

## Food Management : An outlook

5.80 Till the mid 1990s, the country's food management policy had evolved against the background of scarcity and import dependence. Policy focus therefore was to increase productivity, particularly of rice and wheat. By the mid 1990s, the strategy succeeded and the country generated sizeable surpluses and, even became a net agricultural exporter. Distortions in the global grain market have, however, dimmed the prospects of exports despite India's comparative advantage. Reforms in food management policies have also not kept pace with the situation of surpluses thereby depriving the sector from reaping productivity and efficiency gains.

5.81 A key development that has to be borne in mind is the change in food preferences due to rise in incomes causing a shift in consumption from cereals to non cereals. The policy focus today has to be on raising productivity of other crops, as well as on processing and storage. In this context, the last three Budgets have singled out for focus, rural infrastructure - roads and agricultural storage - as also food processing and agricultural diversification. Further steps would be required to accelerate the process of agricultural diversification and value addition through a modern system of transportation, grading, processing, quality control and packaging. All controls and restrictions on storage and movement of agricultural products would need to be removed and private trade given a larger role for which State Governments would have to be the prime movers in undertaking reforms.