

Food Security and Nutrition Policies in India

Support to FAPDA

Introduction

The overall objective of the project of Food and Agriculture Decision Policy Analysis FADPA is to enhance preparedness to mitigate the effects of a global food crisis and to safeguard food security and nutrition (FSN) in developing countries.

In order to achieve this goal, the implementation of a monitoring tool at regional level (Asia and Pacific Region, RAP) will help to identify and follow up the main government responses/reactions regarding FSN areas which will serve as inputs to elaborate specific policy analysis documents.

The nature of government interventions on food and agriculture policies of Governments in Asia and Pacific Region remain foodgrain market –based. The extent of how comprehensive is the food and nutrition policy approach varies completely from one country to another.

Given the size and diversity of the country, India was selected as pilot country-study under two specific objectives: (i) to understand how the FSN approach is being implemented from various institutional areas: Ministry of Agriculture, Consumer Affairs, Food and Distribution, Rural Development and Women and Child Care; and (ii) to expand the information sources (quality and quantity wise).

A comprehensive work of the recent policy decisions has depicted some key areas where information is not available at research level. Therefore, in order to improve the design of the regional monitoring tool, it was identified the need to acquire an insight into the policy processes; to understand how policies are delivered, which factors contribute to implementation success and which others function as barriers to implementation.

This document is organized in four parts. The first part explains the improvements made in the identification of better monitoring sources. The second part, describes the main achievements of the Government of India (GOI) by FSN context (food availability; access to food and stabilization; and utilization or food intake) and the most salient policy issues. The third part points out the cross cutting issues; and finally, the fourth part focuses on the way forward by making specific recommendations to FAO at national, regional and global level within the framework of FADPA.

I. Mapping sources of information

Identification of specific ministries and departments that produce key information for FADPA purposes (policy decision and price analysis); and identification of similar exercises (potential elements for a network of informants) was performed. A specific document was prepared and it is located in Annex 1. It contains a list of the improved information sources, where one by one identifies areas of relevance for FADPA and FAO purposes.

Most significant finding is the existence of a Network of Poverty Strategies in South Asia that was launched a few years ago. It was comprised by academic institutions and it aimed to monitor the main changes in social development policies through semester reports. However funding was a big constraint. Since it was not a public initiative they found it difficult to find financial support elsewhere. For future similar initiatives, it was recommended to commence holding a workshop to present the project to potential partners to engage collaboration at least for 2 years. Such trial period will facilitate the production of high quality analysis and develop a systematic method to make reproduce them more efficiently in the future.

II. Main achievements of Government of India: Findings by FSN dimension

1. Food availability policies

Until 2006 growth strategies (and investment accordingly) were focused on improving infrastructure (medium run returns) and higher education (long run returns). Although the Agriculture sector only contributes to 17% of the GDP, with about 60% of the population dependent for their livelihood on Agriculture, it faces the challenge of growing at the rate of 4% annually so the entire country can achieve the goal to grow at 9% annually in an “inclusive” way. For this reason, the agriculture sector is directing policies towards an **increase in productivity**, particularly by:

- **Identification of areas, regions and crops that have a higher potential to grow.** One of the major issues that have confronted Indian Agriculture is the stagnation in the productivity of many crops. Reasons are diverse; however main obstacles are related to financial and implementation constraints. In order to achieve their highest potential, the central government launched a programmatic support in two lines: through incorporation of technology and specific programmes/policies that resolve some implementation issues. Concrete examples that have been especially recognised for its flexibility in giving States the power to choose interventions and set targets are: National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY)¹. From an agriculture research and agriculture extension view; in the recent years, more emphasis has been put in the development of **quality seeds and hybrid seeds** of selected crops for specific land and weather conditions.
- A policy reform, that aims to attract **private investment² in agriculture marketing** by allowing: (i) **direct marketing** (farmer-private sector) through designated points or if preferred, directly to processors and retailers; (ii) **setting up of private market infrastructure**; and (iii) **contract farming** for the production and supply of agricultural products under forward agreements.

The Planning Commission oversees the areas where the private sector will have more space to perform in agriculture sub-sector areas; such as horticulture, commercial crops, commercial dairy units and fisheries. **Public – Private –Partnerships (PPP)** can impact positively on their economic performance through major investments.

Overall emphasis of agriculture policy continues on **production support through input subsidies** (seeds, fertilisers, irrigation) and ensuring Minimum Support Prices (MSP).

The **Forest Right Act** is a significant achievement as it covers a vulnerable population (The Scheduled Tribes and Other Traditional Forest Dwellers) and focus on where little attention was paid in the previous years. Agriculture represents a self subsistence mean for livelihood security, but the lack of entitlements and technical assistance prevents them from benefiting from their community forest resource. This act provides the restitution of deprived forest rights across India, including both individual rights to cultivated land in forestland and community rights over common property resources.

¹ From an agriculture extension and research perspective; on one hand, NFSM has played a key role in the achievement of the production target of paddy (10 million tons), wheat (8 million tons) and pulses (2 million tons) where key cultivation areas are identified at district level and sponsored at central level accordingly. On the other hand, RKVY incentives states to increase public investment in Agriculture and allied sectors through “conditional central government funds”; where the release of funds is against the elaboration of a Comprehensive Agriculture Plan (CAP) that integrates production efforts at different administrative levels and “cross-sectors”.

² In 1996, Marketing of Agriculture Products Act aimed to (i) increase market access for all market participants; (ii) promote efficiency of the marketing of agricultural products; (iii) optimize export earnings from agricultural products; and (iv) enhance viability of the agricultural sector. Main strategy lies in the logic of protecting smallholder farmers from un-advantageous market forces. In 2003 a revision and modification was carried out and the role of the private sector was leveraged without harming smallholder farmers. (Kundu, JNU).

Policy issues

Irrigation

Although major changes had occurred in the implementation of irrigation schemes for both irrigated and non irrigated areas; current efforts are not being successful enough to make water available for a second crop; which is **crucial to boost production** in the agricultural sector. Formulation of rain water conservation policies (through construction of ponds, wells and tanks and also through watershed schemes) is essential.

Role of the private sector

From the private sector perspective, **regulation of markets is still rigid** as the prices are set by the government through out public procurement and price stabilisation policies at minimum support prices (MSP). Main policy issue is the entrance of the major food chain suppliers to the food market in order to increase competitiveness. Wholesalers oppose and they have the power to obstacle this regulation. There is a policy window for the private sector in **food storage** and GOI can benefit from allowing private storage facilities manage efficiently warehouses.

Risk management for smallholder farmers

Incorporation of **climate change** (content and action wise) remains as a challenge for GOI³. Although **credit and insurance schemes**⁴ are moving towards a rain-led agriculture (including flood and drought scenarios), there is the need to customize more these instruments in order to reduce smallholder farmers' vulnerability against risks.

2. Food access and stabilization policies

Within the sectoral goal to achieve at least 4.1% growth in agriculture by the end of XI FYP, an agriculture policy agenda is automatically set in selected areas. According to several of the sources consulted, the following XII FYP, the policy agenda will focus mainly in (i) **welfare schemes** with a strong component in training and capacity building; (ii) Implementation of **the Food Security Act**; and (iii) special focus on **improving delivery and targeting effectiveness** of the current schemes.

Most salient interventions are National Rural Employment Guarantee Act (NREGA)⁵ and Public Distribution System (PDS)⁶. NREGA's has been innovative in the (i) introduction of **social accounting processes** by outsourcing evaluation to third sector actors; (ii) introduction of **direct payments** to recipients has reduced the space for corruption; (iii) creation of equal opportunities from a **gender perspective**, special arrangements for mothers (childcare) are in place so they can work and benefit from the scheme; and finally (iv) the **incorporation of "self-employment"** recipients into the scheme, those who work on their own land and whose farming conditions are marginal. The downside is that is not clear yet if the out-migration phenomenon has actually decreased and some bureaucracy issues regarding accountability and transparency processes on the distribution of wages.

PDS has been "revamped" and improvement efforts are focusing on of the Targeted Distribution System (TDS) through coordinated efforts among different organizations (Planning Commission, National Advisory Council, Ministry of Rural Development and Ministry of Consumer Affairs, Food Distribution). However the National Food Security Bill will give better orientate the modifications to make in the PDS. In this line the recommendations released on October 2010, agreed that legal entitlements on subsidized food grain should be extended to 75% of

³ MoA has created a task force, National Mission for Sustainable Agriculture, which is currently identifying challenges and working on an internal circulation document on how to orientate investment in agriculture taking into consideration climate change.

⁴ In the XII Five Year Plan, an agro-meteorological system will be introduced which will enable more the environment for the private sector players.

⁵ NREGA guarantees employment by providing at least 100 days in a financial year to every household whose adult members volunteer to do unskilled manual work. They are paid in a weekly basis with statutory minimum wage. If work is not provided within 15 days, applicants are entitled to an unemployment allowance: one third of the wage rate for the first thirty days, and one half thereafter. Implementation of NREGA is done by the States in accordance with the State Employment Guarantee Schemes formulated by various States as per the provisions of the Act. For more details, please see: http://planningcommission.gov.in/reports/genrep/rep_NREGA_03-08-2009.pdf

⁶ PDS distributes food to BPL population. The number of households is defined as an estimation from poverty numbers in 1993-94, which rises up to 6.52 crore households. At the implementation level, States are to define the number of households in need in rural areas as per guidelines of Ministry of Rural Development (Interview with NK. Sinha, MCAFD).

the population (90 percent in rural areas and 50 percent in urban areas). Priority households will be given monthly entitlements to subsidized prices. Rural coverage will be adjusted state-wise given poverty estimates from PC; however minimum entitlements and coverage will remain unchanged until the end of the XII FYP⁷. There are contrasting impressions to the agreements reached. While some believe that these recommendations don't represent anything new (distribution system has been operating under similar orientations for long); others believe that up scaling a benefit to a right is good enough achievement. Nevertheless improved processes to identify and estimate the poor are crucial to correctly target the beneficiaries of safety nets.

Policy Issues

Rural labour market

The current National Rural Employment Guarantee Scheme Act (NREGA) entails a Rs. 100 wage per day (during 100 days) that has set a minimum wage across the country. Implications in the dynamics of labour market are: (i) a slow change towards in the economic attraction centres; (ii) private sector has been forced to increase salaries above market price in order to attract labour force. Nevertheless, in the long run, certain considerations need to be made as (i) improvement for income safety of (targeted) rural population is likely to produce an increase in market prices; and (ii) mechanization will tend to substitute human capital. In the medium run, there is the need to introduce these possible scenarios and plan ahead where to re-locate potentially affected labour force in the market.

⁷ National Advisory Council (2010). NAC recommendations finalized in its meeting held on 23 October 2010. Prime Minister's Office, New Delhi. Source revised on December 16th, 2010. http://nac.nic.in/images/recommendations_oct.pdf

3. Food utilization policies

From an institutional perspective, there is little **convergence in food security and nutrition policies**. This means that policies are designed and implemented in such a way that they ensure access and availability of food in a medium term perspective, separately from nutritional concerns⁸.

At implementation level, some progress has been done to reduce the gap. Particularly in **linking supplementation feeding and health care practices** in the ICDS (Integrated Child Development Scheme); and -despite of its controversial nature-, **opening debating spaces for food fortification issues**, under the assumption that micronutrient fortification cost effectiveness is higher than any other intervention (Kolhi, World Bank). A third achievement is **the automatic adjustment of the public expenditure in nutritious food distribution schemes** (ICDS, and Mid Day Meal, MDM⁹) to maintain both the nutrition standards and coverage in children within a high volatility food price environment¹⁰.

Current direction on nutrition policy attempts to modify consumption patterns at an early stage (infant and children) in the long run. There is a common understanding that a **multidisciplinary/multisectoral approach** (that looks at the education, nutrition, health and food aspects comprehensively) is the way to go forward. For this reason, in August 2010, the Ministry of Women and Child Development together with the Ministry of Health and Family Welfare produced a note on "India's Nutrition Challenges"¹¹ where key issues are being raised to push for a more comprehensive nutritional policy agenda.

Policy issues

Coverage

Public interventions are diversified, from various Ministries that target different population. Two issues are acquiring relevance; on one hand, how to **attend populations left out**¹²; and on the other, how to **respond effectively to the increased demand** for services after expanding the coverage of key safety nets (ICDS) to the most vulnerable population¹³.

⁸ National Nutrition Policy (NNP) was formulated in 1993, and, ever since a lack of enforcement at implementation level persists. In 1995 the Plan of Action delineated the rules for key departments centrally; however, decision making regarding the translation of the policy into implementable activities remained within each State's competence. During the 10th five year plan (FYP), an initial road map for nutrition was traced with a more comprehensive focus. On the side of food supply, a nutrition orientation was given to food production policies with emphasis on increase in the production of pulses, vegetable and fruit. On the demand side, an emphasis was made to maintain affordable prices for the population. From then on, agriculture and nutrition priorities started to merge slowly towards a more sustainable improvement in nutrition and health status of the population. (Ramachandran, Nutrition Foundation of India).

⁹ Mid day meals (MDM) is a programme that provided to every public school in every part of the country must provide a nutritious, clean hot cooked meal to all primary school children. Meals are cooked with a minimum content of 450 calories and 12 grams of protein and are provided on each working day of the school. The Mid-day Meal Scheme has recently been expanded to cover children in upper primary schools too.

¹⁰ MDM has experienced a long process to introduce minimum requirements for food consumption. Only in 2006/07 a comprehensive pattern of consumption was established for cooked meals. Institutionalization of minimum requirements for cereals, pulses, vegetables and iodised salt facilitated specific arrangements in food production and preparation areas. However in 2008, with the rise of food prices, MDM and ICDS went through various difficulties in order to keep these standards. Subsequently efforts brought together the institutionalization of a policy that ensured the automatic adjustment of the amount of budget allocated for these schemes that permitted to maintain both the nutrition standard and coverage in children. Therefore, a reform on the current policy took place to ensure that resources allocated are directly linked to the price of food (incorporating market changes).

¹¹ This document has been circulated within the Government of India only.

¹² There is a special emphasis on **adolescent girls**, to address intergenerational cycle of malnutrition the adolescent girls' are being reached at present through the school. Therefore, all those girls who are enrolled (with low attendance rates) and the ones that are not enrolled are being left out. The new scheme promoted by the government to empower and address the health and nutrition needs for both in school and out of school adolescent girls has been keen on responding to this issue. However from a broader perspective **boys are being left out** from overall nutritional care.

¹³ Universalization of Integrated Child Development Scheme (ICDS) has been a great move to **ensure that services reach the poorest of the poor and the most excluded groups**. More focus is needed at upgrading the skills of service providers/ training and strengthening programme implementation. At present, service providers find themselves overwhelmed with work or poorly trained.

III. Cross cutting issues and policy mechanisms

1. Governance

Current decentralization process emphasizes strengthening of Panchayati Raj Institutions (PRI's) and development and promotion of district planning. There is a particular need to improve delivery mechanisms. Participation processes are more common and intend to involve states from the beginning stage so policy formulation is coherent with implementation. Given the institutional infrastructure that is in place, Central Government (GOI) faces difficulties in reaching the bottom on their own (mechanisms in place apply for state level only), there is no legal mechanism in place to "enforce" states to work on their plans of actions.

Interesting policy mechanisms

NFSM and RKVY had proved to be effective schemes that permit the Ministry of Agriculture to converge on interventions and engage competences to involve from the central level position with a more diversified implementation approach.

From an Agriculture Extension and Research perspective

- **NFSM** plays a key role in the achievement of the production target of paddy (10 million tons), wheat (8 million tons) and pulses (2 million tons) where key cultivation areas are identified at district level and sponsored at central level accordingly.
- **RKVY** whose objective is to boost agriculture production. This scheme incentives states to increase public investment in Agriculture and allied sectors (an essential condition to apply to this scheme is that the state has to elaborate a Comprehensive Agriculture Plan (CAP)).

GOI has identified the need to strengthen smallholder farmers in order to increase their bargaining power with the private sector. Therefore, current the strategy focus on encouragement to organize in groups (Unions) so they are can achieve better deals. This adds up to the support GOI is providing through federal schemes and technology investment.

Policy challenges remain at mobilizing resources more efficiently and being able to track of expenditures so accountability is more transparent

2. Targeting of beneficiaries

PDS distributes food to Below Poverty Line (BPL) population. The number of households is defined as an estimation from poverty numbers in 1994-95, which rises up to 6.2 crore households. However, at the implementation level, methodology to define the number of households in need varies across States. Main challenge concentrates on producing an accurate number of beneficiaries, not only for PDS but also for other welfare programmes. Current efforts line up towards a more uniformed methodology which allows the central government to allocate resources accordingly; and at the same time, maintains the degree of freedom for States to deliver food in a more effective way (better / further identifying people in need).

Innovative policy mechanisms

Incorporation of smart cards that aim to link information from allocation centre and the FPS which will improve accountability processes.

IV. Way Forward and recommendations

1. Country level

- a. This is the first time an exercise of this nature (consultation process in the context completing information for an on-going case study) is done at country level in India. FAO India reacted positively, as it helped immediately to identify **key areas of intervention for FAO**, in the context of what has been done and what is the current policy direction¹⁴ for food and agriculture within a food security and nutrition perspective.

Therefore, continuation of these “consultation process” in India every 5 years (matching “proper timing” with formulation and design period) is strongly recommended for identification of areas of future intervention, and also for leveraging the presence of FAO regarding policy analysis.

- b. It also served to identify (or further corroborate) areas where **joint collaboration** for:
- Inter- ministry level, where FAO can play a **facilitation role** for FSN issues, between 12 Ministries, mainly for Agriculture, Consumer Affairs, Food and Distribution, Rural Development, and Women and Child Development.
 - With other international partners, who are keen to find spaces where to deliver assistance in the 12th FYP. Given the little convergence between food and nutrition policies, international partners (UNICEF, WFP, IFAD, WB, etc) need a **coordinating actor** that can give a sound conceptual background **to orientate interventions at diverse levels**: by sector (agriculture, nutrition, etc) and by targeted population (women, children, elders, etc.) A particular opportunity is in the Mid Day Meal (MDM) scheme, where the ongoing debate discussing cost and benefits of artificial vs. natural micro-nutrient fortification.

*Given the size of the country and the resources they have in place (financial and expertise related) FAO- India has little to add in terms of [co] financing schemes and programmes. **A policy window is opening to re-activate/improve policy assistance delivery by facilitating collaboration within the Government and within the international partners’ network. Recommendation is to coordinate support from FAO- RAP and HQ in this direction.***

Regional level

- c. Although FADPA exercise intends to keep track of the most recent policy decisions in FSN at global level, regional efforts towards understanding specific situations and contexts can enormously complement the exercise and jointly produce high level policy analysis documents. Regional Office can also benefit entirely from this exercise only if reproduced in various countries so in **depth policy analysis can be done in a comparative basis**. Immediate opportunities arise to improve **policy dialogue platforms** among country members from deep knowledge of specific FSN mapping in different policy settings (countries) among different forums (by topic); and streamline policy **assistance/advice** from a better and updated information access.

*Incorporation of past policy trends in FSN from a field expertise perspective and continuous feedback in the near future will enrich the “inventory of policy decisions” in order to make more **effective the management of the collected information.***

¹⁴ In India, the 12th Five Year Plan, **FYP**, (2011- 2016) is currently in the period of design and formulation. Interviewees were open to complete the information requested, but also to talk about policy challenges and -in some cases- about the expected collaboration from FAO in specific areas.

Headquarters level

- d. The provision of a **common virtual framework/platform**¹⁵ where these policy decisions can be (a) automatically incorporated “pre-designed reports” (b) information can be easily uploaded and retrieved at global level; will facilitate enormously **keeping track and using them** in an efficient and shared way in a long term perspective.

*Set up of a **common virtual platform** will facilitate **management of information** of recent policy decisions in order to produce desired outputs regarding policy analysis, policy assistance and policy dialogue.*

¹⁵ The New Strategic Framework of FAO gave an opportunity to expand and systematize its monitoring of food and agriculture policies and to work on strategic aspects of strengthening negotiation capacities and the exchange of information in the perspective of improved food security and better nutrition (Strategic Objective H - Improved food security and better nutrition and Organizational result H1, to be co-led by TCS and the Agricultural Development Economics – ESA – Division and in the Core Function “d” Policy and strategy options and advice).

V. Annexes

Annex 1: Policy implementation table

FSN	Scheme/ programme		Sponsored (centralised or decentralised)	Implementation	Financing (public/private/international)	Initial Date	Final Date
Access and Stabilisation	Annapurna	AS	Centralised	Ministry of Rural Development	Public- central gov.	01/04/2000	28/04/2011
Access and Stabilisation	Mid day meals	MDM*		Ministry of Human Resource Development		01/01/1995	Indefined
Access and Stabilisation	National Family Benefit Scheme	NFBS*	Centralised	Ministry of Rural Development	Public- central gov.	15/08/1995	28/04/2011
Access and Stabilisation	National Old Age Pension Scheme	NOAPS*	Central & State Government	Ministry of Rural Development	Public- 50/50 centre/states	19/11/2007	27/04/2011
Access and Stabilisation	National Rural Employment Guarantee Act	NREGA*	Central & State Government	Ministry of Rural Development	Public- 90/10 centre/states	02/02/2006	27/04/2011
Access and Stabilisation	Rural Housing	IAY	Centralised	Ministry of Rural Development	Public- 75/25 centre/states ^{b/}		
Access and Stabilisation	Swaranjayanti Gram Swarozgar Yojana	SGSY	Central & State Government	Ministry of Rural Development	Public- 75/25 centre/states ^{a/}	01/04/1999	28/04/2011
Access and Stabilisation	Targeted Public Distribution System	TPDS*	Central & State Government	Ministry of Consumer Affairs, Food and Public Distribution	Public	01/01/1971	Indefined
Access and Stabilisation	Swarna Jayanti Shahari Rozgar Yojana	SJSRY	Centralised	Ministry of Urban Development	Public- 75/25 centre/states	01/09/2006	31/01/2012
Availability	Decentralized Procurement Scheme	DPS	Centralised	Ministry of Consumer Affairs, Food and Public Distribution	Public- 50/50 centre/states		24/12/2015
Utilisation	National Rural Drinking Water Programme	NRDWP	Central & State Government	Ministry of Rural Development	Public- 75/25 centre/states ^{a/}	01/01/1972	Indefined
Utilisation	Integrated Child Development Services Scheme	ICDS*	Centralised	Ministry of Health and Family Welfare	Public- central gov.	15/12/2008	01/01/2012
Utilisation	National Maternity Benefit Scheme	NMBS*					
Utilisation	National Plan Action for Children	NPAC					
Utilisation	National Programme for Control of Blindness/ Vitamin A	NPCB	Centralised	Ministry of Health and Family Welfare	Public- central gov.	01/04/1976	28/04/2011
Utilisation	Reproductive and Child Health Programme	RCHP	Centralised	Ministry of Health and Family Welfare	International: WB, EU	01/10/1997	28/04/2011

Source: Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Health and Family Development, Ministry of Human Resource Development, Ministry of Rural Development.

*Encompassed and enforced by the Right to Food, Ministry of Rural Development

a/ Except in the case of North Eastern states here it is 90/10 basis.

b/ Centrally Sponsored ongoing programme being implemented throughout the country except Delhi and Chandigarh under which financial assistance is provided to shelterless rural BPL households for construction of their dwelling units. The funds are shared by the Centre and the States in the ratio of 75:25. However, in the case of Union Territories, 100% assistance is provided by the Centre.

Annex 2: Expansion of monitoring system



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Annex 3: List of people met and post interview reports



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Annex 4: List of interventions in FSN (November 2010 last update)



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Annex 5: Terms of Reference



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