

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

UNSTARRED QUESTION NO:4793
ANSWERED ON:23.04.2013
FOOD SUBSIDY UNDER NFSA
Lagadapati Shri Rajagopal;Natarajan Shri P.R.

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

- (a) the estimated food subsidy bill and the budget allocation for the purpose during the last three years and the current year;
- (b) whether the Government and the Commission for Agricultural Costs and Prices (CACP) has worked out any estimates regarding the subsidy required for implementation of cash for food scheme and the National Food Security Act (NFSA);
- (c) if so, the details and the outcome thereof;
- (d) whether the Ministry of Finance has raised objections to certain provisions in the proposed Act; and
- (e) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a): The requirement of food subsidy estimated by the Department of Food and Public Distribution (D/o F&PD) and the budget allocation for the purpose during the last three years and current year are as under:

(Rs. in crore)

Year	Estimated Food Subsidy requirement	Budget Allocation
2010-11	81525	62930
2011-12	103696	72371
2012-13	115451	84554
2013-14	104954	77740

Besides, Rs. 10,000 crore has been set apart, over and above the normal provision for food subsidy, towards the incremental cost that is likely under the National Food Security Act.

(b) and (c): Based on the provisions of the National Food Security Bill, introduced in the Lok Sabha on 22.12.2011, the D/o F&PD has worked out the estimated requirement of food subsidy, at 2013-14 costs, to be Rs. 1,23,084 crore. Actual requirement for the year will however depend upon the final shape of the Bill, as passed by the Parliament, and the time by which the Act comes into force. Commission for Agricultural Costs and Prices (CACP) has not worked out any estimate for the requirement of subsidy under National Food Security Act. However, in their report on Price Policy for Rabi Crops for the Marketing Season 2013-14, the Commission has inter alia recommended that a better strategy to help the poor would be to use an income policy, i.e., direct cash transfer/food vouchers to the poor, for which the requirement has been worked out by the Commission at about Rs. 5000/- per year for a family of five as per provisions in the proposed National Food Security Bill.

The National Food Security Bill, 2011, introduced in the Lok Sabha on 22nd December, 2011, inter alia contains an enabling provision for reforms in the Targeted Public Distribution System (TPDS), which includes introducing schemes, such as, cash transfer, food coupons, or other schemes, to the targeted beneficiaries in lieu of their foodgrain entitlements, in such area and manner as may be prescribed by the Central Government. However, at present, there is no proposal under consideration of the Central Government for disbursement of food subsidy in cash instead of allocation of foodgrains to beneficiaries TPDS.

(d) & (e): The draft of National Food Security Bill was prepared on the basis of the views/comments received from various stakeholders, including the Ministry of Finance. The draft Bill was considered by the Cabinet and approved for introduction in the Parliament. Accordingly, the National Food Security Bill, 2011 was introduced in the Lok Sabha on 22nd December, 2011.

