



SUBSIDY AND NATIONAL FOOD SECURITY ACT-2013

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Abstract

India's high economic growth rate in the past decade has not been fully reflected in the health status of its people, with 22 per cent of its population undernourished. India is the developing country in the world 65 per cent population working in the agriculture sector. Economic reforms initiated in India during 1991 have put Indian economy on a higher growth path. The national food security act provides for the coverage of up to 75 per cent of rural population and up to 50 per cent of the urban population for the receiving subsidized food grains under targeted public distribution system (TPDS). 18.04 Crore beneficiaries Antyodaya Anna Yojana (AAY), Below Poverty Line (BPL) & Above poverty line (APL) families under TPDS. According to the National Advisory Council (NAC) projections the total subsidy will work out to Rs.71,837 Crores in the first phase and Rs. 79,931 Crores in the final phase. In the year of 2014-2015 total food Subsidy increased Rs. 1,13,171. So burden of subsidy on central government budget and increase the all type deficit. The food security act such as success on the implementation of proper route.

Introduction

India is the developing country in the world 65 per cent population working in the agriculture sector. Economic reforms initiated in India during 1991 have put Indian economy on a higher growth path. Agricultural Sector to achieve targeted 4 per cent growth rate is an obstacle to double digit growth in India 14 percent GDP share of agriculture sector in India. India's high economic growth rate in the past decade has not been fully reflected in the health status of its people with 22 per cent of its population Undernourished.

As passed by the parliament, Government has notified the national food security Act. 2013 on 10th Sept. 2013 the objective to provide for food and nutritional security in human life cycle approach. The act provides for coverage of up to 75 per cent of the rural population and Up to 50 per cent of the urban population for receiving subsidized food grains under targeted public distribution system (TPDS). India's public distribution system (PDS) is the largest distribution network of its kind in the world.

In article 21 constitutions the supreme court of India has laid down the right of food and safe drinking water is a basic human right in India. Food should be provided to all as a matter of right without inflicting any humiliation on the poor. During the last three years, the growth rates in agriculture have been fluctuating at 1.5 per cent 2012-13, 4.2 per cent in 2013-14 and -0.2 per cent in 2014-15.

Keywords: - Food Security Bill features, Beneficiaries of Targeted Public. Distribution system (TPDS), Indian Poverty estimates, Food Production, food subsidies, nutritional standards, state wise food grains allocation

Features of the National Food Security Act 2013

1. Up to 75% of the rural population and 50% the urban population will be covered under TPDS.
2. The Priority households (46% in rural areas and 28% in urban) to have a monthly entitlement of 35 kgs at a subsidized price of Rs.1 Per kg. for millets Rs.2 per kg for wheat and Rs.3 per kg for rice.
3. State wise coverage will be determined by the central Government.
4. Nutritional support to women and children.
5. Pregnant woman and lactating mothers will also be entitled to received maternity benefit of not less than Rs.6000.
6. The minimum coverage entitlement and price to remain unchanged until the end of the XII five year plan.
7. Grievance Redressal Mechanism.
8. Food Security Allowance.
9. Reforms of the public Distribution system.
10. Women Empowerment.
11. Transparency and Accountability.

Beneficiaries of TPDS

Under TPDS beneficiaries were divided into two categories :

- Households below the poverty line or BPL
- Households above the poverty line or APL



Antyodaya Anna Yojana (AAY)

The AAY scheme was started in Dec.2000 for the poorest among the BPL families individuals in the following priority groups are entitled to an AAY card, including:

- Landless agricultural labourers
- Marginal farmers
- Rural artisans/ craftsmen
- Slum dwellers
- Households headed by widow or terminally ill persons, disabled persons, persons aged 60 years all primitive tribal households 18.04 Crores Beneficiaries (AAY, BPL, APL) Families under TPDS.

Table-1 National Percentage Poverty Estimates (1993-2012)

Year	Rural	Urban	Total
1993-94	50.1	31.8	45.3
2004-05	41.8	25.7	37.2
2011-12	25.7	13.7	21.9

Source: Planning commission 2013

According to the data, the percentage of the total and urban population that is poor has declined by 23.4 percent point's from 1993-94 to 2011-12. In 2009, a planning commission expert group chaired by Suresh Tendulkar below state-wise poverty estimates below.

Table-2 State Wise Poverty Estimates (1993-2012)

State	1993-94	2004-05	2009-10	2011-12
Andhra Pradesh	44.6	29.9	21.1	9.2
Delhi	15.7	13.1	14.2	9.9
Goa	20.8	25.0	8.7	5.1
Kerala	31.3	19.7	12.0	7.1
Punjab	22.4	20.9	15.9	8.3
Maharashtra	47.8	38.1	24.5	17.4
Gujarat	37.8	31.8	23.0	16.6
Karnataka	49.5	33.4	23.6	20.9
Bihar	60.5	54.4	53.5	33.7
All India	45.3	37.2	29.8	21.9

Source: Planning Commission 2013

Food Production and Subsidy

Under the national food security act the centre would be required to procure nearly 61 million Tones of food grains consistently every year to deliver rights under the law.

Table-3 Production of Wheat and Rice

Year	Wheat	Rice	Total (millions tones)
2000-01	69.68	84.94	154.66
2001-02	72.77	93.34	166.11
2002-03	65.76	71.82	137.58
2003-04	72.16	88.53	160.69
2006-07	75.81	93.36	169.17
2009-10	80.68	89.13	169.84
2010-11	82.00	95.41	177.41
2011-12	83.61	104.21	187.82
2013-14	85.61	106.41	192.02
2014-15	88.90	104.80	193.70

Source: Economic Survey of India -2015-16



Accordingly we have assumed that it will be possible to procure 30% of the total production which translates to 56.35 Millions tones in 2011-12 and 57.61 Million Tons in 2013-14. It is estimated by the Department of Agriculture that the marketable surplus of wheat and rice in 2010-11 was about 106.5 Million tones. In addition to the physical food grain requirement, the proposed NFSB has large subsidy implications. Firstly according to the NAC projections the total subsidy will work out to Rs.71,837 crores in first phase and Rs.79,931 Crores in the final phase.

Table-4 Quantum of Food Subsidies Released by Government

Year	Food Subsidy (Rs. Crore)	Annual Growth (Percent)
2001-02	17,494	45.66
2002-03	24,176	38.20
2003-04	25,160	4.07
2004-05	25,746	2.33
2005-06	23,071	10.39
2006-07	23,827	3.28
2007-08	31,259	31.19
2008-09	43,668	39.69
2009-10	58,242	33.38
2010-11	62,929	8.05
2011-12	72,370	13.04
2012-13	84,554	14.40
2013-14	89,740	5.77
2014-15	1,13,171	20.70
2015-16*	1,05,509	-7.26

Source: Economic Survey of India 2015-16 Page No. 120 * Provisional

Above table show that last 15 years food subsidy increase from Rs. 17,494 Crore to Rs. 1,13,171 Crore in the years of 2001-02 to 2014-15. Above table mentioned that food subsidies released by government of India. The Government therefore, Continues to provide large and growing amount of subsidy on food grains for distribution under the TPDS, the nutrition-based welfare schemes, and open market operations the food past few years putting severe strain on the public exchequer food subsidy has increased next years. Food subsidy as a percentage of GDP has increased from 0.5% in 2007-08 to 0.8% in 2012-13. The Government estimated the annual cost of implementation at about Rs.95000 Crore. The standing committee, the central government estimated that the actual expenditure or the food subsidy would be closer to Rs. 1,12,000 Crore. Other experts such as the CACP have estimated an expenditure of about Rs.6 Lakh Crore for the next three years.

Nutritional Standards

The nutritional standards for children in the age group of 6 months to 3 years, age group of 3 to 6 years and pregnant woman and lactating mothers required to be met by providing “Take Home Rations” or nutritious hot cooked meal in accordance with the integrated child development services scheme and nutritional standards for children in lower and upper primary classes under the mid day meal scheme are as follows:

Table 5: Nutritional Standards

S. No	Category	Type of Meal	Calories (Kcal)	Protein G
1	Children (6 months to 3 years)	Take Home Ration	500	12-15
2	Children (3 to 6 years)	Morning Snack and Hot cooked meal	500	12-15
3	Children (6 months to 6 years) who are malnourished	Take Home Ration	800	20-25
4	Lower Primary classes	Hot Cooked meal	450	12
5	Upper primary classes	Hot Cooked meal	700	20
6	Pregnant Woman and lactating mothers	Take Home Ration	600	18-20



Table-6 State Wise Allocation of Food Grains

S. No	Name of states	Quantity (in lakh tons)
1	Andhra Pradesh	32.10
2	Bihar	55.27
3	Delhi	5.73
4	Gujarat	23.95
5	Karnataka	25.56
6	Maharashtra	45.02
7	Uttar Prades	96.15
8	Madhya Pradesh	34.68
9	Kerala	14.25
10	West Bengal	38.49
Total India		549.26

Source: Economic Survey of India 2011-12

Above table mentioned that state –wise allocation of food grains. Total India allocation of food grains 549.26 lakh tones .Maharashtra state distribution of food grains 96.15 Lakh tones.

Table-7 Prevalence of Undernourishment in India

Years	No. Persons of Undernourished (In Millions)	Proportion of Undernourished in Total Population (In Per cent)
1990-92	210.1	23.7
2000-02	185.5	17.5
2005-07	233.8	20.5
2010-12	189.9	15.6
2014-16 *	194.6	15.2

Source- Economic Survey of India -2015-16 Page No.117 * Provisional

Above table show that, India has the second highest number of Undernourished people at 194.6 million persons. There is a strong correlation between stability in agricultural production and food security.

Conclusion

Effect depends on the effective implementation of proper mechanisms there may be decrease in problem of agricultural labors. Food security and welfare of the state is related with each other.

- Precise identification of Beneficiaries.
- Timely delivery of food grains to FPS States to strive to make doorstep delivery to FPS.
- Rapid roll out of IT in PDS on priority.
- Creation of additional storage capacity both at central and state level.

The Nutritional standards for children in the age group of 6 months to 3 years and pregnant women and lacting mothers. This food security Act as increase food subsidy in next year. So burden of central government budget. The food security Act such as success on the implementation of proper route. The declining growth in agriculture owing to two consecutive years and with decline in production and area sown of major crops , agriculture sector needs a transformation to ensure sustainable livelihoods for the population.

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