

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

UNSTARRED QUESTION NO:1569

ANSWERED ON:21.08.2012

SUBSIDISED WHEAT FOR BULK CONSUMERS

Singh Shri Rajiv Ranjan (Lalan);Vardhan Shri Harsh

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

- (a) whether the Government proposes to allocate wheat to bulk consumers at a subsidised price, below the economic cost;
- (b) if so, the details thereof and the reasons therefor indicating the Minimum Support Price (MSP), economic cost and sale price of the said wheat; and
- (c) the total amount in the form of subsidy to be borne by the Government for the said allocation?

**Answer**

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

(a) & (b): Yes Madam. The Government releases wheat for bulk sale under Open Market Sale Scheme (OMSS) from time to time with the objective to offload part of surplus stocks in the Central Pool and to make available wheat in the open market to stabilize wheat prices particularly during lean season. Accordingly, Government has decided to sell 3 million tonnes of wheat to Bulk Users/ Roller Flour Millers/ Traders through open tenders by Food Corporation of India upto March, 2013 for domestic consumption under the Scheme. Reserve price for such sale was initially fixed at Rs. 1170/- per quintal and 13.02 lakh tonnes wheat was allocated for sale in the States/UTs during the period from July, 2012-September, 2012. The reserve price has since been increased to Rs. 1285/- per quintal. Economic cost of wheat as per budget estimate 2012-13 is Rs. 1822 per quintal. MSP of wheat for Rabi Marketing Year 2012-13 is Rs. 1285 per quintal.

(c): Maximum subsidy for allocation of 30 lakh tonnes was initially estimated to be Rs. 1956 crore (based on economic cost of wheat as per budget estimate 2012-13 i.e. Rs. 1822 per quintal), on the assumption of all the tender sales taking place at the minimum reserve price of Rs. 1170 per quintal. However, as the minimum reserve price has now been increased to Rs. 1285/- per quintal, it is expected that subsidy for current sale of wheat under OMSS (bulk sale) will be reduced from the earlier estimated level.