

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

UNSTARRED QUESTION NO:5729  
ANSWERED ON:30.04.2013  
PROCUREMENT OF FOODGRAINS  
Jakhar Shri Badri Ram

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

- (a) the subsidy provided by the Government for procurement of foodgrains and other essential commodities and for its distribution;
- (b) the percentage of subsidy actually availed of by the intended beneficiaries; and
- (c) the steps taken by the Government to ensure the direct access of consumers to the largest share of subsidy?

**Answer**

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

(a): The Government of India provides subsidy for procurement of foodgrains (rice and wheat) and other essential commodities i.e. edible oils, sugar etc. for its distribution under Targeted Public Distribution System (TPDS). The subsidy for rice and wheat is released to Food Corporation of India (FCI) and those states who are procuring foodgrains under Decentralised Procurement (DCP) scheme to meet difference between the economic cost of foodgrains and Central Issue Price (CIP). For the year 2012-13, rate of subsidy given for distribution of wheat and rice to Above Poverty Line (APL), Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) beneficiaries is as under:-

(Rs./qtl)

Wheat

Scheme	Economic cost	CIP	Subsidy rate
APL	1798.96	610	1188.96
BPL	1798.96	415	1383.96
AAY	1798.96	200	1598.96

Rice

APL	2351.22	830	1521.22
BPL	2351.22	565	1786.22
AAY	2351.22	300	2051.22

In respect of sugar, the Government of India has provided subsidy equivalent to the difference between the levy Sugar Price at which sugar is procured by States/FCI for North Eastern States and Island territories and the Retail Issue Price (RIP) of Sugar @ Rs.13.50, beside also meeting distribution costs. From 2012-13 production, an inclusive subsidy of Rs 18.50 is provided to State Governments for supply of sugar through the PDS, against unchanged RIP of Rs.13.50 per kg.

In case of edible oils, under the Scheme for distribution of subsidized edible oils, through PDS the designated Central Public Undertaking (CPSUs) namely STC, MMTTC, PEC and other agencies NAFED & NCCF are importing the edible oils, participating States bear the cost of oil, transportation and packaging over which subsidy of Rs.15/- per kg is given by Central Government.

(b) and (c): Subsidy is not released by the Govt of India to the beneficiaries directly.