# Food Security and Balancing Food Budget of the Families by Compensatory Public Distribution System: An analysis with respect to Public Distribution System in Kerala

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**Abstract:** Kerala people have a consumer oriented culture followed by the increased incomes, but on the other side the inflation rate is very high. Above 80 per cent of the households in rural Kerala have calorie intake lower than prescribed daily consumption value of 2400 Kcal. So food security of the people is very important. It's very difficult to manage the family budget of the ordinary people because of the increased prices. The compromise on the expenditure on food items always increases the other side expenditure the health expenditure. The health expenditure increases heavily if the family has at least any one sick member which influences the family budget very badly. If the govt. provide compensation in the form of food subsidy better provided with nutritious food it should be highly recommended than giving money directly or it can replace upcoming health expenditure. **Keywords:** Compensatory Public distribution System, Food security, Required Minimum Expenditure.

## I. Introduction

Food subsidy introduced in India, The Indian Food Security Bill, 2013 (Right to Food Bill) was signed into law on Sept. 12, 2013. The law aims to provide food grains to approximately two thirds of India's population. As it covered the said population but, when considering a family's budget Keralites the ordinary people the APL category but living difficult use rice every day at least one kg per day, not benefited as much as earlier they have got. Now a day's good quality rice is provided through the ration shops of Kerala, earlier that was not there and people reluctant to buy the poor quality rice. Good quality rice cost Rs 35 per kg on an average. A four member family using one kg rice have to pay rupees 35 to buy rice from the market. But it is the fact that in many families' people uses three times the rice to prepare meals. So they have to spend about Rs70 per day only on rice to buy at least 2 kg of rice. Adding other expenses along with this a family requires high amount per day on food. The income of a person per day suppose it is Rs 250 per day, he has to pay this much amount on food. The other expenditures come along with this increases their burden.

Suppose a coolie get 600 per day but, how many days he get job? as they are replaced by Bengalies, Panjabies and others for low wage. So this is the situation of an ordinary. If he gets good rice with one rupee he can save at least Rs 70 per day, and one month about Rs. 2000. So the good system of PDS is highly recommendable. But it should cover the subsistence level APL category more than the present condition. From this it is very clear it justify the food subsidy, isn't it? So the objectives of the study are;

## II. Objectives

- 1. To analyse the relevance of Public Distribution System in balancing household consumption expenditure of Kerala
- 2. To evaluate the nutritional food security in Kerala.

Public Distribution System (PDS) is primarily a social welfare and the anti-poverty programmeof the government of India. The objectives of PDS in India are; (a) Maintaining price stability(b) Raising welfare of the poor (c) Rationing during the situations of scarcity, and (d) Keep a check on private trade. A public distribution system is the whole or a part of the distribution system, in principle owned and controlled by the public authorities on behalf of the general public and run by them for the good of the general public or a specific group thereof (Gupta, 1977). The PDS in India was widely criticised for its failure to serve the below poverty line (BPL) population, negligible coverage in the states with the highest concentration of the rural poor and lack of transparent accountable arrangements for delivery.In 2011-12 the number of APL card holders increased to 58,24,134 from 55,71,568 of 2010-11 (4.5 per cent).But the number of BPL and Anthyodaya Anna Yojana (AAY) card holders decreased to 14,47,078 and 5,92, 486 respectively in 2011-12 (1.1 percent and 0.44 per cent respectively).

## III. The History And Truth- National Food Security Act, 2013

The Indian Food Security Bill, 2013 (Right to Food Bill) was signed into law on Sept. 12, 2013. The law aims to provide food grains to approximately two thirds of India's 102 billion people. Under the provisions of the Bill, beneficiaries are to be able to purchase 5kgs per eligible person per month of cereals at the following prices.

- Rice at Rs. 3 per kg.
- Wheat at Rs. 2 per kg
- Coarse grains (millet) at Rs. 1 per kg

#### Salient features:

- 75% of the rural and 50% of the urban population are entitled for three years from the enactment to 5kgs food grains per month.
- States are responsible for determining eligibility.
- Pregnant women, lactating mothers and certain categories of children are eligible for daily free meals "take home ration" of 600 calories and a maternity benefit of 6000 per month for six months and children of 6 months to 14 years of age are to receive free hot meals or "take home ration"
- Central Govt. will provide funds to states in case of short supplies of food grains.
- The PDS system is to be reformed.
- The eldest women in the household, 18 years or above, is the head of the household for the issuance of the ration card.
- There will be state and district level redress mechanism.
- State food commission will be formed for implementation and monitoring of the provisions of the Act.
- The state govt. will provide food security allowance to the beneficiaries.

India is unique in some of its features. Here, abundance of food and scarcity of food both exists at the same time, which is again the major issue in our public distribution system. Our public distribution system has wide supply chain of 4.62 lakhs fair price shops. Subsidies for public distribution system amounts 45.05 per cent of the total expenditure for subsidies of the govt. The system now covers 160 million families.

The Indian Council of Medical Research suggested that a person requires about 11 kg of cereals per month. It is about 330 gm. per day. A family of five members would typically require 55 kg per month. Kerala is a food deficit state especially in the pre-TPDS period. According to official data on PDS, it provides 32 per cent of the requirements of the state. The production in Kerala provides for only 20 per cent of grain requirements. More than half of the market is shared by the private, with very high price. "If the allocation to the APL is stopped, then the PDS allocation to Kerala, it is estimated, will account for 3.8 per cent of the grain requirements of the state. Thus, TPDS has changed the share of the PDS in the total grain requirements of Kerala". This is likely to have implications for domestic availability and prices.

Now the benefit of the New Bill is that BPL card holders get 25 kg per month at one rupee rate. In March 2002, both BPL and APL families has provided 35 kg per household. With the commence of the new bill the APL card holders provided with only negligible amount a drastic cut in the quantities provided. In 2001 on the basis of TPDS, each BPL family was provided 20 kg of grain per month. Earlier it was only 10 kg per month.

## IV. Subsistence Poverty

The problem is that the number of BPL card holders declined means at least 1.1 percent of the families excluded from enjoying the benefits that they were already enjoyed. And all the APL family's benefits declined as a result of The Indian Food Security Bill, 2013. The changing economic scenario the high inflation rate and increasing other expenses like electricity price, water bill etc. has increased the burden of people.

## V. Increase In Debt And Financing Life Using Bank Credit

Today, the life of the people of Kerala is going on credit. A recent survey revealed that Kerala people came first in taking loans and majority are in debt among the states of India. For a subsistence living and for a peaceful better living, with reduced burden of debt or fear of debt, inclusion of more families in food subsidy is required. Otherwise people blame govt. for cancelling privileges that they are enjoyed earlier.

Now a day's the people in the lower income strata but not BPLare struggling to meet both ends due to the prevalence of high price- the inflation price even the inflation rate came down. So a new group is there. Govt. must ensure their food security by creating a new poverty slab/ line the subsistence poverty line.

## VI. Health Expenditure And Nutritious Food

Health expenditure and nutritious food are correlated opposite. When there is a reduction in the expenditure on nutritious food the expenditure on health increases surely. Keralite's became worse than the older generation in the case of health as they are opened to fast food culture than homely food these days.

Diseases like cancer and life style diseases are increasing day by day. Govt. must ensure people are getting quality food items which also not harmful to health. Earlier the food items provided through ration shops were very poor in quality and not able to use for preparing meals. But in recent times the situation changed as they have been getting quality items. With commence of policy the said families were deliberately excluded from the rationing by limiting the units provided to them.

When income of the individuals changes they compromise spending firstly in food expenditure and replaces less quality foods. So it will affect health badly. But the agriculturists here produce on local basis forced to sell vegetables and rice at very lower price. If the govt. procure these items and sell it through ration shops that are very near to the producers and buyers it become profitable to both of them. Also it can help in controlling the price level in the market. So the ration shops can expand other than reducing its role by ensuring food security. If provide quality food items through ration shops at low rate it can ensure nutritional food to the people. So can save money and it uses for other purposes at the same time it reduces increasing risks of health expenditure due to the use of low quality food ( chemical content) items

Now a day's majority family includes at least four members. The NSS 64th survey "Household Consumer Expenditure" (July 2007-June 2008) found that at the district level, the food share ranged from about 37 per cent (Pathanamthita) to 48 per cent (Kasaragod), in rural and from 34 per cent (Alappuzha, Eranakulan&Thrissur) to 41 per cent (Kozhikkode), in urban.Both in rural and urban Kerala the average MPCE in any district is invariably more than Rs.750. Suppose a family having four members if we multiply Rs.750 with it the families MPCE become 3000. The state average is for Rural – 1383 and for Urban – 1941. But, majority of the districts in Kerala had level of living much below the state's average.

The food expenditure portion of MPCE of Kasaragod is the lowest among districts of Kerala which is Rs. 385.29. If we multiply it with four, the family's food expenditure become Rs.1541.16. per capita food expenditure in rural Kerala as a whole was estimated at Rs.572.95. This means that the expenditure onfood items accounted for about 41% of the value of the average rural Kerala household consumption expenditure. This included 10% for cereals and cereal substitutes, medical expenses for a little over 11%, but Kerala people in debt because of health expense, durables, education and house building. More proofs required to prove the relation between high health expenditure and low expenditure on food items.

Prevalence of calorie under-nourishment was about28.6 percent in Kerala which is high compared to other states of India. Proportion of underweight amongchildren (<5) years (in percentage) was about 22.7 and the Hunger Index 17.63, in the year 2009.

| Total           | Inadequate food for some months | Inadequate food<br>for all months | Food Inadequacy (monthly) |
|-----------------|---------------------------------|-----------------------------------|---------------------------|
| 50th (1993-94)  |                                 |                                   | 4.2                       |
| 55th (1999-00)  |                                 |                                   | 2.6                       |
| 61st (2004-05)  | 1.6                             | 0.3                               | 1.9                       |
| Rural           |                                 |                                   |                           |
| 50th (1993-94)  | 4.2                             | 0.9                               | 5.1                       |
| 55th ((1999-00) | 2.6                             | 0.7                               | 3.3                       |
| 61st (2004-05)  | 2.0                             | 0.4                               | 2.4                       |
| Urban           |                                 |                                   |                           |
| 50th (1993-94)  | 1.1                             | 0.5                               | 1.6                       |
| 55th (1999-00)  | 0.6                             | 0.3                               | 0.9                       |
| 61st (2004-05)  | 0.4                             | 0.1                               | 0.5                       |

 Table No.1Food Inadequacy Status of Households, India (in per cent)

Source: Economic survey 2007-08

Table no. 1 illustrate calculations on the basis of NSSO data for various rounds, for the budget and economic survey 2007- 2008, it is observed that reporting of inadequate food has also come down between 1993-94 and 2004-05 with 1.9 per cent households reporting inadequate food availability for all India level in 2004-05 as against 4.2 per cent households in 1993-94. As per the data 1.6 per cent households reported inadequate food for some months and 0.3 per cent reported inadequate food for all months. There is prevalence of poverty in rural areas, thus they constitute highest share of inadequate food availability.

## VII. Nutritional Status, Kerala

Above 80 per cent of the households in rural Kerala have calorie intake lower than prescribed daily consumption value of 2400 Kcal. About half of the rural people are living below 1800 Kcal. In 1993-94, it was 44.4 per cent and in 2009-10,46.1 per cent

### Table No.2Calorie distribution of households in Rural Kerala (in percentage)

| Rural Kerala | Below 1800 Kcal | Below 2200 Kcal | Below 2400 Kcal | 2400- 3000 Kcal | Above 3000 Kcal |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1993-94      | 44.4            | 71.4            | 80.1            | 13.3            | 6.6             |
| 2004-05      | 45.1            | 72.3            | 79.6            | 12.4            | 8.0             |
| 2009-10      | 46.1            | 74.7            | 83.1            | 10.9            | 6.0             |

#### Source; Govt. of Kerala

In the table no. 2, in 1993-94 as well as in 2009-10 above 80 per cent of the rural households of Kerala, have calorie intake lower than prescribed daily consumption value of 2400 Kcal. The percentage of households those who are taking above 2400 Kcal showing a decline and households takingbelow2400 Kcal tending towards an increase.

#### Share of Food, Non- food and Medical Expenditure

The 66<sup>th</sup> survey on consumer expenditure showed that the highest rural MPCE for Kerala i.e. Rs 1835 (USD41.28) followed by Punjab Rs 1649 (USD37.10) and Haryana Rs. 1510 (USD33.97) while Bihar and Chhattisgarh (around INR780/USD17.55) had the lowest average rural MPCE.

#### Table No. 3Facts on Consumption Expenditure, Kerala

| Kerala rural population spent 43 % for food and cereals 10% and less on medical 7% showed in the 61 <sup>st</sup> round (2005). On other food items |
|---|
| the percentage spending showed a decline to $33\%$ from the $60^{\text{th}}$ round.   |
| Kerala rural population spent 50 % for food and cereals 11% and less on medical 8% showed in the 60 <sup>th</sup> round (2004). On other food items |
| the percentage spending showed an increase to 39% from the 56 <sup>th</sup> round.  |
| Kerala rural population spent 49.63% for food and cereals 15% and less on medical 7.98% showed in the 56 <sup>th</sup> round (2001). On other food  |
| items the percentage spending showed a decline to 34.63%.   |
| Kerala rural population spent 53.70% for food and cereals 15.31% and less on medical 7.95% showed in the 55 <sup>th</sup> round (2000). On other    |
| food items the percentage spending showed at 38.39% level.  |

Source; NSS rounds

From the above facts it can be seen that the total share on food items has been declining over time. As well as a small decline in health expenditure till 2005. But look at the consumption expenditure levels of other products, it is declined first then increased in 2004 and again declined in 2005 and in 2008. Cereals consumption has showed a continuous decline. It is not a matter but, the health expenditure share not showing a considerable decline. Take care, this four factors not moving together.

#### Table No .4Shares of various food and non-food groups in total expenditure, Kerala

| Item Group                                   | Monthly     | Monthly per capita Percentage to |       |       |  |
|--|-------------|----------------------------------|-------|-------|--|
|  | expenditure | ( <b>Rs.</b> )                   | MPCE  |       |  |
|  | Rural       | Urban                            | Rural | Urban |  |
| Cereals gram & cereal substitute             | 136.09      | 141.14                           | 10    | 7     |  |
| Pulse & pulse products                       | 20.39       | 24.24                            | 1     | 1     |  |
| Milk & milk products                         | 66.35       | 80.89                            | 5     | 4     |  |
| Edible oil                                   | 32.49       | 37.32                            | 2     | 2     |  |
| Egg, fish & meat                             | 103.04      | 135.03                           | 7     | 7     |  |
| Vegetables                                   | 49.12       | 48.75                            | 4     | 3     |  |
| Fruits                                       | 52.75       | 83.57                            | 4     | 4     |  |
| Sugar, Salt & Spices                         | 42.28       | 42.35                            | 3     | 2     |  |
| Beverages, refreshments & processed food etc | 70.44       | 118.92                           | 5     | 6     |  |
| Food Total                                   | 572.95      | 712.21                           | 41    | 37    |  |
| Pan, tobacco & intoxicants                   | 42.52       | 51.62                            | 3     | 3     |  |
| Fuel & Light                                 | 94.19       | 121.08                           | 7     | 6     |  |
| Clothing & footwear                          | 79.91       | 108.84                           | 6     | 6     |  |
| Education                                    | 59.92       | 99.98                            | 4     | 5     |  |
| Medical                                      | 156.79      | 181.3                            | 11    | 9     |  |
| misc. consumer goods                         | 79.44       | 109.76                           | 6     | 6     |  |
| misc. consumer services                      | 185.43      | 321.12                           | 13    | 16    |  |
| Rent   | 6.67        | 51.36                            | 0     | 3     |  |
| Taxes and cesses                             | 2.75        | 7.33                             | 0     | 0     |  |
| Durable goods                                | 102.15      | 181.76                           | 7     | 9     |  |
| Total non-food group                         | 809.77      | 1234.15                          | 59    | 63    |  |
| All Items                                    | 1382.72     | 1946.36                          | 100   | 100   |  |

Source; NSS64th round

The table shows the Shares of various food and non-food groups in total expenditure of Kerala in detail from the NSS 64<sup>th</sup> round. Considering the share of cereal consumption of rural it stood same as the 61<sup>st</sup> round of NSS. The food share showed a reduction of 2% than the 61<sup>st</sup> round. The medical expenses increased to 11 per cent. The per capita food expenditure in rural Kerala as a whole was estimated at Rs.572.95. In total the

expenditure on food items accounted for about 41 per cent of the value of the average rural Kerala household consumption expenditure. Rural people spent only 4 per cent for vegetables but 7 per cent for egg, fish & meat. Among non-food item categories, fuel for cooking and lighting accounted for about 7 percent, clothing and footwear for 6 percent, medical expenses for a little over 11per cent for rural and 9 percent for urban.

Now a day, people are highly oriented to fast food. The fast food culture influences health badly. To avoid this, people should follow their old- own style of food items. What the role of PDS here? Provide more quantity of quality rice, wheat and other items to the people very nearer to the B.P.L. Otherwise people go behind fast food which is less costly, no need of spending on fuel and time. We have to discuss more on this. It is true to get quality products they have to pay high price in the open market. So to meet the needs people buy in accordance with the pocket not the best products.

| MPCE  | MPCE          | Rural         | MPCE Group    | Urban     | Rural   | Urban   |
|-------|---------------|---------------|---------------|-----------|---------|---------|
| Group | Group         | areas         | in on group   | areas     | areas   | areas   |
|       | Rural (in Rs) | 1999-<br>2000 | Urban (in Rs) | 1999-2000 | 1993-94 | 1993-94 |
| 1     | 0 - 225       | 4.87          | 0 - 300       | 4.42      | 4.04    | 3.47    |
| 2     | 225 - 255     | 6.17          | 300 - 350     | 4.73      | 4.54    | 4.63    |
| 3     | 255 - 300     | 4.78          | 350 - 425     | 4.29      | 4.66    | 4.38    |
| 4     | 300 - 340     | 5.57          | 425-500       | 4.9       | 4.68    | 4.65    |
| 5     | 340 - 380     | 5.16          | 500 - 575     | 5.64      | 4.34    | 4.75    |
| 6     | 380 - 420     | 5.91          | 575 - 665     | 4.49      | 4.58    | 4.34    |
| 7     | 420 - 470     | 4.75          | 665 - 775     | 4.12      | 4.55    | 4.23    |
| 8     | 470 - 525     | 4.88          | 775-915       | 3.29      | 4.54    | 3.79    |
| 9     | 525 - 615     | 5.2           | 915 - 1120    | 2.84      | 4.61    | 3.86    |
| 10    | 615 - 775     | 4.11          | 1120 - 1500   | 1.88      | 4.25    | 2.82    |
| 11    | 775 - 950     | 3.37          | 1500 - 1925   | 1.29      | 3.77    | 2.26    |
| 12    | 950+          | 2.4           | 1925+         | 0.83      | 2.94    | 2.4     |
| All   |               | 4.14          |               | 3.48      | 4.2     | 3.9     |

 Table No. 5Monthly Per Capita Purchase of Rice from the PDS, by MPCE group,

 Kerala, Rural and Urban, 1993-94 and 1999-2000

Source; Govt. of India and union budget and NSS

The above table no. 5 shows the pattern of change in the purchase of PDS by the expenditure groups between 1993-94 and 1999-2000, Kerala. In many states, quantity purchased from the PDS has not declined systematically with increase in expenditure class. The table shows that the lower expenditure group's purchase of PDS increased between 1993-94 and 1999-2000 but, a decrease in the quantity purchased by the higher expenditure groups between 1993-94 and 1999-2000. The last three groups 10, 11 and 12 of rural expenditure groups and last 6 groups of urban expenditure groups. The expenditure level which shows a decreasing tendency to buy PDS starts from Rs. 615 of the rural areas and Rs. 665 that of urban areas. Those are above these levels of MPCE showed an increasing rate of decline in the purchase especially in urban areas. It is surprising, the income difference between rural and urban levels of declining purchase base very meager. Below the above said rate the purchase difference of both rural and urban very low. The trend showing that the purchase of urban high expenditure groups declining with increase income, but there were no so many declines in the purchase of rural higher MPCE groups with increase in expenditure, even in the year 2000. So along with this the purchasing amount by various income groups also important. Considering the rural groups between 615 and 950, for urban 655 and 915 or 1120 and their purchase of PDS could not be ignored. Even, the TPDS has excluded some persons from the highest expenditure group but on the whole the level and pattern of purchase has not changed much. When considering the NSS data, the defect is that it gives a lower estimate than the official data. According to the NSS data for 1999-2000 for rice and wheat, at the all India level, PDS contributed between 12 and 14 per cent of total rice consumption and between 5 and 10 per cent of total wheat consumption. The contribution of PDS to total grain consumption, as expected, varied across States, and as discussed below, was quite significant in a State like Kerala.

Since 1999-2000, India as a whole the per capita quantity of consumption has declined for cereals and individual cereal items for which data were collected: rice, wheat, jowar and its products, etc.

In 2009-10, the share of PDS (Public Distribution System) rice in rice consumption was about 23.5 per cent in the rural sector and about 18 per cent in the urban. In 1999-2000 and 2004-05, the PDS share in rice consumption ranged between 11 per cent and 13 per cent in both sectors. The share of PDS in rural wheat consumption in 2009-10 was about 14.6 per cent, which is almost double what it was in 2004-05 (7.4 per cent), and the share of PDS in urban wheat consumption was about 9 per cent, while the share in 2004-05 was only about 4 per cent. As per NSS 66<sup>th</sup> round the consumption of rice and wheat by Kerala people both rural and urban were 7.489kg, 6.635kg, 0.729kg and 0.828kg respectively.

## VIII. Food Subsidy

In 2013-2014there is a provision of 90,000 crore for food subsidy. Along with this in the non- plan expenditure of India also included a provision of `10,000 crore for implementation of National Food Security Act.Food Subsidy isprovided in the budget of the Department of Food & PublicDistribution to meet the difference between economic cost offoodgrains and their sales realization at Central Issue Pricesfixed for Targeted Public Distribution System (TPDS) and otherwelfare schemes. Out of total subsidy (food, fertilizers, petroleum, etc.) expenditure of the govt. of India, food subsidy (which includes operation of levy sugar, edible oil, etc.) constituted 33.42 percent to 45.05 percent during the period of 2006-07 to 2011-12.In addition; the Central Government alsoprocures foodgrains for meeting the requirements of buffer stock. The subsidy is provided to FoodCorporation of India, for procurement and distribution of wheatand rice under TPDS and other welfare schemes and formaintaining the buffer stock of foodgrains as a measure of foodsecurity. Along with Ten States & UTs, Kerala and Karnataka haveundertaken the responsibility of not only procuring foodgrainsfrom within the State but also distributing the same to the targetedpopulation under TPDS and other welfare schemes. Under thisscheme of Decentralized Procurement, State specific economiccost is determined by the Government of India and the differencebetween the economic cost and the Central Issue Prices ispassed on to the States as food subsidy.

#### IX. Food Security, Poverty Line And Required Minimum Expenditure Of A Four Member Family

"Food security refers to the availability of food and one's access to it. A household is considered food secure when its occupants do not live hunger or fear of starvation". But defining food security by these minimum words is not sufficient. The calorie requirement is also important. When fixing income base poverty line it's difficult to meet the calorie requirement vs. calorie requirement not a sufficient norm as a sweet possesses many calories. The requirement of an individual is three time meals a day with sufficient calories. Here the price of food items and income of the individual along with the structure of his family budget are also important. Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dieter needs and food preferences for an active and healthy food.Now poverty line in India has improved but, still the concept measures both the poverty line group- not getting at least two meals per day as Above Poverty Line. The Rangarajan panel has suggested that those spending more than Rs 972 a month in rural areas and Rs 1,407 a month in urban areas in 2011-12 and Rs 32 in rural areas and Rs 47 in urban areas on a daily basis. As per the Tendulkar methodology, the poverty line was Rs 816 in rural areas and Rs 1,000 in urban areas, which if calculated on a daily basis come out at Rs 27 per day in rural areas and Rs 33 in urban areas. This was greatly criticized as the amount is fixed at an amount getting two meals very difficult.

| Tanniy Tanniy Duuget (Day/month) |    |       |     |                    |  |  |
|----------------------------------|----|-------|-----|--------------------|--|--|
| Food Items                       | Kg | gram  | RS  | Monthly<br>expense |  |  |
| Rice                             | 1  |       | 35  |                    |  |  |
| Sugar                            |    | 50    | 5   |                    |  |  |
| Total                            |    |       | 40  | 1200               |  |  |
| Oil                              |    | 50    | 5   |                    |  |  |
| Vegetables                       |    |       | 20  |                    |  |  |
| Total                            |    |       | 25  | 750                |  |  |
| Turmeric                         |    | 100   | 20  | 20                 |  |  |
| Coriander                        |    | 100   | 18  | 18                 |  |  |
| Chilly powder                    |    | 100   | 15  | 15                 |  |  |
| Salt                             | 1  |       | 14  | 14                 |  |  |
| Tea                              |    | 100   | 15  | 15                 |  |  |
| Fuel/gas                         | 5  |       | 200 | 200                |  |  |
| Electricity                      |    |       | 150 | 150                |  |  |
| Travelling                       |    | 25day | 14  | 320                |  |  |
| Total                            |    |       |     | 2673               |  |  |

Table No. 6Required minimal expenditure of a four member family- family budget (Day/month)

Source; Primary data

On the basis of the tableno.6 the monthly minimum expenditure requirement of a four member family is Rs. 2673 and in daily basis Rs. 89. Without this minimum amount it is difficult to live in Kerala. If we change the poverty line more of them get benefitted. But from the above facts it is highly recommendable that include more of them to the PDS in terms of the amount of cereals permitted. We only consider the two options below or above poverty line. But the defect of this system is that those who are in the subsistence povertylevelincluded in the APL group and considered same as other higher income holders.So consider them by another group

Subsistence Poverty Line and give more benefits to them in the food security as well as in the social security programs.

Rangarajan panel considered levels of adequate nourishment, clothing, house rent, conveyance, education and also behavioral determination of non-food expenses as well as inability of saving. It also considered average requirements of calories, protein and fats based on ICMR norms differentiated by age and gender.

But, the fact is that ordinary – low income holders not always look the amount of calories that they would consume. They always balance their purchasing with income especially when buying food items. Sometimes they replace low quality food items with high quality products. A four member family using one kg rice have to pay rupees 35 to buy rice from the market. But it is the fact that in many families' people uses three times the rice to prepare meals. So they have to spend about Rs70 per day only on rice to buy at least 2 kg of rice. Adding other expenses along with this a family requires high amount per day on food. The income of a person per day suppose it is Rs 250 per day, he has to pay this much amount on food. The other expenditures come along with this increases their burden. If he gets good rice with one rupee he can save at least Rs 70 per day, and one month about Rs. 2000. So the good system of PDS is highly recommendable. But it should cover the subsistence level APL category more than the present condition.

#### X. Limitations

Here, we used the earlier data in explaining the PDS purchase and its trends. Not used recent data. The NSS rounds always under estimate which means the estimates are less than the official FCI data. To explain food items expenditure we used NSS data. This is only a conceptual attempt from our part and not used any econometric or statistical analysis to prove the correlation between variables about food expenditure share in the family's budget.

## XI. Findings And Conclusion

With the introduction of food security bill, it excluded many of the subsistence APL families struggling to meet both ends. They have to purchase more from the open market at very high prices. The pattern of change in the purchase of PDS by the MPCE groups showed that the quantity purchased from the PDS has not declined systematically with increase in expenditure class. The difference between rural and urban levels of purchase base was very meager. At the middle level expenditure groups, the purchase difference of both rural and urban wasvery low. The trend showing that the purchase of urban high expenditure groups declining with increase in expenditure, but there were no so many declines in the purchase of rural higher MPCE groups with increase in expenditure, even in the year 2000. So along with this the purchasing amount by various MPCE groups also important. Considering the rural groups between 615 and 950, for urban 655 and 915 or 1120 (NSS rounds) and their purchase of PDS could not be ignored. The requirement of an individual is three time meals a day with sufficient calories. Here the price of food items and income of the individual along with the structure of his family budget are also important. Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dieter needs and food preferences for an active and healthy food.

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