Village-level institutions for food security and food distribution

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Some definitions

Village-level institutions:
“Complexes of norms and behaviours at the village level that persist over time by serving some collectively valued purpose” *

Food security:
“When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life.” (USAID)

Activities under output 1

1. Literature review
   - Conceptual / methodological issues
   - Review of experiences in India and elsewhere

2. Monitoring of a decentralised food security model in three villages in Andhra Pradesh (Mirzapur, Thogapur, Kollur)
   - Monitoring of grain transactions
   - Monitoring of organisational developments

3. Case studies of grain banks
   - Darfal Grama Dhanya Bank, Maharasthra
   - Agragamee community grain banks, Orissa
   - RCL (Rice Credit Line), in Andhra Pradesh
Background and trends

- Changes in cropping pattern as a result of commercialisation of agriculture (e.g. sugar cane instead of finger millet, groundnut instead of sorghum)
- Changes in food habits (coarse cereals are partly substituted by rice as a result of PDS and others)
- At the national level: Overflowing food stocks, stored at high costs
Challenges for a decentralised food security system

- Provides food in adequate quantities and qualities throughout the year
- Is reliable and not dependent on outside projects and initiatives
- Reaches the poorest of the poor
- Is locally controlled and managed
- Has in-built monitoring mechanisms to ensure bottlenecks are identified and addressed
Different arrangements, depending on source of grain:

1. Locally produced and locally consumed grain (Atragamee, Darfal, Mirzapur)

2. Grain purchased or acquired from elsewhere (RCL)

3. Combination of both – village level grain bank, linked to block/region level “mother grain bank” that stores local and external grain (newly emerging model)
Option 1: Village level grain banks storing locally produced grain

- In food shortage areas, works only in combination with production increasing interventions (fallow and lease land cultivation – CEC, watershed management – Agragamee)

- Principle (AP experiences): Communally produced grain is stored communally and distributed during lean season, according to the norms set by the sangha

- Limited or no government support => tends to be linked to NGO interventions in limited numbers of communities – sustainability?
Option 1: Village level grain banks storing locally produced grain - continued

- Relatively high storage and management costs require external support (technical and financial)
- Issue of inclusion of the poorest, who cannot afford to pay for grain purchases in cash, but villagers sometimes do not allow payments in instalments
- Need for the system to be rigorous, but sangha can alter the rules according to needs in times of crisis
- Local shocks (drought etc.) can result in grain banks “drying up” without external support / inflow of grain
Option 2: Rice credit line

Common features with village grain banks:

- Provides secure food to the poorest
- Is locally managed and controlled (SHGs decide on eligibility, payment procedures, rice quality, transport arrangements, etc.)
Option 2: Rice credit line - continued

Differences

- Relies on surplus production elsewhere (FCI), but institutional arrangements could be used to bulk-purchase rice from local mills.

- Accelerates changes in food consumption pattern (coarse grain to rice) – long term effects on nutrition quality?

- Does not address production issues (competition with locally produced grain?)
Option 3: Village level grain banks linked to block level banks

- Idea: Combines the best of both systems (local production and coarse grain storage, supplemented by purchases and allocations from outside, e.g. FFW, PDS, etc.)
- “Mother grain bank” at block level to supply grain in times of crisis (if village-level grain bank runs dry)
- Storage issue not yet sorted out (where, how, who pays for it etc.)
- Not yet tested – proposal stage
Main lessons related to institutional arrangements at the village level

- Food security needs to be tackled through CBOs (community based organisations) – all successful schemes work through groups
- Villagers appear to generally prefer individual storage => give people choices!
- Sustainable arrangements require institutionalisation of the process, so that communities can eventually manage the system without external support
Main lessons related to institutional arrangements at the village level

- Importance of training / capacity building element for groups (in group management, accounting, dealing with external agents such as government officials, traders, transport agents, etc).

- Specific mechanisms required to reach the poorest of the poor (ideally already at group formation stage)
Factors influencing grain bank establishment and functioning

- Role of moneylenders and level of interest rates
- Size and composition of community
- Presence or absence of other development activities
- Transparency and accountability
- Simplicity of transactions
- Role of women in GB management
- Level of agricultural productivity / surplus production
- Appropriate storage technology
- Facilitation / support from outside