

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

UNSTARRED QUESTION NO:6214
ANSWERED ON:05.05.2015
SUBSIDY FOR PDS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the total amount of subsidy provided under the Public Distribution System (PDS) to the States including Maharashtra during each of the last three years and the current year, State/UT-wise;
- (b) the cost of rice per tonne along with the cost of storage, storage loss and transport expenses incurred thereon by the Food Corporation of India (FCI) during the said period; and
- (c) the remedial measures including improving the operational efficiency of FCI taken/proposed to check the rise in food subsidy?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAM VILAS PASWAN)

(a): In this regard, it is submitted that States are allocated food grains at subsidised rates under Targeted Public Distribution Scheme (TPDS), National Food Security Scheme (NFSA) and other Welfare Schemes. Difference between Economic Cost and Central Issue Price (CIP) at which foodgrains are issued to States are reimbursed to Food Corporation of India (FCI) as subsidy. However, in case of States which have adopted Decentralised Procurement Scheme (DCP), food subsidy is directly released to States by Government of India for quantity of food grains procured and distributed by them under TPDS, NFSA and other Welfare Schemes. A statement indicating the subsidy released to FCI and various DCP States during the last three years and current year is at Annex-I. Since Maharashtra is not a DCP State, the Government has not provided any subsidy to the State directly under TPDS.

(b): The cost of rice per tonne along with the cost of storage, storage loss and transport expenses incurred by the Food Corporation Of India for last three years and the current year are as follows:

	Rate Rs./tonne			
Years	2012-13	2013-14	2014-15	2015-16
	(Prov.)	(Prov.)		
MSP of Paddy + Proc. Incid-entals	20175.90	22255.40	23876.50	25381.00
1. Storage cost	290.10	312.30	469.10	624.80
2. Shortages including Transit Losses	144.00	196.40	239.60	361.40
3. Transport Expenses	912.70	1341.90	1339.30	1559.20
4. Others				
a. Handling Charges	510.30	682.50	612.90	742.60
b. Interest	792.50	1067.90	1365.90	1403.00
c. Admin. Overheads	223.20	298.70	275.80	317.30
Economic Cost of Rice per tonne	23048.70	26155.10	28179.10	30389.30

(c): Various steps taken for improving operational

efficiency of FCI i.e. reduction of losses and damage,
reduction of interest cost, handling cost etc. are
listed at Annex-II.