

Revisiting State Subsidy Food Programme Model for India



Mahesh Sarva, Ajay Sidana, Rupesh Roshan Singh, Gangu Naidu Mandala

Abstract: Food Problem in Indian Economy is acute. Food Problem in India is not only concerned with the shortage of food but also has a deficiency of nutrition. The 2015 Global Hunger Index ranked India twentieth amongst leading international locations with a severe hunger state of affairs. With food problem, malnutrition also places a heavy burden on India in terms of deaths, disease and direct impact on productivity. There are several programs in India to address this concern, the first initiative was Amma Unavagam food subsidization program run by the state of Tamil Nadu has won popular support and brought a new dimension in food security. Several states started the program with different dimension viz. Rajasthan, Madhya Pradesh, Odisha, Andhra Pradesh, Karnataka. There are other states which are planning to adopt this model including Uttar Pradesh. The present research analyzes the success of state programs that can be replicated to throughout India. The study discusses the implications for policy makers for successful implementation of the program. The study also highlights the possible limitations and future research.

I. INTRODUCTION

According to the National planning commission of India, anyone spending more than Rs 965 per month in urban India and Rs 781 in rural India does not belong to the below poverty line. The commission further says that those spending in excess of Rs 32 a day in urban areas or Rs 26 a day in rural areas will no longer be eligible to draw benefits of Central and State government welfare schemes meant for those living below the poverty line¹.

However, the poverty lines used to determine the above poverty figures have been criticized as being too low to allow a decent standard of living².

Widespread poverty is financial, social, political and moral trouble. Eradicating, or as a minimum assuaging poverty is an urgent project. For many decades, numerous establishments have attempted to cope with this challenge: neighborhood governments, developed country governments, global businesses (which include the World Bank and the United Nations), useful resource foundations and non-governmental companies³.

Food Problem in India Economy is acute. Food Problem in India is not only concerned with the shortage of food but also has the deficiency of nutrition. The 2015 Global Hunger Index ranked India 20th among leading international locations with an extreme hunger situation. The National Rural Health Mission of India mission is planning to improve the availability and access to quality health care especially for those residing in rural areas.

With food problem, malnutrition also places a heavy burden on India in terms of deaths, disease and direct impact on productivity. In India nutrition is also a big issue with low body mass index is a concern even for adults. As per the report of The State of Food Insecurity in the World released in 2015 by the Food and Agriculture Organization of the United Nations nearly 194.6 million people in India are malnourished. Also, another big issue is anemia and as per the report more than 50% of women in the age group of 15-39 is anemic and more than 20% are men. There are various programs being implemented by different states to encourage the inclusive growth⁴. The detailed summary of each program is given below:

1.1 Amma Unavagam, Tamil Nadu

In order to address this concern, the first state to implement this program is Tamil Nadu which is known as Amma Unavagam. Amma Unavagam is a food subsidization program run by the Government of Tamil Nadu in India⁵. The scheme launched in February 2013 and under the scheme, municipal corporations of the state offer subsidized food at low prices through canteens. The canteens primarily serve South Indian food namely Idli at Rs 1, Pongal at Rs 5, Sambar rice at Rs 5, curd rice at Rs 3 and two Chappatis with dal at Rs 3⁶.

There are 294 Amma Unavagam shops run through municipal organizations throughout the state, which cater to round 2.5 lakh customers a day. The menu of the canteens has been expanded by adding pongal, tamarind rice or curry leaf rice and chapati. There is a full-size subsidy involved. State authorities offers free rice in addition to backed pulses and suitable for eating oil through public distribution machine for the Amma Canteens scheme. It also supplies cooking gas and kerosene at a subsidized price. The under-recovery is as high as 60 per cent of the cost, putting the subsidy amount at Rs 200 crore annually. In addition to that, all 294 outlets in operation are all located on land or in buildings belonging to the government, and this has meant an average initial investment of Rs 5 lakh per outlet. Further expansion will have to move beyond and that will call for larger investment. It employs around 5,000 people, mostly women, and generates revenue of Rs 4,000 a day per outlet as shown in Figure 1.

Manuscript published on November 30, 2019.

* Correspondence Author

Dr. Mahesh Sarva*, Associate Professor, Mittal School of Business, Lovely Professional University, Punjab, India.

Dr. Ajay Sidana, Associate Professor, Amity International Business School, Amity University, Noida, India.

Dr. Rupesh Roshan Singh, Associate Professor, Mittal School of Business, Lovely Professional University, Punjab, India.

Dr. Gangu Naidu Mandala, (Corresponding) Assistant Professor, GITAM institute of Management, GITAM Deemed to be University, Visakhapatnam, India.

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an [open access](https://creativecommons.org/licenses/by-nc-nd/4.0/) article under the CC-BY-NC-ND license <http://creativecommons.org/licenses/by-nc-nd/4.0/>.

Revisiting State Subsidy Food Programme Model for India



Figure 1

Source: Madhavan, 2014⁷.

Whatever is the cost benefit analysis; it is one of the populist schemes and also won the support of the public at large in Tamil Nadu.

1.2 Anna Annapurna Rasoi, Rajasthan

The success of Amma Unavagam program in Tamil Nadu triggered the interest of other state government. Rajasthan government also started Anna Annapurna Rasoi scheme on 15, December 2016, with initially 80 mobile kitchens catering to 12 cities of the state. As per the scheme, the mobile kitchens will offer breakfast at Rs. 5 and meals for Rs. 8. Staple Rajasthani dishes such as Gehu ka Mitha Khichda, Besan Gatta Pulao, jawar ki Mitha Khichra and Dal Dhokli will also be part of the fare. The project has been allocated an initial budget of Rs.14 crore by the government⁸.

1.3 Annapurna Akshaypatra Yojana, Chandigarh

On January 2, 2017, Union territory Chandigarh launched mobile food vans for affordable, hygienic and nutritious food for the packet costing Rs.10 consisting of a vegetable, six Chappatis and pickle⁹. Annapurna Akshaypatra Yojana is a different program from others in the sense that there is no funding by the government and is fully funded by various organizations under their voluntary donations and CSR programs. The whole program has been funded by Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Sewa Bharti, Chandigarh, and the Panchkula Gaushala Trust. The Indian Red Cross Society, Chandigarh, will implement the project with the help of the UT Labour Department.

The IOCL have given five mobile food vans worth Rs 25 lakh, the Panchkula Gaushala Trust raised a massive shed for establishing a kitchen worth Rs 16 lakh, the BPCL and the HPCL donated two each Chapati-making machines costing Rs 7.5 lakh each and one each flour-maker worth Rs 40,000 each while Sewa Bharti has provided manpower, including five drivers and five helpers (one each for the five mobile food vans), 10 women for food packaging and four men for cooking purposes.

1.4 Namma Canteen, Karnataka

Karnataka chief minister on 28, March 2017, also set aside 100 crores for Namma Canteen at 198 location. Initially, the Canteen started at Bengaluru which will serve breakfast and lunch for Rs 5, and Rs 10, respectively. If successful in Bengaluru, the facility will be extended to all districts¹⁰.

1.5 Aahaar, Odisha

From 1 April 2017 chief minister started out at 5 most important urban facilities of the state - Bhubaneswar, Cuttack, Sambalpur, Berhampur, and Rourkela below the

emblem call of Aahaar where retailers can be opened at crowded locations including bus stands, railway stations, district collector places of work, and hospitals. Under the proposed scheme, rice and Dalma (a popular dish fabricated from Dal and greens) could be made available at the rate of Rs 5 in line with plate as towards the marketplace price of Rs 30 consistent with plate 11. The scheme would be sponsored by using the government at round Rs 20 in line with plate. The country meals materials & consumer welfare departments and urban development departments will offer the desired infrastructure and different centers, while the food inspectors of respective city bodies will conduct scrutiny of food exceptional and hygiene.

1.6 Deendayal Rasoi Yojana, Madhya Pradesh

From 17, April 2017 chief minister Madhya Pradesh at Bhopal launched Deendayal Rasoi Yojana under which backed meals could be available at Rs five in line with plate to humans. The Thali will price around Rs 20, but people will have to pay handiest Rs 5 per plate. Funds for the schemes could be made to be had under leader minister's city infrastructure scheme. An account could be opened for each center at a nationalized financial institution of the nearby headquarters. In the first phase, the scheme could be inaugurated in 49 district headquarters¹².

1.7 Annapurna Bhojnalaya, Uttar Pradesh

Looking at the popularity of scheme Uttar Pradesh Government is also planning to start a subsidized food scheme – Annapurna Bhojnalaya where people will get refreshments at Rs 3, and a full meal at Rs 5. The scheme will be implemented in all 14 municipal corporations across the state under public private partnership (PPP) model.

In the first segment, 20 such canteens will come up in Ghaziabad, 28 each in nation capital Lakh now and Kanpur and 18 in Gorakhpur. A overall of 275 canteens can be opened throughout the state at an anticipated value of Rs 153.59 crore. While three food will cost the consumer simplest Rs 13, the government will incur Rs 48 on it. The clients could be issued pre-paid tokens and plastic cards to avail the facility¹³.

II. REINVENTING THE BUSINESS MODEL NATIONWIDE

This scheme need to be selectively and steadily extended nationwide, in particular in areas wherein there may be drought or/and severe poverty. It is higher to give the poorly cooked food due to the fact 1) they might not have sources to cook a meal, 2) they may sell the meals grain given beneath FSA to meet different desires, three) it reduces pilferage and 4) it dietary supplements family profits¹⁴. The following points which are improvement for implementing nationwide-

2.1 Charging more from people above poverty line:

Looking at the food subsidy program in different states whatever may be the cost benefit analysis but from a social point of view, we can replicate the program at the national level by analyzing all the programs of state food offered from Rs.3 to 10.



Let us assume that the loss per meal is Rs.10 and for 2 meals a day, a per-day subsidy of Rs.20. We assume that eventually, everyone below the poverty line will take food

under this scheme accounting 21.9 % of the population which is 26 crore people approx as shown in Table 1.

Table 1

For BPL					
	Single meal	Twice a day	Monthly	Annual per person	For 26 Crore BPL population Annual Expenditure
Cost of meal	10	20	600	7200	1,87,200cr (loss)=Social Responsibility

We also assume the people above poverty line come to the budget canteen as it is happening in the scheme. The people above poverty line should be charged with Rs. 20 so that deficient in the scheme can be accommodated. The loss of Rs.10 can be minimized based on whatever customer base comes from above poverty line.

2.2 Existing infrastructure to be used instead of creating more to avoid cost:

The infrastructure of Municipal Corporation or government hospitals unutilized space can be used for establishment of the kitchen which can be one of the main points of the scheme. Instead of creating many canteens as in Tamil Nadu only one place can be created to avoid establishment cost.

2.3 Mobile vans can be used for different areas:

Mobile vans are used in Jaipur to supply food at a fixed location of cities marked by the government in order to save establishment cost.

2.4 Management of mid- day meals:

Management of food should be given to Akshaya Patra type organization managing mid-day meals.

2.5 Sponsorships from corporate:

As in case of Chandigarh the following were sponsored by corporate as corporate social responsibility to curb amount of subsidy of the state-

Five Mobile vans worth around Rs 25 lakh sponsored by IOCL can be done. Based on population, mobile vans can be increased to ten to improve the accessibility of food at more points.

Massive shed for establishing a kitchen worth around Rs, 16 lakh can be sponsored by company like Panchkula Gaushala Trust.

In kitchen two Chapatti-making machines costing Rs 7.5 lakh each and two flour-maker worth Rs 40,000 each can be sponsored by companies such as the BPCL and HPCL donated.

As done by Sewa Bharti in each city, five drivers and five helpers (one each for the five mobile food vans), 10 women for food packaging and four men for cooking purposes can be sponsored.

2.6 Association with other restaurant like Operation Sulaimani:

In Kozhikode a person can collect coupon from authorized centers and can have food with dignity in any hotel and restaurants association with the project. A hotel gives the collected coupon and loss is absorbed by system.

A donation box is kept where people contribution is also taken.

2.7 Cooking gas and curd can be supplied at concessional rate:

Cooking gas can be supplied at the subsidized rate for this purpose. Rice and Dal can be supplied at the subsidized rate from Civil Supplies Corporation like in the case of Tamil Nadu. Curd can be supplied from State Cooperative Milk Producers Federation.

III. CONCLUSION

To convert the BOP into a purchaser marketplace, we need to create the capability to devour. Cash-bad and with a low degree of earnings, the BOP purchaser has to be accessed in a different way (Prahalad, 2006). Though chronic capitalism and phonic politician exist it is also a country of Mahatma Gandhi where humanitarian considerations are far greater. According to Prahalad (2006), If we forestall considering the poor as sufferers or as a burden and start spotting them as resilient and creative marketers and cost-conscious clients, an entire new global of possibility will open up. It will also curtail burden on the public health system by eliminating malnutrition. The success of the scheme in different states gives us a dream that we can make India a place where nobody sleeps without food. If state governments take a holistic and integrated approach towards providing subsidized cooked food, it would be advantageous to the needy and reduce its expenditure too.

Companies should be encouraged to contribute fund from corporate social responsibility. Individuals giving contribution may be given tax benefit. If the program is successful looking at the social benefit we can also assume that United Nation and World Bank will give aid for this noble purpose by which we can accommodate the deficient fund. According to (Karnani, 2006), the private sector can help alleviate poverty by focusing on the poor as producers. One way to do this is to make markets more efficient such that the poor capture more of the value of their outputs. The food subsidy program model proposed can be very beneficial for the Government to deal with the issues such as unemployment, growing inflation, malnutrition and food adulteration which can bring inclusive growth. The programs already implemented in different states can be replicated throughout India to cure economic stagnation.

Solving the crisis of food subsidy requires the recommendations supported by logical analysis (Nayyar, 2016).

IV. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

The study has many limitations: First, the study was purely based on the comprehensive review of the literature. Second, the study reviewed the limited number of studies and ignored some of the empirical studies. Third, the study did not collect the data from different agencies including Central statistical organization and National planning commission. The food subsidy program suggested suffers from other limitations apart from methodological one viz. Pushcart eateries have to face heavy competition and struggle to survive with these municipal corporations offering food at low price. The people who do not require subsidy also takes the advantage of the food facility at the low price by the corporation which can be very problematic for the successful implementation of the program. As the number of outlets increases, it will be a challenge to maintain the uniform quality across outlets.

Future research needs to conduct the surveys at the state levels in order to know the degree of agreement and disagreement on the food subsidy program implementation. Future research can compare the different food subsidy programs at state levels to know the feasibility of each program.

REFERENCE

1. Amma Unavagam retrieved from https://en.wikipedia.org/wiki/Amma_Unavagam, 22, Feb, 2017
2. Doval, N. (2017). Tamil Nadu's Amma canteen concept catches on in other states, retrieved from <http://www.livemint.com/Politics/pHvjY4PHykVOy7irb8H2cO/Tamil-Nadus-Amma-canteen-concept-catches-on-in-other-states.html>.
3. Madhavan, N. (2014). Mother of all populist schemes. *Business Today*.
4. HT (2016). In Rajasthan, Annapurna Rasoi to serve breakfast for Rs 5, meals Rs 8 retrieved from <http://www.hindustantimes.com/jaipur/in-rajasthan-annapurna-rasoi-to-serve-breakfast-for-rs-5-meals-rs-8/story-UQJ1Xp7WP7yat12x8jMFnL.html>
5. TNS (2016). UT Admn rolls out Annapurna Akshaypatra Yojana for the poor retrieved from <http://www.tribuneindia.com/news/chandigarh/community/ut-admn-rolls-out-annapurna-akshaypatra-yojana-for-the-poor/345266.html>.
6. Reporter, S.(2017).Bengaluru to get Namma Canteens retrieved from <http://www.thehindu.com/news/national/karnataka/bengaluru-to-get-namma-canteens/article17466008.ece>
7. Das,S.(2015).Naveen's food lessons from Amma Canteen retrieved from https://www.telegraphindia.com/1150303/jsp/odisha/story_6509.jsp.
8. Santoshi, N. (2017). MP govt starts ambitious Rs 5 thali under 'Deendayal Rasoi Yojana' retrieved from <http://www.hindustantimes.com/bhopal/mp-govt-starts-ambitious-rs-5-thali-under-deendayal-rasoi-yojana/story-sHCDtdupqJNn13cpsm0JL.html>.
9. Bajpai, N. (2017). Subsidised food for poor on the cards in Uttar Pradesh Annapurna canteens retrieved from <http://www.newindianexpress.com/nation/2017/apr/08/subsidised-food-for-poor-on-the-cards-in-uttar-pradesh-annapurna-canteens-1591484.html>.
10. Nayyar, P. (2016). Why Amma's canteens must be replicated nationwide. Retrieved from <http://www.rediff.com/news/report/why-ammass-canteen-must-be-replicated-nationwide/20160527.htm>