

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

UNSTARRED QUESTION NO:5151

ANSWERED ON:27.04.2010

HIKE IN PDS PRICES

Adsul Shri Anandrao Vithoba;Chavan Shri Harischandra Deoram;Das Gupta Shri Gurudas;Dharmshi Shri Babar Gajanan;Kumar Shri P.;Lingam Shri P.;Yadav Shri Dharmendra

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

- (a) whether the Government proposes to hike the Central Issue Price of foodgrains for Above Poverty Line (APL) category under the Public Distribution System (PDS);
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has assessed the likely impact of this hike on the price of foodgrains in the open market;
- (d) if so, the details and the outcome thereof; and
- (e) the extent to which it is likely to check the diversion of cheap foodgrains to the open market?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): Central Issue Prices (CIP) of wheat and rice supplied to Above Poverty Line (APL) families through Public Distribution System (PDS) have not been revised since 2002. During this period, Government have increased the Minimum Support Price (MSP) in order to provide more remunerative prices to farmers. Costs on account of other incidentals of procurement have also increased. This has led to an escalation in food subsidy and created a large gap between CIP for APL families and open market prices. The Government is examining a proposal to revise the CIPs of wheat and rice for APL category with a view to reducing the difference between the CIPs for APL and market price of wheat and rice.

(c) & (d): No, madam.

(e): The increase in the CIPs of foodgrain will reduce the gap between open market prices of foodgrains and CIPs and is likely to check the diversion of subsidized foodgrains.