**LIBERSALISATION AND POLICIES OF FOOD SECURITY: THE INDIAN EXPERIENCE**

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1. Many developing countries have instituted a combination of policies to ensure basic food security for the population. Typically, as in India, these policies have included public support for food production, its marketing and storage, and finally, distribution to consumers, particularly poor consumers. In Mexico, for example, the state-owned CONASUPO or National Basic Foods Company undertook the import, processing and distribution of subsidized foods through a national chain of food stores. In South Asia, Sri Lanka has been cited as a model in terms of its effective system of universal food rationing through which subsidized rice was provided to the population. In Zambia, the marketing and distribution of maize were controlled by a National Marketing Board and the price to consumers was kept low. Generalised price subsidies for basic foods have bee effective in many countries, particularly those relying on imports such as Jamaica and Tunisia.

2. In the 1980s and 1990s, many of these programmes of food security have come under attack from proponents of orthodox structural adjustment. The two main arguments put forward for reform have been that the policies are too costly and impose a heavy burden of subsidy and secondly, that they distort prices and hence the functioning of private markets. A third and more recent argument is that many policies and the associated subsidy are WTO-incompatible. I shall return to these arguments later in the context of India.

3. Let me now turn briefly to the system of food security in India and its historical evolution. There are three major forms of intervention by the Government in the food grain system: the government procures food grain from cultivators, it stores and manages stocks of grain, and it then delivers grain to different part of the country through the Public Distribution System (PDS) and other welfare programmes. Public distribution was first started in 1939 as a wartime rationing measure: the British government introduced it in Bombay and later extended it to six cities and a few regions. In the mid-sixties, in response to severe crop failures and subsequent food shortages, and with India even importing wheat from the United States, major policy changes were made. In 1965, the Agricultural Prices Commission was set up with responsibility for designing the policy of support prices for agricultural crops, as was the Food Corporation of India (FCI) to implement procurement policy as well as the storage, transport and distribution of food grain. At the same time, the PDS was made a universal welfare programme, whereby all

households were entitled to buy specific quantities of selected commodities including rice and wheat at subsidised prices through a network of fair price shops.

4. While the Indian system had many problems, it can also be credited with certain achievements. The achievements on the production front have been discussed by Abhijit Sen and I shall focus on the achievements with respect to domestic food security. The first achievement has been the growth of domestic production and based on that the building up of buffer stocks of adequate level. There are very clear guidelines with the FCI in respect of the quantity of grain to be held as stocks at different times of the year and these have been ensured, on average, in most years. Secondly, through the public distribution system, a minimal quantity of food grain (rice or wheat or both) has been made available at reasonable prices to consumers in all parts of the country. In 1991, for instance, over 20 million tonnes of food grain were sold to consumers through the PDS network of almost half a million fair price shops in the country (Table 1).

5. Two further achievements follow from the functioning of the FCI and the PDS. First, the system succeeded in transferring grain from regions of surplus production (such as the North-western States of Punjab and Haryana) to regions of deficit food grain production (such as the southern States of Kerala and Karnataka, the North-Eastern States, the Hill States, etc.). In 1995, for example, the four southern States of Kerala, Andhra Pradesh, Tamil Nadu and Karnataka accounted for almost 50 per cent of the total food grain distributed through the PDS (Table 2). Secondly, through means of buffer stocks, open market operations and distribution through the PDS, the objective of price stabilisation was achieved. It has been noted that variations in domestic prices have been lower than variations in international prices. It has also been noted that regional and seasonal variations in prices have been lowered over time. Lastly, the real price of cereals (relative to other commodities) showed a secular decline for around two decades (through the 1970s and 1980s).

6. One important feature of the Indian system is that while the supply of grain and the associated subsidy are from the Central Government, the actual implementation including issue of ration cards, fixation of entitlements and determination of retail prices are the responsibility of State governments. It is not surprising then to learn that the performance of the PDS has varied hugely across states. In 1998, for example, the average amount of grain purchased by a person from fair price shops in a year was 66.6 kg in Kerala, 44.3 kg in Jammu and Kashmir, 28.5 kg in Andhra Pradesh, 24.9 kg in Tamil Nadu but only 9.4 kg in Bihar, 9.3 kg in Rajasthan, 8.6 kg in Uttar Pradesh and 8 kg in Madhya Pradesh. Such inter-state differences have persisted over many years.

7. Kerala has clearly been the major success story in respect of the PDS. Kerala has been the only state in India with a near-universal coverage of the PDS. Kerala has been in a class of its own both in terms of participation in the PDS and in terms of the quantity of food grain distributed. All households that do not have land holdings sufficient to produce food grain for their own consumption are eligible for a ration card. In 1991, around 95 per cent of all households were covered by the PDS and possessed a ration card (Kannan 1995). Secondly, the monthly entitlement of food

grain per adult was 13.8 kg in Kerala (or 460 grams per day), satisfying the minimum requirement of 370 gms of cereals per person per day recommended by the Indian Council of Medical Research (ICMR, 1990). Thirdly, the quantity of food grain purchased from the PDS has been higher than in most other states, making a significant contribution to household nutrition. In 1991, the annual offtake of food grain from the PDS averaged 69.6 kg per person in Kerala. The annual purchase of grain from the PDS in Kerala provided about one-half of the cereal requirements of a person. Fourthly, while the scheme was universal, there is evidence to show that the system was progressive and that the poor depended relatively more on the PDS than the rich (George 1979, Koshy *et. al.* 1989). Fifthly, the functioning of ration shops and the delivery system has been better than in other parts of the country and this is reflected in consumer surveys. Kerala has the lowest incidence of malnutrition among children among the States of India. Given the scale and effectiveness of the PDS, it has been noted that the PDS has contributed to an improvement in consumption and nutrition in Kerala (Ramachandran, 1996).

8. The many lacunae in policies of food security include uneven performance across States of India, corruption and bad administration leading to large leakages in certain regions. These problems are highlighted by critics of the system. As mentioned earlier, the two main justifications given for dismantling the existing system are its high costs and distortion of the functioning of markets. In the present context, incompatibility with the requirements of the WTO in respect of eligible subsidies is an added argument for reformers. Specifically, the proponents of reform wish to replace the Minimum Support Price for cultivators with direct income support to producers (as in Europe and the USA) and similarly replace food subsidies and a complex system of intervention in storage, marketing and distribution (such as the PDS) with cash (or coupon) transfers to poor consumers. There are two fundamental problems with these arguments. The first very real and practical problem is the feasibility of direct cash transfers. While the system of income transfers to producers is feasible in countries where less than 5 per cent of the population is to be covered, it is hardly feasible in a country such as India where 70 per cent of the population is rural. Secondly, the basic assumption underlying the shift from intervention in storage and distribution to cash transfers is that markets function well and government interventions only distort market behaviour. The fact is that food grain markets in developing countries including India are neither perfectly competitive nor fully integrated. In such a situation, cash transfers alone cannot ensure adequate food security. For example, physical availability of food has to be ensured in all parts of the country including remote rural areas.

9. Another important recommendation of reformers is to rely on international trade rather than domestic reserves to smooth gaps in production and consumption. This suggestion naively assumes that international trade in food grain is "competitive", an assumption far from reality. We all know that grain prices are heavily influenced by the large subsidies in the richer countries. The latest estimate of agricultural subsidies in the OECD countries is nothing less than one billion dollars a day. In comparison, the subsidy given by developing countries is minuscule. In India, the food subsidy of the central government has averaged around 0.5 per cent of GDP over the last 30 years (Table 3). The disastrous effects of depleting domestic food stocks and relying

on international trade to meet domestic food requirements are only too well known on the African continent.

10. Let me now turn to the outcome of structural adjustment-induced reforms to the PDS in India in the last five years. The critical policy change of the 1990s has been the introduction of the Targeted public distribution system in 1997, a policy of targeting to households below the poverty line (termed BPL). For the first time in India, this resulted in a means tested policy of food distribution with only BPL persons eligible for the food subsidy. The Targeted PDS differs from earlier variants of the PDS in certain key respects. The following are some distinctive features of the Targeted PDS.

- Targeting. The most distinctive feature of the Targeted PDS in relation to previous policy in India is the introduction of targeting, specifically, the division of the entire population into below-poverty-line (BPL) and above-poverty-line (APL) categories, based on the poverty line defined by the Planning Commission. The two groups are treated differently in terms of quantities and prices. With this, the Government of India initiated a policy of narrow targeting to households with incomes below the official poverty line.
- Dual prices. The second distinguishing feature is that the PDS now has dual central issue prices: prices for BPL consumers and prices for APL consumers. In March 2000, a major policy change occurred when it was announced in the budget that central issue prices -- that is, prices at which the Food Corporation of India (FCI) sells grain for the PDS to State governments -- will be set at half the "economic cost" incurred by the FCI for BPL households and at the full "economic cost" for APL households. In effect, there was to be no subsidy component for APL consumers.
- Centre-state control. A third important feature of the Targeted PDS is that it has changed centre-state responsibilities with respect to entitlements and allocations to the PDS. PDS was and is designed and managed by state governments, and state governments differ with respect to entitlements, the commodities offered, the retail price and so on. In the past, the state governments demanded a certain allocation from the central pool, and based on certain factors, most importantly, past utilization and the requirements of statutory rationing, the central government allocated grain and other commodities to states for their public distribution systems. With the Targeted PDS, the size of the BPL population and the entitlements for the BPL population are decided by the central government. And the allocations for APL populations or additional allocations for BPL and APL populations are decided somewhat arbitrarily based on past utilization and demands from states and, according to the TARGETED PDS guidelines, are meant to be transitory.

11. While there have been many problems in the working of the Targeted PDS, the three most relevant are the following. First, targeting has led to the large-scale exclusion of genuinely needy persons from the PDS. Secondly, targeting has adversely affected the viability of the PDS network, and thirdly, Targeted PDS has failed in the regional task, that was performed by the earlier PDS, namely of transferring cereals from surplus to deficit regions of the country.

12. The most serious failure of targeting has been the large-scale exclusion of genuinely needy persons from the BPL category and thus from access to the subsidised grain in the PDS. There are two sets of problems with the eligibility test introduced in the Targeted PDS. First, the basis for eligibility is the official income poverty line. This represents, in my view, a very low absolute level of income or expenditure (the expenditure required to purchase a minimum number of calories). To illustrate, the poverty line for rural India was around Rs 300 per person per month in 1998-99 – less than a quarter of the commonly used international poverty line of one dollar a day. In 1996-97, when targeting was introduced, 37 per cent of the rural population and 32 per cent of the urban population was termed BPL. Surveys of nutritional outcomes however indicate that a much higher proportion (around one-half) of the population is undernourished. For example, according to the National Family Health Survey 1998-99, 47 per cent of children were malnourished.

    Secondly, since the Government does not collect any information on incomes on a regular or systematic basis, the task of actually identifying people with incomes below the poverty line is very difficult. If the target group comprises a category such as infants or pregnant women, they can be demarcated from the rest of the population easily. The separation of families on the basis of incomes is, however, not only a complex task, but, one likely to results in large errors of identification, especially in a largely agricultural and informal economy. And that is what has happened in practice. As there were no proper surveys conducted by trained field staff (and there are problems of estimation of income even in good surveys), arbitrary criteria were used to identify BPL families resulting in large-scale mis-targeting. To illustrate, in Dharavi, Mumbai, Asia's largest slum with a population of half a million persons, only 151 families were issued BPL ration cards.

13. In terms of institutional structures, the viability of fair price shops has been eroded by the new system with the exclusion of APL population from the PDS and the associated changes in quantities distributed. With a smaller number of ration cards to serve, and upper bounds on margins that can be charged to BPL consumers, the net profits of fair price shop owners/dealers are likely to be lower under the Targeted PDS than before. Since some economies in costs are also likely, such as in the case of transport, the distribution of smaller quantities is likely to make many shops unviable. There is evidence from Kerala that ration shops are becoming unviable and are closing down (Krishnakumar 2000). As compared to a pre-Targeted PDS monthly sale of 7,500 kg of rice and 2,000 kg of wheat, fair price shops now sell 1,400 kg of rice and 200 kg of wheat. Since sales from fair price shops have declined, many are estimated to be making losses. According to an official estimate by the Government of Kerala, the earnings per fair price shop fell from Rs 3,711 before March 2000 to Rs 1,493 in August 2001. After deducting all expenses, the net income of a fair price shop dealer is now negative. This explains the fact that 250 to 350 retail stores have become non-functioning. Press reports indicate that 15 per cent of retail dealers have asked for cancellation or suspension of their licenses, and there are even reports of suicides by fair price shop owners unable to repay their debts.

14. The new principles of allocation of grain to States in the TARGETED PDS, that is, on the basis of the BPL population, has seriously undermined the objective of price stabilisation through transfer of grain from cereal-surplus to cereal-deficit regions. Historically, PDS supply and purchase were higher in the Southern States as well as in the West, the North-east, the Hill States and the Islands. This is reflected in Table 2, which shows the share of each State in total population and in total PDS offtake in 1995. The areas where PDS offtake were relatively high were not only deficit in terms of cereal production but also tended to be areas of low cereal consumption. From Table 4, it can be seen that per capita cereal consumption in States such as Tamil Nadu and Kerala in the south and Maharashtra and Gujarat in the west were lower than the national average. Thus the pattern of distribution of grain through the PDS, prior to targeting, reflected demand, as PDS was more attractive in areas of low cereal production, low cereal consumption and high cereal prices. The policy of targeting and allocation of grain on the basis of the income poverty line has worked against the earlier objective of price stabilisation through grain movements across the country. Further, in the universal PDS, automatic stabilisation 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 stabilisation has been weakened.

15. A consequence of excluding a large number of needy persons from the BPL, of reducing the entitlement of BPL families to a measly 10 kg per family each month (this has now been raised to 35 kg a family), and of removing the subsidy on prices for all other consumers (in the budget of March 2000) has been a sharp fall in the purchase of grain from the PDS (Tables 1 and 5). From a peak distribution of 21 million tonnes in 1991, distribution of grain through the PDS fell to 17 million tonnes in 1999, and more precipitously to 13 million tonnes in 2000 and 11 million tonnes in 2001. And this has been mainly because of reduced purchases by all those termed APL consumers. In 2000-2001, for example, APL consumers purchased only 6 per cent of the wheat allocated by the Government and 18.5 per cent of the rice allocation (Table 6). The purchases of rice haven't fallen as steeply as that of wheat because of continued purchases from the southern states, where the State governments have provided their own subsidy to the PDS.

16. While the PDS was being dismantled, procurement was continuing and, in fact, increased substantially from 1999 onwards (from 24 million tonnes in 1997 to 30 million tonnes in 1999, 35 million tonnes in 2000 and 42 million tonnes in 2001). This has led to the rapid accumulation of stocks (Table 7) and to today's crisis – a situation where the Government of India has in excess of 53 million tonnes of grain (rice and wheat) as stocks while hundreds of millions of persons do not get adequate food and nourishment. In my view, we should re-introduce a PDS with universal coverage and ensure that a minimum quantity and quality of grain at affordable prices is made available through an improved network of fair-prices shops in all parts of the country.

17. The Food Corporation of India (FCI) has also come under attack on the grounds that it is too costly and inefficient. Further, since it is suggested that buffer stocks can be reduced and greater reliance placed on imports, the role of the FCI is also being questioned. Specifically, there are suggestions to privatise the FCI or at least to split it, be it regionally or functionally. In terms of costs, it is correct that the subsidy bill (which is in effect the operational deficit of the FCI) has increased rapidly in the last few years but this has been primarily on account of the costs of holding ever-larger stocks (Table 8). Of the total food subsidy of the central government in 2001, for example, 57 per cent was the costs of holding stocks. The FCI cannot be made responsible for the excessive accumulation of stocks. There may even be diseconomies of scale and storage today but the closing down or whittling down of the FCI will not solve the problem of stock accumulation. It may also be pointed out that a recent evaluation of the FCI finds that the operational costs of the FCI are not high in relation to the norms set for such costs (ASCI, 2001).

18. A serious problem with the options recommended for reform of the FCI is that they may erode the performance of FCI. For instance, price stabilisation in a national market requires that stocks be controlled by a single organisation, and this is the logic of maintaining central pool stocks. If the FCI is split in to state-level units, the feasibility of maintaining central pool stocks has to be assessed. If the integrity of the nation state is to be maintained, and the central government made responsible for national food security, then there are serious problems with the recommendation of privatisation or splitting up of the FCI into State-level units. While trimming the FCI is suggested on cost grounds, this would affect the FCI's price stabilisation operations. For example, the scaling down of the FCI may affect the physical presence of the FCI in locations all over the country, and this in turn may erode the effectiveness of price stabilisation based on local interventions.

19. While India, given its size and diversity, is not easily comparable to other countries, there is one feature of underdevelopment that we share with much of sub-Saharan Africa. According to the FAO's State of Food Insecurity 2002, India belongs to the same category of prevalence of undernutrition ("20 to 34 per cent of the population undernourished") as 14 sub-Saharan African countries. The most direct lesson from the Indian experience of the last five years is of the failure of narrow targeting in a situation where chronic hunger and malnutrition is prevalent on a large scale. The other major lesson is the need for independent domestic food policy, be it in terms of control over domestic prices or of domestic food reserves. In the context of the WTO, developing countries with common concerns need to come together to ensure that policies for basic food security such as public stockholding or sale and purchase of food grain at administered prices can be pursued without fear of reprisals. In January 2001, in the Committee on Agriculture, India made a proposal for a "food security box". Such proposals need to be strengthened and taken forward by an alliance of developing countries.

Table 1: *Availability, procurement and public distribution of food grain, India, 1975 to 2002*

| *Year* | Net Production | Net imports | Net Avail-ability (NA) | Procurement | Public distribution (PD) | PD/NA (%) |
|---|---|---|---|---|---|---|
| 1975 | 87.4 | 7.5 | 89.3 | 9.6 | 11.3 | 12.6 |
| 1976 | 105.9 | 0.7 | 95.8 | 12.8 | 9.2 | 9.6 |
| 1977 | 97.3 | 0.1 | 99.0 | 9.9 | 11.7 | 11.8 |
| 1978 | 110.6 | -0.6 | 110.2 | 11.1 | 10.2 | 9.2 |
| 1979 | 115.4 | -0.2 | 114.9 | 13.8 | 11.7 | 10.2 |
| 1980 | 96.0 | -0.3 | 101.4 | 11.2 | 15.0 | 14.8 |
| 1981 | 113.4 | 0.7 | 114.3 | 13.0 | 13.0 | 11.4 |
| 1982 | 116.6 | 1.6 | 116.9 | 15.4 | 14.8 | 12.6 |
| 1983 | 113.3 | 4.1 | 114.7 | 15.6 | 16.2 | 14.1 |
| 1984 | 133.3 | 2.4 | 128.6 | 18.7 | 13.3 | 10.4 |
| 1985 | 127.4 | -0.4 | 124.3 | 20.1 | 15.8 | 12.7 |
| 1986 | 131.6 | 0.5 | 133.8 | 19.7 | 17.3 | 12.9 |
| 1987 | 125.5 | -0.2 | 134.8 | 15.7 | 18.7 | 13.8 |
| 1988 | 122.8 | 3.8 | 130.8 | 14.1 | 18.6 | 14.2 |
| 1989 | 148.7 | 1.2 | 147.2 | 18.9 | 16.4 | 11.1 |
| 1990 | 149.7 | 1.3 | 144.8 | 24.0 | 16.0 | 11.0 |
| 1991 | 154.3 | -0.1 | 158.6 | 19.6 | 20.8 | 13.1 |
| 1992 | 147.3 | -0.4 | 148.4 | 17.9 | 18.8 | 12.7 |
| 1993 | 157.5 | 3.1 | 149.8 | 28.1 | 16.4 | 10.9 |
| 1994 | 161.2 | 1.1 | 154.8 | 26.0 | 14.0 | 9.1 |
| 1995 | 167.6 | -2.6 | 166.7 | 22.6 | 15.3 | 9.0 |
| 1996 | 157.9 | -3.1 | 163.3 | 19.8 | 18.3 | 11.2 |
| 1997 | 174.5 | -0.1 | 176.2 | 23.6 | 17.8 | 10.1 |
| 1998 | 168.2 | -2.5 | 159.6 | 26.3 | 18.6 | 11.1 |
| 1999 | 178.2 | -1.3 | 169.4 | 30.8 | 17.7 | 9.9 |
| 2000 | 182.8 | -1.4 | 167.5 | 35.5 | 12.8 | 7.0 |
| 2001 | 171.6 | -2.7 | 156.3 | 42.2 | 11.3 | 6.6 |

*Source*: *Economic Survey 2001-02*. All quantities are in million tonnes.

Table 2: *Total sales or offtake of food grain in the PDS and population, all States and Union Territories, 1995*

| State/ Union Territory | Share of State in all India population (%) | Share of State in all India offtake of food grain (%) |
|---|---|---|
| Andhra Pradesh | 7.8 | 17.1 |
| Tamilnadu | 6.4 | 12.1 |
| Kerala | 3.4 | 11.6 |
| West Bengal | 8.0 | 9.2 |
| Karnataka | 5.2 | 7.9 |
| Maharashtra | 9.4 | 6.5 |
| Assam | 2.7 | 5.4 |
| Gujarat | 4.9 | 4.4 |
| Orissa | 3.7 | 3.7 |
| Rajasthan | 5.3 | 3.5 |
| Uttar Pradesh | 16.4 | 3.1 |
| Jammu & Kashmir | 0.9 | 2.6 |
| Madhya Pradesh | 7.9 | 2.3 |
| Bihar | 10.4 | 1.5 |
| Meghalaya | 0.2 | 1.3 |
| Delhi | 1.2 | 1.3 |
| Tripura | 0.3 | 1.2 |
| Himachal Pradesh | 0.6 | 1.1 |
| Mizoram | 0.1 | 0.8 |
| Arunachal Pradesh | 0.1 | 0.7 |
| Nagaland | 0.15 | 0.7 |
| Goa | 0.1 | 0.5 |
| Haryana | 1.9 | 0.4 |
| Manipur | 0.2 | 0.4 |
| Sikkim | 0.05 | 0.4 |
| Lakshadweep | | 0.03 |
| Punjab | 2.4 | 0.02 |
| Pondicherry | 0.1 | 0.02 |
| Chandigarh | | 0.01 |
| D & N Haveli | | 0.01 |
| Daman & Diu | | 0.01 |
| A & N Islands | 0.2* | - |
| All India | 100 | 100 |

Table 3: *Food Subsidy of the Central Government as a Proportion of Total Government Expenditures and GDP, 1990-91 to 2000-01*

| Year | Food subsidy as % of total expenditure | Food subsidy as % of GDP |
|---|---|---|
| 1990-91 | 2.3 | 0.48 |
| 1992-92 | 2.6 | 0.48 |
| 1992-93 | 2.3 | 0.41 |
| 1993-94 | 3.9 | 0.7 |
| 1994-95 | 2.8 | 0.49 |
| 1995-96 | 2.8 | 0.46 |
| 1996-97 | 2.5 | 0.42 |
| 1997-98 | 3.2 | 0.54 |
| 1998-99 | 3.1 | 0.53 |
| 1999-2000 | 3.0 | 0.51 |

*Source*: Government of India, *Economic Survey,* different years.

Table 4: *Monthly per capita consumption of cereals, rural areas, 1993-94* (kilograms)

| State | Monthly per capita cereals consumption |
|---|---|
| Andhra Pradesh | 13.27 |
| Assam | 13.17 |
| Bihar | 14.31 |
| Gujarat | n. a |
| Haryana | 12.92 |
| Jammu & Kashmir | n. a |
| Karnataka | 13.15 |
| Kerala | 10.11 |
| Madhya Pradesh | 14.2 |
| Maharashtra | 11.39 |
| Orissa | 15.93 |
| Punjab | 10.78 |
| Rajasthan | 14.85 |
| Tamil Nadu | 11.72 |
| Uttar Pradesh | 13.91 |
| West Bengal | 14.96 |
| All India | 13.4 |

*Source*: Suryanarayana (1997).

Table 5: *Offtake of food grain through the PDS, 1993-94 to 2001-2002* (in lakh tonnes)

| Year | Rice | Wheat | Total |
|---|---|---|---|
| 1993-94 | 91.0 | 60.9 | 151.9 |
| 1994-95 | 80.1 | 51.1 | 131.2 |
| 1995-96 | 97.5 | 58.0 | 155.5 |
| 1996-97 | 111.4 | 85.2 | 196.6 |
| 1997-98 | 77.9 | 55.9 | 133.8 |
| 1998-99 | 107.4 | 79.5 | 186.9 |
| 1999-2000 | 113.1 | 57.6 | 170.7 |
| 2000-01 | 77.4 | 39.7 | 117.1 |
| 2001-02 | 79.7 | 51.0 | 130.8 |

*Source: Foodgrains Monthly Bulletin, March 2002*

Table 6: *Allocation and Offtake of Rice and Wheat in the PDS by Poverty Status, 1997-98 to 2001-02* (in lakh tonnes)

| | Wheat | | | Rice | | |
|---|---|---|---|---|---|---|
| Year/category | Allocation | Offtake | 3/2 % | Allocation | Offtake | 6/5 % |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1997-98 | | | | | | |
| BPL | 27.3 | 19.2 | 70.4 | 31.8 | 24.8 | 77.9 |
| APL/Addl. | 54.2 | 36.7 | 67.7 | 70.6 | 53.1 | 75.2 |
| Total | 81.5 | 55.9 | 68.5 | 102.4 | 77.9 | 76.1 |
| 1998-99 | | | | | | |
| BPL | 31.4 | 26.2 | 83.5 | 39.8 | 33.5 | 84.1 |
| APL/Addl. | 69.8 | 53.3 | 76.3 | 89.6 | 73.9 | 82.5 |
| Total | 101.2 | 79.5 | 78.5 | 129.4 | 107.4 | 83.0 |
| 1999-2000 | | | | | | |
| BPL | 32.4 | 30.2 | 93.2 | 44.2 | 39.8 | 90.0 |
| APL/Addl. | 71.3 | 27.4 | 38.4 | 94.7 | 73.4 | 77.5 |
| Total | 103.7 | 57.6 | 55.5 | 138.9 | 113.2 | 81.5 |
| 2000-2001* | | | | | | |
| BPL | 71.2 | 36.7 | 51.5 | 89.1 | 58.9 | 66.1 |
| APL/Addl. | 51.7 | 3.1 | 6.0 | 73.5 | 18.5 | 25.1 |
| Total | 122.9 | 39.8 | 32.4 | 162.6 | 77.4 | 47.6 |
| 2001-02 | | | | | | |
| BPL | 22.1 | 10.5 | 47.5 | 99.2 | 57.3 | 57.7 |
| APL/Addl. | 13.5 | 2.5 | 18.5 | 61.2 | 13.0 | 21.2 |
| Antyodaya | 4.1 | 2.7 | 65.8 | 102.8 | 81.9 | 79.6 |
| Total | 39.8 | 15.7 | 39.5 | 170.7 | 78.5 | 45.9 |

Notes: The data are for April to March. Addl. refers to additional allocations.
Source: *Foodgrains Monthly Bulletin for May 2002*
Note: 10 lakh= 1 million

Table 7: *Stocks of food grain in the central pool, India, 1991 to 2002 as on April 1 each year* (in million tonnes)

| Year | Total stocks of rice and wheat | Buffer norms | Excess stocks |
|---|---|---|---|
| 1991 | 15.8 | 14.5 | 1.3 |
| 1992 | 11.1 | 14.5 | -3.4 |
| 1993 | 12.6 | 14.5 | -1.8 |
| 1994 | 20.5 | 14.5 | 6.0 |
| 1995 | 26.8 | 14.5 | 12.3 |
| 1996 | 22.1 | 14.5 | 7.6 |
| 1997 | 16.4 | 14.5 | 1.9 |
| 1998 | 18.1 | 14.5 | 3.6 |
| 1999 | 21.8 | 15.8 | 6.0 |
| 2000 | 28.9 | 15.8 | 13.1 |
| 2001 | 44.6 | 15.8 | 28.8 |
| 2002 (P) | 50.9 | 15.8 | 35.1 |

*Source*: Government of India, *Economic Survey,* different years.

Table 8: *Food Subsidy of the Central Government, 1990 to 2002*

| Year | Total subsidy (Rs crore) | Subsidy on buffer stocks | Buffer subsidy as % of total food subsidy |
|---|---|---|---|
| 1990-91 | 2450 | | |
| 1992-92 | 2850 | | |
| 1992-93 | 2785 | | |
| 1993-94 | 5537 | | |
| 1994-95 | 4509 | | |
| 1995-96 | 4960 | 1419 | 28.6 |
| 1996-97 | 5166 | 763 | 14.8 |
| 1997-98 | 7500 | 937 | 12.5 |
| 1998-99 | 8700 | 1596 | 18.3 |
| 1999-2000 | 9200 | 1894 | 20.6 |
| 2000-2001 | 12060 | 4233 | 35.1 |
| 2001-2002 | 16391 | 9363 | 57.1 |
| 2002-2003 | 21200* | | |

*Note*: * refers to Budget Estimate.
*Note: One crore= 10 million*