

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

UNSTARRED QUESTION NO:3689
ANSWERED ON:23.08.2004
DECREASE IN FOOD SUBSIDY
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether food subsidy is likely to decline during the current year in comparison to previous year;
- (b) if so, the quantum of decline along with the reasons therefor;
- (c) the economic cost of wheat, rice and other coarse foodgrains for the current financial year as estimated by the Food Corporation of India; and
- (d) the commodity-wise subsidy likely to be granted during the current year on foodgrains?

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): The total food subsidy released during 2003-04 was Rs.25,160 crores. During the current year (2004-05), the projected requirement of food subsidy is Rs.25,746.45 crores.

(c): The Food Corporation of India (FCI) has estimated the economic cost of wheat and rice for the current financial year (2004-05) as Rs.924.82 per quintal and Rs.1262.51 per quintal respectively. The economic cost of coarsegrain is fixed in respect of each procuring State separately on the basis of proposals received from the respective State Governments.

(d): Subsidy likely to be granted during the current year (2004-05) in respect of rice, wheat and coarsegrain is Rs.11,727.75 crores, Rs.7,747.25 crores and Rs.340.00 crores respectively. In addition to this, subsidy is also payable for the buffer carrying cost and arrears for previous years.