

## **RESOLUTION**

### **Adopted at the National Convention For The Right to Food And Against Price Rise August 26, New Delhi**

This Convention for the Right to Food and against Price Rise

#### **Expresses deep concern**

At the relentless rise in the prices of essential commodities.

The prices of rice, wheat, edible oil, and salt have risen by 12 per cent to 20 per cent, and the prices of some vegetables have doubled. The cost of pulses has more than doubled, and the price of arhar (tur) dal is now Rs 100 a kilo. Sugar at Rs 30 a kilo is the consumer's bitter lot. The widespread distress caused by high prices will be intensified by the scourge of drought, which has hit crores of rural families in at least 246 districts (as on 20<sup>th</sup> August 2009) in India. India has more food-deprived and malnourished people than any other country in the world, and is ranked 66 out of 88 countries with respect to the World Hunger Index compiled by a United Nations organization. The current rise in food prices, which puts food out of the reach of a vast majority of the people particularly poor women and children, serves to worsen the situation.

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#### **Holds**

The policies of the Central Government responsible for the price rise. These policies include

- the pre-budget hike in the prices of petrol by Rs 4 a litre and diesel by Rs 2 a litre;
- the refusal to ban futures trade in essential commodities, leading to speculation (reflected in the high increase in the transaction in futures trade) and higher prices;
- weakening the public distribution system and making cuts of up to 73 per cent in allocations of food grain for APL sections to the States in the last two years;
- granting, under pressure from sugar lobbies, permission to export sugar, thus causing shortages and high prices;
- failing to ensure – by means of public investment in infrastructure, the provision of affordable credit, inputs

and extension services, and remunerative support prices to farmers – self-sufficiency in the production of a range of crops, including cereals, sugarcane, pulses and oil seeds, thus causing shortages, high prices and dependence on imports.

### **Reiterates**

The need for a change in these policies

### **Emphasizes**

The urgency for a food security legislation that will meet the globally accepted definition of food security for a household, which is: “access by all members at all times to enough food for an active, healthy life.” Such legislation must be brought without delay.

That food security cannot be linked to faulty poverty estimates made from time to time by the Planning Commission but must be recognised as a universal right. When the National Commission for Enterprises in the Unorganised Sector has estimated from NSS data that 77 per cent of India’s population spends less than 20 rupees a day, anything short of recognition of the right to food as a universal right and terminating the targeted PDS, which has excluded large sections of the poor from the public distribution system, is gross injustice.

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### **Considers inadequate and ill-conceived**

The Government proposal for legislation as elaborated in a note circulated to all State Governments,

and **opposes the specific proposals to:**

(1) limit food security benefits to those whom the Planning Commission declares to be “below the poverty line,” an aggregate that represents massive statistical underestimation. Under this proposal, all rights to decide poverty estimates are to be vested in the Central Government, even though State Government estimates of below-poverty-line households, which total around 11.5 crore households, are more than 40 per cent higher than those of the Central Government. In other words, large sections of the poor will be legally excluded from the right to food.

(2) cut down family quotas from 35 kg to 25 kg.

(3) get rid of the Antyodaya scheme, thus depriving the poorest of the poor of the benefits they receive today. Consequently, the price at which rice is sold to Antyodaya families will be raised from Rs 2 a kilo to Rs 3 a kilo, and the amount of rice they receive under the scheme reduced by 10 kilos a month.

(4) eliminate all subsidies and access to the public distribution system for all APL households, which means that any person earning more than a meagre Rs 11.80 a day in rural areas and Rs. 17.80 a day in urban areas will be out of the Public Distribution System and will be left to the mercy of the market and uncontrolled prices.

(5) restrict the legal entitlement to rice and wheat and exclude other essential commodities such as sugar, pulses, edible oil, and kerosene. Many States, for example, Kerala, have made other essential commodities available at subsidised rates.

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### **Asserts**

That such legislation as has been proposed will lead not to food security, but to food *insecurity*. Indeed, it has been estimated that cuts in the present allocations as proposed by the Central Government will lead to a saving of at least Rs 4,000 crore. India still proposes to spend only 1.18 per cent of its GDP – budgeted at Rs. 52,489 crore in 2009-10 – on crucial food subsidies, a share that is less than in many other countries of the world. Financial constraints can never be an excuse to curtail the right to food, and even less so when the Government is prepared to forgo taxes worth Rs 4 lakh crore rupees in a single year, as in the 2009-2010 budget, by means of concessions to corporates. According to one estimate, concessions to corporates in the last two years have amounted to Rs 700 crore a day! The annual amount of tax foregone is many times more than the cost of a universal public distribution system.

### **Regrets**

That the Government has not sufficiently included the rights and concerns of farmers in the proposed food security legislation. On the contrary, instead of policy measures geared to increase food grain production and procurement, including the production and procurement of cereals such as ragi, jowar, bajra, and their distribution through the PDS where such grains are the preferred choice of consumers, the Government note speaks of the necessity of imports to meet domestic requirements. In the context of

recent experience, when the UPA Government paid more for imported wheat than it was prepared to give as MSP to Indian farmers, it is essential that any food security legislation ensure expanded public procurement and fair prices to Indian farmers for a variety of crops, including wheat, rice, millets, pulses, oilseeds, and sugarcane. It is equally important to step up public spending for the development of rural infrastructure, and extension services and to ensure the availability of inputs at controlled prices.

That the Government has not taken into account the necessity to strengthen the public distribution system, which is essential to ensure food security. On the contrary, targeting and lower allocations have made 5 lakh fair price shops unviable. Measures must be taken to strengthen as well as streamline the PDS, to root out corruption and make the system more accountable to the needs of the people by means of monitoring and vigilance committees.

That the Government has not included other food schemes such as mid-day meal scheme and ICDS nutrition programme in the proposed legislation

**This Convention puts forward three sets of demands related to food security:**

**Demands against Price Rise:**

- *Ban all future trade in essential commodities*
- *Strengthen the public distribution system. Restore allocations to the States which were slashed for APL sections*
- *Ensure dehoarding and take strong action against hoarders and black marketeers*
- *Withdraw the price hikes in petrol and diesel*

**In Drought-Affected Areas**

- *Ensure distribution of food grain to all affected families in drought hit areas on an emergency basis*
- *Help State Governments through urgent allocation of resources to start widescale NREGA projects to ensure real incomes of at least rupees one hundred per work day in drought areas. Remove ceiling of 100 days and give work on demand. Where required food grain can also be used as part payment along with cash*
- *Ensure regular supply of drinking water*
- *Ensure fodder for cattle*

**Demands for Food Security legislation**

- *Scrap targeting, make PDS universal; entitlements under this Act must be delinked from Central poverty estimates*
- *35 kg of food grain at Rs 2 per kg per nuclear household to be provided by Central Government*
- *include other items, such as pulses, sugar, cooking oil and kerosene, at subsidized rates in the legal guarantee*
- *incorporate all food and nutrition schemes of the Central Government such as the mid-day meal scheme and ICDS nutrition programme in the proposed legislation*
- *promote national self-sufficiency in production of food grain, pulses, sugarcane, and oilseeds through public investment, provision of extension services and appropriate land use policies with guaranteed fair prices for farmers and expanded public procurement, implement land reforms*
- *strengthen the public distribution system of fair price shops and ensure accountability*

**This Convention calls for a nationwide struggle on the above demands. The struggles should aim to force a change of policy and bring some relief to the people.**

**Control Price Rise! Ensure Food Security for All!**