

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

UNSTARRED QUESTION NO:199

ANSWERED ON:22.02.2011

SUBSIDY FOR PROCUREMENT AND HANDLING

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

- (a) the procurement price of different varieties of wheat and rice fixed by the Food Corporation of India (FCI) during each of the last three years, State-wise;
- (b) the yearly per tonne subsidy on wheat, rice and sugar provided to FCI during the said period;
- (c) the per quintal handling charges paid to FCI on wheat, rice and sugar during the said period; and
- (d) the steps taken by the Government to reduce the increasing expenditure?

Answer

MINISTER OF STATE (I/C) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) The procurement of Wheat; and Paddy from which rice is produced, is done by FCI and State agencies at the Minimum Support Price plus bonus (if any) fixed by the Govt. of India, which are uniform throughout the country. The Minimum Support Prices of wheat and Paddy and bonus applicable during the last three years were as under:-

(Rs.Per Qtl.)			
Marketing Season	Wheat	Marketing Season	Paddy
(RMS)	Season (KMS)	(RMS)	Season (KMS)
	Grade A		Common

2006-07	650+50#	2006-07	610+40#	580+40#
2007-08	750+100#	2007-08	675+100#	645+100#
	Upto 23.6.08		880	850
	2007-08			
	w.e.f.24.6.08 to 30.9.08			
2008-09	1000	2008-09	880+50#	850+50#
2009-10	1080	2009-10	980+50#	950+50#

bonus

(b) the average subsidy per MT incurred by FCI for issuing wheat, rice and sugar under different schemes, as informed by FCI, are as under,

(Rs . per ton)			
	Wheat	Rice	Sugar

2007-08	8543.30	9390.70	3049
2008-09	8582.90	11478.30	3645.50
2009-10 (Prov)	8680.50	12279.50	7269.50#

#the variation is due to enhancement of ex-mill price fixed by the Govt.of India.

(c) the per quintal handling charges (freight, labour, interest, storage , administrative charges and shortages) incurred by FCI for issuing wheat, rice and sugar under different schemes are as under,

	Wheat	Rice	Sugar
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2007-08	244.43	297.82	33.10
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2008-09 245.42 280.76 47.13
2009-10 (Prov) 185.64 176.09 36.66

(d) In order to contain food subsidy on wheat and rice the Government has taken the following measures:-

(i) Encouraging decentralised procurement and distribution of foodgrains

(ii) Issue of bonds by the FCI at lower coupon rates, backed by Government gurantee

(iii) Improving the operational efficiency of FCI

In relation to sugar, the Government has restructured the supply of levy sugar under PDS and restricted its supply to BPL families in the country except the North Eastern States, Hill States(J&K, Himachal Pradesh and Uttarakhand) and Island Territories, where it is meant for APL families also.