

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

UNSTARRED QUESTION NO:1793  
ANSWERED ON:22.07.2014  
SUBSIDY UNDER PDS  
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**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) the total amount of foodgrains subsidy given under the Public Distribution System to the State of Kerala during the year 2012-13;
- (b) the cost of rice per tonne incurred during the said period by the Food Corporation of India (FCI); and
- (c) the remedial measures including improving the operational efficiency of FCI so as to check the rise in food subsidy?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): The amount of Rs. 524.31 crore released as food subsidy under Targeted Public Distribution System (TPDS) to the State of Kerala during the year 2012-13.

(b): In this regard, it is stated that in respect of DCP States like Kerala, for distribution of rice from DCP stocks, food subsidy is released on the basis of economic cost fixed for a particular year minus Central Issue Price (CIP).

In case of Kerala, economic cost for KMS 2012-13 for parboiled rice was Rs.25040.40 per tonne for Grade 'A' and Rs.24513.90 per tonne for Common rice

The cost of rice incurred by FCI in KMS 2012-13 was Rs.23048.70 per tonne; and

(c): The Government has taken several measures to contain the food subsidy and improving the efficiency of FCI, which are as follows:-

- 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 and reduction in administration expenditure.