

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

STARRED QUESTION NO:79
ANSWERED ON:06.12.2004
INCREASE IN FOOD SUBSIDY
Nahata Smt. P. Jaya Prada;Suman Shri Ramji Lal

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

- (a) whether the amount of subsidy on food has constantly increased during the last five years;
- (b) if so, the amount paid as food subsidy during the said period, year-wise;
- (c) the estimated amount of food subsidy during the year 2004-05;
- (d) whether the reasons behind the rising food subsidy have been ascertained; and
- (e) if so, the main reasons therefor?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d) & (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b), (c), (d) & (e) OF STARRED QUESTION NO.79 DUE FOR ANSWER ON 6.12.2004 IN THE LOK SABHA

(a) & (b): The amount released as food subsidy during the last five years is as under:-

(Rs. in crore)

| Year | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
|------|-----------|---------|---------|---------|---------|
|------|-----------|---------|---------|---------|---------|

| | | | | | |
|--------------|------|-------|-------|-------|-------|
| Food Subsidy | 9200 | 12010 | 17494 | 24176 | 25160 |
|--------------|------|-------|-------|-------|-------|

(c): The estimated amount of food subsidy to be released during 2004-05 is Rs. 24746 crore.

(d) & (e): The main reasons for increase in food subsidy are as follows.

(i) Increase in economic cost due to increase in the Minimum Support Price (MSP), statutory charges, handling & transportation charges, storage & interest charges etc;

(ii) Freezing of Central Issue Prices under Targeted Public Distribution System (TPDS) since July 2002 despite increase in the economic cost; and

(iii) Increased offtake of foodgrains under TPDS and other schemes; and

(iv) Implementation of the Antyodaya Anna Yojana.