

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

UNSTARRED QUESTION NO:3597

ANSWERED ON:11.08.2015

Subsidy on Food

Yeddyurappa Shri B. S.

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

- (a) whether any study has been conducted recently regarding providing allocation and disbursement of subsidies to the States;
- (b) if so, the details and the outcome thereof; and
- (c) the amount of food subsidy likely to be provided to the States during the current and ensuing year, State-wise?

**Answer**

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

(a)&(b) No Madam. No specific study has been conducted recently on the issue of allocation and disbursement of subsidies to the States. However, the High Level Committee (HLC) constituted under the Chairpersonship of Shri Shanta Kumar, M.P. on the issue of restructuring of Food Corporation of India (FCI), has made some recommendations, which have a bearing on the allocation and disbursement of food subsidy to the States. The details of such major recommendations of HLC and decision taken by the Government thereon is at Annex-I.

(c) In this regard, it is submitted that under Targeted Public Distribution System (TPDS), National Food Security (NFSA) Scheme and Other Welfare Scheme (OWS), foodgrains at subsidized rates are allocated to States/Union Territories by Government of India and released to States through Food Corporation of India (FCI). The Food Subsidy against the foodgrains lifted by the State Government from FCI is provided to the FCI directly and not to the State Government.

However, in case of those States which have adopted Decentralised Procurement Scheme (DCP), food subsidy is directly released to the State Government for the quantity of food grains distributed by them. Since release of subsidy depends upon allocation and actual offtake of food grains, it is not possible to give any estimate regarding likely release of subsidy in ensuing year. However, a statement indicating the amount of Food Subsidy likely to be released to FCI and DCP States during the financial year 2015-16 is at Annex-II.

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