

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

UNSTARRED QUESTION NO:3237
ANSWERED ON:23.08.2011
COST OF FCI
Sugumar Shri K.

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

- (a) whether the cost of the Food Corporation of India has inflated by nearly 55 percent in the recent years; and
(b) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) and (b): As per the Revised Estimates(RE) prepared by FCI, the subsidy to be incurred by FCI in the Financial Year 2010-11 will be 35% more than that incurred in 2009-10 (unaudited). The details of the same are as at Annexure.

The reasons for rise in subsidy are as under:-

1. Increase in Minimum Support Price of wheat and paddy with related increase in Statutory charges.
2. No increase in the Central Issue Prices under Targeted Public Distribution System (TPDS) since July 2002.
3. Increase in quantity of foodgrains allocated under various schemes.
4. Significant increase in procurement and Central Pool stock of foodgrains with consequent increase in movement of foodgrains resulting in increase in freight and handling costs.