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From Calories to Nutrients: The Case for Reorienting India's Public Distribution System

 **BUSINESS STANDARD**

27 July 2026

ECONOMY**SOCIAL ISSUES****GS2****GS3**

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GS2

GS3



INTERVIEW ANGLE

"India's poverty rate has fallen sharply but its child undernutrition has not. Does that mean the food subsidy is too large, or that it is spent on the wrong food?"

✓ Every fact web-verified against primary sources

THE LIFT LINE

India solved the calorie problem and left the nutrient problem standing. Nearly 80 crore people now receive free foodgrain at a cost above Rs 2.3 lakh crore a year, yet close to a third of Indian children remain underweight and more than a third of Indians still cannot afford a healthy diet. A subsidy designed in 2013 for a country with 22 per cent poverty is being run unchanged in a country where poverty has collapsed and where diet quality, not grain quantity, is the binding constraint. The reform question is no longer whether to feed people, but what to feed them and which of them still need feeding free.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

GS Paper 2 owns the core: welfare schemes for vulnerable sections, issues relating to poverty and hunger, the National Food Security Act as a justiciable socio-economic right, and mechanisms and laws for the protection of vulnerable sections. **GS Paper 3** owns the fiscal and agricultural half: public distribution system objectives, functioning, limitations and revamping; issues of buffer stocks and food security; minimum support price and the economics of subsidy; and the storage and movement economics of the Food Corporation of India. **GS Paper 1** takes the poverty and developmental-issues angle. The theme feeds directly into Sustainable Development Goal 2, Zero Hunger, and into any essay on the design of welfare in a fast-growing economy.

BACKGROUND AND CONTEXT

India became the first country in the world to convert food security into an enforceable **statutory** right, through the **National Food Security Act (NFSA), 2013**. The Act shifted the state's obligation from discretionary relief to legal entitlement, and it did so on the eligibility base of the **2011 Census**, a base that has never been updated because the decadal census due in 2021 was deferred. That single frozen denominator is the hinge on which both the reform case and the counter-case turn.

PARAMETER	PROVISION (VERIFIED)
Statute	National Food Security Act, 2013
Coverage	Up to 75 per cent of the rural and 50 per cent of the urban population; about 67 per cent of the total population on the 2011 Census, a ceiling of roughly 81.35 crore persons
Beneficiaries identified	About 80.6 crore as of August 2025
Priority Households	About 18.3 crore households, 5 kg of foodgrain per person per month
Antyodaya Anna Yojana	About 2.3 crore households, 35 kg per household per month
Statutory issue prices	Rs 3, Rs 2 and Rs 1 per kg for rice, wheat and coarse grains respectively
Current delivery	Free of cost since January 2023 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) , extended for five years from 1 January 2024
Food subsidy	Rs 2,35,048 crore in 2025-26 (revised estimate); Rs 2,35,047 crore budgeted for 2026-27
PMGKAY allocation 2026-27	Rs 2,27,429 crore, about 97 per cent of the Department's budget and roughly 0.6 per cent of GDP
Delivery agency	Food Corporation of India (FCI) , responsible for procurement, storage and movement
Procurement concentration	About 92 per cent of wheat procurement from three states; about 65 per cent of paddy from five states

The trigger for the present debate is the release on **21 July 2026** of *The State of Food Security and Nutrition in the World 2026*, the annual flagship report co-published by the **Food and Agriculture Organization (FAO)**, the **International Fund for Agricultural Development (IFAD)**, the **United Nations Children's Fund (UNICEF)**, the **World Food Programme (WFP)** and the **World Health Organization (WHO)**. This year's theme is understanding and addressing the high cost of a healthy diet, and it tracks how the proportion of people unable to afford one has changed since 2017.

THE CORE ARGUMENT / ISSUE

The country that wrote the law is no longer the country that lives under it

The case for reorientation rests on a mismatch between a fixed statutory entitlement and a fast-moving economy.

INDICATOR	EARLIER REFERENCE POINT	LATEST VERIFIED
Share unable to afford a healthy diet	59.8 per cent (2017)	35.5 per cent in 2025 , about 520.1 million people
Prevalence of undernourishment	21.1 per cent in 2004-06, about 243.9 million	9.8 per cent in 2023-25 , about 142.5 million
Cost of a healthy diet, India	not comparable	4.11 purchasing-power-parity dollars per person per day (2025)
Child stunting, under five	35.5 per cent (NFHS-5)	29.3 per cent (NFHS-6)
Child underweight, under five	32.1 per cent (NFHS-5)	31.8 per cent (NFHS-6)
Severe wasting, under five	7.7 per cent (NFHS-5)	5.2 per cent (NFHS-6)

Read that table twice, because the two halves of it tell opposite stories. The **income and affordability** indicators have moved fast: the share of Indians unable to afford a healthy diet has fallen by more than 24 percentage points in eight years, and the report explicitly notes that the improvement recorded for lower-middle-income countries as a group is driven mainly by India, to the point that excluding India reverses the trend for that group. The **nutrition outcome** indicators have moved slowly and unevenly: stunting is down by more than six percentage points, severe wasting has fallen appreciably, but underweight has barely shifted at all, so roughly one child in three under five remains underweight. Free cereals have bought calories. They have not bought nutrients.

The fiscal and targeting arithmetic

The second observation is about who is now receiving the subsidy and at what cost. On official national accounts, real per capita net national income at 2011-12 prices rose from about **Rs 68,572 in 2013-14** to roughly **Rs 1.22 lakh in 2025-26**, a rise of close to 78 per cent, while poverty on official and independent estimates fell from around 22 per cent at the time of enactment to the low single digits by 2022-23. The entitlement base, however, remains anchored to a 2011 population count.

The consequence is a beneficiary profile that has inverted. Where a substantial share of early NFSA recipients were poor, by 2025-26 only about a tenth of those receiving free grain are estimated to be below the poverty line, with the remainder above it. Meanwhile the subsidy bill has more than doubled since 2019-20, driven by higher minimum support prices and by the rising economic cost at which FCI acquires, stores and moves grain. Food is now the single largest welfare programme in the Union budget by expenditure, and procurement remains geographically concentrated in a handful of states, which distorts cropping patterns towards water-intensive rice and wheat in exactly the regions that can least afford the groundwater.

The proposal

Ramesh Chand's two reforms follow logically from that diagnosis. First, **progressively align coverage with the population that cannot afford a healthy diet**, which on the report's 2025 estimate is roughly 52 crore people rather than the 80.6 crore currently enrolled, with the **threshold** adjusted downward as purchasing power continues to rise; on his estimate this would cut the food subsidy bill by close to 29 per cent. Second, **reinvest the savings in nutrition**: add **pulses** and other protein and micronutrient-dense foods to the basket for the roughly one in ten who still face hunger, and direct the remainder at anaemia among women and children and at stunting, wasting and underweight among children. The destination is a public distribution system that delivers nutrition security rather than calorie security, and a materially faster path to Sustainable Development Goal 2.

HOW TO THINK ABOUT THIS (ANALYTICAL FRAME)

Use the **C-E-N-T frame** for any argument to narrow a near-universal welfare entitlement.

- ① **Coverage versus adequacy.** Every rupee has two competing uses: reach more people, or give each person more. The claim here is that India has over-invested in reach and under-invested in adequacy. Test it by asking whether the marginal beneficiary or the marginal nutrient buys more welfare, and note that the answer changes as incomes rise.
- ② **Exclusion error versus inclusion error.** Including a non-poor household wastes money. Excluding a poor household destroys a legal right and can cost a life. These errors are not symmetric, and Indian targeting history is unambiguous about which one the system commits. Identification errors have consistently fallen hardest on the undocumented, on inter-state migrants, on female-headed households, and on families newly impoverished by a health shock or a crop failure between survey rounds. Worse, the 2011 Census base already understates entitlement by more than a decade of population growth, which means the system is currently **under-covering** relative to its own statutory promise, not over-covering. Any narrowing that relies on fresh household-level identification will reproduce precisely the errors that made near-universal coverage attractive in the first place, and it will do so in a country where the courts have repeatedly had to intervene, as they did in directing states to implement **portability** for migrant workers, to secure access that the administrative machinery failed to deliver. **This is the strongest case against the proposal and it must be answered at full strength, not waved past.**

- 3 **Nutrition is not only a food problem.** Anaemia and stunting respond to sanitation, maternal education, birth spacing, deworming, water quality and health system contact as much as to the contents of a ration bag. Adding pulses to the entitlement is necessary but nowhere near sufficient; it will not by itself move the NFHS numbers, and a reform sold on that promise will be judged a failure on its own terms.
- 4 **Timing and political economy.** Free grain for 80 crore people is now a durable commitment renewed for five years from January 2024. Reform proposals that ignore the reversibility problem, that a benefit once universalised is exceptionally difficult to withdraw and politically expensive to attempt, are neat on paper and inert in practice.

The honest resolution is sequencing rather than choosing. Reform the **content** of the basket first, where there is no losing constituency and every gain is additive. Touch **coverage** only after a fresh census, a current consumption survey, a functioning inclusion and grievance mechanism, and demonstrated near-zero exclusion error. The order matters more than the direction.

THE DIAGRAM IN WORDS

Picture the food security system as a wide, shallow reservoir with 80 crore taps drawing from it. Water flows into the reservoir through a single large pipe, procurement of rice and wheat at administered prices, and that pipe has been widened repeatedly, which is why the fiscal cost has doubled. Every one of the taps dispenses the same thing: cereal. Beside the reservoir stands a second, almost empty tank holding pulses, edible oils, fortified rice, eggs and micronutrients, feeding a far narrower set of taps through Anganwadis and school kitchens. The proposal is to close some of the 80 crore taps, use the freed pressure to fill the second tank, and connect the households that still need it to both. The exclusion-error critique replies that the tap register is more than a decade out of date, so closing taps by list will inevitably shut off households that were never supposed to lose supply. Both sides are looking at the same plumbing; the disagreement is entirely about whether the register can be trusted.

WAY FORWARD

- **Reform the basket before the beneficiary list.** Extend **fortified rice** distribution across the whole PDS and phase pulses and edible oil into the entitlement for Antyodaya Anna Yojana households first, where poverty concentration is highest and the political cost of change is lowest.
- **Update the entitlement base.** Recompute NFSA coverage on fresh census population and a current household consumption expenditure survey rather than 2011 numbers. Without this, every argument about who is poor and who is not is being conducted on obsolete data by both sides.
- **Build exclusion insurance before any narrowing.** Statutory time-bound grievance redressal, a self-declaration route for the undocumented, and fully portable entitlements under **One Nation One Ration Card** with Aadhaar-authenticated transactions, so that removal from the list is never

irreversible for a household that needs to return to it.

- **Give cash where markets work and food where they do not.** Where retail markets for pulses, eggs and vegetables function well, a nutrition-indexed transfer may outperform physical grain; in remote, tribal and hill blocks, physical delivery remains clearly superior. Design for both rather than choosing one nationally.
- **Converge the delivery platforms.** Align PDS reform with **POSHAN Abhiyaan** and Saksham Anganwadi, the mid-day meal scheme and antenatal care, so that the anaemia and stunting money reaches the same household through a single accountable channel rather than four unconnected ones.
- **Publish nutrition outcomes, not offtake.** The performance metric for the food ministry should shift from tonnes lifted and beneficiaries covered to measured change in anaemia, stunting, wasting and underweight, which are the only numbers that establish whether the subsidy is working.

PYQ LINKAGE AND PRACTICE

UPSC has mined this theme steadily. Mains GS3 2021 asked how the objectives of the public distribution system can be fulfilled by direct benefit transfer and how the food subsidy is being reduced. GS2 2018 asked whether the concept of food security has undergone a shift and how the National Food Security Act, 2013 addresses it. GS3 papers in 2020 and 2018 examined the minimum support price regime and buffer stock policy. Prelims regularly tests NFSA entitlement quantities, the Antyodaya Anna Yojana, the agencies behind global hunger and nutrition reports, and the distinction between the [Global Hunger Index](#), whose methodology India has formally contested, and these five-agency UN estimates.

Practice question: “India’s food subsidy has doubled even as poverty has fallen sharply, while child undernutrition has barely improved. Critically examine the argument that the Public Distribution System should narrow its coverage and shift from calorie security to nutrition security, addressing the risk of exclusion errors.” (250 words)

Interview angle: India’s poverty rate has fallen sharply but its child undernutrition has not. Does that mean the food subsidy is too large, or that it is spent on the wrong food?

Sources: Business Standard, PIB, FAO, PRS Legislative Research

Source: From Calories to Nutrients: The Case for Reorienting India's Public Distribution System — Ujyari.com | Free UPSC & State PCS Editorial Analysis

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