



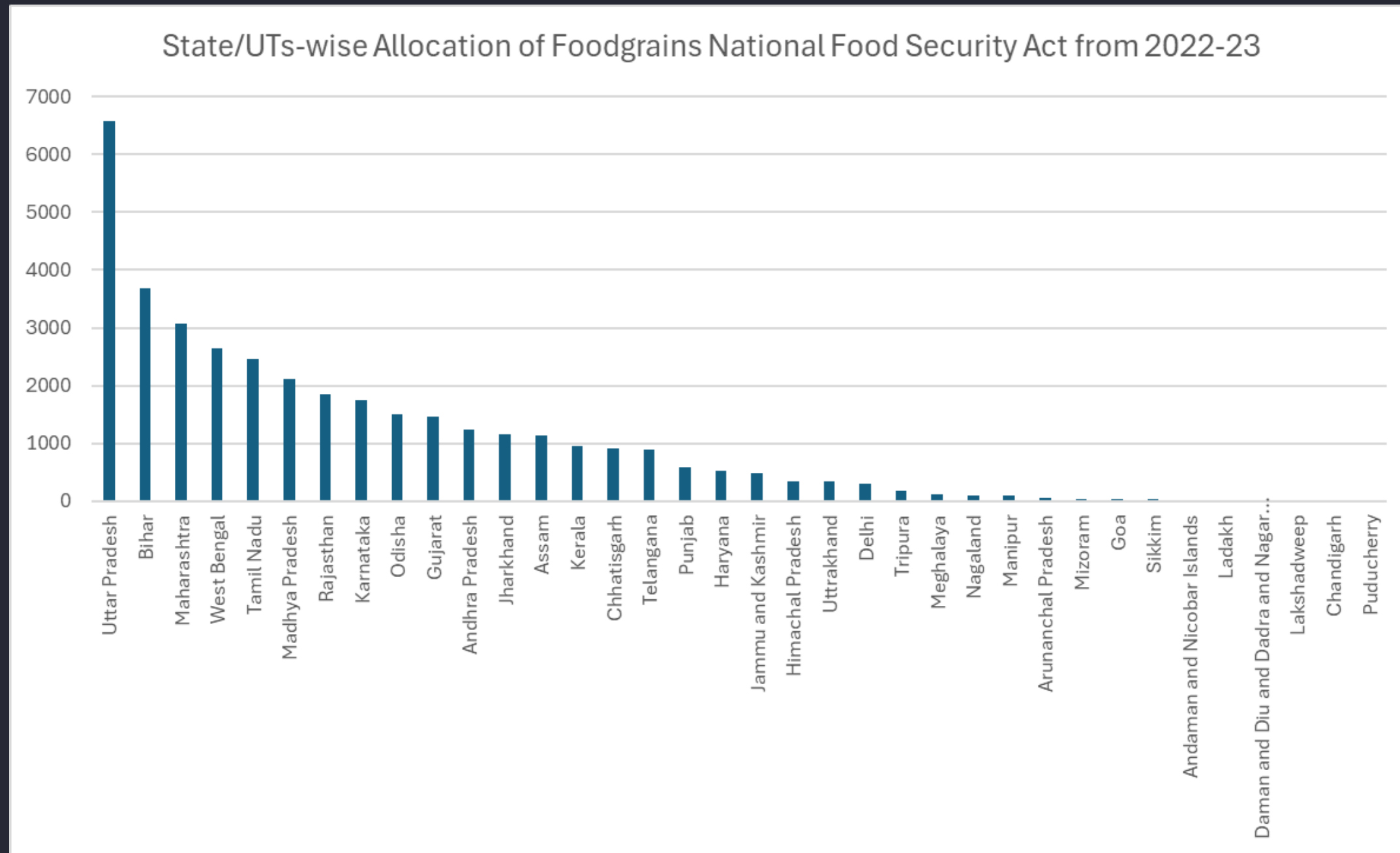
# Understanding the Interplay between Food Security, Economic Perception and Government Policy in India

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# Introduction

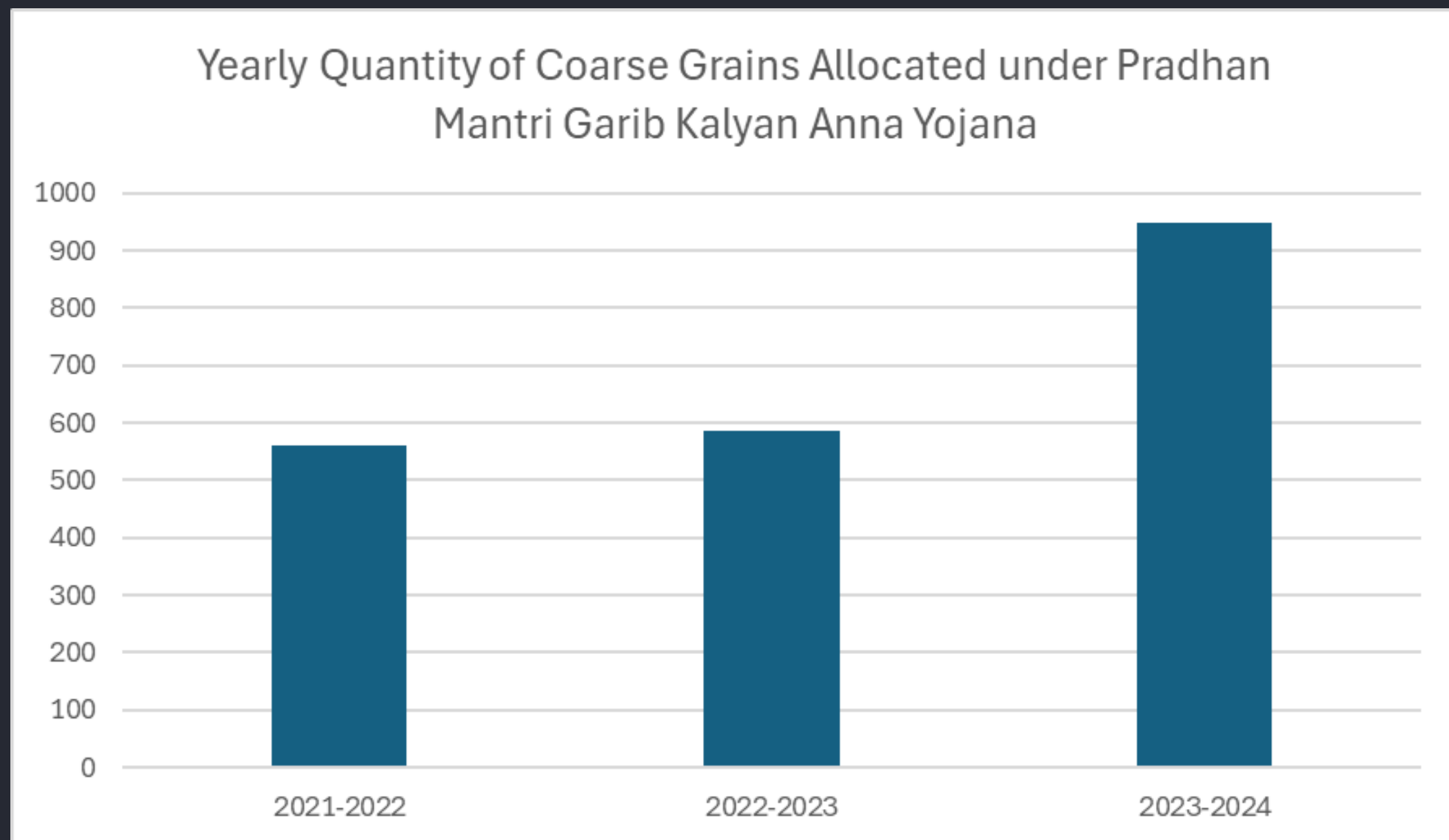
India, with its massive population of over 1.4 billion, faces a significant challenge in ensuring food security for all its citizens. Despite being a leading producer of agricultural products like pulses, rice, and wheat, nearly 14% of the population still suffers from undernourishment. This paradox highlights the complex interplay between food availability, economic accessibility, and government policy. While India boasts impressive economic growth, income inequality persists, leaving millions struggling to afford nutritious food even when it's available. Additionally, inefficiencies in food storage and distribution infrastructure lead to significant wastage, with nearly 22% of fruits and vegetables spoiling before reaching consumers. To achieve sustainable food security, India needs to move beyond just increasing production. By understanding how economic perceptions lag behind actual growth and by aligning government policies with the realities of food insecurity (as measured by malnutrition rates), a multi-pronged approach can be developed. This approach should empower small farmers, who are the backbone of Indian agriculture, by investing in their education, irrigation methods, and access to technology. Upgrading storage facilities, transportation networks, and food processing units will minimize food waste and ensure efficient distribution. Finally, expanding targeted food security programs like the Public Distribution System (PDS) is crucial to reach the most vulnerable populations. Through a collaborative effort between policymakers, farmers, and the public, India can ensure all its citizens have access to safe, nutritious food at affordable prices, paving the way for a healthier and more prosperous future.

# National Food Security Act



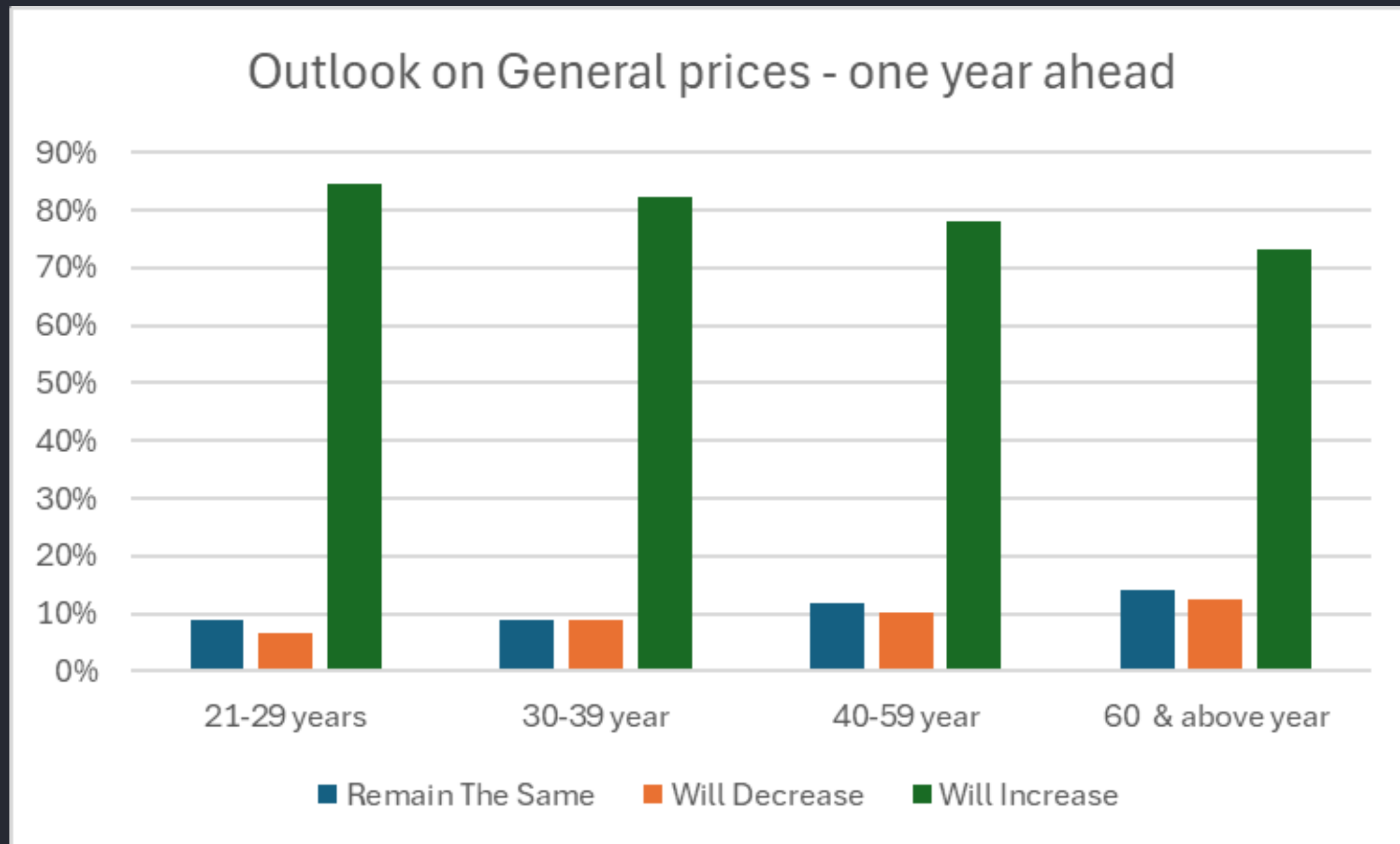
- **NFSA changed the approach to food security from a welfare scheme to a rights-based program. This means up to 75% of rural and 50% of urban populations are legally entitled to subsidized food grains at fair-price shops.**
- **The Central Government allocates food grains, arranges transport to designated depots, and supports delivery to fair-price shops. State Governments handle implementing the Act, including identifying beneficiaries, issuing ration cards, distributing food grains, and managing fair-price shops.**
- **AAY (poorest of the poor) households receive 35 kg of food grains per family per month, while priority households get 5 kg per person per month. Uttar Pradesh, Bihar, and Maharashtra are the top recipients in terms of food grain allotment.**

# Pradhan Mantri Garib Kalyan Anna Yojana



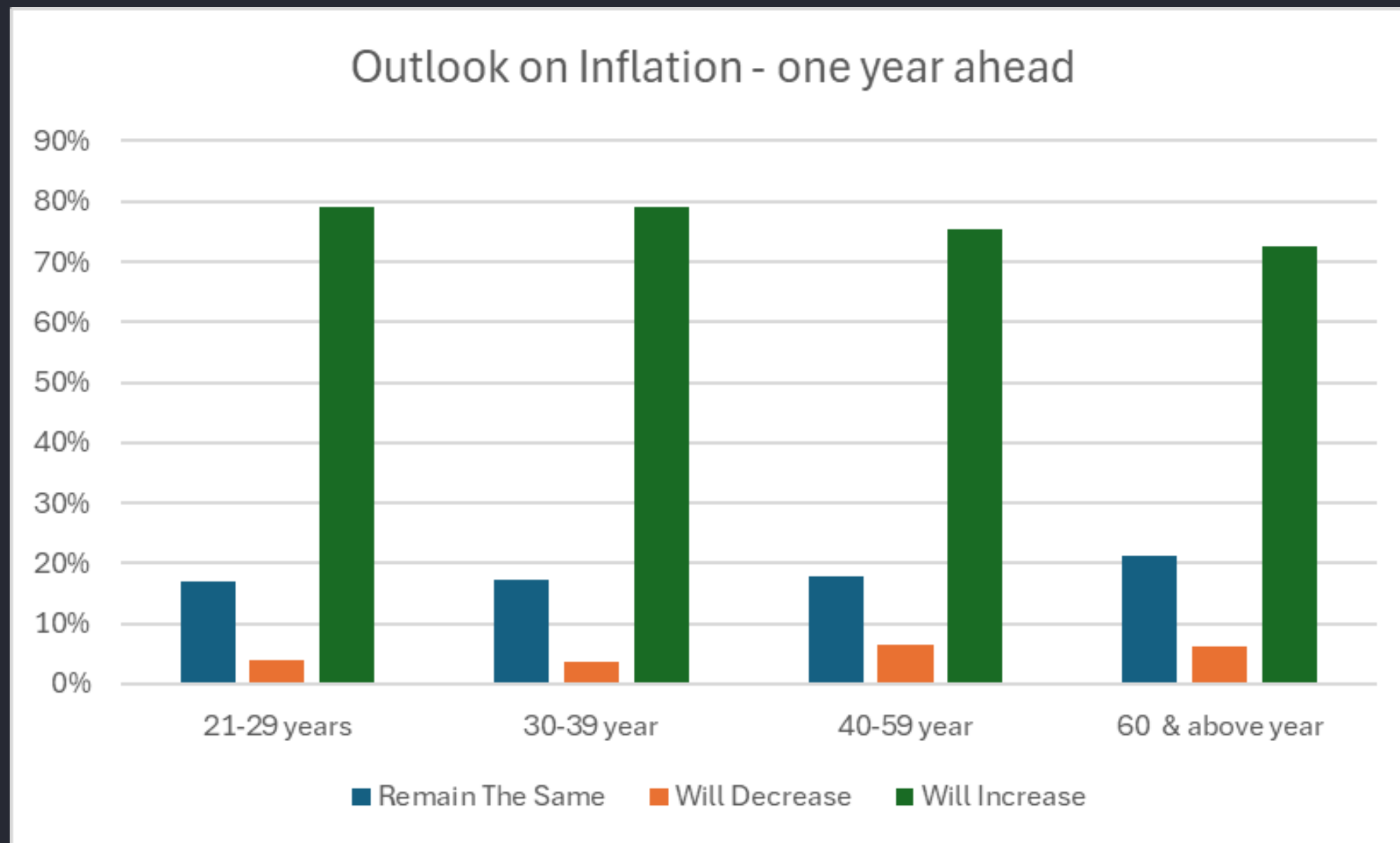
- The PMGKAY scheme provided an additional 5kg of free food grains per person per month on top of the subsidized rations offered under the National Food Security Act (NFSA).
- This program aimed to address food security concerns arising from the pandemic.
- There appears to be a 4% increase in food grain distribution from 2021 to 2022, with a significant 62% jump from 2022 to 2023

# People's Outlook on the prices of the country



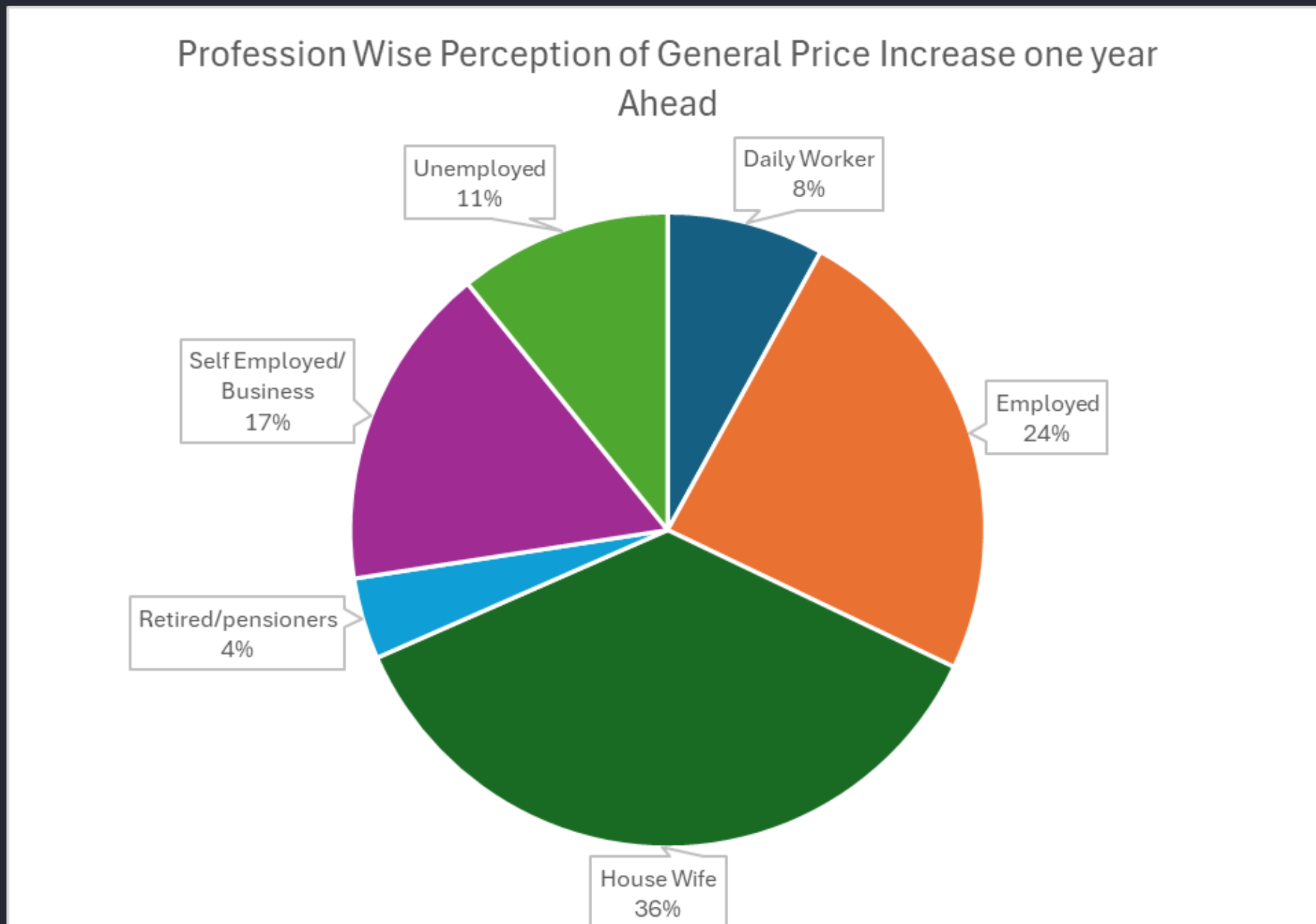
- A recent RBI survey reveals significant skepticism among India's primary working class regarding price levels, with 85% of individuals aged 21-29 anticipating a general price increase in the coming year.
- Similarly, 82% of those aged 30-39 believe in forthcoming price hikes, posing concerns for the government, especially with elections on the horizon.
- The prevailing expectation of rising prices among these demographics raises apprehensions about potential economic repercussions, necessitating proactive measures to mitigate adverse impacts.

# People's Perception on Inflation of the Country



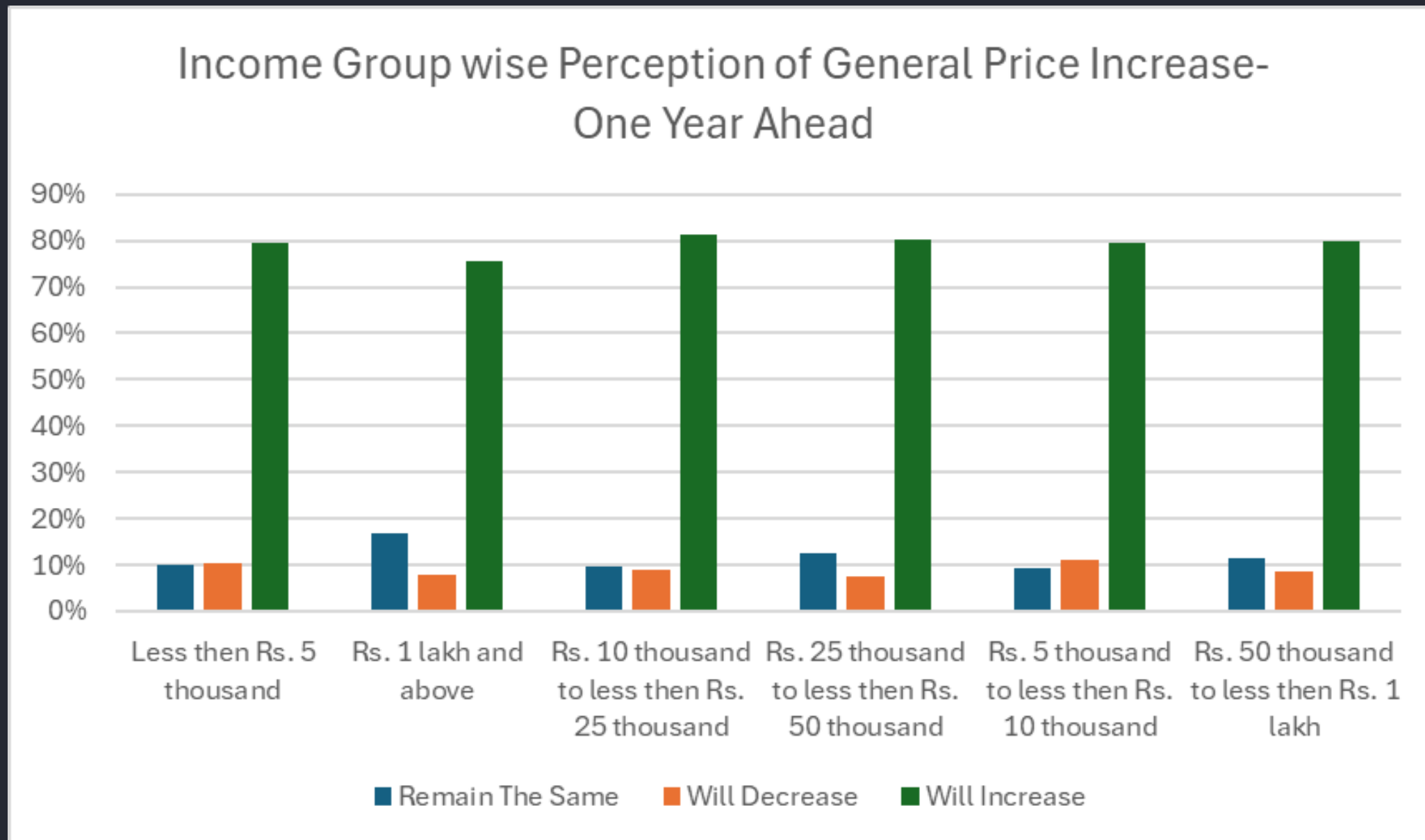
- A large majority of young working adults in India (aged 21-29 and 30-39) – 79% in both age groups – believe inflation will rise in the coming year. This indicates a strong sentiment of worry about increasing prices among a significant portion of the working class.
- Rising prices can disproportionately affect the working class, who often have less disposable income and tighter budgets. They may need to cut back on essential expenses or reduce their standard of living if inflation continues to climb.
- The high percentage of respondents anticipating inflation suggests they might have based their views on past experiences with price hikes or on current economic trends.

# Profession Wise Perception of General Price Increase One Year Ahead



- Daily workers, reliant on fluctuating daily wages, demonstrate the lowest concern for future price increases, with only 8.0% anticipating inflationary pressures. Their familiarity with income volatility might contribute to this perception.
- Salaried employees, benefiting from stable monthly incomes, express heightened apprehension, with 24.1% expecting prices to rise. This group's awareness of economic trends and their impact on personal finances likely drives their concerns.
- Housewives, tasked with managing household expenses, exhibit the highest level of worry, with a significant 36.3% foreseeing price hikes. Their acute sensitivity to changes in the cost of living directly affects budgeting and family welfare decisions.

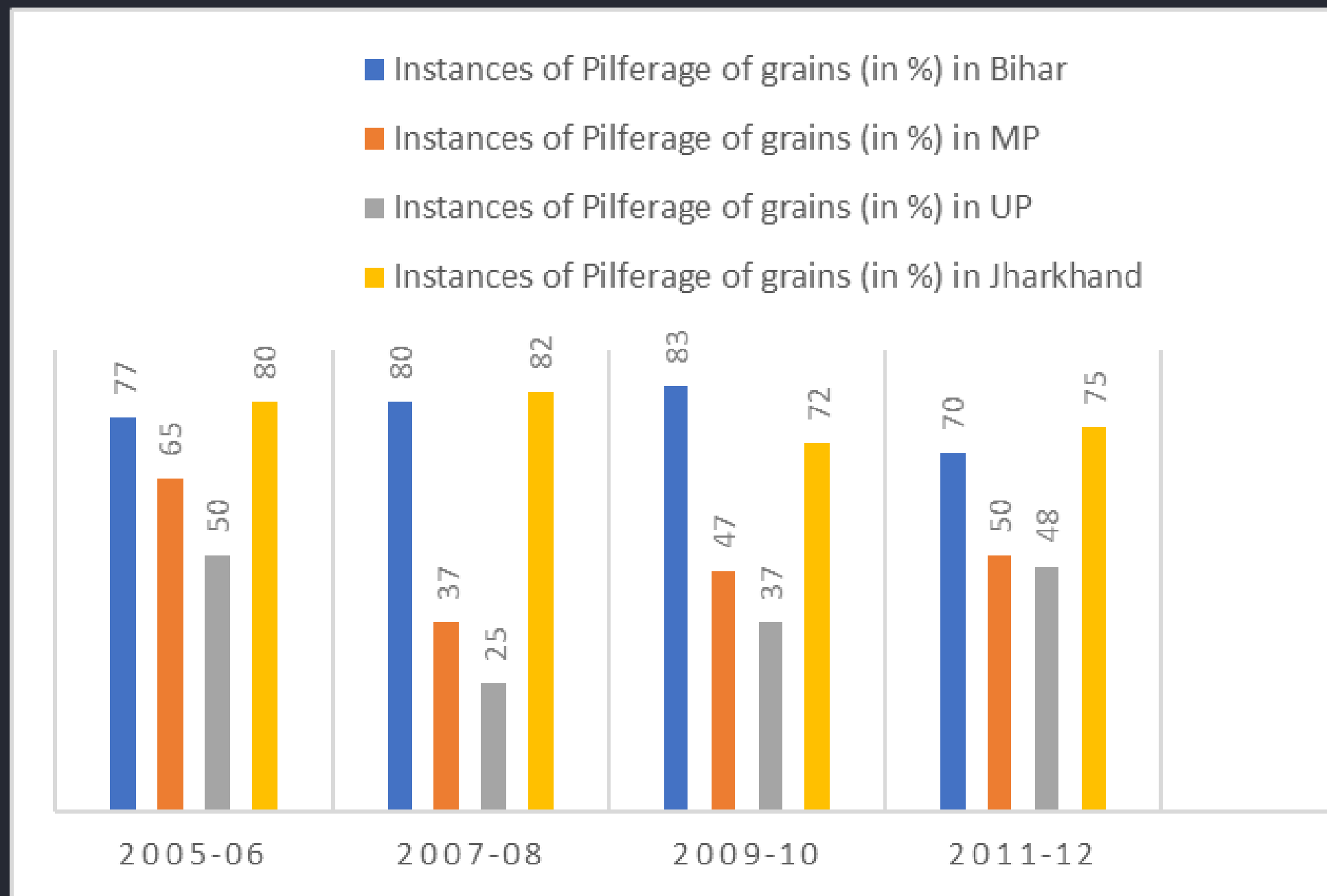
# Income Group wise Perception of General Price Increase- One Year Ahead



- Individuals earning less than Rs. 5 thousand: 79% anticipate an increase in general prices, reflecting acute financial strain and vulnerability to even minor price hikes, significantly impacting their purchasing power and ability to meet basic needs.
- Individuals earning between Rs. 5 thousand to less than Rs. 10 thousand: 80% express high concern about price increases, despite a slightly higher income range. Even minor price fluctuations affect their standard of living, highlighting challenges in managing expenses.
- Individuals earning between Rs. 50 thousand to less than Rs. 1 lakh: Despite relative affluence, 80% anticipate general price increases. This group acknowledges the impact of inflation on consumption patterns and overall financial planning, emphasizing the widespread understanding of economic dynamics across different income brackets.



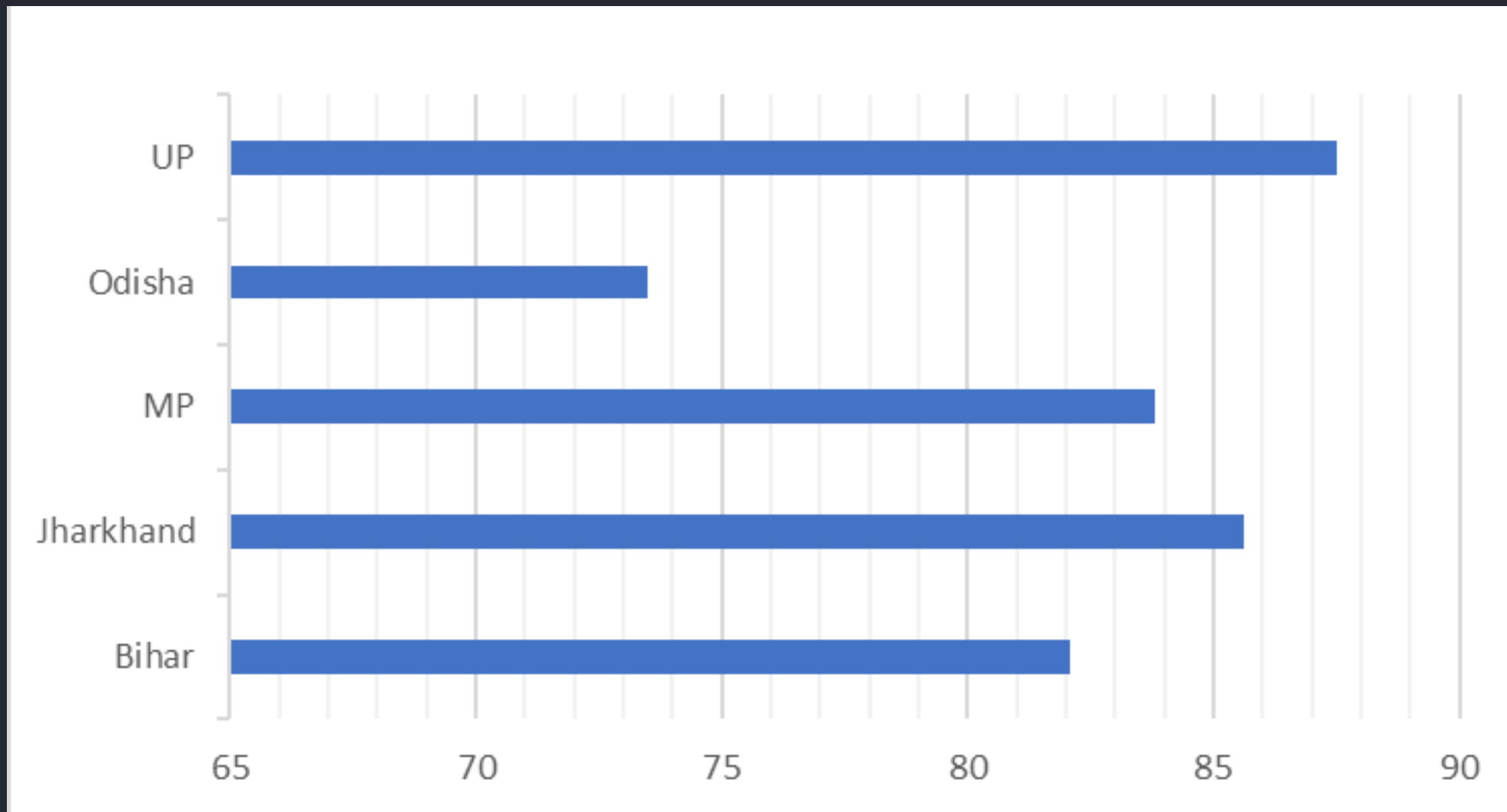
# Policy Gaps and Areas for Improvement in Food Security Schemes



## Implementation Gaps:

- Leakages and Diversion of Funds: The Public Distribution System has been a subject of criticism due to the diversion of funds that were meant for the beneficiaries, which has led to a lack of proper implementation of schemes in the country
- Deficient redressal of complaints and poor target achievement: Lack of proper redressal mechanism and poor target of identifying beneficiaries has been a consistent issue

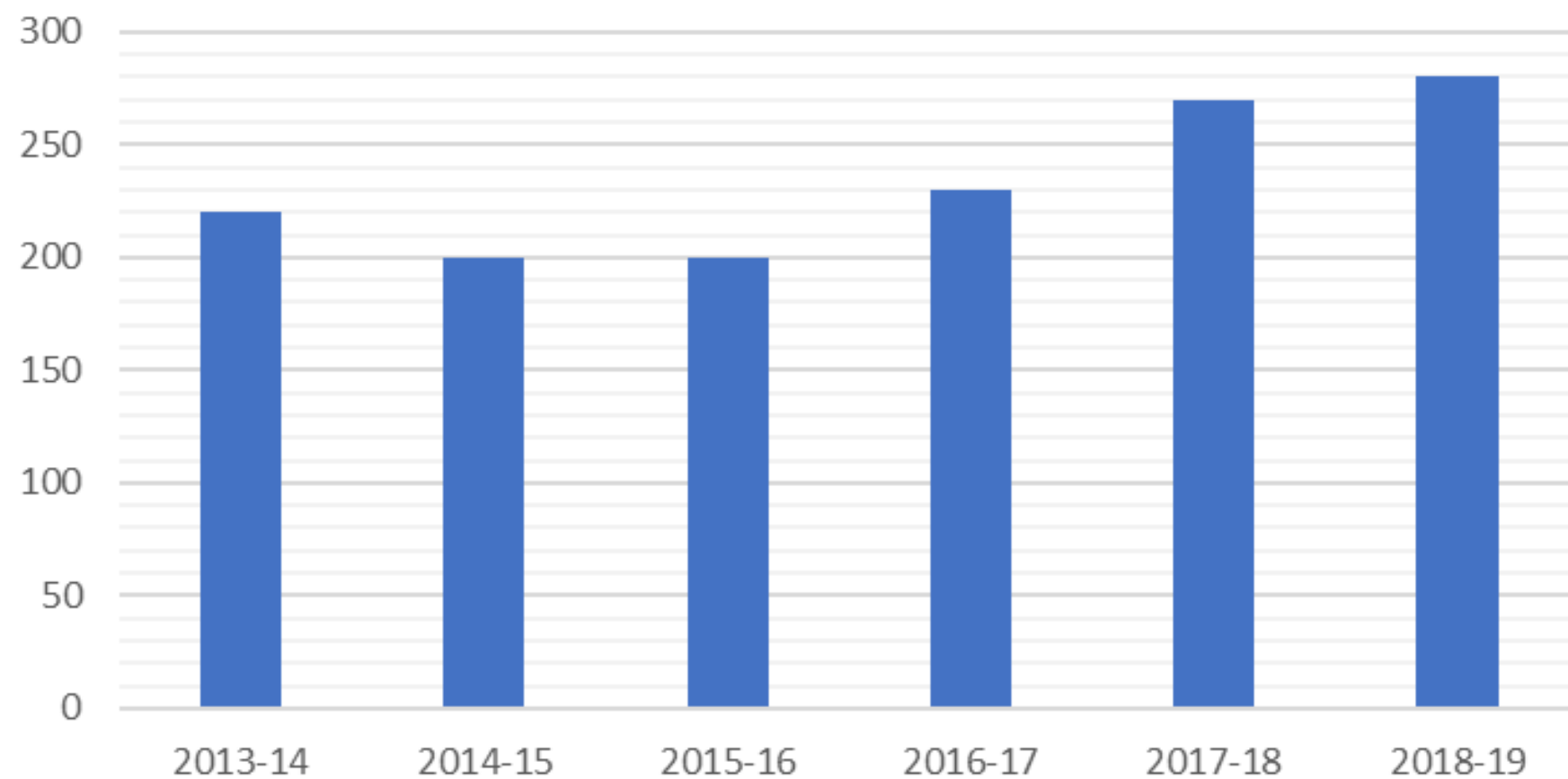
# Policy Gaps and Areas for Improvement in Food Security Schemes



- **Strengthening existing infrastructure:** Leakages and diversion of funds or essential items can be reduced only through strengthening of infrastructure of PDS systems across the countries, this includes digitizing every system and undertaking stringent security checks at all levels
- **Immediate redressal of grievances and undertaking better targeting techniques:** Using verified and trusted data for enrolling beneficiaries and offering round-the-clock support for aggrieved beneficiaries can help achieve expected results

# Enhancing Public Confidence in Economic Outlook through Food Security

Production (in MT)



- Undertaking Price Stabilisation Measures: Purchase of stocks through Open Market Mechanism and utilising buffer stocks Enabling Transparency
- Undertaking confidence-building measures: Publicising success stories of beneficiaries of efficient PDS system and emphasizing publishing data on stock levels to gain the trust of the people Focusing on Partnership
- Undertaking Partnerships: Focusing on forging partnerships with the private players to increase the efficiency of the system with a target to achieve efficiency

# Conclusion

By acknowledging the disconnect between economic perception and reality, and aligning government policies with the true state of food security (measured by factors like malnutrition), India can build a roadmap to success. This roadmap should prioritize empowering small farmers, the backbone of agriculture, through education, improved irrigation, and access to technology. Additionally, minimizing food waste through upgraded infrastructure and efficient distribution systems is crucial. Finally, strengthening social safety nets like the PDS ensures the most vulnerable have access to affordable, nutritious food. By working together, India can not only eliminate hunger but also foster a healthier and more productive citizenry, laying the foundation for a brighter future.



For any inputs, suggestions or clarifications, please contact us at [cnesinfosphere@gmail.com](mailto:cnesinfosphere@gmail.com)



Thank you!