

## **Indian Food Security Act, 2013 – Issues and Repercussions**

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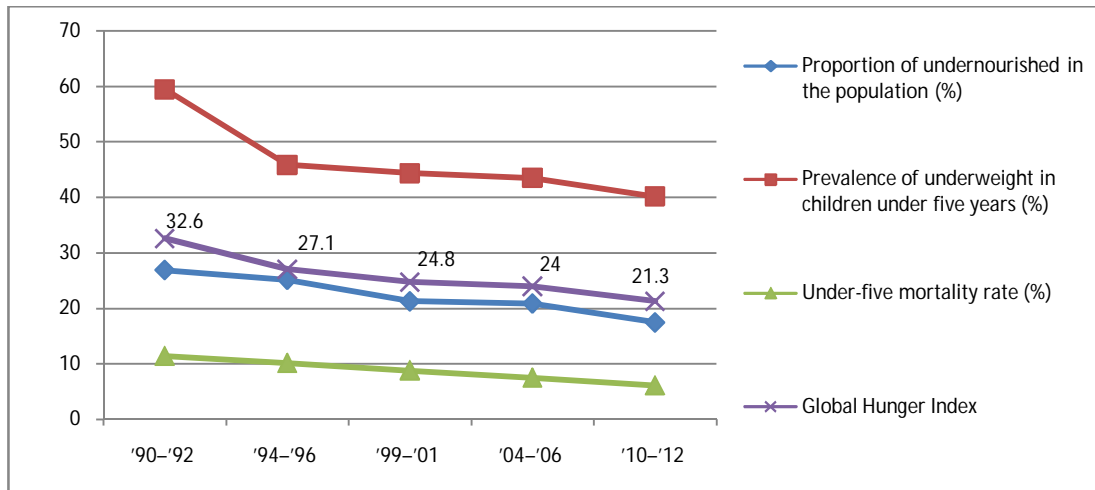
### **Abstract**

India ranks 63<sup>rd</sup> in Global Hunger Index 2013 as per International Food Policy Research Institute. In 2010, the World Bank reported that 32.7% of all people in India fall below the international poverty line of US\$ 1.25 per day while 68.7% live on less than US\$ 2 per day. These poor people are the most vulnerable towards food price inflation as they spend more than 50% of their frugal income on food only. The World Food Summit of 1996 defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. Conventionally, availability, access, absorption and stability of these three dimensions over time are known as pillars of food security. Post independence, India implemented various social welfare schemes addressing the problem of food security like Public Distribution System, Targeted Public Distribution System, Integrated Child Development Services & Antyodaya Anna Yojana etc. but these have been partially successful in outreach due to erratic inclusion and leakages. Consequently, government has made food security a right for poor through Food Security Act, 2013 which has provision for covering 67% of Indian population. This Act seeks to provide cheap food grains to 82 crore people at the price of Rs. 3, Rs.2 and Rs.1 for rice, wheat and coarse grains, respectively. Major issues and repercussions are that the definition of poor is debatable; effective cost of this Act on exchequer is dubious; fiscal deficit shall inflate beyond existing 4.8 per cent of the GDP and cost Rs. 2,50,000 crore. Moreover, distribution issues, limited nutrients in designated commodities, trade distortion, inflation upsurge, lopsided utilization of resources may be the bane of this much hyped Act. It may be suggested that direct cash transfers, food coupon system/credit cards, expanding the ambit to other nutritious foods, extending coverage of MSP, improving awareness, strengthening of supply chain shall make this Act more inclusive.

## Introduction

India ranks 63<sup>rd</sup> in Global Hunger Index (GHI) 2013 as per International Food Policy Research Institute. Though, the position of India is marginally improving, it is still categorized under ‘alarming levels’ list of nations across the globe. This northward movement can also be analyzed from the data, which highlights improvement of India’s GHI from 32.6 in 1990-92 to 21.3 in 2010-12 (Graph-I). As per IFPRI data, Undernourished population for 2010-12 is 17.5 % (21 Crore); Underweight children below 5 years are 40.2% and mortality rate of children under 5 years is 6.1% which is dismal by any standards.

**Graph-I: Hunger Index Parameters - India 2013**



Source: IFPRI 2013

As per Planning Commission, poverty level in the country as estimated at the end of 2011-12 is 21.9% which is often contradicted from several quarters. Ironically, the World Bank reported in 2010 that 32.7% of all people in India fall below the international poverty line of US\$ 1.25 per day while 68.7% live on less than US\$ 2 per day. Eventually, a figure of 300 million people was accorded to be below poverty line in India. These poor people are the most vulnerable towards food price inflation as they spend more than 50% of their frugal income on food only.

## Understanding Food Security

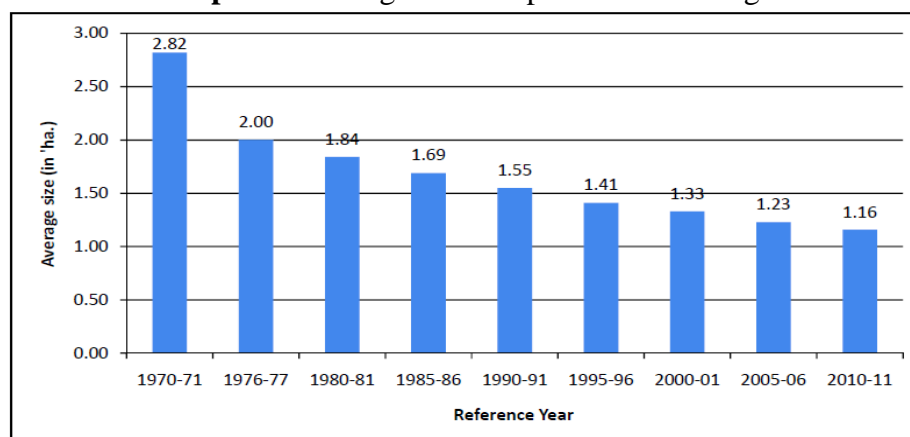
Globally, food production has suffered many calamities in recorded history which resulted in loss of millions of lives, livestock and livelihood. These tragedies have been the genesis for the concept of food security as is being perceived today. The World Food Summit of 1996 defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. Conventionally, availability, access, absorption and stability of these three dimensions over time are known as pillars of food security. In this context, **availability** implies the production perspective of food which is dependent on cropping pattern and productivity in various regions of a country as well as

international trade. This in turn is dependent on climate, soil fertility, infestation, water availability, technology and high yielding varieties. **Access** stands for physical and economic reach of population. This ability to acquire the requisite quantum of food depends upon income levels, purchasing power and effective distribution network. It was this pillar of food security which shifted the focus to poverty reduction. **Absorption** is more related to balanced nutritional intake and its proper assimilation in human body. This relies upon diet, health, awareness and sanitation amongst the population. Finally, **Stability** is the certainty of food supply in future times in the context of availability, access and utilization of food.

### Food Security Issues

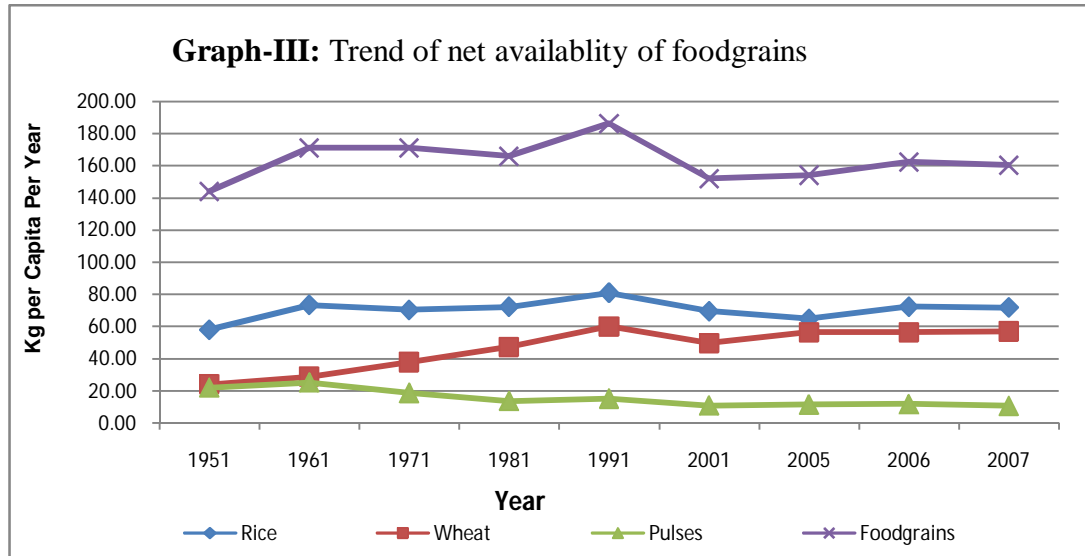
The population of India is on a rising trend and this is resulting in steady decline in per capita land availability which is adversely affecting the most vital pillar of food security which is availability. 75% of the holdings belong to small and marginal farmers who have great difficulty in adoption and implementation of technology. This can be corroborated through the graph hereunder; the average size of land holding has been constantly declining from 2.8 hectare to 1.1 hectare across a span of 40 years.

**Graph-II: Average size of operational holdings**



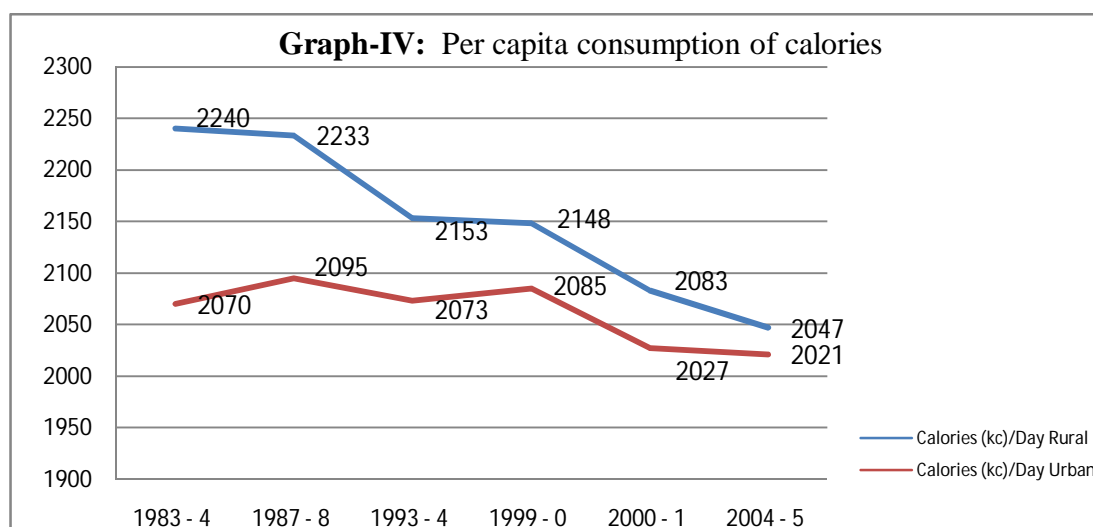
*Source: Ministry of Agriculture*

In keeping with this declining land holding pattern and exploding population, there has been a commensurate dip in net availability of food grains as well (Graph-II). Interestingly, the focus has always been on two cereals i.e. rice and wheat, while the importance of other vital crops has been undermined and largely overlooked. Credit for this lopsided production can be ascribed to government policies like Minimum Support Price (MSP), Market Interventions Scheme (MIS) backed by gigantic procurement system catering to faulty Public Distribution System (PDS).MSP focused on limited crops resulting in their excess production and subsequent wastage. Consequently, some nutritionally important crops like Pulses, Jowar, Bajra and Oilseeds bore the brunt by losing farmers’ preference in cultivation. Policy makers created this support system with good intentions, but its inordinate extension over the decades, led to state monopoly and distortion of free markets.



*Source: Ministry of Agriculture*

Green revolution also aggravated the situation by keeping prime focus on wheat and rice which led to severe exploitation of natural resources. These wanton disregards resulted in mono-cropping, soil degradation, water depletion and environmental pollution creating a threat to sustainability. Climate change is another major threat which is looming large on production of crops. In fourth report (2007) of The Intergovernmental Panel on Climate Change (IPCC) many concerns have been raised on the implications of climate change on agriculture. This report projected that in India there will be a loss of about 6 million tons of wheat for every one degree rise in temperature. There will be a major drop in production and productivity of crops cultivated near coastal areas as well. Disaster management is another area which requires attention. India has got vulnerabilities in flood, cyclone, tsunamis and draught which again affect agriculture & food security ultimately. Needless to say, these uni-dimensional and myopic policies had a great burden on the exchequer which amounted to inflated fiscal deficit over the last five decades. Fiscal Deficit of 4.8% of GDP which is already critical will further aggravate after introduction of Food Security Act. The current subsidy before the implementation of this Act is Rs 75,000 crores (0.75% of GDP) and post implementation will be Rs 1,27,000 crores (1.25% of GDP). However, this figure is not yet concrete with many estimates floating which talk of a figure of even Rs 2,50,000 crore in first year itself. Further, there is a steady decline in consumption of calories per capita in India which is going below the recommended levels. This shift of focus from nutritional crops adversely affected supply of proteins, vitamins and minerals which has led to diseases and deficiencies in women and children. Protein energy malnutrition (PEM) and stunted growth have been the repercussion of deficient diet in children and anemic syndrome in women. These deficiencies are also contributed by paltry intake of fruits and vegetables in the daily diet of economically weaker section of our society.



*Source: BAIF Development Research Foundation*

If we see the average net availability of food grains, it is almost at the same level as seen in 1950s when India was grappling with the challenges of food availability. Though our productivity has increased manifold, the population growth has eliminated the gains of all the initiatives taken in this direction.

### **Government support for food security**

Post independence, India implemented various social welfare schemes addressing the problem of food security. Rashtriya Krishi Vikash Yojana (RKVY) is a major initiative in achieving the target growth of 4% and encouraging states to focus more on agriculture. National Food Security Mission (NFSM) has targeted improvement in production of rice by 10 million tons, wheat by 8 million tons, and pulses by 2 million tons in 11th Five-Year Plan. In horticulture there have been various schemes including National Horticulture Mission (NHM) in 2005–2006. Operation flood & National Dairy Development Board (NDDB) have been major successes on milk production and availability. Many programs targeted to irrigation Command Area Development Program (CADP) and Accelerated Irrigation Benefit Program (AIBP) have been executed along with subsidies for investments in irrigation infrastructure. India initiated world's largest Public Distribution System (PDS) in 1965 which was later modified into targeted public distribution system (TPDS) in 1997. Warehouse Receipt Development Act, 2007 was also introduced to facilitate stocking and credit facilities to farmers. MNREGA launched in 2006 has been a game changer for employing and generating incomes to rural households. Priority Sector Lending and Self Help Groups- Bank linkage programs have also provided a much needed impetus to economic access aspect. The Integrated Child Development Scheme (ICDS), Annapurna Scheme, Nutritional Program for Adolescent Girls, Sarva Shiksha Abhiyan and Mid Day Meal Scheme have been instrumental in taking care of absorption and awareness perspective of the food security. Government has made

food security a right for poor through Food Security Act, 2013 which has provision for covering 67% of Indian population covering the priority and Antyodaya households (called “eligible households”). Priority households are entitled to 5 kgs of food grains per person per month, and Antyodaya households to 35 kgs per household per month. This Act seeks to provide cheap food grains to 82 crore people at the price of Rs. 3, Rs.2 and Rs.1 for rice, wheat and coarse grains, respectively.

## **Conclusion**

The Food Security Act provides for PDS reforms such as doorstep delivery of food grains, seamless connectivity, utilizing aadhaar for beneficiary identification and introduction of schemes like cash transfers, food coupons, etc. However, execution of these ambitious targets may be an uphill task as basic infrastructure and systems are not in place. It may be suggested that climate change mitigation, economic and financial inclusion, direct cash transfers, food coupon system/credit cards, improving targeting of beneficiaries, expanding the ambit to other nutritious foods, extending coverage of MSP, improving health, sanitation and awareness, connecting fragmented markets, reforming APMC Act, strengthening of supply chain shall make this Act more inclusive. Notwithstanding all the executed and planned efforts of strengthening pillars of food security, there is no sustainable substitute for economic independence emanating from growing economy which is full of opportunities. In spite of all its lacunas Food Security Act has got enough teeth to ensure the basic human right i.e. Right to Food.

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