

Food Grains Policy and Management in India: An Analysis

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ABSTRACT

Food Subsidy and its implementation is the fulcrum in Government of India's quest to attain Food Security for all its citizens. The Paper focuses comprehensively covers the food subsidy, Public Distribution System (PDS) and the challenges in ensuring food security to citizens of India. Grain production forms the cornerstone of Indian agriculture, ensuring food security and economic stability. India has been maintaining an increasing trend in food grain production since 2015-16. Grain production forms the cornerstone of Indian agriculture, ensuring food security and economic stability. Indian Government is running largest food program in the world. Various efforts are being made by the government for distribution of food grains.

Keywords: Grain, Food, Production, Management, Distribution, Committee, System and Policy

INTRODUCTION

Food grain management is a very long procedure. It is primarily undertaken by the food corporation of India. Food Security of beneficiaries is ensured by distributing food grains at subsidized prices through the Targeted Public Distribution System (TPDS). It protects them from price volatility due to inflation. Over the years, while the spending on food subsidy has increased, the ratio of people below the poverty line has decreased. The Food Corporation of India was setup under the Food Corporations Act 1964, in order to fulfill following objectives of the Food Policy. Since its inception, FCI has played a significant role in India's success in transforming the crisis management oriented food security into a stable security system.

The famine of Bengal in 1943 exposed the acute shortage of food supplies in India. The second Food grains Policy Committee (FPC) felt that Indian food problem can be solved only when the internal food production is increased. The First Five Year Plan was formulated keeping in mind a certain objective the 'most effective and balanced utilization of the country's resources'. The food situation eventually improve But in the late 50's, food shortage re-emerged along with the rise in prices. The government

entered into an agreement with the US in 1956 for the import of wheat and rice for the subsequent three years. For a decade after 1956, Indian food policy was based on imports from the US. At the end of the Third PKJN, again there was a severe food shortage which led to rise in food prices. The three instruments of food policy are production and supply, consumption and the distribution of food grains. The food policy of the country could not live up to the expectations. The PDS was accused of being biased. The RPDS was launched to benefit the people in the rural areas. With the joint efforts of scientists and biotechnologists, India has achieved self-sufficiency in the production of food grains.

The famine of Bengal in 1943, in which millions died due to starvation, exposed the acute shortage of food supplies in India. The first Food grains Policy Committee (FPC) was appointed in the same year to examine the food situation which advised the Government to introduce rationing' in the country. In September 1947, the Government appointed the second FPC to study the food situation in Independent India. Under the prevailing circumstances, it was felt that the country could not continue the extension of the rationing system started by the British. It recommended stopping the import of food grains and decided that the Indian food problem can be resolved only if the internal food production is increased substantially, in the least possible time.

The Committee recommended decontrol, which was immediately introduced, and it had resulted in price increase. The Food grains Procurement Committee, appointed in 1950, recommended a system of control. It proposed abolition of the free market, monopoly in procurement of food grains by the government at the village level and complete rationing of food grains. The Government, however, rejected the proposal because it was impracticable. The Indian planner, right from the beginning, acknowledged that the need to attain self-sufficiency in food grains must be one of the important goals of planning. The government realized that food surplus countries used their position of being food-surplus as a weapon to force several countries to submit to their dictates. Realizing this, Prime Minister Pt. Jawaharlal Nehru said: "It is only when we obtain self-sufficiency in food that we can progress and develop ourselves. Otherwise, there is the continuous pressure of

circumstances, there is trouble and misery and there is sometimes shame and humiliation.” (Datta & Sundharam, 529)

The First Five-Year Plan accorded the highest priority to agriculture and more than 40 per cent of the Plan’s outlay on agriculture was devoted to minor irrigation. This was done, keeping in view the large-scale imports of food grains in 1951, to supplement the domestic production and to limit the inflationary impact of the imports on the economy. The food situation during the First Plan improved because of a series of good harvests in the country. But in 1955, the problem of food shortage re-emerged along with the rise in prices. Natural calamities like drought, floods and cyclone in certain parts of Rajasthan, Bihar, Orissa and Tamil Nadu contributed to the situation. The food-shortage aggravates and developed into a ‘food crises. In 1956, the Government entered into an agreement with the US, which was known as the PL-480 Agreement, for the import of wheat and rice for the subsequent three years. It helped to stabilize food prices. The Food grains Enquiry Committee appointed in 1957 felt that the ‘food problem was likely to remain for a long time to come.’ For the decade that followed, Indian food policy was based on imports from the US. Staatz defined food security as “the ability to assure, on a long term basis, that the food system provides the total population access to a timely, reliable and nutritionally adequate supply of food” (Datta & Sundharam, 528)

At the end of the Third Plan, internal food grain production slackened and traders and middlemen resorted to hoarding and black marketeering. This resulted in severe food shortages and rise in food prices and at the same time, many parts of the country witnessed famines it had worsened the situation. To counter these challenges, the Government resorted to importing huge quantities of food grains. The Government afterwards realized that an assured supply of imports was unable to sustain the food policy and that a policy of proper distribution of food grains, produced in the country, had to be formulated to alleviate the food crisis. Another FPC was set up in 1966 to study the food crisis and it concluded that future payments towards the imports would have to be made in dollars. It also pointed out that the food aid to India by the US was used to influence the internal economic and foreign affairs policies of the country. The Committee recommended the preparation and implementation of a National Food Budget for the distribution of food grains. The Government accepted the recommendations of the Committee and it led to the increase in food production and a gradual reduction in imports. Procurement of food grains was done to ensure essential supplies, buffers stocks of food grains were built up and a system of public distribution was introduced. In the free market, the prices of food grains increased and it led to the take-over of the wholesale trade in wheat by the Government.

The Government of India, under the leadership of Prime Minister Indira Gandhi introduced Seed-Water-Fertilizer Policy popularly known as the Green Revolution. The Green Revolution in 1967-68 helped to transform the situation from food scarcity to food self-sufficiency. It led to manifold increase in India’s farm production and productivity. India succeeded in raising its food grains production from 51 million tons in 1950-51 to 209 million tons in 1999-2000 and a record 213 million tones, in 2003-04. India had achieved self-sufficiency in food grains by the year 1976 and since then, imports of cereals have remained negligible. According to the Ninth Five-Year Plan, ‘One of the first efforts of the country was to build up a food security system to ensure that the threat of famine no longer stalks the country’. Although India has been able to avert famines and acute food scarcities, yet it has not been able to provide food ‘needed for an active and healthy Life’, to its population. In other words, the goal of a balanced diet is still a distant dream.

The distribution of food grains has been an important aspect of the food policy in the country. In 1967-68, the fair price system was renamed the Public Distribution System (PDS). The system was created to benefit both the producers and the consumers. The food grains are procured from the producers at minimum support prices and distributed among the consumers, at uniform prices, all over the country. “National Sample Surveys (NSS), only 27% of rural and 29% of urban households purchased grains from the PDS in 1993–94. This was despite the fact that all through this while the PDS was in principle a universal scheme such that every Indian was entitled to a ration card and purchase grains from the PDS. Some observers attributed the limited access to the steadily rising prices at which grains were sold from the PDS (i.e. the issue prices)” (George, P. S. 144)

The PDS has been able to check black marketeering and hoarding of essential food grains. The Government has built up buffer stocks to maintain the supply of food grains throughout the year and also to maintain the supply in the event of unforeseen circumstances. Another objective of maintaining buffer stocks is to stabilize prices. The country is divided into a number of zones. Movement of food grains within a zone is not restricted but inter-zonal movements are checked to ensure self-sufficiency within each zone. The food policy of the country despite all odds has been quite satisfactory. To benefit people in the tribal regions, desert areas, hilly regions and drought-prone areas, the Revamped Public Distribution Scheme (RPDS) was launched. The Storage and Research Division is responsible for the procurement of food grains for the buffer stock. The Central Grain Analysis Laboratory, with its branches in New Delhi, Kolkata and Hyderabad, monitors the quality of food grains at the time of procurement, its storage and later, distribution. “The FCI is one of the largest corporations in India started by the

government, and one of the largest supply chain management companies in Asia. It operates through five zonal and 26 regional offices. Each year, the Food Corporation of India purchases roughly 15 to 20 percent of India's wheat output and 12 to 15 percent of its rice output. The purchases are made from the farmers at the rates declared by the Government of India. This rate is called the MSP (minimum support price)" (Chopra, R. N, 34)

The Government decided to distribute food grains to people below poverty line at 50% subsidized rates, and freely to the poorest of the poor through various schemes like, Anlyodaya Anna Yojana, Mid-day Meal Scheme, Annapurna Scheme, Targeted Public Distribution System, etc. A scheme Save Grain Campaign is being implemented in collaboration with the State Governments, NGOs, Corporate Houses, etc.

The main objective of this scheme is to transfer the technical know-how developed by the IGMRI to the farmers for minimizing the post harvest losses in food grain. Efforts are being made to provide a package insurance policy for the farmers, right from sowing of the crops to post-harvest operations, including market fluctuations in the prices of agricultural produce. Thus, the National Agricultural Policy envisages National Agriculture Insurance Scheme covering all farmers and all crops throughout the country. Hence, it can be safely concluded that the food grains production in India has been growing steadily with the country having achieved a comfortable food security and self-sufficiency level. This shows the present state of food grains management in India. "Even though self-sufficiency of food production has been achieved, the population still lacks access to balanced food. It is a matter of concern that even though cereal production has kept pace with the increasing requirements and average per capita intakes of cereals have remained satisfactory, there has been a fall in the per capita consumption of pulses...." (Datta & Sundharam, 528)

An expert committee constituted by the government has recommended implementation of the Food Security Bill proposed by the National Advisory Council (NAC). The NAC has suggested legal entitlement to subsidized food grains to both 'priority' and 'general' households, covering at least 72% of the population in phase I starting 2011-2012 and 75% in phase II in 2013- 14. The NAC had estimated that its proposal would require 55.59 million tons of food grains in the final phase in 2014 which the committee found to be an underestimation. The government plans to introduce a legislation which aims to ensure food security for 75% of the rural households and 50% of the urban areas which includes both below poverty line and above poverty line families. The Food Safety and Standard Act 2006, which came into force in India in 2011 would ensure improved quality of food for the consumers and bring India on par with international standard. The Act

will ensure prevention of unfair trade practices that eventually harm the consumer through unsafe, contaminated or substandard food. "The cultural knowledge in India allows them to have a very nutritional and balanced diet. Nearly the whole of the Indian population has rice at least once a day which allows them to have carbohydrates in their system. Since India is most commonly known for producing and exporting rice to other countries, their lifestyle will be mainly dominated by rice" (Swaminathan, M.S.; Bhavani, R.V. 2013)

The Food Safety and Standards Authority of India (FSSAI), established under the overarching legislation, will lay down science-based standards for food items and regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption.

The FSSAI will collect and collate data regarding food consumption, incidence and prevalence of biological risk, residues of various contaminants in food products, identification of emerging risks and of a rapid alert system. The data will help in the implementation of the proposed Food Security Bill. "the NFSA came into effect in September 2013, its roll-out at the state-level happened with a significant lag as state governments struggled to prepare new beneficiary lists, computerize their ration cards, and stream-line various other processes of distribution" (Puri, Raghav (2017)

CONCLUSION

The government motivated agricultural scientists to make India self-sufficient in food grain production. After independence, many measures had been adopted to gain self-sufficiency in food grains. The centre procures food grains from farmers at a minimum support price (MSP) and sells it to states at central issue prices. India has experienced remarkable economic growth in recent years and remains one of the fastest growing economies in the world. However, poverty and food insecurity in India are still areas of concern in spite of many strides. Food is considered as a basic amenity essential for the sustenance, development and growth of an individual.

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