SOME REFLECTIONS ON THE FOOD PROBLEM IN INDIA

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"People must come to accept private enterprise not as a necessary evil, but as an affirmative good."

—EUGENE BLACK

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By
T. A. PAI*

If after 17 years of independence and three Plans, we have had still to depend upon imported food with all the uncertainties attendant on it, we have to realise that we have to face a still larger problem with an additional 7.5 crores population in the next five years.

The problem has to be tackled by increasing our per acre yield of any crop—food or non-food—by the application of modern technology. Even if it is not possible to reach 5 crores of farmers, it should certainly be possible to reach at least a crore of farmers. We must concentrate all our efforts on the most suitable land with assured water supply, with hybrid seeds which give us a return of 600% to 1,500% increase. This, of course, is not possible without chemical fertilisers and proper care of the crops by spraying. I do not think any criticism of this has any sense; while we should certainly use all the available organic manure, we should realise that the hybrid varieties of seeds will not respond to the organic manure without heavy dose of fertilisers and give the results we expect.

We should restore respectability to jowar, maize, bajra, ragi and potato as a substitute for imported wheat as these could be increased manifold per acre.

We should conserve all the foodgrains that we are growing, by proper storage and handling, avoiding all losses in transport and developing a " waste consciousness " at all levels, so that the food that is now wasted would be available for millions of people who are hungry and millions others who go hungry on account of higher prices. While our deficit in rice is marginal, we must realise that even this small deficit is creating considerable difficulties in the rice eating areas, as the food problem in the South is mainly on account of non-availability of rice at reasonable prices.

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Subsidiary foods like meat, fish and vegetables will have to be produced on a larger scale and marketed better, so that the dependence of the country on cereals alone might be reduced and our people consider other types of food also as food. This is possible only when they are available in plenty and at reasonable prices.

There should be no artificial shortages created on account of the bottlenecks of transport, milling and want of rational policies which exaggerate the deficits and prevent the surplus from filling the gap in time. If the country's total production has any meaning, it is only by the country sharing the surpluses and shortages together and not allowing grains to rot in certain places and create anxieties of shortages in other areas.

What is prudence in normal times—whether it is by individuals or State, however laudable the object may be—keeping more stocks than are necessary for immediate consumption, becomes an anti-social and anti-national act in times of emergency.

The problem of food in India at present is the problem of the deficit States. And strangely enough, it is the economically advanced areas like Kerala, Maharashtra, Gujarat and West Bengal that are facing the deficits. If this deficit cannot be made up from the surplus areas in the country, we have to realise that these deficits are bound to be accentuated in the years to come and the problem will live with us longer than necessary. In the face of this, any effort to increase the production in surplus areas without an assurance that the same is going to be made available to the rest of the country becomes meaningless. This would force the deficit States to change their agricultural policies. However, the need to arrest this growing deficit in the deficit States is equally urgent and every effort to increase the per acre production in these States must be encouraged, as it would, to a very large extent, reduce the shortages and the difficulties of transport and the other bottlenecks that we are experiencing.

In a country faced with abnormal monsoon conditions in every two out of five years and with a population growing at the rate of 24,000 per day and the demand for better standards

of living, it is necessary to ensure a minimum buffer stock. Even countries like Germany, Norway and Switzerland have buffer stocks maintained under their Constitution itself; and the United States has enough buffer stock of wheat to feed the whole world for one year. In the absence of buffer stocks in its own hands, the ability of the Central Government to meet the needs of the deficit States is very considerably restricted. Because in that case adequate stocks being made available from the surplus States is left to the sweet will and pleasure of the Governments concerned. Very often this bargaining position is utilised by the surplus States for getting some concessions from the Central Government. The failure of the Central Government to meet the commitment of the deficit States often creates difficulties for the deficit States and we have a picture in the country of abnormal price rise in certain areas while in the rest of the country prices continue to be depressed on account of the State policies. The long-term food policy aims at uniform quantity of food being made available throughout the country to every citizen at all times of the year and at fairly reasonable prices.

In the past, because the imported wheat was put into circulation at a much lower price than the local wheat, there has been a feeling in many States that the Central Government favoured one in preference to the other, and every State seems to feel that it has a right to a share of the cheaper wheat. Punjab exported 3 lakh tons of local wheat and got 3 lakh tons of imported wheat! It seems desirable—though we have been unsuccessful in the past—that part of the imported wheat under PL-480 should be completely frozen as a buffer stock. A policy of buffer stock should be laid down by an Act of Parliament, which might decide under what conditions this buffer stock may be utilised rather than just allow it to be frittered away on account of the pressures—and on account of the failures of the State Governments to accept responsibility for proper agricultural policies in their own States. In my opinion, even in giving fertilisers for increasing production, the claims of deficit States should be considered in preference to those of others.

It is not suggested that the deficit States should switch over from commercial crops to food crops but it is absolutely necessary

that they must increase production of food supplies to meet the challenge of the situation. The prices of imported wheat should be equated to those of the local wheat and the Central Government should meet the demand by only increasing the supplies and not by reducing the prices. If any scheme of subsidy is to be attempted for helping a particular class of people, it is much desirable that it is worked out separately. At present the beneficiaries of imported wheat are as much the rich people as the poor people in this country, and the element of subsidy does not make any difference between these classes.

Even in the location of these imported buffer stocks, we should evolve a strategy of locating them in deficit States like Kerala, West Bengal, Maharashtra and Gujarat, so that they may be always assured of quick movement of food supplies to the people in case of an emergency. We have complained against the United States policy of giving wheat supplies in monthly instalments that it would cause a lot of anxiety in India. It must be realised we are following exactly the same policy when we are transporting grains from the surplus to the deficit States depending upon month to month allocations and day-to-day movements, without ensuring proper stocks being held well in advance in the deficit States. We are thus always facing the risk of break-down of transport arrangements and the reluctance of the surplus States to part with the grains at the eleventh hour with even the collectors of districts taking their own decisions under the Defence of India Rules. What works nicely on paper does not work well in practice. Even in Kerala, traders had realised that during particular months there would be transport difficulties on account of monsoon etc. when prices would rise. The traders, knowing these conditions of shortages, used to keep larger stocks well in advance to take advantage of the situation. At least the trade met the requirements of the people by this prudent act. But once we centralise our activities and then are not able to function as efficiently as the trade, we will be creating uncertainties in the minds of the people. An efficient food policy, therefore, calls for at least three months' stocks being kept always in reserve to meet the requirements of the deficit States.

Our shortage is reported to be 5%. Nobody knows whether

it is correct or not. It was 5% when Mr. K. M. Munshi was Food Minister and it was 5% even in 1965! But the 5% then meant 2 million tons: it meant 7 mil. tons in 1965, and by 1971 it will be 11 million tons. This 5% shortage has created a lot of complacency in our people. While our population is growing and the need for our people to eat more and better, we have left these policies to take care of themselves. If the farmer has been accused of being backward, the rest of us have not been any better. Our port handling operations, our storage methods, our transport of foodgrains, our milling operations, our distribution system—all continue to be as primitive as before, whether these have been handled by the public sector or by the private sector. We take for granted a loss of 25% at the field level, 15% in storage, handling and transport, on account of rodents and moisture, and 5-7 per cent in hulling and 8-12 per cent even in fine polishing. These figures are in themselves staggering enough. If only an effort is made to improve them, there would be considerable savings of food to meet the requirements of the country.

We do not know whether the figures of production of 85 or 86 million tons are correct enough. No one in the country is in a position to assert that they are correct, even after 15 years of planning. Nor are we sure of 30% of it being marketable surplus. In the absence of any reliable and accurate knowledge of our people's usage of seeds and foodgrains as feed for animals and also the total wastage occurring at various levels from threshing operations to the point of consumption, all estimates made for these purposes seem arbitrary. Usually one gets the feeling from personal knowledge of the quantity of foodgrains used for animal feed, practices of using seeds per acre and the extent of inefficiency prevailing at all levels starting from threshing operations, processing, storage, and ultimately consumption, that the estimate of 120% loss made by the Ford Foundation Team is an under-estimate. We have been ignoring the changes in our social structure. If the deficits and surpluses are to be calculated on these statistics—which of course vary between the Central figures and the State figures—the country will have to face a serious problem in assuring either its food production or its requirements. The only correct statistics seem to be those of imported food.

We have not worried ourselves about providing cheaper feed grains, in the absence of which cattle are competing with human beings for the limited available food. The cattle population in this country is also growing as rapidly as human population and efforts to upgrade the cattle have produced little results. Even now, we are getting a per capita yield of 3 ozs. of milk. We have not succeeded in increasing it, as we have not put sufficient efforts in increasing the per acre yield of crops. These also call for a very big effort. Even the startling growth of rodent menace is taken light-heartedly. The Committee for Rodent Eradication appointed sometime ago by the Union Ministry of Health had not met even six months after its appointment!

When the late Prime Minister, Mr. Lal Bahadur Shastri, appealed to us to forego one meal per week, he was only suggesting the need to conserve the grains and make the available supplies last a little longer. Faced with drought conditions, this is the only sensible thing to do. If only we become waste conscious, and stop the waste everywhere, even these little efforts would go a long way in helping the nation to face the challenge. A persistent food crisis should make us think of how to overcome it individually and should also result ultimately in changed food habits, for which conditions to change over should be created of course. The Central Food Technological Research Institute has shown that there are considerable losses in milling and it has emphasised the need for improving the standards of milling. If we can manufacture the machinery for cement and textile industries in this country, we could also make machinery for rice mills.

The pearling process of grams and dall, without splitting them but only removing the outer cover, will save us 15% more grains according to the Central Food Technological Research Institute. We might have to get this process adopted throughout the country. While in other countries the milling of wheat has been done by modern mills which are responsible for getting the maximum extractions, 11 million tons of our indigenous wheat is still allowed to be milled by inadequate processes, because of our rule that Roller Flour Mills in this country should mill only imported wheat. Whatever might have been the reasons for this policy in the past, the Roller Flour Mills in

the wheat growing areas at once should be freed from this restriction and permitted to buy their own wheat and to mill it according to accepted standards. This might make the fullest use of our installed capacity of milling and also gradually spread the habit of the people eating milled wheat products and avoid waste of wheat, which is unavoidable in the present processes.

After all, we can distribute only what we produce. Our marketing methods are still primitive. The Regulated Market Act, which has been passed in many States, has been kept in cold storage. There is another aspect of the handling of food-grains which worries me. Minimum tolerance limits prescribed by the Governments are not rigid enough. They provide for a fairly large percentage of stones, foreign matter and dust. Why should consumers pay for these? State Governments are not keen on enforcing even these minimum standards and in the name of emergency they allow the mills to deliver rice of *any* quality. Rice below quality is accepted and passed on to the consumers as average quality and not at a lesser price. All these things mean that our controls will perpetuate these conditions unless a conscious effort is made to overcome these defects. Imported American rice can be taken to the oven straightaway while Indian rice makes every housewife in this country spend at least one hour per day picking stones. What a waste of national energy!

It is difficult to appreciate the policies of the surplus States. They do not part with grains as charity to anyone in this country. For example Andhra, by parting with its usual 1 million tons of surplus rice, earns about Rs. 85 crores. At the same time Kerala has to pay a food bill of Rs. 85 crores per annum. Though it is presumed that Kerala is earning a lot of money through its cash crops, the deficiency of food supplies in Kerala would mean that the poor people in Kerala would have to pay for the food, which amount, if it could be retained in Kerala itself, would go a long way to add to its prosperity. The surplus States should try to increase their surplus and earn more money by the outward movement of their surplus. This would mean money flowing into the hands of their farmers, and enriching them. Any policy which makes them retain these grains for themselves could only add to their poverty, as there would be

only extravagant consumption in these States. A prope realisation of these facts might enable the surplus States to be really export-oriented in their attitudes.

While we have theoretically ensured a minimum price to the farmer, the Food Corporation of India has been designated as the agency to maintain these prices throughout the country. But if the State Governments do not permit it to function within the States, it would not be able to perform this function at all. In many of the surplus States and in many pockets even in these days of shortages it was found that the farmer was compelled to sell at less than the minimum rate. While the object of the minimum rate was to give an incentive to the farmer to increase production, the policies of the Governments in surplus States—and in surplus districts—in fact might discourage production. The policy should be reoriented and farmers in these areas should be encouraged to produce more and not suffer because of their producing more.

The farmer can get more out of his produce only when marketing is perfected and middlemen are eliminated to the extent necessary, the gap between the producer and the consumer being reduced and the maximum margin of profits going to the farmer himself. The object of monopoly procurement in Japan or of the Canadian and Australian Wheat Boards has been to create an efficient marketing organisation which would ensure that middlemen do not make much profits and that the maximum benefits accrue to the producers themselves. But monopoly procurement that is now being attempted in many States obviously overlooks this fact, their only short-term objective being to get into their possession as much grain as possible. These operations, however, are not resulting either in better quality to the consumer or lower prices.

The Food Corporation of India could have at least started these monopoly procurement operations in the 58 heavily surplus districts in this country which are responsible for 48 per cent of the marketable surplus. It could have perfected storage, transport and marketing at least for these districts and ensured that it got into its possession the maximum marketable surplus and ensured at the same time a much higher price for the producer than what he is getting today. These operations

could have transcended the State barriers, and made out for an all-India food policy. However, many of the State Governments have not been in favour of it.

The minimum prices fixed by the Agricultural Prices Commission have been on an *ad hoc* basis. In my opinion, these prices should remain stable for three years and should be related to the cost of living index so that the farmer may not find the present prices unattractive when the cost of living goes up. This would at least make the authorities responsible for maintaining the cost of living index, which today is allowed to drift freely, with prices becoming unreal in the meanwhile.

Even in the matter of storage and transport, we have to soon decide whether bulk storage and more scientific movement by trains, thus avoiding waste, should not be attempted. All alternative methods of transport like shipping and road transport will also have to be thought of rather than depend entirely on railways. If only railways have to be engaged for food operations, I am afraid, there will be bottlenecks for transporting other commodities, creating shortages in those commodities. Enough studies have not been made of this aspect of the problem.

Therefore, the approach to the food problem has to be integrated. Every time we think of action in this country, we talk of long-range and short-range action, forgetting that time passes by and even after one year of our spotting a problem there is very little action indeed compared to the magnitude of the problem. A matter like food which involves millions of people in this country with all their rigidity of food habits cannot be left to ideologies. We cannot think, for instance, of the conflict between large-scale and small-scale farming as both have their advantages and disadvantages. Everything, therefore, should be done to encourage both the sectors remembering in the meanwhile that the larger farmers are in a position to create more marketable surplus and so may be given every encouragement.

In agriculture, the principle of inter-action is equally important. With the present state of agriculture in our country, any one step we take—either in the matter of better water management, better agricultural practices or using fertilisers or

better seeds or spraying of crops makes it possible to increase production at least by 25 per cent, while if all these factors are applied to the same piece of land, production could be anywhere between 100 and 600 per cent.

The conflict between hand-pounding and milled rice can also be avoided by making available simple shellars—hand-operated or power-operated—enabling the farmer to have a better outturn from paddy and producing brown rice which can give him more income. So also it is no use distributing fertilisers in small quantities which would not give the required results. Instead it is better to use it in a concentrated way in selected areas for the time being.

Mere mechanisation is not going to add to increased production. Where labour is scarce and cost of feeding the bullocks is high, small power tillers with all their appliances have been found to be quite useful. But in this country we have imported tractors which are by themselves costly compared with prices elsewhere in the world. And as these tractors have been imported from different countries, 50 per cent of them are out of operation for want of spare parts! It would have been desirable to accept one or two designs for tractors or power tillers and manufacture them in different parts of the country so that they could be repaired easily and spare parts could be more easily available.

So far as credit operations are concerned, it is possible to argue the case both for and against credit to the farmer as some recent survey has shown that many of the people who had borrowed did not use it for agricultural purposes. It is eqully possible, to prove that in most deserving cases farmers do not get adequate credit for their agricultural operations. The rules and regulations of the co-operative credit mechanism are so full of inhibitions, they are directed more towards making a farmer a better human than a good farmer. While the co-operatives should have confined themselves to the smaller farmers—who deserve every attention to be brought up socially and economically—the larger farmers should have facilities to get their borrowings from other institutional agencies.

Bureaucratisation of agriculture can be the worst thing that can happen to the country. Centralisation and monopoly in the distribution of fertilisers and credit have often tended to create delays for the farmer in getting his requirements in time. On the other hand, multiple agencies should be encouraged to go into the field. We should create an atmosphere in which the farmer gets his requirements of credit, fertilisers, insecticides and advice readily whenever they are required. The Governments alone cannot create these conditions. It must encourage as many private agencies as possible to come into the picture. If the idea is to see that the bigger farmers do not enrich themselves, we could think of agricultural income-tax rather than prevent their going into their maximum productivity.

Not only the land reforms should have been carried into effect without delay—leaving no uncertainty regarding landed property—at the same time consolidation and prevention of fragmentation should have gone hand in hand with them. The ceiling on land could have been worked out by applying all standards of agriculture to larger farmers rather than by rule of thumb prescribing the limit. The conversion of food acreage to non-food purposes should be severely restricted. After all, export crops like coffee, tea, rubber, pepper, cardamom, cashew nuts etc. do not compete with food crops. They do not take away land which is suitable for food crops. Land where jute is grown, of course, competes with food crops; but then jute is a foreign exchange saver and earner. But in the case of sugarcane and other commercial crops, it seems necessary to insist on minimum standards of agriculture preventing the uneconomic use of land, which could grow better food. If politics were to have an upper hand in these matters, economic planning would have no sense.

The solution to the food problem is expected only through an agricultural revolution. An agricultural revolution involves attacking the problem in all its aspects simultaneously rather than putting it off for a subsequent plan period. It takes three months to raise a crop in this country while it takes as much time to get it from U.S.A. or some other countries. Even if we saved this freight in foreign exchange, we can grow ten times in terms of money value by importing fertilisers rather

than grains. We paid Rs. 42 crores freight in foreign exchange in 1964. In 1965 it will not be less than Rs. 60 crores. To think that food imports do not involve heavy foreign exchange is not correct. While all commercial crops have been considered foreign exchange *earners*, food crops can still be the biggest foreign exchange *saver* in this country.

After all a national food policy can be evolved only by the Central and State Governments. The Food Corporation of India can only translate this policy into action. It should be enabled to function as an effective national agency brought into existence by an Act of Parliament representing the people of this country, and the States should give it unstinted co-operation. Some of the States have been expressing a feeling that if the Food Corporation of India operates on the stocks, it might move these stocks into deficit States—as if the Food Corporation would not care for stable conditions in the surplus States! This has been their main objection to the Food Corporation of India operating in these States.

When the State Zones were created, it was presumed that a national agency like the Food Corporation could take out the surplus without let or hindrance. Otherwise there is a very strong case for the people of this country asking for a bigger zone to avoid the anxiety of perpetual shortages. While we were under British rule, because they treated the country as one unit, a much more effective food policy was possible. But after the creation of linguistic States, an integrated food policy has become strangely difficult. It has to be appreciated that the food controls by the Government would have been difficult but for the Defence of India Rules, while indiscriminate exercise of these very powers is making the problems more difficult.

There is a great awakening among the farmers and all sections of the public and, if harnessed, this tremendous release of energy could help us to get over our problems.

"Free Enterprise was born with man and shall survive as long as man survives."

—A. D. SHROFF

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Published by M. R. Pai for the Forum of Free Enterprise, 235, Dr. Dadabhai Naoroji Road, Bombay 1, and Printed by S. J. Patel, at Onlooker Press, (Prop. Hind Kitabs Ltd.), Sassoon Dock, Colaba, Bombay-5

11|September|1966