

---

**FOOD SECURITY AND GRAIN BANK SCHEME IN INDIA**

Dr. Poonam Singh

Assistant professor (Economics) S.R.S. Girls PG College, Bareilly

**ABSTRACT**

*Food made available and accessible to the very poor people in sustainable manner is the main objective of every government in developing countries. The Concept of Grain bank evolved as replicable model and made food insecure people food secure on sustainable basis. There have been reports from time to time of deaths of rural poor in general and poor tribal families in particular, due to starvation, malnutrition etc., in remote and backward tribal areas. Indebtedness among the rural poor and tribes is a common phenomenon. Particularly most of the tribes in rural areas live at the level of the bare subsistence and own very few assets. Any troublesome situation, arising from crop failure or other natural calamities or even domestic problems like illness, death, marriage in the family etc., affect them adversely upon this precarious economic position of the tribal, since they hardly ever have any surpluses to meet any unexpected circumstances. In this scenario, the poor people are in an unending debt trap. Not only the tribal families, but all the families living below the poverty-line in remote and backward areas also fall victim to this situation. By the time information of this crisis reaches the administration, it is often too late for the most vulnerable section and the result is lots of death by hunger. Concept of grain bank was successfully adopted and operated in many countries. Since the 1980s when there were several years of famine, community grain banks have become popular throughout the India, providing a village-based solution to critical food shortages. The main purpose of the scheme presently being implemented is to provide protection against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of food grains will be able to borrow food grains from the Village Grain Bank. The village grain bank provides one workable solution to food security problems.*

**Key words: Food Security, Village Grain Bank, rural poor, TRIFED**

---

## Introduction

Food made available and accessible to the very poor people in sustainable manner is the main objective of every government in developing countries. A developing economy needs a food security system that looks beyond management of scarce supplies and critical situations. The solution is found in grain banks establishment that will develop the contribution culture instead of subsidy culture. This contribution culture is fully self-reliant system under the ownership of local people.

The Concept of Grain bank evolved as replicable model and made food insecure people food secure on sustainable basis. There have been reports from time to time of deaths of rural poor in general and poor tribal families in particular, due to starvation, malnutrition etc., in remote and backward tribal areas. Indebtedness among the rural poor and tribes is a common phenomenon. Particularly most of the tribes in rural areas live at the level of the bare subsistence and own very few assets. Any troublesome situation, arising from crop failure or other natural calamities or even domestic problems like illness, death, marriage in the family etc., affect them adversely upon this precarious economic position of the tribal, since they hardly ever have any surpluses to meet any unexpected circumstances. In this scenario, the poor people are in an unending debt trap. Not only the tribal families, but all the families living below the poverty-line in remote and backward areas also fall victim to this situation. By the time information of this crisis reaches the administration, it is often too late for the most vulnerable section and the result is lots of death by hunger.

To combat this situation, it is necessary that the un-interrupted availability of food grains to the poor rural families be ensured within each village throughout the year. For this, the concept of grain banks has been emerged with a focus on the most vulnerable section, to which the entire community contributes, and from which any needy family can draw grain at the time of need.

Concept of grain bank was successfully adopted and operated in many countries e.g. Africa since 1980s, where often severe food shortages in the drier northern and western areas. Since the 1980s when there were several years of famine, community grain banks have become popular throughout the country, providing a village-based solution to critical food shortages. Many researcher found that the influence of Grain Banks must go beyond food security to include many other development activities of the village ( Khedkar 2008).

### Grain Bank Scheme

The Grain Bank Scheme was launched by Government of India from the year 1996-97 with the aim and objectives of protection against fall in nutritional standards of Scheduled Tribes living in remote areas. The Central Planning Committee for preventive measures against deaths of children in remote and backward areas has found that four month of rainy season the lean agricultural period. In this period daily wage earners in rural areas often fall ill or are otherwise unable to go out and work. Supply of essential commodities to the remote

---

areas has cut off during heavy rains. Tribal dependent on forest produce are unable to go into the forest for collection in the heavy rains. So meet out these challenges Village Grain Bank Scheme was started and earlier implemented by the Ministry of Tribal Affairs in 11 State and since year 2004, the scheme is being implemented by the Department of Food & Public Distribution.

### **Objective of the Scheme**

The main objective of the scheme is to check deaths of tribal due to starvation and to provide protection against fall in nutritional standards of Scheduled Tribes, living in remote rural areas, particularly those tribal areas from where there have been reports of starvation deaths from time to time. It also seeks to inculcate among the Scheduled Tribes the habit of self-help with a view to taking care of their basic requirements.

### **Concept and formation of Grain Bank**

A Grain Bank can be established in any village having over 50% tribal population. The list of areas identified by the Central Planning Committee on the prevention of deaths of children in tribal areas could be used as an aid in identifying the neediest villages. In the beginning 12 states were identified by the Central Planning Committee on preventive measures against death of tribal children. the states to be covered initially are: -Andhra Pradesh , Bihar, Gujarat ,Kerala , Madhya Pradesh, Manipur , Orissa , Rajasthan , Tamil Nadu , Uttar Pradesh ,West Bengal ,Tripura and Maharashtra.

Initially, the grain banks were established in a limited number of villages with maximum tribal population and their depressed economic condition. The villages are identified by the concerned states according to maximum density and acute poverty of ST and SC population. The scheme would be implemented by the Working Committee under the guidance of the traditional tribal head-man of each village under the general supervision of the B.D.O. of the concerned block, the Project Officer, ITDP and the District Magistrate of the concerned district. The scheme may also be implemented through non-governmental voluntary organizations of repute working in tribal areas to be selected by Secretary, Tribal Development in State Governments in consultation with of ITDPs. At the district level, the District Magistrate and at the state level, the Secretary of Tribal Development would be incharge of the scheme. Ministry of welfare will be the model ministry at the centre and would implement the scheme through **TRIFED** (Tribal Cooperative Marketing Development Federation of India).

### **Process and Activities**

First of all, the state secretaries of tribal Development with the help of District collectors and project officers of ITDP will identify villages having maximum density of tribal population. The project officers, ITDP, would then proceed to form working committees for implementation of the grain bank scheme with the entire tribal population of the village as members.

In every selected village, a meeting of the entire tribal population would be fixed by the project office, ITDP, in which the BDO and the Panchayat Sewak would also participate. The SC/ ST participants will then elect a working committee to run the bank. The tenure of the working committee to run the grain bank will be three year. The Working Committee with the traditional tribal headman as its Chairman may consist of upto 7 members depending upon the strength of the membership of the grain bank. In case there is no traditional village head-man, the Chairman of the Village Committee will be elected by the members committee. Other members of the committee will be elected by entire tribal population of the villages. At least 2 seats of the membership of the committee shall be reserved for women.

One time grant towards establishment of grain bank of Rs. 600 per qtl. per family towards purchase of locally consumed food grains, setting up of storage facilities of traditional and Rs. 4000 towards purchase of weights and measures is provided under the scheme to the Village Committee. Grant of grains at the rate of one quintal of grain, per member family, will be made available by State TDCCs/ Corporations.

Member families of the grain bank will be entitled to take loans of food grains in four installments of up to 25 Kilos each during the rainy season or in any other period of scarcity. The loans will be repaid with interest at the time of next harvest by this means retrieval of the stock. The type of grain to be repaid would be the same as the type of grain loaned. There will be an interest to the maximum of 10% of the loan taken from the grain bank. If the stock is repaid within three months, the interest will be 5% and for period beyond three months and upto six months, the interest will be 10%. The quantity to be lent and the period of repayment is to be decided by the Group themselves

**Table-1 Estimated cost of setting up one village grain bank**

a) Cost of foodgrains @ of 1 quintal per family for average 40 families per grain bank.	40 quintals. of foodgrains at Rs.13,762/- per MT (based on the average present economic cost of grains). i.e. Rs.55,046/-
b) Transportation cost @ Rs.90/- per quintal.	90 x 40 = Rs.3,600/- ( to be equally shared by the Central & State Governments).
c) Training expenses for trainers and trainees.	Rs.1400/- per bank
d) Storage/ weights and scales etc.	Rs.6000/- per bank
e) Monitoring and Administrative Cost	Rs.3000/- per bank
Total	Rs.69,046 per bank

\* Cost of VGB to be borne by Central Government: Rs. Rs.67, 250 per Bank.

\* Cost of Transportation to be borne by State Govt.: Rs.1800 per bank.

**Table-2 Details of Village Grain Banks sanctioned and expenditure incurred (since 2005-06)**

Year	VGBs Sanctioned	States where sanctioned	Amount (Rs. Crore)
2005-06	3282	Andhra Pradesh, Orissa, Chhattisgarh, Madhya Pradesh, Jharkhand, Tripura & Meghalaya	19.76
2006-07	8191	Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Himachal Pradesh, Maharashtra, Manipur, Nagaland, Sikkim, Uttarakhand, Uttar Pradesh, and West Bengal	51.79
2007-08	2598	Bihar, Gujarat, Kerala, Manipur, Madhya Pradesh, Nagaland, Orissa, Rajasthan and West Bengal	17.44
2008-09	2407	Manipur, Tripura, Uttar Pradesh and Madhya Pradesh	16.81
<b>Total</b>	<b>16478</b>		<b>105</b>

Source: TRIFED , 2011

**Table-3 State-wise Funds Released under Scheme of Grain Banks for the Welfare and Development of SCs/STs & Minorities in India (1997-98 to 2001-02) (Rs. in Lakh)**

States/UTs	1997-98	1998-99	1999-00	2000-01	2001-02
Andhra Pradesh	13.44	0	0	11.66	0
Bihar	19.84	0	0	0	0
Gujarat	19.2	14.72	0	100	0
Kerala	1.92	0	0	10.16	0
Madhya Pradesh	56.96	0	0	0	80.78
Maharashtra	19.2	0	0	0	83.18
Orissa	22.4	0	100	184.96	100
Punjab	-	-	-	-	-
Rajasthan	1.49	0	0	0	0
Tripura	1.92	0	0	18.88	18.03
<b>Total</b>	<b>156.37</b>	<b>14.72</b>	<b>100</b>	<b>325.66</b>	<b>281.99</b>

Source : Rajya Sabha Unstarred Question No. 119, dated 18.11.2002.

---

## Supervision of the Village Grain Bank

The Project Office, ITDP, with the help of the BDO of each concerned block are monitoring and supervising their progress. After the village committees have been set up, he will arrange for purchase of food grains of the type normally consumed locally by the STs preferably from the nearest Public Distribution System to the tune of one quintal per member family for every grain bank and its transportation to the concerned village within the allocation financial ceiling. The functioning of the grain bank through the village committee or a Voluntary Agency would be regularly mentioned by the P.O./ welfare functionary directly as well as through the BDO under the overall change of the District. Magistrate / collectorate. At the state level, the scheme would be monitored by the secretary, tribal development in collaboration with the state IDCC and at the centre by the Ministry of welfare through TRIFED.

### Benefits

- The main purpose of the scheme presently being implemented is to provide protection against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of food grains will be able to borrow food grains from the Village Grain Bank. The grain banks are to be set up in food scarce areas like the drought prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. These villages are to be notified by the concerned State Government/Union Territory.
- The scheme envisages inclusion of all willing BPL/AAY families in the villages to be identified by the State Government in food deficit areas. Village Panchyat/Gram Sabha, Self Help Group for NGOs etc. identified by the State Government are eligible for running the Grain Banks.
- With the help of grain bank the indebted tribal and people from drought prone area generated surplus grain stocks. It could break the age-old system of landlords who used to make the poor people their bonded labour and make them achieve food self reliance.
- Grain bank offers alternative for surplus. People can participate in the Grain bank by putting their share and can go increasing as they get the benefit of it. Generally the grain is purchased at the harvest when the rates in the market are low. These rates go on increasing until next harvest. The poor people can be saved from this commodity price hike and can increase their savings. Grain bank once kick started moves on its own by the participant people.

The village grain bank provides one workable solution to food security problems...

- It is simple and locally managed by those who benefit from it.
- It does not require external technical support and initiated at grassroots level.
- It is participatory – those who benefit share in all levels of decision making.
- It does not create dependency, but instead promotes community ownership.
- It costs a small amount to establish and long lasting.
- Food will be available at the crucial times when farmers and their families need it most. This means farmers will not be forced to work for cash just when they need to spend time on their land. (*Napon, 2001*)



---

### Challenges

- One difficulty has been arises. In this rural environment, the majority are illiterate. Management of the grain bank requires good record keeping
- There are no permanent storage structures in most of the areas and the collected grain are stored in private houses which are not in good condition. It is essential to ensure construction of storage structures with a part of beneficiary contribution
- It is seen that some remote tribal states like Meghalaya, Mizoram, Arunachal Pradesh and Nagaland do not find a mention in the list of states where the Grain Banks have been set up. Moreover some states like Orissa and Madhya Pradesh have more Grain Banks than Bihar, Rajasthan and West Bengal and states like Manipur and Jharkhand do not have even one. So the policy adopted for the establishment of the Grain Banks left a question mark.
- The TRIFED has a lackadaisical approach towards the implementation of the Grain Bank Scheme. the amount released by TRIFED to state governments for number of Grain Banks to be established is less than the amount released to TRIFED by the Ministry for implementation of Grain Bank Scheme.
- The reports of starvation deaths are still pouring in from the remote and tribal areas of the state because there is no proper implementation of the scheme.
- Problem of grain storage is an important link in ensuring continuous supply of food and other agricultural produce for the consumers, and strengthening the economy as a whole. Self-sufficiency in food grains requires adequate facilities for its storage. The existing storage facilities available are insufficient at various levels for large increase in production. Large-scale grain storage problem exist due either to traditional methods of seed storage or shortage of commercial grain storage management.
- Improper post-harvest handling of agricultural produce results in quality and quantity losses in addition to rise in consumer prices.
- Grain Banks were unable to meet their needs for diverse foods Grain Banks store only paddy but people need other foods such as pulses, cooking oil, spices, tubers, etc.

### Conclusion and suggestions

- Encouraging women's committees: The grain bank can be managed by women because they are more 'transparent' in their financial management and have better skills in the management of food supplies, especially in times of crisis.
- Providing credit, training and technical advice is sufficient to enable them to manage their own food security.
- The community must make the decision to establish a grain bank themselves. Outside agencies should never make this decision for them. The community must own and control the grain bank.
- A committee to manage the grain bank needs to be democratically elected. Outside experts may be needed to give advice on purchasing grain, preservation and marketing of the grain and how to manage the store. Village grain banks should not be seen as famine relief as this will create a sense of dependency. A well-built community grain store can be constructed with the full participation of villagers.

---

**References:**

- Khedkar, Manjusha (2008), "Assessing and supporting the evolution of Grain Banks as part of food sovereignty" Academy of Development Science (India), Proceedings of Celebrating Dialogue: An International SAS Forum, November 3, 2008, Carleton University, Ottawa, Canada. Edited by Daniel J. Buckles
- Kulkarni, Kiran, (2009) "poverty eradication through community grain banks", working paper, Institute of rural Credit & Entrepreneurship Development (I.R.C.E.D.) SANGLI Maharashtra
- Napon, Moise (2001), Director of CREDO, a Christian development agency. His address is: 01 BP 3801 Ouagadougou 01, Burkina Faso.)
- Government of India (2004), Evaluative Report of Central Planning Committee on TRIFED.
- Richard S. Weckstein (1977) "Grain bank or grain reserve?" [Journal of Intereconomics, Volume 12, Numbers 1-2 / January, 1977](#), 15-18