

FOOD SECURITY BILL: Can it be UPA-II's return ticket to Delhi?

Today, the Cabinet will discuss the Food Security Bill, the UPA-II's biggest social security agenda. It assures cheap grains to 75 per cent of India's rural population and 50 per cent of urban India. A pet project of Sonia Gandhi, the Bill is being aimed by the UPA to replicate the NAREGA trick in 2014. But it will double food subsidies to ₹110,000 cr or 2% of GDP and increase fiscal deficit.



What the Bill is all about

What's the scope of the food Bill, and how will it work?
The National Food Security Act seeks to provide legal entitlement for grains to 75 per cent of rural population (630 million people) and 50 per cent of urban population (180 million) people.

How will it be different from the public distribution system (PDS)?
PDS has no legal umbrella; beneficiaries have no right to food; the price and quantity of grains and the beneficiaries are fixed by the central government. The grains under the Act will be cheaper than the PDS stock.

What difference will legal entitlement mean?
Legal entitlement will ensure that if a beneficiary does not receive his share of grains in any month, he will have the right to complain or even lodge a case.

How will the consumer benefit?
The consumer in the priority category will get 7 kg of grains per month at ₹3/kg for rice, ₹2/kg for wheat & ₹1/kg for coarse cereals. The beneficiary in the general category will get 3-4 kg of grains per month at a rate which is at least 50 per cent of the minimum support price of wheat, rice and coarse cereals.

Will the grains be distributed through the current system of ration shops?
Yes, but PDS will be modernised to work on biometric ration cards.

How is the priority and general category households classified?
In layman's language, the priority category households will be a wider version of current below poverty line division, while general category will be a wider version of the current above poverty line classification.

How much will this cost the exchequer?
The food subsidy bill will rise from almost ₹70,000 crore now to over ₹110,000 crore when the Bill is implemented.

How will it plug the leakages in the PDS system?
It banks on a system of biometric ration cards and smart cards to distribute grains to minimise the leakages. But initially the system will be run through ration shops only.

How it was cooked up

June 2009: UPA unveils plans to bring a National Food Security Act that will legally entitle every BPL family to 25 kg of rice or wheat a month at ₹3 per kg

July 2010: The Sonia Gandhi-led National Advisory Council (NAC) forms a working group to suggest the framework for a National Food Security Act.

Oct 2010: Sonia Gandhi writes to PM forwarding the basic framework of the food Bill as proposed by the NAC.



Nov 2010: Ministry of rural development suggests replacement of BPL census with a socio-economic caste

census. PM sets up an expert panel under C Rangarajan to understand the financial implications.

Jan 2011: Rangarajan panel warns that accepting the NAC suggestions would entail huge subsidy implications.

July 2011: An empowered group of ministers (eGoM) on Food Security Bill clears the draft food Bill which is a midway between the NAC recommendations and those of the PM's expert panel.

Sep 2011: The Bill is placed in the public domain and states are asked to give their views latest by September 30, which is later extended by a month.

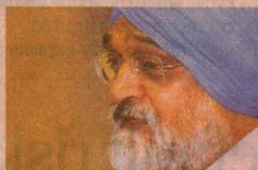
Dec 5, 2011: Cabinet note is moved on the Bill, but with few key changes. The Bill now includes legal entitlement for grains or food for pregnant women, lactating mothers, destitute, homeless and allowance for pregnant women.

Supporters



"When the Bill is implemented, every citizen will have food material at a reasonable price"

K V THOMAS
Food minister



"The food Bill is absolutely feasible, though it will lead to higher costs, but I believe we can bear it"

M S AHLUWALIA,
Deputy chairman, Planning Commission

Opponents



"The rise in food subsidy Bill could damage our financial health... I don't want Soviet Russia to happen here"

SHARAD PAWAR
Agriculture minister



"This is a wrong Bill, we will oppose it in Parliament and also in the standing committee"

BRINDA KARAT,
CPI (M) leader