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THE NATIONAL FOOD SECURITY ACT (NFSA) IN INDIA: A REVIEW

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Abstract: In September 2013, the Parliament of India passed the National Food Security Act (NFSA) that made 'right to food' a legal entitlement for approximately three-fourths of the rural population and half of the urban population of India. The Act aims to provide "food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity" (GOI 2013). Besides ensuring access to highly subsidised foodgrain, NFSA also made maternity benefits and nutrition for children aged six months to 14 years a legal entitlement. While it is provide a comprehensive evaluation of the impact of NFSA, this paper attempts to brief overview.

Keywords: Food Security, Population, Human Life.

Introduction: The National Food Security Act (NFSA) that came into effect on July 5, 2013 aims to ensure "food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity" (GOI 2013). The Act provides a legal entitlement (or the 'right to food') of subsidised foodgrain to 75 per cent of the rural population and 50 per cent of the urban population of India. NFSA relies on four existing programmes to provide food and nutritional security: the Targeted Public Distribution System (TPDS), the Integrated Child Development Services (ICDS), the Mid Day Meal (MDM) programme and the Indira Gandhi Matritva Sahyog Yojana (IGMSY). While TPDS provides foodgrains to approximately 813.4 million Indians under NFSA, the ICDS and MDM programmes ensure a free meal to all children aged six months to 14 years at the anganwadi (childcare centres) and schools, respectively. The IGMSY programme provides all pregnant and lactating mothers a maternity benefit of INR 6000. While it is too early for a comprehensive evaluation of the impact of NFSA on food security, a review of the experiences of various states/UTs in implementing the Act would be helpful to both document the process and discuss important innovations and challenges emerging from these

observations. For instance, three UTs have opted for direct benefit transfers (DBT) of the food subsidy and findings from preliminary studies provide a rare insight into how cash transfers (in lieu of in-kind food subsidies) work in the Indian context. As NFSA is implemented by the states/UTs, there has been a proliferation of eligibility criteria to select beneficiaries, methods of identification (using the socio-economic census data, a self-declaration process or existing state-level data) and use of technology (biometric authentication, smart cards or offline transactions). These state-level variations give us an opportunity to appreciate the advantages and limitations of different approaches to improving the effectiveness of TPDS. This review also discusses three major challenges faced by NFSA: first, the delay in implementation of the Act; second, a lack of universal maternity entitlements and third, the impact of the recommendations of the 14th Finance Commission (that of fiscal devolution of taxes to the states) on NFSA-related programmes. On November 1, 2016 (three and a half years after the Act came into effect), all states/UTs in India either had implemented or were in the process of implementing NFSA. This report reviews the early experiences of different states/UTs in rolling out the Act. The first part provides a brief overview of NFSA by discussing the provisions

of the Act and issues relating to its rollout. The second part summarises findings from six studies conducted over the past three years in order to understand the important issues associated with NFSA implementation. The third part highlights some of the innovations and challenges in its functioning by looking at case studies from specific states/UTs. The aim of this report is to provide the reader with an overview of what we know about the implementation of NFSA.

National Food Security Act (NFSA): The National Food Security Act (NFSA), 2013 received assent from the President of India on September 3, 2013 after being in effect as an Ordinance since July 3, 2013. The Act aims to provide “food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity”^[1]. The first part of this section provides an introduction to NFSA by discussing important provisions of the Act that ensure food security and the second part highlights key issues during its rollout.

I. NFSA Provisions: The following are the important provisions of NFSA

1. Converting Welfare Benefits to Legal Entitlements: The most important provision of NFSA is that it makes ‘right to food’ a legal entitlement. According to Article 42 of the Constitution of India, it is the “duty of the State to raise the level of nutrition and the standard of living and to improve public health.” Providing the ‘right to food’ helps attain each of these objectives.

2. Increase in Coverage of the Targeted Public Distribution System (TPDS): Section 3(2) of NFSA extends the coverage of TPDS to 75 per cent of the rural population and 50 per cent of the urban population. This is a major shift from the pre-NFSA coverage of TPDS, which was limited to households living below the poverty line (BPL). However, it is important to note that many states/UTs had expanded the coverage of their TPDS by introducing ‘State BPL’ categories that covered households that were poor but did not meet the Central Government’s BPL ‘cut-off’^[2]. NFSA also simplifies the different categories of beneficiaries from three in the pre-NFSA TPDS to two by replacing the Above Poverty Line (APL) and BPL categories with a single ‘priority’ category and retaining the Antyodaya Anna Yojana (AAY). This is important as one of the major criticisms of the

pre-NFSA TPDS was the high diversion of foodgrains in the APL category^[3].

3. Uniform Entitlement of 5 kg of Foodgrains Per Person: Under Section 3(1) of NFSA, every person belonging to a priority household is entitled to receive five kg of rice per person per month from TPDS. In the pre-NFSA period, all BPL households would receive 35 kg of foodgrain, irrespective of the number of members in each household. NFSA, however, accounts for the differences in number of members in each household by making entitlements per person. However, NFSA retains the pre-NFSA entitlements for the AAY households that will continue to receive 35 kg of foodgrain per household.

4. Reduction in Prices of Foodgrains: In the pre-NFSA period, the Central Government set the ‘central issue prices (CIP)’ for subsidised foodgrains distributed through TPDS. The prices were INR 5.65, 4.15 and 3 for rice, wheat and coarse grains, respectively. However, many state governments provided state subsidies to further reduce prices (Chhattisgarh reduced the price of TPDS rice from INR 5.65/kg to INR 3/kg in 2007 and INR 2/kg in 2012). According to Schedule I of NFSA, all eligible households shall be entitled to foodgrains at subsidised prices not exceeding INR 3, 2 and 1 for rice, wheat and coarse grains, respectively, for the first three years since the commencement of the Act. After the three-year period is over, the Central Government may set prices that should not exceed the minimum support prices of each of the three foodgrains.

5. Identification of Eligible Households by State Governments: Under section 10 (1a and 1b) of NFSA, state governments are required to identify households to be covered under AAY and priority categories within a year from the commencement of NFSA and place the list of identified eligible households in the public domain. This provision addresses the high prevalence of inclusion and exclusion errors that were synonymous with the pre-NFSA TPDS due to its reliance on the 2002 BPL survey for rural areas and the 2007 BPL survey for urban areas (as mentioned earlier, some states did expand coverage of their TPDS beyond these BPL surveys through state subsidies).

6. Nutritional Support for Women and Children: Section 4 of NFSA makes it the Central Government’s responsibility to provide a free meal through local anganwadis (childcare centres) and a maternity benefit of at least INR

6000 for pregnant and lactating (until six months after childbirth) mothers. NFSA also includes provisions for food entitlements for children aged six months to 14 years. Section 5 entitles all children aged 6 months to 6 years to a free meal at the anganwadis and a free mid-day meal for all school-going children up to class VIII (or age 14). NFSA also states that these schools and anganwadis will have facilities for cooking meals, and providing drinking water and sanitation.

7. Food Security Allowance: Section 8 of NFSA entitles all eligible persons to a food security allowance in case they are not provided the entitled quantities of foodgrains or meals. This payment has to be made by the state government to each person. The 'Food Security Allowance Rules, 2015' were notified by the Central Government on January 21, 2015 and provide the norms for calculating and disbursing this allowance. The amount can be calculated by multiplying the difference between 1.25 times the minimum support price (MSP) of the relevant foodgrain for that marketing season and the prices specified in Schedule I of the Act, with the quantity of non-supply. This amount has to be paid by the end of the third week of the month following the month in which the foodgrain was not supplied^[4].

8. Grievance Redress Mechanism and Penalty: Sections 15 and 16 of NFSA require State Governments to appoint District Grievance Redress Officers (DGROs) and constitute a State Food Commission (SFC) for the purpose of monitoring and reviewing the implementation of the Act. Section 33 allows the State Commission to impose a penalty of not more than INR 5000 on any public servant or authority found guilty of failing to provide relief recommended by the District Grievance Redress Officer.

9. Cost of Intra-state Transportation and Handling of Foodgrains: Section 22 of NFSA lists the obligations of the Central Government in the implementation of the Act. According to sub-section 4(d), it is the responsibility of the Central Government to provide financial assistance to state governments for intra-state movement and handling of foodgrains (i.e. from the Central Government warehouses in the states to the FPSs). This is a significant provision as it promotes 'doorstep delivery' of foodgrains, a TPDS reform that has been important and successful in states/UTs where it was implemented in the pre-NFSA period.

10. Reforms of TPDS: Section 12 of NFSA makes it the responsibility of Central and State Governments to "progressively undertake necessary reforms of the TPDS" such as:

- Doorstep delivery of foodgrains to FPSs
- Application of information and communication technologies with the aim of end-to-end computerisation of TPDS
- Transparency of record
- Shifting management of FPSs from private owners to public bodies such as women's cooperatives
- Diversification of commodities distributed
- Leveraging Aadhaar for identification of beneficiaries
- Introducing programmes such as cash transfers and food coupons

A Way to Forward in Short: India is a proud nation having attained food security for its 1.3 billion populations despite several odds and challenges. According to Food and Agriculture Organization of United Nations, food security is a situation when all people at all times have sufficient food to meet their dietary and nutritional needs to lead a healthy and productive life. In this sense, food security necessary includes nutritional security. Soon after independence, especially in post-Green Revolution era, India strived for 'Food for All' by developing technological interventions, supporting policies and strategies and a vast network of public distribution system. These initiatives enabled the country to increase the production of food grains by 5- fold, horticultural crops by 6-fold, fish by 12-fold, milk by 8-fold, and eggs by 27- fold since 1950-51. Such steep enhancements improved per capita availability of major food commodities and made a visible impact on national food and nutritional security. Food security also implies food affordability, that is, an individual's capacity to purchase proper, safe, healthy and nutritious food to meet one's dietary needs. Realising the wide-spread poverty as a major threat to food security, Government of India launched several social welfare schemes which ensure food to poor and 'poorest of poor' sections of the society. However, to sustain food security in future, India faces several challenges of varied nature. Bumper Harvests, Soaring Stocks: The Indian Council of Agricultural Research, through its vast network, provided leadership to ensure national food and nutritional security by promoting in disciplinary, system-based, knowledge- intensive and problem-

solving research. As a result, India could harvest more than 252 million tonnes of food grains in 2015-16 crop years despite deficient rainfall and its consequences (as per third advance estimate). The estimate includes rice production (103.36 million tonnes) wheat production (94.04 million tonnes) and production of coarse cereals (37.78 million tonnes). Output of pulses and oilseeds are estimated at 17.06 and 25.9 million tonnes respectively. The impressive production figures are mainly attributed to preparedness for facing drought-like conditions and other natural calamities. In addition, various schemes launched by Ministry of Agriculture and Farmers Welfare recently also contributed significantly by providing and facilitating technical support, agricultural inputs, agricultural credit, marketing support and other interventions for raising productivity and expansion of area under major crops. Schemes such as Pradhan Mantri Fasal BimaYojana, Pradhan Mantri Krishi Sinchai Yojana, e-NAM, Paramparagat Krishi VikasYojana and Kisan Credit Card Yojana are playing a very important role in technological and financial empowerment of small and marginal farmers who are major contributors to national food security. Of the total land holdings in the country, 85 per cent are in marginal and small farm categories of less than two hectares. The small farms though operating only on 44 per cent of land under cultivation, are the main providers of food and nutritional security to the nation. Country had more than 27.50 million tonnes food grains (rice and wheat) in the Central Pool Stock as on December 2016. According to Food Corporation of India, the quantity is more than sufficient to feed the nation and also meet emergencies, if any. As far as nutritional security is concerned, India has made good progress in fruit and vegetable cultivation by integrating production technologies, input management and policy support. Now, India ranks second in the fruits and vegetable production in the world, after China. During 2014-15, country produced 86.60 million tonnes of fruits and 169.47 million tonnes of vegetables which significantly raised per capita availability and nutritional status of population. India is the global leader in milk production, accounting for 18.5 per cent of world production and achieved an annual output of 146.3 million tonnes during 2014-15. The per capita availability of milk has increased from 146 grams per day in 1990-91 to 322 grams per day by 2014-15, which is more than the world average of 294 grams per day (2013). Both egg

and fish production, have also registered an increasing trend over the years. Mission for Millions: Government of India launched a strategic mission in 2007 for augmenting and sustaining food grains production to maintain long term food security. Implemented as National Food Security Mission, it envisaged to increase the production of rice, wheat and pulses to the tune of 10 million tonnes, 08 million tonnes and 02 million tonnes respectively during the 11th Five Year Plan period (2007-2012). The mission was implemented in 371 districts of 17 states with an outlay of Rs. 4882.48 crore. Active involvement of all stakeholders with promotion and extension of improved technologies resulted in significant expansion of area and productivity. Overall production of selected crops increased more than the targets. The success story prompted Government to continue the mission during 12th plan period (2012-2017) with revised target of raising the food grains production by 25 million tonnes. Coarse cereals, sugarcane, jute and cotton were included in the mission which now covers all districts of all the states. However, pulses are being given top priority and major allocations due to widening demand and supply gap. Large scale technology demonstrations at farmer's fields are being conducted across the country to promote improved production technologies and improved varieties. National Food Security Mission provides technology support and financial assistance to farmers for specific activities having potential to raise the productivity. Mission provides assistance for conducting training of farmers under the Farmers Field School program for imparting first hand information on scientific practices of production and input management. Assistance is also provided to improve irrigation facilities in fields for better productivity. Food for All: As a response to the food shortages at the time, Government of India launched well structured Public Distribution System (PDS) during 1960s, which relied mainly on procurement of food grains by Food Corporation of India and their distribution through fair price shops. By the 1970s, PDS had evolved into a universal scheme for the distribution of subsidized food and currently it, is the largest distribution network of its kind in the world. In the 1990s, Government revamped the PDS to improve access of food grains to people in hilly and inaccessible areas and to target the poor. The PDS, in its new 'avatar' is Targeted PDS (TPDS), operates

through a multi-level process in which the Centre and States share responsibilities. States such as Chattisgarh and Madhya Pradesh have implemented IT measures to streamline TPDS, through digitization of ration cards, the use of GPS tracking of delivery and SMS based monitoring by beneficiaries. TPDS provides 35 kilogram of food grains to each poor households at subsidized rates. Centre has made special efforts to deliver food grains to remote areas, such as hilly tracts of north-east region and Himalayan areas. Under a special provision, Government of India releases extra food grains, beyond the allocated state quota, to provide relief to states suffering from natural calamities. While implementing TPDS, Government realized the plight of 'poorest of poor' who are not able to afford food even on subsidized prices. Hence, to ensure their food security, a special scheme, 'Antyoday Ann Yojana' was launched in the year 2000 targeting families having monthly income of less than Rs. 250/-only. Such families were identified and issued a special 'Antyoday Card' which entitles the family to get 35 kilogram of food grains per month (wheat @ Rs. 2/- per kilo and rice @ Rs. 3/- per kilo) from the fair price shop. The scheme is a great success ensuring food security for the 'poorest of poor'. Moving further, Government has notified the National Food Security Act, 2013 to provide food and nutritional security to its people as a legal right. However, the Act does not disturb the structure and provisions of the Antyoday Ann Yojana. The Act also has a special focus on the nutritional support to women and children. It provides meals to pregnant women, lactating mothers (upto six month of child birth) and children upto 14 years of age. Nutritional meals are provided to this target group as per the prescribed nutritional standards. So far, the Act has been implemented in 32 States and Union Territories, and out of these, Chandigarh and Puducherry are implementing the Act through cash transfer of food subsidy to the beneficiaries. Taking an innovative step, Government of India launched an unique 'Mid Day Meal Scheme' in 1995 with a view to encourage enrolment and attendance in primary schools along with improvement in nutritional levels of the children. Initially, the scheme was implemented in 240 blocks of the country, but the overwhelming success and popularity of the scheme prompted Government to cover all blocks by the year 1997-98. Simultaneously, the coverage was also extended to upper primary schools and the nutritional

standards of the meals were also improvised. Now, the meals of students of upper-primary classes have been standardized as 25 to 30 grams pulses, 65 to 75 grams vegetables and a moderate quantity of oil (7.5 gram). The scheme is ensuring nutritional security of 11-12 crore school children along with educational benefits. Government of India is also operating an Integrated Child Development Scheme (ICDS) since 1975 to provide a sound base for overall development of children which includes nutritional security. Target groups of this scheme include children in the age group of 0 to 6 years, pregnant women and lactating mothers. Services such as health, nutrition and early learning are provided at the village level through Anganwadi Centres across the country. The scheme is providing nutritional support to more than 3.40 crore children and 70 lakh women especially in rural areas. Challenges and Opportunities: Indian food and nutritional security is being challenged by many social, economic and environmental factors such as increase in the population, increasing urbanization and increasing demand of food due to rising income. In addition, dietary preferences such as high demand for livestock products and consumption of more processed foods are also creating pressure on the food supply system. The population of India is projected to be 1.65 billion by 2050 with an average income of Rs. 401839/cap, up from the level of Rs. 53331/cap in 2010-11, with 50 per cent people residing in the urban areas. Various studies indicate the demand for food grains will grow by about 50 per cent in 2050, if the growth rate in national GDP sustains at 7 per cent per annum. At the same time, the demand for fruits, vegetables and animal products will be more spectacular (100-300 per cent) due to higher incomes and increased availability of these commodities. It is projected that by 2050, the calorie consumption will reach 3000 kcal/cap, with rise in the share of animal- based calories from the current level of 8 per cent to 16 per cent. To sustain food and nutritional security in this scenario, India will have to raise its food grain productivity from 25000/kcal/ha/day in 2005 to about 46000 kcal/ha/day by 2050. Considering many other factors, it is estimated that the country will require nearly 450 million tonnes of food grains by 2050 to sustain the food security. Corresponding increases in pulses, edible oils, fruits, vegetables, milk, meat and eggs are also indicated. The Indian Council of Agricultural Research has formulated a strategic

framework as 'Vision 2050' to promote excellence in agricultural research, education and extension for sustained food and nutritional security. The research initiatives will aim at: zero net land degradation, 20 per cent increase in total food supply-chain efficiency; reducing losses and wastages from field to fork; 20 per cent increase in water and nutrient efficiency in agriculture; more nutrition and crop per drop; and enhancing food safety. However, we will have to address various challenges to attain these goals.

Challenge of Climate Change: Global climate change is one of the most impacting challenges to long-term food security as it could lead to dramatic scarcity of fresh water in the northern and peninsular regions of the country. Various estimates suggest that India will experience an increase of 2.2 - 2.9 degree Celsius in average temperature by 2050 affecting overall production of rabi and kharif crops with simultaneous loss in milk, fish and meat production. Rain-fed agriculture which covers 60 per cent of all the cultivated land in the country will be particularly hard hit. Except for the states of Andhra Pradesh, Tamil Nadu and Karnataka, where yield of rain-fed rice is likely to go up by 10- 15 per cent, rice yields will go down by 15-17 per cent in Punjab and Haryana and by 6-18 per cent in all other regions. To address this critical issue, ICAR has launched a nation-wide project NICRA (National Innovations in Climate Resilient Agriculture), which provides strategic support to farmers and empowers them to adopt climate smart agricultural practices. Scientists have developed new varieties of various major crops, which are tolerant to climatic stresses and perform well under adverse weather conditions. Integrated farming models are being popularized in which livestock are integrated in the cropping patterns as livestock has always acted as insurance during environmental stresses and is more dependable than crops. But it would require technological innovations to make them adapt to climate extremes. Declining and degrading land resources also pose a serious threat to food security as the availability of per capita land is declining sharply due to increase in population (0.13 ha land/cap in 2010-11 to 0.09 ha/per cap). Further, in some cases, agricultural land is being diverted to other uses such as infrastructure development, urbanization, and industrialization negatively affecting to agricultural production. Land is getting polluted with toxic waste waters and there is a large scale of degradation due to water and air erosions. Growing water scarcity

and degradation in its quality are other factors which are creating numerous water management challenges in both reverse and ground water across the country. Biodiversity of plants and livestock, which is very crucial for sustaining long-term productivity, is under threat. The rate of extinction is alarming, as only four crops provide about 60 per cent of global food, causing declines in genetic diversity among cultivated species. Pandemic pest and diseases in animal population increase the production risks and present a major challenge for ensuring food security in the country.

Way Forward: The power and potential of science and innovation promises hopes for sustainable food and nutritional security through enhanced production and productivity of crops and livestock including fisheries. Genetic enhancement of plants/animals/fish is considered to be a major option to sustain the food security by increasing productivity. Biotechnological advances in agriculture may improve soil productivity and may provide a safety net to food production through employment of environment friendly tools for insect and pest management. Mechanization of agriculture and food production systems may enhance the overall productivity to save labour and cut down the production cost. Currently, India is lagging behind in food processing sector and consequently, high losses are being registered across supply chains. Therefore, to sustain food security a substantial increase in food processing sector is suggested by increasing investment, infrastructure and facilities. The issue of energy development and management in agriculture sector requires urgent attention as it is crucial to both food production and processing. A core program in the efforts to secure national food security is the promotion of gene revolution aiming at lowering the net production costs, raising the yields and net farm incomes, reducing the use of pesticides and herbicides, and thereby lowering the consumer prices. Agricultural research preparedness needs support of strategic framework and supporting policies for maintaining long-term food security, Government policies regarding agricultural pricing, agricultural marketing, land use and investment in subsidies in agriculture need to be reoriented and repositioned to meet the food demand in future. Policy institutions have initiated the proceedings in this direction by deliberating various critical issues among stakeholders. It is hoped that these endeavors

will take care of India's concern for national and household nutritional and food security, reducing poverty at a rapid rate, and achieving accelerated growth of agricultural sector, and in turn of the whole economy. Clean Consumer Fora and Clean Market Scheme to Launch from 2017-18 The Department of Consumer Affairs has decided to launch two schemes, namely, Clean Consumer Fora and Clean Market from 2017-18, as a lot of emphasis is being given for setting up of permanent mechanism through new programmes or schemes for sustainability of Swachhta under Swachh Bharat Mission. The salient features of the schemes are as under: Clean Consumer Fora: A number of consumers visit the Consumer Fora every day in connection with their complaints. There should be adequate facilities for the consumers in each Consumer Forum, including adequate toilets, especially for the differently-abled. Clean Market: Unhygienic conditions at market places pose health hazards to the consumers. Under the scheme, the Voluntary Consumer Organizations (VCO) will be associated and asked to adopt a market place where they can carry out cleanliness and awareness activities on Swachhta.

Conclusion: The rollout of NFSA, combined with a slew of TPDS reforms undertaken both before and because of NFSA, is turning around a system that had become synonymous with corruption. While it is too early to give a verdict on the impact of NFSA, preliminary studies of its implementation have shown an increase in coverage of eligible beneficiaries, a decline in exclusion error, a rise in the purchase-entitlement ratio (PER) and improvements in the transportation of foodgrains. States/UTs that have implemented reforms such as doorstep delivery of foodgrains, end-to-end computerisation of TPDS (procurement, transportation and distribution), simplifying eligibility criteria and improving grievance redress mechanisms are reaping benefits in the form of more food security as well as political success. Though NFSA has improved the general functioning of TPDS, several areas require more focus. As some of the studies reviewed in this report suggest, various states/UTs have not implemented NFSA in letter and spirit. To begin with, the delay in the implementation in most states/UTs was a major violation of the Act. Many states/UTs did not issue new ration cards and some made all old TPDS beneficiaries

eligible for NFSA benefits. More importantly, states/UTs that did not use NFSA as an opportunity to initiate TPDS reforms have been unable to reap all the benefits. The long delay in providing universal maternity benefits has been a major infringement of NFSA. Considering the Central Government already had a maternity benefit programme (IGMSY) in place in 200 districts, this lack of concern reflects its apathy towards maternal and child health. The two other NFSA-related programmes—ICDS and MDM—also did not receive the required financial support from the Central Government. NFSA requires the Central Government to ensure all anganwadis (childcare centres) and schools have the required infrastructure to provide hot-cooked meals to children. Instead, the Central Government has transferred the financial burden of these programmes on the states/UTs by changing the fund pattern of these programmes. As the first evidence of the experience of replacing in-kind food subsidies with cash transfers emerges, states/UTs will have more information to make the decision on whether to adopt this path. The 'direct benefit transfer pilots' in the three UTs shed light on the limitations of the effectiveness of cash transfers in highly urban settings. In a country where more than 70 per cent of the population lives in rural areas, it would be essential to ensure that the prerequisites for cash transfers exist.

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