

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2008
ANSWERED ON:01.12.2000
SUBSIDY TO STATES
HARIBHAU MAHALE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether any study has been conducted recently regarding providing subsidies to States for purchasing food products;
- (b) if so, the details thereof; and
- (c) the amount of subsidy likely to be given to States in this regard, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) and (b) : No, Sir. However, a scheme on Decentralised Procurement of foodgrains has been started in the States of West Bengal, Madhya Pradesh and Uttar Pradesh. Under this scheme, the State Governments procure, store and distribute wheat/rice under the Public Distribution System. The difference between the economic cost of wheat/rice, and the Central Issue Prices is reimbursed to the State Governments as subsidy.

(c) : The amount of subsidy likely to be provided to the State Governments under decentralized procurement depends on the quantity of foodgrains distributed. The amount of subsidy already released to State Government of West Bengal for rice, Madhya Pradesh for Wheat and to Uttar Pradesh for both Wheat and rice is given below:

Year State Commodity Subsidy released (in Rs.Crores)

1997-98	West Bengal	Rice	28.00
1998-99	West Bengal	Rice	53.83
1999-2000	West Bengal	Rice	56.64
	Uttar Pradesh	Wheat	194.00
	Madhya Pradesh	Wheat	92.64
2000-2001	West Bengal	Rice	65.00
	Uttar Pradesh	Rice	55.69
	Uttar Pradesh	Wheat	94.31
	Madhya Pradesh	Wheat	35.27