i>District</i>	<i>Average family size (No. of persons)</i>	<i>Average monthly income (Rs. per month)</i>	<i>Average Monthly value of food stamps received (Rs. per month)</i>	<i>(3) as % of (2)</i>
	(1)	(2)	(3)	(4)
Gampaha	4.29	163	98	60.1
Kandy	6.45	151	102	67.5
Kurunegala	4.08	169	87	51.5
Kalutara	4.79	163	78	47.9
Galle	5.53	169	92	54.4
Jaffna	4.28	179	75	42.0
Colombo	5.17	170	81	47.6
Badulla	4.08	176	94	53.4
Ratnapura	5.47	142	95	66.9
Kegalle	5.50	129	88	68.2
Puttalam	4.76	198	98	49.5
Matara	5.71	135	91	67.4
Anuradhapura.	5.67	204	91	44.6
Matale	5.98	177	81	45.8
Nuwara Eliya	5.64	170	86	50.6
Batticaloa	4.81	171	85	49.7
Amparai	6.23	173	106	61.3
Hambantota	4.52	120	100	83.3
Moneragala	5.88	158	104	65.8
Polonnaruwa	5.14	202	95	47.0
Trincomalee	5.12	165	98	59.4
Vavuniya	4.56	58	25	43.1
Mullaitivu	5.58	223	90	40.4
Mannar	5.68	154	100	64.9
Averages	5.08	165	90.27	54.7

The extent of income supplemented by the food stamps scheme can be ascertained by comparing the average value of stamps with the average household income. The average monthly value of food stamps received by households as a percentage of their average monthly income is shown in Table 5. The all-island ratio works out to about 55%, while the highest percentage is noted in the Hambantota district (83%) and the lowest ratio in Mullaitivu district (40%). Thus the food stamps supplemented the Hambantota district average household income (Rs. 120/00 per month) by almost 84%. Such very high and quite low ratios are explained by the average household incomes of the districts. However, it is noteworthy that the households in a majority of the districts had been able to receive food stamps valued at more than 50% of their average monthly household incomes.

5. *Incidence of the benefit of food stamps.*—The percentage distribution of the recipient households in relation to income levels for all districts are shown in Table 6. Considering the total number of beneficiaries in the 24 districts, 16.7% of the households were receiving less than Rs. 100 per month while those receiving more than Rs. 300 per month amounted to 4.7% (Table 6). The bulk of the recipients were concentrated in the Rs. 101–200 and Rs. 201–300 per month income groups. The former group encompassed 42.8% of the recipient households and the latter contained 35.8% of the beneficiaries.

The pattern of distribution of households by income groups in different districts did not differ much from the overall pattern. However, there were some deviations in distribution of households in the Rs. 0–100 per month income group in certain districts when compared to the general pattern of distribution. Vavuniya district demonstrated a peculiar feature with almost 95% of the households falling below the Rs. 100 per month income category compared with the overall average of 16.7%. Consequently, the proportion of households in this district falling within the other income groups such as Rs. 101–200 and Rs. 201–300 showed similar deviations. Among the other districts that showed very significant deviations in household distribution in the Rs. 0–100 income group were Hambantota (33.9%), Kegalle (32.9%) and Matara (30.7%), districts, respectively. In contrast much lower percentages varying from 5–9% were observed in Mullaitivu, Jaffna and Trincomalee districts, the lowest (1.53%) being in Polonnaruwa.

TABLE 6  
PERCENTAGE DISTRIBUTION OF FOOD STAMP RECIPIENT HOUSEHOLDS BY INCOME GROUP AND DISTRICT

District	Income Groups (Rs. per month)					Total
	0-100	101-200	201-300	301-400	400	
Gampaha	16.07	45.42	33.69	3.86	0.95	100
Kandy	25.26	40.80	30.85	2.79	0.30	100
Kurunegala	12.41	44.35	38.32	3.82	1.10	100
Kalutara	12.06	41.87	41.77	3.87	0.43	100
Galle	13.49	50.16	33.61	2.11	0.63	100
Jaffna	7.51	36.45	53.99	1.71	0.34	100
Colombo	11.20	42.11	43.45	2.70	0.54	100
Badulla	13.49	50.71	30.68	4.12	1.00	100
Ratnapura	18.45	49.25	27.27	4.61	0.41	100
Kegalle	32.95	44.38	21.31	0.77	0.58	100
Puttalam	6.76	30.31	57.91	4.44	0.58	100
Matara	30.68	42.14	25.14	1.01	0.92	100
Anuradhapura	8.82	38.46	34.84	10.63	7.24	100
Matale	17.17	40.15	30.30	11.11	1.26	100
Nuwara Eliya	21.52	35.96	30.18	9.97	2.36	100
Batticaloa	12.10	44.94	37.53	4.44	0.99	100
Amparai	11.20	41.20	45.20	1.20	1.20	100
Hambantota	33.92	46.15	19.23	0.35	0.35	100
Monergala	18.37	36.75	40.28	4.94	0.00	100
Polonnaruwa	1.53	52.87	34.10	6.90	4.60	100
Trincomalee	8.71	53.79	34.85	2.27	0.38	100
Vavuniya	94.67	0.67	2.67	2.00	0.00	100
Mullaitivu	5.78	15.70	76.03	1.65	0.83	100
Mannar	14.40	60.00	24.00	1.60	0.00	100
Averages	16.67	42.79	35.78	3.76	1.00	100

Similar upward and downward deviations from the national average (43%) in respect of the Rs. 101–200 per month income groups were observed in the Mannar (60%) and Mullaitivu (16%) districts. Likewise differences from the overall average (36%) were seen in the Rs. 201–300 income group in respect of the Jaffna (54%) and Hambantota (19%) districts. Except for a couple of isolated cases, the general pattern of distribution of households receiving food stamps in relation to income levels was relatively uniform among the districts.

The income groups having the highest incidence of beneficiaries of food stamps in each district is identified in Table 7. The majority of food stamp recipients were concentrated in the Rs. 101 - 200 and Rs. 201 - 300 per month income groups. It is noteworthy that 17 districts had the largest single majority of food stamp recipients in the Rs. 101 - 200 income group. In six other districts the highest incidence of recipients was in the Rs. 201 - 300 per month income category, while Vavuniya was unique in that its majority of beneficiaries came under the Rs. 0 - 100 income group (Table 7). On an average, 43% of the total food stamp recipient households in the island were in the Rs. 101 - 200 income category with an overall mean income of Rs. 135 per month characteristic for this group (Table 8).

Further information pertaining to the incidence of the food stamp benefit can be extracted from the data given in Table 7. The mean income and the average family size of the households belonging to the given income group are shown. These figures may be compared with the overall average of mean incomes and of family sizes of the entire island as reported in Table 5. Similarly, the average value of food stamps received by the households in the given group and the extent of income supplemented by food stamps are expressed as a percentage of the mean income for all districts. These data are also comparable with the information given in Table 5.

6. *Relative contribution of food Stamps to the Household Income.*—The main objective of the Food Stamp Scheme was to supplement the incomes of the poor households and enhance the purchasing power of such families. The Food Stamp Scheme not only permitted the purchase of food items out of a range of specified commodities but also allowed for conversion of the stamps to cash by depositing them in a savings account. Unlike the earlier rice ration scheme which was defined in quantity terms, the food stamps were denominated in value terms so that the monetary benefit accruing to a household receiving stamps could be easily worked out without having to impute values. Hence, it is useful to consider food stamps as some form of a cash grant to the low income families. The relative contribution of stamps as a source of income to the household budgets can be assessed.

A comparative look at Tables 5 & 7 would reveal that the relative contribution of food stamps to the mean income of the recipient household has been higher in the case of the specific income group of Rs. 101 - 200 than in the case of the other groups of recipients in each district. For example, in table 5, the average monthly value of food stamps as a percentage of average monthly of all recipients in the district has been computed and the corresponding value for Gampaha appears as 60.1 percent. According to Table 7, the highest number of food stamp recipients in Gampaha district had been in the Rs. 101 - 200 income group which had a percentage of 74.3 as the value of food stamps in relation to the mean income of this group. Similarly, the overall percentage given in Table 5 for Nuwara Eliya district reveals 50.6% as the relative contribution of the food stamps to supplement the average income of the district's food stamp recipients. The corresponding percentage in Table 7 for the district reveals 76.3% as the average contribution of food stamps in respect of the Rs. 101 - 200 income group which contained the largest single majority of food stamps recipients in the Nuwara Eliya district. Thus it can be concluded that income groups with a relatively lower mean income have been assisted to a significant extent by the income supplement through the Food Stamp Scheme. The mean incomes of different income groups by districts are

TABLE 7

## INCOME GROUP WITH THE HIGHEST INCIDENCE OF THE FOOD STAMPS BENEFIT—BY DISTRICT

District	Income group containing the highest number of recipient households	Percent recipient households in the given group	Average size of household in the given group	Average value of food stamps received by the given group	(5) as % of (2)	
	Income Group (Rs.) (1)	Mean income (Rs.) (2)	Percent (3)	No. of Persons (4)	Rupees (5)	Percent
Gampaha	101-200	136	45.3	4.2	101	74.3
Kandy	101-200	133	40.8	6.0	94	70.7
Kurunegala	101-200	137	44.3	4.2	81	59.1
Kalutara	101-200	129	41.9	4.7	79	61.2
Galle	101-200	141	50.2	5.1	89	63.1
Jaffna	201-300	220	54.0	4.6	81	36.8
Colombo	201-300	226	43.5	5.6	85	37.6
Badulla	101-200	138	50.7	5.6	90	65.2
Ratnapura	101-200	133	49.3	5.5	94	70.7
Kegalle	101-200	130	44.4	5.5	92	70.8
Puttalam	201-300	232	57.9	5.1	108	46.6
Matara	101-200	130	42.1	5.7	97	74.6
Anuradhapura	101-200	132	38.5	5.4	92	69.7
Matale	101-200	145	40.1	5.7	82	56.6
Nuwara Eliya	101-200	131	36.0	5.8	100	76.3
Batticaloa	101-200	136	44.9	4.7	84	61.8
Amparai	201-300	219	45.2	6.9	118	53.9
Hambantota	101-200	128	46.2	6.0	110	85.9
Moneragala	201-300	211	40.3	6.5	119	56.4
Polonnaruwa	101-200	133	52.9	5.0	88	66.2
Trincomalee	101-200	139	53.8	5.1	97	69.8
Vavuniya	0-100	47	94.7	4.5	21	44.7
Mullaitivu	201-300	248	76.0	6.3	101	40.7
Mannar	101-200	139	60.0	5.4	98	70.5
Averages	101-200	152	42.8	5.1	90	59.2

TABLE 8

## MEAN INCOMES OF THE RECIPIENT HOUSEHOLDS BY INCOME GROUP AND DISTRICT

Mean income of household by income group (Rs. per month)

District	0-100	101-200	201-300	301-400	400	All
Gampaha	51	136	227	313	459	163
Kandy	48	133	236	319	830	151
Kurunegala	49	137	223	312	473	169
Kalutara	58	129	212	306	430	163
Galle	51	141	237	319	733	169
Jaffna	51	137	220	304	496	179
Colombo	38	135	226	308	405	170
Badulla	45	138	242	362	1,112	176
Ratnapura	56	133	194	224	633	142
Kegalle	58	130	223	332	433	129
Puttalam	52	146	232	303	450	198
Matara	51	130	227	316	440	135
Anuradhapura	46	132	223	330	507	204
Matale	53	145	229	306	500	177
Nuwara Eliya	53	131	237	305	401	170
Batticaloa	47	136	229	316	425	171
Amparai	61	142	219	300	400	173
Hambantota	49	128	218	315	400	120
Moneragala	51	137	211	308	Nil	158
Polonnaruwa	49	133	241	325	446	202
Trincomalee	54	139	223	300	400	165
Vavuniya	47	167	244	308	Nil	58
Mullaitivu	62	146	248	300	420	223
Mannar	71	139	236	300	Nil	154
Averages	51	135	225	310	521	164

presented in Table 8 to facilitate further analysis of the characteristics of the food stamp recipients. There appeared to be no distinctive pattern in the distributions of mean incomes by district except that the range of mean income values tended to be generally narrow in the lower income groups and progressively increase with higher incomes. The mean incomes of different income groups are reported in Table 8 to permit comparison with the overall mean incomes of districts.

The information in Table 9 presents details of the incidence of food stamp benefit by income groups in different districts. The average monthly values of food stamps received by households are classified by income groups and districts so that this information may be combined with other

TABLE 9  
AVERAGE VALUE OF FOOD STAMPS RECEIVED BY HOUSEHOLDS BY INCOME GROUP AND DISTRICT

District	Average Value of food stamps (Rs. per month) based on income level					
	100	101-200	201-300	301-400	400	All
Gampaha	87	101	102	91	58	98
Kandy	106	94	111	81	137	102
Kurunegala	66	81	101	90	103	87
Kalutara	56	79	83	83	40	78
Galle	66	89	110	79	74	92
Jaffna	38	70	81	160	56	75
Colombo	58	84	85	67	68	81
Badulla	67	90	112	106	67	94
Ratnapura	83	94	100	119	34	95
Kegalle	79	92	95	99	55	88
Puttalam	54	88	108	110	84	98
Matara	76	97	103	73	61	91
Anuradhapura	47	92	101	86	102	91
Matale	65	82	86	89	79	81
Nuwara Eliya	77	100	83	69	79	86
Batticaloa	57	84	97	86	64	85
Amparai	75	101	118	156	81	106
Hambantota	90	110	98	59	24	100
Moneragala	82	99	119	118	NIL	104
Polonnaruwa	55	88	111	96	77	95
Trincomalee	47	97	113	81	74	98
Vavuniya	21	67	91	95	NIL	75
Mullaitivu	21	65	101	70	70	90
Mannar	87	98	116	92	NIL	100
Overall Averages	65	89	101	93	61	91

characteristics of the different districts for further evaluation. The data given in Table 8 would reveal that Gampaha, Kandy, Kurunegala, Badulla, Ratnapura, Matara, Anuradhapura, Amparai and Mannar districts had been receiving higher levels of stamp benefits.

Income support received by the different income groups in each district due to food stamps is shown in Table 10. This computation has been derived by using information in Tables 8 and 9. These estimates reveal the details in respect of the incidence of food stamp benefit by both income groups and districts. As can be expected the relative contribution of food stamps to the household budget tended to diminish as the income of the household approached a higher level. Thus, an inverse relationship was observed between the income level of the household and the contribution of food stamp value to mean household incomes, specifically to the lowest income category. The relative contribution of food stamps was over 100%. The food stamp contribution varied between 40% and 80% in the case of the Rs. 101 - 200 category and between 35% and 56% in terms of the Rs. 201 - 300 group. A further decline in the relative contribution of food stamps to the mean income could be seen in the Rs. 301 - 400 groups where the value ranged between 19% and 52%.

The food stamp benefit was determined not only on income status but family size was also considered. Income level was graded according to the number of members in the family. Thereafter individuals eligible for food stamp was determined on the basis of both income and family size. Further the composition of the family also tends to influence the value of food stamps receivable by a household. According to the Food Stamp Scheme, children below 8 years of age are provided food stamp to the value of Rs. 25 per month while children between 8-12 years of age are given stamps equivalent to Rs. 20 per month. Those persons above 12 years would be eligible for stamps up to Rs. 15 per month. Hence, the incidence of the value of the food stamps benefit as characterised in Table 10 reflect the influence of several variables including the household, income status, family size and composition of the family.

From the foregoing it is evident that the Food Stamp Scheme has enabled the poor households to increase purchasing capacity. Despite the significant contribution made by food stamps to raise the income status of the low income groups, the real income or the actual purchasing

TABLE 10

**RELATIVE CONTRIBUTION OF FOOD STAMPS TO THE MEAN INCOME OF HOUSEHOLDS IN DIFFERENT INCOME GROUPS BY DISTRICT**

*Value of food stamps as a Percentage of the mean income by income group (Rs. per month)*

<i>District</i>	<i>0-100</i>	<i>101-200</i>	<i>201-300</i>	<i>301-400</i>	<i>400</i>	<i>All</i>
Gampaha	170.6	74.3	44.9	29.1	12.6	60.1
Kandy	220.8	70.7	47.0	25.4	16.5	67.5
Kurunegala	134.7	59.1	45.3	28.8	21.8	51.5
Kalutara	96.6	61.2	39.2	27.1	9.3	47.9
Galle	129.4	63.1	46.4	24.8	10.1	54.4
Jaffna	74.5	51.1	36.8	52.6	11.3	41.9
Colombo	152.6	62.2	37.6	21.8	16.8	47.6
Badulla	148.9	65.2	46.3	29.3	6.0	53.4
Ratnapura	148.2	70.7	51.5	53.1	5.4	66.9
Kegalle	136.2	70.7	42.6	29.8	12.7	68.2
Puttalam	103.8	60.3	46.6	36.3	18.7	49.5
Matara	149.0	74.6	45.4	23.1	13.9	45.2
Anuradhapura	102.2	69.7	45.3	26.1	20.1	44.6
Matale	122.6	56.6	37.6	29.1	15.8	45.8
Nuwara Eliya	145.3	76.3	35.0	22.6	19.7	50.6
Batticaloa	121.3	61.8	42.4	27.2	15.1	49.7
Amparai	122.9	71.6	53.9	52.0	20.2	61.3
Hambantota	183.7	80.3	44.9	18.7	6.0	83.3
Moneragala	160.8	72.3	56.4	38.3	Nil	65.8
Polonnaruwa	112.2	66.2	46.0	29.5	17.3	54.9
Trincomalee	87.0	69.8	50.7	27.0	18.5	59.4
Vavuniya	144.6	40.1	37.3	30.8	Nil	48.0
Mullaitivu	33.8	44.5	40.7	23.3	16.7	40.4
Mannar	122.5	70.5	49.1	30.7	Nil	64.9
Overall Averages	130.17	65.12	44.53	12.66	12.67	55.10

power of the households could not have improved to the same extent. Unlike the rice ration scheme which assumed a fixed quantity of rice, the value of food stamps specified in monetary terms tends to depreciate in an inflationary situation. Hence, the net addition to the real income of the households in receipt of food stamps will be governed by price fluctuations of commodities under the scheme.

7. *Pattern of utilization of food stamps.*—The Food Stamp Scheme afforded the consumer with a wide range of items such as rice, paddy, flour, bread, sugar, milk food, pulses and dried fish. Food stamps could be utilized to purchase several of these items rather than a fixed quantity of a specified commodity. In addition to the food stamps, the low income families were also given "kerosene stamps" to the value of Rs. 9.50 per month per household. The scheme allows for the utilization of kerosene stamps to buy food items but not vice-versa.

The pattern of utilization of food stamps was not commensurate with the wide range of commodities that could be purchased by the Food Stamp Scheme. The examination of stamp utilization for different commodities indicates that strong preference exists for the purchase of rice. Although there appeared to be a general reduction in the proportion of food stamps spent on rice as the income level increased, the predominance of rice consumption was clearly visible in the pattern of utilization of food stamps in every district.

7.1 *Rice.*—The proportion of food stamps spent on rice and paddy ranged between 70% and 90% in 21 districts (Table 11). Relatively lower rates of expenditure than the overall average rate were seen in Vavuniya, Colombo, Trincomalee and Hambantota districts. The households in these districts appeared to have exchanged relatively large portions of food stamps for sugar. It would appear that households of an area in the extensive rice-growing like Hambantota district did not have very much dependance on food stamps for its rice requirement. Yet, there was no such consistent pattern that emerged from the other rice growing districts. For instance food stamp expenditure in Anuradhapura and Polonnaruwa districts on rice purchases was 77.5% and 71.1%, respectively. This could be explained by factors such as landlessness and growth of urban centres in these areas which resulted in the expansion of the low income and non-farm population who had to rely on food stamps to meet their rice requirements.

TABLE 11

PERCENTAGE DISTRIBUTION OF FOOD STAMP EXPENDITURE BY COMMODITY AND DISTRICT

Percentage shares of food stamps spent by commodity

District	Rice (& Paddy)	Flour (& bread)	Milk Food	Sugar	All Other	Total	Average food stamp expenditure (Rs.-m.)
Gampaha	78.4	2.7	6.8	6.8	5.4	100.0	74
Kandy	82.1	1.2	4.8	9.5	2.4	100.0	84
Kurunegala	76.5	2.5	1.2	14.8	4.9	100.0	81
Kalutara	77.8	2.5	6.2	9.9	3.6	100.0	81
Galle	83.0	**	8.5	8.5	**	100.0	94
Jaffna	74.6	5.6	3.8	9.9	6.0	100.0	71
Colombo	65.0	1.3	15.0	16.2	2.5	100.0	80
Badulla	84.7	1.5	1.4	4.2	6.9	100.0	72
Ratnapura	74.6	1.1	7.0	11.3	5.6	100.0	71
Kegalle	86.4	2.5	3.5	5.7	3.4	100.0	88
Puttalam	85.0	**	1.3	7.5	3.7	100.0	80
Matara	84.8	**	4.3	6.6	4.3	100.0	92
Anuradhapura	77.5	**	2.3	15.7	4.5	100.0	89
Matale	90.1	**	2.5	4.9	2.5	100.0	81
Nuwara Eliya	87.5	**	**	4.2	8.3	100.0	48
Batticaloa	89.4	**	1.2	7.1	2.4	100.0	85
Amparai	73.3	**	7.6	14.3	4.8	100.0	105
Hambantota	37.1	**	14.4	42.3	6.2	100.0	97
Moneragala	83.0	**	7.0	6.0	4.0	100.0	100
Polonnaruwa	71.1	**	8.9	14.4	5.6	100.0	90
Trincomalee	56.0	1.0	4.0	25.0	14.0	100.0	100
Vavuniya	76.9	3.8	**	16.7	2.6	100.0	78
Mullaitivu	76.7	3.3	2.2	14.4	3.3	100.0	90
Mannar	79.0	1.0	**	15.0	5.0	100.0	100
Averages	77.10	1.36	4.74	12.12	4.65	100.0	84

(\*\*Indicates negligible amounts or zero)

The percentage of food stamps utilized for the purchase of rice by different income groups in the 24 districts can be seen in Table 12. The variation in food stamp expenditure between income groups in a given district appeared to be somewhat less when compared to district differences in terms of a single income group. For example, considering the proportion of food stamps expended on rice consumption by different income groups in the Gampaha district, it can be seen that this amount varied between 65 and 79% for the over Rs. 400 p.m. and Rs. 101 - 200 p.m. income groups, respectively. On the other hand the rice consumption pattern of the Rs. 101 - 200 p.m. income group varied from 44% in Trincomalee district to 99% in Mullaitivu district. This confirms earlier observations on the proportion of food stamps utilized for rice purchases. However, there was a marked preference in favour of rice consumption as against the other (basket of food) commodities in all income groups of all districts.

It is also useful to examine the extent of rice consumption based on food stamp availability. For this purpose, the quantity of rice consumed by the households and the sources of rice purchases need to be analysed. The quantum of rice obtained through the Food Stamp Scheme expressed as a percentage of the total rice consumption of each income group in different districts is computed in Table 13. Considering the overall averages, between 22% to 36% of the rice purchases in the districts is attributed to food stamps. However, if a cross section of income groups within districts is taken there appear to be wider variation in the proportion of rice procured on food stamps. For example, in the Rs. 100 - 200 p.m. income group in the Jaffna district only 22% of the rice purchases was from food stamps, whereas the corresponding percentage was 43% in the Nuwara Eliya district.

TABLE 12

PERCENTAGE OF FOOD STAMPS UTILIZED FOR THE PURCHASE OF RICE BY INCOME GROUP AND DISTRICT

District	Income groups (Rs. per month)					
	0-100	101-200	201-300	301-400	400	All
Gampaha	78	79	72	73	65	78
Kandy	89	79	77	77	65	82
Kurunegala	82	88	74	73	71	76
Kalutara	71	77	78	82	78	78
Galle	80	86	83	92	89	83
Jaffna	84	75	73	70	95	75
Colombo	64	66	65	55	61	65
Badulla	95	78	88	86	90	85
Ratnapura	80	77	70	65	56	75
Kegalle	85	88	83	68	72	86
Puttalam	83	89	82	91	58	85
Matara	86	82	84	97	60	85
Anuradhapura	77	78	79	68	72	78
Matale	91	88	92	96	97	90
Nuwara Eliya	100	90	86	81	69	88
Batticaloa	92	92	85	88	91	89
Amparai	75	70	75	79	40	73
Hambantota	84	75	68	50	15	37
Moneragala	75	85	85	85	n.ap	83
Polonnaruwa	100	73	71	68	48	71
Trincomalee	29	44	47	59	88	56
Vavuniya	76	67	78	76	n.ap	77
Mullaitivu	88	99	73	50	44	77
Mannar	87	81	71	35	n.ap	79
Averages	81	79	76	73	59	77

TABLE 13

**RELATIVE IMPORTANCE OF FOOD STAMPS IN THE TOTAL RICE CONSUMPTION BY INCOME GROUP AND DISTRICT**

District	Percent of rice		Purchases on food stamps			
	(Income group Rs. per months)					
	0 - 100	101 - 200	201 - 300	301 - 400	400	All
Gampaha	27	29	29	22	10	28.7
Kandy	27	28	28	17	16	28.1
Kurunegala	26	30	31	31	12	29.9
Kalutara	25	26	26	21	5	26.1
Galle	27	29	28	22	11	28.3
Jaffna	19	22	22	11	9	22.0
Colombo	32	28	25	12	16	26.3
Badulla	30	27	23	17	43	25.4
Ratnapura	31	28	26	25	4	27.4
Kegalle	30	28	28	12	8	28.7
Puttalam	23	25	26	24	14	25.4
Matara	30	32	28	18	15	29.9
Anuradhapura	18	25	22	26	23	23.1
Matale	31	28	28	29	22	28.9
Nuwara Eliya	50	43	24	18	14	36.1
Batticaloa	40	34	31	23	11	32.3
Amparai	26	32	27	37	34	28.9
Hambantota	87	32	19	10	Nil	27.9
Moneragala	28	30	30	22	Nil	29.3
Polonnaruwa	33	35	31	20	15	32.3
Trincomalee	26	30	28	20	29	29.5
Vavuniya	25	31	26	28	Nil	25.0
Mullaitivu	55	38	30	21	Nil	30.7
Mannar	25	23	19	8	Nil	22.1
Averages	32	29	26	20	13	28.1

Households with relatively low incomes (i.e. below Rs. 300 per month) obtained approximately one fifth to one half of their total rice consumption by utilizing food stamps while households with somewhat higher income level (i.e. group with Rs. 301 - 400 and Rs. 401 and above per month) obtained about one tenth to one third of their rice requirements through food stamps. It was quite evident that the level of rice consumption, particularly of the low income groups was to a significant extent, made possible by the Food Stamp Scheme. The bulk of the food stamps was utilized particularly by the poorer households to purchase their basic rice needs.

7.2 *Milk, Food.*—The Food Stamp Scheme by making available higher value food stamps to poor households with children attempted to promote greater milk consumption. As a further measure of assistance, milk foods were included in the basket of goods under the Food Stamp Scheme. Although nutrition needs of children were emphasized in the scheme the desired milk consumption was not achieved. According to Table 11, the amount of food stamp expenditure committed on milk food purchases had been rather small in many districts varying from 1% to 15%.

The value of food stamps spent on milk food in the Colombo district was 15% while in most of the districts the commitment was less than 10%. However, food stamp expenditure on milk foods was negligible in Nuwara Eliya, Vavuniya and Mannar districts. Although milk food consumption would have been influenced by family size and composition, consumption could have been regulated to a great extent by the income status of the food stamp recipients. Poorer households may not wish to purchase milk food for the exclusive use of children in preference to a general purpose item like rice which could be consumed by the entire family.

The food stamp expenditure on milk food by different income groups and districts is given in Table 14. Both relatively high and low income households in a given district spend a relatively small proportion of stamps on milk foods. In districts like Gampaha, Galle, Matara and Moneragala the lower income households have spent a larger percentage of food stamps on milk foods. The family composition and age structure may influence this kind of expenditure pattern.

TABLE 14

**PROPORTION OF FOOD STAMPS SPENT ON MILK FOOD PURCHASES BY INCOME GROUP AND DISTRICT**

District	Percentage of Food Stamps Utilized for Milk Food					
	0-100	101-200	201-300	301-400	400	All
Gampaha	6	5	7	4	0	4
Kandy	4	5	5	8	4	0
Kurunegala	0	1	2	1	3	2
Kalutara	8	5	6	6	2	9
Galle	10	9	8	5	5	8
Jaffna	2	4	3	9	0	3
Colombo	14	12	13	18	13	15
Badulla	1	2	2	1	0	2
Ratnapura	6	7	7	9	0	7
Kegalle	4	3	4	4	15	4
Puttalam	2	1	1	4	17	2
Matara	4	5	4	0	0	4
Anuradhapura	2	1	1	7	4	2
Matale	5	2	2	1	0	2
Nuwara Eliya	0	3	2	0	0	2
Batticaloa	0	1	3	2	3	1
Amparai	6	10	5	0	28	8
Hambantota	3	5	5	0	0	3
Moneragala	20	8	1	1	0	7
Polonnaruwa	0	9	9	7	8	8
Trincomalee	3	3	5	5	0	4
Vavuniya	0	0	0	0	0	0
Mullaitivu	0	2	2	12	11	2
Mannar	0	0	0	0	0	0
Averages	04	04	04	04	05	04

Detail information of milk food consumption in the districts is given in Table 15 and 16. The percentage distribution of households with children (below 8 years of age) by districts is given in Table 15. The findings reveal that, on the average, 57% of the total households sampled in the island had at least one child below 8 years. Puttalam district had the lowest (40%) while the highest (77%) was reported in the Hambantota district. Over 50% of the households in practically all the districts had at least one child below 8 years of age. Thus the proportion of households receiving higher values of food stamps on account of young children had been quite high in many districts.

According to the evidence in table 16, the utilization of food stamps for milk food consumption has been quite low. The households pertaining to all districts that purchased milk food during the month preceding the survey (classified by the number of children) are also shown. This figure was lowest for households with no children and highest in those with more than 3 children. In

districts with relatively large proportions of households, consisting of children, like Amparai district, only 21% of the households with one child purchased milk. The corresponding rates were 38% and 57% for households with 2 and 3 children, respectively.

Households with a larger number of children below 8 years were inclined to utilize some portion of their food stamps towards the purchase of milk. The information in Table 16 pertains only to the percentage of households that purchased milk food in a given time period ; but the value of such purchases might have been in most instances quite insignificant when examined in the context of the data provided in Tables 13 and 14.

The reluctance of the households to spend more of food stamps on milk food is mainly due to the dominance of rice in the consumption pattern of the households, accentuated by increasing trends in the retailed price of rice. In these circumstances, households will be compelled to maintain a minimum level of rice consumption. Further, rice is comparatively less expensive than milk foods and can be consumed in some form or other by every member in the family.

TABLE 15

**PERCENTAGE DISTRIBUTION OF THE SAMPLE POPULATION (HOUSEHOLDS) BY NUMBER OF CHILDREN BELOW 8 YEARS OF AGE IN EACH DISTRICT**

District	No. of children All groups				Percent	
	0	1	2	3 or more	with at least one child	
	<i>Percentage of Households</i>					
Gampaha	50	23	18	9	100	50
Kandy	41	24	22	12	100	59
Kurunegala	46	25	17	11	100	54
Kalutara	51	23	17	8	100	49
Galle	44	23	21	11	100	56
Jaffna	48	19	19	14	100	52
Colombo	41	28	18	12	100	59
Badulla	38	25	23	13	100	62
Ratnapura	42	26	20	11	100	58
Kegalle	45	26	17	11	100	55
Puttalam	60	17	12	10	100	40
Matara	44	23	20	13	100	56
Anuradhapura	28	22	29	21	100	72
Matale	45	25	20	10	100	55
Nuwara Eliya	39	22	19	20	100	61
Batticaloa	40	20	24	15	100	60
Amparai	23	27	23	27	100	77
Hambantota	31	26	20	23	100	69
Hambantota	34	23	21	22	100	66
Moneragala	28	28	27	17	100	72
Polonnaruwa	29	30	18	23	100	71
Trincomalee	31	28	24	17	100	69
Vavuniya	25	26	20	28	100	75
Mullaitivu	30	20	31	18	100	70
Mannar						
Averages	38.87	24	20.83	15.66	100	61.12

TABLE 16

PERCENTAGE OF HOUSING THAT PURCHASED MILK FOOD DURING THE MONTH PRECEEDING THE SURVEY—CLASSIFIED BY THE NUMBER OF CHILDREN AND DISTRICTS

District	No. of children			
	0	1	2	3 or 3
	Percentage of Households Purchasing Milk			
Gampaha	6.2	32.7	40.0	54.0
Kandy	3.1	23.1	31.5	42.2
Kurunegala	1.8	10.7	12.7	21.1
Kalutara	2.6	35.7	39.0	48.0
Galle	4.5	28.4	38.4	53.4
Jaffna	5.2	16.0	24.8	17.9
Colombo	17.7	9.6	16.8	66.7
Badulla	4.5	9.6	16.8	40.0
Ratnapura	4.9	43.0	46.7	47.5
Kegalle	3.8	27.7	30.7	40.7
Puttalam	1.3	9.0	20.9	20.0
Matara	3.8	26.9	41.3	35.3
Anuradhapura	0.0	9.2	18.7	13.7
Matale	5.6	16.8	26.9	30.0
Nuwara Eliya	1.4	8.5	14.7	10.5
Batticaloa	9.1	9.9	19.0	18.3
Amparai	1.7	21.2	37.9	56.9
Hambantota	2.2	27.0	26.3	25.9
Monergala	2.1	9.1	22.9	21.9
Polonnaruwa	5.4	27.4	39.4	65.6
Trincomalee	9.5	27.6	57.8	52.5
Vavuniya	0.0	4.8	0.0	7.7
Mullaitivu	3.2	15.6	37.5	44.1
Mannar	5.3	12.0	5.1	0.0
All	4.37	20.33	29.42	34.74

7.3 *Sugar.*—According to Table 11, sugar purchases accounted for a relatively high percentage of the food stamp expenditure in certain districts, while the overall average for the entire island had been 12%. The proportion of food stamps spent on sugar varied between 4% and 42% in Badulla, Nuwara Eliya and Hambantota districts. Over 15% of the food stamp allocation was utilized for sugar consumption in Trincomalee (25%), Vavuniya (16%) and Mannar (15%). However, there was no relationship between average household incomes of districts and their pattern of sugar consumption. Housholds earning higher incomes utilized a greater percentage of food stamps on sugar purchases.

7.4 *Flour and bread.*—Food stamps expended on flour and bread consumption was very low. In Jaffna district 5.6% of the food stamps were utilized for the purchase of flour and bread, whereas the corresponding figure for all other districts was less than 4%. Matara, Anuradhapura and Matale districts recorded zero values. The low demand for flour as a consequence of the gradual phasing out of the price subsidy on this commodity was well established by the survey. Higher consumption of rice appeared to have substituted for flour consumption to a great extent, specifically in the rice growing areas of the country.

7.5 *Co-operative Development Department Survey.*—The Survey findings pertaining to the pattern of utilization of food stamps were confirmed to a great extent from information provided by the Co-operative Development Department, regarding the utilization of food stamps in procuring basic foods. The information confirms the predominance of rice in the purchasing pattern but the proportion of food stamps committed on this item was somewhat less when compared to the Food Stamp Scheme Survey. However, according to the Co-operative Department information sugar purchases were notably higher. In general, rice and sugar accounted for the bulk of the food stamp purchases, whereas milk food purchases were low.

## Extent of food stamp sales

As a part of the opinion-survey recipients and non recipients were requested to comment on the extent of sales of food stamps and / or commodities purchased on stamps. Judging by the response of both groups the extent of such sales appears to be negligible. The response of the non recipients of food stamps indicates a slightly higher rate in respect of the households that believed either stamps or stamp-based commodities were being sold. The opinions expressed by the recipient households are summarised in Table 17.

Except for the households of the Polonnaruwa district which reported a relatively high rate of 12.5%, the other districts reported values ranging from 1 to 7% in regard to saleability of stamps and stamp-based commodities. It is noteworthy that 8 districts reported zero percentages. While only 6 districts contained more than 4% of the households which suspected sale of stamps or stamp purchased items. There was no distinct pattern evident in the above belief. The widely implied belief was that the food stamps were genuinely utilized by the actual recipients.

Several reasons could be attributed to the insignificant percentage of households which did not believe in the sale of stamps. The recipients who were interviewed through fear of disqualification did not divulge the truth even if they were aware of sales. This also explains the higher incidence in the non-recipient category since these households were not restrained by fear to express a frank opinion. Even after leaving a valid margin for this sort of response it can be argued that the sale of stamps or commodities procured with stamps had been extremely low.

The availability of a wide range of commodities such as rice, sugar, flour, milk, pulses, dry fish and kerosene under the Food Stamp Scheme virtually eliminated stamp sales. Selling and trading of stamps could have been profitable if the open market prices of the goods offered under the Food

TABLE 17

### SALE OF FOOD STAMPS OR STAMP PURCHASED COMMODITIES

District	Percent households that believed selling take place		
	Food Stamps	Stamp Purchased Commodities	Both
Gampaha	4.2	2.4	6.6
Kandy	1.8	0.8	2.6
Kurunegala	1.9	2.6	4.5
Kalutara	1.4	0.6	2.0
Galle	0.8	0.8	1.6
Jaffna	0.0	0.0	0.0
Colombo	2.2	1.8	4.0
Badulla	0.1	0.1	0.2
Ratnapura	1.6	3.9	5.5
Kegalle	1.9	2.1	4.0
Puttalam	1.1	0.4	1.5
Matara	1.5	1.1	2.6
Anuradhapura	0.0	0.0	0.0
Matale	1.5	0.3	1.8
Nuwara Eliya	0.0	0.0	0.0
Batticaloa	0.0	0.0	0.0
Amparai	0.0	0.0	0.0
Hambantota	0.0	0.0	0.0
Moneragala	7.2	5.3	12.5
Polonnaruwa	1.5	0.8	2.3
Trincomalee	0.0	0.0	0.0
Vavuniya	0.0	7.4	7.4
Mullaitivu	0.0	0.0	0.0
Mannar	0.0	0.0	0.0
Average	1.5	2.0	3.5

Stamp Scheme were different to the prices of these commodities at the co-operatives. However, in the case of rice, price differences may have induced the stamp holders to trade their stamps to purchase the cheaper or preferential rice varieties available outside the co-operatives. If the open market prices of rice decline appreciably consumers may either have sold the stamps or procured other commodities for purposes of re-selling. The proceeds from these transactions may have been used to purchase more rice in the open market or to procure the locally preferred rice varieties to the imported types marketed by the Food Commissioner's Department. If so, this tendency could be minimized by permitting the consumers to buy their rice from private outlets similar to flour, bread and kerosene procurements.

Although children are granted food stamps of a higher value, their entitlement is not fixed for a specific commodity (or commodities). Due to the convertibility of stamps, there may have been a tendency by the adults to sell the stamps and/or commodities purchased with stamps to buy superfluous items like tobacco or alcohol, at the expense of milk foods etc. In view of the high price of cigarettes and liquor such abuses can occur. The flexibility of using even kerosene stamps to buy food items and the convertibility of any balance food stamps to savings deposits would have also minimized stamp sales unless the households required more cash to purchase specific commodities not included under the food stamp scheme.

8. *Availability of other food aid to poor households.*—In addition to the Food Stamp Scheme, three other forms of food aid are available to low income groups, viz. the Thripasha Programme, School Biscuits Programme and the Public Assistance Programme of the Social Services Department. Both recipients and non-recipients of food stamps appeared to have been benefiting from either of these programmes. However, it was observed that the percentage of beneficiaries was higher in the case of food stamp recipients (Tables 18 and 19).

TABLE 18  
AVAILABILITY OF OTHER FOOD AID TO FOOD STAMP RECIPIENTS

District	Other food aid recipients as a percentage of food stamp recipients	Percentage shares of different food aid recipients		
		Thripasha	School biscuits	Public Assistance
Gampaha	43.2	29.8	48.3	21.8
Kandy	43.8	42.1	33.6	24.3
Kurunegala	41.4	14.7	68.2	17.0
Kalutara	42.7	19.6	64.7	15.6
Galle	41.1	37.7	49.5	12.8
Jaffna	37.7	20.8	65.6	13.6
Colombo	53.2	36.5	49.0	14.5
Badulla	84.7	25.2	58.0	16.8
Ratnapura	51.7	27.8	62.5	9.7
Kegalle	77.9	22.1	61.9	15.9
Puttalam	36.9	5.8	78.5	15.7
Matara	69.5	25.3	68.3	6.4
Anuradhapura	55.9	22.3	60.7	17.0
Matale	38.6	39.9	41.2	18.9
Nuwara Eliya	90.6	36.2	54.3	9.6
Batticaloa	26.9	46.8	23.8	29.3
Amparai	98.0	32.4	52.4	15.2
Hambantota	62.9	11.7	79.4	8.9
Moneragala	32.8	35.5	50.5	14.0
Polonnaruwa	64.8	14.2	79.2	6.5
Trincomalee	51.5	70.6	14.7	14.7
Vavuniya	37.3	21.4	78.6	0.0
Mullaitivu	38.0	2.2	93.5	4.3
Mannar	49.6	25.8	71.0	3.2
Averages	49.6	28.5	57.8	13.7

TABLE 19

## AVAILABILITY OF OTHER FOOD AID TO NON RECIPIENTS OF FOOD STAMPS

District	Other food aid recipients as a percentage of non recipients of stamps	Percentage shares of different food aid recipients		
		Thripasha	School biscuits	Public Assistance
Gampaha	32.8	28.2	69.2	2.6
Kandy	29.9	54.5	29.1	16.4
Kurunegala	32.0	15.9	81.8	2.3
Kalutara	42.4	30.7	59.0	10.3
Galle	33.3	50.0	50.0	0.0
Jaffna	12.3	28.5	57.1	14.3
Colombo	37.3	42.8	42.8	14.3
Badulla	49.0	30.7	65.4	3.8
Ratnapura	23.2	37.5	62.5	0.0
Kegalle	47.5	35.7	64.2	0.0
Puttalam	25.2	10.0	90.0	0.0
Matara	35.9	40.0	60.0	0.0
Anuradhapura	50.8	39.4	42.4	9.1
Matale	33.3	50.0	50.0	0.0
Nuwara Eliya	78.7	28.9	68.9	2.2
Batticaloa	20.0	100.0	0.0	0.0
Amparai	39.4	42.2	53.3	4.4
Hambantota	68.2	19.1	80.9	0.0
Moneragala	n.a.	n.a.	n.a.	n.a.
Polonnaruwa	46.4	30.7	69.2	0.0
Trincomalee	16.7	100.0	0.0	0.0
Vavuniya	n.a.	n.a.	n.a.	n.a.
Mullaitivu	17.8	20.0	60.0	20.0
Mannar	n.a.	n.a.	n.a.	n.a.
Averages	36.9	34.6	60.3	5.1

Almost 50% of the total food stamp recipient households appeared to have had access to some other form of supplementary food aid, the corresponding share among the non-recipients being only 37%. Significant variations in the other forms of food aid were noticeable for the different districts. The number of other food aid recipients expressed as a percentage of the food stamp holders amounted to more than 85% in the districts like Nuwara Eliya, Amparai and Badulla, whereas this ratio was less than 40% in Jaffna, Puttalam, Matale, Batticaloa and Moneragala districts. Similarly, other food aid benefits among the non-recipient households ranged between 79% in Nuwara Eliya district to 12% in Jaffna district. Relatively high rates were also observed in Hambantota and Anuradhapura districts. In Trincomalee and Mullaitivu districts the number of non-recipients of food stamps benefiting from other food aid programmes was much smaller than the islandwide average (Table 19).

Of the three main types of other food aid, the School Biscuit Feeding Programme appeared to have reached the majority of food stamps recipients and non-recipient households. The School Biscuit Feeding Programme has benefited 58% of the food stamp recipient households and 60% of the non-recipient households whereas the Thripasha Programme has benefited 28% of the food stamp recipients and 35% of the non-recipient households, respectively. The Public Assistance provided by the Social Services Department occupied a lower priority than the School Biscuit Feeding and Thripasha Projects, benefiting 14% of the food stamp recipients and 5% of the non-recipient households.

The Thripasha Programme and School Biscuit Feeding Project are not intended to benefit every individual person in a given household. These supplementary feeding programmes are usually directed to specific target groups like pregnant and lactating mothers, infants and school children.

The availability of such assistance is dependent on other criteria rather than solely on income status. Further the eligibility for this kind of food aid should not be considered as an adequate substitute for food stamps. On the contrary other types of food aid should be treated as supplementing the food stamps, specifically in view of rising food prices and fixity of stamp value. Since quantitative information has not been obtained from households receiving other types of food aid, it is not possible to assess the impact of supplementary food aid on income status or food consumption of these households.

9. *Household preference for food stamps.*— The survey ascertained information from households regarding preferences for the Food Stamp Scheme versus the Rice Ration Scheme. The question had been asked in such a way that households could indicate either equal preference or indifference to the schemes without specifying the particular scheme. As the extent of preference of the households for food stamps varied considerably within as well as among the districts, it is difficult to conclude that there was any strong preference for either the food stamp scheme or the rice ration scheme.

TABLE 20

**HOUSEHOLD PREFERENCE FOR FOOD STAMPS (% basis)**

<i>District</i>	<i>Prefer stamps</i>	<i>Prefer ration</i>	<i>Equal preference</i>	<i>Total</i>
Gampaha	24.7	32.3	43.0	100.0
Kandy	31.7	33.2	35.1	100.0
Kurunegala	24.7	37.2	38.1	100.0
Kalutara	33.3	45.5	21.2	100.0
Galle	25.1	58.8	16.1	100.0
Jaffna	26.3	52.0	21.7	100.0
Colombo	21.9	49.2	28.9	100.0
Badulla	44.8	32.0	23.2	100.0
Ratnapura	32.5	49.2	18.3	100.0
Kegalle	24.3	34.4	41.3	100.0
Puttalam	32.7	42.9	24.4	100.0
Matara	16.8	46.0	37.2	100.0
Anuradhapura	23.2	36.0	40.8	100.0
Matale	27.3	46.2	26.5	100.0
Nuwara Eliya	32.0	45.4	22.6	100.0
Batticaloa	45.3	27.2	27.5	100.0
Amparai	47.8	16.9	35.4	100.0
Hambantota	56.3	14.0	29.7	100.0
Moneragala	16.2	21.9	61.8	100.0
Polonnaruwa	59.6	17.7	36.9	100.0
Trincomalee	79.5	14.0	6.5	100.0
Vavuniya	100.0	—	—	100.0
Mullaitivu	31.4	38.8	29.8	100.0
Mannar	66.4	19.2	14.4	100.0
Averages	31.8	38.5	29.7	100.0

The results of the opinion survey are summarised in Table 20. According to the survey findings, 31.8% of the households opted for the Food stamp Scheme, 38.5% preferred the Rice Ration Scheme, while the remaining 29.7% of the households indicated an equal preference. If districts are considered the preference was higher for the ration scheme. Food stamps were favoured by nearly one third of the total households. Considering assessments in terms of individual districts, it is not possible to identify a general pattern favouring either scheme. Households of eight districts<sup>(1)</sup> demonstrated a preference for food stamps while households of ten other districts<sup>(2)</sup> favoured the rice ration scheme. The households in the remaining 6 districts<sup>(3)</sup> indicating an equal preference.

Footnote : (1) Vavuniya, Trincomalee, Mannar, Polonnaruwa, Hambantota, Amparai, Batticaloa, Badulla.

(2) Galle, Jaffna, Colombo, Matale, Matara, Nuwara Eliya, Kalutara, Puttalam, Ratnapura, Mullaitivu.

(3) Moneragala, Anuradhapura, Kurunegala, Kandy, Kegalle, Gampaha.

The establishment of a preferential pattern in relation to household income was not possible. In general, households in the lower income brackets showed a tendency to favour the rice ration as against the food stamp. Moreover, a relatively large number of the households which indicated an equal preference was generally identified among the low income groups. This is indicative of the dire need of the poor households to obtain some level of financial support from the government regardless of the type of assistance ; and hence they did not want to differentiate between food stamps and rice ration. The poor households may have indicated equal preference through fear of disruption of an existing income assistance scheme consequent to their answering the questionnaire of the survey.

The opinion survey also attempted to discover the main reasons for the particular preference indicated by the households. A good proportion of those households (30%) who opted for food stamps liked the scheme because of the wider choice it made available to the consumer in the selection of commodities from a range of items. Almost 27% of the households were appreciative of the time flexibility in respect of purchases as the stamps were valid for a period of one month while another 13% of the respondents preferred the scheme since they were able to make purchases from sources other than the cooperatives. Several other reasons were given by the balance 30% of the households.

The various reasons adduced by the households which preferred the rice ration scheme are summarized. The recipients complained of difficulties towards the end of the month as they exhausted all the food stamps within the first couple of weeks. The Food Stamps Scheme unlike the Rice Ration Scheme did not ensure steady supplies of rice and/or other items to the household. This resulted in problems to recipients of Food Stamps who were not capable of regulating their expenditure. About one half of the total households cited this reason as an advantage of the ration scheme over the food stamps.

The explanation given by about 25% of those who favoured the rice ration was that it had a better value and provided a higher benefit than the food stamps. Another 10% of those who approved of the rice ration expressed their dis-satisfaction about the adequacy of the rupee value of the food stamps granted to a family. Therefore the recipient households faced with the diminishing power of the food stamps and the uncertainty about its real value in terms of rising food prices, appeared to have preferred the rice ration to food stamps.

10. *Difficulties experienced by households.*—Recipient households were required to enumerate the main difficulties encountered in the procurement of commodities under the Food Stamp Scheme. The majority of the households in practically every district complained of the fixity of the value of food stamps or conversely the rising prices of commodities covered by the scheme which tend to diminish their purchasing capacity.

In Hambantota, Vavuniya and Polonnaruwa districts the recipient households referred to their inability meaningfully to utilize the residual sums of money after making the main purchases. Other households in the Matara, Puttalam and Nuwara-Eliya districts appeared to have been affected by the restricted validity to one month of food stamps. Households in many districts had experienced difficulties in obtaining food commodities from the co-operatives during times of want. Some households specifically those in the Matara, Amparai, Nuwara-Eliya and Kurunegala districts considered the choice of commodities available under the Food Stamp Scheme to be limited and requested for the inclusion of other items such as textiles and spices. These difficulties appeared to be secondary when compared to the main issue of the inadequacy of the value of stamps.

11. *Suggestions by recipient households.*—As a part of the opinion survey, there was an attempt to obtain feedback information from food stamp recipients regarding the improvement of the scheme. The most popular suggestion was to enhance the value of food stamps with a view to improving the purchasing power of the beneficiaries. This proposal was very strongly supported by households in the Polonnaruwa and Matale districts.

Recipient households particularly in Amparai, Vavuniya and Matara districts suggested that a cash subsidy be granted to the low income groups in lieu of food stamps. The reason for this preference for cash may be due to the greater flexibility and liquidity it provides in transactions. However, the amount of cash subsidy was not indicated by the recipients.

Beneficiaries in several districts including Matale, Kurunegala and Amparai suggested that the food stamp holders should be levied a lower price than the open market price in respect of the items coming under the Food Stamp Scheme. These recipients were looking for a dual subsidy ; i.e. to receive an extra cash benefit in the form of food stamps and at the same time to purchase certain commodities at concessionary prices.

Other suggestions made by the households referred mainly to the extension of the period of validity of stamps and the addition of more items to the basket of food commodities. The problems of making use of small balances or residuals of food stamps consequent to the encashment of stamps of high denominations was also voiced by the households.

## SECTION IV

### SUMMARY OF FINDINGS AND CONCLUSIONS

*Summary* – The Food & Nutrition Policy Planning Division of the Ministry of Plan Implementation conducted an islandwide survey with a view to evaluate mainly the impact and incidence of the Food Stamp Programme which was introduced in September, 1979 to replace the nearly four decade old Food Ration Scheme. The survey covered 15,560 households out of the 18,640 households targeted for the evaluation amounting to about one percent of the country's total number of households. The quantitative data as well as the qualitative information gathered from all the 24 districts of the country have been meaningfully analysed and tabulated.

The survey revealed that about 10% of the households which claimed eligibility for food stamps were not receiving the benefit despite the fact that majority of these households were aware of the scheme and did make efforts to procure food stamps. It was also felt that a considerable number of households would have under-estimated their income in order to qualify for the benefit. Yet the magnitude of such households cannot be ascertained from the survey data.

An income-wise breakdown of the sample population revealed that almost 95% of the total households surveyed were in the income groups of less than Rs. 200 per month. The highest concentration of households was noted in the Rs. 100 – Rs. 200 p.m income group which contained 42% of the sample population, while the Rs. 200 – Rs. 300 p.m category accounted for about 37% of the total number of households surveyed.

The average family size of the recipient households in all districts was about 5 persons. There was however no distinct correlation between the total population of the district and the average family size of the district. Similarly, it was not possible to determine any specific relationship between the average income and average family size in the districts. However, the family size of a given household was an important criterion in determining the household's eligibility for food stamps since the income cut-off point is worked out on the basis of an income graded scale related to family size. As food stamps are issued on the basis of the family income rather than on the basis of the per capita income of a family, this scheme tends to discriminate against the larger families that are poor.

The mean income of the food stamp recipient households in all districts was estimated at Rs. 165 per month. This average did not vary drastically between districts. The average value of food stamps received by households when all the 24 districts were considered as a whole, amounted to approximately Rs. 90 per month, while the district-wise average ranged between Rs. 78 and 106 per month. Comparing the food stamps received by households with the mean income of a family it was possible to ascertain the relative contribution of the food stamps to the household income. For the entire 24 districts it worked out to about 55%, while this ratio varied between 40 and 83% between the districts. In a majority of the districts, the food stamps appeared to have contributed about 50% of the mean income equivalent, thereby indicating the importance of the scheme as an income supplement to the poor households. As can be expected, there was an inverse relationship between the income group of the households and the relative contribution of the food stamps to the household income. For example, food stamps enhance the mean household incomes by almost 100% in respect of the Rs. 100 p.m income group, while it contributes between 60–80% and 35 – 55% to the mean incomes of the Rs. 100–200 p.m. and Rs. 200–300 p.m. income groups respectively.

The pattern of utilization of food stamps indicate that the proportion of stamps spent on rice was quite high ranging between 70 to 90% in many districts, the variation is greater between than within the districts. As such, the importance of rice in the consumption basket of the poor households has been confirmed by survey information. Despite the availability of a range of commodities under the food stamp scheme there appears to have been a marked preference for rice consumption among the poor income groups. It was also revealed by the survey data that on the average between 22% to 36% of the total rice consumption (in quantitative terms) of a household was made possible by food stamps. This was much higher, varying between 25 to 50% in the case of relatively low income groups, like those below Rs. 100 – and Rs. 100 – Rs. 200 per month.

The allocation of food stamps by commodities further indicated that sugar was another important item consumed by the different income groups. A substantial variation ranging from 4–42% was recorded for sugar purchases on food stamps in the districts. In general, 10–15% of the food stamps was expended on sugar purchases in many districts.

An important observation of the survey was the relatively low level of milk food purchases by households. The Food Stamp Scheme was so designed to provide greater relief to families consisting of children below 12 years of age. Higher values of food stamps are granted to children below 8 years and between the age of 8 to 12 years in order to facilitate greater milk food consumption among poor households with children. According to the survey-findings the proportion of stamps spent on milk foods had been rather small in most of the districts, thus defeating the original intention of a preferential subsidy on children's milk foods. The highest expenditure recorded for purchase of milk foods, using food stamps, in any district was 15%, while some districts recorded values as low as 2%. the average rate of utilization of food stamps for the consumption of milk food has been around 5%.

The Food Stamp Scheme offers a wide range of nutritious commodities including rice, sugar, milk, flour and dry fish. But in the foregoing section it was observed that almost the entirety of food stamps of household were utilized predominantly on rice purchases followed by sugar and lastly on milk foods consumption of flour and bread has been very negligible in many districts, averaging less than 3% of the total food stamp expenditure. The diminishing demand for flour and bread might have been consequent to the removal of the price subsidy on this commodity following the Government's decision to adjust the price of flour on a 'no profit' 'no loss' basis –thereby greatly substituting rice consumption for flour. Similar arguments could be adduced for the low level of milk food consumption.

The amount of food stamps unutilized and/or deposited in savings accounts appeared to be rather insignificant, indicating that almost the entire quota of food stamps provided to the households were encashed within the first two weeks.

This fact was further confirmed by an independent investigation conducted by the Co-operative Department. Considering the frequent price escalations of food commodities and the low levels of income in many households it was not surprising that the stamps were exhausted during a relatively short period of time.

According to the opinions expressed by the recipient households, 38.5% preferred the rice rationing system as against 31.8% which opted for food stamps. The remaining 29.7% of the recipient households indicated an equal preference. Assessments in terms of districts suggest that 10 districts preferred the ration scheme, whereas 8 districts preferred the Food Stamp Scheme, and the remaining 6 districts showed an equal preference for either scheme.

Households which believe that either food stamps or commodities purchased through stamps, were being sold appeared to be quite small. Eight districts reported a zero response in regard to sale of food stamps. In general 1.5–5% of the households confirmed sale of stamps except in some districts where a higher percent of households affirmed the sale of stamps.

One of the main concerns of the recipient households was the loss in the real value of the food stamps due to price inflation. The households expressed dissatisfaction about their inability to utilize effectively the residual sums of money after making their purchases on food stamps. The recipients also complained about difficulties in obtaining the required items from the co-operative societies during periods of necessity.

*Conclusions.*—The conclusions arising from this study will be useful to policy makers interested in re-structuring particular aspects of the Food Stamp Scheme, and also providing the baseline information for further investigations and future surveillance of the scheme.

It is desirable to re-examine the adequacy of food stamp values in relation to nutrition considerations, rising food prices, and family composition. It will be necessary to derive the caloric intake of families, using their food consumption patterns, so that the caloric short-fall associated with lower income levels can be ascertained for purposes of introducing nutrition factors into the scheme. On this basis it may be possible to determine appropriate adjustments in food stamp values to meet basic food needs of specific income levels.

Food stamps unlike a rice ration scheme have a fixed monetary value – the consequence of which is manifest during inflation and rising food prices. Thus, in such situations, the real value of stamps is eroded unless the stamps are index-linked or periodically adjusted to compensate for inflation. Upgrading of food stamps would impose an additional burden on the government budget, but this should not act as a disincentive against a national welfare scheme of this nature which is targeted towards extremely poor income-groups unlikely to benefit from increases in G.N.R. Further, these segments of the population are generally prone to protein-energy malnutrition.

The present practice of discriminating against larger families that are poor by relating family-income instead of per-capita-income to food stamp entitlement needs to be remedied. Although this, in principle, may be contradictory to family planning objectives, it is still the duty of a society to take care of those who are already born to poor families.

Having determined the manner in which the scheme should be operated it is imperative that an appropriate administrative mechanism be devised to weed out the unintended beneficiaries and bring under the scheme those eligible but not in receipt of the benefit. Simultaneously the operational aspects of the scheme must be adequately strengthened and geared to eliminate abuses and malpractices pertaining to illegal tender, trading and re-cycling of food stamps. The future continuance of this scheme will depend on the development of a suitable monitoring system to offset some of the disadvantages characteristic of the scheme.

Since a very high proportion of the food stamps are presently used by the households for the purchase of rice, it may be worthwhile to consider the conversion of stamps to a "rice quantity values", which would ensure a constant value in food purchase capacity for the real poor groups. This would be consistent with the greater preference shown by the households for the previous Food Ration Scheme rather than the present Food Stamp Scheme. Moreover, from a nutrition standpoint it is desirable to establish a rice quantity value based on minimal calorie requirements. This can be used to determine the appropriate value of food stamps. However, the ideal, but less practical, approach would be to identify rice quantity values for different income groups below the predetermined cutoff point.

Food stamp utilisation for milk purchases for children appear to be very low. Thus it may be more meaningful to emphasize more the higher calorie requirements in terms of a rice equivalence rather than attach higher value stamps to children in the 8 – 12 year category. These amendments to the existing food stamp scheme would mean a modified form of the previous food ration scheme, taking nutritional factors into account.

Finally, it must be stressed that any revisions to the present scheme must be undertaken with a view to improving its efficiency, coverage and incidence. Even the richest countries in the Western World today find it necessary to maintain an income support programme due to the fact that the so called "spread effects" of growth do not reach and benefit all segments in an economy, equally, immediately and adequately. As such, given a relatively high unemployment situation and signs of increased inequality in the income distribution pattern, coupled with the growing inflationary trends (mainly in respect of food prices), the case for improving and strengthening the food stamp scheme in Sri Lanka appears to be well established.

## Form A

## SURVEY ON THE EVALUATION OF THE FOOD STAMP PROGRAMME

Food & Nutrition Policy Planning Division  
Ministry of Plan Implementation.

District

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A.G.A. Division

--

G.A. Division

--	--	--

Town/Village/Estate

--	--

Household No.

--	--

1. What is your Family's monthly income ? Rs.

--	--	--

2. Where do you shop with your Food Stamp ?

Co-operative 1.

Private dealer 2.

3. What Rupee value of Food Stamps did your family receive last month ?

Rs.

--	--	--

4. How many persons in your family fall into each of the following age group ?

Over 12 years

--	--

8 - 12 years

--

below 8 years

--

Total

--	--

5. On what items did you use your food stamps in the past 30 days ?  
 (Interviewer) :- Start with the largest purchase and go to the smallest do not include kerosene.

	Name of item	Value of stamps (Rs.)
	Code	
1.	<input type="text"/>	<input type="text"/>
2.	<input type="text"/>	<input type="text"/>
3.	<input type="text"/>	<input type="text"/>
4.	<input type="text"/>	<input type="text"/>

6. How much total rice did your family consume in the

Last week - lbs.	<input type="text"/>	<input type="text"/>
Last month - lbs.	<input type="text"/>	<input type="text"/>

7. In the last month, how much rice did you purchase with food stamps, purchase on the open market and grow your self ?

From food stamps	lbs.	<input type="text"/>	<input type="text"/>
From open market	lbs.	<input type="text"/>	<input type="text"/>
Home grown	lbs.	<input type="text"/>	<input type="text"/>

8. How do you like the Food Stamp Programme compared with the previous ration system.

Check 1

- Prefer food stamp 1
- Prefer ration system 2
- Both same 3

9. Explain your Preference : .....

.....

.....

.....

10. What problems have you had with the Food Stamp Programme ?

.....  
.....  
.....  
.....

11. How would you like to see the programme change ?

.....  
.....  
.....

12. Does anyone in your family receive (circle the answer)

	Yes.	No
Thriposha	1	2
School Biscuits	1	2
Public Assistance (From Social Services Dept.)	1	2

13. Do many people sell Food Stamps ?

Yes 1  
No 2

14. If yes, why ?

.....  
.....  
.....

15. Do many people purchase items with Food Stamps and then sell them outside ?

Yes 1  
No 2

16. If yes why ?

.....  
.....  
.....

Date of Interview : .....

.....  
Signature of D.O.

District

A.G.A. Division

G.S. Division

Town/Village/Estate

Household No.

1. What is your family's monthly income ? Rs.

2. How many persons in your family fall into each of the following age group ?

Over 12 years

8 - 12 years

below 8 years

Total

3. How many people in your family are regularly employed ?

4. Do you know about the Food Stamp Programme ?

Yes 1  
No 2

5. Have you ever tried to get Food Stamps ?

Yes 1  
No 2

6. If yes, (a) Where did you go to get them ?

.....  
.....

(b) When did you go ? .....

(c) What was the result? .....

7. If No, why not? .....

.....

.....

8. Do many people sell food stamps?

Yes	1
No	2

9. Do many people buy items with food stamps and then sell them outside?

Yes	1
No	2

10. Did you receive food under the ration system ?

Yes	1
No	2

11. Does anyone in your family receive ?

	Yes	No.
Thriposha	1	2
School Biscuit	1	2
Public Assistance (from Social Service Dept.)	1	2

Date of Interview.....

.....  
Signature of D.O

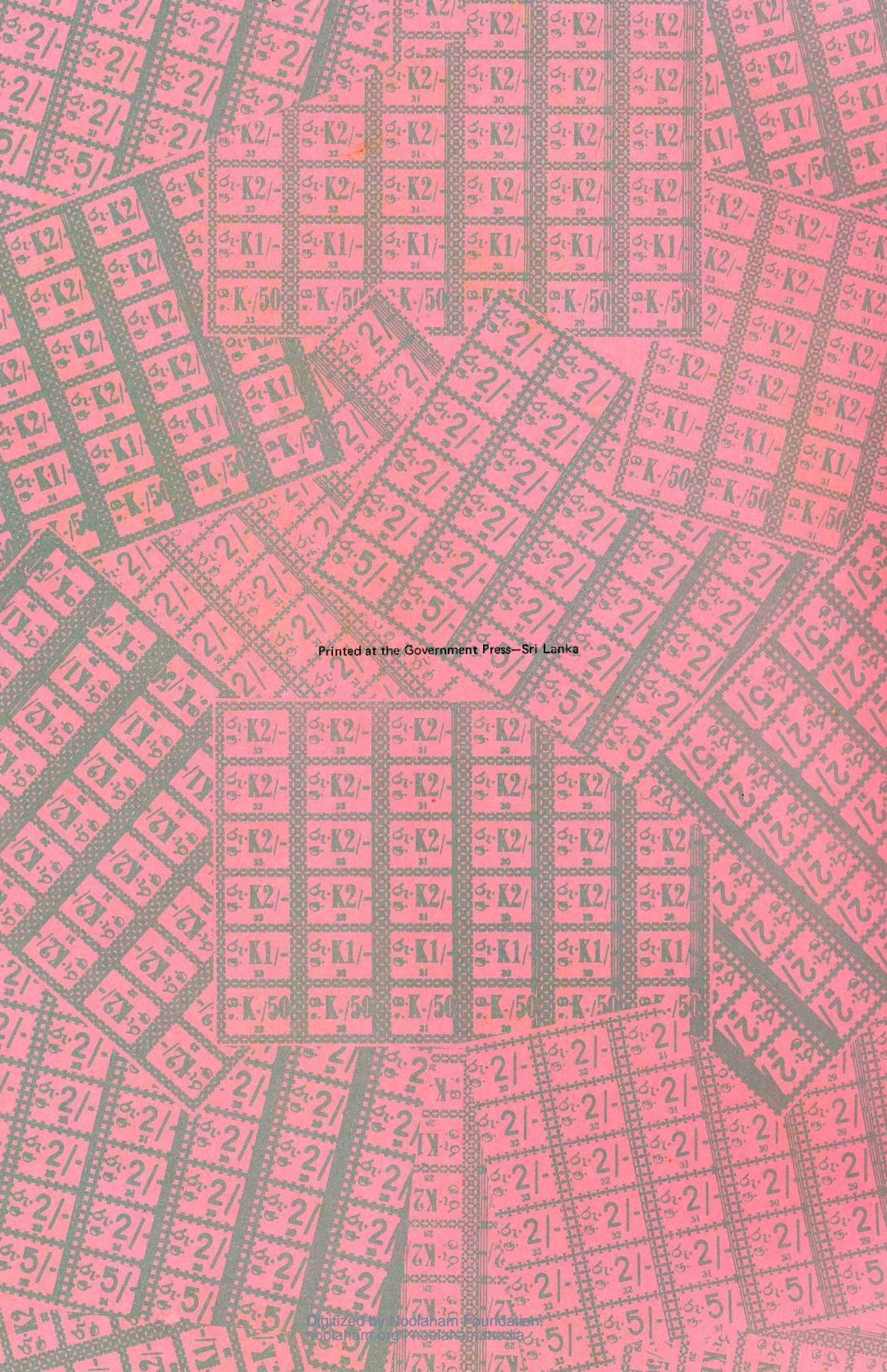
## FOOD STAMP EVALUATION SURVEY

<i>District</i>	<i>No. of AGA's divisions</i>	<i>Percentage of the District Population</i>	<i>No. of households selected</i>	<i>No. of Schedules despatched</i>	<i>No. of schedules received</i>	<i>No. of schedules not received from districts</i>	<i>No. of schedules rejected by the computer</i>	<i>No. of schedules processed</i>
Colombo	8	11.7	2,106	2,110	918	1,192	102	816
Gampaha	13	9.2	1,656	1,660	1,594	66	—	1,594
Kaiutara	10	5.7	1,026	1,030	1,021	9	—	1,021
Kegalle	10	5.0	900	900	900	—	266	634
Kandy	16	9.0	1,620	1,625	1,510	115	—	1,510
Matale	10	2.5	450	450	450	—	—	450
Nuwara Eliya	4	3.3	600	600	600	—	162	438
Galle	16	5.7	1,026	1,030	973	57	—	973
Matara	11	4.7	850	850	850	—	254	596
Hambantota	8	2.8	505	505	322	183	5	317
Jaffna	16	5.6	1,008	1,010	1,008	2	73	935
Mannar	4	0.6	110	125	125	—	—	125
Vavuniya	4	0.5	90	150	150	—	—	150
Mullaitivu	4	0.3	55	150	150	—	1	149
Batticaloa	7	2.1	380	425	415	10	—	415
Amparai	12	2.2	400	430	400	30	34	366
Trincomalee	9	1.6	288	300	300	—	30	270
Kurunegala	17	8.2	1,475	1,500	1,500	—	1	1,499
Puttalam	10	3.1	558	600	600	—	1	599
Anuradhapura	16	3.3	594	600	600	—	93	507
Polonnaruwa	5	1.3	234	300	290	10	1	289
Badulla	13	4.6	828	850	810	40	—	810
Moneragala	8	1.6	288	300	300	—	7	293
Ratnapura	12	5.2	936	950	806	144	—	806
Total	242	100.0	18,000	18,450	16,592	1,858	1,030	15,562









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