

## FCI and Food Security in India : An Overview

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### Abstract

*A state is said to have achieved "food security" when adequate amounts of healthy food are always available, can be gotten with no effort, and are priced in such a way that they are within the financial means of every citizen. In the event that there is an issue with the cultivation or distribution of food crops, households with lower incomes are more likely to be affected by food insecurity than those with higher incomes. This is due to the fact that families with lower incomes depend more heavily on the money they spend on food. It is essential to have the Public Distribution System (PDS), as well as the attention and action of the government at times when food security is endangered, in order to preserve the integrity of the food supply and ensure that it is not jeopardised.*

**Keywords:** Food security, FCI, Public Distribution System, Buffer stock, Distribution System

### Introduction

In India, the Food Corporations Act of 1964 was enacted with the intention of creating the Food Corporation of India with the goal of achieving the goals outlined in the Food Policy. This was done in order to fulfil the requirements of the act. Since the FCI's inception, the organisation has been a significant factor in India's success in transitioning its food security system from one that is primarily focused on crisis management to one that offers continuous protection. This shift was accomplished by moving from a system that relied on emergency response to one that relied on continuous protection. The FCI had this modification as one of their key objectives. It was established as a component of a larger plan with the goals of achieving both national food security and self-sufficiency, as well as the simultaneous distribution of foodgrains throughout the country for use in a public distribution system, and it was done so with the intention of achieving all of these things at the same time. This was done at the same time when foodgrains were being distributed to the population. The CACP was an extra organisation of major importance. It was believed that these two organisations, together with the MSP regime and the Public distribution system, would collaborate well with one another. A High Level Committee (HLC) was constituted by the Government of India (GoI) to suggest the restructuring or unbundle of

FCI in order to enhance the operational efficiency and financial management of the organisation. The position of Chairman of the HLC has been awarded to Shri Shanta Kumar, and the Government of India has given the HLC the responsibility of providing their recommendations to the FCI. It has been suggested that measures should be taken to enhance the overall management of foodgrains by FCI; it has also been recommended that the role and functions of FCI in MSP operations, and distribution of foodgrains, and food security systems of the country must be reoriented; it has been suggested that cost-effective models for grain storage as well as movement and the integration of supply chains for foodgrains in the country should be suggested; it has been suggested that cost-effective models for grain storage and movement and the integration

### **What is food security?**

The ingestion of food is as essential to the maintenance of life as is the respiration of air. However, ensuring that one gets two meals each day is just one aspect of guaranteeing one's food supply. There are many other aspects to consider as well. The food security picture is improved by the following factors:

- (a) the term "availability of food" refers to both domestic production as well as food imports and the stock from the preceding year that was stored in government granaries.
- (b) accessibility means food is within reach of every person.
- (c) Affordability suggests that a person has had enough money to purchase appropriate quantities of food that are safe and healthy in order to fulfil one's dietary requirements.

As a result, food security in a country can only be guaranteed if the following three conditions are met: (1) enough food is available for each of the people in the nation; (2) all of the people have the financial means to buy food of an acceptable quality; and (3) there are no obstacles to obtaining food.

#### **(a) Why food security?**

Even those with incomes that place them above the poverty line may find themselves in a similar position during times of crisis. The most vulnerable members of society may struggle to put food on the table on a regular basis, but even those with incomes that place them above the poverty line may find themselves in a similar position

during times of crisis. During the 1970s, the idea of "food security" refers to the "accessibility at all times to an adequate supply of essential foodstuffs" (UN, 1975). Amartya Sen added a new dimension to the idea of food security and emphasised the need of being able to "get" food. To do this, he defined entitlements as a mix of what a person is capable of producing and trading on the market, in addition to supplies supplied by the state or other social organisations. He did this so that entitlements would include all of these aspects. The idea of food security has undergone a huge paradigm shift as a direct result of this, which brought about the transformation. "Food security is achieved at the individual, household, regional, national, and global levels when all people, everywhere, and at all times have access, both physically and economically, to appropriate quantities of food that is both safe and nutritious to fulfil their dietary requirements." Food security is the state in which all people have access to enough food that is not only safe but also sufficient to meet their dietary requirements and food preferences in order to maintain an active and healthy lifestyle. This is the condition known as "food access." Food security refers to a situation in which all people have access to adequate food that is not only safe but also sufficient to meet their dietary requirements and food preferences. The concept was coined by the United Nations in the 1960s (FAO, 1996, p.3). In addition, the declaration admits that "the eradication of poverty is essential in order to considerably improve access to food."

### **Who are food-insecure?**

Many people in India struggle with food and nutrition insecurity, but those who have the least access to resources are hit the hardest. This includes those who are landless and have nowhere to grow their own food, as well as traditional artisans, traditional service providers, petty self-employed workers, and the homeless. To rephrase, they are the folks who suffer the most from hunger and malnutrition. Food insecure families in cities often have at least one working member, but that worker is part of the low-wage service sector or is unemployed. The inability to meet their own dietary demands is exacerbated by this situation. Seasonal labourers put in long hours at the peak of the season for pay that barely covers their basic needs. The National Health and Family Survey (NHFS), conducted between 1998 and 1999, estimates that 11 crore women and children are affected by this problem. Many Americans are at danger of becoming hungry, but this problem is exacerbated in particular sections of the nation, such as rural and tribal communities,

locations with a higher propensity for natural disasters, impoverished and undeveloped states with a high poverty rate, and so on. The unemployment rate is also much higher in these regions. The majority of India's hungry live in the states of Uttar Pradesh (particularly its eastern and southern regions), Bihar, Jharkhand, Orissa, West Bengal, and Chattisgarh, as well as certain areas of Madhya Pradesh and Maharashtra. The hunger a person feels is a further sign that they do not have enough access to food. Starvation is not only a consequence of poor living conditions; it is the root cause. Among the many steps necessary to achieve food security are those that work to end hunger forever and lessen the likelihood that it will return. It's probable that your hunger levels rise and fall with the seasons. Eating too little or the wrong kinds of meals on a regular basis is the leading cause of chronic hunger. The poorest of the poor suffer from chronic hunger because their meagre incomes prevent them from affording even enough food to meet their basic nutritional requirements. The times of year when people go hungry coincide with the times of year when crops are planted and harvested. This is more common in rural areas because of the seasonality of agricultural activities, but it is more likely to be the consequence of the prevalence of temporary labourers in urban areas, as in the case of construction workers who see a decrease in work during the wetter months. This phenomenon is equally possible to occur in urban and rural areas. If a person has been unemployed for a year, they are said to be suffering from this kind of hunger. Upon gaining independence, India's political leaders prioritised establishing a food-secure nation. India was the first nation to implement the agricultural policy known as the "Green Revolution," the major objective of which was to boost the country's wheat and rice harvests. The then-prime minister of India, Indira Gandhi, released a commemorative postage stamp in July of 1968 with the inscription "Wheat Revolution" as a method to publicly recognise the great gains that were accomplished in the agricultural sector over the course of the Green Revolution. To celebrate the enormous strides achieved during the Green Revolution, this was done. Rice has now reached the same level of success that wheat did many years ago. Although the population grew, food supplies did not. During the 2015–16 fiscal year, Uttar Pradesh and Madhya Pradesh had the greatest increase, with 44.01 and 30.21 million tonnes, respectively. Production of all food grains increased from 252.22 million metric tonnes in the 2015-16 school year to 275.68 million metric tonnes in the 2016-17 school year. Wheat output in the states of Uttar Pradesh and Madhya Pradesh was projected to reach 26.87

million tonnes and 17.69 million tonnes, respectively, for the 2015-2016 financial year. Compared to the previous year, this is a huge increase. In contrast, West Bengal produced 15.75 Mt of rice while UP produced 12.51 Mt during the 2015-2016 crop year.

### **Food Security in India**

No famine has struck the country since the 1970s, when the Green Revolution was initiated, regardless of how harsh the weather. The diversity of crops grown in India during the last 30 years has allowed the country to achieve food self-sufficiency. In response, the government has created a well-planned food security system to ensure constant availability of cereal grains throughout the year, regardless of the weather. Both the public distribution network and the buffer stock are essential to this system's operation.

### **What is Buffer stock?**

The "Buffer Stock" is comprised of wheat and rice that were acquired by the government of India via the Food Corporation of India (FCI) (FCI). The FCI acquires wheat and rice from growers in places where such grains are in plenty. Predetermined prices are paid to the farmers for their harvests. This value is referred to as the "Minimum Support Price" (MSP). When planting season rolls around, the government pays farmers an annual incentive known as the Minimum Support Price (MSP). It's done to get farmers to produce more of a given crop. Food grains are stored in granaries until they are ready to be utilised. This is done to ensure that those in need, particularly those in the lowest socioeconomic echelons of society, have access to foodgrains at a price lower than the market price. The Issue Price refers to this specific sum of money. Further, this helps address the problem of food shortages in the aftermath of natural disasters or other unfavourable situations.

### **What is the Public Distribution System?**

The FCI purchases food for the poor, which is then distributed via government-run ration shops. The "Public Distribution System" is the official term for this (PDS). These days, you can find a ration shop in just about every urban area on the planet. All around the country, you may find about 5,500,000 ration shops. Staples like wheat, sugar, and cooking oil may be found in the Fair Price Shops, the rationing system's version of supermarkets. In other words, people may buy these items for less than they're worth on the market. To those who have ration cards\*, the local ration shop will provide a monthly supply of food, gasoline, and other needs (for example, 35 kilogrammes of cereals, 5 litres of kerosene, 5

kilogrammes of sugar, etc.). When the Bengal famine struck in the 1940s, the government of India instituted rationing. In the 1960s, before the Green Revolution, there was a major food shortage, thus the rationing system was reinstated. In response to the pervasive poverty recorded by the NSSO in the mid-1970s, many programmes were put into place. Food-for-Work\*\* (FFW) was implemented in 1975 as an experiment and the Integrated Child Development Services (ICDS) were launched in 1975. (introduced in 1977–78). As a result of years of programme management experience, some new programmes have been introduced, while others have been restructured. Many programmes aimed at reducing poverty prioritise feeding the hungry, and this is particularly true in rural areas. The vast majority of PAPs accomplish their goals, and some, like the PDS and school lunches, even go above and above. Because job programmes increase the income of the poor, they also enhance food security.

### **Current Status of Public the Distribution System**

The Public Distribution System, often known as PDS, is the most important step that has been taken by the Government of India (GoI) to guarantee that its people have access to an adequate supply of food. At the outset of the PDS programme, all individuals were considered to be eligible for benefits; there was no attempt to distinguish between those who were poor and those who were not poor. During the course of the last few years, the PDS policy has undergone a number of revisions in order to be brought into conformity with modern expectations for clarity and efficiency. A revamped public distribution system, also known as the Revamped Public Distribution System (RPDS), was introduced in 1,700 blocks throughout the country in the year 1992. The purpose of this project was to introduce the benefits of PDS to areas that are physically remote and have a low level of development. The Targeted Public Distribution System (TPDS) was first implemented in June 1997 as a new attempt to embrace the concept of targeting the "poor in all areas." This was done via the distribution of public goods. This effort was done with the intention of helping those who are less fortunate. It was the very first time that a policy of charging poor and non-poor clients separate charges had ever been put into practise. In addition, the year 2000 saw the beginning of two groundbreaking programmes: the Antyodaya Anna Yojana (AAY) and the Annapurna Scheme (APS), both of which were designed with a particular group of people in mind. The PDS has proven to be the most effective instrument of government policy over a period of many years in terms of preserving price

stability and making food available to consumers at rates that are within their financial limits. It has proven highly useful in avoiding widespread hunger and famine from developing throughout the nation as a result of the distribution of food from regions of the country that have an excess of it to other regions that have a deficit of it. In addition to that, the prices have been changed so that they are generally more reasonable for families with modest incomes. The system, which comprises a minimum support price and procurement, has helped to contribute to an increase in the production of foodgrains and has provided a consistent income for farmers in certain regions. This has helped to contribute to an increase in the production of foodgrains. In spite of this, the Public Distribution System has been the target of a significant amount of criticism for a number of different reasons. There are many individuals who are unable to get food despite the fact that there is a substantial quantity of grain stored away. The godowns of the FCI are crammed to their absolute maximum capacity with grains, many of which have gone bad while others are being consumed by rats.

#### **Antyodaya AnnaYojana(AAY)**

The month of December in the year 2000 marked the beginning of the AAY programme. One million of the poorest families in the country who were eligible for help via the targeted public distribution system were chosen to take part in this initiative. The different state rural development agencies were able to identify homes who were living below the poverty line by conducting a survey known as a Below Poverty Line (BPL) study. Every family that met the requirements was offered the chance to buy twenty-five kilogrammes of food grains at a steeply subsidised price of two dollars per kilogramme for wheat and three dollars per kilogramme for rice. Since April of 2002, this quantity has more than doubled, going from its prior level of 25 kg all the way up to its current level of 35 kg. The programme was expanded in June 2003 and August 2004 by an additional 50,000 BPL families each time it was extended. These extensions took place, respectively, in 2003 and 2004. As a direct result of this expansion, the AAY can now provide protection to a total of 2 crore families. 5 In 2014, the FCI had a buffer stock of wheat and rice totaling 65.3 million tonnes, which was much more than the minimum criterion for the buffer stock. Despite this, for the whole of the trial, this consistently stayed at a level that was higher than the buffer criteria. An improvement in the situation was brought about as a direct result of the distribution of foodgrains in line with the many measures put out by the

administration. There is a broad consensus amongst experts that storing large buffer stockpiles of foodgrains is not only undesirable but also perhaps harmful. This is due to the fact that high buffer inventories not only take up valuable storage space. The warehousing of huge quantities of food supplies has led in considerable increases in carrying costs, in addition to the waste of grain and a reduction in the quality of that grain. It is necessary to give careful thought to the possibility of keeping the MSP frozen for a period of many years. The key foodgrain producing states, such as Punjab, Haryana, and Andhra Pradesh, have been applying pressure, which has resulted in a higher MSP number being paid to acquire a rising quantity of food grains. In addition, the rise in the minimum support price (MSP) has encouraged farmers, especially in states with a surplus of land, to shift their acreage away from the cultivation of coarse grains, which are the primary source of nutrition for the poor, and toward the production of rice and wheat. This is due to the fact that most of the wheat and rice that is harvested comes from only a few relatively rich areas (Punjab, Haryana, Western Uttar Pradesh, Andhra Pradesh, and West Bengal, to a lesser degree), and that wheat and rice are the predominant crops harvested. This is due to the fact that a significant portion of the manufacturing is of The heavy use of water in rice farming has contributed to environmental degradation and a falling water level, which in turn poses a danger to the long-term viability of agricultural growth in these states 6. Rice consumption has decreased from 6.38 kilogrammes per person per month in rural India in 2004-2005 to 5.98 kilogrammes per person per month in 2011-2012, as shown by the NSSO report No. 558. The consumption of rice in urban India has similarly fallen, going from 4.71 kilogrammes per person per month in 2004-2005 to 4.49 kilogrammes per person per month in 2011-2012. Since 2004-2005, the consumption of PDS rice on a per capita basis has increased by 66% in urban India and has more than tripled in rural India. This growth may be attributed to the government programme. Since 2004-2005, India's rural and urban populations have consumed twice as much wheat via the PDS than they did before. PDS dealers have been known to engage in unethical business practises such as the diversion of grains to the open market in order to increase their profit margin, the sale of grains of a low quality at ration shops, and the irregular opening of stores, among other things. PDS dealers have also been known to engage in unethical business practises such as the sale of grains at ration shops. It is not uncommon to discover that ration stores have unsold supplies of grains of a lower grade than they originally stocked. This has proven to

be a serious barrier to our progress. Ration outlets that are unable to make sales leave the Federal Correctional Institution (FCI) with a massive stockpile of foodgrains that continues to expand. In recent years, a separate factor has contributed to the decline in popularity of the PDS, which ultimately resulted in the organization's demise. In the past, every household, regardless of whether or not they were impoverished, was issued a ration card that included a certain quantity of goods such as rice, wheat, sugar, etc. Every household paid the same modest amount for these items, which were sold to them. There were not three distinct sorts of cards available, nor was there a wide variety of costs as there is now. Ration stores allowed a huge number of households, each of which was limited to purchasing a certain amount of food grains. <sup>7</sup> These comprised families with low earnings whose incomes were only slightly higher than those of families whose incomes fell below the poverty level. Now that there are three separate pricing points for TPDS, every household that is considered to be living over the poverty line receives a very little discount at the ration store. Because the price for APL families is practically identical to the price on the free market, there is no incentive for APL families to purchase these things from the ration store.

## **Conclusion**

An economically stable and politically free nation is considered to be food secure when all of its citizens have access to an adequate supply of nutritious food, when everyone has the financial resources to buy food of an acceptable quality, and when there are no barriers to people's ability to receive food. Those at or below the federal poverty line may always be at risk of going hungry, but anybody may become food insecure in the wake of a natural or man-made catastrophe, regardless of their financial condition. Households in rural India without land or with very little useable land, those who work in low-wage businesses, and seasonal city employees are among those who will feel the effects the most. Families in rural India who lack access to land or have limited access to land are disproportionately affected by food and nutrition insecurity. Some parts of the nation, such as those with a high poverty rate, a rural population, or a history of natural catastrophes, have a disproportionate number of individuals who are at risk of being hungry. The Indian government has taken great care in developing both a buffer stock and a public distribution system to safeguard the nation's food supply. This measure was implemented to guarantee that all population subsets within the country had access to

sufficient food supply. The PDS was only the beginning of a large variety of programmes aimed at improving food security for the poor. Antyodaya Anna Yojana (AAY), Food-for-Work (FFW), Midday Meals, and Integrated Child Development Services (ICDS) are just a few examples of such initiatives. Alongside the government's efforts, several cooperatives and non-governmental organisations (NGOs) are also working tirelessly to guarantee citizens' access to nutritious food.

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