



Mains Practice Questions

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Q. The real challenge to India's food security is poor grain management rather than a shortage of grain production. Comment. (250 words)

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Approach

- Highlight grain production (supply-demand) with some facts, is not a problem
- Highlight challenges in grain management i.e. supply chain. Consequently or simultaneously relate these issues with Food Security.
- Steps to resolve issues as way forward.

*In economics answers quoting committees, data, graphs, fiscal implications, Acts etc. to support your point can be marks fetching strategy.

Introduction

As per FAO, India's present food grain production is over 275 million tonnes while annual per capita consumption is nearly 160 kg. Despite sufficient grain production, what India lacks currently is efficient grain management, which includes proper storage and distribution.

With an increasing population (touching 1.8 billion by mid-21st century), limited net sown areas, rising fiscal deficit, inflation and objectives to be fulfilled under National Food Security Act the supply-demand congruency has to be achieved from efficient grain management.

Body

Current Challenges in Grain Management

- Procurement being open-ended while distribution limited through PDS.
- Inadequate storage with FCI, leading to wastages.
- Not efficiently monetizing excessive stocks apart from Buffer Stocks through Open Market Operations.
- Centralised role of FCI in procurement and distribution: less involvement of private entities.
- MSP regime focusing on certain crops like wheat and rice leaving less market space for other cereals like coarse grains.
- NFSA coverage over 67%, despite India's growing purchasing power at an individual level. This increases the subsidy burden on the state exchequer.
- Poor targeting: Some states provide the bulk of grain in FCI's basket-like Haryana and Punjab; beneficiaries.
- Leakages and inefficient working of institutions like FCI. Shanta Kumar committee observed 47% leakage in whole procurement to the beneficiary supply chain.

Steps for efficient grain management

- **Rationalizing subsidy:** Antyodaya category should receive foodgrains at prices notified in NFSA while for others, the prices can be set more rationally.
- **Better Targeting:** Keeping in line with Tendulkar Committee poverty estimation, NFSA coverage should be rationalised.
- **Diversifying procurement basket:**
 - Eastern and hinterland states should be focussed upon while rationalising food crops especially from Green Revolution belt like north-west India where environmental challenges have also started creeping like soil alkalinity, depleting groundwater table.
 - MSP regime should make coarser grains marketable by incentivising farmers, especially in drylands. This will help in better nutritional security also.
- De-centralised procurement by states.

Way Forward

These along with other recommendations of Shanta Kumar Committee can help overcome the challenge of grain management in India thereby making India food secure along with curtailing Fiscal Deficit.