Wheat Consumption Trends in India

Why in news?

Following a revision in May, wheat allocation under NFSA has been slashed for 10 states, of which UP and Gujarat have demanded a rollback.

What are the cereal consumption trends?

- Generally, there has been a gradual decline in per capita cereal consumption in India.
- As per the National Sample Survey Office's (NSSO) Household Consumption of Various Goods and Services in India, 2011-12 report,
    - Rice consumption per person per month has fallen in rural India to 5.98 kg in 2011-12, and in urban India to 4.49 kg.
    - Wheat consumption during 2011-12 had risen by about 0.1 kg per person per month since 2004-05 in rural areas and fallen 0.35 kg in urban areas.
- Among the 10 states where the allocation has been revised,— Bihar, Jharkhand, Odisha, West Bengal and Tamil Nadu had a higher rice consumption than the all-India average in 2011-12.
- As for wheat, consumption was higher in Uttar Pradesh, Madhya Pradesh, Bihar, Delhi and Maharashtra.

What was the revision of quantities of cereal about?

- **Revision of quantities**- After consulting with the states, the Centre has reallocated some quantities by changing ratios of wheat and rice under the NFSA.
    - For example, states getting wheat and rice at a 60:40 ratio will now get it at 40:60.
- States where rice allocation has been zero will continue to get wheat.
- For small states, NE states and special category states, allocation has not been changed.
- According to the Food Ministry, the move would save about 61 lakh tonnes of wheat over June to March of the current financial year.
- **Cut in allocation**- The Centre had also announced a cut in wheat allocation under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) until September.
- That cut is estimated to save 55 lakh tonnes of wheat.

Why has the wheat allocation been cut?

- **Lower procurement** - During the current rabi marketing season (RMS 2022-23), wheat procurement is 56.65% lower than the wheat procured in the entire RMS 2021-22.
- **Reasons for lower procurement**
    - **Lower production**- The 3rd Advance Estimates of Production of Foodgrains for 2021-22, released by Agriculture Ministry put wheat production at 106.41 million tonnes, which is lower than the target (110 MT) and last year's production (109.59 MT).
    - **Rise in global wheat prices**- Globally, wheat prices have gone up following the supply disruption caused by Russia's invasion of Ukraine.
    - **Adverse weather**- Adverse weather has affected the wheat crop across several

countries including in the European Union region, the United States and Canada.
    - **Selling to private**- In view of lower production and higher demand outside, domestic traders offered prices higher than the government's minimum support price and farmers sold their produce to them, effectively reducing government procurement.
- **Reducing wheat stock in the central pool**- The wheat stock in the central pool has dwindled to its lowest level in 14 years.
- Recently, the government banned wheat export to increase the availability of wheat in the domestic market and to bring down prices.

What is the impact of the revision on States?

- **Downward revision**- Wheat allocation under NFSA was revised downward for 10 states which account for about 67% of the beneficiaries under the NFSA.
- These states will be provided additional rice equal to the cut in wheat allocation.
- Gujarat and Uttar Pradesh, which have demanded restoration of their original allocations, are primarily wheat-consuming states.
- **Tide over allocation**- A cut has been announced in the 'tide over' allocation of wheat for Uttarakhand, Kerala and Tamil Nadu.

The NFSA statess that "in case any state/UT's allocation under NFSA is lower than their current allocation, it will be protected up to the level of average off-take under erstwhile TPDS during 2010-11 to 2012-13". This additional quantity of foodgrains is called the 'tide over' allocation.

How wide is NFSA coverage?

- The NFSA covers 67.21% of India's population (75% in rural India, 50% in urban).
- There are two type of beneficiaries
    1. Antyodaya Anna Yojana households (entitled to 35 kg foodgrains per household per month)
    2. Priority Households (5 kg per person per month)
- Rice is provided at Rs 3 per kg, wheat at Rs 2 per kg and coarse grains at Rs 1 per kg.

Reference

1. https://indianexpress.com/article/explained/less-wheat-on-states-plate-national-food-security-act-rice-allocation-8013617/

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