

# The Food Problem?

( From Our Delhi Correspondent )

It is more than two years since the food problem in India, in relation to purchasing power, was a problem of plenty. It was towards the close of 1954 that Government had to enter the market in a big way and begin playing the customer to prevent food grain prices from falling below the economic minimum. A floor price of Rs 10 a maund for wheat was fixed. Coarse grains were given a corresponding measure of price support. The imports in that year fell. Government bought considerable quantities of wheat in U P and gram in Ganganagar. Since then, the area under food crops and the output have remained at a high level; imports have manifested a progressively upward trend but prices have shown no sign of coming down. Wheat is being quoted at Rs 16 to Rs 17/8 a maund in the markets of northern India.

Government has opened more than 22,000 fair price shops in the urban areas. But pockets of scarcity continue to appear from time to time and food queues, happily short-lived, in Lucknow on the eve of the elections was most embarrassing for the party in power. The suggestion that transport bottleneck is developing and causing dislocation in the distribution system has not been countenanced officially.

### Production Rising

The All India Second Estimate of Rice for 1956-57 puts the current year's average and production at 72,518,000 acres and 23,900,000 tons respectively as against the corresponding adjusted estimate of 71,886,000 acres and 23,615,000 tons for 1955-56, according to the Directorate of Economics and Statistics, Ministry of Agriculture. This shows an increase of 626,000 acres or 0.9 per cent in the area under rice and 385,000 tons or 1.6 per cent in production during the current year as compared to last year.

Similarly the First All India Estimate of Wheat for 1956-57 puts the current year's acreage at 30,502,000 acres as against the corresponding adjusted first estimate of 27,756,000 acres for 1955-56. This means an increase of nearly 3 million acre or 10 per cent in the area

under wheat.

The import programme has also been stepped up. India imported 300,000 tons of rice from Burma and 1.1 million tons of wheat from Australia and the U S during 1956. This year it is proposed to import about 2 million tons of wheat and at least 500,000 tons of rice.

The position in the immediate future is expected to be comfortable. Arrivals of imported rice should amount to 60,000 tons in February, 119,000 tons are due in March and 114,000 tons in April this year. Similarly about 117,000 tons of wheat imports would have arrived in February, 228,000 tons are expected in March and 200,000 tons in April next.

### Higher Prices of Finer Grains

A good deal of food imports are under PI 480 and do not involve immediate drain on the national exchequer. It is true that the supplies that are being pumped in are not adequate to start off a deflationary movement and that the price level generally is rising. But the increase in the prices of finer grains has been sufficient to justify a probe into what may be termed as the "food problem". Diverse explanations are offered.

The widely-held official view is that the "small hoarder" is the villain of the piece. Despite renewal of Indo-Pak tension over Kashmir, there has been no large-scale or speculative hoarding. But the cultivator is holding back small stocks individually for two reasons: first, his economic condition is better and he can afford to stock some of his surplus produce. Second, he is hoping for better prices in the future.

The stoppage of bank advances against grain hits the wholesale dealer; other anti-hoarding measures can at best be directed against him alone. But the small hoarder is administratively difficult to get at. Nor would the ruling party like to displease him in the election year.

### Price Difference Vanishing

Another explanation is that food habits in the country are rapidly changing. People are taking increasingly to finer grains,

Indian total production of wheat

is about 11 million tons. Of this quantity, nearly 30 per cent or a little over 3 million tons is surplus in the countryside and finds its way into the urban areas. Thus, against the normal consumption of about 3 lakh tons a month in towns, Government is distributing about 2 lakh tons through fair price shops. Still there is shortage. The explanation, it is believed, is to be found in the fact that more people in towns are eating wheat today than a few years ago. This is plausible because the difference between the "fair price" shop cost of finer grains and the open market price of coarser grains is progressively diminishing to the point of becoming negligible.

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