

NOTES AND MEMORANDA

MEASUREMENT OF RURAL FOOD-GRAIN CONSUMPTION

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ESTIMATION OF RURAL FOOD-GRAIN consumption is one of the difficult problems in national planning when the rural sector is largely non-monetized; the problem becomes especially important in the current period of aggravated shortage and efforts to ameliorate it. The methods used by M. J. Desai in "A Comparison of Estimates of Consumer Expenditure on Food-grains by National Sample Survey and Aggregate Supply Data," *Artha Vijnana*, Vol. 4, No. 4 (1962), are therefore of interest. Desai shows "overestimation" of rural food-grain consumption by the National Sample Survey for the five years, 1949-50, and 1951-54, as compared with net food-grain output as reported in recent government data. The NSS estimated quantity of food-grain consumption only in the first round, and in subsequent rounds confined itself to value of per capita consumption based on current prices. Quantity estimates of consumption for those rounds were built up by Desai by deflating current price expenditure with the wholesale food-grain price index and calculating real changes from the base year 1949-50. The validity of this method requires, however, that the Survey rounds be sufficiently comparable to estimate changes in consumption from year to year. The Survey Reports raise several qualifications concerning comparison, though the most important one, as will be seen below, is not clearly brought out. If the reports lack sufficient comparability, then Desai cannot estimate 'NSS-based consumption' by this method.

There are four main limitations on comparability of these data. Each will be assessed below

1. Suitability of the price index : As the Survey expenditure is at retail-level the wholesale price index is not ideal, as Desai points out, but might provide a reasonable approximation. Unfortunately, however, the only wholesale price index available for his period was a carry-over from the pre-war period, reflecting the availability of data and relative importance of items in that period—inappropriate