

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

UNSTARRED QUESTION NO:2932

ANSWERED ON:07.12.2001

FAILURE OF STATES TO DISTRIBUTE SUBSIDISED FOODGRAINS

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

- (a) whether majority of the States have failed to distribute foodgrains, provided to them by the Union Government at highly subsidised prices, to the people living below the poverty line involving a subsidy of Rs.12,500/-crore;
- (b) if so, the reaction of the Union Government when full utilisation of huge subsidy of Rs.12,500/-crore has not been made; and
- (c) the estimated subsidy on this account for the current financial year keeping in view the above scenario?

Answer

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

(a),(b)&(c): Against a total allocation of 59.23 lakh MTs of rice and 51.80 lakh MTs of wheat to the States for distribution to Below Poverty Line population under Targeted Public Distribution System from April, 2001 to October, 2001, the actual off-take had been only 30.51 lakh MTs of rice and 18.64 lakh MTs of wheat, which is 51% of the allocation for rice and 36% for wheat.

Public Distribution System (PDS) is operated under the joint responsibility of the Central and State Governments. Whereas the Central Government is responsible for procurement, storage and transportation of foodgrains upto the designated godowns of FCI, the responsibility of distribution of foodgrains to targeted beneficiaries in a transparent and accountable manner rests with the State Governments. The subsidy is released on the basis of off-take of foodgrains by State Governments.

The Budget Estimate (BE) for 2001-2002 for food subsidy is Rs.12,787 crore in addition to Rs.883 crore earmarked for decentralized procurement scheme for States. Out of this, Rs.10,555.27 crore has already been released to FCI and States. Based on the off-take projection upto March, 2002, a further demand of Rs.6600 crore has been projected at the Revised Estimates (RE) stage.