

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

UNSTARRED QUESTION NO:67
ANSWERED ON:08.07.2014
PRICES OF PDS ITEMS
Karandlaje Km. Shobha

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

- (a) whether the Government has increased the price of rice, sugar and wheat meant for the Public Distribution System (PDS) during the last three years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the State Governments were taken into confidence prior to hike in the prices,
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the details of the cost of procurement, handling and transportation of these items during the said period?

Answer

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

- (a) : The Central Issue Price (CIP) of rice & wheat and the issue price of sugar under the Targeted Public Distribution System (TPDS) have remained unchanged since 2002.
- (b) to (d): Does not arise.
- (e): The details of procurement cost, handling and transportation charges of rice and wheat in the last three years is as follows:-

	(Rs./qtl.)					
	2011-12		2012-13		2013-14	
	Rice	Wheat	Rice	Wheat	Rice	Wheat
Procurement	1862.20	1354.86	2017.59	1482.76	2270.32	1616.33
Cost						
(Acquisition cost)						
Handling Charges	49.13	49.13	51.03	51.03	58.45	58.48
Transportation Charges	75.73	83.18	91.27	107.30	132.14	119.78

Prior to deregulation of sugar sector, a part of the sugar produced by sugar mills was requisitioned as levy sugar for distribution under Public Distribution System (PDS) at a uniform retail issue price throughout the country. The Central Government did not maintain stocks of sugar in the Central pool to be distributed to the public through PDS. The sugar was lifted from the sugar mills directly by the State/UT Governments in case of Direct Allottee States and by Food Corporation of India in case of FCI operated States. The Central Government has dispensed with the imposition of levy obligation on sugar mills for the sugar produced from 2012-13 sugar seasons. A new scheme has been introduced with effect from 01.06.2013, according to which, the States/UTs have been advised to devise a transparent system of procurement of sugar from open market. Government of India would provide subsidy to those States which continue to have the prescribed retail issue price and reimbursement will be limited to the quantity based on the existing level of allocations