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The National Food Security Act

*Challenges and Options**

INDIA today has the largest mass of poor and malnourished people in the world. India has one-sixth of the world's people and one-third of the world's poor. India's share of the world's poor in 2010 (33%) was higher than it was 30 years ago in 1981 (22%) (World Bank, 2013). One in every three malnourished children in the world is from India. (HUNGaMA, 2011).

Poverty, defined globally[1] as those living on less than \$1.25 per day, invariably leads to food insecurity and malnutrition as the poor do not have economic access to sufficient and nutritious food. Lack of proper sanitation, limited or no access to safe drinking water, and high levels of female illiteracy multiplies the problem at hand. No wonder, therefore, that the Indian policy makers have always given a high priority to ensuring food security of its large and growing population.

The concept of food security encompasses not only making enough quantities of food available in the market through enhanced production or imports, but also making it economically affordable to the poor. It is this 'economic affordability' that has been a challenge for a certain segment of the country's population, especially when food inflation has been averaging in double digits for the last five years since 2009-10. The Government of India (GoI) has been devising many targeted food-based welfare programmes to deliver 'food security' to the poor of the country.

The public distribution system (PDS) or the targeted public distribution system (TPDS)[2] is an important medium through which the government has been delivering food (primarily wheat and rice) at the

* The research leading to this publication is done under ICRIER-ZEF project titled "Stabilizing Food Prices Through Buffer Stocking and Trade Policies".

micro-level since 1950s. The government, *via* the Food Corporation of India (FCI)[3], procures and stocks food grains which are released every month to be distributed by state agencies to the identified poor under various food-based welfare schemes. FCI also stocks grains to smoothen any inter/intra year supply fluctuations of grains.

The grain is distributed at central issue prices (CIPs)[4] through the PDS network of 5.2 lakh[5] fair price shops (FPSs) spread across the country. Under the existing system, there are 6.52 crore below-poverty-line (BPL) families identified in the country, who are eligible to get 35 kilograms of food grains per family per month at highly subsidised rates. In addition to theses BPL families, 11.5 crore above-poverty-line (APL) families also benefit under the scheme.

TPDS, which is a major food-based welfare scheme, has been a subject of massive criticism due to various operational and economic inefficiencies like grain damage, pilferage and leakages during its various stages due to faulty targeting of people, etc.

The present scheme of 'food security' policies of the government are expanded through the recently enacted National Food Security Act (NFSA). The Act goes a step further than TPDS in tackling the problem of food security, by making certain amount of food as a legal entitlement for 67 per cent of Indian population. The Act clusters some selected existing food-based welfare schemes and a conditional cash transfer scheme. Several experts, however, have expressed strong apprehensions about the capability of the programme to deliver on its ambitious objectives, given numerous operational challenges and financial implications involved.

It is against this backdrop that we proceed to look at the various provisions of the Act in some detail. The operational and financial challenges that the Act is likely to face follow next. Then based on this analysis, we look at alternative options that may help achieve the same food-security ends at much lower cost and with much less distortions to agricultural-markets, than are likely to result from the implementation of this Act.

The National Food Security Act (NFSA), 2013

The NFSA, 2013, was notified on 10 September 2013 and was retrospectively implemented since 5 July 2013. The Act, *inter alia*, provides for a legal right to receive food grains/cooked meals at subsidised prices or free of charge, by persons belonging to eligible households under the Act. In the case of non-supply of the food grains or meals, the person is entitled to a food security allowance from the government.

Following a life-cycle approach, NFSA would deliver food security to identified people from various age groups, financial backgrounds' and nutritional vulnerabilities. It combines and expands some existing food-based welfare schemes under one ambit. Besides entitlement of food grains under the TPDS, the Act also provides for entitlement of meals to pregnant women and lactating mothers and to children up to 14 years of age under the Wheat-Based Nutrition Programme (WBNP) of Integrated Child Development Services (ICDS) and Mid- day Meal (MDM) schemes among others. The Act combines an existing conditional-cash transfer scheme called the Indira Gandhi Matritva Sahyog Yojana (IGMSY), under which cash benefits are provided to pregnant women and lactating mothers.

The Act is globally seen as the biggest experiment in the world history of food-based welfare schemes (Gulati and Jain, 2013) by any government. By ensuring that the majority of population in India has access to adequate quantity of food at affordable prices, the Act is seen as a vital conduit for addressing the persistent problems of food and nutritional security of the Indian population.

The central government frames the Act and the respective scheme details, and the state governments implement and monitor these. Within the first year of its implementation, 11 Indian states/union territories (UTs) have implemented the Act. The remaining states are given an extension until October 2014 for implementing it. The estimate is that the direct cost of the food subsidy for a full-year roll-out of the NFSA will cost the exchequer roughly ₹ 1.25 lakh crore as food subsidy, which is close to 1.5 per cent of the current GDP (gross domestic product) of the country, and little over 14 per cent of the total tax revenue collected by the central government in 2013-14.[6]

Given the widespread objectives and implications, and the mammoth financial commitment involved, it becomes important to understand the various caveats of the major schemes under the NFSA. This is taken up below.

Targeted Public Distribution System (TPDS) provisions of the NFSA, 2013

Based on the quantum of grain-distribution commitment, the depth of coverage of people and the scope of impact, the TPDS forms the largest component of NFSA, 2013. The TPDS provides for right to receive food grains at subsidised prices by persons belonging to eligible households. The system is likely to benefit 813.5 million people, who are entitled to receive a total of 5 kilograms of grains per person per month. As per the estimates of the Ministry of Consumer Affairs, Food and Public Distribution, there is a total need of 61.2 million tonnes of grains for implementing the NFSA, 2013.[7] Now close to 55 million tonnes of this total amount is needed to feed the TPDS alone.

The coverage of the Indian population under the Act is to extend up to 75 per cent of the rural population and up to 50 per cent of the urban population, making coverage of 67 per cent at the all-India level. In a country with 22 per cent population living below poverty-line (as per the Tendulkar Committee), a coverage of 67 per cent clearly shows that the Act's process of identifying beneficiaries is delinked with poverty, with coverage going beyond the immediately recognisable BPL families.

The key provisions of TPDS under the Act are as follows:

- *Types of Beneficiaries*: Unlike the existing system of TPDS where the beneficiaries are identified under three broad categories: poorest of poor (Antyodaya Anna Yojana or AAY), BPL and APL, there are only two categories under the Act's TPDS, namely: priority and AAY. The TPDS AAY beneficiaries are retained under the NFSA, 2013.
- *Entitlements*: Persons belonging to eligible households are entitled to receive 5 kilograms of food grains (rice, wheat and coarse grains) per person per month at subsidised prices, provided that existing AAY households, which constitute the poorest of the poor, will continue to receive 35 kilograms of food grains per household per month. This compares to an existing entitlement of 35 kg/card/month for all beneficiaries under TPDS.

  The Act supports the state governments in distributing wheat flour in lieu of the entitled quantity of food grains.

- *Central Issue Prices (CIP):* NFSA, 2013, freezes the issue prices for all identified beneficiaries at ₹ 3/2/1 per kg of rice/wheat/coarse cereals for three years going forward.

  This is a huge change from the prevalent system of TPDS, where the three categories of beneficiaries received grains at different prices.[8]
- *Enforceable by Law and Force Majeure:* In case of non-supply of grains, there is a provision in the Act of supply of a food security allowance by the central government. In case of non-provision, the central or the states government can be liable for a claim by any person entitled under the Act. However, in situations of force majeure (like war, fire, drought, flood, cyclone and earthquake) where the regular supply of food grains/meals is adversely affected, the liability does not apply.
- *Coverage of Population:* The NFSA provides for coverage of up to 75 per cent of the rural and 50 per cent of the urban population to receive subsidised food grains under TPDS. This implies that at least 67 per cent of the Indian population will benefit from distribution of subsidised grains under this Act.
- *Identification of Beneficiaries:* While the poverty estimates from the Planning Commission would form the base of the statewise number of beneficiaries under the Act, the Socio-Economic and Caste Census (SECC) survey would help identify these beneficiaries in each state.

  Planning Commission determines this statewise coverage by using the *NSS Household Consumption Survey* data for 2011-12 and estimates the number of people falling below a statewise threshold level. Using these estimates the Commission provides the statewise inclusion ratios.[9] SECC survey collects and evaluates household level data and mainly emphasises on capturing residential, social and occupational vulnerabilities. Processing the data against pre-determined indicators, the survey is to identify the NFSA beneficiaries.
- *Tide-over allocation:* The statewise allocation of food grains based on the coverage so determined and entitlements prescribed in the Act is estimated to be less than the allocation under existing TPDS in case of some states/UTs. Consequently, it has been provided in the Act that the annual allocation of food grains of

such states/UTs will be protected to the extent of their average annual off-take under normal TPDS during last three years (2010-11 to 2012-13). This compensatory allocation is called tide-over allocation in the Act. Interestingly, this additional allocation is available to states/UTs only till they implement the NFSA, 2013, post which the centre shall discontinue this protection.

- *Extension of TPDS by States/UTs*: Driven by sociopolitical, moral, and economic motivations and pressures, different states/UTs have devised extensions of centre's food-based welfare schemes like TPDS. The NFSA permits the states to continue doing so. The state-specific food-distribution welfare schemes are designed to complement and not substitute the schemes already in practice by the centre. For example, some states offer a higher entitlement to the centre-identified beneficiaries (A&N Islands entitle their BPL cardholders to 50.5 kilograms of grains/month/family as against 35 kilograms entitled by the centre), while some states have a bigger coverage of their respective populations, more than what is covered under the centre-run schemes. For example, while Tamil Nadu has a universal coverage of their population, Chhattisgarh food entitlement schemes extend to close to 90 per cent of its population. Some states would do both the above (e.g., Tamil Nadu). In addition to this, many states and UTs also deploy policies of distributing processed food at marginal costs or free of cost to identified beneficiaries or universally to all.
- *Reforms in TPDS under NFSA:* The NFSA contains measures for reforms in TPDS, to be undertaken progressively by the central and state governments. These reforms *inter alia* include, doorstep delivery of food grains to the TPDS outlets, application of information and communication technology tools, diversification of commodities distributed under the PDS over a period of time, etc. Provisions for transparency and accountability in TPDS which include disclosure of records of TPDS, conduct of social audit and setting up of vigilance committees at the state, district, block and fair price shop levels have also been made in the Act, besides grievance redressal mechanism at the district and state levels.

The option of advance lifting and distribution of up to six months' ration under TPDS is also applicable under NFSA, 2013.

Nine-point Action Plan to Reform TPDS: Although this is not a direct provision under the Act, but it has implications on the performance and reform of the TPDS under NFSA. In 2006-07, the centre had defined a nine-point action plan[10] for ensuring a smooth TPDS functioning, for implementation by states. This reformed TPDS machinery was supposed to form the basis of NFSA. However by December 2013, barring 11 states/UTs who have successfully undertaken some action on the plan, the remaining states have still not initiated steps to reform their TPDS machinery.

- *Extension for Implementation by States/UTs*: As per the Act document, the 35 (and now 36) Indian states/UTs were given 365 days (revised upwards from 180 days earlier given as per the National Food Security Bill, 2011) after the Act's commencement on 5 July 2013 to identify eligible households as per the guidelines framed under the Act.

  By the present status under the SECC, the draft list of household information is ready only for 22 of the 35 states (SECC, 2011), and only 11 states have reported to start implementation of NFSA by June 2014. The remaining States have been given an extension until October 2014, for implementing the Act in their respective states/UTs. The states have to update their lists of eligible households and place the list in public domain within this stipulated time.

  With the present state of unpreparedness by the Indian states/UTs and the delay in SECC results, there appears a higher likelihood of many states defaulting even on the extended deadline.

After having discussed the largest scheme under the NFSA, we next proceed to highlight the provisions of the other two major category of existing schemes collaborated under the ambit of NFSA, 2013, namely, other welfare schemes and the conditional cash transfer scheme.

Other Welfare Schemes under NFSA 2013

The Act contains entitlements for meal to pregnant women and lactating mothers and for children up to 14 years of age, through the ongoing ICDS and MDM schemes.

The MDM scheme provides hot cooked meals to all children (10.54 crore children in 2011-12) attending classes I-VIII in government and government aided-schools, Education Guarantee Scheme/Alternative and Innovative Education Centres (EGS/AIE). This scheme is run primarily with a view to enhance enrolment, retention, attendance and to also improve nutritional levels among primary school students.

The Wheat Based Nutrition Programme (WBNP), run under the ICDS, is implemented by the Ministry of Women and Child Development, which provides nutritious/energy food to children below the age of six years and to expectant/lactating women. Even though the scheme is referred to as a wheat-based nutrition scheme, more than 30 per cent of grains allocated to this scheme are in terms of rice.

Conditional Cash-transfer Scheme

The NFSA also brings under its ambit the existing conditional cash transfer centre-run scheme, called the IGMSY. The scheme is now universalised in accordance with the provisions of NFSA, 2013. As per the Act, every pregnant woman and lactating mother is entitled to receive maternity benefit not less than ₹ 6,000.

Overall, the Act addresses the issue of food security by taking a life-cycle approach: it address the needs of individuals at different stages of their life, through a range of food schemes and cash transfers.

It must be acknowledged that the Act does not intend to provide for the total grain needs of the identified individual or families. It would provide for meeting only the partial consumption/nutrition needs. However, by offering price support on part of their consumption purchase, the scheme augments the real incomes of the beneficiaries thus offering support on their remainder purchases from the open markets.

There are apprehensions that this Act may fail to deliver on the promises made, or will deliver at a huge cost, which may not be worth the price. The big question today is that: will such an Act, with its envisioned size and structure, result in reducing and eventually eradicating hunger and malnutrition from the country? What will be the implications of this in terms of fiscal expenditures involved, market distortions it will cause, and overall efficiency losses and welfare gains in managing India's biggest ever food security complex? The next section elaborates this.

NFSA's Operational Challenges

The biggest challenge as faced by the country in wake of NFSA, 2013, in implementation is to ensure an adequate supply of grains every year. Today, India has surplus cereal stocks with public agencies. Will there be ample cereals' supply from domestic production in the years to come? Huge climate changes are inflicting larger challenges to Indian agriculture. Indian agriculture is still largely rainfed, and it experiences drought almost every 4-5 years (Gulati *et al.*, 2013). Climate change is indicating that the frequency and intensity of such droughts and extreme weather events is going to increase. Under such circumstances, production and procurement can fluctuate widely. Take, for instance, the case of 2002-03 drought when food grain production dropped by 38 million tonnes over last year. Where would India go to buy 38 million tonnes of grains to keep its PDS running at full steam? The global rice market is around 35-36 million tonnes, and if India enters the market with even a demand for 10 million tonnes, the rice prices would explode.

In case of procurement, even as late as 2013-14 wheat marketing season, the government first had a target of procuring 44 million tonnes on 1 April 2013, which was scaled down to 38 million tonnes after a month, but the real procurement was only 25 million tonnes. With such uncertain production and procurement pathways, how can one be sure of delivering a legally committed 61.2 million tonnes of food grains every year through PDS? All this implies that with an annual legal grain distribution commitment, India may be becoming more vulnerable to anything that causes fluctuations in agriculture.

The ambitious coverage of the Act has also subjected it to wide criticism. In a country where less than 22 per cent people are below the poverty line,[11] coverage of 67 per cent population is not only undesired but also highly inefficient. However, unlike the popular perception, the coverage of people under the Act is lower than the existing coverage in many states/UTs under TPDS. As per the DFPD (*Food Bulletin,* May 2014), the total number of beneficiaries under the NFSA, 2013, are 81.35 crore people. However, based on the number of the ration cards issued under the existing TPDS, there are already 119.5 crore people benefiting from the TPDS scheme. (Several of these cards are fake and need to be weeded out.)

There is also the issue of those states that have been distributing highly subsidised food to even a larger per cent of population of their states. For example, some states like Tamil Nadu, which has universal coverage, and Chhattisgarh with 90 per cent coverage of their populations, thus extend their coverage beyond the centre's TPDS. They have been supplying rice at a price even lower than what is envisaged under NFSA, 2013. Their extra grain needs are acknowledged and are grandfathered under the NFSA as the tide-over allocation. However, this extra allocation by the centre to the state is to end once the state implements NFSA. But if history[12] is anything to go by, then such grandfathering usually continues well into the future. This puts the onus of distributing not only 61.2 million tonnes of food grains by the centre, but a little more, may be even up to 65 million tonnes. In order to do this in a sustainable manner, in the face of fluctuating production and procurement as explained above, government will have to keep large buffer stocks (strategic reserves of say 10-15 million tonnes) to take care of any such exigency. This will lead to increasing government intervention in grain markets, procuring 65-75 million tonnes of food grains, and greater controls on the operation of free grain markets, which will all push up the costs of operation.

Such large-scale public procurement also has the impact of strangulating the private trade (as has been the case in Punjab, Haryana and now Madhya Pradesh and Chhattisgarh) (CACP, 2014). Of the total market arrivals of wheat and rice in these states, 70-90 per cent is bought by the government, indicating a *de-facto* state take-over of grain trade. Bringing back the private sector into grain trade should be high on government agenda, and not driving them out of markets. It may be worth noting that the cost of a simple departmental labour (loader) of FCI is 7-8 times the cost of contract labour doing the same job. With government monopsony going forward, these costs are only going to escalate, making the entire operation of NFSA a very high cost phenomenon.

This phenomenon of monopolisation of the grain market by the government, where increasingly lower quantities of grains are available in the open market, also ignites another issue of support reversal. When the average cereal consumption in India is 10.6 kgs/person/ month (NSSO, 2011), and NFSA supplies nearly half of it (5 kgs/

month/person, except for AAY, who have a family entitlement of 35 kgs/month), people go to the open market to buy the remainder cereal requirements. However, with the government drying up supplies of cereals in the open market, the prices have been upward sticky. The idea was that by supporting half of the total cereal requirement through the Act entitlement, the Act delivered tacit income-support to the identified beneficiaries. The savings from subsidised grains purchases meant greater income availability to meet other needs. But such high grain prices in the open markets implied that the beneficiaries would be given food subsidy from one hand through NFSA, but it would be taken away from the other due to high cereal inflation in the open market.

However, the new NDA government has to be lauded for taking a decision to offload 15 million tonnes of grains from FCI stocks (5 million tonnes of rice and 10 million tonnes of wheat) with an intention to dampen inflationary trends in cereals. Nevertheless, what remains a mystery is the cycle of government procuring more than their needs, squeezing the open market supplies thereby putting upwards pressure on the prices and later releasing it when the prices rise beyond a threshold. One of the reasons leading to excessive procurement lately is the bonus given by some states on top of MSP of wheat and paddy announced by the centre. Realising this, the NDA Government has sent off a letter to the states saying that Centre will not accept all the procurement done by any state if it was giving an extra bonus. Only time will tell how these irrational and inefficient practices are brought under control.

Another problem of larger government procurement and stocking of grains is that it will result in slowing of the natural process of diversification of agriculture in line with the changing demand patterns in favour of high value products. A few states, like Punjab, Haryana, Andhra Pradesh, and now even Chhattisgarh and Madhya Pradesh, which have built strong procurement machinery, and without whose help the centre cannot run its NFSA, can start putting more taxes and commissions on procurement of grains by the centre. Given that these taxes, etc., are within the jurisdiction of the states, the centre cannot do much in this regard. Already, for example, Punjab, Andhra Pradesh and Haryana charge exorbitant taxes and fees, which go as high as 14.5 per cent in Punjab. These taxes can go further up as centre locks itself in NFSA, and the states find it easier to ‘milk the centre’, all in the name of food security for the poor. This will lead to blowing up the food subsidy bill very soon, and making the whole process financially very inefficient and almost unsustainable.

The Act has another very unlikely impact on the economy. Under normal circumstances, most farming families, on an average, retain about one-third of cereal production for self-consumption at home (NSSO). Smaller holdings generally hold a larger per cent for self-consumption. Now with NFSA covering 75 per cent of rural population, majority of whom would be small and marginal farmers, they would expect the government to give them at least half of their cereal needs at highly subsidised prices. This is leading to a peculiar situation: the small and marginal farmers are bringing larger per cent of their production to the government for procurement, and then expect the same to be given back to them at ₹ 3 or ₹ 2 per kilogram. This implies unnecessary overloading of the system, which is already creaking due to shortage of logistics and good storage facilities.

The vehicle through which the identified benefits or entitlements will be delivered is the archaic PDS. The system is plagued by inefficiencies and leakages. Studies based on NSSO data show that on an average, 40 per cent of what is supplied by all the states/UTs of India does not reach the intended consumers. In States like Bihar, the rate of leakage is 71 per cent (based on 2009 NSSO data).

Next is the ironical withdrawal of NFSA provisions under force majeure. The provision says that the government may not be responsible to give food when extreme events of nature (like droughts, flood, etc.) occur. Through this provision, the government absolves from its responsibility of providing food-security to the needy in the times when they need it the most. This dilutes the very objective of the Act of ensuring food security of the poor who are the worst impacted in situations like droughts, floods, etc.

In essence, what NFSA is trying to achieve is an equity objective (extending economic access to food for the poor) by using a price policy instrument, instead of an income policy instrument. So, there is a high probability that it will fail to deliver on the promises made, or will deliver at a huge cost, which may not be worth the price.

Financial Implications of the Act: The current estimate is that the direct cost of the food subsidy for a full-year roll-out to distribute 61.2 million tonnes of grains will cost the government ₹ 1,25,000 crore, and there are pending costs like owing to FCI costs being underaccounted, etc., ranging between ₹ 47,000 and 50,000 crore. According to a Ministry of Finance report (Mishra, 2013), the food subsidy with NFSA implementation is estimated to increase to ₹ 1,40,192 crore and ₹ 1,57,701 crore in 2014-15 and 2015-16 respectively. These estimates however do not include additional investment expenditures, which though the NFSA document identifies but does not quantify. These investments are needed for revitalising agriculture, for creation of commensurate logistics, among others. As per a discussion paper of CACP (Gulati and Jain, 2013), a rough cost estimate of rolling-out NFSA works out to be ₹ 2,00,000 crore, if one has to stabilise food grain production and create good quality logistics and other infrastructure to ensure regular and smooth supplies of grains to the TPDS without much risk.

These are broadly the key challenges of NFSA, 2013. The last section now explores possible alternative policy option, which could accomplish the same objectives but at a much lower cost, and with lesser distortion to markets.

Way Forward

A growth-focused model of poverty alleviation though is the right strategy, but it will take a lot of time to deliver. So, a rights-based approach, under NFSA, 2013, was introduced. However, can the NFSA make a serious dent on the problem of food and nutritional insecurity in India within a reasonable time frame, and within rational costs is a question only time will answer.

The big question remains: how can one achieve economic access to food more efficiently? The answer lies in substituting the present system of physically distributing grains with conditional cash transfers, based on the platform created by the Aadhaar Unique identity scheme. As this system would require fingerprints of all those drawing benefits from the government and can deposit the cash directly in their accounts, the leakages can be reduced dramatically.

The payments to the farmers selling their produce to the government procurement machinery are made *via* cheque, implying that all these farmers have bank accounts. As highlighted in the analysis NFSA provisions lure these food producers to sell their produce, they would have otherwise retained for self-consumption, to the government and in turn fulfil the own consumption needs *via* the PDS route. Offering income transfers to these farmers to begin with would induct simple economic sense into the system.

So, rather than waiting for financial inclusion to happen at the national level, if the government can leverage the platform, it will not only save on huge logistics' costs but would also be able to test the response of the system to cash transfers.

Besides it being the best international practice, the conditional cash transfer (CCT) scheme would also imply greater efficiency of the domestic grain market by reducing the government's intervention levels. This also gives the consumers greater autonomy in deciding their diet plans. The success of the CCT scheme is well demonstrated by studies on Brazil, Mexico and many other countries. Lately, even Pakistan has dismantled its fair price shops and moved on to income support to the poor under its Benazir Bhutto Income Support Programme in 2008. Even the NFSA 2013 has a caveat of substituting physical grains with cash but it can happen only in times of 'non-supply of entitled quantities.'

We feel that such an option should be given at all times, to all the identified beneficiaries of the many welfare schemes; the technology from the UID could provide the perfect platform to give people the option to choose from cash or grains. It is not too late for India to switch to this system. However for those identified tribal or remote areas, which still would require a physical distribution of grain, the existing process of schemes could be continued.

The government would need to keep critical reserves of only 15-20 million tonnes against any possible drought—much less than the 80 million tonnes it had in hand in July 2012. This would help reduce and stabilise prices of staples in the open market. Moving to cash transfers would also allow the natural process of diversification towards high-value products, augment farmers' incomes, and allow consumers to eat more nutritious food, a win-win situation for both the government and the consumers.

Whether India can make this transition and save on massive resources for better use will have to be seen.

Lastly, it must be recognised that the problem of malnutrition is multi-dimensional, and it cannot be solved by just giving 5 kg of grains on per person per month basis. Malnutrition in children is not affected by food intake alone; it is also influenced by access to health services, quality of care for the child and pregnant mother as well as good hygiene practices. Global and Indian research has revealed that at least three factors are critical to control malnutrition amongst children: (i) nutritious food; (ii) access to better sanitation and hygiene, especially safe drinking water and toilets; (iii) better female education. Without making a dent on these three factors, the problem of malnutrition is likely to stay with us for a long time.

Notes

1. Indian definition of poverty is based on consumption expenditures. For 2011-12, for rural areas the national poverty line using the Tendulkar methodology is estimated at ₹ 816 per capita per month and ₹ 1,000 per capita per month in urban areas. As per this report, Indian poverty in 2011 was only 22 per cent.
2. PDS till 1990s distributed subsidised grains to everyone in the country, though the quantity varied with income levels. In 1997, the system was reoriented to 'target' only the poor under the scheme. Due to this targeting focus, the system was now called the TPDS.
3. The Corporation is the main agency responsible for execution of food policies of the GoI. The functions of FCI primarily relate to the purchase, storage, movement, distribution and sale of food grains on behalf of the GoI.
4. CIPs for the BPL families are always lower than the market prices.
5. As on 30 June 2014 as per data from Department of Food and Public Distribution, GoI.
6. As per Budget documents of the Government of India and Finance Accounts, total tax revenue of the central government in 2013-14 was ₹ 884078 crore.
7. *http://pib.nic.in/newsite/PrintRelease.aspx?relid=95441*
8. TPDS distributed grains to the BPL families at the subsidised rates of ₹ 4.15/kg for wheat and ₹ 5.65/kg for rice; to AAY families at ₹ 2/kg for wheat and ₹ 3/kg for rice; and to APL families at ₹ 6.10/kg for wheat and ₹ 7.95/kg for rice.
9. Inclusion ratio is defined as the per cent of the total population of the state/UT which will be included as beneficiary under the NFSA 2013.
10. These nine points study the status of implementation of various features of TPDS, like computerisation of TPDS operations, review of lists of beneficiaries, ensuring door step delivery of grains, taking action against the guilty charged for leakages under TPDS, etc.
11. This is as per the Tendulkar Committee. After lot of controversy, Rangarajan Committee was appointed to look into the definition of poverty. Rangaranjan Committee has estimated the poverty at 30 per cent.
12. In order to smoothen the transition between PDS and TPDS, and to avoid the sudden withdrawal of the benefits accruing to the APL families under the old system, states were provided with 'transitory allocation' of 10.3 million tonnes. Eventually, this additional allocation was inducted into the calculations permanently.

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