

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2582

ANSWERED ON:26.08.2013

SUBSIDY ON AGRICULTURAL GOODS

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of subsidy given to the exporters for import-export during each of the last three years and the current year;
- (b) the subsidy given for import export of sugar and other food items along with the names and addresses of the companies which got grant of more than rupees five crore and above during the said period;
- (c) the details of target fixed for the trade of agricultural products along with surplus wheat, rice, sugar and food items available and exported during said period along with the rate at which the same has been procured/exported/imported;
- (d) whether the Government has been purchasing/importing the goods at higher rates and exporting them at concessional rates or rates much less than their prevalent international prices; and
- (e) if so, the details thereof and the reasons therefor along with the total estimated loss incurred on such transactions during the said period?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a- b) Agricultural & Processed Food Products Export Development Authority (APEDA), an autonomous organisation under the Department of Commerce, responsible for the export promotion of agricultural commodities provides subsidies to exporters of scheduled products of APEDA. The details of subsidy paid to the Exporters by APEDA during 2010-11 to 2013-14 is as follows:

	Rs. in Crore			
Scheme	2010-11	2011-12	2012-13	2013-14 (upto 15/08/2013)
Development of Infrastructure	12.55	4.88	1.35	0.04
Market Development	16.34	9.35	16.98	0.02
Quality Development	7.18	7.13	6.68	0.08
Transport Assistance	63.93	95.88	72.99	3.03
GRAND TOTAL	100.00	117.24	98.00	3.17

The Government is also providing incentives on export of various products of agriculture sector under Vishesh Krishi and Gram Udyog Yojana (VKGUY). Incentive under this scheme is granted in the form of duty credit scrip @ 5% of FOB value of exports. Government is also providing incentive in the form of Duty Credit Scrip under the Incremental Export Incentivization Scheme (IEIS). Government is not providing any incentive on export of sugar and foodgrains. Beside this, NAFED, PEC, MMTc and STc were also eligible for reimbursement of losses, if any, to the extent of 15% of the landed cost of the imported pulses plus service charge. During 2010-11, Rs. 34.359 crore was reimbursed to above PSU's. The Scheme was discontinued since 1.4.2012.

(c) The export of agricultural products depends on various factors including availability of surplus over and above the requirement of buffer stocks including strategic reserve, concerns of food security, diplomatic/humanitarian considerations, international demand and supply situation, quality standards in the importing countries, varieties traded and price competitiveness, need to strike a balance between remunerative prices to the growers and availability of agricultural products to common man at affordable prices etc. The Government takes into account the above factors before deciding on the export of agricultural commodities. No yearly target for commodities was set for the year 2012-13 by the Department of Commerce. The details regarding export of agriculture & allied products (principal commodities group wise) is given at Annexure - I. The Department of Commerce only maintains the quantum, value and average unit prices of export of different commodities centrally. No consignment/variety wise unit export price details are maintained

(d) No Madam. Currently, the Government is exporting wheat from Central Pool Stocks of FCI through Central Public Sector Undertakings of the Department of Commerce like MMTc, PEC and STc. During the period July 2012 to June, 2013, the Government's realization in the exports of such wheat on a weighted average FOB price basis received in its global tenders was higher than the Government's procurement price (i.e. Minimum Support Price) for the year 2012-13..

(e) Does not arise.