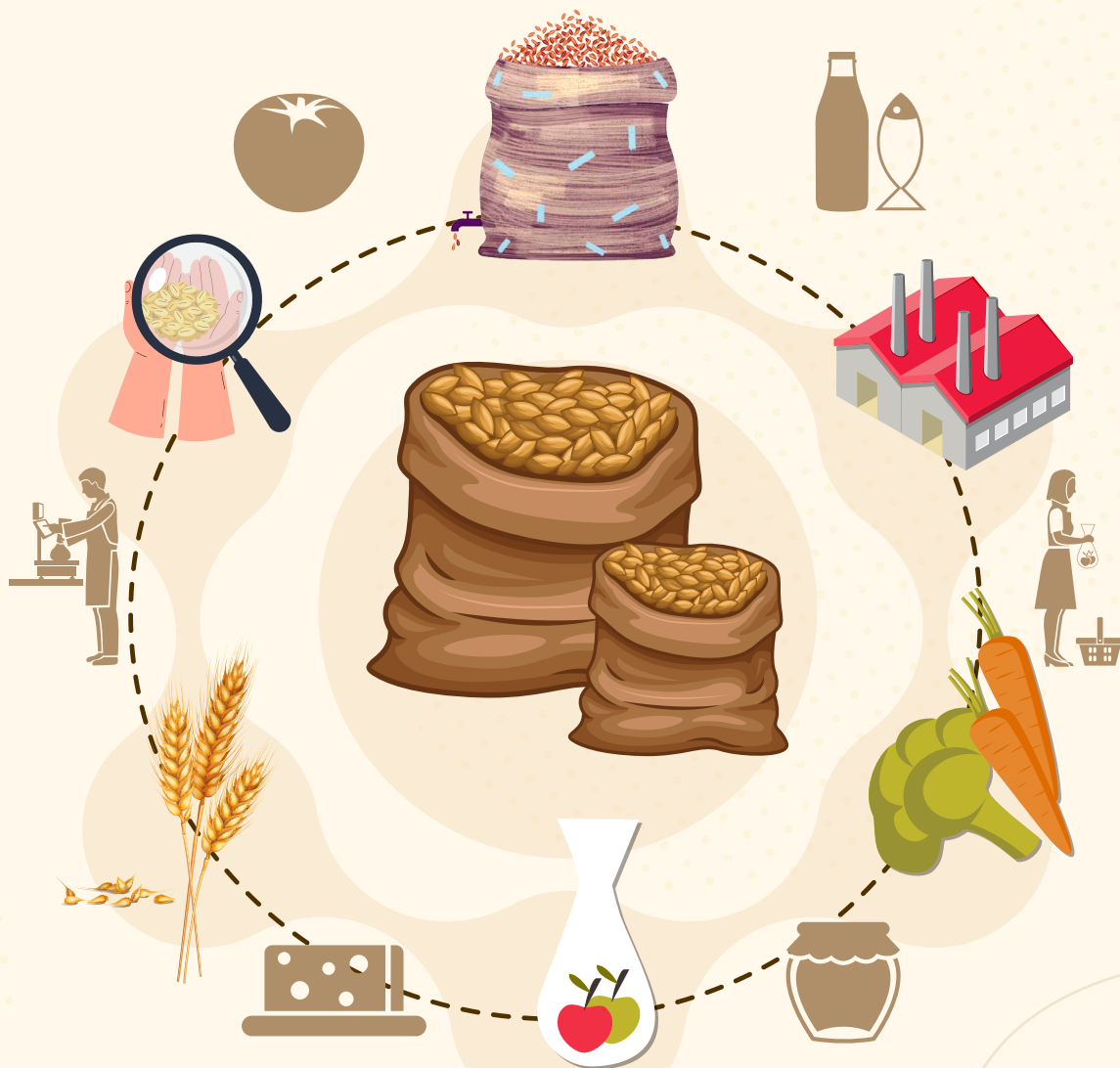


UPDATED VALUE ADDITION MATERIAL 2024

INDIAN ECONOMY

PUBLIC DISTRIBUTION SYSTEM,

BUFFER STOCKS AND FOOD SECURITY



PUBLIC DISTRIBUTION SYSTEM, BUFFER STOCKS AND FOOD SECURITY

Student Notes:

Contents

1. Public Distribution System in India	2
1.1. Objectives.....	2
1.2. Context and Evolution of PDS in India.....	3
1.3. Targeted Public Distribution System	4
1.4. Recent PDS Reforms.....	5
1.5. Reforms required for revamping India's PDS	5
1.6. One Nation One Ration Card (ONORC) Scheme.....	6
1.7. Alternatives to TPDS.....	7
1.8. Universal PDS	8
2. Buffer Stocks	10
3. Food Security.....	11
3.1. Introduction	11
3.2. Qualitative and Quantitative Dimensions of Food Security	12
3.3. Challenges in ensuring Food Security	13
3.3.1. Integrated Child Development Scheme (ICDS).....	13
3.3.2. Mid-Day Meal (MDM) Scheme	13
3.3.3. Critical Appraisal of ICDS and MDM.....	14
3.3.4. National Nutrition Mission.....	15
3.4. National Food Security Act, 2013.....	15
4. WTO and India's Food Security Objectives.....	17
4.1. Key Issues at the WTO.....	17
4.2. Background and Context.....	17
4.3. International Reactions and Negotiations	17
4.4. Challenges and Considerations	18
5. Previous Year UPSC Mains Questions	18
6. Vision IAS GS Mains Test Series Questions.....	19

Copyright © by Vision IAS

All rights are reserved. No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission of Vision IAS.

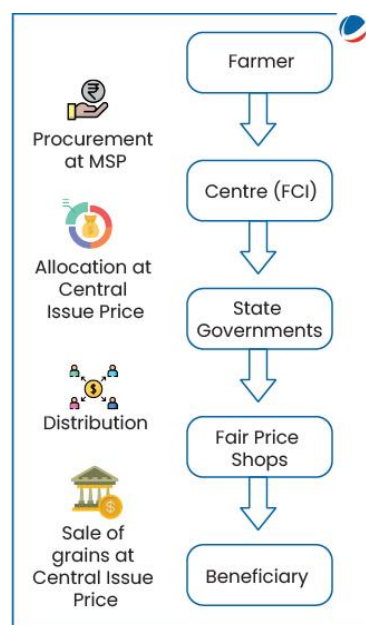
1. Public Distribution System in India

The Public distribution system (PDS) is a **food security system** established **under the Ministry of Consumer Affairs, Food, and Public Distribution**. It includes within its fold a government-sponsored chain of approximately 5.37 lakh fair price shops (FPSs) entrusted with the work of distributing basic food and non-food commodities to the needy sections of the society at very cheap prices.

The responsibility of operating PDS is jointly shared by the Central and the State Governments.

- The **Central Government**, through Food Corporation of India (FCI), undertakes procurement, storage, transportation and bulk allocation of food grains to the State Governments.
- Operational responsibilities like allocation within the State, identification of eligible families, issue of Ration Cards and supervision of the functioning of Fair Price Shops (FPSs) etc., lies with the **State Governments**.

Under the PDS, presently the commodities namely **wheat, rice, sugar and kerosene** are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as **pulses, edible oils, iodized salt, spices**, etc.



1.1. Objectives

The Public distribution System primarily evolved as a system of management of scarcity through distribution of food grains at affordable prices. However, it seeks to achieve other objectives like:



PDS supply chain can be broken into three segments:

1. Procurement of food grains;
2. Storage & transportation;
3. Distribution of food grains.

In addition to cereals, some state governments are exhorted to add other essential commodities like pulses, salt, candles, matchboxes, ordinary clothes, school text books/copies and the like.




1.2. Context and Evolution of PDS in India

India's Public Distribution System (PDS) is the largest distribution network of its kind in the world. The government set up the Agriculture Prices Commission (later renamed to CACP) and the Food Corporation of India for domestic procurement and storage of food grains for PDS.

By the **1970s**, PDS had evolved into a universal scheme for the distribution of subsidised food. In the 1990s, the scheme was revamped to improve access of food grains to people in hilly and inaccessible areas, and to target the poor.

- **In 1992, a Revamped PDS (RPDS)** was launched in 1775 blocks throughout the country. This was done to strengthen & streamline the PDS and to improve its reach to poor families especially in the far-flung, hilly, remote and inaccessible areas. RPDS covered areas where special programmes like Drought Prone Area Program (DPAP), Integrated tribal development program (ITDP), Desert Development Program (DDP) were under operation and in certain Designated Hill Areas (DHA).
- **In 1997, Targeted PDS (TPDS)** was launched with special focus on the poor families. TPDS aimed to provide subsidized food and fuel to 6 crore poor families for whom 7.2 MT food grains was earmarked annually, through a network of ration shops
 - Over and above the TPDS allocation, '**additional allocation**' was also given periodically to the states. This transitory allocation was **to benefit APL population**. But, this allocation was issued at higher prices than the ones at BPL quota.
- In **December 2000**, the government launched **Antyodaya Anna Yojana (AAY)** to benefit the poorest of the poor people. 25kg per month per household (increased to **35kg in 2002**) was provided at the highly subsidized rate of Rs 2 per kg of wheat and Rs 3 per kg of rice. **The scheme aimed to reach one crore Antyodaya households.**
- **In 2013, National Food Security Act (NFSA)** was enacted. It introduced individual entitlement of 5 kg per person per month food grains to around 82 crore of population.

Table 1: Timeline of PDS: 1930s to present

 Evolution of PDS	 Tim eline	 Details
PDS	1940s	Launched as general entitlement scheme
TPDS	1997	PDS was revamped to target poor households
Antyodaya Anna Yojana	2000	Scheme launched to target the 'poorest of the poor'
PDS Control Order	2001	Government notified this Order administer TPDS
PUCL vs Union of India	2001	Ongoing case in Supreme Court contending that "right to food" is a fundamental right
National Food Security Act	2013	Act to provide legal right to food to the poor

1.3. Targeted Public Distribution System

Launched in 1997, it seeks to provide food grains to people **Below Poverty Line** at highly subsidized rate from the PDS and **food grains to people above poverty line at much higher prices**. The identification of the poor under the scheme is done by the States. TPDS maintains universal character of PDS but has special focus on BPL. The allocated amount is 35 kg per month per household to BPL and AAY, while for APL, it will be between 15 kg to 35 kg/month/household.

Key Features of TPDS

1. **Targeting:** Those earning a maximum of Rs. 15,000 per annum are kept within BPL. Initially 10 kg of food grains were provided per household per month, but in 2002 the limit was revised to 35 kg/household/month.
2. **Dual Prices:** In 2000, the Central Issue Prices for the PDS to state governments was set at 50% of the economic cost of FCI for BPL families and at 100% of the economic cost for APL families. In 2001, a third price was also issued for beneficiaries of ANTYODAYA ANNA YOJANA (Rs 2/kg of wheat and Rs. 3/kg of rice per family under AAY).
3. **Central-State Control:** PDS is designed and managed by State Governments, while the Central Government allocates the food grains to the states. Under TPDS, the size of the BPL population and the entitlement for them is decided by the Central Government.

Management of food grains for TPDS

The central and state governments share responsibilities in order to provide food grains to the identified beneficiaries. The Central Government procures food grains from farmers at a minimum support price (MSP) and sells it to states at central issue prices. It is responsible for transporting the grains to godown in each state. States bear the responsibility of transporting food grains from these godowns to each fair price shop (ration shop), where the beneficiary buys the food grains at the lower central issue price. Many states further subsidize the price of food grains before selling it to beneficiaries.

The Food Corporation of India (FCI) is the nodal agency at the Centre, responsible for transporting food grains to the state godown. More specifically, FCI is responsible for:

- procuring grains at the MSP from farmers,
- maintaining operational and buffer stocks of grains to ensure food security,
- allocating grains to states,
- distributing and transporting grains to the state depots, and
- selling the grains to states at the central issue price to be eventually passed on to the beneficiaries.

Issues related with TPDS

1. **Targeting: Definition of eligibility for BPL** status based on income poverty line does not cover a large number of vulnerable populations. Exclusion errors have been reported to be as high as 63% of the poor household were not covered by the system (NSS-2007). A high Inclusion Error is also reported as APL were having unacceptably large amount of subsidized grains. NCAER reports about '**ghost**' card holders.
2. **Imbalances in availability of storage capacity across states:** There is a shortage of space in consuming states, such as Rajasthan and Maharashtra. While on the other hand, a major portion of total storage capacity is concentrated in states undertaking large procurement such as Punjab, Haryana, Andhra Pradesh, Uttar Pradesh and Chhattisgarh.
3. **Leakages and diversion:** The major part of leakage is due to diversion of food grains to the open markets because of widespread prevalence of corruption. Transport and diversion losses also take place. There is problem of ghost beneficiaries as well.

4. **Late and irregular arrival of grains in fair price shop:** Lack of awareness among poor households about the exact arrival of grains at the Fair Price Shops creates the problem of physical and economic access.
5. **No variation in purchase across expenditure groups:** A successful targeting is said when there is continuous decrease in quantity purchased from PDS with increase in income.
6. **TPDS has failed in transferring cereals from surplus to deficit regions:** The policy of targeting and allocation of grain on the basis of the income poverty line has worked against the earlier objective of price stabilization through grain movements across the country. Further, in the universal PDS, automatic stabilization was ensured as demand for grain from fair price shops increased at a time when the gap between the PDS price and the market price rose. Again, in the new system, with APL priced out of the PDS, and BPL quotas low and fixed, the ability to undertake stabilization has been weakened.
7. **Burden of subsidy has increased:** Because of introduction of AAY and low prices for BPL, and exclusion of APL as they are not getting any incentive to buy from fair price shops (hence increasing the stock with FCI), the burden of subsidy has pushed the burden of subsidy further.

1.4. Recent PDS Reforms

1. **Digitization of ration cards:** This allows for online entry and verification of beneficiary data. Besides, online storing of monthly entitlement of beneficiaries, number of dependents, off take of food grains by beneficiaries from FPS, etc. States like Andhra Pradesh, Gujarat, Tamil Nadu, Madhya Pradesh have undertaken this exercise on a large scale.
2. **Linking with Aadhar:** 56% of the digitized cards have been seeded with unique identification number Aadhar. This leads to better identification and hence improved targeting.
3. **Computerization of FPS allocation:** This makes declaration of stock balance, issuance of web-based truck challans, etc very convenient. Furthermore, it allows for quick and efficient tracking of transactions. Several states have also installed **ePOS (electronic point of sale) devices** at the fair price shops to track the sale of food grains to actual cardholders on a real time basis.
4. **Use of Global Positioning System (GPS) technology:** States like Chhattisgarh and Tamil Nadu use GPS technology to track movement of trucks carrying food grains from state depots to FPS. This checks leakages to a great extent.
5. **Once Nation One Ration Card (ONORC) Scheme:** The ONORC initiative allows beneficiaries to access their PDS entitlements from any FPS across the country, promoting food security for migrants and mobile populations. As of mid-2023, the scheme has been implemented in all states and Union Territories.

1.5. Reforms required for revamping India's PDS

The Standing Committee on Food, Consumer Affairs, and Public Distribution (2021) made following recommendations:

- **Ensure implementation of ONORC:** The Committee highlighted that State Vigilance Committees constituted to monitor the implementation of ONORC and functioning of PDS in states do not meet regularly. The Committee recommended the central government's Department of Food and Public Distribution to monitor implementation in states.
- **Identification and targeting of beneficiaries:** The Committee highlighted that some state governments have not initiated biometric authentication of beneficiaries. For instance, all FPSs in West Bengal have been automated. However, it has not yet initiated biometric authentication of beneficiaries. The Committee also recommended identifying districts and areas with more migrant workers to ensure availability of foodgrains there.
- **Technical difficulties and compatibility:** The Committee highlighted that 13,000 FPSs are in areas with chronically poor internet connectivity. It recommended the National Informatics Centre to develop a device or mobile application for the use of FPS dealers in such areas to

record transactions offline and eventually upload sale transactions to a centralised Electronic Point-of-Sale (ePoS) server.

- **Movement of foodgrains:** The FCI undertakes movement of foodgrains from procuring and surplus regions to depots in consuming and deficit regions. This is based on communication of demands by FPS dealers. The Committee recommended issuing broad guidelines which are uniformly applicable across states stipulating a minimum intervening time in communication of requirement of foodgrains by an FPS dealer.
- **Direct Benefit Transfer (DBT):** The Committee noted that the use of DBT helps in savings for government owing to reduction in administrative burden and costs incurred towards operation of PDS. However, the Committee observed that beneficiaries spend a higher cost as compared to benefits under the erstwhile PDS due to:
 - multiple visits required to ensure transfers
 - a higher waiting time for cash withdrawal
 - inadequate availability of foodgrains in the open market.

The Committee recommended utilising direct cash transfers in suitable cases, while maintaining the PDS infrastructure, especially for migrant beneficiaries.

1.6. One Nation One Ration Card (ONORC) Scheme

The **One Nation, One Ration Card (ONORC) Scheme** is an innovative initiative by the Government of India aimed at enhancing the accessibility and portability of food security benefits under the Public Distribution System (PDS). Here's a brief overview:

Key Features of ONORC:

1. Portability of Ration Benefits:

- **Interstate Portability:** Beneficiaries can access their food grain entitlements from any Fair Price Shop (FPS) across India, regardless of their home state. This is particularly beneficial for migrant workers and their families, who can now collect their rations from wherever they are located, ensuring continuous food security.
- **Intrastate Portability:** Within the same state, beneficiaries can choose any FPS to collect their rations, providing flexibility and convenience.

2. Aadhaar-Based Identification:




- **Unified System:** The scheme uses Aadhaar, India's unique biometric identification system, to authenticate beneficiaries at the FPS. This helps in reducing fraud, duplicate entries, and ensures that only eligible individuals receive benefits.
- **ePOS Devices:** Electronic Point of Sale (ePOS) devices installed at FPS verify beneficiaries through Aadhaar authentication, streamlining the distribution process.

3. Digital Integration and Data Sharing:







- **Centralized Data:** A central repository connects the digital systems of all states and Union Territories, enabling real-time data sharing and monitoring of transactions across the country.
- **Seamless Operations:** The integration allows for seamless operations and transparency, making it easier to track the distribution and consumption of food grains.

Objectives of ONORC:

- **Food Security for Migrants:** Ensures that migrant workers and their families do not lose access to subsidized food grains when they move to different locations for work or other reasons.
- **Reduction in Exclusion and Leakages:** By standardizing and digitizing the PDS operations, ONORC aims to reduce the exclusion of legitimate beneficiaries and prevent diversion or leakage of food grains.
- **Improved Efficiency and Accountability:** The digital tracking and monitoring systems improve the efficiency of the PDS and enhance accountability in the distribution process.

CONSTRAINTS ADDRESSED BY ONENATION OPERATION CARD		
PROBLEM	SITUATION	RESOLUTION
 Beneficiary confined to a particular Fair Price Shop (FPS)	Ration Card tagged to a particular FPS <ul style="list-style-type: none"> ○ Ration card holders avail entitlements from tagged FPS only ○ Dependent on the whims-and-fancies of the FPS dealer 	<div>NO NEED TO SURRENDER & RE-APPLY NEW RATION CARD</div> <div>NO NEED TO REGISTER FOR PORTABILITY</div> <div>NO PAPER-WORK</div>
 Migrants lose access to PDS foodgrains	Migration = Loss of Food Security <ul style="list-style-type: none"> ○ Migrant beneficiaries lose access to subsidised foodgrains ○ Forced to purchase from open market at inflated prices ○ Very purpose of 'Food Security' under NFSA is not fulfilled 	<div>USE EXISTING/SAME RATION CARD NUMBER or AADHAAR</div> <div>JUST WALK-IN TO ANY FPS WITH E-POS</div>
 Time Consuming and Cumbersome Process	Difficult to obtain New Ration Card <ul style="list-style-type: none"> ○ Cumbersome to apply new ration card in a new place ○ 5-6 months to complete formalities and process ○ Dependency on various supporting documents/proofs ○ Leads to duplicity of ration card/beneficiary 	<div>AUTHENTICATE ON E-POS WITH AADHAAR BIOMETRIC</div> <div>RECEIVE PART OR FULL ENTITLEMENTS</div> <div>FAMILY MEMBERS CAN ALSO ACCESS IN NATIVE PLACE</div>

Achievements of ONORC:

	All 23.6 Cr. ration cards presently covering around 80 Cr. beneficiaries under NFSA are completely digitized in all States/UTs.
	Nearly 93.1% ration cards and 90.1% individual NFSA beneficiaries are Aadhaar seeded at the national level.
	ePoS based online distribution of foodgrains is operational in almost all States/UTs. So far, more than 4.98 Lakh (93.5%) of total 5.33 Lakh FPSs automated in the country.
	System generated online allocation orders of foodgrains for all FPSs is implemented in all States/UTs. (Except Chandigarh & Puducherry).
	Supply Chain Management of foodgrains is computerized in 31 States/UTs for online management of stocks in godowns and its in-and-out movement.
	Toll-free helpline numbers 1967/1800-series and transparency portals with online grievance registration facility are setup in all States/UTs.

1.7. Alternatives to TPDS

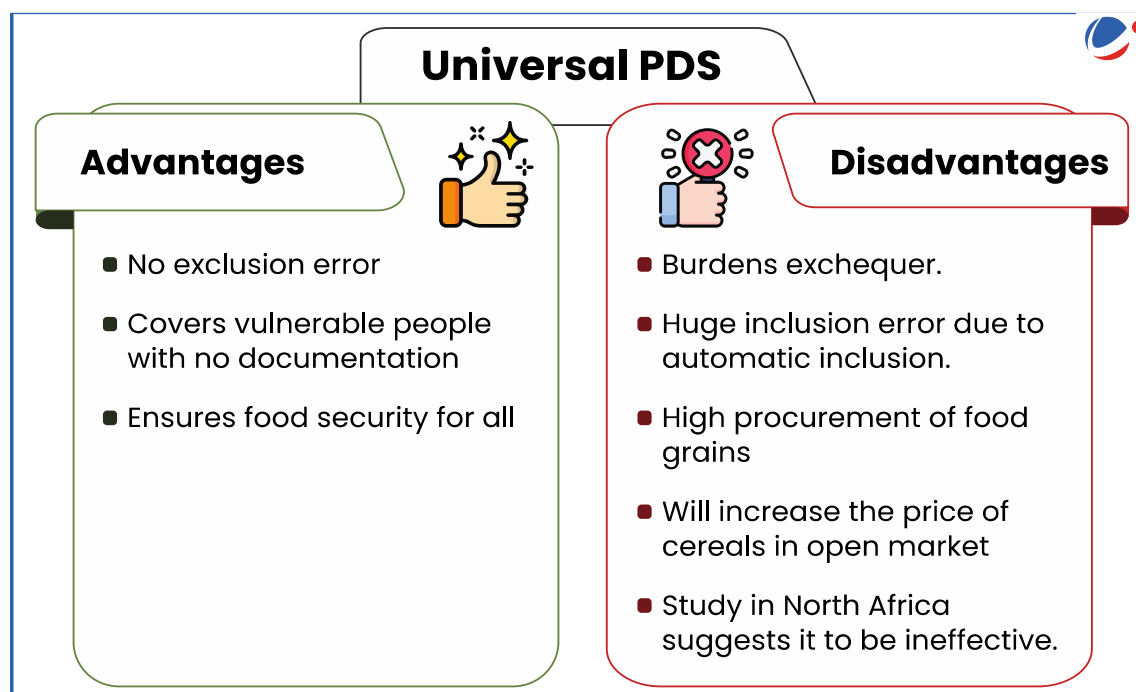
- Cash Transfers:** The high level committee chaired by **Shanta Kumar, 2015** had recommended gradual introduction of **cash transfers in PDS**, starting with large cities with more than 1 million population; extending it to grain surplus states, and then giving option to deficit states to opt for cash or physical grain distribution. DBT in the name of women of the house, and routed it through PM Jan Dhan Yojana, and dovetailing it with the UIDAI has also been suggested. This will help in better targeting, and plugging leakages.
- Food Coupons:** Beneficiaries can be given coupons instead of money, which can be used to buy food grains from any grocery store. Under this system, grains will not be given at a

subsidised rate to the PDS stores. Instead, beneficiaries will use the food coupons to purchase food grains from retailers (which could be PDS stores). Retailers take these coupons to the local bank and are reimbursed with money. According to Economic Survey reports, such a system will reduce administrative costs. This can also remove the problems of procurements, diversion and black marketing of food grains.

3. **UBI:** A Universal Basic Income has also been touted as an alternative. Such an initiative imparts a sense of agency on the beneficiaries, helps them make choices on their own and also saves up on administrative costs.

1.8. Universal PDS

When PDS was first introduced, it was a universal entitlement scheme. In 1997, it was changed into the Targeted PDS. Unlike most states in the country, Tamil Nadu retained the Universal PDS. However, there are both advantages and limitations to this approach:





Lakshya

MAINS MENTORING PROGRAM 2024

16th July

50 Days Expert Intervention



Highly experienced and qualified team of mentors.



Special emphasis on subjects with high scoring potential.



Structured plan of revision and practice for GS Mains, Essay & Ethics.



Access to Lakshya Mains Practice Tests.



Research based subject-wise strategy documents.



One-to-one sessions with mentors.



Scheduled group sessions for strategy discussion, live practice and peer interaction.



Continuous performance assessment and monitoring.

Food Corporation of India (FCI)

FCI is a statutory organisation set up in 1965 under Food Corporation Act 1964. It is the main agency providing foodgrains to the PDS. Its primary duty is to undertake the **purchase, storage, movement, transport, distribution and sale of food grains and other foodstuffs**. FCI is mandated with three basic objectives:

1. to provide effective price support to the farmers. Also, it ensures that the farmers are getting the announced remunerative prices and the consumers are getting food grains at the uniform price fixed by the Government.
2. to procure and supply grains to PDS for distributing subsidized staples to economically vulnerable sections of society.
3. keep a strategic reserve to stabilize market (for basic food grains).

Recommendations of High Level Committee on Restructuring of FCI

The Committee was set up in 2014, with **Shanta Kumar as Chairman**. It submitted its report in 2015.

1. On Procurement Related Issues:

- FCI should hand over procurement to those States which have gained sufficient experience (Andhra Pradesh, Chhattisgarh, Punjab, Haryana and MP). It should focus on states which suffer from distress sale at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc.
- GoI needs to revisit its MSP policy which gives skewed incentive to wheat and rice only and neglects crop diversification.
- MSP policy should work in coordination with trade policy so that the landed costs of imported crops are not below their MSP.

2. On PDS And NFSA Related Issues:

- GoI should defer implementation of NFSA in states that have not done end to end computerization; have not put the list of beneficiaries online for anyone to verify, and have not set up vigilance committees to check pilferage from PDS.
- The current coverage of 67% Population under NFSA is a huge fiscal burden. It should be brought down to 40%.
- Gradual introduction of cash transfers in PDS, starting with large cities with more than 1 million population; extending it to grain surplus states, and then giving option to deficit states to opt for cash or physical grain distribution.
 - Cash transfers can be indexed with overall price level to protect the amount of real income transfers.
 - Cash can be given in the name of lady of the house.
 - Cash can be routed through Prime Minister's Jan-Dhan Yojana (PMJDY) and dovetailing Aadhaar and Unique Identification (UID) number.

3. On stocking and movement related issues: FCI should outsource its stocking operations to the private sector.

4. On Buffer Stocking Operations and Liquidation Policy: The current system is extremely ad-hoc, slow and costs the nation heavily. A transparent liquidation policy is the need of hour, which should automatically kick-in when FCI is faced with surplus stocks than buffer norms.

5. On Labour Related Issues:

- Increase mechanisation to reduce the number of manual labour requirements and offices.
- At top level, hire executives from private sector
- Daily wage contractual labour or outsourcing should be done wherever possible

6. **On direct subsidy to farmers:** Farmers be given direct cash subsidy (of about Rs 7000/ha) and fertilizer sector can then be deregulated.
- This will plug diversion of urea to non-agricultural uses, as well as to neighbouring countries.
 - This will also help raise the efficiency of fertilizer use.
 - This may also help those who take loans from money lenders at exorbitant interest rates to buy fertilizers or other inputs, thus relieving some distress in the agrarian sector.

2. Buffer Stocks

Introduction

A *buffer stock* is a system or scheme which buys and stores stocks at times of good harvests to prevent prices falling below a target range (or price level), and releases stocks during bad harvests to prevent prices rising above a target range (or price level). So, it neutralizes the fluctuation in production of a given crop, so that the prices may remain stable.

In times of surplus production, government procures the crops from farmers through MSP so that the farmers do not suffer negatively for producing more. In times of deficit, government releases the buffer stocks in a phased manner so that interests of the consumers do not suffer, and they are able to meet their nutritional requirements at reasonable prices.

Buffer Stock Policy of India

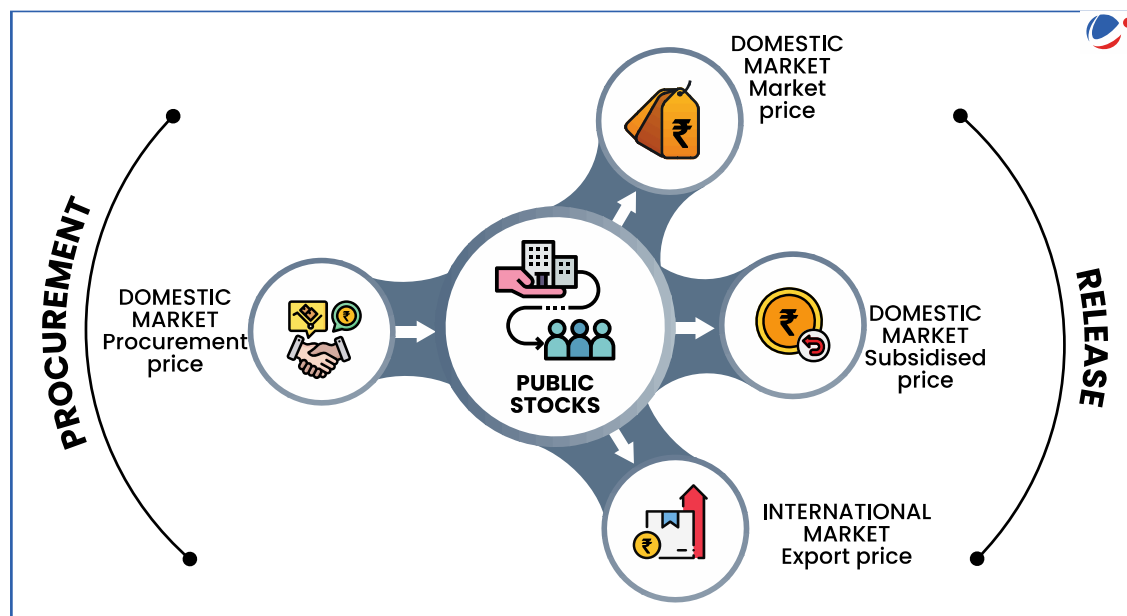
The concept was introduced in the **fourth five year plan (1969-74)**, and a buffer stock of food grain was to be maintained by FCI on behalf of the Government of India.

Buffer norms are fixed by CCEA (Cabinet committee on Economic Affairs chaired by PM) on quarterly basis as on 1st April, 1st July, 1st October, and 1st January of every financial year. The buffer norms have been revised in January 2015.

Operational stock = Stocks earmarked for TPDS + OWS and Food security stocks/reserves.

In addition to the buffer norms, a **strategic reserve** of 30 lakh tonnes of wheat and 20 lakh tonnes of rice is also maintained. This stock is termed as **Food Grain Stocking Norms**.

From 2015, Government has decided to create a **buffer stock of 1.5 lakh tonnes of pulses** to control fluctuation in their prices. **NAFED, SFAC and FCI will procure pulses for buffer stock**. Food stock above the minimum buffer norms are treated as 'Excess Stock', and government can liquidate them through export, open market sales or additional allocation to states.



Some of the inefficiencies are given below:

1. **Open-ended procurement:** FCI has to procure a large amount of grain from market due to increasing commitment of government, and has become a buyer of last resort. For instance, in 2016-17, Government ended up procuring more than 30% of the marketable surplus of wheat.
2. **Procurement Prices have become Support Prices:** Procurement prices which were kept for maintaining the buffer stock has virtually become the prices for purchasing whatever amount the farmer offers for sale. Consequently in times of scarcity, farmers don't get the benefits and in case of excess production, markets are not able to function optimally so as to restore the balance between demand and supply. Besides, the quantity purchased exceeds the storing capacity of FCI and leads to excessive damage of procured grains.
3. **One tool serving many objectives:** Using the same instrument to achieve the twin objectives of ensuring remunerative price to farmers and providing the procured food grains to the poor at highly subsidized prices creates conflicts. By implication, this entails a huge gap between the purchase price and issue price, and consequently a larger subsidy bill.
4. **Inefficient Inventory management:** In the absence of clear targets for the stock level, the whole inventory management system of the FCI becomes inefficient and thus costly.
 - a. First, the **FCI's inventory management policy has a counter-cyclical character.** The government should procure grain in times of abundant supplies in the market, and release it in times of scarcity. However, the need to meet the needs of the TPDS and the other food- based welfare schemes, the government not only withholds stocks during a bad crop year (because it expects off-take to be higher than normal), it also steps up its procurement, pushing up prices in an already supply-constrained market.
 - b. **Inefficient Inventory management:** Even after allocating to the mandated schemes and maintaining reserves, an excess of millions of tons of grain remain in the FCI godowns. There is no pro-active, pre-defined, sustainable policy practiced for this residual grain..
5. **Rising cost of Operation:** Under grain management, FCI's main heads of costs are acquisition costs, which include the pooled cost of grain and procurement incidentals, and distribution costs (these are costs involved in the allocation and distribution of grains to various states/UTs under various food- based welfare schemes). To maintain strategic stocks, FCI incurs buffer-carrying costs, which include the cost of warehousing, stock maintenance etc. and this cost of FCI is called "annual rate of buffer carrying cost". This cost has more than doubled since 2001-02.
6. **De-facto nationalization of the grain market:** With more than 75 per cent of the marketable surplus procured by the government, very little grain is available for the open market. This lower market supply exerts an upward pressure on prices in the open market, neutralizing much of the consumer benefits that the subsidy provides. Also, the Essential Commodities Act, APMC Act and state government interferences adversely affect the price competitiveness of Indian grain in the international market.

3. Food Security

3.1. Introduction

In FAO report on 'The State of Food Insecurity, 2001', food security is defined as a "situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life".

World Summit on Food Security stated that the "four pillars of food security" are **availability, access, utilization, and stability** i.e. food security over time.

To accomplish all the above criteria, requires not only an **adequate supply of food** but also

enough purchasing power capacity with the individual or household to demand adequate level of food.

Student Notes:

Food Security vis-a-vis Constitution of India

In the Constitution, there is no explicit provision on right to food.

However, the **fundamental right to life** enshrined in **Article 21** of the Constitution has been interpreted by the Supreme Court and NHRC to include right to live with human dignity, which includes the right to food and other basic necessities.

Under Article 47 (Directive Principles of State Policy) it is provided that that the State shall regard raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties.

3.2. Qualitative and Quantitative Dimensions of Food Security

The adequate supply of food involves two dimensions:

- Quantitative Dimension or overall food availability in the economy.
- Qualitative Dimension pertaining to the fulfilment of nutritional requirements.

Quantitative Dimension of Food Security in India

India gained self-sufficiency in the food grains in 1970s mainly because of green revolution and has sustained it since then. India's foodgrains production is estimated at 309.34 million tonne (MT) in the 2023-2024 crop year. Thus, in terms of per capita food requirements, India is self-sufficient in the production of major food crops like wheat and rice.

Trends in Per Capita Net Availability of Food Grain

It has remained rather stable over the years. While in 2014, it was 489 g/day, it went down to 484.3 g/day in 2018 and has risen to 514 g/day in the fiscal year 2022.

Qualitative Dimension of Food Security in India

While the per capita food availability is sufficient, food is not equally distributed. Due to anomalies in the distribution channels and disproportionate purchasing power capacity of people, the nutritional requirements of vulnerable sections are not adequately addressed.

This can be gauged from the following facts:

- According to State Of Food Security and Nutrition in The World 2020 Report of FAO, the number of undernourished people in India declined from 249.4 million in 2004-06 to 224.3 million in 2019-21
- It further said that the prevalence of stunting in children under 5 years of age in India declined from 47.8% in 2012 to 34.7% in 2019 or from 62 million in 2012 to 40.3 million in 2019.
- It estimated that the number of adults (18 years and older) who are obese grew from 25.2 million in 2012 to 70 million in 2023.
- The percentage of total women of reproductive age (15-49) affected by anaemia grew from 53% in 2015-26 to 57% in 2019-20. while the same for men rose from 22.7% to 25%. The most formidable increase—8.5% was observed for children aged 6-59 months (67.1%).
- The number of infants 0-5 months of age exclusively breastfed grew 55 percent in 2015-16 to 64 per cent in 2019-21.
- The **Global Hunger Index 2023** report has placed India at 113rd position among 125 countries, much behind Bangladesh, Pakistan and Nepal.

3.3. Challenges in ensuring Food Security

Over the coming decades, a changing climate, growing global population, rising food prices, poor agricultural growth rate (trends shown below) and environmental stress factors will have significant yet highly uncertain impacts on food security.

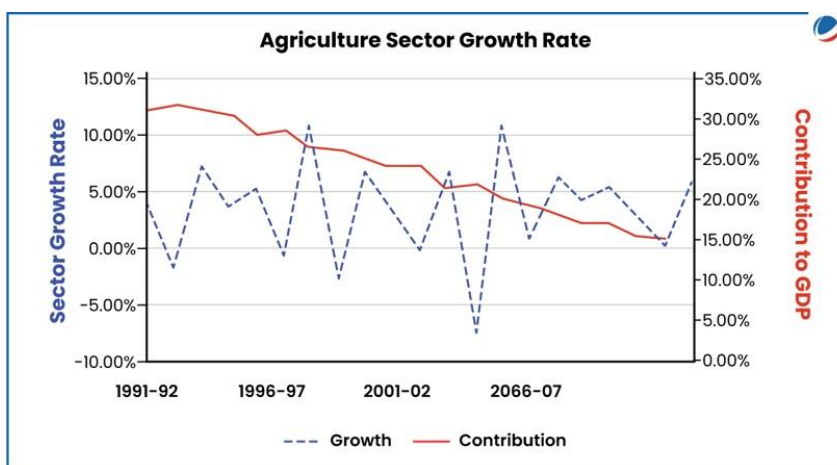
Moreover, a significant proportion of population is economically backward to be able to afford adequate food for fulfilling their dietary requirements. Despite the availability of government support programs, there have been numerous questions at international forums like WTO over government public procurement and distribution of food grains to the needy people.

To tackle the quantitative and qualitative aspect of food security problem, India provides **three food-based safety nets and one monitoring programme**.

- Public Distribution System (PDS)
- Integrated Child Development Scheme (ICDS)
- Mid-Day Meals Program (MDM)
- National Nutrition Mission (POSHAN ABHIYAAN)

3.3.1. Integrated Child Development Scheme (ICDS)

A centrally sponsored scheme launched in 1975, it is one of the largest child intervention programs in the world with a holistic package of **6 basic services for children up to 6 years of age**, and for pregnant and lactating mothers. These services are:



- Supplementary feedings (Child-500 calories, 12-15gm protein for 300 days, Pregnant mothers-600 calories, and 18-20 gm protein)
- Immunization
- Health Checkups
- Referral services
- Health and nutrition education to adult women
- Non-formal pre-school education to 3-6 years old.

3.3.2. Mid-Day Meal (MDM) Scheme

MDM is the world's largest school feeding program reaching out to about 11 crore children in Schools and Education Guarantee centres (EGS) across the country. National Program of **nutritional support to primary education**, also called MDM scheme was launched in 1995. It is a nationwide **central scheme** intended to improve:

- the enrolment and regular attendance and
- to reduce the dropouts in schools.
- to improve nutritional status of primary school children.

From 2008-09, Children from upper primary level i.e. till Class VIII were also included in the scheme. **For primary students-300 calories and 8-12 gm protein and for upper primary students-700 calories and 20 gm protein has been kept as norm.**

3.3.3. Critical Appraisal of ICDS and MDM

India's one of the biggest flagship programs, the Rs 8,000 crore-a-year Supplementary Nutrition Program (SNP) to fight child malnourishment under ICDS suffers from gross violations and misuse of rules and has failed in meeting its ends.

1. Due to **meagre allocation of resources and faulty policy designs**, the overall impact of ICDS and MDM over malnutrition has remained very limited. The states with high degree of malnutrition, have **low coverage** of both the schemes.
2. Poor quality of **nutrient deficient meal** is being served at most of the schools.
3. ICDS has limited itself with just one function of Supplementary Nutritional Program (SNP) and is not concerned about other functions. Also, it focuses on children 3-6 years of age, so, 0-3 years (when maximum nutrition is required) old suffer neglect.
4. Since food is nutrition deficient in ICDS as well, children are facing the problem of **hidden hunger** i.e. prevalence of Iodine, calcium, iron or Vitamin A deficiency.
5. Child Immunization and pre-school education is neglected under ICDS, except in Tamil Nadu (FOCUS report).
6. ICDS is poorly implemented. Also, several posts such as of CDPO and supervisors remain vacant in many states.
7. Rampant corruption, fudged records and bland panjiri has become the reality of ICDS. FOCUS reports (Focus on Children Under Six Report by Right To Food Campaign NGO) show that **corruption is the main reason for failure** of ICDS and MDM in removing malnutrition. It was found that 'panjiri' (ready-to-eat energy mix) meant for children is being used illegally to feed the cattle of rich and influential in Uttar Pradesh.
8. MDM is **falling prey to private contractors**. Also, political leaders and influential business people have formed SHGs and mahila mandals to gain such contracts.

Student Notes:



PRELIMS & MAINS INTEGRATED MENTORING PROGRAM 2025

Lakshya Prelims & Mains Integrated Mentoring Program 2025

(A 15 Months Strategic Revision, Practice, and Mentoring Program for UPSC Prelims and Mains Examination 2025)

VisionIAS introduces the Lakshya Prelims & Mains Integrated Mentoring Programme 2025, offering unified guidance for UPSC aspirants across both stages, ensuring comprehensive support and strategic preparation for success

Highlights of the Program

- Coverage of the entire UPSC Prelims and Mains Syllabus
- Highly experienced and qualified team of senior mentors
- Emphasis on themes for Prelims & Mains with High-Scoring Potential
- Focus on Current Affairs & CSAT preparation through rigorous practice
- Access to Lakshya Prelims Practice Tests (LPPT) and Lakshya Mains Practice Test (LMPT)
- Sandhan Personalised Test Series with an extensive collection of 15000+ questions
- Development of Advanced answer writing skills
- Subject-wise strategy documents and smart material for both Prelims and Mains
- Special emphasis to Essay & Ethics
- Group and Individual Mentoring Sessions
- Live Practice, Peer Interaction, and Strategy Discussions
- Regular Assessment, Monitoring, and Performance Improvement
- Confidence Building and Psychological Preparedness
- Interactive Session with Toppers, Bureaucrats, and Educationists

Date	Duration	Medium	Mode
23 rd JULY	15 Months	English & Hindi	Offline & Online

For more information & assistance:
+91 8468022022, +91 9019066066
enquiry@visionias.in

3.3.4. National Nutrition Mission

It is a flagship programme which would be executed with the Ministry of Women and Child Development (WCD) as the nodal ministry along with other ministries like Ministry of Drinking Water and Sanitation, Ministry of Health and Family Welfare etc. which ensures convergence with various programmes.

Target: The mission, to be implemented in three phases, has a target to reduce stunting, undernutrition, and low birth weight by 2 per cent per annum, and anaemia among children (of 6-59 months) and women/adolescent girls (15-49 years) by 3 per cent annually. It would also strive to achieve reduction in stunting from 38.4% (NFHS-4) to 25% by 2022 (Mission 25 by 2022).

Salient Features: The salient features of India's National Nutritional Mission include the following:

- NNM as an apex body will monitor, supervise, fix targets and guide the nutrition related interventions through the life cycle concept.
- Mapping of various schemes contributing under malnutrition
- ICT (Information and Communication Technology) based real time monitoring system.
- Incentivizing states/UTs for meeting targets
- Incentivizing Anganwadi Workers (AWW) for using IT based tools and eliminating the need for registers
- Measurement of height of children at Anganwadi Centres
- Social Audits to track the health progress of the children
- Setting-up Nutrition Resource Centres

3.4. National Food Security Act, 2013

It marks a paradigm shift in approach to food security – from a welfare to rights based approach. The Act legally entitles up to 75% of the rural population and 50% of the urban population to receive subsidized foodgrains under Targeted Public Distribution System. About 67% of the total population therefore is covered under the Act to receive highly subsidized foodgrains.

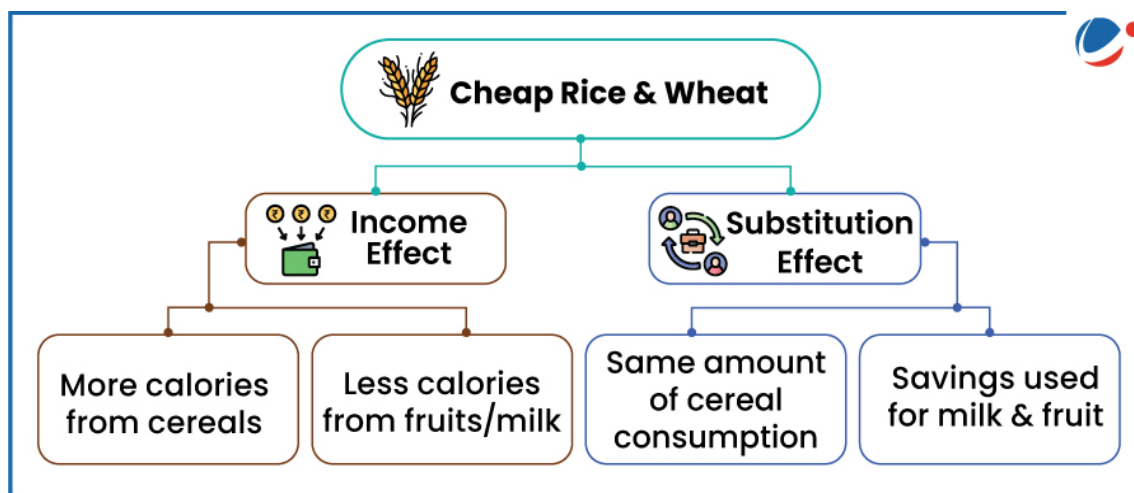
The Act seeks to provide food and nutritional security in human life cycle approach, by **ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity** and for matter connected therewith or incidental to it. The Act brings the **Right to Food** within the framework of legally mandated entitlements.

Key Features of the Act

- The act provides for coverage of up to 75% of the rural and up to 50% of the urban population for receiving highly subsidized foodgrains under TPDS.
- The Act entitles 35 kg of foodgrains per AAY Household per month, whereas 5 Kg of foodgrain per PHH Person per month.
- Identification of beneficiaries/households under NFSA is done by respective State/UT Government, which is required to frame its own criteria.
- Eldest woman of the beneficiary household (18 years or above) is considered as 'Head of Family' for the purpose of issuing ration cards.

Food Security & Nutritional Security

The National Food Security Act primarily focuses on providing food security via expansion of the PDS. However, the extent to which this would lead to nutritional security depends on the manner in which households respond to the availability of cheap cereals.



Effect of Cereal Subsidies:

Households keep on balancing their needs like ensuring adequate calorific consumption, enhancing the quality of their diets, improving living conditions and investing in the health and education of household members. Cereal subsidies are thought to have two kinds of effects:

- **Income Effect:** For those households that value dietary diversity, being able to buy cheap cereals will free up money to purchase other foods such as milk, fruits, nuts, and perhaps eggs and meat.
- **Substitution Effect:** For households that have other dominating consumption needs, money saved by purchasing subsidised cereals may be devoted to those needs and diverted from food expenditure (substitution effect).

Although communicable diseases remain dominant in the country, the prevalence of NCDs is rising. Cardiovascular diseases, strokes, diabetes, and cancer are the four leading NCDs in India. India has the highest number of people with diabetes in the world.

Some part of this increase in the occurrence of the disease can be attributed to the rising consumption of processed foods and refined foodgrains as unprocessed foods and healthier cereals like small millets are considered inferior foods that households abandon as they get rich. However, increasing incomes have not led to improving diets.

ADVANCED COURSE GS MAINS 2024



LIVE/ONLINE
CLASSES AVAILABLE

Targeted towards those students who are aware of the basics but want to improve their understanding of complex topics, inter-linkages among them, and analytical ability to tackle the problems posed by the Mains examination.

Covers topics which are conceptually challenging.

Approach is completely analytical, focusing on the demands of the Mains examination.

Duration: 12 weeks, 5-6 classes a week (If need arises, class can be held on Sundays also)

Comprehensive current affairs notes

Sectional Mini Tests

Customizable selection of GS Paper I, II, III, IV based on preparation needs



ENGLISH MEDIUM | 25 JUNE 1PM

हिन्दी माध्यम | 28 जून 1PM

4. WTO and India's Food Security Objectives

India's foodgrain policy, particularly its public stockholding programs and the associated subsidies, has been a contentious issue at the World Trade Organization (WTO).

4.1. Key Issues at the WTO

- **Public Stockholding Programs:** India's public stockholding for food security involves purchasing foodgrains (like rice and wheat) from farmers at minimum support prices (MSPs) and distributing them at subsidized rates to the poor through the Public Distribution System (PDS). The WTO's Agreement on Agriculture (AoA) allows for public stockholding but imposes strict limits on the extent of subsidies that can be provided without distorting trade.
- **Subsidy Limits and WTO Rules:** Under the AoA, domestic support measures are classified into different boxes—Green, Amber, Blue, and De Minimis:
 - **Amber Box:** Trade-distorting subsidies subject to reduction commitments. MSPs often fall under this category.
 - **De Minimis:** Minimal amounts of domestic support that are exempt from reduction commitments. For developing countries, this is set at 10% of the total value of agricultural production.
 - India argues that its food security programs are vital for its large population, but other WTO members claim that India's subsidies exceed these limits, thus distorting international trade.
- **Peace Clause:** In 2013, during the Bali Ministerial Conference, WTO members agreed on a temporary "Peace Clause," which protects developing countries' public stockholding programs from legal challenges even if they breach subsidy limits. This clause is in place until a permanent solution is found, but its temporary nature and the conditions attached create uncertainty and ongoing disputes.

4.2. Background and Context

- **India's Food Security Needs:** With a significant portion of its population living in poverty and dependent on subsidized food, India considers its public stockholding programs essential. These programs ensure food security and support rural livelihoods by guaranteeing a minimum price to farmers.
- **Global Trade Concerns:** Other WTO members, particularly major agricultural exporters like the United States and Australia, argue that India's high subsidies and stockpiling can lead to excess production and dumping in international markets, disrupting global trade and affecting farmers in other countries.
- **WTO's Norms and Reform Pressures:** The WTO's rules on agricultural subsidies were established with the understanding that developed countries had to reduce their high subsidy levels. Developing countries like India, which argue for greater flexibility due to their development needs, find themselves under pressure to conform to these rules, leading to calls for reform and updated frameworks.

4.3. International Reactions and Negotiations

- **Developed Countries:** Nations like the US and the EU have repeatedly criticized India's subsidy regime, arguing it distorts trade and undermines fair competition. They push for stricter enforcement of WTO rules and greater transparency in India's stockholding operations.
- **Developing Countries:** Many developing nations support India's stance, recognizing the importance of food security programs and the challenges faced by low-income farmers. They advocate for more lenient rules or exceptions under the WTO framework to accommodate these needs.

- **WTO Negotiations:** The discussions at the WTO have been protracted, with little consensus on a permanent solution. India continues to seek a broader interpretation of the Peace Clause or a permanent exemption for its public stockholding programs.

4.4. Challenges and Considerations

- **Compliance vs. Food Security:** Balancing compliance with WTO rules and meeting the food security needs of a large population is a significant challenge for India. While adhering to subsidy limits, India risks compromising its ability to support farmers and provide affordable food to the poor.
- **Transparency and Accountability:** Critics argue that India needs to be more transparent about its stockholding and subsidy practices. Improved reporting and compliance mechanisms could address some international concerns while supporting India's domestic objectives.
- **Future of Global Agricultural Trade:** The broader debate on India's foodgrain policy reflects larger issues in global agricultural trade, including disparities in subsidy practices between developed and developing countries and the need for reforms to create a fair and equitable trading system.

5. Previous Year UPSC Mains Questions

1. Food Security Bill is expected to eliminate hunger and malnutrition in India. Critically discuss various apprehensions in its effective implementation along with the concerns it has generated in WTO. (2013)
2. Food Security Bill is expected to eliminate hunger and malnutrition in India. Critically discuss various apprehensions in its effective implementation along with the concerns it has generated in WTO. (2013)
3. What are the reformative steps taken by the government to make food grain distribution system more effective? (2019)
4. What are the salient features of the National Food Security Act, 2013? How has the Food Security Bill helped in eliminating hunger and malnutrition in India? (2021)
5. What are the major challenges of Public Distribution System (PDS) in India? How can it be made effective and transparent? (2022)



DAKSHA MAINS MENTORING PROGRAM 2025

(A Strategic Revision, Practice, and Enrichment Mentoring Program for Mains Examination 2025)



DATE
23rd JULY

DURATION
5 Months

HIGHLIGHTS OF THE PROGRAMME

<ul style="list-style-type: none">  Highly experienced and qualified team of mentors  Scheduled group sessions for strategy discussions, live practice, and peer interaction  Well-structured revision and practice plan for GS Mains, Essay & Ethics  Access to Daksha Mains Practice Tests 	<ul style="list-style-type: none">  Emphasis on score maximization and performance improvement  Personalized one-to-one sessions with mentors  Subject-wise strategy documents based on thorough research  Continuous performance assessment, monitoring and smart interventions
--	--



For any assistance call us at:
+91 8468022022, +91 9019066066
enquiry@visionias.in

6. Vision IAS GS Mains Test Series Questions

Student Notes:

1. *The Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) has transformative potential beyond food security for India. Discuss.*

Approach:

- In the introduction, give an overview of the Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS).
- Briefly discuss its role in ensuring food security in India.
- Elaborate the benefits of SMART-PDS beyond food security.
- Conclude appropriately.

Answer:

Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) is a concept that leverages modern information and communication technology (ICT) and automation in India's Public Distribution System.

It will create an integrated national level dashboard for monitoring of end-to-end operations of public distribution system (PDS) through usage of cutting-edge technologies.

Role of SMART-PDS in ensuring food security in India:

- SMART-PDS will help ensure **timely delivery of food grains** to the 800 million beneficiaries under the National Food Security Act (NFSA), as it links all the functions with technology, right from procurement of grains from the farmers across states till the distribution.
- It will help in **preventing leakages** with the use of smart ration cards, Aadhaar seeding of ration cards and automation of Fair Price Shops (FPS).
- The beneficiaries will be able to **access their entitled food grains from any FPS of their choice**, as SMART-PDS will enable nationwide portability of ration card holders/beneficiaries covered under the NFSA through the One Nation One Ration Card (ONORC) plan.

Thus, SMART-PDS will help prevent leakage of food grains and ensure timely delivery of food to the beneficiaries. But, **this system goes beyond food security in the following ways:**

- **Data-driven decision-making:** Under SMART-PDS, a lot of data is being generated and stored everyday by the states/UTs. Such data can be used to generate critical information about the beneficiaries, their food security needs and patterns of migration, which can be leveraged by other Central Ministries and state governments. The Union and state governments can leverage this data to ensure efficient delivery of critical Central welfare schemes to the most vulnerable sections of our society.
 - For example, data generated under the ONORC scheme is being used in other schemes such as e-Shram portal, Ayushman Bharat, and PM-Street Vendors AtmaNirbhar Nidhi (PM-SVANidhi) Yojana.
- **Better accountability:** A national-level common dashboard will be used as part of SMART-PDS to monitor functions from procurement of grains from the farmers across states till the distribution of the supplies through fair price shops on a real time basis. Thus, the data generated from the SMART-PDS will allow better monitoring of outcomes and accountability in their implementation.

- **Efficient supply chain:** Data analytics and ICT tools will help integrate all the operations relating to PDS of Food Corporation of India, Central Warehousing Corporation, food grain transportation of railways and roads, etc., and will thus help in improving the supply chain networks and reducing wastage.
- **Technology upgradation in states:** Technology-led reforms are expected to overcome the state-level technological limitations of PDS operations concerning IT hardware, software and technical manpower. This will also institutionalise an integrated central system for all PDS-related operations across all states/UTs.

SMART-PDS is the need of the hour, therefore, all the States/UTs should make earnest efforts to implement it at the earliest.

2. Examine how digital transformation of the Public Distribution System (PDS) in India has helped in addressing the challenges besetting it.

Approach:

- Give a brief context about the Public Distribution System (PDS).
- Highlight the challenges faced by the PDS in India.
- Write about the impact of digital transformation on the Public Distribution System.
- Conclude by briefly suggesting some measures that need to be taken further.

Answer:

The **Public Distribution System (PDS)** has evolved as a system of management of scarcity through distribution of food grains at affordable prices. It has the objective to provide food and nutritional security, stabilize food prices, redistribution of food, and maintain buffer stock.

However, the PDS in India has been beset with certain challenges, including:

- **Bogus cards and ghost beneficiaries:** Due to the ghost beneficiaries, grains are deflected to the open markets and sold at higher prices, which leads to the shortage of food grains for the deprived and vulnerable people. For instance, it was revealed in 2020 that nearly 22% of PDS cards in Chhattisgarh were found to be bogus (16 lakh PDS cards out of 72 lakh cards).
- **Identification failures and denial of entitlements:** Due to factors like poor quality of fingerprints, intermittent network, non-possession of the Aadhaar or failure of biometric authentication, many deserving families do not get rations.
- **Leakages:** According to the NSSO (2011-2012), leakage in PDS is about 46.7 percent due to leakages of the food grains during transportation.
- **Differentiated impact on married women:** When a woman marries and leaves a qualifying household to join another, she must register on the new family ration card to ensure that she continues to receive food rations. However, doing so is a cumbersome process, which has left many women without access to subsidised food.

To address these issues, there has been a push towards digitizing the PDS over the last couple of years. The initiatives include linkage with Aadhaar card and maintenance of digital records at Fair Price Shops.

These initiatives have led to the following impact on the Public Distribution System:

- **Increased transparency: End-to-end computerization** has resulted in increased efficiency and transparency of the distribution (allocation, inventory, tracking) as witnessed in Chhattisgarh, Tamil Nadu, Delhi and Madhya Pradesh. Also, **smart ration**

cards have features of data storage and check on counterfeiting. It is being implemented in Haryana, Andhra Pradesh and Odisha.

- **Identification of rightful beneficiaries: Electronic Point of Sale (ePoS)** devices are being installed at Fair Price Shops (FPSs) for distribution of food grains through authentication and electronic record-keeping of the sale transactions. At present, out of 5.33 lakh Fair Price Shops (FPSs), about 5.07 lakh (95.0%) of FPSs have ePoS devices that confirm identification through biometric/Aadhaar authentication.
- **Tracking:** GPS is being used in tracking movement of trucks from depot to FPS, thus providing a strict vigil on any diversion and leakage of food grains.
- **Data collection and storage: IM-PDS and Annavitran portals** that are parts of 'One Nation, One Ration Card (ONORC)' provide a central repository of all ration cards and beneficiaries' data- portability. The **Annavitran** portal hosts the data of distribution of food grains through E-PoS devices within a state.

Providing better connectivity, faster network, installing more devices per shop, establishing additional call centers to address technical queries, analyzing the technology adoption behaviour for improved policies and promoting digital literacy can further help address the issues pertaining to the PDS.

3. What do you mean by operational stocks and strategic reserves in the context of foodgrain stocking norms of India? Provide a critical evaluation of the buffer stocking policy of India.

Approach:

- Define operational stocks and strategic reserves in the introduction.
- Briefly mention the significance of the buffer stocking policy of India.
- Provide a critical evaluation of the buffer stocking policy of India.
- Conclude accordingly.

Answer:

Operational stocks are maintained to **cater to the distribution requirements** under **public distribution schemes** and other welfare schemes. **Strategic reserves** are surplus stocks held by the Food Corporation of India (**FCI**) beyond operational requirements, which serve the purpose of **stabilizing food prices** and **addressing urgent grain demands**.

The buffer stocking policy of India plays a key role in providing food security, stabilizing prices and averting crisis by **managing the fluctuation in demand**, ensuring a **secure food supply** and **keeping a tab on price spike or crash**. But there are some concerns associated with this policy, as given below:

- **Open-ended procurement:** The government **buys an unlimited quantity** of grains from farmers at the Minimum Support Price (MSP) **leading to excessive stocks**, which are much higher than the official norms.
 - For example, **stock of around 243 LMT of rice and 281 LMT of wheat in August 2023 remained above the official limit.**
- **Financial burden: Addressing several interconnected objectives** like supporting food producers, ensuring food availability, stabilizing food grain prices, providing food security, etc., leads to a **significant gap** between the **purchase price** and the **issue price** resulting in a **larger subsidy bill for the government**.
 - For example, the food subsidy bill amounted to **Rs. 2.88 lakh crore** in FY 2021-22.
- **Ineffective procurement:** Since procurement prices are fixed and announced before the sowing period, **changes in the supply-demand situation** between the sowing and

the harvesting period **causes stress** and strains the government's procurement operations.

- *For example, in years of bumper crops, **despite low market price**, there is **pressure on the government to purchase large quantities at the fixed procurement price**, even if it exceeds requirements and vice-versa.*
- **Lack of proper storage conditions:** The **storage capacity** of the FCI is **not adequate** to store the procured grains under the buffer stocking policy. Further, factors like pests, water leaks, etc. contribute to the damage of food grains in the godowns.
 - *For example, according to the Ministry of Consumer Affairs, Food and Public Distribution, every year, more than **1500 MT of food grains gets wasted in the godowns**.*
- **Limited private sector participation:** Higher MSPs, higher state bonuses, excessive state control, etc., have **strangled private sector participation** in the Indian grain market.
 - *For example, restrictions imposed by legislations like the **Essential Commodities Act, 1955** hinders private sector participation.*
- **Lack of crop diversification:** Focus on crops like **wheat and rice** is leading to **excess production** of these crops while there is a **deficit of other crops** such as oil seeds resulting in the import of edible oils.
 - *For example, India **imports about 56%** of its total **annual edible oil** consumption of around 24 to 25 MT.*

In the long term, there is a **need for evaluation and rationalisation of the buffer stocking policy** in order to reduce the burden on the Central and state exchequers and to promote efficiency in the food management system.

4. India faces the 'triple burden of malnutrition' that threatens to erode the growth and development of its human resources and economy. Explain. Also highlight the role of the National Nutrition Strategy to address the nutritional challenges.

Approach:

- Introduce by explaining the meaning of 'triple burden of malnutrition'.
- Highlight the status of malnutrition in India citing various reports.
- Briefly discuss the National Nutrition Strategy and its role in tackling nutritional challenges.
- Conclude accordingly.

Answer:

The **UNICEF's state of the World's Children 2019 report** focused on the triple burden of malnutrition, i.e. under-nutrition, hidden hunger and overweight children under the age of five. It threatens to erode the growth and development of its human resources and economy in following ways:

- **Human resource:** Malnutrition **affects educational development** since children who are malnourished from an early age are severely disadvantaged in their ability to learn. This ultimately leads to lack of cognitive development and hampers physical productivity as well.
 - These children later in life go on to **earn 20% less** than other adults who are well-nourished in their childhood.
 - As per Lancet journal, **17.3% of India's productive years of life were lost in 2018** alone due to multiple forms of malnutrition causing ill-health, disability or early death.

- **Economy:** As per a study, **micronutrient malnutrition costs** India between 0.8% and 2.5% of its GDP, which is equivalent to \$15–46 billion. Moreover, **additional medical costs** due to ill health cumulatively can reduce GDP by 2 to 11%.
 - In fact, **changing nature of work** in contemporary times where most manual jobs will eventually be automated, cognitive skills and socio-emotional proficiency that cannot be easily provided by machines will be essential. This will determine competitiveness of a country's workforce.

To tackle this challenge, NITI Aayog released the National Nutrition Strategy in 2017 with the goal of attaining "Kuposhan Mukh Bharat" by 2022. It can play a crucial role in the following manner:

- **Reduce malnutrition:** It aims to reduce all forms of malnutrition by 2030, with a focus on the most vulnerable and critical age groups along with assisting in achieving the targets identified under SDGs related to nutrition and health.
- **National Nutrition Mission:** It will enable integration of nutrition-related interventions cutting across sectors like women and child development, health, food and public distribution, sanitation, etc.
- **Decentralized approach:** It will enable decentralized planning and local innovation along with accountability for nutrition outcomes due to greater flexibility at the state, district and local levels as well as strengthening of the ownership of local bodies over nutrition initiatives.
- **Interventions for improving healthcare and nutrition among children:** It includes promotion of breastfeeding, micronutrient supplements, enhanced care of severely undernourished and sick children etc.
- **Improve maternal care and nutrition:** It includes supplementary nutritional support during pregnancy and lactation, health and nutrition counselling, Institutional childbirth, improved post-natal care etc.
- **Governance reforms:** It includes convergence of state and district implementation plans for ICDS, NHM and Swachh Bharat, focus on the most vulnerable communities, and evidence-based service delivery models.

These efforts are directed to ensure that the resource base which has been eroded by malnutrition and which undermines their survival, health, cumulative learning capacities and productivities is efficiently addressed.

5. *Though the National Food Security Act, 2013, is considered as a potential revolutionary step towards the fight against hunger, it has inherent challenges, which need to be addressed to ensure food security for all. Discuss.*

Approach:

- Give an overview of the National Food Security Act (NFSA), 2013.
- Explain how it is a potential revolutionary step towards fighting hunger.
- Discuss the challenges that exist in the NFSA, 2013 that need redressal.
- Conclude briefly.

Answer:

The National Food Security Act (NFSA), 2013 was enacted by the Indian government in response to the pressing need to address the problems of hunger, undernourishment, and poverty. Its primary objective is to provide subsidised food grains to approximately 67% (75% in rural areas and 50% in urban areas) of the 1.2 billion citizens of the nation through the public distribution system.

The NFSA, 2013 is considered as a revolutionary step towards fighting hunger, as it contains the following provisions:

- **Food entitlement to priority households:** There is entitlement of total five kilograms of wheat, rice and millets per person per month at subsidized prices of Rs. 3/kg, Rs. 2/kg and Rs. 1/kg, respectively, to the priority households identified by the state governments as per the guidelines from the Government of India.
- **Care of pregnant women:** Free meals to pregnant women up to six months from the birth of a child, and maternity benefits up to 6,000 rupees is also provided.
- **Nutritional care of children:**
 - There is a provision of free meal with appropriate nutritional standards at local anganwadis (childcare centres) to the children of six months to six years of age.
 - For the children of age group of six to 14 years, there is a provision of one cooked meal per day (mid-day meal) in the schools.
- **Food security allowance:** In case of non-supply of the food grains to the entitled individuals, provision of cash-in-lieu benefits is also there.

However, there are inherent challenges that the NFSA, 2013 needs to address, which include:

- **Poor infrastructure of anganwadi centres:** Most of the infrastructure of Integrated Child Development Scheme centres, which includes sanitation, clean spaces, drinking water, and requisite staff are constrained, making it impossible for them to provide essential services at large.
- **Inadequate storage capacity:** The Food Corporation of India, whose responsibility is to stock food grains after procurement, lacks adequate space and the storage infrastructure is believed to be storing double its capacity leading to rotting of grains, wastage due to fungus and pilferage.
- **Lack of awareness:** There is lack of awareness when it comes to the entitlements, which the respondents are to receive under the **AAY (Antyodaya Anna Yojana) card**, which was reflected during the COVID-19 pandemic. The migrant workers are also not aware of **One Nation One Ration Card plan** or the **e-shram portal** for them to avail the benefits of food security from essentially any part of the country.
- **Exclusion of beneficiaries:** Aadhar-led digitalisation has resulted in the exclusion of beneficiaries in many states because of technical issues like lack of clear fingerprints, issues with iris scan, etc.
- **Nutrition deficiency:** The idea of food security has evolved and also includes a wholesome nutritional diet for the appropriate cognitive development of child and mother which cannot be fulfilled by provision of just food grains.
- **Costs involved:** To be able to provide food to about 67% of the population is itself a financial burden on the exchequer to fulfil.

An effective and digitalised Targeted Public Distribution System (TPDS) across states, adequate provisioning of infrastructure, revision of Central Issue prices, resolving inclusion and exclusion errors along with incorporating suggestions of the Shanta Kumar Committee will go a long way in addressing the concerns of the NFSA, 2013. Right to food along with nutritional security must go hand-in-hand for achieving the objectives of the Act.

Copyright © by Vision IAS

All rights are reserved. No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission of Vision IAS.

Heartiest Congratulations

to all Successful Candidates



16

in TOP 20 Selections in CSE 2023

from various programs of Vision IAS

Aditya Srivastava



**Animesh
Pradhan**



Ruhani



**Srishti
Dabas**



Anmol



Nausheen



**Aishwaryam
Prajapati**

39

Selections

in TOP 50
in CSE 2022



**Ishita
Kishore**



**Garima
Lohia**



**Uma
Harathi N**



SHUBHAM KUMAR
CIVIL SERVICES
EXAMINATION 2020



DELHI

HEAD OFFICE

Apsara Arcade, 1/8-B 1st Floor,
Near Gate-6 Karol Bagh
Metro Station

MUKHERJEE NAGAR CENTER

Plot No. 857, Ground Floor,
Mukherjee Nagar, Opposite Punjab
& Sindh Bank, Mukherjee Nagar

GTB NAGAR CENTER

Classroom & Enquiry Office,
above Gate No. 2, GTB Nagar
Metro Building, Delhi - 110009

FOR DETAILED ENQUIRY

Please Call:
+91 8468022022,
+91 9019066066



enquiry@visionias.in



[/c/VisionIASdelhi](https://www.youtube.com/c/VisionIASdelhi)



[/visionias.upsc](https://www.facebook.com/visionias.upsc)



[/vision_ias](https://www.instagram.com/vision_ias)



[VisionIAS_UPSC](https://www.telegram.com/VisionIAS_UPSC)

