

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

UNSTARRED QUESTION NO:924  
ANSWERED ON:27.02.2006  
CUT IN SUBSIDY ON RICE  
Reddy Shri Magunta Sreenivasulu

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

- (a) whether the decision of the Government to effect a cut in subsidy on rice is likely to put an additional burden on the Government of Andhra Pradesh;
- (b) if so, whether the Government has received any requests for reconsideration on the said cut in subsidy; and
- (c) if so, the details thereof and the reaction of the Government thereto?

**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), (b) & (c): In order to rationalise the allocation of foodgrains under the Targeted Public Distribution System (TPDS), ensure that the food subsidy remains targeted towards poor households, and, keeping in view the reduced availability of foodgrains in the Central Pool, the Government took the following decisions on 6.1.2006:

- (i) For Above Poverty Line (APL) households, allocation of foodgrains to State Governments to be fixed on the basis of 20 kg. per family per month from the earlier allocation of 35 kg. per family per month, or the offtake during 2004-05, whichever is lower.
- (ii) For Below Poverty Line (BPL) and Antyodaya households, the allocation of foodgrains to States to be fixed on the basis of 30 kg. per family per month from the existing 35 kg. per family per month.
- (iii) The APL Central Issue Prices (CIPs) of foodgrains, which were last fixed in July, 2001 to be revised upwards by Rs. 85 per quintal and Rs. 95 per quintal for wheat and rice respectively.
- (iv) The BPL CIPs, which were last fixed in July, 2000, to be continued at the same level.
- (v) The Antyodaya Anna Yojana (AAY) CIPs at Rs. 2 per kg. and Rs. 3 per kg. for wheat and rice respectively to be continued without change.

A few State Governments including Government of Andhra Pradesh represented that the implementation of the decisions taken on 06.1.2006 may adversely affect the functioning of the TPDS in their States and lead to large expenditure from the State Government budgets. Keeping in view these representations, the Government has decided that the implementation of the decision may be postponed for some time.