

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

UNSTARRED QUESTION NO:1725

ANSWERED ON:04.12.2012

FOOD SUBSIDY

Hegde Shri Anant Kumar; Joshi Dr. Murli Manohar; Tagore Shri Manicka

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

- (a) whether the amount of food subsidy disbursed during first half of the current year has exceeded the budget estimates for the whole year;
- (b) if so, the details thereof and the reasons for this steep rise;
- (c) whether the Government proposes to reduce the food subsidy; and
- (d) 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): No, Madam.

(b): In view of reply to part (a) above, question does not arise.

(c) & (d): There is no proposal for reducing the allocation of foodgrains under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) and the resultant subsidy. However, keeping in view the rising food subsidy burden, the Government has taken following measures to contain it:-

(i) Encouraging Decentralized Procurement and distribution of Foodgrains.

(ii) Borrowing of short terms loans by FCI for its operational requirement at lower interest rates as compared to interest rates on cash credit.

(iii) Improving the operational efficiency of the FCI