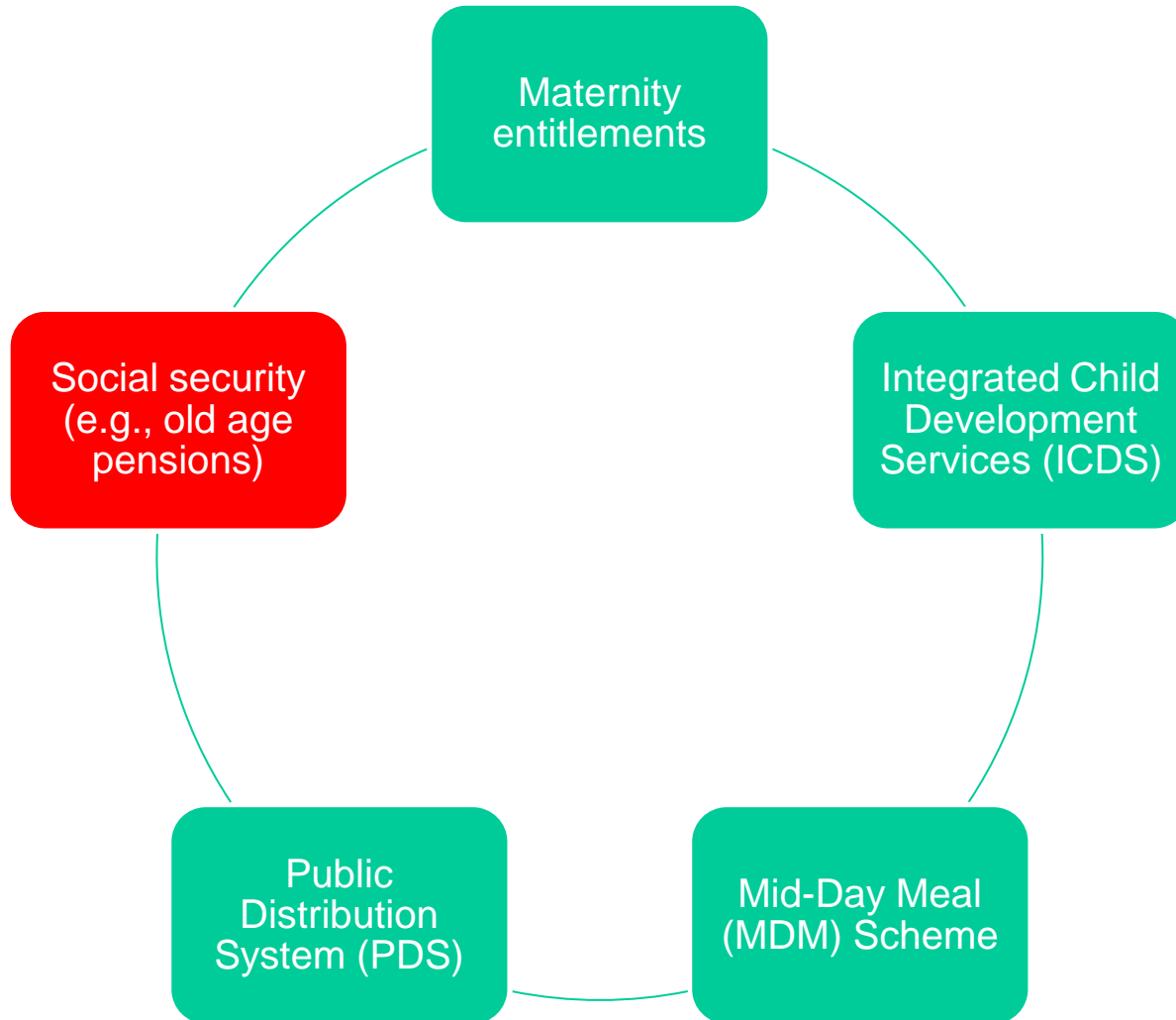


National Food Security Act 2013

Reetika Khera, IIT Delhi

“Life-cycle” approach



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/milletts.
- 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

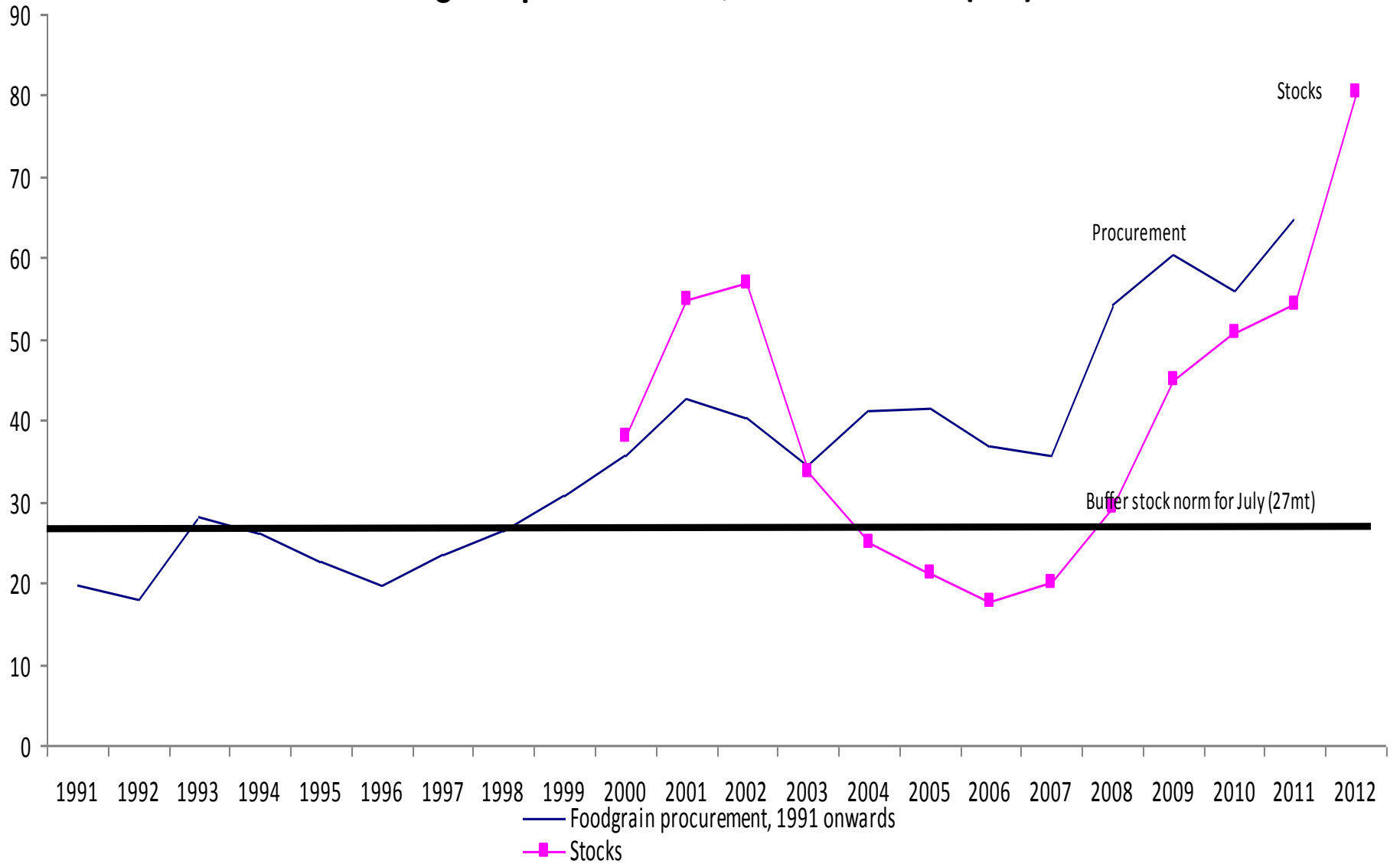
- Yes, “poverty” and “hunger” have declined.
- But
 - (a) How are “hunger” and poverty defined?
 - (b) Vulnerability (to both) remains high
- Lower risk of “exclusion errors”
- Simpler, and easier to implement
- Good-bye to controversial “poverty line”
- Big pressure on the PDS to work

Financial Cost

(Rs. Lakh Crores)

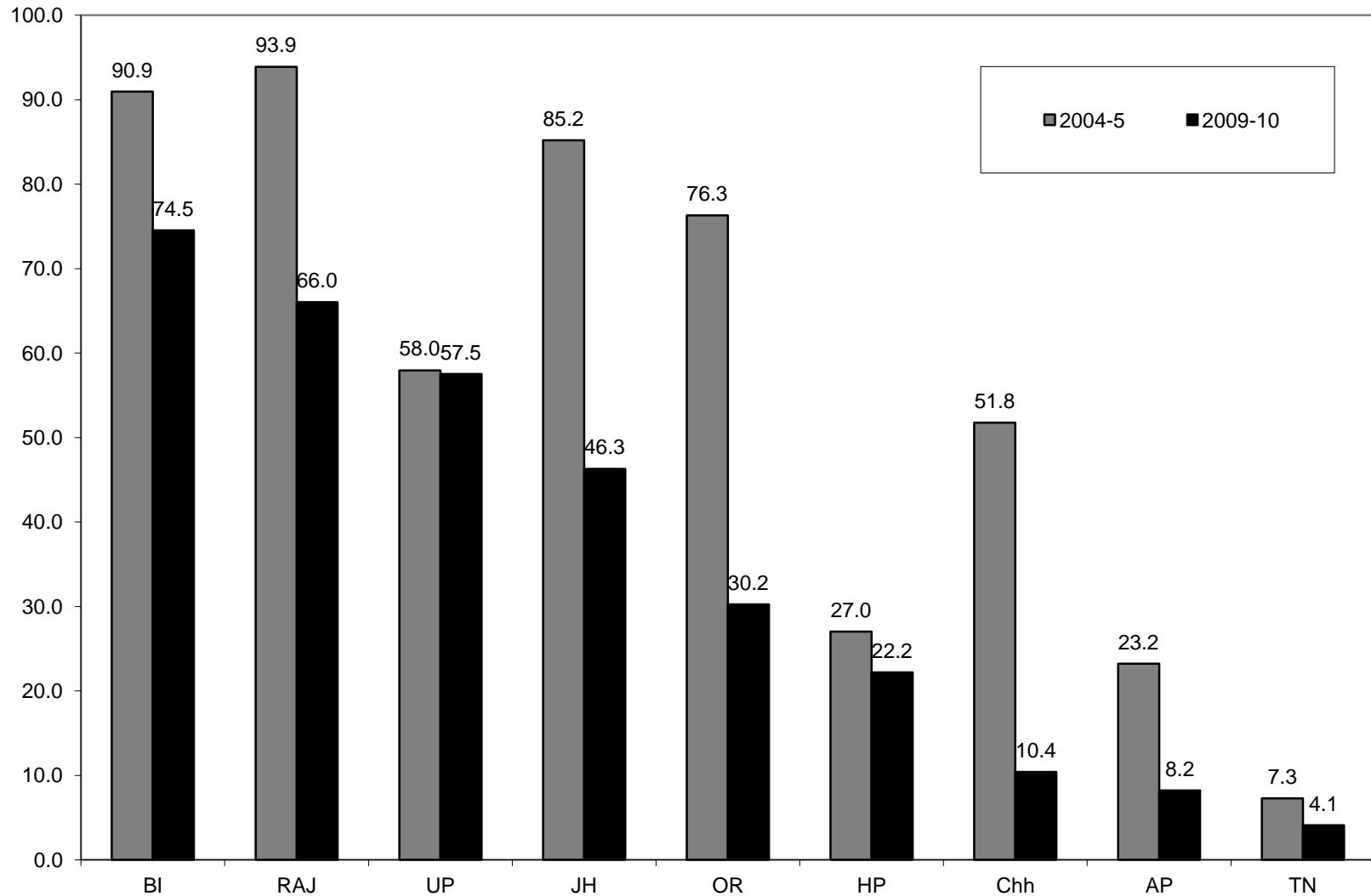
Current expenditure (2012-13)	1.20
Increase in expenditure	~.25
Estimated cost NFSB	~1.50
as % of GDP	1.5

Foodgrain procurement, 1991 onwards (MT)



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.

Proportionate reduction in poverty gap 2009-10

All India	17.6
TN	61.3
AP	40.6
Chhattisgarh	39.0
Bihar	4.3