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# NATIONAL FOOD SECURITY ACT:- AN INADEQUATE SECURITY BY MR. SPANDAN SAXENA & MS.RUSHALI SRIVASTAVA\*

#### **Abstract**

Food security in India has to be understood as a distress phenomenon, as with marginal increase in their incomes over time they are forced to cut down on their food consumption to meet other pressing demands of health and education that were not considered important in the past. High economic growth rates have failed to improve food security in India leaving the country facing a crisis in its rural economy. If food security is a complex objective, pursued with others (shelter, safety, health, self-esteem), in a world where individual households face diverse, complex and different livelihood opportunities, what role can policy possibly play? Can governments ever know enough to act? This paper is focused on the several foods security issues prevalent in the Indian scenario. Data are taken from relevant sources to analyse the gravity of the food security issues in India. It also covered the several development programmes taken up by the Indian government to counter various food security issues including several schemes and yojanas. The concept of food insecurity is not the recent one. Historically speaking, the famine of Bengal 1943 was an instance where many people died due to starvation and hunger. After the advent of the green revolution, the technology of high yielding variety seeds (HYV) has boosted the Indian agriculture. There is a huge disparity between the production and consumption of food grains. Therefore, the UPA government introduced the controversial food security bill in the parliament on 7 August 2013. This was done to replace the National Food Security ordinance 2013 promulgated by the president of India on 5 July 2013.

#### Introduction

India, with an estimated population of about 1.21 billion scuffles with the issues of poverty and illiteracy. But the most highlighting impediment of our nation is that of hunger. Therefore food insecurity ought to be a great issue for a country like India where an estimated 269.3 million people are poor. India is a nation which is the second largest producer of wheat and rice. But ironically still today many people are dying because of hunger. What is food security? "Food security is a situation that exists when all people at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life"<sup>2</sup>.

The objective of the Food Security Act is to provide subsidized food grains. It ensures nutritional security to the people. In a country where food grains rot in the godowns of Food Corporation of India, the entitlement of these grains to poor family at subsidized rate is an

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<sup>&</sup>lt;sup>1</sup> Planning commission, Government of India, poverty estimate report 2011-2012, available at, <a href="http://planningcommission.nic.in/news/pre-pov2307.pdf">http://planningcommission.nic.in/news/pre-pov2307.pdf</a>, last seen on 2-5-2014

<sup>&</sup>lt;sup>2</sup> Food and agriculture organization, press release, *Trade reforms and food security, available at http://www.fao.org/docrep/005/y4671e/y4671e02.htm#bm02*, last seen on 2-5-2014

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important step. The acts marks a paradigm shift from welfare approach to right based approach. It covers about two-third of the population where the urban population will have uniform entitlement of 5kg of food grains per month at highly subsidized rates. The poorest of the poor would continue to receive 35kg of food grains per household per month under the Antayodaya Ann Yojana (AAY). Other benefits related maternity and mid-day meal scheme is also provided under the act. The Food Security Act poses many challenges against the hunger. There is flaw in the criteria of identification of beneficiaries. The targeted public distribution system (TPDS) has often come under the scanner of criticism. The rampant corruption prevailing in the current Public Distribution System is also a major concern. There is ambiguity between the state and central government regarding the implementation of the act. The biggest lacuna of the Bill is that it makes food security merely legal and not a constitutional right and thus leaves it susceptible to tweaking from vested interests in the future<sup>3</sup>. There lies a big challenge in front of government to tackle against the hunger with the tool of National Food Security Act

#### **Background:-The Right to Food Movement**

The struggle for food security came into limelight on April, 2001 when people's union for civil liberties (PUCL) filed a writ petition in the Supreme Court of India seeking for the Right to food. The basic argument is that the right to food is an implication of the fundamental "right to life" enshrined in Article 21 of the Indian Constitution. Following on this, Supreme Court hearings on various aspects of the right to food have been held at regular intervals<sup>4</sup>. This "Public Interest Litigation" (PIL) is far from over, and it may take years before the Supreme Court pronounces its final "judgment". But many "interim orders" have already been passed. The above-mentioned PIL is listed in the Supreme Court of India as "PUCL vs. Union of India and Others, Writ Petition (Civil) 196 of 2001". However, it is popularly known as the "right to food case". This petition was filed at a time when the country's food stocks reached extraordinary levels while hunger in drought-affected areas intensified. Initially the case was brought against the Government of India, the Food Corporation of India (FCI), and six State Governments, in the context of inadequate drought relief. Subsequently, the case was extended to the larger issues of chronic hunger and under nutrition. The basic argument of this petition is that, since food is essential for survival, the right to food is an implication of the fundamental "right to life" enshrined in Article 21 of the Indian Constitution. The petition argues that central and State

Governments have violated the right to food by failing to respond to the drought situation, and in particular by accumulating gigantic food stocks while people went hungry.

The petition goes on to highlight two specific aspects of state negligence: the breakdown of the public distribution system (PDS), and the inadequacy of drought relief works. In the final "prayer", the petition requests the Supreme Court to issue orders directing the government:

- (a) To provide immediate open-ended employment in drought-affected villages;
- (b) to provide "gratuitous relief" to persons unable to work;
- (c) to raise food entitlements under the PDS; and

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<sup>&</sup>lt;sup>3</sup> Asian Human Rights Commission, *INDIA: Food Security Bill – A welcome but grossly inadequate step towards eradication of Hunger*, <a href="http://www.humanrights.asia/news/ahrc-news/AHRC-STM-156-2013">http://www.humanrights.asia/news/ahrc-news/AHRC-STM-156-2013</a>, last seen on 2-5-2014

<sup>&</sup>lt;sup>4</sup> This PIL is known as "PUCL vs Union of India and Others, Writ Petition (Civil) 196 of 2001". It began in April 2001 with a writ petition submitted to the Supreme Court by PUCL, Rajasthan.

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(d) To provide subsidized food grain to all families and the central government to supply free food grain to these programs.<sup>5</sup>

#### **Provisions for Food Security**

- 1) Every person is entitled to receive five kilograms of food grains per person per month at subsidised prices specified in Schedule I from the State Government under the Targeted Public Distribution System.(under sub section 1 of section 10)
- 2) Under sub section 2 of section 3, the entitlements of the persons belonging to the eligible households referred to in sub-section (1) at subsidised prices shall extend up to seventy-five per cent of the rural population and up to fifty per cent of the urban population.
- 3) Section 4 pertains to nutritional support to pregnant and lactating mothers
- 4) Section 5 deals with the nutritional support to the children.
- 5) Section 6 deals with the prevention and management of child nutrition.
- 6) Section 9 talks about the coverage of population under the Targeted Public Distribution System. (TPDS)
- 7) Section 10 allows the state government to prepare guidelines and identify priority households.
- 8) Chapter 6 relates to the women empowerment in which section 13.(1) says that "The eldest woman who is not less than eighteen years of age, in every eligible household, shall be head of the household for the purpose of issue of ration cards.

#### **Analysis of Public Distribution System Of India**

The Public Distribution system of India has always gain popularity due to its structural and implementation failures. It is true that food problems in quantitative sense no longer exist but speaking on a normative side still continues to exist as millions of poor suffer from persistent hunger and malnutrition. Poor PDS is not the sole factor for the food insecurity; the other contributing factor is the rising domestic prices of the food grains. Economists like Binswanger and Quizon(1984), Janvory and Subbarao (1984) also point out that an increase in domestic food production per se will not reduce food insecurity unless accompanied by price reductions<sup>6</sup>.

When we go back to the history of public distribution system, it commenced during the World War-II when there was a rapid scarcity of food due to crop failures and rising food prices followed by the disaster of the Bengal famine in 1943.

Apart from the grains, mainly wheat and rice, the PDS is also used for the distribution of edible oils, sugar, coal, kerosene and cloth etc. many economists in their article have pointed out that PDS has remained limited to urban areas. Since the inception of the Public Distribution System, the rural areas covered are very insufficient. The subsidy on the food grain has resulted into a severe strain on the government. The severe leakage in this system is

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<sup>&</sup>lt;sup>5</sup> Supreme court orders on right to food :- A tool for action, available at <a href="http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCcQFjAA&url=http%3A%2F%2Fwww.righttofoodindia.org%2Fdata%2Fscordersprimer.doc&ei=8MVkU9HtCseNrQemsIC4BA&usg=AFQjCNGxO6AM-H2oGL902pEjKRlK08mspw&bvm=bv.65788261,d.c2E, last seen on 2-5-2014</a>

<sup>&</sup>lt;sup>6</sup> See Public Distribution System in India: some critical issues, by Ranjan Misra, page 46-47.

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the hoarding of the food grains by the traders and suppliers which leads to the rising price of the food grains. There are many other reasons for the gradual erosion of PDS

- 1) Though food production has vastly increased in the country due to green revolution. But the managerial problem has raised many issues about its functioning.
- 2) There has been massive development of food lobby in the dominant areas of food production giving rise to the power game.
- 3) There has been a mounted expenditure on the government as the cost for providing subsidy is solely borne by the government
- 4) Government device of BPL and APL classification has also become ineffective since APL group in many places has entered in BPL category and Actual BPL remain undetected.
- 5) Open market price and APL price being almost equal, people opt for the former with further advantage of open choice and better welfare gain
- 6) With the liberalisation there is the possibility of inflow of foreign agricultural products. But our export potentially is low. <sup>7</sup>

Lack of Governance is also a major issue. There is a lack of administration in the remote region of the country. Still there are many districts in India which poses Infrastructure problem. Therefore it is difficult to reach the public distribution to those areas. Adding to the above, there is rampant corruption in the distribution process. Actual BPL claimants are often neglected. The social disparity and caste inequality in the rural areas allows the dominant caste to enjoy the benefits. Dominant caste deprives the BPL beneficiaries. Black marketing of food grains is also a major concern. Bureaucracy is also involved in the whole process of identification, elimination and black marketing.

The victims of these malpractices are the poor people. Still today there is no infrastructure and communication facility available in the many districts of India. As a result many people starve for food. There are many tribes which resort to the jungle products in order to satisfy their hunger. Since they have no income to purchase food from the market at prevailing price, they eat forest products for subsistence. Families of such tribes and poor people in different part of the country are forced to eat such non-food jungle products which are usually used to feed animals.

#### **Targeted Public Distribution Sysytem (Tpds)**

In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States are required to formulate and implement foolproof arrangements for identification of the poor for delivery of food grains and for its distribution in a transparent and accountable manner at the FPS level. The scheme when introduced, was intended to benefit about 6 crore poor families, for whom a quantity of about 72 lakh tonnes of food grains was earmarked annually. The identification of the poor under the scheme is done by the States as per State-wise poverty estimates of the Planning Commission for 1993-94 based on the methodology of the "Expert Group on estimation of proportion and number of poor" chaired by Late Prof Lakdawala. The allocation of food grains to the States/UTs was made on the basis of average consumption in the past i.e.

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<sup>&</sup>lt;sup>7</sup> Amalesh Banerjee, Food Security and the Public Distribution System Today;-Failures and successes, introduction, page no. 2-3.

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average annual off-take of food grains under the PDS during the past ten years at the time of introduction of TPDS.

The quantum of food grains in excess of the requirement of BPL families was provided to the State as 'transitory allocation' for which a quantum of 103 lakh tonnes of food grains was earmarked annually. Over and above the TPDS allocation, additional allocation to States was also given. The transitory allocation was intended for continuation of benefit of subsidized food grains to the population Above the Poverty Line (APL) as any sudden withdrawal of benefits existing under PDS from them was not considered desirable. The transitory allocation was issued at prices, which were subsidized but were higher than the prices for the BPL quota of food grains.

Keeping in view the consensus on increasing the allocation of food grains to BPL families, and to better target the food subsidy, Government of India increased the allocation to BPL families from 10 kg. to 20 kg of food grains per family per month at 50% of the economic cost and allocation to APL families at economic cost w.e.f. 1.4.2000. The allocation of APL families was retained at the same level as at the time of introduction of TPDS but the Central Issue Prices (CIP) for APL were fixed at 100% of economic cost from that date so that the entire consumer subsidy could be directed to the benefit of the BPL population. However, the CIPs fixed in July and December, 2000 for BPL & AAY respectively and in July, 2002 for APL, have not been revised since then even though procurement costs have gone up considerably.

The end retail price is fixed by the States/UTs after taking into account margins for wholesalers/retailers, transportations charges, levies, local taxes etc. Under the TPDS, the States were requested to issue food grains at a difference of not more than 50 paise per kg over and above the CIP for BPL families. Flexibility to States/UTs has been given in the matter of fixing the retail issue prices by removing the restriction of 50 paise per kg over and above the CIP for distribution of food grains under TPDS except with respect to Antyodaya Anna Yojana where the end retail price is to be retained at Rs.2/kg. for wheat and Rs.3/kg. for rice.<sup>8</sup>

There are many problems associated with the Targeted Public Distribution System of India.

- 1) The major flaw is regarding the inclusion and exclusion criteria.
- 2) There are many states and union territories where survey has not yet been conducted for the identification of beneficiaries. Especially the north-east region.
- 3) There has been delay in the circulation of ration card. Many BPL families have not yet received the BPL ration card.
- 4) Lack of coordination between the state and central government has resulted in the poor implementation of the scheme.
- 5) The other important issue is regarding the inadequate storage facility. We have often come across the news about food grains getting spoiled in the godowns of Food Corporation of India. This is due to lack of storage facility.

In its futile attempt to remove hunger and food scarcity, the public distribution system of India has provided subsidised food grains to the poor people but in the last twenty years has

<sup>&</sup>lt;sup>8</sup> Ministry of consumer affairs, Food and Public Distribution System, *note on TPDS*, available at http://dfpd.nic.in/?q=node/101, last seen on 4-5-2014

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undergone poor monitoring, controlling and political instability. In a huge and diversified country like India, the public distribution system requires alterations in its functioning and supervision policy.

The system has the huge potential to work effectively if it is supported by proper planning. The role of state government becomes very important in strengthening the Public Distribution System. Y. Nilachandra Singh in his article "Public Distribution System: Problems and Prospects (Edited by Amalesh Banerjee) suggests various remedies for strengthening the Public Distribution System. Following are the remedies for strengthening the Public Distribution System:

- 1) Opening of new fair price shops wherever necessary to provide easy physical access to consumers and supply of a ration card to every family both in urban and rural areas.
- 2) Provision and improvement of infrastructural facilities such as storage and transportation of essential commodities to the last link, i.e., fair price shops in rural, backward, remote and inaccessible areas.
- 3) Provision of proper monitoring system at the block, district and state levels to ensure upto-date information in respect of supply or otherwise of essential commodities to the fair price shops.
- 4) Preparation of district-wise plans for allocation and distribution of rice, wheat, sugar, kerosene.
- 5) Setting up of consumers advisory and vigilance committees at various levels including the fair price shop level.
- 6) Tightening of inspection and enforcement measures to ensure that fair price shops function properly and essential commodities reach the public particularly those belonging to the weaker and vulnerable sections of the society.
- 7) Developing a system of effective coordination among various agencies engaged in the task of procurement, storage and distribution of essential commodities within the state.
- 8) Provision of mobile fair shops in the remote tribal and interior areas.

#### Critical Analysis of The National Food Security Act

The much awaited food security bill enacted by the UPA government has many highlighting features like<sup>9</sup>

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<sup>&</sup>lt;sup>9</sup> Amitendu Palit, *India's Food Security Bill: Grave Digger or Game Changer?*, available at <a href="http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCsQFjAA&url=http%3A%2">http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCsQFjAA&url=http%3A%2</a> F%2Fwww.isas.nus.edu.sg%2FAttachments%2FPublisherAttachment%2FISAS\_Insights\_\_226\_-India%27s\_Food\_Security\_Bill\_\_Grave\_Digger\_or\_Game\_Changer\_04092013163457.pdf&ei=OA5mU7ITz7\_O4BIChgIAP&usg=AFQjCNF5LeGT6LwHzLrhel1NjY4U2vRJUw&bvm=bv.65788261,d.c2E\_, last\_seen\_on\_4-5-2014

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- 1) Each individual in priority households will receive 5 kg of food grains (rice, wheat and coarse grains) per month from state governments at subsidised rates under the Targeted Public Distribution System (TPDS). The TPDS specifically targets poor or below-poverty-line (BPL) households in each state for targeted supply of food grains from the ration (fair price) shops. The Bill specifies poorest families among the BPL households to be entitled for larger supplies. These are families currently receiving subsidised food grains under the Antyodaya Anna Yojana (AAY) scheme. The AAY covers around 25 million BPL families and provides each family 35 kg of food grains per month at subsidised rates. The beneficiaries under the AAY will continue to receive 35 kg of food grains per month under the food security programme.
- 2. The number of persons with entitlements in eligible households for receiving subsidised food grains will be 75 per cent of the rural population and 50 per cent of the urban population.
- 3. Grains will be distributed to households at subsidised prices of Indian Rupees (Rs) 3 per kg for rice, Rs 2 per kg for wheat and Rupee (Re) 1 per kg for coarse grains. These rates, which will be valid for the next three years, are upper ceilings implying that actual issue prices can be even lower. Subsequent issue prices will be fixed by the Central Government with the caveat that such prices will not exceed minimum support prices for food grains.
- 4. Eligible households are entitled to receive food security allowance from the State Governments if they have not been supplied subsidised food grains under any circumstances.
- 5. Food grains will be distributed from the Central pool of grains, built and run by the Central Government by periodically procuring grains from farmers through designated agencies like the Food Corporation of India (FCI). The Central Government will allocate grains from the pool to State Governments for distribution

The act has also undergone under severe criticism. The implementation of the act gives rise to humungous expenditure on the government. There are many rising questions regarding the validity of the act. India still faces the huge amount of fiscal deficit and the current account deficit has also risen up followed by the inflation.

#### Fiscal Implication

The Bill has been heavily criticised for its adverse fiscal implications. Rating agencies and economists have joined hands in slamming the Government for introducing the bill at a time, when the fiscal health of the economy is precarious. The last financial year (2012-03) ended with the Central Government recording a fiscal deficit of 5.2 per cent of GDP, which has been budgeted to be reduced to 4.8 per cent in the current year (2013-04). But with prospects of revenue collections not particularly bright given the subdued performances of domestic industry and exports, an expansive food security programme is apprehended to worsen the deficit.

#### Malnourishment

The act also fails to determine the problem of malnourishment. The fundamental problem is of under nutrition. Veteran development economist Jean Drèze, says that ideally the bill

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should be able to protect everyone from hunger, and can make a significant contribution to the elimination of under nutrition.

But ending under nutrition requires many other interventions too, related to health care, safe water, and sanitation. Nevertheless, some provisions of the bill could have a significant nutritional impact, for instance children's entitlements to nutritious food. Other provisions, such as those relating to the PDS, are better seen as a form of social security than as a nutritional intervention specifically, Drèze says.

UNICEF too talks of misplaced government priorities. It states that the fundamental problem facing India is malnutrition. There are 61 million children chronically undernourished, and 8 million children suffering from severe acute malnutrition in India. Therefore, the focus needs to be on the right to adequate nutrition, beyond the right to food – as the bill indicates.

"Under nutrition jeopardizes children's survival, health, growth and development, and it slows national progress towards development goals," says María Fernández Ruiz de Larrinaga, communication specialist, Unicef India.

To address nutrition security, a comprehensive approach is required, which includes improving the diets and nutrient intake of children and women; ensuring access to essential health services and improving hygiene and sanitation; improving women's education and decision making; and improving poverty reduction and safety net programs for the most vulnerable.

"The bill also needs to address children's right to the correct food. The maximum effect of this food poverty resulting from a failed food grains distribution system is faced by women and children," says Larrinaga. Women and children are getting less food every day because of gender inequality and discrimination, UNICEF says.

Under nutrition in India happens very early in life; about one-third of children are already undernourished at birth because of nutrition deprivation during prenatal life due to the poor nutrition situation of women before and during pregnancy. Thereafter, poor feeding, care and hygiene practices in the first two years of life contribute to compound the situation.

"If this opportunity is missed, the window closes, and it closes forever perpetuating to an inter-generational cycle of under nutrition and deprivation," says Right to Food Campaign, an umbrella organization of NGOs, while questioning government's failure to address this aspect in the bill.

Farmers' bodies too oppose the bill saying it would lead to nationalization of agriculture by making the government the biggest buyer, hoarder and seller of food grains. There is a clear feeling that this would distort the market mechanism and reduce the bargaining power of farmers. The bill makes no provisions for production of food or for support of small and marginal farmers who are food producers.

Drèze says a single bill cannot address all food related issues. Small and marginal farmers have certainly been left behind in the growth process, and need various kinds of public support, related for instance to power supply, economic infrastructure, credit facilities, land rights, and environmental protection.

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The main objection to the bill is that it does not specify any timeframe for the rolling out of the entitlements, says Kavita Srivastava, national convenor of Peoples' Union of Civil Liberty.

It continues with a targeted PDS, excluding 33% of the population from accessing it as a right, giving scope to large exclusion of the poor in the country as a whole. The improved framework of single pricing in the present bill over the dual pricing under the existing 'above poverty line - below poverty line' system is undermined by the exclusion of a third of the country.

While the Indian Council for Medical Research recommends that an adult requires 14kg of food grains per month and children 7kg; the bill provides entitlements to 5kg per person per month, thus ensuring only 166g of cereal per person per day. Also, the bill provides only for cereals with no entitlements to basic food necessities such as pulses and edible oil required to combat malnutrition.

According to Harsh Mander, a social activist and a member of the campaign, the bill allows the entry of private contractors and commercial interests in the supply of food in the integrated child development scheme. Also tying maternal entitlements to conditions (like two-child norm) discriminates mothers who have more children.

Concerns remain over PDS, which many fear will intensify corruption. Drèze, however, says the government should focus on productivity enhancement rather than on subsidising food at the expense of taxpayers. There have been many positive experiences of PDS reform during the last few years in specific states like Tamil Nadu, Chhattisgarh, Andhra Pradesh, Rajasthan, Odisha among others. These experiences provide a reasonably clear roadmap for PDS reform across the country.

Some elements of that roadmap are included in the bill like inclusive coverage, clear entitlements, deprivatisation of ration shops, computerization of records, among others. Beyond that, he says, it is best to leave it to the states to reform the PDS in their own way, instead of centralizing PDS management.

Minister for food KV Thomas admits the flawed distribution system has made matters worse, and the purpose of the bill is to correct delivery mechanism.

"This is one of the many reasons that have led to malnourishment among women and children. Most social security schemes meant for them are either not reaching them or getting severely diluted due to leaks in the system," Thomas said.<sup>10</sup>

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<sup>&</sup>lt;sup>10</sup> Ravi S Jha, *India's food security bill: an inadequate remedy?*, The Guardian, 15-7-2013, available at <a href="http://www.theguardian.com/global-development-professionals-network/2013/jul/15/india-food-security-bill">http://www.theguardian.com/global-development-professionals-network/2013/jul/15/india-food-security-bill</a>, last seen on 4-5-2014