

UPSC Syllabus Topic : GS paper 3- Indian economy- issues of buffer stocks and food security.

Gap between India's cereal production and consumption – India's great grain mystery

India's current cereal status reveals a stark contrast between production and consumption, with a surplus of approximately 100 million tonnes annually.

1. **Production Levels:** Annual cereal production in India stands at around 300 million tonnes, with recent figures touching 304 million tonnes in 2022-23.
2. **Consumption Trends:** However, consumption levels are significantly lower, estimated at less than 200 million tonnes, possibly even falling below 180 million tonnes. Per capita cereal consumption (PCCC) has steadily declined since the late 1970s.
3. **Reasons for the Gap:**
 - **Reduced Per Capita Consumption:** People's declining cereal intake per person, dropping from 15.3 kg to 11.3 kg per month in rural areas between 1977-78 and 2011-12.
 - **Dietary Changes:** Factors such as urbanization, higher education levels, and diverse food habits have contributed to this decline.
 - **Increased Exports:** India's cereal exports have surged significantly, reaching 23 million tonnes in 2020-21 and escalating further to 32 million tonnes in 2021-22.
 - **Underestimation in Feed Usage:** There's a possibility that the Economic Survey might underestimate cereal consumption due to insufficient allowance for seed, feed, and wastage, particularly the underestimation of the feed component.
 - **Industrial Utilization:** The rising industrial use of cereals, potentially for products like beer and biscuits, might not be fully accounted for in consumption estimates.
4. **Implications of the Cereal Gap:**
 - **Policy Challenges:** Balancing farmer incomes and market demands poses a challenge for policymakers, questioning the effectiveness of current agricultural policies.
 - **Resource Allocation:** The surplus suggests potential overinvestment in cereal production, especially considering the declining per capita consumption.
 - **Global Trade Impact:** India's increased exports indicate its evolving role in the global cereal market.
5. **Recommendations:**
 - **Diversification in Agriculture:** Moving away from focusing solely on rice and wheat production.
 - **Leveraging Surplus for Exports:** Expanding exports using the surplus, as witnessed in the significant export figures of recent years.
 - **Industrial Applications:** Exploring and potentially expanding the industrial uses of cereals in products like beer and biscuits.
 - **Evaluate Distribution Efficiency:** Assessing the impact of the public distribution system on cereal consumption and improving distribution efficiency.