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## UNIT 12 FOOD POLICY AND RIGHT TO FOOD SECURITY\*

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### 12.0 OBJECTIVES

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After reading this Unit, you should be able to:

- Understand the salient features of the NFSA, 2013;
- Discuss emerging challenges of national food security; and
- Offer a critique of the NFSA, 2013

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### 12.1 INTRODUCTION

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India's food policy evolved in the wake of the Bengal Famine of 1943, which caused deaths of more than one million people. This famine was attributed partly to lack of adequate supplies of food grains and partly to lack of purchasing power of the victims. A Foodgrains Policy Committee was appointed in 1943 under the chairmanship Sir George Theodore. The Committee recommended rationing of foodgrains to overcome similar grave situations in future. Since then successive governments have been trying to (i) increase the level of food grains production in the country through offering minimum support price (MSP) to the farmers and (ii) to create mechanism for supply of grains to consumers. Public Distribution System (PDS) has been evolved to safeguard the interests of the consumers, particularly the weaker and vulnerable sections of society.

It is evident that since India's Independence food and agricultural policies in the country have aimed at reducing hunger, food insecurity and poverty. At the same time attention has also been given to raise food grains production and maintaining adequate stocks of food grains as a measure of food security (Tyagi, 1990). Attainment of food security is, therefore, a big challenge for India.

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Based on the estimates made by the Ministry of Agriculture in its Draft Document 'Indian Agriculture: Vision 2020 AD', the demand for food grains is estimated at 324 million tonnes to meet the food grains demand of 1350 million people, that is, the poorer strata of the population.

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## 12.2 NATIONAL FOOD POLICY

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To meet the above objectives the Department of Food and Public Distribution of the central government has been striving to ensure food security for the country as a whole through: efficient procurement at Minimum Support Price (MSP); storage and distribution of foodgrains through appropriate policy measures, including maintenance of buffer stocks of foodgrains; making foodgrains accessible at reasonable prices, especially to the weaker and vulnerable sections of society under a Targeted Public Distribution System (TPDS). This food policy, in brief, has been the mainstay for the country.

The following measures have been accorded top priority in the Food Policy:

### 12.2.1 Increasing Food Grains Production

In view of the shrinking land and water resources, an optimum strategy for India to meet the future demand for foodgrains, fibre and other needs is through increase in productivity. The only way to achieve this goal in a sustainable manner is through improved technologies in production (i) providing support to farmers through subsidies and guarantee of minimum support prices for essential foodgrains and (ii) improved irrigation facilities.

### 12.2.2 Procurement of Food Grains

The Government of India has set up, in 1965, the Food Corporation of India (FCI) to put this policy into operation. With the help of state government agencies, the FCI procures wheat, paddy and coarse grains in various states in order to provide price support to the farmers. The FCI has been playing an important role in the procurement and distribution of food grains. Before each Rabi/Kharif crop season, the central government announces the Minimum Support Prices (MSP), based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). The CACP takes into account the cost of various agricultural inputs and a reasonable margin to the farmers for their produce. Farmers are now getting C2+50 MSP as per the recommendations of the Swaminathan Committee.

State governments are encouraged to adopt decentralised procurement (DCP) systems in order to maximise procurement, reduce transportation costs and increase the reach of MSP operations. With the substantial increase in production of food grains in recent years and with an emphasis on bringing Green Revolution to Eastern-India, the procurement operations have expanded to many states. As a result, the accumulated Central Pool Stock of food grains had reached a record level and much beyond the buffer stock norm of 319 lakh tonnes. Therefore, a balanced approach for procurement, distribution and disposal of food grains is now being adopted to provide adequate price support to the farmers, to have an optimum level of procurement for meeting TPDS requirement, maintaining buffer stock and to dispose of surpluses without distorting the market.

### 12.2.3 Storage of Foodgrains

The FCI has its own grid of covered go-downs in all states to safely stock the central pool food grains. In addition, it hires capacity from Central Warehousing Corporation (CWC) and state agencies like State Warehousing Corporations as well as private parties.

Sufficient storage capacity is, therefore, available. Against a target of 783.17 lakh MTs capacity, the central stock of food grains stood at 555.40 lakh MTs (2017). In order to cope with the increasing production and follow-up procurement of food grains, the Department has launched the Private Entrepreneurs Guarantee (PEG) scheme (2008) for augmenting the covered storage capacity in the country. Under the PEG scheme, go-downs are constructed in PPP mode and the land and construction cost is borne by the selected partners. As part of the modernization of storage facilities, steel silos are also being created under Public Private Partnership (PPP) mode.

### 12.2.4 Targeted Public Distribution System (TPDS)

With a view to maintain supplies and secure the availability and distribution of essential commodities, in tune with the National Food Security Act, 2013 (NFSA), the central government has notified the Targeted Public Distribution System (TPDS) Control Order, 2015. The TPDS is adopted to meet the needs of the consumers.

The TPDS empowers the state governments to issue an order under Section 3 of the Essential Commodities Act, 1955 for regulating the sale and distribution of the essential commodities. However, the orders issued by the state government shall not be inconsistent with the provisions of the TDPS order.

### 12.2.5 Export and Import of Food Grains

At the international level it becomes imperative for the country to maintain steady supply of export and import of food grains. Consequently, the Government of India has allowed free export of non-basmati rice by private parties from privately held stocks from 2011 onwards. State Trading Enterprises (STEs) and a few others are also permitted to export privately held stocks of non-basmati rice and wheat. Export of non-basmati rice and wheat is permitted through Customs EDI ports. Export is also permitted through the non-EDI Land Custom Stations (LCS) on Indo-Bangladesh and Indo-Nepal border subject to registration of quantity with DGFT. Export of rice of seed quality and other [rice in husk (paddy or rough) other than seed quality] is permitted under licence.

#### Check Your Progress 1

**Note:** i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

- 1) 'Rationing of Foodgrains was recommended prior to India's independence'. Elaborate.

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2) Briefly discuss the measures accorded top priority in the Food Policy.

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## 12.3 RIGHT TO FOOD SECURITY

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Ensuring the food security of India's fast growing population (estimated at 1330 million (June, 2019) is a challenging task. A strategy for food security based largely on self-sufficiency in food production is, therefore, required to reduce hunger and malnutrition – a source of many unwanted deaths. The Universal Declaration of Human Rights (1948) recognizes that everyone has the right to food security and to a standard of living adequate for the health and wellbeing of himself and his family.

### 12.3.1 National Food Security Act, 2013

With a view to further strengthen the commitment to food security of the people; the Government of India has enacted the National Food Security Act, in September 2013. Its main objective is to ensure nutritional serenity by providing access to adequate quantity of food at affordable prices to people to live a life with dignity. The Act marks a paradigm shift in approach to food security: what was hitherto treated as a welfare measure is now made an entitlement.

The Act also provides for “coverage of up to 75 per cent of the rural population and up to 50 per cent of the urban population for receiving subsidized foodgrains under the Targeted Public Distribution System, thus covering about two-thirds of India's 1.3 billion population. This coverage for receiving highly subsidized foodgrains is under two categories – households covered under the Antyodaya Anna Yojana (AAY) and the remaining households as priority households. AAY was launched in 2000 to provide focus on food security of the poorest of the poor, and covers 2.5 crore households. Such households are entitled under the Act to receive 35kg of foodgrains per household per month, @Rs. 1/2/3 per kg. for coarse grains/wheat/rice. Priority households are entitled to receive 5 kg. of foodgrains per person per month at the above mentioned highly subsidized prices.” Further, the NFS Act recognizes maternity entitlements, pregnant women, lactating mothers and certain categories of children are eligible for free cereals on each day. The aim is to meet the needs of the poor and vulnerable sections of society under a targeted Public Distribution System.

Needless to mention here that the Act also contains provisions for setting up of grievance redressal mechanism at the district and state levels. Separate provisions have also been made for ensuring transparency and accountability.

The National Food Security Act (2013) is now being implemented in all the states/UTs covering about 80.55 crore beneficiaries, as against the intended coverage of 81.34 crore persons. In Chandigarh, Puducherry and urban areas of

Dadra and Nagar Haveli, the Act is being implemented in the cash transfer mode under which food subsidy is being transferred into the bank accounts of beneficiaries— who then have a choice to buy food grains from the open market.

It may be mentioned here that Targeted Public Distribution System notified under the Department of Food and Public Distribution (Control Order 2015) empowers the state governments to issue an order under Section 3 of the Essential Commodities Act, 1955 for regulating the sale and distribution of the essential commodities and foodgrains.

In addition to the implementation of the Mid Day Meal Scheme in the government schools and government-aided schools for the students of primary and upper primary classes, the Department of Food and Public Distribution (GOI) also helps the SABLA scheme which aims “at empowering adolescent girls of 11-18 years by improvement of their nutritional and health status and upgrading various skills useful to them. The SABLA scheme also aims at educating them in matters of family welfare, health, hygiene, etc. and guiding them on existing public services. Nutritional standards (100 grams of grains per day for each beneficiary for 300 days in a year) are adhered to in the operation of the Mid-day meal scheme.

Further, provisions have been made for disclosure of records relating to PDS, social audits and setting up of Vigilance Committees in order to ensure transparency and accountability in the distribution of the essential commodities.

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## 12.4 CRITICAL OBSERVATIONS OF NFSA

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In its Twenty Seventh Report, The Lok Sabha Committee on Food, Consumer Affairs and Public Distribution (2012-13), stated that the proposed legislation marks a paradigm shift in addressing the problem of food security – from the current welfare approach to a right-based approach. About two-thirds (approx. 67%) of the population are entitled to receive subsidized foodgrains under Targeted Public Distribution System. In a country where almost 40% of children are undernourished, the importance of the scheme increases significantly.

However, there are criticisms and apprehensions about this policy measure. One senior opposition politician of the BJP described the National Food Security Bill as a measure for ‘Vote Security’ rather the ‘food security’ (Hindustan Times, 31 August 2013). The Commission on Agricultural Costs and Prices warned that enactment of the Bill could be expected to induce severe imbalance in the production of oilseeds and pulses, and “...will create demand pressures which will inevitably spill-over to market prices of foodgrains. Furthermore, the higher food subsidy burden on the budget will raise the fiscal deficit, exacerbating macro level inflationary pressures.” The Commission argued further that the Bill would restrict private initiative in agriculture, reduce competition in the marketplace due to government domination of the grain market, shift money from investments in agriculture to subsidies, and continue focus on cereals production when shifts in consumer demand patterns indicate a need to focus more on protein, fruits and vegetables

Professor Jean Dreze, reputedly one of the architects of the original, 2011 version of the Bill, wrote, “...the Bill is a form of investment in human capital. It will bring some security in people’s lives and make it easier for them to meet their

basic needs, protect their health, educate their children, and take risks (Tehalka, 22 March, 2013). Critics point out that the implementation of the NFSA is riddled with inefficiencies, which are common to other subsidy and welfare schemes. Leakages have been abundant. In some states it was found that the number of households under the NFSA was more than the estimated census households or the population covered is more than the estimated total population. Instances of diversion of NFSA foodgrains, even before they reach the PDS outlets, are legion. Serious lapses in the operation of the scheme are also evident from the fact that at least 25 to 30 percent of the card holders are duplicate or non-existent. It was estimated in 2016 that the amount of money drained out due to all such leakages and inefficiencies was about Rs 30,000 corers per year.

### Check Your Progress 2

**Note:** i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1) Discuss the salient features of National Food Security Act, 2013.

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2) Bring to light the criticism of National Food Security Act, 2013.

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## 12.5 CONCLUSION

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Man's health is important not only for longevity but also for happiness. To a large extent, good health depends upon one's intake in the form of food. Supply of foodgrains (wheat, rice and maize) and cereals at affordable prices has been an essential component of food policy in India. Chronic food insecurity is being addressed through subsidized food distribution (particularly for weaker and vulnerable sections of society), food for work, and employment generation and guarantee programmes. The recent decision (2019) of the central government to provide a subsidy of Rs. 6000 per annum to farmers is intended to motivate them to produce more foodgrains. It is expected that the Pradhan Mantri Kisan Sammn Nidhi would improve the lives of farmers.

Agricultural and food policies have been formulated and implemented to increase foodgrains production. Further, in order to strengthen the commitment to food security of the people, the central government enacted the National Food Security

Act, 2013. The Act aims to provide for food and nutritional security to enable people to live a healthy life and with dignity. Yet, it should be noted that the scheme floated under the Act suffers from serious deficiencies and ineffectiveness in implementation.

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## 12.6 GLOSSARY

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**Food Security:** Food security is defined as access to all people, at all times, to the food, needed for a healthy life.

**Food:** Any nutritious substance that people or animals eat or drink in order to maintain life and growth.

**Entitlement:** The fact or belief of having a right to something.

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## 12.7 REFERENCES

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## 12.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress 1

1) Your answer should include the following points:

- India's food policy was evolved in the wake of the Bengal Famine of 1943, which caused deaths of more than one million people.
- A Foodgrains Policy Committee was appointed in 1943 under the chairmanship Sir George Theodore.
- It recommended rationing of foodgrains to overcome similar grave situations in future. Since then successive governments have been trying to (i) increase the level of foodgrains production in the country through offering minimum support price (MSP) to the farmers and (ii) to create mechanism for supply of grains to consumers.

2) Your Answer should include the following:

- Increasing Foodgrains Production
- Procurement of Foodgrains
- Storage of Foodgrains
- Targeted Public Distribution System (TPDS)
- Export and Import of Foodgrains

### **Check Your Progress 2**

1) Your answer should include the following points:

- Rationale of the NFSA
- Features of NFSA

2) Your Answer should include the following:

- Considered as a measure for ‘Vote Security’ rather the ‘food security’.
- Higher food subsidy burden on the budget will raise the fiscal deficit, exacerbating macro level inflationary pressures.
- Restrict private initiative in agriculture; reduce competition in the marketplace due to government domination of the grain market.
- Riddled with inefficiencies, which are common to other subsidy and welfare schemes.