

SWARAJYA

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FOOD EXPORTS

WHILE TRAVELLING in a cab in New York a few years ago, I was embarrassed by the driver staring at me every few minutes. Obviously, he could not contain himself and he burst the question, "Are you from India?" On my affirmative reply, he showed greater surprise and said: "You look well. They say that the people are starving in India". That was the time, when, in response to an appeal from the Pope for succour to India, pennies were collected in churches and children furtively passed on chocolates to the starving Indian classmates in their schools. The transition from a starving India to a surplus country seeking to export foodgrains is easily a modern miracle. It may be good to export some food if only to erase the ugly image of a starving India. State policy, however, should be based on logic and not on sentimental considerations. The pros and cons of a measure have to be examined objectively and wise decisions reached on merits.

It will be conceded that the bumper food production of 118 million tonnes and the all-time high buffer stock of 17 million tonnes are largely due to a succession of favourable monsoons, which proverbially have been unpredictable and very often disconcerting in our country. Another

spell of poor monsoons may throw the country back into hunger and distress and force her to clutch the begging bowl. It may be safer to garner stocks and carry forward for any eventuality such as dry days and drought. Such a cautious policy will undoubtedly appeal to many people in the country who have bitter memories of past shortages. As against this safe course, the Government are faced with a situation which is both compelling and difficult. The lack of adequate storage facilities for such a large stock as 17 million tonnes and the prospect of an equally good crop ahead compels disposal of a part of the stock, so that loss, damage and wastage through exposure to sun and rain may be avoided. Dumping of food in the internal market will cause a serious slump in prices and prove a disincentive to higher production.

Mr. L. K. Jha's suggestion that payment to wages in Public Works may be made in kind, though attractive, ignores the practical difficulties involved in administering the scheme. A return to the barter economy is, by no means, an easy transition. In the circumstances it appears that there is no alternative but to export foodgrains. In determining the quantum of export, great care is called for. It should not be so large as

to cut into reasonable buffer, nor too small to make any impact on the problem. No clear ideas appear to have emerged so far on this issue. On the basis of past experience one may say that 10% of the annual need of foodgrains should suffice as a buffer. Calculating on the basis of 1/6 tonne per capita per annum for a population of 600 million, the annual demand may be assessed at 100 million tonnes and a buffer stock of 10 million tonnes should prove adequate. Allowing another 2 million tonnes for contingency, export of 5 million tonnes out of the buffer stock of 17 million tonnes may, in our view, be undertaken without great risk.

It should also be observed that a sum of over Rs. 2,000 crores are locked up in foodgrains stock and that this has augmented money supply and accentuated price rise in the country. Export of about 5 million tonnes will not only ease the pressure on the storage capacity, but also release some bank credit, now locked up in food, for other developmental activities. While commending the proposal for export of foodgrains, we trust that the Government, before embarking on the venture, will explore in depth the markets abroad and ensure that best prices are secured for our goods.

— R. Venkataraman (11-11-1976)