

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

UNSTARRED QUESTION NO:96
ANSWERED ON:20.02.2006
SUBSIDISED FOODGRAINS
Deora Shri Milind Murl

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

- (a) the amount of subsidy provided on food at present;
- (b) the percentage at which it has been increasing during the last three years;
- (c) the percentage of the subsidised foodgrains issued from Central Pool which does not reach the poor; and
- (d) the reasons therefor and the results of the steps taken so far to check its misuse?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

- (a): The food subsidy allocated for 2005-06 (Revised Estimates) is Rs. 23071.64 crore.
- (b): The amount of food subsidy released during the last three years and percentage increase is as under:-

Year Subsidy released % increase
(Rs. in crore)

| | | |
|---------|----------|-----------|
| 2002-03 | 24176.45 | - |
| 2003-04 | 25160.00 | 4.07 |
| 2004-05 | 25746.45 | 2.33 |
| 2005-06 | 23071.64 | (-) 10.39 |

(c): An evaluation study of Targeted Public Distribution System (TPDS) conducted by the Planning Commission covering eighteen major States has observed that out of the subsidized foodgrains under the TPDS there is leakage of about 19.71 percent at Fair Price Shops (FPS) level and about 16.67 per cent of the foodgrains is diverted through ghost cards. In addition, the TPDS suffers from diversion of subsidized grains to unintended beneficiaries (above poverty line (APL) households) because of errors of inclusion. However, the report is based on old primary data of 2001-2002. As several changes like introduction of Antyodaya Anna Yojana (AAY), change in the scale of issue, etc. have taken place since then, it is difficult to totally rely on this report.

(d): Targeted Public Distribution System (TPDS) is operated under the joint responsibility of the Central and the State Governments. The operational responsibilities including distribution of foodgrains within the State, identification of families below poverty line, issue of ration cards, supervision and monitoring the functioning of Fair Price Shops rest with the State Governments. For smooth functioning of TPDS and to improve its efficiency, accountability and effectiveness, the Central Government has issued the PDS (Control) Order, 2001. Besides this, guidelines have been issued to all States/Union Territories to constitute Vigilance Committees at all levels, and for involvement of Panchayati Raj Institutions.