CHAPTER 4
PUBLIC POLICY AND FOOD SECURITY

4.1 INTRODUCTION:

Public intervention of foodgrains in India can be traced back to the food crisis during Second World War, followed by West Bengal famine of 1943. Till then, a combination of growth-led and support-led strategies have been adopted by the government for achieving food security status in the country. Huge and rising population as well as continuous occurrence of natural calamities (largely droughts and floods) had made food security a priority of agenda of the government. As the productivity of agriculture was low, during the First Plan, government had to mitigate food shortages through import. Imported foodgrains were distributed through network of “fair price shops” at prices which was far below than the prevailing market price. This was the beginning of present public distribution system (PDS). As the Second Plan again experienced a serious food crisis, Government of India entered into an agreement with U.S.A. in 1956 to import 3.1 million tonnes of wheat and 0.19 million tonnes of rice for the next three years. This agreement was known as Public Law 480 (PL480). Again, in the Third Plan also government had to import foodgrains under PL480 as the targeted level of production of the same could not been achieved. Infact, 60% of PDS was constituted by imports during thirteen of the seventeen years, 1950-51 to 1967 (Narayana, et al. 1991)\(^1\).

With continuous effort of the government for increasing area under cultivation, foodgrains production showed an impressive growth rate during 1950s and 1960s. However, it is through the technological transformation in the name of green revolution initiated during early 1970s made the country self-sufficient in food grains from mere 51.99 million tonnes in 1950-51 to 228

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million tonnes in 2009-10. Government pursued policies for all-round support to agriculture—right from easy access to credit for purchasing of machinery as well as private irrigation, to provide support prices to producers Krishnaji and Krishnan (2000)². In the post harvest activities, Government played the role of operational manager: lifting the marketed surpluses from the producers and distributing the same over time and space when required.

The objectives of the entire process of food management of the government are: procurement of foodgrains from farmers at remunerative prices, distribution of foodgrains to consumers, particularly the vulnerable sections of the society at affordable prices and maintenance of food buffers for food security and price stability. In a situation of high prices of foodgrains, poor and vulnerable section of the society may confront “entitlement failure” (Dreze and Sen, 1989)³. And as this situation do not affect all classes of society, government, through the instrument of buffer stock operation ensures stabilization of foodgrains prices and thereby helps landless people, the marginal farmers, the urban unemployed and the rural underemployed and the urban slum dwellers. Moreover, in a situation of a fall in agricultural output, fall in farmers’ income is compensated by the government through a rise in procurement price. Moreover, government transfers foodgrains to food deficit regions from the surplus ones, and thereby ensures dynamic equilibrium in foodgrains market (Khusro 1973)⁴. The nodal agency which undertakes entire responsibility for efficient management of food supply throughout the country is the Food Corporation of India (FCI). Since its inception in January 1965, FCI has been handling activities of purchase, transport, storage and distribution of foodgrains through Public Distribution System (PDS) on behalf of the government. In addition to PDS, there are other wage employment programmes as well as other social security measures also for alleviating poverty as well as hunger.

Public Distribution System—an essential element of safety net of the Government to the poor, supplies essential commodities at subsidized prices started to operate through fair price shops and ration shops. From January 1992, a scheme to revamp the PDS has been launched in about 1700 blocks falling in drought prone, desert, integrated tribal development project areas and certain designated hill areas. In these areas, certain additional commodities like tea, soap, pulses and iodised salts are also envisaged to be distributed through PDS. The Revamped Public Distribution System (RPDS) was extended to all the 2446 Employment Assurance Scheme (EAS) Blocks.

Although RPDS helped a lot in protecting the real purchasing power of the vulnerable sections of the society, there was growing realization on the part of the government that RPDS has been serving only a limited proportion of vulnerable section of population of the country. Moreover, subsidy burden of the government was increasing. (Editorial, EPW 2001) So the government thought of restructuring of the same. Following the Conference of Chief Ministers in July 1996 and State Food Ministers in August 1996, the target of PDS was changed to “poor in all areas” from “all in poor areas”. The new target of the PDS under Targeted Public Distribution System (TPDS) introduced from 1997 has been implemented practically in all the states (barring Panjab) and union territories (barring Delhi, Goa and Lakshadweep). In addition to the TPDS, there are several poverty alleviation as well as wage employment programmes. These programmes have direct bearing on the food security of the mass.

In order to make TPDS more focused and targeted towards the poor population, the Prime minister launched the Antyodaya Anna Yojana (AAY) on December 25, 2000. The identified families under AAY are now being provided 35 kg foodgrains per family per month at a highly subsidized rate of rupees two per kg for wheat and rupees three per kg for rice. The BPL families now are also entitled to get 35 kg of food grains (rice) per family, but at higher rate (rupees six per kg) than the AAY category. Amount of entitlement under APL category households depends on availability of food stocks. Generally they are entitled to
get 5kg/10kg of food grains (rice) per family per month at rate of rupees ten per kg.

According to Dev (2002)\(^5\) PDS has been effective in drought years as well as in transferring from surplus areas to deficit regions. In another World Bank study by Kozel and Parker (1998)\(^6\), using Participatory Rural Appraisal (PRA) have found that TPDS is essential for well-being of the poor.

On the contrary, in several other studies, PDS have been criticised on several grounds:

a) Its regressive income transfer, faulty targeting and minimal impact on hunger and nutritional status (Shiva 2002\(^7\); Suryanarayana 2008\(^8\), 2009\(^9\); Dasgupta 1993\(^10\), Radhakrishna 1991\(^11\)).

b) Its less cost-effectiveness, lack of transparency and accountability and wide leakage (Radhakrishna et. al, 1997\(^12\), Government of India, 2002\(^13\)).

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\(^7\) Shiva (2002): op.cit.


4.2 RIGHT TO FOOD: THE NATIONAL FOOD SECURITY BILL 2011:

Right to food may be regarded as equivalent of “right to life”, because continuous denial/deprivation of food can lead to death of a person. In narrow sense, having right to food implies having two-square meal a day. In broad sense, it implies having clean water, health care and elementary education, besides two-square meal a day. In ancient India, there was found evidence of protecting right to food of the citizens by the King. In modern times, it was through institutions like Universal Declaration of Human Rights (UDHR), International Convention on Economic, Social and Educational Rights, Part II (ICESR), Convention on the Elimination of all forms of Discriminations against Women (CEDAW), right to food was recognized in international law. In 1996, through the Rome Declaration, the High Commissioner of Human Rights was entrusted with the responsibility of preparing the Code of Conduct of the right to food.

Finally, the core content of the right to food was prepared, which included both the rights of accessibility and availability of food. Thus food must be available in a quantity and quality to satisfy the dietary needs of individuals. It should be free from adverse substances and acceptable within a given culture. Moreover, food must be accessible in a sustainable way so that one’s accessibility do not destroy others’ right.

Through the code of conduct, the states were imposed with three levels of obligations: the obligations of a) respecting, b) protecting and c) facilitating the right to food. Following the General Comment No12, it is no longer possible for

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the states to evade the responsibility for failure to provide for adequate food. In fact, the States should adopt national strategy to ensure food and nutrition security for all. Following the strategy, they should formulate appropriate benchmarks for achieving national and individual food security. They have to identify the resources and use them to meet the objective of food security in the most cost-effective way. Thus the states cannot excuse themselves in situations of failure to provide food.

Following the right to food, government of India is going to pass the National Food Security Bill, 2011, the passing of which will confirm the right to food of the citizens of the country. Under TPDS, the government proposes to provide 7 kg of foodgrains per person per month for priority households and not less than 3 kg of foodgrains per person per month for general households at subsidised rates. The new TPDS proposes to cover 75% of rural population and 50% of urban population, provided that not less than 46% of the rural population and 28% of the urban population shall be designated as priority households. The provisions under the bill such as free meal and financial help during pregnancy and for 6 months after child birth, free mid-day meal to the children of 6 to 14 years of age, free meal to children suffering from malnutrition are sound well. Moreover there are provisions for free two-square meal per day for adults living with starvation. Provision of food security allowance in case of failure to get entitled amount due to non-supply of foodgrains, unique identification number as reform in PDS, conduction of social audit, construction of vigilance committee for proper functioning of the scheme also seem impressive. In the sphere of empowerment of women too, the bill proposes to go a step ahead by making the provision of issuing of the ration card in the name of eldest woman above 18 years of age.

Although the proposals seem well, there has raised so many controversies regarding the bill. Important among them are:

1. Who will punish the guilty when the law is violated?
2. Is the present fiscal position of the economy strong enough to take the huge subsidy burden?
3. With less than 4% primary sector growth rate in last 3 successive five year plans, will the present government be able to produce such a huge amount of foodgrains?

4. Has the country possess adequate storage capacity?

5. How to identify the malnourished children as well as the people living with starvation?

6. If this has become possible somehow, there is also possibility that people living with starvation, once get free meal, will become idle.

7. Again, it not clear how much of food security allowance per person to be paid by the state governments.

4.3 FUNCTIONING OF PUBLIC DISTRIBUTION SYSTEM IN ASSAM:

In Assam the Public Distribution System (PDS) is a major instrument of the Government’s poverty eradication programme which is regulated under the provisions of “Assam Public Distribution of Articles Order, 1982”. The main task of the State Food and Civil Supplies Department is to maintain smooth functioning of Public Distribution System (PDS) in the State and overall stability of general price level as well as to ensure adequate availability of commodities essential to the society. Ongoing schemes operating under PDS of Assam are:

a) The Above Poverty Line (APL) Scheme: At present there are 43.94 lakh APL families in the State out of which 39 lakh families are provided with APL rice, S.K. Oil, L/Sugar and Iodized salt as per quantum of allocation in each month.

b) The Below Poverty Line (BPL) Scheme: The State has achieved the given target of selecting 19.06 lakh beneficiaries from BPL families by providing distinct ration cards and also providing PDS items at subsidized rates. Out of 19.06 lakh selected beneficiaries, 12.02 lakh of beneficiaries take benefits as BPL families and the rest 7.04 lakh of beneficiaries are included under AAY category families as per directions and guidelines of the Central Government.
c) **Antyodaya Anna Yojana (AAY)**: The Scheme is in implementation in the State since November 2001 as per guidelines of the Govt. of India. At present there are 7.04 lakh families under AAY category. Under this scheme, the selected beneficiaries are provided with 35 Kg. of Rice per family per month at a highly subsidized rate of Rs.3.00 per Kg. The transportation charge @ Rs.30.00 per quintal for carrying AAY Rice from the FSD of FCI to the various outlets for distributing the Rice amongst the selected beneficiaries is provided by the State Government under Non-plan head to the PDS nominees.

d) **Village Grain Banks (VGB) Scheme**: To provide food security to the BPL families, the State Government has implemented the Village Grain Banks Scheme by setting up 100 nos. of Grain Banks in chronically flood and natural calamities affected areas. Every VGB were allotted 40 quintals of rice. The scheme is being implemented by the Deputy Commissioners in their respective districts. The necessary fund for the Village Grain Banks is shared by both the Central and State Govt. under Non-plan head.

e) **Consumer Protection Affairs**: Under the provisions of Consumer Protection Act 1986, the Food and Civil Supplies Department being the State Nodal Centre has one State Commission with Head Quarter at Guwahati and eight numbers of regular District Forum and another fifteen numbers of part time District Fora in rest of the Districts to dispose off the cases and complaints lodged before the Commission/ Foram as per the provisions of the aforesaid Act.

f) **Randhan Jyoti Scheme**: The scheme is in implementation in the State since August 2003. The State has already implemented 1st, 2nd, 3rd, and 4th phase of the scheme by providing LPG connection at free of cost to 1,68,221 numbers of person selected from BPL families in order of preference of widow, women members of the Self-Help groups and any other female members of the BPL families of lower income groups. This scheme is sponsored by the State Government. The 4th phase of the
scheme with a financial grant of Rupees One hundred fifty lakh is already completed covering a target of 8,726 nos. of selected beneficiary families in the State. The 5th and 6th phase of Randhan Jyoti Scheme is also going on implementation.

g) **Jana Kerosene Pariyojana:** The Ministry of Petroleum and Natural Gas has launched a pilot project viz. Jana Kerosene Pariyojana in the country to ensure timely supply of required S.K. oil to the rural consumer at fair price. The project was launched in Assam on 2nd of October 2005 covering 34 blocks in 35 S.K. oil agents of the State. The wholesalers have been provided 150 to 250 numbers of specially painted Jana Kerosene logo bearing barrels to ensure supply of the commodity to the consumers.

h) **Mukhya Mantrir Anna Suraksha Yojana:** Under the Targeted Public Distribution System (TPDS), a total of 19.06 lakh numbers of families are covered as per target fixed by the Planning Commission of Government of India based on the population as well as family status of 1993-94 and no extra target for inclusion of more deserved families is taken into consideration by the Central Govt. Hence, to bring the deserved poor families i.e. lowest strata of APL families under the ambit of food security, the Anna Suraksha Yojana is launched under the leadership of Hon’ble Chief Minister of Assam. At present the scheme is envisaged to cover 13,00,000 families amongst the poorest and most economically backward of the APL families. Such identified families will be provided Ten kilogram of subsidized rice at the rate of Rupees Six per kg to each beneficiaries upon production of distinctive Ration card to be issued by the concern department. In rural areas, the beneficiaries are selected by the selection committee comprising of Block Development Officer as Chairman and another five members including one PRI member and two social workers and in urban areas the committee is headed by the local Revenue Circle Officer and another five members to select the beneficiaries for the scheme.
As per data provided by Food and Civil Supplies Department Assam, the state has a network of 34,536 Fair price shops as on March, 2010. Out of these 30,506 are located in rural areas and 4,030 in urban areas. There has been an addition of 1237 more shops from the year 2006-07 to 2010 (Table 4.3). As clear from the Table 4.3, person covered by each fair price shop increases from 904 person to 898 person from 2006-07 to 2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
<th>Number of Population per Fair Price Shop (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>29392</td>
<td>3907</td>
<td>33299</td>
<td>904</td>
</tr>
<tr>
<td>2007-08</td>
<td>29395</td>
<td>3937</td>
<td>33332</td>
<td>903</td>
</tr>
<tr>
<td>2008-09</td>
<td>29381</td>
<td>3922</td>
<td>33303</td>
<td>945</td>
</tr>
<tr>
<td>2009-10</td>
<td>30506</td>
<td>4030</td>
<td>34536</td>
<td>898</td>
</tr>
</tbody>
</table>

Source: Department of Food and Civil Supplies, Government of Assam

4.4 REQUIREMENT, ALLOCATION AND OFF-TAKE OF P.D.S. ITEMS IN ASSAM:

Again, monthly requirement, allocation and off-take of commodities for Public Distribution System of the State in years 2008-09 and 2009-10 are shown in Table 4.4. As Table 4.4 clears, there has no change of monthly requirement in case of all PDS items in the two years. However, in terms of monthly allocation there has seen slight increase in allocation of sugar and slight decrease in allocation of S.K. Oil in the two years. Monthly allocation case of rice and wheat is found to remain constant in the same periods. One important observation is that in respect of allocation, cent percent is not found for all the PDS items in both the years. Highest allocation as percentage of requirement is found in case of sugar. Lowest allocation (as percentage of requirement) is found in case of wheat in both the years. In respect of off-take of PDS items, there was not found variation in respect of all the items in year 2009-10. Also, there was almost hundred percent off-take of the items. In year 2008-09 also, there was hundred percent off-take except rice.
Table 4.4: Requirement, Allocation and Off-Take of P.D.S. Items in Assam

(In Metric Tonnes)

<table>
<thead>
<tr>
<th>Items</th>
<th>Monthly requirement</th>
<th>Monthly allocation (Average)</th>
<th>Monthly Off-Take (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008-09</td>
<td>2009-10</td>
<td>2008-09</td>
</tr>
<tr>
<td></td>
<td>2008-09</td>
<td>2009-10</td>
<td>Allocation as % of requirements (2008-09)</td>
</tr>
<tr>
<td>Rice</td>
<td>174363</td>
<td>174363</td>
<td>98491</td>
</tr>
<tr>
<td>Wheat</td>
<td>46137</td>
<td>46137</td>
<td>18697</td>
</tr>
<tr>
<td>Sugar</td>
<td>22050</td>
<td>22050</td>
<td>18451</td>
</tr>
<tr>
<td>S.K. Oil</td>
<td>44125</td>
<td>44125</td>
<td>21487</td>
</tr>
</tbody>
</table>

Source: Department of Food and Civil Supplies, Assam
4.5 CONCLUSION:

For going chapter has given a brief account of the evolution and functioning of the Public Distribution System in India, since its inception till the National Food Security Act. Various provisions available under this system in the state have also been outlined. It has been found that out of the six commodities, the state has allocation of only four commodities: pulse and edible oils are found absent. Again, regarding requirement, allocation and off-take of PDS items in the state, it has been found that there is a huge gap between monthly requirement and allocation of PDS items. Allocation is found to be smaller than requirement in respect of all commodities. Of course, no difference has been found between allocation and off-take of items.

In recent years, based official statistics, several researchers have found wide-spread leakage and diversion of PDS grains in Assam (as well as in other states also), along with other malfunctioning such as errors of wrong inclusion and exclusion, prevalence of ghost BPL cards, illegal licensing of fair price shops etc. (Khera 2011a19; Kumar et. al. 201220; Gol 200521). The Central Vigilance Committee on Public Distribution System headed by Justice D P Wadhwa has made an enquiry of the same in the state. It is hoped than all malfunctioning of PDS of the State as well the country will get removed after a through restructuring of entire food management policy of Government of India. Let PSD becomes an instrument of providing food security of the needy in true sense of the term.

19 Khera 2011a : op.cit.
20 Kumar et. al. 2012: op.cit.
21 Gol (2005): op.cit