National Food Security Act 2013

Reetika Khera, IIT Delhi
“Life-cycle” approach

Maternity entitlements

Integrated Child Development Services (ICDS)

Public Distribution System (PDS)

Mid-Day Meal (MDM) Scheme

Social security (e.g., old age pensions)
NFSA 2013: What’s new?

- Maternity entitlements are new

- Other programmes already exist:
  - ICDS, MDM and PDS

- PDS: Effective coverage will double and prices will be halved
Public Distribution System

• **Coverage**: 75% rural population & 50% urban population

• **Entitlements**: 25 kgs per month at Rs 3/2/1 for rice/wheat/millets.

• Given the decline in poverty and those reporting “skipping meals”, why such expansive coverage?
KAUN BANEGA BPL?

Three of these women have BPL cards. Three don’t. Can you spot them?

Everyone has a right to food, but 50% of poor households do NOT have a BPL card.
PDS upgrade

– Yes, “poverty” and “hunger” have declined.
– But
  (a) How are “hunger” and poverty defined?
  (b) Vulnerability (to both) remains high

– Lower risk of “exclusion errors”
– Simpler, and easier to implement
– Good-bye to controversial “poverty line”
– Big pressure on the PDS to work
Financial Cost

(Rs. Lakh Crores)

Current expenditure (2012-13) 1.20
Increase in expenditure ~.25
Estimated cost NFSB ~1.50

as % of GDP 1.5

Foodgrain procurement, 1991 onwards (MT)

Stocks

Buffer stock norm for July (27mt)

Procurement

Stocks
Corruption concerns

Diversion of PDS grain in survey states (2004-5 vs. 2009-10)

Source: Calculated from Monthly foodgrains bulletin and National Sample Survey data from 2004-5 and 2009-10.
<table>
<thead>
<tr>
<th>State</th>
<th>Proportionate Reduction in Poverty Gap (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All India</td>
<td>17.6</td>
</tr>
<tr>
<td>TN</td>
<td>61.3</td>
</tr>
<tr>
<td>AP</td>
<td>40.6</td>
</tr>
<tr>
<td>Chhattisgarh</td>
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<tr>
<td>Bihar</td>
<td>4.3</td>
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