



## **The State, Market and Civil Society in Food Security to the Poor: The Need for Complementary Role Approach in India**

**Arabi. U<sup>1</sup>**

### **Introduction**

Banishing hunger and ensuring food security has been accepted as the primary responsibility of the state towards its citizens, and is repeatedly endorsed at various national and regional forums. In a developing agrarian economy like India, significant progress in promoting economic growth, reducing poverty and enhancing food security cannot be achieved without developing the potential capacity of the agriculture sector and its contribution to the overall economic development. Similarly, any intention to liberalize its agricultural trade needs to be treated cautiously and introduced gradually as the availability of food affects a nation's economic and social stability. As rapid growth of agriculture is essential for ensuring food security and alleviation of poverty, the food needs and supply gaps in developing economies are considered as development problems. Thus all their policies on developing agriculture aim at harnessing the potential for increasing productivity and production in this sector. In this regard India's food policy has a laudable objective to ensure availability of food grain to the common people at an affordable price and it has enabled the poor to have access to food where none existed.

India's food policy has a laudable objective to ensure availability of food grains to common people at an affordable price and it has enabled the poor to have access to food through the public distribution system. Further, India's agricultural policy has been oriented to price stability. Agricultural price policies are designed to protect

---

<sup>1</sup> Dr U Arabi, Reader, Department of Economics, Mangalore University, Mangalagangothri, Karnataka-574199, India

farmers from price falls. The system of minimum support price and monopoly procurement has put place in order to mop up marketed surpluses. The surpluses mobilized through procurement programmes served the basis for the creation of buffer stock, which in turn was designed to cushion the country from the ravages of food security and food production strategies. Despite many efforts by the Government to ensure food security to the large sections of the population, the starvation, hunger has not kept down. Thus there is the urgency of exploring the factors responsible for such a phenomenon and think wisely to find more viable untried approach, at least in future these problems could be minimized.

### **Need for the clarity on the concept**

Physical and economic access to food at the household level, at all times, to ensure healthy and active life is the crux of food security. An emerging concept, the 'entitlement approach' of understanding food security which posits relationship between the endowment of the households and their entitlement to certain extent helps to explain access to food by the households. Accordingly, the broad components of food security might include,- a.) Food availability, which depends on food production and imports, b) Food access, which depends on purchasing power and c) Food absorption is a function of safe drinking water, environmental hygiene, primary health care and education. Thus, concept of food security can be understood by its various facets and concepts.

Similarly, in particular, the sustainable food security compact for every states and union territories in India depends on different kinds of Action plans like;

1. Stabilizing Population
2. Conserving and Enhancing land resources
3. Ensuring water security
4. Conserving and restoring forests with Community participation
5. Strengthening bio-diversity
6. Improving the atmosphere quality
7. Managing common property resources
8. Intensifying crop and animal production in a suitable way.
9. Forming a coalition for sustainable food security in every state.

Thus, the problems in ensuring food to the poor in India need a thorough enquiry into the above.

The next area, where the consensus needed, is the recognition of the weakness of the calorie-based definition of food security. One need not dwell at length on the inadequacy of the calorie norm as an indicator of food security as; the major problem with the calorie norm is to determine what could be considered as adequate number of calories. In India, as in several other developing countries of this region, where this norm is taken as the basis for defining poverty line, i.e., those having calorie intake above certain level being defined as non-poor and the rest as poor, a serious, but inconclusive, debate continues with different scholars maintaining different standards of adequacy. In any case, it is clear that the norms of adequate calories will vary depending on the external environment and the nature of activity of an individual. Thus, calorie requirement for a person in humid climate may be different from that of the one in dry and harsh climate. Similarly, calorie requirement of a person pursuing sedate operations will be different from the one engaged in manual labor.

Another serious lacuna of calorie norm is that calorie adequacy cannot be equated to healthy and active life. This is evident from the fact that while more and more people are able to access 'adequate' calories, this is not reflected in a sizeable reduction in malnutrition. Dietary energy supply measurement based on average availability of calories at the household level, besides failing to reveal intra household distribution of food does not reflect true nutritional status. Even if we assume that "adequate" calories are available to every member of the household there is no certainty that available calories will meet the requirements of protein energy, and micro nutrients, such as iron, iodine and vitamin A. The most commonly used indicator of Protein Energy Malnutrition (PEM) is the percentage of children whose weight for age falls below a reference value. Prevalence of malnutrition in children under-5 judged by this indicator has declined in developing countries from 46 percent in 1975 to 34 percent in 1995, but progress has not been uniform. The number of under nourished children, in 1995, is estimated at 54 million in Latin America, 121 million in Africa, and 363 million in Asia. In Asia, south and central Asia has by far the highest malnutrition levels, in percentage terms as well as in absolute numbers. In these sub - regions, about 44 percent of under-5 children are malnourished, accounting for half the total number of malnourished children in developing countries. Without an assurance of nutritional adequacy food security has very little meaning (United Nations, 2000).

There is growing consensus on the need to widen the definition of food security. Calorie norm, at best, can provide a threshold but not the standard for food security. Food security acquires a meaning where it also connotes nutritional security at the

household level It is a different matter that nowhere, in developed as well as developing countries, this notion of access to nutritionally adequate diet is operationized (Vyas, 1997). The main reason for the absence of nutritional security, or for that matter even the narrowly defined (calorie based) food security, is that we have not taken a balanced view on the respective role of the state, markets and civil society in ensuring food security in true sense of the term.

### **The Role of the State**

Whichever way food security is understood, the state has an important role to play. The state's role in strengthening food security is more prominent in ensuring availability of food and its access by the households, particularly the poor ones. State interventions are of direct as well as indirect nature. For example, investment in research and development in agriculture or in infrastructure, or institution of land reforms will have an indirect but significant impact on the availability of food. This is what Dreze and Sen (1989) have called "growth-mediated security". In the short term more direct impact is exercised by trade policies, price policies and by public distribution of food. One of the important issues pertains to agricultural trade policy and food security. There is a pressure on all developing countries to wean away from the policy of food self-sufficiency which was till lately the overarching objective of agricultural policies of several medium and large countries in this region. The widespread move towards globalization on the one hand, and secular decline in the food prices at the international level on the other, have been advanced as the arguments so forsake food self-sufficiency as a national objective and organize production on the basis of comparative cost. But such proposition is flawed on several counts. In the first place, the notion of comparative advantage often represented by the border prices is, at best, a static concept. It does not take into account the dynamic role of technological and institutional measures. It also assumes quick and frequent shifts in cropping pattern by domestic producers to adjust to year to year changes in international prices. Secondly, wide swings in inter-year and intra-year fluctuations in the international prices, greater in magnitude than the fluctuations in the domestic prices, enhance risk and uncertainty for the domestic producers as well as consumers. Advocacy of unrestricted exposure to international markets ignores that fact of the dependence of a large majority of rural producers on food grains production as their main source of livelihood; it overestimates the resilience of the system to compensate these producers from heavy and sudden dislocations. These assumptions are not borne out by the facts, not at least in a large and poor country such as India (Tyagi, 1990 Nayyar and Sen, 1994; Chand, 2000).

Once our livelihood and consumption patterns change, with small number of workers engaged in food production and small percentage of expenditure spent on food, and more resilience is imparted to the economic actors, we can think of reviewing the policy of food self-sufficiency. To take a doctrinaire approach on 'free' trade in food grains would amount to jeopardizing one of the essential attributes of food security, i.e., adequate availability of food grains at reasonable prices, and will comprise the prospect of livelihood for those who are inherently food insecure. At the same time food self-sufficiency should not be interpreted as an invitation to autarky. It simply connotes a trade strategy which would not expose the vulnerable sections of producers as well as consumers to avoidable shocks from external trade. Thus, it does not preclude 'switch' trade to meet requirement for particular grains; nor it excludes international trade in food grains at the margin.

On some aspects of price policy there is a greater unanimity. It is now well established that low and stable food grain prices are a potent tool to reduce poverty, reduce vulnerability of the poor to external shocks, and presumably, and enhance food security (Vyas, 1998b, 1998c). Difficulty is faced in implementing this policy in countries where bulk of the food grain producers is also poor. Obviously, if there are urban biases or the farmers are penalized due to macro economic distortions, say, in exchange rates, appropriate policies at the macro level are called for. However, politicians in most of the countries, rich and poor, have taken the easy option of raising food grains prices for the producers, lowering issue prices for the poor, and subsidizing the gap between the high procurement prices and low issue prices. This policy is under severe pressure in the prevailing economic environment where containment of fiscal deficit is given high importance. More often than not, it is the poor whose interests are sacrificed in the pursuit of fiscal discipline, especially in countries with competitive politics and powerful vote banks. Richer farmers with marketable surpluses claim, and get, high prices in the name of the poor farmers though the latter do not have marketable surplus to benefit from high administered prices; in fact, as net buyers of food grains they are the losers.

For raising agricultural productivity non-price factors are of critical importance. Concerned efforts have to be made to raise the level of technology, provide rural infrastructure, strengthen supportive institutions, and invest in developing human capabilities. These are difficult and non-glamorous tasks. But, a state committed to the objective of sustainable and pro-poor growth has hardly any other option.

The third important area of state intervention is the public distribution of food grains. A number of states in India have organized programs of food grain

distribution, free or more often, at concessional prices. If the state has taken the responsibility of banishing hunger, supply of food to those who cannot afford to get it at the market price, is the logical corollary. The critics of these programs who suggest that public distribution of food grains imposes heavy burden on the national exchequer and the really 'down-and -out' are not covered by these programs. They also maintain that the same amount of resources, which is devoted to public distribution of food grains, could be utilized for creating employment opportunities, or strengthening poverty alleviation programs. Unfortunately, the record of poverty alleviation programs in terms of efficient use of resources or in terms of reaching the poorest of the poor is not much better.

The real problem is the difficulty in targeting. Because of loose targeting, fiscal burden increases and the deserving persons do not get the benefit. Coupled with it is the inefficient functioning of the state agencies responsible for food procurement and distribution. The solution to these problems is not to abandon the public distribution of food grains but to plug the loopholes. As I will state later, both markets and the civil society have role to play in this regard.

With the food distribution schemes in existence for years in a number of countries of Asia we should be able to draw lessons. There is a need to distinguish between the objectives of containing rise in the food grains prices in general, and giving succors to the really disadvantaged sections. To achieve the former objective (of containing rise in general price level) the nature of operations would be analogous to 'open market operation', which would necessitate operations of buying and selling of food grains on a fairly large scale, while a target group oriented food distribution program will require more modest quantities to handle. While rigorous screening is important, there will always be a small section of population who will need direct assistance to obtain food. No civilized society can ignore such unfortunate groups. Experience has also shown that concessional food distribution can be so organized as to help in alleviating poverty in a sustainable way-by ensuring nutritional security along with food security through schemes such as mid-day meal scheme; by assisting in meeting simultaneously other societal goals, such as universalizing primary education with schemes such as 'school meals' programs; by strengthening production base through linking food distribution to schemes such as land reclamation, watershed development, afforestation, etc. A centralized bureaucratic system never be able to reach the poorest of the poor, and will have built-in inefficiencies. Thus, the last conclusion, or lesson suggests decentralization of food distribution programs and participation of the beneficiaries in the meaningful way.

## **Role of the Market in ensuring food security**

The debate centred on the role of market in economic development calls for in any case to bureaucratic interventions for initiating and sustaining economic growth. In more recent years the question is not posed in terms of alternative paradigms, i.e., state oriented versus market - oriented growth. A more balanced approach can now be discerned, and to begin with the basics, the market has three functions of adding time, place and form utilities to products and services. These primary functions are more important for agriculture where production is seasonal, localized and needs processing before it can be consumed. If food grain markets perform these functions efficiently everyone will benefit and the prospects of annihilating food insecurity will brighten. Reverse is true if markets are not functioning properly, with additional disadvantages to the poor. Are food grains markets functioning properly, with additional disadvantages to the poor? Are form utilities in an efficient manner?

For understanding reasons of such inefficiencies, market failure paradigm as developed by Stiglitz and others is helpful. This paradigm was developed specially for analyzing credit markets but can help us in understanding imperfections in the food grains markets as well. But this requires an examination of the factors in market imperfections. The factors responsible for imperfections in the markets faced by the poor are: unequal bargaining power of different economic agents, asymmetry of information, and moral hazards. When it comes to markets in food grains for the poor another contributory factor to market imperfection has to be recognized, i.e., the higher transaction costs. The poor face all these handicaps in the food grains markets. Weak bargaining power of the poor producers and consumers is a fact of life, whether one subscribes to the notion of interlocked markets or not. Further, sources of information for the poor are weak due to illiteracy, lack of communication and the isolated locations where they are concentrated. Difficulty in enforcing contracts both for the buyers and sellers creates moral hazards. In any case, the poor buy and sell in small quantities and intermittently, and as a result transaction costs are high, which thwart competition. Thus, apart from poverty, market imperfections make the poor more vulnerable in terms of food security.

In any discussion of food security functioning of the food grain markets is an important factor. An efficiently functioning market which adds time, place and form utility is particularly helpful to the poor, given their vulnerability as producers as well as consumers. Removing imperfections in the markets can contribute to food security, and their prevalence exacerbates food insecurity. The measures which impart efficiency in the functioning of the markets, viz., regulatory provisions, organizational

improvements, attempts towards information dissemination, and removal of locational handicaps mainly by investment in infrastructure and improvement in connectivity, are factors contributing to food security and their importance should be fully appreciated. While the role of state in providing and upholding legal framework and strengthening markets infrastructure is recognized, role of civil society to correct market distortions need to be recognized.

### **Civil Society and Democratic Decentralization of food security**

The important function of the grassroots organizations is to respond to the state initiatives and point out the lacunae in their functioning. Various measures initiated by the state to ensure food security to the poor do not benefit them because the bureaucratic hurdles or procedural tangles. Village level institutions can take up the watchdog as well as advocacy functions and point out the defects and fight the malpractices. While the development of agency function at the village level ensures lower transaction cost, their role in advocacy and surveillance also contributes to the lowering down 'moral hazards'

Another role of the civil society, i.e., pro-active role, in ensuring food security is an ethical one, moored in the principles of mutuality and fellow feeling. In this respect, the entitlement approach by emphasizing legal entitlement detracts from the ethical and moral imperatives for food security. To dismiss sentiment of mutual obligation as remnant of a dying culture or expression of a romantic world view is to ignore large number of efforts being made by philanthropic and religious institutions to provide succour to less advantage people. If it is considered as an obligating of the state to ensure that hunger is banished from the society, should the civil society be totally immune from the suffering of the fellow human beings? It is true that in the past the social order which ensured such help to the unfortunate members was feudal in character, and had several defects. Ingenuity lies in overcoming such features without forsaking the basic obligations of the society towards its members.

There is another aspect of the role of the civil society institutions, which imparts true meaning to food security, i.e., influencing consumption in the direction of 'healthy and productive life'. If food security is to be translated in terms of nutritional security, role of civil society can exercise will be any time more important. The moral suasion that the society can exercise will be any time more effective than the regulations imposed by state authorities. There are several examples in this country of voluntary organizations, especially the organization of Gandhian persuasion, which could influence people to abjure from taking liquor or tobacco or take up vegetarian diet. It allowed households to reallocate their resources in nutritionally more desirable



items. Besides, as the example of several countries in our own region have shown, civil society institutions can tackle some difficult problems, which are important for sustainable food security, such as population control, more effectively than what the state with political fiat or markets with the systems of incentive and disincentives can achieve. It is true that much of the authority of civil society institutions at the grassroots level has been eroded with the increase in population, penetration of the market and explosion of wants. However, some civil society institutions still wield moral force and appeal to the basic goodness of the human beings.

### **State Intervention in Food grains and FCI**

The main agency providing food grains to the PDS is the Food Corporation of India (FCI) set up in UP in 1965. The primary duty of the Corporation is to undertake the purchase, storage, movement, transport, distribution and sale of food grains and other foodstuffs. It ensures on the one hand that the farmers get remunerative prices for their produce and on the other hand, the consumers get food grains from the central pool at uniform prices fixed by the government of India. The Corporation has also been entrusted with the responsibility of maintaining buffer stocks of food grains on behalf of the government. With the increasing production of wheat and rice in recent years and the increasing demands on the PDS, the role of FCI has also increased as it is the sole depositing of food grains meant for the PDS. FCI has the following achievements to its credit:

(1) Ever since FCI started its procurement operations, the levels of procurement have increased considerably enabling the government to build up adequate buffer stocks on the one hand, and to meet the requirements of the PDS on the other;

(2) With increase in the domestic procurement of food grains by the FCI, dependence on imports of food grains has declined considerably enabling the country to save valuable foreign exchange;

(3) Since a major part of the FCI's procurement operations is in the nature of price support purchase, the FCI has arrested price declining to unremunerative levels;

(4) By supplying food grains to the PDS at 'affordable prices', the FCI has helped in reducing the inflationary pressures on the one hand, and has enabled the low income groups to meet their food grains requirements on the other hand; and

(5) The FCI has played an important role in building up scientific storage capacity in the country. This has not only enabled the country to build up buffer stocks, it has also helped in reducing losses on storage.

## **Flaws in Food Security System**

The Public Distribution System (PDS) in India has been criticized on various counts. The main criticisms are as follows:

### **Limited Benefit to Poor from PDS**

Many empirical studies based on the 1986-87 NSS data on PDS purchases have shown that poor were not benefiting much from PDS. The dependence of the poor on the PDS in rural areas for many commodities is less than 16 percent. This would mean that the dependency of the rural poor on the open market is much higher than on the PDS for most of the commodities. In a similar way, urban poor also depend to a substantial extent on the open market to meet their consumption requirements. In a study on the effectiveness of PDS in reaching the poor, Kirit S. Parikh says, "The cost effectiveness of reaching the poorest 20 per cent of households through PDS cereals is very small. For every rupee spent less than 22 paise reach the poor in all states, excepting in Goa, Daman and Diu where 28 paise reach the poor. This is not to suggest that PDS does not benefit the poor at all, but only to emphasize that this support is provided at high cost" A study conducted by the Bureau of Directorate of Economics and Statistics, Karnataka, also reveals that only 13 paise out of a rupee spent on PDS reaches the poor. In this context it would also be pertinent to point out that ration cards are issued only to those households who have proper registered residential addresses. This means that a large number of poor who are homeless and other without proper residential addresses are automatically left out of food security system.

Using 1986-87 household level data, Radhakrishna, K. Subbarao, S. Indrakant and C.Ravi have estimated the extent of income transfer through PDS to the poor and the consequent reduction in poverty in terms of percentage and security. They concluded that there were negligible welfare gains due to PDS. The per capita income gain to the poor from all consumer subsidies was no more than Rs. 2.01 per month, or 2.7 percent of their per capita expenditure, in rural areas. The overall transfer gaining was very meagre.

### **Regional Disparity in PDS Benefits**

There is considerable regional disparity in the distribution of PDS benefits. For example, in 1995, the four Southern states of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu accounted for almost one half of total PDS off take of food grains in the country while their share in all India population below the poverty line in 1993-94 was just 18.4 percent. As against this, the four Northern States of Bihar, Madhya Pradesh,

Rajasthan and Uttar Pradesh having as much as 47.6 percent of all India -population below the poverty line in 1993-94 accounted for just 10.4 percent of all India off take of food grains from PDS in 1995. A more accurate picture of differences across states and regions emerges when we examine the distribution of per capita quantities, that is, after adjusting for population size. In 1995, the average per capita off take of food grains from PDS was 53.3 kg in Kerala and 29.5 kg in Tamil Nadu whereas it was only 4.6 k.g in Madya Pradesh, 2.9 kg in Uttar Pradesh and 2.3 kg in Bihar. These inter-state differences in the scale of PDS operation have persisted over the years. For example, average taken over the period 1973-89 shows that Kerala and Tamil Nadu accounted for an annual per capita off take of 51.4 k.g. and 24.4 k.g from the PDS respectively while Madhya Pradesh, Uttar Pradesh and Bihar accounted for an annual per capita off take of only 8.8 k.g, 7.8 k.g and 9.5 k.g. from the PDS respectively.

### **The Question of Urban Bias**

A number of economists have pointed out that PDS has remained limited mostly to urban areas for a considerable period of planning while the coverage of rural areas was very insufficient. In fact, in an article published in 1984, P.S. George estimated that the off take in the urban areas was about 85 percent of the total off take from the PDS. However, using data available from the 42<sup>nd</sup> round of NSS, S.Mahendra Dev and M.H. Suryanarayana have indicated that for most of the states with the exception of west Bengal, the urban bias may not be present. In fact, based on certain criteria they have argued that the PDS is rural biased at the all-India level for rice and course cereals.

Although the above results seem mutually contradictory, the fact of the matter is that there was indeed an urban bias in PDS in the 1960s and 1970s as its coverage was contained to major cities and a few states. However, with the expansion of PDS in rural areas in later period, this bias has been corrected. Nevertheless, the mere expansion of PDS in rural areas does not mean that it is “effective” in delivering the goods. In fact, a report released by the Government of India in 1991 pointed out that while more than 75% of the fair price shops are in rural areas, “the level of their effectiveness in terms of actual supply of essential commodities, particularly in the rural, backward, remote and inaccessible areas, raises questions as to the meaninglessness of their existence.”

### **The Burden of Food Subsidy**

PDS is highly subsidized in India and this has put a severe fiscal burden on the Government. Subsidy on PDS arises from the difference between the issue price and the economic cost of the FCI. From Rs. 117 crore in 1972-73 and Rs.662 crore in 1980-81, food subsidy rose to Rs. 2,850 crore in 1991-92 and further to Rs.8,700 crore in 1998-99. It is expected to rise further to Rs.9, 200 crore in 1999-2000. The need for subsidy arises because of the widening gap between the economic cost o FCI and the FCI's average realization based on the issue price of PDS. While the economic cost of FCI is going up considerable due to the regular hikes in procurement prices, rising costs of storage and distribution etc, the issue prices are deliberately kept low by the government in order to supply food grains to the masses at the low prices. In fact, as noted by Madhoo Panskar, the issue prices "hardly cover even the partial costs of procurement, transport, storage and distribution, separately, let alone all of them together"

### **Inefficiency in the operations of FCI**

The Bureau of Industrial Costs and Prices (BICP) of the Government of India and some researchers have pointed out a number of inefficiencies in the operations of the Food Corporation of India. The economic cost of FCI food grains operations has been rising both on account of increase in procurement as well as the distribution incidentals. A study by D.S.Tyagi shows that during the 14 year period, the average distribution cost went up by 274 percent while procurement incidentals increased by only 70%. The details about the post procurement cost show that freight and interest payments on bank over drafts and Government loans constitute major part of the cost. In factors like the subsidized credit given to FCIO and the preference given by the Railways to FCI in handling Freight are also taken into account, the economic costs would be much higher.

### **PDS results in price increases**

Some economists have pointed out that the operations of the PDS have, in fact, resulted in an all round price increase. This is due to the reason that large procurement of food grains every year by the government actually reduces the net quantities available in the open market. Taking advantage of the low supplies in the market, the traders have indulged in speculation raising the food grains prices in the open market to unusually high levels. This dual market system - the PDS and the open market - operates to the disadvantage of the poor, as requirements of the poor. Therefore they are compelled to make purchases in the open market where prices are high. Thus PDS not only does not meet significant requirements of the poor but also operates against their interest by purchasing up the open market prices.

## **Leakages from PDS**

Another criticism of PDS relates to the problems of leakages from the system in terms of losses on the leakages from the system in the form of losses in the transport and storage and diversion to the open market. According to Deepak Ahluwalia, a little more than a third of the food grains and sugar and over half of the edible oil does not reach the actual users of PDS. The major part of the leakages is due to diversion of food grains to the open market. Instead of selling ration at subsidized rates, shopkeepers sell them in the open market at higher, pocketing the difference. Some times, shopkeepers make bogus entries in the ration cards. The delivery systems in rural areas are very poor. Even if the fair price shop exists, food grains are not available in many places.

## **Reorganization of Food Security System and Safety- Net for poor**

On Account of the above shortcomings and weakness in the PDS, a number of suggestions for reorganizing the food security system in India have been made. The main suggestions are the following:

- (1) Targeting the PDS to the poor in both rural and urban areas;
- (2) Linking of PDS with public works programs like the Employment Guarantee Scheme (EGS) of Maharashtra or the nationalized Jawahar Rojgar Yojana (JRY);
- (3) Adoption of a food stamps program ; and
- (4) Decentralization of the food security system.

## **Conclusion**

Food production, a major rural industry in most developing countries not only helps a country to achieve its food security but also ensures the vast rural population of a reliable source of employment and income. This is crucial to a country's economic and social stability. But there should be a dramatic break through in food production methods, so as to meet the staple food trade in developing countries. On the other hand, the non- staple food market may be allowed subject to negotiation for access by other trading countries. Further, the present system of restricting direct purchase of commodities from farmers needs to be de-regulated. Such a move would promote freer and more competitive markets apart from reducing post harvest losses.

Most discussions of food security are focused on food security at the national level and not at the poor individual level. The national food security depends on the

continued increase in the efficiency with which national agricultural resources are used, on continued market incentives to develop and adopt improved technology, and on continued public investments in the necessary institutions to support sustained agricultural growth. Regardless of the past options, now the time has come to strengthen the role of the invisible and visible market forces and agents in making food delivery efficient to reach millions of hungry and starving poor population in the country. Though food grains are sufficiently produced in the economy, it is the institutional failures which are responsible for food delivery failures and starvation in the country now. In other words it is not food security rater food insecurity agenda has to be properly understood in the present context of globalizing the food economy.

Further, in India, still we talk of agriculture as a Government's exclusive preserve because agriculture has for long been used farmers as machines to produce food for others. In other words, we can say that agriculture as being basically farmers, their hopes and aspiration and frustration needs proper approach and outlook to overcome the challenges and to overcome the food security threat in India successfully. Thus there is dire need to discipline on public stock holding of grains for food security.

The stock holding activities for food security have been subjected to several additional conditions, which seems to be difficult to put them into implications in a country like India. Hence there is an urgent need to further encourage the domestic production for a country like India for the realization of the objective of "Food Security". In this regard, the following measures seems desirable in India to achieve a more balanced in food production and distribution strategy; the need to adopt effective strategy for reduction in cost of production, to improve the inefficient supply chain, to create a vibrant food processing industries or to create a Common Market for all states in India. Thus the need for a complementary role model is practically required at this hour in the country which has to be focused as one of the development agenda among the policy makers to save large numbers of food deficient poor families in the country in the near future.

### **References**

- Acharya S.S. Surihit Singh, Vidya Sagar (2002), (ed), Sustainable Agriculture, Poverty and Food Security. Vol -I, Rawat Publication New Delhi P.P.11-33, 33 - 47.
- Sanderaine Nirmal (2003), (book review); Human Development in South Asia 2002, South Asia Economics Journal Vol-4 No.2, P.P. 342-345
- Arabi U. (2004), "Farm policies and management of the food economy under globalization; Implications on food security in India", paper presented in ICSSR sponsored National

- Seminar on Globalization and Rural Transformation at the Dept of Economics, Kakathiya University Warrangal, AP, Feb 20-22, 2004 (unpublished.)
- Arabi U. ([2002), "Agricultural development and trade under W.T.O Arrangements: Implications for India", paper presented in the national seminar on W.T.O. and allied issues at Indian Institute of Foreign trade, New Delhi, Feb 2-3.
- Arabi.U (2004), "Sustained agricultural development and Food security dimensions: Policy perspectives in India", paper presented in the national seminar on Institutional Policy options for sustainable Agricultural development, organized by the Dept. of Economics, Osmania University, held at Hyderabad on 10<sup>th</sup> and 11<sup>th</sup> April, 2004.
- Damodharan A. [2001], "W.T.O Agriculture Agreement, Common Property Resources and Income Diversification strategy", Economic and Political Weekly, Sept 22.
- Food Security in India: The Hindu, January 10,2002
- Mohandas M:[2002], "Implications of Agreement on Agriculture on Food Security in India," paper presented in the National Seminar on W.T.O and Allied Issues at Indian Institute of Foreign Trade, New Delhi, Feb 2 – 3.
- K.S.Venkateshappa, R..K.Ramesh Babu(2005), "Reforms in Agriculture and Food Security in India", in Sustainable agricultural development in India- Essays in honour of Prof. M.V. Srinivasa Gowda, (ed) by R.S.Ramesh, K.S.Venkateshappa, S.Suryaprakash, Souther Economist Publication, Bangalore, p.p.163-169
- Economic Survey (2004-2005), (2005-06), Government of India, Ministry of Finance and Company Affairs, New Delhi.