

Food Security in India: Issues and Its Challenges

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Abstract: *This paper examined the performance, challenges and policies in food security in India. The food security in terms of availability, accessibility, demands for food and absorption or nutrition. In India where more than half population is estimated absolutely poor that suffered from malnutrition over the last three decades. Attaining food security is a prime important matter for India. In India several issues have emerged related to food security such as (a) WTO policies for agriculture (b) impact of climate change on food production and prices (c) the introduction of the Public Distribution System (PDS) and the targeted Public Distribution System (d) the National Food Security Bill. The purpose of the present study is to emphasis the performance and challenges of PDS, TPDS and the National Food Security bill in relevance to India. and suggest some measures to make them as useful source for population as well meeting their nutritional needs.*

Key Words: *Food Security in India, Public Distribution System and Targeted Public Distribution System.*

1. INTRODUCTION:

Food security implies access by all people at all times to sufficient quantities of food at affordable prices to lead an active and healthy life. This requires not just adequate supply of food at the aggregate level but also enough purchasing power. As far as the question of adequate supply of food is concerned, it involves two considerations: (1) The overall food availability in the economy should be sufficient to meet the demands of the people and (2) The nutritional needs of the people are properly taken care of.

To tackle the quantitative and qualitative aspects of the food security problem, the government of India relied on the following three food –based safety nets:

- Public Distribution System (PDS) and later Targeted Public Distribution System (TPDS) with a focus on population below poverty line.
- Integrated child Development Services (ICDS)
- Mid-Day Meals Programme (MDMP)

The Government of India also enacted a legislation called the National food Security Act, 2013, which gives statutory backing to the TPDS. This legislation marks a shift in the right to food as a legal right rather than a general entitlement.

2. FOOD SECURITY PROBLEM IN INDIA:

The problem of food security in India has two aspects: (1) The quantitative Aspect and (2) The qualitative Aspect.

2.1 The Quantitative Aspects: At the time of independence, the country faced chronic food shortages. Therefore, the focus of food policy was to achieve self –sufficiency in food grain production. The period after the Third Five Year Plan was marked by rapid strides in food grain production and India achieved self-sufficiency in food grain in the 1970s and has sustained it since then. The country has improved its capacity to cope with year-to-year fluctuations in food production by building up large buffer stocks of food grain through the Agency of Food Corporation of India (FCI) and supplying these stocks to the people through the PDS. In recent years, these buffers stocks have considerably exceeded the minimum norms causing the problems of “excess stocks ”. Considering that economic cost to FCI for acquiring, storing and distributing food grains is about 40 to 50 per cent more than the procurement price, the locked in extra stocks, particularly for the last five years in a row, reflect flaws in the food policy resulting in high cereal inflation despite bumper produce and overflowing stocks. Although the food grains stock position looks comfortable at present, yet there are some other issues of concern. Agricultural experts point out that while population growth and shift in food habits away from coarse grains with rise in incomes, will push up the consumption of wheat considerably in the years to come, the production is not likely to increase as neither area under wheat is likely to

increase nor are any further increase in productivity in evidence. As far as rice is concerned, its production in recent years has been more than consumption except 2002-03.

2.3 The Qualitative Aspect: Even more worrisome is the qualitative aspect of the problem which is clear from the following facts: (i) According to the Global Hunger Index, 2014, India ranks an abysmal 55 in a group of 76 developing countries- way behind neighboring countries such as China (5), Sri Lanka (39) and Nepal (44). (ii) India's Hunger Index score for 2014 was 17.8 which indicate a serious situation (any value between 10 and 20 is a serious situation). One in every six persons is undernourished in India. (iv) About one-third of children under five are underweight in India as brought out by National Family Health Survey (NFHS) III in 2005-06. (v) According to NSSO 66th Round results, nutritional intake measured in terms of calories declined from 2,153 kilocalories per person per day in 1993-94 to 2020 kilocalories in 2009-10 in rural areas and from 2,071 kilocalories to 1,946 kilocalories in urban areas during the same period.

3. Public Distribution System (PDS) in India

The PDS is the most important food based safety net introduced by the Government of India. The basic objective of PDS in India is to provide essential consumer goods at cheap and subsidized rates to the consumers so as to insulate them from the impact of rising prices of these commodities and maintain the minimum nutritional status of our population. For running the PDS, the government resorts to levy purchases of a part of the marketable surplus with the traders/millers and producers at procurement prices. The most important items covered under PDS in India have been rice, wheat sugar and kerosene. The food grains are distributed through fair price shops (FPS), which have increased over the years, from 0.47 lakh at the end of 1960 to 3.12 lakh in 1984 and 4.74 lakh at present.

The main agency providing food grains to the PDS is the Food Corporation of India (FCI). The primary duty of the FCI is to undertake the purchase, storage, movement, transport, distribution and sale of food grains and other foodstuff. It ensures on the one hand that farmers get remunerative prices for their produce (not less than support/procurement price) and on the other hand, the consumers get food grains from the central pool at uniform prices, known as issue prices. It also maintains buffer stocks of food grains on behalf of the government.

4. Flaws in the PDS

- **Leakages from PDS:** There is a problem of leakages from the system in the form of losses in the transport and storage and diversion to the open market. The major part of the leakage is due to the diversion of food grains to the open market because of widespread prevalence of corrupt practices.
- **Burden of Food Subsidy:** As PDS is highly subsidized system in India, it has put a severe fiscal burden on the government. Subsidy is the difference between issue price and the economic cost of FCI. From Rs. 662 crore in 1980-81, it has increased to Rs. 1, 22,676 crore: in 2014-15.
- **Limited Benefit to the Poor:** Many empirical studies have shown that the rural poor have not benefitted much from the PDS as their dependence on the open market is much higher for most of the commodities.
- **Regional Disparities in PDS Benefits:** There are considerable regional disparities in the distribution of PDS benefits. In 1995, the four southern States of AP, Karnataka, Kerala and Tamil Nadu accounted for almost half (48.7 per cent) of the PDS off take of food grains in the country while their share in all-India population below poverty line was just 18.4 per cent. Whereas four northern States of Bihar, MP, Rajasthan and UP (BIMARU States) having almost half of the BPL population (48 per cent) accounted for just 10 per cent of all-India off take of food grains from the PDS.
- **PDS results in price increases:** Studies have revealed that the operations of the PDS have, in fact, resulted in an all-round price increases. This is due to the fact that large procurement of food grains every year by the government actually reduces the net quantities available in the market. Therefore, the poor people are compelled to buy food grains from the open market where the prices are high.
- **Inefficiencies in the Operations of FCI:** The Bureau of Industrial Costs and Prices (BICP) and some researchers have pointed out a number of inefficiencies in the operations of FCI. The economic costs of FCI have been rising on account of increase in procurement prices and other costs which include procurement incidentals, distribution cost and carrying cost. Critics have suggested that the task of procurement and distribution of food grains should be entrusted to private agents in place of FCI who are likely to operate more efficiently.

5. Targeted Public Distribution System (TPDS) in India

In order to reduce the burden of food security and targeting PDS better to really needy people, the Government of India adopted the Targeted Public Distribution System (TPDS) w.e.f. June 1, 1997. The TPDS aims at

providing food grains to people below poverty line (BPL) at highly subsidized prices from the PDS and food grains to people above poverty line (APL) at much higher prices. The important features of TPDS are as follows:

- **The Dividing System:** The most important feature of TPDS is the dividing the entire population into below poverty line (BPL) and above poverty line (APL) categories based on the poverty line as defined by the Planning Commission. The maximum income level for the population to be covered under BPL was kept at Rs. 15,000 per annum. Initially, a quantity of 10 kg of food grains per household was approved. Later on, this was raised to 25 kg per month. On April 1, 2002, the government raised it further to 35 kg per household per month.
- **Multiple Pricing System:** There are dual central issue prices for BPL consumers and prices for APL consumers. A third price, introduced in 2001, is for the beneficiaries of the Antyodhya Anna Yojana (AAY). The central issue prices since July 1, 2002 are: (i) Rs. 6.10 per kg of wheat and Rs. 8.30 per kg of rice for APL families. (ii) Rs. 4.15 per kg of wheat and Rs. 5.65 per kg of rice for BPL families; and (iii) Rs. 2 per kg of wheat and Rs. 3 per kg of rice for families covered under AAY.
- **The Control System:** A third important feature of TPDS is that it has changed centre-state responsibilities with respect to entitlements and allocations to the PDS. The PDS was designed and managed by State governments. State governments differ with respect to entitlements, the commodities offered, the retail price (State issue price) and so on. Now, under TPDS the size of the BPL population and the entitlements for the BPL population are decided by the Central government.

6. Flaws in TPDS

The TPDS has been criticized on the following grounds:

- **Targeting:** The major criticism of TPDS is that it has led to a large scale exclusion of genuinely needy persons from the PDS. Swaminathan (2003) discusses two types of issues — conceptual and operational. The first concern the definition of the poor and the second concern identification of the poor in practice. In conceptual issues, the main issue is the appropriate definition of the poor. The current definition of eligibility for BPL status is based on the official poverty line as estimated by the Planning Commission in 1993-94, adjusted for population levels in 2000. If we use income poverty line, then the target group comprised 37 per cent of the rural population and 32 per cent of urban population in 1993-94. As regards operational issues, the whole process of identification of BPL families in many states has been carried out in a very arbitrary manner. As a result, there have been large errors of misclassification with genuinely deserving households excluded and some affluent households included in the BPL category.
- **Leakages in System:** Various researchers and the Planning Commission have found that nearly half of the food grains meant for consumers disappears before reaching the FPS and is diverted to the open market. This reflects inefficiency, corruption and theft on a gigantic scale.
- **Irregular Arrival of Food grains:** It has been found that the PDS commodities arrive late and irregular at FPS if at all. The villagers are poorly informed and certainly not in advance. This means that when food grains arrive in the FPSs the poorest among the poor may not have sufficient cash readily available with them to purchase food grains.
- **No variation in expenditure groups:** To assess whether the PDS has really succeeded in targeting the poor people, we need to examine the purchase from the PDS by households in different expenditure groups. A successful targeting can be said to be one in which the quantity purchased from the PDS declines systematically with increase in expenditure class. Kerala is an exception as exclusion of the upper expenditure groups appears to be taking place.
- **TPDS has failed in transferring cereals to needy people:** According to Swaminathan (2003), TPDS has failed in the regional task that was performed by the earlier PDS, namely of transferring cereals from surplus to deficit regions of the country.
- **Decline in off take and the question of viability of FPS:** There was a steep decline in the off take from the PDS in the 1990s. The main factor responsible for decline in off take was total collapse of demand from the APL consumers as the price differentials between issue prices for APL families and the open market prices had considerably narrowed down.
- **Heavy Burden of Food Subsidy:** One of the basic objectives of TPDS was to reduce the burden of food subsidy. But it has in fact increased. This is due to the following reasons: (i) non-inclusion of APL families from TPDS. (ii) low offtake from TPDS by APL families which increased the stocks with FCI forcing upon it costs of handling, storage, etc. (iii) low prices for BPL families, e.g., under AAY, wheat and rice are supplied to the poorest 2.5 crore BPL families at Rs. 2 per kg and Rs. 3 per kg respectively. As a result, food subsidy in the country increased to Rs. 1, 22, 676 crore.

Thus, the TPDS has failed on many counts. It has failed to reach the genuinely needy persons and failed to provide them adequate food at reasonable prices. It has failed to reduce the burden of food subsidy. It has weakened the entire food delivery system and has adversely affected the viability of FPSs. It has also weakened the pattern of grain allocation across States and thereby failed to transfer food grains from areas of surplus production to areas of deficit production and low consumption. Moreover, it has increased the incentives for leakages and malpractices, and hence corruption.

7. National Food Security Act, 2013

The National Advisory Council (NAC) submitted its proposals on Draft Food Security Bill in January-February, 2011. The objective of the proposed National Food Security Act (NFSA) was defined as to ensure "public provisioning of food and related measures, to enable assured economic and social access to adequate food with dignity, for all persons in the country, at all times, in pursuance of their fundamental right to be free from hunger, malnutrition and other deprivations associated with lack of food and related matters". The NAC recommended the shifting from household food entitlements to individual food entitlements. This is because of two reasons: Firstly, per capita entitlements are fairer; households with more members will be entitled to more food. Secondly, per capita entitlements would do away with the need for a precise definition and identification of households, which tends to be difficult and prone to manipulation.

The National Food Security Act (NFSA), 2013 came into force on September 12, 2013. The main features of the Act are as follows:

- The Act gives legal entitlement to 75 per cent of the rural and 50 per cent of the urban population, i.e., an estimated 800 million people. This comes to 67 per cent or two-thirds of the total population for subsidized food grains under TPDS.
- A beneficiary will be entitled to 5 kg of rice, wheat or coarse cereals a month at Rs. 3, Rs. 2 and Rs. 1 per kg respectively and will be identified by the States based on the parameters prescribed by the Union Government.
- The price for providing food grains will be initially valid for 3 years from the date of commencement of the Act; and thereafter, at such a price as may be fixed by the Central Government from time to time, not exceeding the minimum support price.
- Although entitlement under the Act has been reduced from 7 kg (as mentioned in the original Bill introduced in the Parliament in December, 2011) to 5 kg, there is no change in the entitlement for 2.43 crore 'poorest of the poor' families covered under AAY, which remains at 35 kg per household per month.
- The State governments shall identify the eligible households under the Act within a period not exceeding 365 days, after the commencement of the Act.
- For children in the age group of 6 months to 6 years, the Act guarantees an age-appropriate meal, free of charge, through the local anganwadis. For children aged 6-14 years, one free mid-day meal shall be provided every day in all schools run by local bodies, government and government- aided schools, up to class VIII. For children below 6 months, exclusive breastfeeding shall be promoted.
- Every pregnant and lactating mother is entitled to a free meal at the local anganwadis (during pregnancy and up to six months after childbirth) as well as maternity benefits of Rs. 6,000 in installments.
- The Act provides for the creation of State Food Commissions. Each Commission shall consist of a chairperson, five other members, and a member-Secretary (including at least two women, one member from scheduled caste and one member from schedule tribe categories). The main function of the State Commission is to monitor the implementation of the Act, give advice to the State governments and their agencies and enquire into violations of entitlements.

8. Critical Evaluation of NFSA, 2013

The NFSA, 2013 has been criticized on the following grounds:

Identification of Beneficiaries: The main problem in implementing the NFSA is how to identify the beneficiaries, although the Act purports to cover 67 per cent of the population, yet it does not provide any identification criteria. In the absence of a suitable identification criteria, experts point out that it would be better to adopt an 'exclusion approach' whereby the rich are kept out and all the rest are covered.

Risk of leakages: PDS and TPDS suffer from large leakages from the system. This is indeed a cause of concern. However, NSSO data show that the leakages from the PDS have come down from 54 per cent in 2004-05 to

35 per cent in 2011-12. Even 35 per cent leakage is unacceptably high. Therefore, adequate steps must be taken to plug the leakages.

High cost of implementation and subsidy: The estimates given by the Union Food Ministry, as a result of NFSA, the annual food subsidy will go up to Rs. 1.32 lakh crore. But critics point out that this amount would be much larger as various costs need to be incurred to implement the Act. These costs include costs to be incurred for setting up and running of Food Commissions and District Grievances Redressal Offices; expenditure on inter-state transportation of food grains; costs to be incurred on identifying beneficiaries; costs for setting up Vigilance Committees to monitor the implementation; cash benefits to pregnant and lactating women; food allowances to be paid, etc. The noted agricultural economist Ashok Gulati and others have estimated that food subsidy would be Rs. 6.8 crore during 2013-14 to 2015-16.

9. CONCLUSION AND SUGGESTIONS:

An evaluation of PDS/TPDS in India reveals serious shortcomings and weaknesses in the system. As a result our food subsidy has reached a very high level of 1.23 lakh crore in recent times. This calls for the need of urgent and drastic steps to revamp the system. The entire food delivery mechanism of the TPDS needs to be strengthened to ensure that the food reaches the genuinely needy persons. All leakages of food grains from the TPDS must be adequately plugged. The functioning of FCI must be improved to reduce costs of procurement, storage and handling of food grains. All impediments in the inter-state movement of food grains must be removed for free movement from surplus States to deficit States.. The enactment of NFSA, 2013, which recognizes right to food as a legal right, is a welcome step and it must-be effectively implemented to get maximum benefits out of it. If all these steps are earnestly taken only then we shall be able to provide food security to our targeted population and save it from hunger and malnutrition.

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