

EDITORIAL ANALYSIS → 04 JANUARY 2023 → THE INDIAN EXPRESS:

FREE FOODGRAINS IN 2023:

- **Present circumstances:**

- According to the National Food Security Act (NFSA), 2013, the government recently proclaimed that it will provide free foodgrains to eligible people for the entire new year.
- On December 24, while debating the country's voting incentives, the Union Cabinet finalised their choice.
- On the other hand, the government ended the Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY), which was introduced in April 2020 as a pandemic relief measure and under which NFSA beneficiaries received 5 kg of free food in addition to their monthly entitlement of subsidised foodgrains (5 kg per person in Priority Households and 35 kg for Antyodaya households) under the Act.

- **Laws governing food safety:**

- The NFSA, passed by the UPA-2 administration and implemented on July 5, 2013, provides 50% of urban and 75% of rural families in India with access to discounted grains through the Targeted Public Distribution System (TPDS). The NFSA provides protection to about 81.35 crore people in the country.

- The subsidised pricing is included in Schedule 1 of the Act, which the government may change by executive order.
- In fact, the government declared on December 30, 2022, that free foodgrains under the NFSA would be made available starting on January 1. Furthermore, the number of grains to which a beneficiary is entitled is predetermined and cannot be changed without Parliament's approval.
- Currently, beneficiaries of the NFSA must pay Rs 3, Rs 2, and Rs 1 per kilogramme for rice, wheat, and nutri-cereals (millets).
- These prices were initially fixed for a three-year period. Following that, the grains were to be distributed "at such price, as may be established from time to time by the Central Government, not exceeding, I, the minimum support price for wheat and coarse grains; and (ii) the derived minimum support price for rice, as the case may be" - The three years ended on July 5, 2016, yet even though food costs have been constantly rising and the government's budget for food subsidies is growing, prices have remained the same.
- **The cost of living rising**
- **The Economic Cost is divided into four components:**
 - Cost of Pooled Grain.
 - Purchase-related incidentals.
 - Cost of purchase.
 - Distribution costs.
- The Economic Cost of wheat has climbed from Rs 1,908.32 a quintal in 2013–14 to Rs 2,196.98 in 2016–17 to Rs 2,588.70 in 2022–23.
- Government food subsidies have likewise steadily increased in price. It peaked at Rs 5,41,330.14 crore in 2020–21 before falling to Rs 2,86,469.11 crore in 2021–2022. A subsidy cost of Rs 2,06,831.09 crore has been set aside by the government for 2022–23, though it may go up. The

government estimates that the cost to distribute free foodgrains under the NFSA will be around Rs 2 lakh crore.

- **PM-GKAY and NFSA:**

- On September 28 of last year, before of the Assembly elections in Gujarat and Himachal Pradesh, the government announced the seventh phase of PM-GKAY, which extended the Covid-19 assistance package to the end of December.
- The government spent approximately Rs 3.45 lakh crore on PM-GKAY up until the sixth phase, according to official data, and it projected that the overall cost would be Rs 3.91 lakh crore by the end of the seventh phase.
- 1,121 lakh metric tonnes of foodgrain were distributed altogether for the programme (LMT). The PM-GKAY must cease after December 31, 2022, due to the nation's food grain stockpiles currently being depleted. As of November 30 of last year, there were 305.69 LMT in combined stock of rice and wheat, down from the 591.56 LMT (213.03 LMT rice and 378.53 LMT wheat) of stock on the same day in 2021. The position of the wheat stock is comfortable and is just above the required buffer stock level.
- Every month, the PM-GKAY cost the government more than Rs 15,000 crore.

- **How much is enough?**

- The Cabinet's decision was made public on December 24 by Food Minister Piyush Goyal, who stated, "Adhik quantity ki awashyakta nahin hai. (It is not essential to pay more.) The government's perspective was different when the PM-GKAY was implemented.

- **The cost of free grains:**

- A further Rs 13,900 crore will be spent by the exchequer as a result of the decision made on December 24, raising the overall cost of food security for the year 2023 to about Rs 2 lakh crore.

- However, those who benefit from the NFSA will save some money as a result. For Antyodaya Anna Yojana (AAY) families, who are entitled to 35 kg of foodgrains per month, the government has allocated 99.75 LMT (71.07 LMT rice and 28.68 LMT wheat).
- As a result, during the course of the year, AAY families will save over Rs 2,705 crore altogether.
- However, if AAY families are required to buy more foodgrains on the open market, they will pay a higher price (in comparison to what they were receiving under the PM-GKAY).
- Additionally, the government has allotted PHHs 423.86 LMT of foodgrains (144.76 LMT of wheat, 272.8 LMT of rice, and 6.3 LMT of nutri-cereals), enabling them to save roughly Rs 11,142 crore annually. Like the AAY households, the PHHs will also be required to pay more in order to obtain additional food grains at the market price.

- **Conclusion:**

- The most vulnerable segments of society must receive food grains at discounted prices in order to release individuals from the prospect of poverty, hunger, and malnutrition.
- Free food grain programmes, however, must contain a "sunset clause" and be predicated on essential events like pandemics. On the other hand, the government ought to concentrate more emphasis on developing people's potential so they can support themselves.