

The National Food Security Bill 2013:

Will It Really Assure the Poor Freedom from Hunger?



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Table of Content

<u>Topic</u>	<u>Page No</u>
Food Insecurity in India	3
Background of the Food Security Movement	6
A Summary of the Food Security Bill 2013	7
Status of Hunger and Malnutrition	9
India and Global Food Security Index 2012	11
Food grain Situation in the Country	12
Food grain required for the Food Security Bill	16
Cost of the National Food Security Bill 2013	16
Are Food Subsidies, A Burden on the Exchequer?	17
Foodgrain Vs Cash Transfer/Smart Card	18
Individual States' Food Security Programs	19
Chhattisgarh Food Security Bill 2012	23
National Food Bill Vs Chhattisgarh Bill	25
Criticism of the National Food Security Bill	26
The Way Forward: Towards a Food Secure India	31
Bibliography	33



Food Insecurity in India

When India achieved independence, more than 50 years ago, the people of the country were much afflicted by endemic hunger. They still are. – Amartya Sen, Nobel Prize Winner

The government can't get away with large-scale famine, but it can get away with chronic hunger. It has become an accepted part of life in India. – Jean Dreze, economist and academic

"The chronic hunger and malnutrition that afflicts 300 million children worldwide does not create the dramatic media coverage of a tsunami, but it causes far greater suffering." – James T. Morris, WFP Executive Director



India has the largest number of hungry people in the world; despite various programs the number of under-nourished people today is similar as 20 years ago. Hunger and malnutrition in India are still major human and social issues despite the fact that the politicians never fail to swear to eliminate poverty and the accompanying hunger. A recent analysis of global hunger also reconfirms that the alarming state of under-nutrition and malnutrition in India; in fact, experts call it a "silent emergency" for the country

Hunger remains the No.1 cause of death in the world – Aids, Cancer etc. follow. Over 10 million people die every year of chronic hunger and hunger-related diseases, of which a quarter deaths take place in India. In comparison, less than 10 percent death is claimed by earthquakes, floods, droughts and wars which get the most media attention. There are 900 million chronically hungry people in the world; one-third of them live in India. Almost 50 percent of Indian children are underweight, 30% of newborn have low weight at birth, and over 55% of married women and about 80% of young babies in the age group 6-35 months are anemic. During 2006 – 2007, malnutrition contributed to seven million Indian children dying, nearly two million before the age of one.

In rural India where most of the Indian poor and undernourished people live, women's nutrition and child caring practices are inadequate. There is also a tradition of early marriage. As a result, underweight mothers are likely to produce low birth-weight babies who are vulnerable to malnutrition because of low dietary intake, lack of appropriate care, poor hygiene, poor access to medical facilities, lack of education and inequitable distribution of food within the household.

The problem is serious because chronic under-nutrition in children adversely affects the grown up adults' mental and physical development. Further, they are unable to function optimally; their performance both at school as well as in the workplace is impaired. It forces them to lead a compromised life and makes it increasingly difficult to step out of poverty.

Additionally, under-nutrition greatly increases the vulnerability towards infections and diseases, including measles and malaria. This, in turn, adds to mortality rate, particularly of young children. So, malnutrition is at the heart of a host of problems with long term consequences and perpetuating effect.

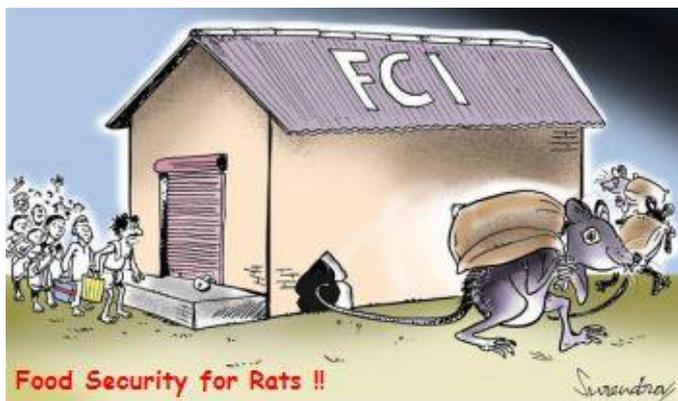


Therefore, food insecurity is a major contributory factor in undermining the economic productive potential of individuals, families and entire the nations. In other words, the food security of people is the foundation for a prosperous and strong nation; in India it must be necessarily a part of the poverty removal programs.

The per capita availability, as well as consumption of food grains, in India has declined since 1996. The percentage of underweight children have remained stagnant between 1998 and 2006; and the calorie consumption of the bottom half of the population has been consistently declining since 1987. Recent studies show that the daily calorie consumption of the bottom 25 percent of the population has decreased from 1,683 calories in 1987-1988 to 1,624 calories in 2004-2005. According to the government reports, in 1979, the average calorie intake was 2,100-2,400 calories per day. Thus, very little has changed for the poor of the country.

In order to provide food grains to common people at affordable prices, in 1965 the universal Public Distribution System (PDS) was introduced in India. It also served the aim of (a) maintaining stability in the prices of essential commodities across regions and (b) keeping a check on private trade, hoarding and black-marketing. In the mid-1990s the central government begun to see the PDS program as a tool to provide food security to the poor. In 1997, the PDS was converted into Targeted PDS (TPDS) through classification of its population into Above Poverty Line (APL) and Below Poverty Line (BPL) categories. Only those households classified as BPL were made eligible for subsidized purchase of commodities from the ration shops. Since early 2000, it has also recognized the destitute as a separate category among the poor. All this has culminated in food-based security as an entitlement.

Food Grain Rotting in Warehouses, Yet Millions of Hungry People



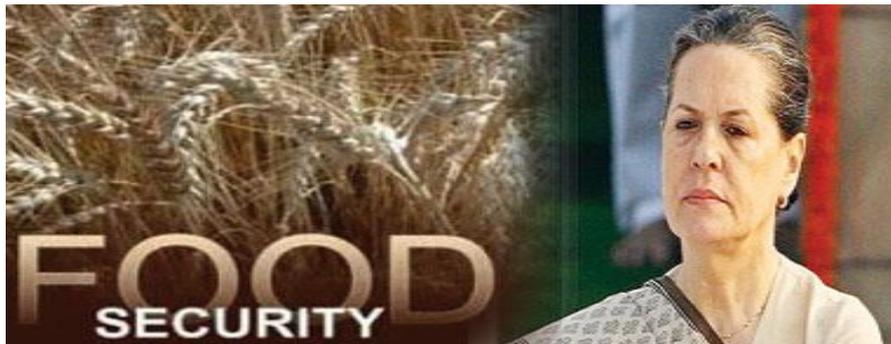
More than 45 years after the Green Revolution; India provides a unique spectre of overflowing godowns and rotting grains on the one hand while millions go to bed hungry – India is among the poorest countries in the Global Hunger Index. To get rid of the extra grain stock, India aggressively resorted to food grain exports. Recently, rice exports touched 10 million tonnes, making India the world's biggest rice exporter, and close to 9.5 million tonnes of wheat was also exported. And yet, food grain stocks remain unmanageably high.

State governments are not happy with the Center's grain storage and distribution policies and are forced to look for alternate storage spaces in sugar mills, yards, schools, government buildings and rice mills. For example, Madhya Pradesh, which is fast emerging as the next wheat bowl of the country, has storage space only for about 50 per cent of the expected 13 million tonnes that is likely to be procured. The situation is similar in other states too.

Over thirty years ago, in 1979 a decentralizing scheme to reduce the burden of stock food grain was envisaged. It involved setting up 50 grain silos across the country which would also be distribution centers. But as is the status of governance in India, nothing materialized on the ground. It is a common knowledge that the entire food procurement and distribution system needs an urgent overhaul. The food crisis is not due to lack of sufficient food grain production; but largely a reflection of government's misplaced priorities and mismanagement skills.

It is a strange situation that on one side there has been a significant economic growth during the past decade, but there is hardly any meaningful dent in the poverty level even as the FCI can't keep the procured grain safely. Thus, offering food grain to needy families every month at subsidized rates is an important and sensible step.

The UPA Ceases Food Initiative



The Congress Party, in its manifesto prior to the 2009 General Elections, promised a food security Act guarantees access to sufficient food for all people, particularly the most vulnerable sections of the society. It was also declared as one of the priorities of the UPA government. The

UPA government constituted an Empowered Group of Ministers (EGoM) headed by the then Finance Minister Pranab Mukherjee to bring out a framework of the Food Law.

The proposed Food Bill is historic as well as controversial as this is the first time when the government of India is going to give our people food security through legislation. However, what started out with the aim of providing "universal" food security as finally taken a "targeted" shape.

The draft food security bill has been debated within the government, in the media and civil society. However, the Bill is still waiting to be discussed in the Parliament, as on June 26, 2013, although the revised version of Bill placed on the floor of the Parliament on 22nd May 2013. It is hoped that the Bill will soon be passed in the monsoon session of the parliament. But even at this stage, there is no final word on the Bill's likely impact. The main challenge has been and continues to be the identification of beneficiaries – euphemistically referred to as inclusion and exclusion errors.

Why the UPA Coalition Partners Oppose the Food Bill?

Samajwadi Party: A large number of beneficiaries of the Bill would be farmers who don't need subsidized grain because they grow it. Corrupt intermediaries who often run the public distribution system could then pay farmers off for their share of grain and sell it in the open market, which is likely to lead to an over-supply of grain and a collapse in prices.

The NCP: If a small farmer could get food grain at Rs 1 per kg, why should he bother to grow his own?

Can the Food Security Bill help UPA Win 2014 Polls?

While the Congress-led UPA wants to make the right food into law, hoping that the Bill will return it to power in the 2014 elections. But many in the UPA question whether the Food Security Bill is really needed and if it can actually benefit the Congress or the UPA politically. The reason...

Most states already provide heavily subsidized food grain to the poor; states like Chhattisgarh and Punjab also distribute discounted pulses as a protein supplement to the poor. At least 15 states distribute subsidized food in some form or the other to the poor, including all the four southern states. In fact, rice at Rs 1 has been the staple of Tamil politics since 1967, when the DMK stormed to power on this simple, but effective, slogan.

If the food security Bill is finally implemented, it will only supplement the ongoing efforts of the state governments. The state governments can use the Central funds received under the food security Act to strengthen their ongoing efforts and perhaps start giving subsidized edible oil also. The credit will go to the State Government, not the Center.

They, instead, advise that the efforts should be focused on streamlining the physical delivery and storage of food grain. The food procurement, storage and distribution system of the FCI is highly inefficient and riddled with corruption. Currently, it is hoarding 85 – 90 million tonnes of grain

which is more than double the required buffer stock for July 1. Much of this food mountain could be mere fiction, given the widespread pilferage, spoilage, and wastage.

Background of the Food Security Movement

India is a signatory to the Universal Declaration of Human Rights (1948) and the International Covenant on Economic, Social, and Cultural Rights (1966), which recognized a right to adequate food. The Directive Principles of State Policy in the Constitution of India provide that it is the duty of the state to raise the level of nutrition and standard of living of its people, and improve public health.

In 1996, in *Chameli Singh v. State of Uttar Pradesh*, the Supreme Court declared that the "right to live guaranteed in any civilized society implies the *right to food*", among other rights. In 2001, the People's Union for Civil Liberties (PUCL) filed a writ petition contending that the "right to food" is part of the fundamental "right to life" provided in Article 21 of the Constitution. In the ongoing litigation in the case, the Court has issued several interim orders. In 2001, the Court ordered the implementation of eight centrally sponsored schemes as legal entitlements. These include the Public Distribution System (PDS), Antyodaya Anna Yojana (AAY), the Midday Meal Scheme, and Integrated Child Development Services (ICDS), among others. In 2008, the Court ordered that Below Poverty Line (BPL) families be entitled to 35 kg of foodgrains per month at subsidized prices.

In October 2010, the National Advisory Council (NAC) drafted a National Food Security Bill, proposing legal entitlements for about 75 percent of the population. In January 2011, an Expert Committee set up by the Prime Minister under the chairmanship of Dr. C. Rangarajan examined the Bill and made several recommendations, including reducing the proportion of the population entitled to benefits and computerizing PDS. A draft Bill was circulated by the Ministry of Food, Consumer Affairs and Public Distribution for public feedback in September 2011. The Bill was then introduced in the Parliament in December 2011.

Timeline of the Food Security Bill

The National Food Security Bill has had a particularly stop-start journey on its way towards the statute book since its inception. Here's a timeline of its halting progress.

July 2011— A ministerial panel gave its approval to the draft food security Bill

16 December 2011—The draft Bill is presented in the Lok Sabha.

January 2012 – The Bill was referred to the Parliament Standing Committee on Food

November 2012—A parliamentary panel sends the draft back to the food ministry to incorporate changes after consulting with state governments.

19 March 2013—Union Cabinet approves an amended draft before introducing it in parliament for a general debate on 22 March, 2013.

2 May, 2013 –The amended food security bill was introduced in the Lok Sabha, doing away with an earlier proposal for separate categories of beneficiaries in urban and rural areas.

8 May 2013—A general debate on food security law ends in the Lok Sabha without a vote as parliament's budget session concludes two days ahead of schedule due to protests by opposition parties against alleged coal mining license corruption and calls for the resignation of the Law Minister Ashwani Kumar over allegations of altering the CBI report.

3 June 2013 – The ruling UPA constituents met to thrash out a strategy of how to go about the food bill. But the focus of the meeting switched to the recent Naxal attack on a Congress party convoy in Chhattisgarh and discussions about the food bill were postponed for the future.

4 June 2013—The Union Cabinet defers its plan of introducing the Bill through an ordinance.

13 June 2013 –A Union Cabinet decided to call a special session of parliament to vote on the food security bill once they have received assurances from opposition parties that they will support the bill.

A Summary of the National Food Security Bill, 2013

(**Source:** <http://kafila.org/2013/03/24/a-summary-of-the-national-food-security-bill/>)

This is the summary of the National Food Security Bill 2013 (revised version, as tabled in Parliament, 22 March 2013).



1. Preliminaries

The Bill seeks “to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity and for matters connected therewith and incidental thereto”.

It extends to the whole of India and “shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint, and different dates may be appointed for different States and different provisions of this Act”.

2. Entitlements

Public Distribution System (TPDS)

Priority households are entitled to 5 kgs of food grains per person per month, and 2.43 crore Antyodaya households to 35 kgs per household per month. The combined coverage of Priority and Antyodaya households (called “eligible households”) shall extend “up to 75% of the rural population and up to 50% of the urban population”. In effect, the Bill will cover around 810 million citizens. In effect, the Bill does away category distinction of BPL and APL and all are entitled to 5 Kg grain per person per month.

The PDS issue prices are given in Schedule I: Rs 3/2/1 for rice/wheat/millets (actually called “coarse grains” in the Bill). These may be revised after three years.

Children’s Entitlements

For children in the age group of 6 months to 6 years, the Bill guarantees an age-appropriate meal, free of charge, through the local anganwadi. For children aged 6-14 years, one free midday meal shall be provided every day (except on school holidays) in all schools run by local bodies, government and government aided schools, up to Class VIII. For children under six months, “exclusive breastfeeding shall be promoted”.

Children who suffer from malnutrition will be identified through the local anganwadi and meals will be provided to them free of charge “through the local anganwadi”.

Entitlements of Pregnant and Lactating Women

Every pregnant and lactating mother is entitled to a free meal at the local anganwadi (during pregnancy and six months after childbirth) as well as maternity benefits of Rs 6,000, in instalments.

[Notes: (1) “Meal” is defined in the Bill as “hot cooked meal or ready to eat meal or take home ration, as may be prescribed by the Central Government”. All “meals” have to meet nutritional norms specified in Schedule II. (2) The entitlements of women and children are to be delivered by state governments through schemes “in accordance with the guidelines, including cost sharing” to be prescribed by the Central Government. (3) Every school and anganwadi is to have “facilities for cooking meals, drinking water and sanitation”. (4) For purposes of issuing ration cards, the eldest woman in the household (not less than 18 years of age) shall be considered the head of the household.]

The Bill favors the “two-child norm” by denying maternal benefits to a pregnant woman beyond two live births.

3. Identification of Eligible Households

The Bill does not specify criteria for the identification of households (Priority or Antyodaya) eligible for PDS entitlements. The Central Government is to determine the state-wise coverage of the PDS, in terms of proportion of the rural/urban population. Then numbers of eligible persons will be calculated from Census population figures. The identification of eligible households is left to state governments, subject to the scheme's guidelines for Antyodaya, and subject to guidelines to be "specified" by the state government for Priority households. The lists of eligible households are to be placed in the public domain and "displayed prominently" by state governments.

4. Food Commissions

The Bill 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 and one member each from Scheduled Castes and Scheduled Tribes).

The main function of the State Commission is to monitor and evaluate the implementation of the act, give advice to the state governments and their agencies, and inquire into violations of entitlements (either suo moto or on receipt of a complaint, and with "all the powers of a civil court while trying a suit under the Code of Civil Procedure 1908"). State Commissions also have to hear appeals against the orders of the District Grievance Redressal Officer and prepare annual reports to be laid before the state legislature.

The State Commission may forward "any case" to a Magistrate having jurisdiction, who shall proceed as if the case has been forwarded under Section 346 of the Code of Criminal Procedure 1973.

5. Transparency and Grievance Redressal

The Bill provides for a two-tier grievance redressal structure, involving the District Grievance Redressal Officer (DGRO) and the State Food Commission. State governments must also put in place an internal grievance redressal mechanism which may include call centres, help lines, designation of nodal officers, "or such other mechanisms as may be prescribed".

Transparency Provisions

Mandatory transparency provisions include: (1) placing all PDS-related records in the public domain and keeping them open for inspection to the public; (2) conducting periodic social audits of the PDS and other welfare schemes; (3) using information and communication technology (including end-to-end computerization of the PDS) "to ensure transparent recording of transactions at all levels"; (4) setting up vigilance committees at state, district, block and fair price shop levels to supervise all schemes under the act.

District Grievance Redressal Officers

DGROs shall be appointed by state governments for each district to hear complaints and take necessary action according to the norms to be prescribed by state governments. If a complainant (or the officer or authority against whom an order has been passed by the DGRO) is not satisfied, he or she may file an appeal before the State Food Commission.

Penalties and Compensation

The Food Commissions have powers to impose penalties. If an order of the DGRO is not complied with, the concerned authority or officer can be fined up to Rs. 5,000. The Commission can authorize "any of its members" to act as an adjudicating officer for this purpose.

In case of "non-supply of the entitled quantities of food grains or meals to entitled persons", such persons will be entitled to a food security allowance from the state government, as prescribed by the central government.

6. Other Provisions

PDS Reforms

In Chapter VII, the Bill states that central and state governments "shall endeavour to progressively undertake" various PDS reforms, including: doorstep delivery of foodgrains; ICT applications and end-to-end computerisation; leveraging "aadhaar" (UID) for unique identification of entitled beneficiaries; full transparency of records; preference to public institutions or bodies in licensing of fair price shops; management of fair price shops by women or their collectives; diversification of commodities distributed under the PDS; full transparency of records; and "introducing schemes such as cash transfer, food coupons or other schemes to the targeted beneficiaries in lieu of their foodgrain entitlements" as prescribed by the central government.

Women Empowerment

For the purpose of issue of ration cards, the eldest woman (above 18) shall be the head of the household.

Obligations of Government and Local Authorities

The main obligation of the Central Government is to provide food grains (or, failing that, funds) to state governments, at the prices specified in Schedule I, to implement the main entitlements. It also has to "provide assistance" to state governments to meet local distribution costs, but on its own terms ("as may be prescribed"). The Central Government has wide-ranging powers to make Rules.

The main obligation of state governments is to implement the relevant schemes, in accordance with the guidelines issued by the Central Government. State governments also have wide-ranging powers to make Rules. They are free to extend benefits and entitlements beyond what is prescribed in the Bill, from their own resources.

Local Authorities and Panchayati Raj Institutions are responsible for proper implementation of the act in their respective areas, and may be given additional responsibilities by notification.

7. Schedules

The Bill has three schedules (these can be amended "by notification").

Schedule 1 prescribes issue prices for the PDS.

Schedule 2 prescribes "nutritional standards" for midday meals, take-home rations and related entitlements. For instance, take-home rations for children aged 6 months to 3 years should provide at least 500 calories and 12-15 grams of protein.

Schedule 3 lists various "provisions for advancing food security", under three broad headings:

- (1) Revitalization of agriculture (e.g. Agrarian reforms, research and development, remunerative prices),
- (2) Procurement, storage and movement of food grains (e.g. Decentralized procurement), and
- (3) Other provisions (e.g. Drinking water, sanitation, health care, and "adequate pensions" for "senior citizens, persons with disability and single women").

Complete text of the proposed Bill: [The National Food Security Bill 2013](#)

Status of Hunger and Malnutrition in India / World

"About 900 million men, women and children around the world are malnourished. Nearly two billion suffer from iron deficiency and anemia particularly women, pregnant women."

*- **M S Swaminathan**, a Parliament member and agriculturist, known as the father of India's "Green Revolution" for introducing high-yielding crop varieties to farmers*

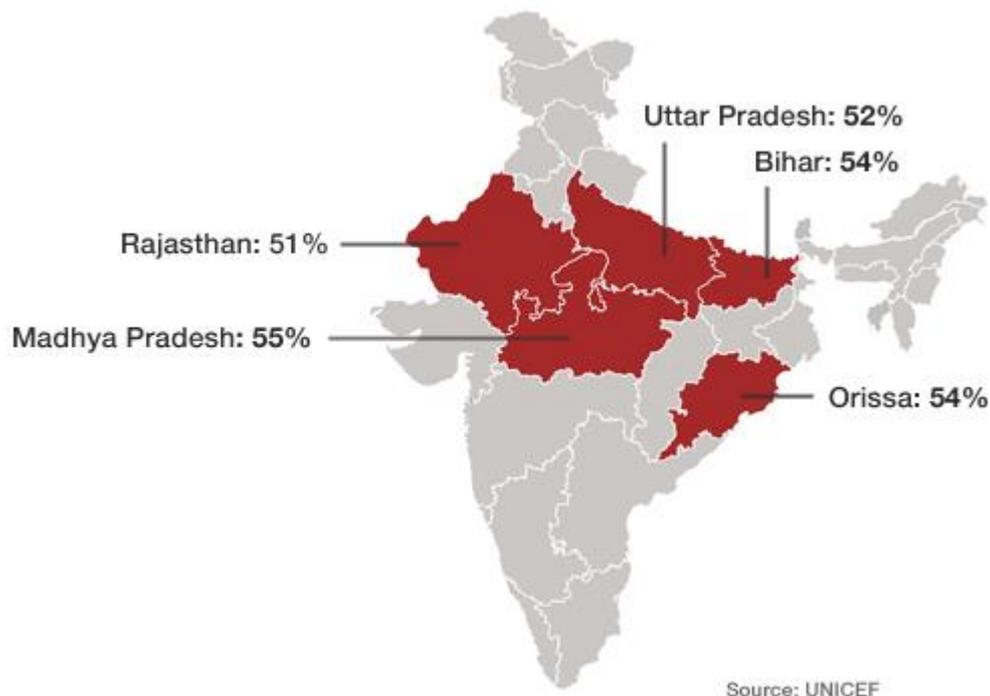
"Estimates of general undernourishment - what is sometimes called protein-energy malnutrition - are nearly twice as high in India as in Sub-Saharan Africa."

*- **Amartya Sen**, Nobel Prize Winner*

Despite the recent high economic growth and its aspirations for superpower status, India alone accounts for 54% of all malnutrition-related child deaths. The sheer scale and scope of India's malnutrition problem positions the subcontinent as ground zero in the fight to end child deaths from acute malnutrition.

According to the United Nations, malnutrition is more common in India than in sub-Saharan Africa. UNICEF estimates that in India, one in every three children is malnourished, and nearly half of all childhood deaths are attributed to malnutrition. UNICEF studies reveal maximum under-nutrition in the five Indian states: Uttar Pradesh, Madhya Pradesh, Bihar, Rajasthan, and Orissa.

States with Highest Under-nutrition Rates



The Global Hunger Index (GHI)

This index basically measures malnutrition and hunger based on three parameters: (1) Proportion of people who are undernourished, (2) Proportion of children under five who are underweight, and (3) the Child mortality rate.

On this index, India finds itself in the company of countries with the highest levels of hunger, stunted children, and poorly fed women and way behind China. India ranks below several countries in sub-Saharan Africa, such as Cameroon, Kenya, Nigeria, and Sudan in GHI, even though per capita income in these Sub-Saharan African countries is much lower than in India. In India, 46% children under five are undernourished compared to just 5% in Pakistan. Even the neighboring Nepal (56th) and Sri Lanka (39th) as well as Sudan and North Korea did better than India. Among Indian states, Punjab tops and is followed by Kerala.

One of the main reasons that India's score on the GHI is low is the situation with child under-nutrition (which is one of the components of the GHI). The reasons for poor child nutrition in India are really manifold – child under-nutrition is a sign of many things wrong with society – social equity, poverty, women's education and empowerment, women's nutrition, poor sanitation, etc. These are all ultimately reflected in poor child nutrition.

Experts feel that a lack of political will is responsible for this sorry state of affairs and cite lack of nutrition data as a proof of it. Even in 2013, the only available comprehensive data come from 2005 – 06. Countries such as Vietnam collect annual nutrition data for planning and surveillance purposes and collect deeper data at less frequent intervals. Even Bangladesh has a combination of surveillance on a frequent basis and deep surveys (every 3 years) more frequently.

The problem centers not necessarily on how much people eat, but on what they eat. Millions in India rely on rice and wheat to fill their stomachs, but those staple foods lack crucial vitamins and minerals. Overcoming this micronutrient deficiency, called "hidden hunger", should be given high priority because enough calories alone won't help.

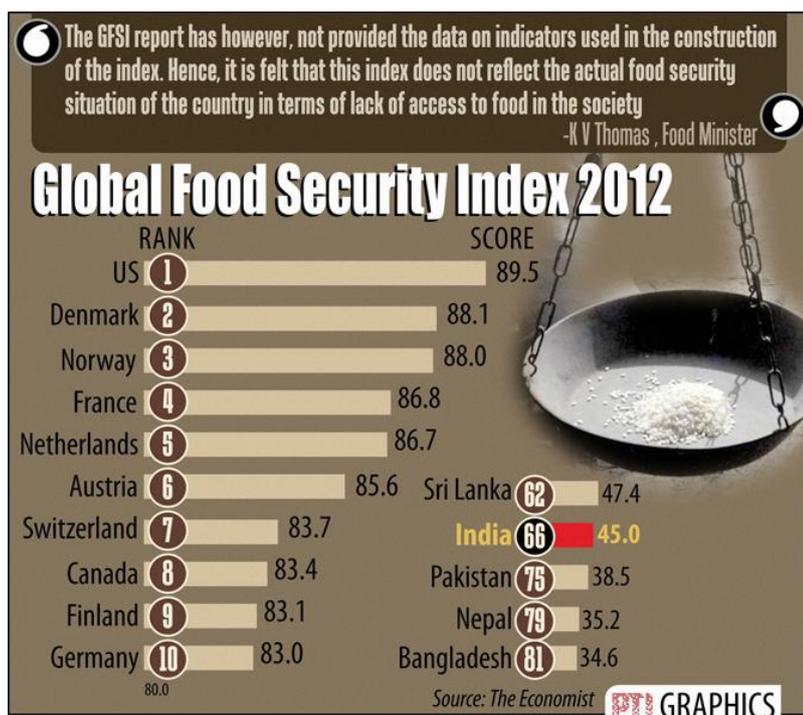
To ensure that no starvation death takes place and people are saved from malnutrition as far as possible, the Supreme Court on May 14, 2011 directed the Centre to release five million tons of

food grains immediately for distribution in 150 most poverty-stricken districts or other poorer segments in the country.

India and The Global Food Security Index 2012

The Global Food Security Index considers the key issues of affordability, availability, and quality across a set of 105 countries. The index is constructed from 25 unique indicators, that measures these drivers of food security across both developing and developed countries. Parameters defining these three key factors are:

<p>Affordability</p> <ul style="list-style-type: none"> • Food consumption as a share of household expenditure • Proportion of population under global poverty line • Gross domestic product per capita • Agricultural import tariffs • Presence of food safety net programs • Access to farmer financing 	
<p>Availability</p> <ul style="list-style-type: none"> • Sufficiency of supply • Public expenditure on agricultural R&D • Agricultural infrastructure • Volatility of agricultural production • Political instability 	<p>Quality and safety</p> <ul style="list-style-type: none"> • Diet diversification • Nutritional standards • Micronutrient availability • Protein quality • Food safety



India has been ranked 66 in the list of 105 countries – much lower than neighboring China (ranked 39) and somewhat lower than Sri Lanka (62) – in the 2012 Global Food Security Index released by the American chemical company DuPont. The Index has been developed by the Economist Intelligence Unit (EIU) and is sponsored by DuPont. Founded in 1946 as an in-house research unit for The Economist newspaper, the Economist Intelligence Unit is part of the Economist Group, which is the leading source of analysis on international business and world affairs.

With India expected to become the most populous country in the world by 2025, feeding the population is likely to be one of the serious

challenges that the country will face in the coming decades. India scores somewhat higher in the category of 'availability' than in the other two 'affordability' and 'quality and safety' categories.

In comparison, India is better off than Pakistan (75) and Bangladesh (81), according to the index calculations. High level of poverty, lower income, less public spending on farm research, poor infrastructure, sluggish supply of quality protein are some of the key challenges that India needs

to address, it noted. On the positive side, however, the presence of food safety net programs and access to farm credit has helped the country achieve some level of food security.

According to EIU regional Director Pratiba Thaker, "Apart from the challenges of availability and accessibility as reflected in chronic household food insecurity, India also faces a nutrition challenge.

Food Grain Situation in the Country

The Food Corporation of India (FCI)

The Food Corporation of India (FCI) directly and through other state government affiliates procures rice and wheat from farmers at the minimum support price (MSP) set by the government. These food grains are then distributed by the government through the various programs that it runs, using the public distribution system. As per the current norms, FCI buys all the rice and wheat that farmers bring to it, as long as it meets a certain quality.

Before the harvest during each Rabi / Kharif Crop season, the Government of India announces the MSP for procurement on the basis of the recommendation of the Commission of Agricultural Costs and Prices (CACP) which along with other factors, takes into consideration the cost of various agricultural inputs and the reasonable margin for the farmers for their produce.

Buffer Stock and Strategic Reserve

FCI is required to always maintain a certain fixed minimum amount of food grain stocks at the beginning of each quarter in the Central Pool. The total annual stock of food grains in the Central Pool is distributed over different quarters of the year depending upon offtake and procurement patterns. The seasonality of production and procurement is thus a decisive factor in determining the minimum norm of food grain stocks required in a particular quarter of the year. For working out buffer stocking norms and making recommendations for policy decisions, the Government has been setting up from time to time Technical Groups under the Chairmanship of Union Food Secretary.

Over and above the grains required for distribution, the government also maintains a "strategic reserve" of **30** lakh tonnes of **Wheat** w.e.f. July 1, 2008 and **20** lakh tonnes of **Rice** w.e.f. Jan 1, 2009.

Together the buffer and strategic reserve serve to (i) feed TPDS and other welfare schemes, (ii) ensure food security during drought and bad agricultural years when production is lower than expected and (iii) any other unforeseen situation which affects food grain production or restricts their free movement. In such circumstances, the food grain prices tend to shoot up. The government can utilize these stocks and release them into the open market to stabilize prices.

These stocks are required to ales. For this purpose it follows some set buffer norms.

As on	(Figures in Lakh Tonnes)					
	Buffer Norms, Since April 2005			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1 st April	122	40	162	20	30	212
1 st July	98	171	269	20	30	319
1 st Oct	52	110	162	20	30	212
1 st Jan	118	82	200	20	30	250

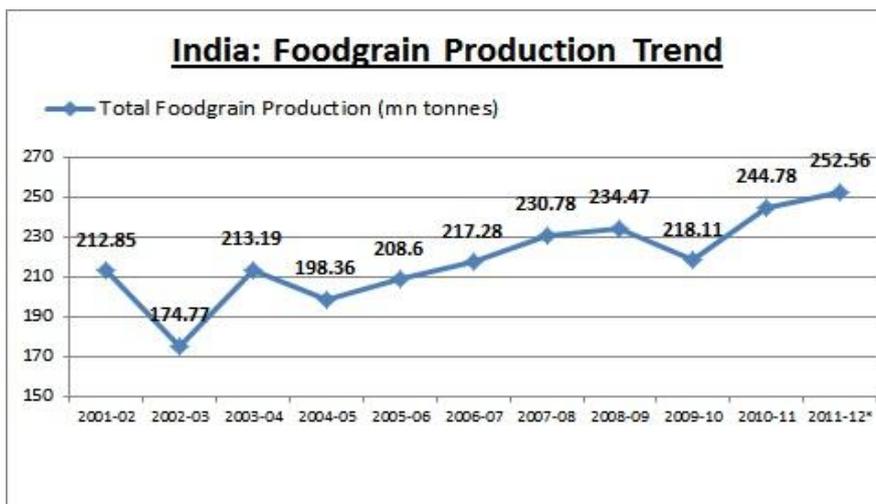
Source: <http://fciweb.nic.in/upload/Stock/4.pdf>

The demand for wheat and rice distributed through welfare schemes is expected to rise, from the current 56 million tonne to about 62 million tonne, with the implementation of the Food Security Act 2013. Therefore, the government is reviewing the buffer stock norms of the food grains.

Food Grain Production, Procurement and Distribution

Food Grain Production

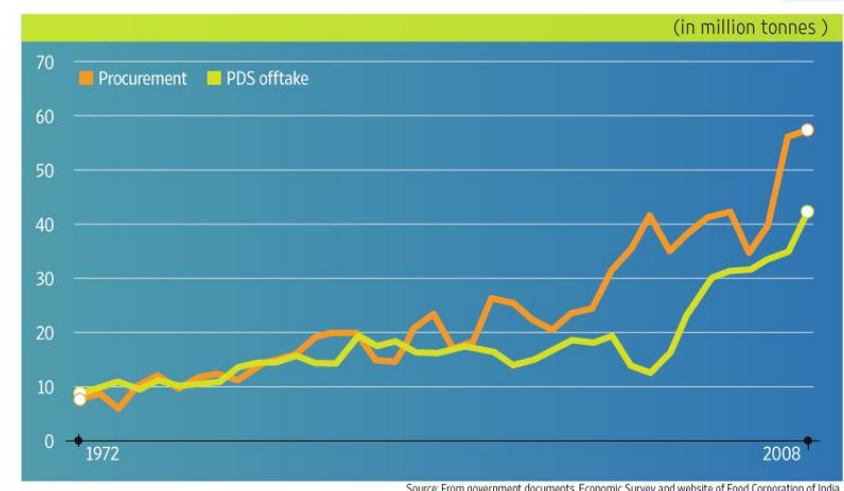
While the agriculture sector may not be the focus of government attention due to its preoccupation with the so called economic reforms (liberalization and westernization of economy) dictated by the Western lending agencies, the food grain production growth has been steady (if not strong) since mid 2000s. The widespread farmers' suicide due to indebtedness is the price nation has to pay in order to become an industrialized society – following western foot steps. The compound annual rate of growth of food grain production, which stood at just 0.8 per cent during 2000-01 to 2005-06, accelerated to 2.9 per cent per annum during 2005-06 to 2012-13. As a result, production in agricultural year 2012-13 is estimated to have touched a record 255.4 million tonnes (Chart below).



However, the per capita production (after adjusting for seed, feed and wastage) has been just 164.9 kgs in 2011, which had been exceeded as far back as in 1984, and was below the recent peak in 2008 of 171 kgs. Thus, there was no growth in per capita food grain production. Yet interestingly, the government has been burdened with a rising stock of food grain – unable to distribute the amount it procures.

Procurement and PDS Distribution

PROCUREMENT AND PDS SALES



As shown in the chart here, until 1989-90 the procurement and distribution matched. Since then the government has been buying more than it distributed year by year; the gap became only wider since early 2000s.. It has led to the accumulation of food grain stock way beyond what is needed. Clearly, the buffer stock norms have been consistently exceeded early 2000s. It is nothing but a reflection mismanagement of procurement and distribution policy. Beyond the buffer stock norms and strategic reserves, the averaged difference between procurement and

and subsidized distribution should be close to zero. No wonder, due to accumulated errors of over procurements today the FCI is hoarding an irrationally high food grain stock.

A recent report brought out by the Comptroller and the Auditor (CAG) General of India also pointed out "The total food grain stock in the Central Pool recorded an increase of 45.8 million tonnes between 2006-07 and 2011-12."

In recent years, the government has procured more than one-thirds of the total production and more than half of the marketed surplus of rice and wheat. Such large scale public procurement has strangulated the private trade (as has been the case in Punjab, Haryana and now Madhya Pradesh and Chhattisgarh). Of the total market arrivals of wheat and rice in these states, more than 80-90 percent is bought by the government, indicating a de-facto state takeover of the grain trade. (This reminds one of the failed experiment of wheat trade takeover in 1973-74). No wonder, the monopsony (a market dominated by a single buyer) has more or less killed the private trade in the sector.

Current Procurement Policies Promote Accumulation

The explanation lies in the fact that the government and the bureaucrats are highly paranoid about food shortage and are unwilling to tolerate even slightest possibilities of under-supply to the PDS. At the same time no one is held accountable for excessive stocks or the extra expenditure incurred by it. This fear has rendered the buffer stock norms redundant.

The country does not have a stock depletion protocol or policy by way of sales to the domestic or to the international market due to political and bureaucratic phobia of food shortage. Everyone has been playing safe.



Currently, the procurement system is open-ended in the sense that the government is committed to buy whatever quantity farmers wish to sell as long as the quality is not an issue. The political pressure has also kept upward pressure on the minimum support price (MSP). In the absence of open market buyers, farmers have been selling their grains to government agencies – it has made the government more or less the sole buyer of food grains. Hence, the current policies are systematically biased towards excess procurement.

The problem of excessive grain stock has been attracting both media and political attention since 2012. The media has often highlighted the issue of widespread rotting grain stock in makeshift storage facilities of the FCI while millions of poor go to bed hungry. The issue found attention of the Parliament also. In September 2010, hearing the right to food public interest petition, the Supreme Court asked the government to distribute to the poor the food grains that would otherwise rot. But unfortunately, the situation has only worsened since then. The excessive stock with FCI serves no useful purpose. Liquidating it will ease inflation, reduce food subsidy and bring rationalization in the grain market.

Green Revolution in Eastern India

In order to reduce over-exploitation of the natural resources in North West Region and to harness the potential of Eastern Indian Plains for enhancing agricultural production, a program namely "Bringing Green Revolution to Eastern India (BGREI)" under Rashtriya Krishi Vikas Yojana (RKVY) is under implementation.

The scheme is being implemented in Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh and West Bengal. The efforts under the scheme have resulted in a substantial increase in estimated production of rice in implementing States.

A new report titled "Buffer Stocking Policy in Wake of NFSB (National Food Securities Bill)" authored by Ashok Gulati and Surbhi Jain of the Commission for Agricultural Costs and Prices (CACP), Ministry of Agriculture, provides more information on the issue.

The food grain stock as on 1 April, 2013, stood at 59.8 million tonnes against the norm of 21.2 million tonnes, that the government needs to maintain as on 1 April, of every year. The situation is expected to continue even after the current wheat procurement season ends. The government procures more than 90% of the wheat, during the months of April and May. After the procurement of wheat ends CACP expects that the total food grain stock will touch around 82.2 million tonnes, as on July 1, 2013.

As per the prevailing norms the government needs to maintain a total food grain stock of 31.9 million tonnes as on 1 July, of every year. But the actual amount of food grain stock is much higher than this number. As the CACP report points out "The country is currently loaded with large stocks. For example, on 1 July, 2012, it had 80.2 million tonnes, and is likely to have similar or even higher amount this year, despite emerging as the largest exporter of rice (around 10 million tonnes in calendar year 2012) and exporting about 5.6 million tonnes of wheat in FY 2012-13."

The report also points out that around 41-47 million tonne of buffer food grain stock would be comfortable. It means there would be 40-45 million tonne of excess stock this year. The value locked in this surplus stock, evaluated at the economic cost, ranges from Rs 70,000 crore to Rs 92,000 crore. Needless to say that inflation in the grain market has a lot to do with this "hoarding" by the government.

It can be safely assumed that of the current around 40 million tonne excess government stock, over 10 million tonne grain is rotting in the open. It means about Rs 20,000 crore of public money gone down the drain. A very sad state of affairs indeed.

Note: The annual expenditure incurred on stocking 1 lakh tonne of wheat is about 25 crore and 32 crore for rice. So, the real loss should be bigger.

No Priority to Food Storage

In the recent years, the Central government has made massive investments in building 2.5 lakh Panchayat Ghars and provided them with computer and internet links; they are now also being dotted with solar power.

Since 2004-05, it doled out Rs 32 lakh-crore by way of tax exemptions to corporate houses, trader and the business community. The budget document clubs them together under the category "Revenue Foregone." For 2013-14, the "revenue foregone" is Rs 5.73 lakh crore.

Yet, it has no money to construct warehouses across the country!

The Supreme Court's Comment

In August 2010 the Central government admitted that food grains were rotting due to record procurement in the last three years without matching storage facility. In its order, a Supreme Court Bench comprising Deepak Verma and Justices Dalveer Bhandari said:

"If this is the position, then increase the storage facility by constructing godowns in every district. But not a single grain of food should be wasted. If due to lack of storage facility food grains are rotting and getting wasted, then distribute it free to those hungry. The government could also increase the allocation to families covered under BPL and AAY schemes."

On 18 October 2010, the Supreme Court further expressed its displeasure after it discovered that **67,539** tonnes of food grains rotted in godowns in Punjab and Haryana during 2009-10 and not just **7,000** tonnes as claimed by the Centre. Despite this, the Centre allocated only a meager **2.5** million tonnes for BPL families through PDS.

Food Grain Required for the Food Security Bill

The National Food Security Bill (NFSB) envisages distribution of about 61.2 mt of cereals, primarily rice and wheat, through the existing public distribution system (PDS) and other welfare schemes (OWS), costing the exchequer about Rs. 1,25,000 crore annually. The break up is given in the table below.

Food Grain Requirement Under NFSB 2013

(Million Tonnes)

Item	Wheat	Rice	Total
Requirement for the Beneficiary population (67% of 1.215 Billion people @ 5 kg grain per person)	22.0	26.8	48.8
Additional requirement for AAY (@ 2 kg grain for 2.5 crore household assuming 5 persons per household)	1.4	1.6	3.0
Estimated requirement for OWS	2.9	3.6	6.5
Additional requirement for protecting the average annual offtake of states	1.3	1.6	2.9
Total Annual Requirement	27.6	33.6	61.2
Monthly requirement (Annual Requirement / 12)	2.3	2.8	5.1

Is There Enough Food Grain to Sustain the Food Security Initiative?

Chairman of the Economic Advisory Council to the Prime Minister was among those who expressed concern that the country may not have adequate food stock to sustain a near-universal food security system. But a careful analysis of the status of food grain production and procurement in the country makes this concern ill founded, as shown earlier.

Cost of the National Food Security Bill 2013

Is the Bill Sustainable?

The Food Bill is a grand scheme and will cost around Rs 1,30,000 crore annually which is about 1.1% of GDP. For example, the economic cost of rice to the government is about 20 rupees per kg. This includes the purchase price from the farmers, the cost of transportation (which is about 30%) and storage and then distributing it. Under the bill, it will be sold to to ration card holders at between Rs 1 and 3 per kilogram, which is a subsidy of 18 rupees per kilogram. About 62 million tonnes of food grain will be needed under the food bill.

Even if the grain quantity remains fixed each year, the subsidy cost will keep increasing annually because the rising input cost to the farmers will always keep the pressure to raise the minimum support price (MSP). This will increase in effective cost of the grain to the government; the selling price at the TPDS is unlikely to change. It is also likely that because of the rising population, the food grain quantity will also increase. Therefore, given the rising costs of the scheme in coming years, its sustainability is questioned by many.

But here is why the above fear is highly exaggerated:

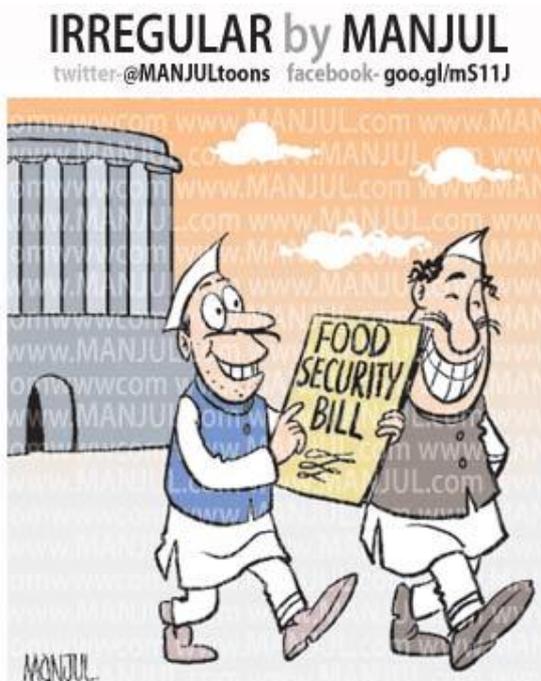
The cost of the bill to the government is likely to be Rs 1.25 – 1.30 lakh crore each year, although various experts offer bigger amounts. This inspires awe in a segment of the business community which wants the government to reduce its expenses. But this entire amount is not a new expenditure for the government. India is already spending close to Rs 1.16 lakh crore on schemes that are listed as “entitlements” under the FSB. For instance, food subsidy (Rs 85,000 crore), midday meal (Rs 13,215 crore), Integrated Child Development Scheme (Rs 17,700 crore)

and maternity entitlements (Rs 450 crore). Thus, the additional expenditure is around Rs 8,635 crore, or say Rs 10,000 which is hardly significant in comparison with the GDP numbers.

In reality, a much bigger amount is wasted annually by way of rotting food grains stocked under unsafe conditions in the makeshift godowns of the FCI. Further significant savings from the expenditure of the FCI are possible if it rationalizes its procurement and distribution policies.

Thus, it is wrong to say that the Food Bill will incur any extra significant expenditure by the government.

Are Food Subsidies a Crippling Burden on Exchequer?



Very important bill.
This will ensure that we can
keep eating even after 2014.

The corporate lobby and the diehard free market devotees see the Bill as an unwanted burden on the state exchequer ("*Food Security Bill will torpedo Budget,*" *Business Line*, March 21, 2013). They would like the government to focus on economic reforms rather than giving doles.

The corporate world certainly needs some reminder.

The government doled out almost Rs 6.22 lakh crore as tax revenue subsidy in the financial year 2011-12? This is registered as **taxes foregone**, and accounts for 65% of the government's total revenue. Last year, the figure was Rs 5.36 lakh crore. A total of Rs 23 lakh crore in six years has been stashed away in the corporate world's coffers. No one has questioned this.

Meanwhile, the agriculture subsidy has been converted into direct loans to farmers; petrol has been handed over to the market; public expenditure on basic services like health, education and access to clean water is dropping. Why the hue and cry about the Food Bill expenditure?

We contribute 40% to the world's overall maternal, neo-natal, infant and child deaths. We have half the world's undernourished children. Fifty-four percent of our women suffer from anemia. We have to end this national variety of colonialism where corporations rule over our farmers and traders have converted educational institutions and health services into profitable shops and keep people deprived of the very basic services in the name of growth.

The present levels of malnutrition result in a 2-3% decline in GDP. It causes delays in education, triggers learning disabilities, affects the overall physical and cognitive development of children at an early age. We need to understand that underfed people are unable to contribute, even if provided with opportunities, because of lack of capability. We must therefore build an environment of empowerment with nutritional security.

The 62 million tonne and Rs 1,30,000 crore food bill will serve another useful purpose: it will restore the dignity of the people of India. It will help feed the 80 crore citizens who constantly in insecurity and have to think before they eat. The expenditure on their food amounts to only a subsidy of Rs 1,188 per person per year, or Rs 3.25 a day. We have about 17 crore children under the age of six, of which 45% are malnourished. But we barely spend Rs 1.62 per child per day on their growth and nutrition.

The Food Bill is being criticized because it gives precedence to people's wellbeing over creating a tiny island of opulence for a handful of people. India needs to fix its priorities.

Foodgrains Vs Cash Transfer/Smart Cards

Debates on the Bill have largely revolved around two main issues: the identification of beneficiaries and the financial implications of the Bill. However, some segments also debated the alternate methods of delivering food security: cash transfer and food coupons in place of food grain distribution, although most people generally don't favor these alternative options. The Standing Committee on Food, Consumer Affairs and Public Distribution also recommended that the cash transfers should not be introduced at this time; instead, adequate banking infrastructure needs to be set up before introducing.

The Central Government has initiated 2 step reforms: It involves a computerization project, which envisages tracking of food grain bags using barcoding right from the FCI godowns up to the Fair Price Shops in stage 1 and beneficiary related transactions in stage 2.

As an alternative to the existing PDS we may switch over to the use of smart cards or food coupons which can be used to buy food from any PDS store. In fact with the biometric identification system (Aadhar card), people will have the freedom to migrate to any part of the country without the fear of losing their food grain. Of course, this presupposes country wide networking of the PDS shops. Since under this system the poor will be paying the stores the same price for food grains as the others the shopkeeper, including PDS stores, will have no incentive in selling adulterated grain to the poor. This will ultimately lead to a system that is free from leakages and adulteration of food grains and will encourage competition for quality service among the PDS stores.

The Food Security Bill also allows for cash transfers and food coupons in lieu of grains as mechanisms to deliver food security. Currently the PDS suffers from high leakages (as high as 40%) cash transfers and food coupons also their drawbacks: they are known to expose recipients to volatility and price inflation. Each method of delivery would have its own implications, financial and otherwise. The table below compares these methods of delivery.

Advantages and disadvantages of PDS and other delivery mechanisms

Mechanism	Advantages	Disadvantages
PDS	Insulates the beneficiaries from inflation and price volatility	Fair price shops have low margins; thus not very viable
	The food grain entitlement can only be used to prepare food	Often sub-standard quality of food grains, Adulteration of food grain
	Well-developed network of FPS ensures access to food grain even in remote areas	Large leakages and diversions of subsidized food grain
Cash Transfer	Cash in the hands of poor expands their choices and relieves financial constraints to some extent	Requires extensive banking network
	Potential for fully electronic transfer	Cash can be used to buy non-

Mechanism	Advantages	Disadvantages
		food items
	Cash transfer programs involve low administrative costs because it does not need procurement, storage and distribution facilities	May expose recipients to price volatility and inflation
Smart Cards/ Food Coupons	The household has freedom to go to any PDS shop. It might promote quality of grains as well as service.	Needs computerization and networking of PDS shops.

Individual States' Food Security Programs (through PDS)

While the Central food security proposal is the brainchild of the UPA chairperson, Mrs Sonia Gandhi, and the ruling alliance sees it a trump card for the 2014 Lok Sabha elections, several Indian states have been running their own food security programs for the weaker sections through the public distribution system. They have gone about identifying the beneficiaries in their own ways and their BPL counts are almost always greater than Center's figures.

The southern state of Tamil Nadu has perhaps the best run system in the country. Most recently, Chhattisgarh has emerged as a model state in terms of running the food program most efficiently. It achieved it by creating transparency and accountability through intelligent use of computerization along with the Internet and communication technologies.

There is a strong case for such subsidized food programs through the PDS. 60 percent of the "poverty gap" has been wiped out in Tamil Nadu; the figure for Chhattisgarh is 40 percent and nearly 20 percent at the all-India level.

States' initiatives to improve the PDS delivery system

Comprehensive recommendations on the reform of the PDS are available from various committees. Several states have undertaken their own PDS reforms. They have started to use technology to improve their PDS delivery systems. Chhattisgarh is a notable example which has taken effective steps to turn around the PDS system with the help of IT and communication technologies and community involvement. Other initiatives by state governments use of smart cards for beneficiaries in an experimental way in Haryana and Chandigarh, use of Global Positioning System in Tamil Nadu, Chhattisgarh and Delhi, bar coded bags in Gujarat and SMS alerts on grain availability in UP and MP.



The World Food Program (WFP) has signed an MoU with the Odisha government to roll out an efficient system of TPDS in four districts. It is also in discussion with the Jharkhand government for initiating a pilot project. Clearly, many states with a substantial percentage of the population in trying to devise leakproof systems of delivery for the BPL people. Chhattisgarh has already shown that it can be done.

The Supreme Court has also ordered introducing ePDS across the country. The main components of ePDS are integrated weight management system, Management Information System (MIS), inventory management, GPS-based fleet tracking for grain transportation, SMS-based information dissemination and public grievance redressal forum.

1. Chhattisgarh

In December 2012, Chhattisgarh became the first state to have its own food security Act, making food entitlement a right and depriving anyone of that an offense. If PDS grains, for instance, are being diverted, the officials involved face penal provisions. The Act also seeks to empower women by counting the eldest woman of a household as its head in matters related to ration cards.



The Act provides for various subsidies over and above those granted by the Centre. In this year's budget, the government earmarked Rs 2,000 crore for implementing the Act. Some get rice at Rs 1 per kg, while the destitute and disaster-affected persons get it free. The law also includes protein security by providing chana at Rs 5 per kg and pulses at Rs 10 per kg.

It defines a new category, "particularly vulnerable social groups", which includes households headed by terminally ill persons, widows or single women, physically challenged persons, all households headed by a person aged 60 or

above with no assured means of subsistence or societal support, and persons freed from bonded labor.

The CG Food Act will be discussed in detail later.

2. Bihar

The fund starved Bihar caters to 1.12 crore BPL families (of estimated 1.37 crore) while the Center recognizes only 65.23 lakhs. It has created a fund of Rs 580 crore, of which the state spends Rs 120 crore every year on grains distributed to the "unrecognized" BPL families.

The usual allotment of 35 kg grains a month, meant for all BPL families, is restricted in Bihar to the 25 lakh very poor families (Antyodaya); the other BPL families get 25 kg (10 kg wheat and 15 kg rice at centrally subsidized rates). It meets the shortfall by buying grains from the FCI. The Bihar CM has made it clear that the state can't afford even part of the burden of the food security law.

On the positive note, after the Supreme Court order for implementing ePDS across the country, the Bihar government has taken initiatives in some districts to computerize information about dealers and beneficiaries. Two districts, Munger and Jehanabad, have achieved good results and are way ahead of others in utilizing information technology for ensuring transparency. Some other districts like Gaya and Buxar have also tried to solve the transparency problems of PDS.

3. Gujarat

Gujarat too covers almost twice as many BPL families as the Centre recognizes — 24.3 lakh against 13.1 lakh. The government diverts part of the APL supplies to BPL families.

4. Punjab

In 2007, the state government identified 9 lakh families whose annual income was below Rs 30,000, for its atta-dal scheme. Today there are 15.4 lakh beneficiaries. Initially entitled to 35 kg wheat at Rs 4 a kg, and 4 kg dal at Rs 20 a kg, they now get 25 kg and 2.5 kg respectively. It is for the standard family, considered to consist of five members; for smaller families, the entitlement is per member.

It is also planning to include dal in the PDS supply.

5. Rajasthan

Rajasthan's latest budget provides for wheat at Re 1 per kg for all BPL and Antyodaya families, costing the state Rs 500 crore a year. This is besides sugar at Rs 10. APL families get atta at Rs 5

and various other subsidies, costing the state Rs 350 crore. The budget exempts various spices from taxes, besides including a special package of Rs 200 crore for the economically backward.

6. West Bengal

In 2000, the state government started distributing rice at Rs 2 per kg to BPL families. Now Mamata Banerjee's government added 40 lakh more people. It also introduced 2 kg rice and 750 g wheat, both free, every week for each of the 1,391 members of the Toto tribe. West Bengal spends Rs 625 crore a year on subsidizing PDS food. "The food security bill will mean spending Rs 5,400 crore annually, which we cannot afford," according to the state food minister.

7. Assam

In Assam 20 lakh BPL families get 28 kg rice at Rs 5.65 / kg. In 2010, it launched a scheme to provide 20 kg rice at the same rate every month to roughly 20 lakh families in the "lower strata of APL" category. Another scheme allows village cooperatives to take bank loans at 12 per cent to lift PDS items, and 5 per cent of it is borne by the government.

8. Himachal Pradesh

The state provides subsidized food to a total 15.58 lakh ration card holders. Out of these, 10.44 lakh are APL, 3.17 lakh BPL and 1.97 lakh fall under the Antodaya Anna Yojana (AAY).

The 3.17 Lakh BPL families get 35 kgs of food grains per family per month: 20 kg wheat at the rate of Rs. 5.25 per kg and 15 kg of rice @ Rs. 6.85 per kg per family. Under the Antodaya Ann Yojna the poorest of the poor 1.97 lakh families are given 20 kg of wheat @ Rs. 2 and 15 kg of rice @ Rs. 3 per kg per family. In the tribal areas, wheat, wheat flour and rice are distributed: 8 kg per person in all categories. Ration card holders are also entitled for pulses, mustard oil and iodized salt at subsidized rates.

9. Orissa

In February 2013, Orissa started a Rs 1-per-kg rice scheme under which 48 lakh BPL families get 25 kg every month. The rice scheme, an improvement on the Rs 2-per-kg and 35 kg per family scheme, will cost the exchequer Rs 1,312.50 crore a year. The CAG report criticized the new scheme on the ground that it reduced the quantum of rice to a wider population compared with 35 Kg per family as offered in the previous scheme.

10. Delhi

The 4.53 lakh BPL card holders get each month 25 Kg wheat @ Rs 4.65, 10 kg rice @ Rs 6.15, and 1.17 kg sugar per member @ Rs 13.50.

The card holders under the Annapurna scheme, get 10 kg wheat per month free of cost. Those under the Antyodaya Anna Yojana get 25 kg wheat at a price of Rs. 2 per kg per month and 10 kg rice at a rate of Rs. 3 per kg.

Apart from the 4.53 lakh cards (benefiting a population of around 20 lakhs), there are an additional 49 thousand Above Poverty Line (APL) card holders who live in slum clusters and can take benefit from the scheme of the government.

11. Madhya Pradesh

Madhya Pradesh recently launched a scheme, Mukhyamantri Annapurna Yojana, which it described as "a step ahead" of the central bill. MP is one of several state that add their own subsidies to make PDS food material available at rates cheaper than those fixed by the Centre. It sells wheat at Rs 1 a kg and rice at Rs 2 a kg to BPL and Antyodaya families, who get respectively 35 kg and 20 kg foodgrains every month. Since April 2008, the state had already been subsidizing foodgrains at an annual cost of Rs 440 crore; the new scheme increases the subsidy burden by Rs 420 crore. The target population is 3.5 crore, nearly half the state's.

SOUTHERN STATES

In the south, it is mostly about rice, either free or very cheap

12. Tamil Nadu

In Tamil Nadu, it is all about rice. The DMK had come to power in 1967 largely on the slogan "one padi (a local measure) rice for Re 1". Then in 2006, the DMK government re-subsidized PDS rice to Rs 2 a kilo for those below the poverty line and to Rs 3.50 for others. It slashed the BPL rate further to Re 1 in 2008, before Jayalalithaa's government introduced the universal, free scheme.

Tamil Nadu provides 20 kg rice free every month to each of its 1.85 crore PDS beneficiaries, a universal scheme it says is unmatched anywhere else. Tamil Nadu has long been running and improving on its own food security schemes. The food subsidy has gone up from Rs 4,000 crore in 2011, to Rs 4,500 last year, to Rs 4,900 crore expected this year.



Since 2007, the state government has also been subsidizing tur dal, black gram, fortified wheat flour and fortified palm oil, besides packets containing 10 spices and condiments. The last scheme will continue till March 2014.

Ready to eat meals, is another feature of TN served in the Amma canteens: which offer an idli for Re 1, curd rice for Rs 3, and sambar/lemon/curry leaves rice for Rs 5. It was a government initiative that was first undertaken through the Chennai Corporation, it was soon expanded across the state's municipal corporations. Chapatis are likely to be added in the menu next.

The state also has a price stabilization fund to procure and distribute essential commodities at cost price in times of crisis. This year, the fund was doubled from Rs 50 crore to Rs 100 crore.

Most recently, the state government also launched fresh vegetable outlets in Chennai to sell vegetables at minimal prices and mineral water scheme to sell water bottles at Rs 10.

13. Karnataka

Karnataka has planned to distribute from July rice at Re 1 per kg and up to 30 kg per family with a BPL card. The scheme targets 98.17 lakh people and will cost the state Rs 460 crore a year. The state would require 2.40 lakh tonnes rice and is hoping the Center will provide 1.70 lakh tonnes of this; it will procure the rest.

14. Andhra Pradesh

Andhra Pradesh first introduced a Rs 2-per-kg rice scheme in 1985, after chief minister N T Rama Rao resolved no family in the state would ever go hungry. It was reintroduced by the late Y S Rajasekhara Reddy in 2008, covering a wider population. In 2011, the state government introduced good quality rice under PDS at Rs 1 per kg for BPL families. The scheme benefits 2.70 crore families. Antyodaya families get 35 kg per family, while other BPL families get four kg per person subject to maximum of 20 kg. The state spends Rs 2,600 crore as subsidy for rice at Rs 1. Some 3.24 lakh tonnes are provided. The government also subsidizes red gram dal at Rs 50 per kg, palm oil at Rs 40 per litre, kerosene at Rs 15 per litre, sugar at Rs 13.50 per kg, and wheat at Rs 7 per kg.

Earlier this year, as a Telugu New Year's gift, a "Amma Hastham" scheme was launched, under which the government provides nine essential commodities — four more than were being provided earlier — in a packet through ration shops every month for Rs 185, against an actual cost of Rs 292. Similar to a Tamil Nadu package, it includes 1 kg toor dal, 1 litre palm oil, 1 kg whole meal atta, 1 kg wheat, ½ kg sugar, 1 kg salt, ¼ kg chilli powder, ½ kg tamarind and 100 gm turmeric powder.

15. Kerala

Kerala has a PDS coverage of 79 lakh, of which 14 lakh are in the BPL category. The state requires 1.35 lakh tonnes grains a month and its annual food subsidy bill is Rs 750 crore. The allocation is 10 kg rice at Rs 8.90 / kg and 3 kg wheat at Rs 6.70 / kg for APL families, 25 kg rice at Rs 1 and 8 kg wheat at Rs 2 for BPL families, and 35 kg rice at Rs 1 for Antyodaya families. Besides, an Annapoorna scheme for the destitute aged over 65 gives each such beneficiary 10 kg rice free. And families counted as BPL but without cards get 19 kg rice at Rs 6.20 and 7 kg rice at Rs 4.70. Kerala has 32 lakh BPL families as per a survey in 2009.

The state government would welcome the provision in the proposed central bill that every person is entitled to 5 kg food grains at subsidized rate.

The Chhattisgarh Food Security Bill, 2012

Chhattisgarh has taken a lead in the country to enact its own Food Security Act 2012 (CFSA) in December 2012. It is seen as an extension of the PDS and is widely regarded as a model for other states by the Centre and the Supreme Court. The Act pledges to ensure universal coverage of the state population enabling around 42 lakh families to access quality subsidized food grains.

Nearly 90% of the provisions incorporated in the Act were already covered under the PDS. The new act will only make the acclaimed PDS more comprehensive and will put an annual burden of Rs. 2311 crore to the state exchequer. The entitlements will be given on the basis of per household and not on per person. The entitlements are not restricted to food-grains and there would be provision for iodized salt, pulses, black gram.

The act does not cover people who are income tax payers, own over 4 hectares of irrigated or 8 hectares of non-irrigated land in non-scheduled areas and those who are liable to pay property tax in urban areas.

Antyodaya and priority (BPL) households will get 35 kg of grain at Rs 1 and 2 per kg, respectively. They will also be entitled to 2 kg iodized salt each month. The general (APL) households will get 15 kg grain per month at a rate of less than 50 per cent of the minimum support price of the grain. Taking a cue from States such as Tamil Nadu, Andhra and Himachal Pradesh, the CFSA guarantees 2 kg of pulses at Rs 5-10/kg, an essential source of protein.

The provides the priority households monthly PDS entitlement of 35 kg rice, wheat flour, pulses, gram and iodized salt at subsidized prices.

Giving a push to further empowerment of women, the ration cards would be issued in the name of the eldest woman in a family. The local bodies would be responsible for implementation of the Act. The Act contains provisions of internal grievance redressal mechanism, publishing of all records in the public domain and social audit are also incorporated.

As opposed to the Proposed Central Food Act, the Chhattisgarh Act does not have any arbitrary percentage limit of beneficiaries. It only excludes those who are clearly not poor. Thus, the CG Act covers around 90 percent of the state's population.

Highlights of the CG Food Act:

1. The Act provides for not just the food grains (wheat, rice etc.) but also gram, iodized salt.

BATTLING HUNGER

- **1.1 million** Antyodaya (extremely poor) households will get 35kg of rice per family per month at ₹1 per kg
- **3.1 million** BPL families will get 35kg of rice at ₹2 per kg
- Both categories will get **2kg of free iodised salt** per family per month
- **2kg of pulses** will be available to the poor in non-tribal areas at ₹10 per kg
- **2kg of gram (chana)** will be available in tribal areas at ₹5 per kg

2. It also covers school midday meals and take home ration for pregnant women and lactating mothers and children under three to provide additional nutrition through the anganwadis.
3. Free meals for the destitute and homeless.
4. Ration cards would be issued in the name of the eldest woman in a family. (Women empowerment)
5. Panchayats and Municipalities will be responsible for implementation of the Act.
6. Entitlements will be given on the basis of per household and not on per person.
7. Going beyond the Centre's definition of Antyodaya, the CG Government has widened the definition of Antyodaya households to include *all families of "vulnerable social groups" including tribal groups, widows or single women, terminally ill persons, physically challenged persons, elderly-headed households with no assured means of subsistence and persons freed from bonded labor.*
8. To prevent such leakage and corruption, the Act provides for
 - a. Computerization of records and publication of all beneficiaries and benefits given to them.
 - b. Gram Panchayats will be allowed to run ration outlets.
 - c. Officials to be punished for non-compliance, under Essential commodities act.
 - d. Vigilance committees
 - e. Social audits by the Gram Sabha, etc

Source: Planning Commission of India website:

http://planningcommission.nic.in/hackathon/Rural_Development.pdf

Read the full CFSA 2012 here:

[Chhattisgarh Food Security Act 2012](#)

Reasons Behind Success of the Chhattisgarh Food Bill

Chhattisgarh is a good example of transforming a non-functional PDS into a functioning one with the help of technology and community involvement. The first step was to computerize the whole process to check leakages and diversions. It improved internal management and injected transparency. The state solved the widespread problem of fake ration cards by creating a centralized database which helped eliminate 22.5 lakh fake ration cards. The centralized printing of bar coded ration cards, their distribution in the public gatherings and community monitoring ensured transparency and accountability. In every village/wards, special public functions were held to distribute the ration cards by the representatives. The ration card details were published on the website in Hindi along with details of the holder. This helped confirm authenticity and made the system more transparent and accountable.

The second important step was to computerize the movement of the goods. The doorstep delivery system was put in place based on demand and the trucks transported the goods to fair price shops. The actual allocations were fed into the computer system and delivery order was issued.

The delivery truck drivers were advised to carry mobile phones with cameras. They were instructed to take pictures of the truck number and the manager whenever the commodity was unloaded. This checked diversion of loaded trucks to unscrupulous people who sold it in the open market. Thus, technology was effectively used to check corruption.

The public grievance management system incorporated a call center with a toll free number functioning for 12 hours. A citizen service website, Jan Bhagidari, was also set up for registering

complaints; it worked like RTI. Numerous FIRs were filed and swift actions were taken to punish the fraudulent elements. Besides, there was proactive sharing of information through another portal, nic.in/citizen.

Under an interesting initiative, citizens were asked to register their mobile numbers for information on their fair price shops. Whenever grains were dispatched they would automatically receive SMS with details of the truck number and quantity of grains being delivered. Anyone could register for this facility. It made any fraudulent activity by the fair price shop owner or the bureaucracy impossible. Thus, use of technology brought everything under public eyes and eliminated all wrong doing. Total cost of technological intervention was just around 23 crore with 3 crore as recurring costs.

The Chhattisgarh PDS model has won many awards.

National Food Bill Vs Chhattisgarh Food Bill

Chhattisgarh, the only state to have enacted a food security law, also has the best performing PDS after Tamil Nadu. A combination of policy, policing and administrative measures — opting for wider coverage rather than targeted distribution, putting ration shops in the hands of those trusted by the community they serve, incentives for those running the fair price shops, computerized tracking of food grain, weeding out bogus BPL (below poverty line) cards and zero tolerance for pilferage — has resulted in efficient delivery of food grain to 90 percent of the population.

Significantly, apart from grains, beneficiaries are entitled to 2 kg iodized salt and 2 kg of pulses at Rs 5- Rs 10 per kg. The Chhattisgarh model would argue that the Food Security Act can work without sinking the economy. But then, the state first fixed its leaky PDS and gave its farmers incentives before enacting the law.

In contrast, the Central Food Bill continues to rely on “inclusion” criteria to target the arbitrary percentage of population in the rural and urban areas, which leads to large errors. It also fails to specify effective measures to curtail wastage and leakages of the storage and distribution system, nor has any policy measure to encourage the farmers for sustained farming. The entitlement of 5 kg food grains per person is too low and does not offer other nutrients like pulses and edible oil. *In a nutshell, it offers insufficient nutrition and ineffective population coverage.* So, it is nowhere close to providing universal and meaningful food security to the country.

	The Chhattisgarh Food Security Bill 2012	The National Food Security Bill 2013
Food Grain Entitlements: Antyodaya and Priority (per household)	35 Kg Food grain at Rs 1 and Rs 2/kg 2 Kg Iodized Salt free of cost 2 Kg Black Gram at Rs 5/kg (in tribal areas) 2 Kg Pulses at Rs 10/kg (in non tribal areas)	35 Kg Food grain to Antyodaya households 5 Kg Food grain per person to all others up to the percentage limits fixed for rural and urban areas No provision for non food grain items
General	15 Kg Food grain at Rs 15/kg	
Type of entitlement	Only on household basis	Antyodaya on household basis All others on per person basis
Antyodaya	Definition of Antyodaya expanded to include vulnerable groups	Only poorest of poor

Population Coverage	Offers universal coverage along with clear exclusion criteria to keep away the well off population. So, about 90% population is covered under the Bill.	Prescribes arbitrary limits of 75% rural population and 50% urban population. The Central government will determine statewise coverage. The states will identify the beneficiaries based on the prescribed guidelines of the Center.
Destitute and homeless	Entitled to free meals	No such provision
PDS Reforms	Already taken steps to streamline the distribution system by use of IT and Communication technology. It is giving the desired results.	Talks of doorstep delivery to PDS shops and use of technology, etc. But did not accept Standing Committees specific recommendations like use CCTV cameras in godowns, internet, GPS tracking, etc

Criticism of the National Food Security Bill

Don't Need Another Program

They feel that the Food Bill is yet another welfare scheme, imposed on the already existing social welfare programs – such as the Antyodaya Anna Yojana which is a part of the Targeted PDS scheme, the midday meals scheme of certain states and the Anganwadis along with ICDS. They feel that only the weakest section (under the Antyodaya scheme) of the society needs assistance (and not the wider section of the populace) and these existing schemes are already enough to cater to their needs. Rather than yet another Act, the government should strengthen these programs and plug loopholes. Expanding the scope of the Antyodaya Anna Yojana could have been a good start.

These critics appear to be under the misconception that the government is making new financial and grain commitments under the NFSB. In fact, the NFSB does little more than turning the existing food security schemes such as the Integrated Child Development Services (ICDS) Scheme, Midday Meal (MDM) Scheme, Public Distribution System (PDS) and maternity entitlements etc into legal entitlements.

Criticism by the Right to Food Campaign

The Right to Food Campaign, appears to have several objections and finds the Food Bill too inadequate. It finds the Bill extremely inadequate in offering food entitlements, particularly towards combating the widespread malnutrition and needs serious amendments before passage. The proposed Bill appears to have delinked food security from nutritional security which is contrary to the 1996 Rome Declaration on World Food Security signed by India.

The Declaration reaffirmed "*the right of everyone to have (physical and economic) access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger.*" Further Article 47 of the Constitution of India instructed the State to raise "*the level of nutrition and the standard of living of its people ...*"

It has been consistently demanding a comprehensive food security law that incentivises agriculture production, provisions for local procurement and local storage along with a decentralized and deprivatized universal PDS. It also wants safeguards against commercial interference including GMs in any of the food/nutrition related schemes.

Some of its major objections are:

1. It does not specify any time frame for rolling out the entitlements in the Bill. "It will be implemented as and when the States get ready." Several entitlements and the grievance redressal structure would require state legislatures make adequate budgetary allocations.

Implementation of the Bill may be affected if states do not pass requisite allocations in their budgets or do not possess adequate funds.

2. It continues with a Targeted PDS, excluding 33 % of the population from accessing the PDS as a right, giving scope to large exclusion errors of the poor in the country as a whole.
3. While the ICMR norms recommend that an adult requires 14kgs of food grains per month and children 7kgs; the Bill provides for reduced entitlements to 5kgs per person per month. There is an absence of entitlements to pulses and oil in the PDS, so fails to address the widespread problem of malnutrition. [In fact, members of the Right to Food Campaign met members of Parliament and gave them **165 gm** of foodgrains (the daily allowance adding up to the entitled **5kg** of foodgrains per month) to show how paltry the provisions of the Bill are.]
4. The maternal entitlements for lactating mothers will be according to the specifications of the Central government scheme which has two child norm. So the Bill is unfair to the children after second live birth.
5. The Bill continues to allow for the entry of private contractors and commercial interests in the supply of food in the ICDS, especially by insisting on specific norms related to Food Safety Acts and micronutrient norms (prescribed in Schedule 2). These standards can only be met through centralized factory based food production. The Supreme Court has also ordered to keep private contractors away from the food schemes for children, particularly in a take-home ration of ICDS scheme.

Further, the effort to provide local food through self-help groups etc have also been completely ignored.

6. The Bill does not have an effective grievance redress mechanism. In the Bill, it begins at the district level which is ridiculous; people need it the local Panchayat or Gram Sabha level.

The grievance redressal framework may also overlap with that provided in the Citizens' Charter Bill that is pending in Parliament.

7. The Bill does not provide any agriculture and production-related entitlements for farmers in spite of the fact that more than 60% of the people in this country are dependent on agriculture for their livelihoods.
8. The Bill is silent about the destitute, homeless and starving persons in the final version. They were considered in the 2011 version.

Criticism by the National Commission for the Protection of Child Rights (NCPCR)

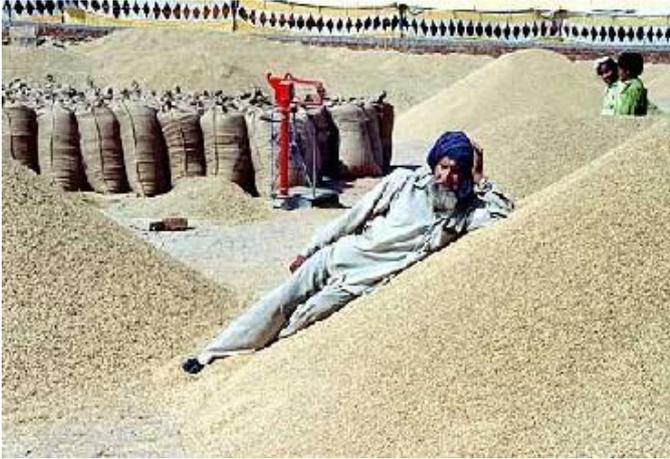
Country's watchdog for child rights, the National Commission for the Protection of Child Rights (NCPCR) is unhappy about the following provisions:

- Children under the age of two years have been excluded from the take home ration provided under the nutrition scheme of Integrated Child Development Scheme (ICDS).
- The two-child norm that will, in effect, deny entitlements to the third and onward born.
- The term malnutrition does not figure in the Food Bill as though the term malnutrition has nothing to do with food security or insecurity. There are no entitlements for children in the situation of malnutrition, which would be 70-80 per cent of all poor children and 40-50 per cent of all children in the country. Without focus on child malnutrition the Bill has no



meaning for the country.

No role for State governments in decision making



The Food Act denies flexibility to states running the food program based on local realities. Under the National Food Security Bill, the State governments do not have the right to identify the beneficiaries, extension of rights or making efforts at giving better security.

At least 15 states including Chhattisgarh, Bihar, Tamil Nadu, Madhya Pradesh, Delhi and all 4 southern states already have their own subsidized food program and their own count of beneficiaries. The entitlements and count of beneficiaries under the Central Food Act are different and the Act is supposed to

be implemented by the state governments. Most states provide wider coverage than the Central Act. The content of the proposed Act appears to assume that there are no state food programs. Thus, there will be confusion and implementational issues once the Bill is passed.

There are other issues too that deny flexibility to the states in helping the masses. The Chief Minister of Chhattisgarh, for instance, has raised some good points. For example, he suggested allowing the states to decide whether to organize PDS distribution on a household or per-capita basis. It is an important point: The per-capita approach is more logical, but requires a level of administrative capability that is yet to be developed in some states. He also argued for enhancing PDS entitlements, beyond the norm of '5 kg per person' that is now being proposed. This also makes sense: if an infrastructure of redistribution is in place, it might as well be used for bigger provisioning - including other food commodities such as pulses and oil.

States like TN and Chhattisgarh have almost universal coverage, implementing the Central Food Bill would mean roll back of their superior programs. Although the food minister assures of protecting their existing food grain allocations, but they are skeptical and feel it can be changed anytime in the future. Tamil Nadu has expressed its desire to be exempted from the Central Bill saying that it already has a more effective, robust and time tested program.

The Bill requires a food commission in each state and a grievance officer in each district to look into complaints and implementation. This sounds good but states have their own mechanisms to handle grievances. Again it will create confusion and perhaps state-Center issues.

In fact, a part of the states' lack of enthusiasm towards the Central Food Bill comes from such stiff provisions that will deny them flexibility in implementation.

Since all Central schemes are invariably implemented through the state governments, there is always a basic question about the role of the Central government. The pointer is given by comments of state chief ministers in the NDC meetings:

The centrally-sponsored schemes do not serve the desired purpose and should be abolished. The states should be given their earmarked allocation as un-tied grants; they are in a better position to leverage their strengths and utilize the funds according to their development needs. **Punjab CM Prakash Singh Badal in the NDC meeting**

States have different priorities from the Centre and should not be asked to partially fund central schemes. **Madhya Pradesh CM Shivraj Singh Chauhan**

Poor States Demand better Treatment

States like Bihar, Chhattisgarh and Uttar Pradesh want a better treatment in the National Food Bill which proposes PDS coverage of 75 per cent in rural areas and 50 per cent in urban areas. These are, in fact, national averages and must be adjusted state-wise so that the poor states have higher PDS coverage. This can easily be done using a formula similar to the one used to determine state-wise grain allocations under BPL quota. It is just a matter of common sense and rigid fixation on 75 and 50 percent coverages defies that; after all the aim is to help the maximum number of poor. This is also in the best national interest.

How to count the beneficiaries?

This is the foremost contentious issue. What are the indicators of the poor? Who should be included and who should not? Counting the poor has remained a number game in India. Various committees have come up with different counts of the poor. Whenever targeted benefits are provided to certain sections of the population, significant inclusion and exclusion errors have taken place. A 2009 expert group headed by N.C. Saxena to evaluate PDS, estimated that about 61% of the eligible population was excluded from the BPL list while 25% of APL households were included in the BPL list. The Food Security Bill relies on the same mechanism to identify the beneficiaries. It would have been better to specify clear exclusion criteria, as the Chhattisgarh state has done in its Bill.

Many states have been running their own food programs and have their own counting mechanisms of beneficiaries. For instance, Bihar counts 1.37 lakh BPL families but the Center recognizes 65.23 lakh only. Gujarat also covers twice as many BPL families as the Center recognizes.

Arbitrary targeting of rural and urban population

Many states have programs covering a wider range of the population and are unhappy with the arbitrary limits of 75% rural and 50% urban population. A heavily urbanized state like TN is obviously unhappy with the 50% urban limit. It wants 75% limit for both urban and rural India.

Financial burden on the states

Although the cost of implementation of the Food Bill will be shared between the Center and the States, but it would put significant burden on the poor states. Ironically, they are the ones needing the maximum assistance. The costs imposed on states (partial or full) include: nutritional support to pregnant women and lactating mothers, midday meals, anganwadi infrastructure, meals for children suffering from malnutrition, transport and delivery of foodgrains, creating and maintaining storage facilities, and costs associated with District Grievance Redressal Officers and State Food Commissions.

It is questionable whether Parliament can require states to allocate funds without encroaching on the powers of state legislative assemblies. If a state chooses not to allocate the necessary funds or does not have sufficient funds to do so, implementation of the Bill will be seriously affected. The Standing Committee examining the Bill had recommended that an independent body, such as the Finance Commission, should be consulted regarding additional funds to be borne by the states. Already the Right to Education (RTE) initiative is facing serious hurdles precisely for the same reason.

Hunger vs Malnutrition

Critics point out that eradication of malnutrition requires more than just removal of hunger. Simply providing for the basic minimum food is unlikely to do enough to improve India's ignominious malnutrition levels. Food security is necessary but not sufficient for nutrition security. There is substance in this critique. For nutrition, the focus should be on children and women. The Food Bill does take a step ahead in that direction, although it could have done more on this front.

Many activists say that for the bulk of the beneficiary population of the poor, just five kg per month per person is insufficient and have to buy rest of the ration from the open market. The

TPDS will provide only about 70 to 75 per cent of the food needs. There is nothing in the Bill for the destitute and starving.

The Food Bill will Distort the Open Grain market

The business community is concerned that there will be increased government involvement when it comes to procuring grains from the market. This fear stems from the assumption that the Food Bill will significantly raise the amount of food grain procured from the market and distort the open market prices in the process. They also fear that the very low prices of the subsidized food will bring down the grain prices.

The fact is: currently the government procures only about 30% (or about 58 million tonnes) of the total food grain produced in the country for its various welfare schemes; the rest 70% is in the private sector and it will remain there. After the Bill the food grain requirement will increase to about 62 million tonnes which is an increase of only 4 – 5 million tonnes. So, nothing drastic will happen in the open grain market.

Thus, the fear of the Food Bill causing significant extra procurement is ill founded.

Corruption and inefficiencies of the PDS system

The PDS system is already operational but around half of the food grain is lost to leakages and gets sold in the open market for a higher price. Increasing the scale of the PDS system for the food security program will only increase these leakages.

The government is also considering using direct cash transfers, in cases where the government is not able to make the food available. The cash for the food will be paid directly into people's bank accounts. This cash route is seen as fraught with potential for misuse. Also what if the market prices are much higher than the cash received.

Economists like Surjit Bhalla says that this is a recipe for fiscal disaster: the food bill will unleash corruption on an unimaginable scale.

Is there enough food grain to meet the government's obligation?

As discussed elsewhere, as of now and certainly for near future there is sufficient food grain production and stock with the government. Many people worry about the impact of climate change issues on the food grain availability in the future. The fear is well founded but it has nothing to do with the food security program. Even without the bill and government's commitment to provide food to the poor, the climate change issues will remain.

According to Kirit Parikh, the passage of the Food Bill may actually provide an incentive to poor farmers to stop farming. The supply of food grains at Rs3/2/1 will serve as a powerful disincentive to farmers and production of cereals in the country may actually come down.

So the most worrisome question is — will the farmers buy PDS Grains instead of growing Grains?

Is a defective food security bill better than none at all?

This bill should come and it should ideally and primarily target only the poorest of the poor. But it should be targeted only to the poor. The present Bill arbitrarily proposes targets 50% of the urban population and 75% of the rural population, which is irrational. But as long as the poor are getting food at a low price, the initiative is good.

However, more than the content of the Bill it is more important to reduce (eliminate) the leakages from the distribution system and make it transparent. This is happening in Chhattisgarh where over 95% of the food is going to the right people. When the food arrives in stock, those entitled to it receive an alert message on their cell phones.

The Way Forward: Towards a Food Secure India



The National Food Security Bill 2013 could be a game-changer for national food security if the government is able to overcome large scale corruption and reduce leakage and wastage through computerization and involving the local bodies. Much can be learned from states like Chhattisgarh and Tamil Nadu, where increased local participation (through, for example, cooperative ration shops) and innovative technologies (including smart cards and computerized records) have made food distribution transparent, more efficient and better targeted.

Overall better results can be obtained by integrating various welfare schemes designed to raise the wellbeing of the poor masses. India can learn from countries such as Brazil, Ethiopia and Bangladesh, where income/food transfers were bundled with education and healthcare initiatives. The success of such initiative should be measured in terms of how many poor are able to pull themselves from poverty and become self reliant in the coming years.

Another paradigm shift needed in India's food security strategy relates to nutrition security. The Food Bill has provision of free nutritious meals to children and pregnant and lactating women, which is very encouraging. Four decades ago, the Green Revolution made India surplus in wheat and rice that are high-calorie but low-nutrient food. Now is the time to diversify the food strategy (through policy changes, R&D and investment) towards more nutrient-rich foods, including pulses, which the poor are increasingly unable to afford.

Although the bill focuses on food subsidies it leaves the door open for the government to introduce other types of benefits, such as direct cash transfers and vouchers. While cash transfers have the potential to reduce costs and market distortions, their success can be significantly hindered by poor banking infrastructure and the absence of well-functioning markets and supermarkets. However, there is no clarity about plans on how these different schemes will come together.

International experience shows that food vouchers have led to the largest improvements in dietary diversity followed closely by cash transfers, while food transfers led to the largest increase in calorie intake. In light of this, India should treat different types of transfers as complementary food security tools. This attitude will allow policy makers to adjust when and how much cash and food is transferred based on the desired outcome, market conditions and the ability of institutions to deliver.

While centralized planning is all right, the government must not discourage or ignore local innovations. Thus, the Bill should be flexible enough to accommodate local ideas, particularly those through the Panchayats. Much can be learned from India's own experience in developing programs such as the Mahatma Gandhi National Rural Employment Guarantee Scheme which is ideally suited to catalyze rural development and support agriculture. Therefore, its projects should be integrated in the overall framework of long term development perspective of rural areas.

Some practical suggestions to improve the Food Security Situation

1. The Food Bill should be linked to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which assures 100 days of unskilled work to people in the rural areas at the prescribed minimum wages. Those who are part of MGNREGA should be preferentially

targeted for this program. In fact, together with MGNREGA the food Act can revolutionize both agriculture and rural India.

2. It could also be linked to education as is done in Bangladesh where school children and their families are given access to subsidized food. In India we have the midday meal scheme for children to improve their attendance in schools.
3. The bill should have included subsidized rates for pulses which for many of the poorest are the only source of protein and other nutrients. The price of pulses has gone up, making them out of reach for the most.
4. Of India's 638,000 villages, over 550,000 villages produce food crops; the rest focus on cash crops. Most of these villages have something to sell in the market, indicating surplus food grains. Yet, in the same village there are hungry people. Why can't the food security system use the local surplus stock to distribute among the local hungry and poor? It means decentralized storage of food grains: say a warehouse in each cluster of villages, block or district. Currently, the food grain in the PDS shops comes from a centralized warehouse located far away.

There is a need to learn from the local tradition of food grain bank which have worked brilliantly based on the principle of sharing and caring. For instance, even in the hunger belt of Kalahandi in Orissa, there are villages where people don't starve. So, why not decentralize the PDS along with its whole procurement, storage and distribution grain. It will necessitate involving the local Panchayat bodies. What they know, people sitting in AC rooms in Delhi can never know!

Let's hope that the Food Bill will be an important part of a comprehensive and long-term development strategy that promotes better health by providing sufficient nutrition for the poor which in turn enables them to become more productive.

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