



Food Security

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1 Introduction

Definition:

The Food and Agricultural Organization (FAO) states that food security emerges when all people at all times have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.

Food security has three important and closely related components, which are availability of food, access to food, and absorption of food. Food security is thus a multi-dimensional concept and extends beyond the production availability, and demand for food.

There has been a definite and significant paradigm shift in the concept of food security from mere macro level availability and stability to micro level household food insecurity, and also from an assessment of energy intake to measures and indicators of malnutrition

Need:

Ensuring food security is the basic goal of social justice, apart from development of adequate human resources. Apart from education, health constitutes the essential pre-requisite of ensuring efficient human resources. Here comes the utility of ensuring food security.

Current status:

While India has seen impressive economic growth in recent years, the country still struggles with widespread poverty and hunger. India's poor population amounts to more than 300 million people, with almost 30 percent of India's rural population living in poverty.

The good news is, poverty has been on the decline in recent years. According to official government of India estimates, poverty declined from 37.2% in 2004-05 to 29.8% in 2009-10.

2 Components of Food Security

- 1) Production and procurement.
- 2) Storage
- 3) Distribution.

All these functions are performed through the PDS (Public Distribution System). PDS is operated under the joint responsibility of the Central and the State Governments.

The Central Government, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments.

The operational responsibility including allocation within State, identification of eligible families, issue of Ration Cards and supervision of the functioning of Fair Price Shops (FPSs) etc., rest with the State Governments.

3 Issues related to Food Security

Though, the functioning of PDS has ensured the availability of essential commodities to the people, especially in states like Tamil Nadu, Chhattisgarh. However, the system is often blamed for:

- 1) Its lack of efficiency.
- 2) Rural-urban bias in service delivery.
- 3) It has frequently been criticized for instances of corruption and black marketing, called collectively as PDS leakages.
- 4) Identification of poor by the states is not fool proof. A large number of poor and needy persons are left out and a lot of bogus cards are also issued.
- 5) Fair Price Shop owner gets bogus Ration cards and sell the food grains in the open market.

- 6) Many a times good quality food grains are replaced with poor quality cheap food grains.
- 7) PDS covers only few food grains like wheat and rice, it does not fulfil the requirement of complete nutrition.
- 8) Uneven distribution of food grains production, procurement and distribution. For example: north eastern states are very far from Punjab and Haryana, from where wheat is procured. To transport food grains from Punjab to far flung areas in North east will entail cost and time both.
- 9) Moreover, government procurement has resulted in skewed production of food grains where only few crops are promoted, discouraging the age old diversity of agricultural crops. This often goes against the local taste and culture.

While, these issues may be addressed through systemic reforms, there are other issues which may challenge the edifice of entire food security:

- 1) Declining food grains production due to adverse climate change, declining soil health, land degradation etc.

4 Government Measures

India has the largest food schemes in the World:

1. Entitlement Feeding Programmes –

- ICDS (All Children under six, Pregnant and lactating mother)
- MDMS (All Primary School children)

2. Food Subsidy Programmes –

- Targeted Public Distribution System (35 kgs/ month of subsidised food grains)
- Annapurna (10 kgs of free food grain for destitute poor)
- Various Employment Programmes.

3. Legal entitlement to food (National Food Security Act):

- The government has passed food security act in 2013. It entitles 67% of Indian population to 5 Kg/month food grains per beneficiary at highly subsidized rates. State Governments have to identify the households in such manner that 75% rural + 50% urban population covered. States can use data from socio-economic and caste census (SECC).
- Limitations of NFSA-
 - High fiscal burden- subsidy cost above 1.25 lakh crore rupees per year.
 - Government will have to keep large stock of foodgrains but FCI storage capacity insufficient.
 - If so much food grains kept out of open market (and under FCI godowns). It would lead to food inflation, middle class will suffer.
 - Government may have to import foodgrain during drought years, this will lead to additional current account deficit.(CAD)
 - An Adult needs about 14kg foodgrain. While NFSA gives only 5 kg per person to Priority households, which is highly inadequate.
 - There focus only on cereal neglecting pulses (to give protein), edible oil (to give fat), fruits, vegetables (for vitamin) and milk- to combat malnutrition.
 - Malnutrition has its connections with lack of sanitation and medical facilities in rural areas. Therefore, NFSA alone is insufficient.
 - Section 44 of the act: During natural calamity and wars- Union and state govt. will not be responsible for non-supply of foods.
 - Since, NFSA is also based on PDS which is highly inefficient. Therefore, it is better to introduce alternatives, like Direct Benefit Transfer.
 - States have still not identified the beneficiaries under NFSA. Hence, its implementation is getting delayed.

5 Is Direct Benefit Transfer (DBT) a solution

DBT aims to transfer subsidies directly to the people through their bank accounts, using the Aadhaar Payment Bridge of NPCI. It is an attempt to change the mechanism of transferring subsidies directly to the people. It is hoped that crediting subsidies into bank accounts will reduce leakages, delays, etc.

Thus, DBT also called 'cash subsidies' is an attempt to switch over from kind subsidies to cash subsidies in respect of fertilizers, cooking gas and kerosene. At present food is not covered under this scheme.

However, in India a total shift from PDS to cash transfer may take a very long time, as it requires a rapid spread of banking system to deliver cash subsidy, especially when more than 40 percent of our population do not have bank accounts.

Merits of DBT

1. Cash transfers can be used to satisfy other needs also, apart from that subsidy is provided for.
2. It is easier to be disbursed to migrant labourers.
3. Transaction costs involved in its disbursement may be much lower than the PDS.
4. It may be relatively easier to monitor cash transfers, thereby checking leakages and corruption. For example, according to the Planning Commission, to transfer subsidized product of Rupee 1 the government spends about Rs 3.65.
5. The resources saved from cash transfers can be used for infrastructural improvements and development.

This entire cash transfer mechanism itself would be based on AADHAR, so as to establish the identity of the beneficiary and ensure that cash transfers are without leakages.

Demerits of DBT

1. Cash subsidies are not inflation proof, even if these are indexed to inflation.
2. While food is consumed by the family together, cash subsidy can be misused by only certain individuals in the family.
3. In the absence of a very well established delivery mechanism of banks, post offices, and other financial institutions, it can't stop leakage. In fact in such situation, it may be create multiple problems of leakages.
4. It can bring in its trail some predatory commercial interests by way of alcohol vendors, branded products and such other luxury items, so that cash is spent on these items instead of necessary ones.
5. The PDS system is very huge and replacing it with cash transfers is a very difficult, if not impossible, task. The main hurdle under the direct transfers is very large population base coupled with slow execution of every work.
6. Since the cash transfers is based on Aadhaar project, but Aadhaar project has still not been completed. On the top of that there may be technical problems in authenticating the beneficiaries, depriving them of their basic entitlements. There have been cases when the beneficiaries had to repeatedly travel a long way to get their cash subsidies, often skipping their work, but with little outcome.

Thus, it is clear that cash transfers are not the complete solution to the problem of PDS leakages, at least in the current scenario. Therefore, it is important to find out other measures that may be adopted to minimise and ultimately eliminate leakages from the PDS system. Some these are discussed below.

6 Way Forward

Though, government has taken several measures to improve PDS, like decentralized procurements, introduction of UIDAI etc. but still these measures are not completely adopted. Additional measures like universalization of PDS etc. are need of the hour.

PDS can provide food security only when it covers wide range of food grains. Some of the measures are given below which can be undertaken for reforming the PDS system.

1. **Decentralized Procurements:** Wherein the state governments, instead of the Center, would procure and distribute the locally produced food grains. This would ensure that diversity of food grains is maintained.
2. **Proper Categorization of beneficiaries-** Since a major part of the problem lies in bogus beneficiaries and ration cards, so is crucial that identification and classification of beneficiaries, APL, BPL, or AAY household, is foolproof to fulfill the goals of the TPDS scheme.
3. **Incentivizing the Fair Price Shops (FPSs):** Recently, in some state governments, like Delhi, have increased the incentives for FPSs owners for extended open hours. Further, they have also given permission to sell other commodities which are not covered under PDS scheme. This would directly incentivize them to keep open their shop.
4. **There is a need to fight climate change and adoption of climate resilient crops.**
5. **Technology-based reforms of TPDS implemented by states:** It has been found that certain states that had implemented computerization and other technology-based reforms to TPDS, have succeeded in plugging leakages of food grains during TPDS.
In this context, it is important to mention the **e-PDS project of Chhattisgarh** government which has real time GPS monitoring from depots to the FPSs. This is one of the reasons for good performance of Chhattisgarh in PDS scheme.
6. **Universal PDS:** Universal PDS helps the state avoid errors in targeting beneficiaries, and Tamil Nadu is one of the best performing states in the country.
7. **Food coupons:** Beneficiaries are given coupons in lieu of money, which can be used to buy food grains from any grocery store. Under this system, grains will not be given at a subsidized rate to the PDS stores. Instead, beneficiaries will use the food coupons to purchase food grains from retailers (which could be PDS stores). Retailers take these coupons to the local bank and are reimbursed with money.

Such a system will reduce administrative costs. Food coupons also decrease the scope for corruption since the store owner gets the same price from all buyers and has no incentive to turn the poor buyers away. Moreover, BPL customers have more choice; they can avoid stores that try to sell them poor-quality grain.

In this context, certain changes have been made in TPDS with Food Security Act, 2013. The Act implements some key changes to the existing TPDS. There would be avenues available to the beneficiaries for redressing their grievances. Because there is the provision of setting up of State Food Commission that will supervise all entitlements, evaluate its implementation, and even has the power to punish with penalty of upto Rs 5000. At the district level, there would a District Grievance Redressal Officer, as a first point for complaint under NFSA.

It is hoped that leakages from PDS can be minimised with this new Act.

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