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**CONCERNS OF FOOD SECURITY IN INDIA AMIDST ECONOMIC CRISIS**

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**ABSTRACT**

*'Food security is achieved when all people, at all times, have physical and economic access to sufficient safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.'* (WFS1996). Hence the key elements of food security are availability of food, access to food and distribution of food. In recent times food insecurity is not due to lack of food availability but primarily due to less purchasing power in the hands of poor. The worldwide financial crisis of 2007-10 is seen as worst since the Depressions of 1930's. The current food and financial crises, linked in complex ways, will both have implications for food security, financial and economic stability. The impacts will be greatest on the poor and hungry. Though the economic fallout was not very acute for India the growth rate declined to 7.3% in 2008, down from 9.3% in 2007. Decline in economic growth contracts demand for labor resulting in job cuts and downward pressure on wages. Food being the single largest item of expenditure for the poor, rising food prices exacerbate poverty which is the major driver of food insecurity. In India the prices of food articles continued to rule high as a result of which consumer price indices remained firm near double digit. The Global Hunger Index 2010 estimates that the number of hungry people increased to 1.02 billion in 2009 from 854 million people in 2006. Undernourishment captures an access-adjusted perspective of food insecurity. India has 40% of world's malnourished children under the age of five years of age. The devastating cycle of malnutrition has continued to alarming levels in India as identified by the 2008 India State Hunger Index (ISHI) released by IFPRI.

**KEYWORDS**

food security, economic crisis, rising prices, malnutrition, poverty.

**INTRODUCTION**

Food security has been widely defined in economic literature. The World Food Summit (1996) used the following definition, "Food security exists when all the people, at all times have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life." Thus the three key elements of food security are availability of food, access to food and distribution of food. In recent times food insecurity is not due to unavailability of food but primarily because of lack of purchasing power i.e. economic access. One way of tracking food insecurity is through the global hunger index which is based on a simple average of three indicators--- percent of population undernourished, percent of under five children underweight and the under five mortality rate. The Global Hunger Index 2010 (IFPRI) has estimated that the number of hungry people is more than 1.02 billion in 2009. It is a sizable increase from 2006 estimate of 854 million. The increase in food insecurity from 2006 has been due to many causes but the three factors responsible are neglect of agriculture sector relevant to poor by the governments, significant increase in food prices in past several years and the most immediate is the current global financial crisis.

The global financial crises and economic downturn of 2007-09 is considered the worst since the depressions of 1930's. Though the economic crisis emerged in US and other developed nations but the severity was felt by developing nations more. This financial crisis was different from other crises due to several factors. One very important fact is that most of the world economies are now more integrated both financially and commercially and hence more vulnerable to change in international markets and thus the crisis affected large parts of the world simultaneously. Secondly this crisis was preceded by food and fuel crisis of 2006 which strained the poor people who are more vulnerable to food insecurity. Many countries experienced drops in trade, financial inflows, saw their exports earnings, foreign investment and remittances falling. This not only reduces employment opportunities but also money available to governments for programs promoting growth and spending on ensuring food security. Though the Indian economy looked insulated from the Global financial crisis that started in 2007, but in 2008, with the collapse of Lehman brothers the impact on Indian economy was almost immediate. Credit flows suddenly dried up and money market interest rates spiked up. The second way through which global downturn came to India was by steep decline in the demand for India's exports in major markets. The first market to hit was gems and jewellery that lost more than 300,000 workers. Some export-oriented sectors like garments and textiles, leather, handicrafts, auto parts etc. faced 21% decline in their exports in 2009 which was steepest fall since the last two decades. The assessment for the country as a whole based on secondary data indicated that approximately 7-8 million potential jobs could not be created because of economic slowdown and the resultant slowdown in India's economic growth from 9% in 2007-08 to 6.7% in 2008-09. This must have put a strain on the food security system in the country because India is home to the world's largest food insecure population with more than 200 million people who are hungry. Although at the national level, we have solved the problem of food security which is reflected in mounting buffer stocks. Yet, there are millions of food insecure and undernourished people in India. India is home to 40 percent of the world's malnourished children and 35 percent of the developing world's low-birth-weight infants; every year 2.5 million children die in India, accounting for one in five deaths in the world. More than half of these deaths could be prevented if children were well nourished. India's progress in reducing child malnutrition has been slow. Due to the global financial crisis economic situation of many poor households deteriorated and intensified hunger issues. India's overall rank on the 2008 Global Hunger Index (GHI) was 66 out of 88 countries. The rank of different India states in relation to GHI range from 34 for Punjab (between Nicaragua & Ghana) to 82 for Madhya Pradesh (between Chad & Ethiopia). India's poor performance on the GHI is primarily due to its relatively high levels of child malnutrition and undernourishment resulting from calorie deficient diets. This paper attempts to study the food security status of India during the global economic crisis.

**FOOD SECURITY STATUS – INDIA****TRENDS IN FOOD PRODUCTION**

Even with food grains surplus economic access to food by vulnerable groups remains poor. India raised production of food from 51 million tonnes in 1951 to 231 million tonnes in 2007-08 and 234.5 million tonnes 2008-09. The table 1 below brings out the increase in food grains production from 1950-51 to 2009-10 and also shows the drastic rise of population along side. Prior to 1960s India relied on imports and food aid to meet domestic food requirements. But it was not sufficient for food security needs and meeting dietary needs of the vast population. Consequently steps were taken to become self-sufficient in the production of food grains. The new strategy in agriculture led to the Green revolution. It benefitted from a remarkable boost in agricultural output as a result of using new varieties of rice and wheat along with the application of fertilizer and irrigation. The result was striking increase in cereal yields. Total foodgrain production soared and by the early 1970s India became self sufficient. It achieved national food security and there were several positive developments. Per capita availability of food increased as did per capita generation of income. Indian agriculture became much more insulated from the effects of drought. There was greater commercialization and diversification of cropping patterns from food grains to higher value crops. But towards the late 70's and early 80's this boost in production did not appear to be benefitting everyone and it was certainly not eliminating hunger and malnutrition.

TABLE 1: FOODGRAINS PRODUCTION AND POPULATION

Year	Food grains (million tonnes.)	Population (millions)
1950-51	50.8	359
1960-61	82.0	434
1970-71	108.4	541
1980-81	129.6	679
1990-91	176.4	839
2000-01	196.8	1019
2005-06	208.6	1106
2006-07	217.3	1122
2007-08	230.8	1138
2008-09	234.5	1154
2009-10(A)	218.2	Na.

Source: Agriculture Statistics at a glance-2010. Directorate of Economic and Statistics Ministry Of Agriculture and Cooperation.

Food insecurity is also critically linked to poverty and low incomes. The table 2 below brings out the extent of poverty in India even now and it is these poor people who are most impacted by economic crisis and high food prices.

TABLE 2: PERCENTAGE OF POPULATION BELOW POVERTY LINE 61ST (2004-05) ROUNDS OF MAJOR STATES

States.	Uniform Reference Period			Mixed Reference Period.		
	Rural	Urban	combined	Rural	urban	Combined.
<b>All-India</b>	28.3	25.7	27.5	21.8	21.7	21.8
Andhra Pradesh	11.2	28.0	15.8	7.5	20.7	11.1
Bihar	42.1	34.6	41.4	32.9	28.9	32.5
Chhattisgarh	40.8	41.2	40.9	31.2	34.7	32.0
Gujarat	19.1	13.0	16.8	13.9	10.1	12.5
Jharkhand	46.3	20.2	40.3	40.2	16.3	34.8
Karnataka	20.8	32.6	25.0	12.0	27.2	17.4
Maharashtra	29.6	32.2	30.7	22.2	29.0	25.2
Madhya Pradesh	36.9	42.1	38.3	29.8	39.3	32.4
Orissa	46.8	44.3	46.4	39.8	40.3	39.9
Rajasthan	18.7	32.9	22.1	14.3	28.1	17.5
Uttar Pradesh	33.4	30.6	32.8	25.3	26.3	25.5
Uttarakhand	40.8	36.5	39.6	31.7	32.0	31.8
West Bengal	28.6	14.8	24.7	24.2	11.2	20.6

Source: planning commission and NSSO 61<sup>st</sup> Round.

The major problem hence is economic access which is reflected in the high incidence of poverty in the country. There are 456 million people (about 42%) of the population in India who is below the new international poverty line (i.e., earning less than \$1.25 per day). The overall poverty figures disguise particularly acute and persistent poverty and food access problems of certain states. As many as nine states have poverty ratios higher than the national average.

**Food expenditure, food consumption, and calorie intake:** Another important indicator of India's fragile food security situation is declining per capita availability of grains. The per capita net availability per day (grams) of cereals and pulses in 1970 was 455 grams that declined to 410gms in 1980. There was improvement in 1990 when it increased to 476gms. But since 2006 there has been complete decline with 445grams per day, and 443 grams per day in 2007. It further fell to 436 grams in 2008. There is emerging a food grain crisis. According to the NSS survey on consumer expenditure 64<sup>th</sup> round Average Monthly Per Capita Consumer Expenditure (MPCE) in 2007-08 was Rs.772 in rural India and Rs.1472 in urban India at 2007-08 prices. About 65% of the rural population had MPCE lower than the national rural average. For urban India the corresponding proportion was 66%. The survey estimated that in 2007-08, around one-half of the Indian rural population belonged to households with MPCE less than Rs.649 at 2007-08 prices. In 2006-07, the corresponding level of MPCE for the rural population had been estimated as Rs.580. In urban India, one-half of the population belonged to households with monthly per capita consumer expenditure less than Rs.1130. In 2006-07, the corresponding level of MPCE for the urban population had been estimated as Rs.990.

**Nutritional status:** The incidence of malnutrition mirrors the intensity of food insecurity at the household level. The National Nutrition Monitoring Bureau (NNMB) and National Family Health Survey (NFHS) provide data on nutritional status. The NFHS-3 indicates that between 1998-99 and 2005-06, coinciding with the period of rapid economic growth the proportion of underweight children remained virtually unchanged. India has not been able to address the basic issue of food security of the population.

TABLE 3: THE EXTENT OF UNDERNOURISHMENT (Percent)

Key Indicators for India from NFHS-3	2005-06	Urban	Rural	NFHS-2 1998-99	NFHS-1 1992-93
Children less than 3 years who are stunted.	44.9	37.4	47.2	51.0	Na
Children less than 3 years who are wasted.	22.9	19.0	24.1	19.7	Na
Children less than 3 years who are underweight	40.4	30.1	43.7	42.7	51.5
Women who's BMI less than normal.	33.0	19.8	38.8	36.2	Na
Pregnant women age 15-49 who are anaemic (%)	57.9	54.6	59.0	49.7	Na

Source: NFHS-3 2005-06. National Family survey of India.

The above table shows that 40 percent of children below 3 years are underweight; 33 percent of women and 28 percent of have Body Mass Index (BMI) below normal; 58 percent of pregnant women have anaemia. These indicators have not changed much since the earlier NFHS report in 1998-99. The nutrition indicators have stagnated and per capita calorie consumption has declined suggesting that the problem of hunger has got worse. According to the NSS Report No.513: Nutritional intake in India, 2004-2005 average daily intake of calories by rural population has dropped by 106 kcal (4.9 percent) from 2153 kcal to 2047 Kcal from 1993-94 to 2004-05 and by 51 Kcal (2.5 percent) from 2071 to 2020 Kcal in the urban area. Population reporting a calorie intake level of "less than 100%" of the norm of 2700 kcal formed 66 percent of the total in rural areas and 70 percent of the total in urban areas. Average daily intake of protein by the Indian population has decreased from 60.2 to 57 grams in the rural area between 1993-94 and 2004-05 and remains stable around 57 grams in the urban area during the same period. The India state hunger index 2008 (IFPRI) shows wide variations across states as far as these indicators are concerned. All 17 states assessed in the 2008 India State Hunger Index scored significantly worse than the "low" and "moderate" hunger categories. Twelve of the 17 fell into the "alarming" category, and one—Madhya Pradesh—fell into the "extremely alarming" category.

**Rising Prices and Economic Downturn:** The already grave situation of global hunger was further worsened by the 83 per cent increase in global food prices between 2005 and 2008. While maize prices almost tripled, wheat prices increased 127 per cent, and rice prices increased 170 per cent between January 2005 and June 2008. Higher prices pushed an additional 40 million people into hunger in 2008, raising the overall number of



Undernourished people in the world to 963 million from 923 million in 2007. This further increased to 1.02 billion in 2009. FAO had warned that the ongoing financial and economic crisis could continue to augment the number of people living in hunger and poverty. While food prices today may no longer be at peak levels, they remain substantially higher than their 2000 to 2005 averages. The global economy is still weak. Prices are likely to remain volatile for the foreseeable future because of their close link to energy prices, which have a direct impact on fertilizer and transportation costs.

Access to food, by households, is a function of the price of food, incomes, wealth and transfers. Use of food by individuals is then a matter of how food is distributed within the household. There are many intermediate variables between changes in international prices, economic downturns, and the food security and nutrition of individuals and it affects all those who are vulnerable to malnutrition. Food security and nutrition depend on the incomes of the poor and local price levels of food. The purchasing power of poor consumers who spend a substantial share of their income on staple foods remains severely curtailed when domestic prices are rising. Under the circumstances, rise in food prices along with economic crisis is bound to make eradicating hunger more challenging especially in a developing country like India where even small increase in food prices directly impacts upon the poor and adversely affects food consumption because most workers do not get inflation indexed incomes. The rise in price has been sharpest for cereals which is main item of consumption for poor.

**TABLE 4: PRICE POSITION OF FOOD GRAINS** (The WPI of food grains)

Year	Food grains	Cereal	Rice	Wheat
2007	216.3	213.7	193.1	229.8
2008	239.6	236.2	222.2	240.9
2009	280.0	267	249	269.9

Source: Annual reports of Department of Food & Public Distribution.

The WPI of Food grains which stood at 216.3 in December 2007 began to rise and were 239.6 in December 2008. Then there was a sizable increase to the extent of 280.0 in December 2009. The index for Cereals began with 213.7 in December 2007, and stood at 267 in December 2009. The WPI of rice which stood at 193.1 in 2007 in December, rose to 249 in December, 2009. The above table shows that the price of all the items have increased but the maximum rise was in case of cereal in the period of economic crisis. The increase in cereal price is, by itself, a matter of grave concern as cereals are a major part of the consumption basket of the poor, and options for substituting away from them are limited. For example, the poorest decile in rural India spends about three-quarters of its income on food, with cereals accounting for almost half the total expenditure. Cereals contribute around 80 percent of the total calories consumed by this group, and a significant increase in their price threatens to erase much of the gains in poverty reduction and nutrition that have been achieved in the last decade. In spite of huge buffer stocks, 8 per cent of Indians do not get two square meals a day and there are pockets where severe under-nutrition takes its toll even today. Every third child born is under weight. India responded to the situation of rising prices through a combination of trade related measures, safety nets and use of its grain stocks. It banned non-basmati rice exports effective April 2008, and imposed an export duty on the exports of basmati rice. Import duties on rice were removed as of March 2008. To further support consumers, the Government has used its existing 'Targeted Public Distribution System' (TPDS) to sell subsidized cereals to pre-identified poor families, through a network of more than 462,000 'fair price shops'. The National Rural Employment Guarantee Program also provides the rural poor with at least 100 days of paid work in the year, and functions as a targeted conditional cash transfer mechanism that helps mitigate the effect of high prices, at least among the able bodied. The Government also seeks to maintain a minimum buffer stock of 20 million tons of rice and wheat, from which releases are made regularly into the open market to maintain prices, and which is replenished through offering a commercially attractive support price for grain procurement, and through imports as needed. The minimum support prices for rice and wheat were raised by 33 percent and 56 percent respectively in 2007-08, and the government has imported wheat to maintain its level in the stockpile.

## CONCLUDING OBSERVATIONS

Food insecurity is both an immediate tragedy and threat to longer-term wellbeing. India was able to achieve success in combating transient food insecurity caused by droughts or floods, but it has failed to make a dent on chronic food insecurity as reflected by high incidences of hunger and malnutrition. The improvement nutritional status has also been slow. Besides it is interesting to note that the proportion of expenditure spent on food is also declining in households with chronic under-nourishment. The financial and commercial integration of the developing economies exposes the poor to risk of market uncertainties as happened during the current economic crisis. Therefore programmes targeting the poor who are food insecure, especially on account of inadequate access to food in periods of crisis should be undertaken. Reducing malnutrition among children and women is also important. To sum up; adequate availability of foodstuffs is required by ensuring production of cereals, pulses vegetables to meet nutritional needs and then making them available through the year at affordable costs and more cost-effective and efficient targeting of the PDS to address macro and micronutrient deficiencies. This may include providing coarse grains, pulses and iodised/ double fortified salt. Improving people's purchasing power through appropriate programmes including food for work schemes. We also need to address the challenges of the agriculture sector through comprehensive and coordinated efforts. Renewed attention needs to be paid to improving farm production and productivity, better utilization of agricultural inputs, proper marketing infrastructure and support, stepping up investment in agriculture with due emphasis on environmental concerns and efficient food management. But the most important step has to be to provide economic access to the poor so that they are able to withstand such economic crisis without many hardships. Appropriate steps have to be taken to minimise the potential adverse consequences of globalisation on domestic production, employment and price stability of food commodities.

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