

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION
LOK SABHA
UNSTARRED QUESTION NO. 350
TO BE ANSWERED ON 18TH JULY, 2017
SHARE OF SUGAR SUBSIDIES

350. SHRI RAM CHARITRA NISHAD:

SHRI MULLAPPALLY RAMACHANDRAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether it is a fact that the States may have to bear major share of the sugar subsidy if they want to continue selling the sweetener under Public Distribution System at cheaper rates, if so, the details thereof;
- (b) whether it is also true that the Union Government is likely to cut its contribution substantially, if so, the details thereof;
- (c) whether it is also true that the Government is considering shelling out nearly Rs. 4,500 crore as sugar subsidy to 30 States, if so, the details thereof; and
- (d) whether the Government is considering the demands from various States to restore sugar subsidy, if so, the details thereof and decision taken by the Government thereon?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a), (b) & (c) After de-regulation of sugar sector the Central Government had been reimbursing a fixed sugar subsidy @ Rs. 18.50 per kg to the participating states/UTs towards distribution of sugar under Public Distribution System (PDS) to the targeted population covering BPL population and all the population of North Eastern States /Special Category States/Hilly states and Island Territories. The National Food Security Act (NFSA), 2013 is now being universally implemented in the entire country. There is no identified category of BPL under the NFSA, 2013. However, the Antyodaya Anna Yojana (AAY) beneficiaries are clearly identified. The Government has reviewed the sugar subsidy scheme and has decided to continue it only for AAY families. The Central Government will continue to reimburse a fixed subsidy of Rs. 18.50 per kg @ 1 kg per month per AAY family to participating States/ UTs. The States/UTs are also allowed either to absorb the additional cost on account of handling, transportation and dealer's commission or pass it on to the consumer by adding it to the Retail Issue Price (RIP) of Rs. 13.50 per kg under the Public Distribution System (PDS). Due to the coverage of only the AAY families, the expenditure towards sugar subsidy which has been around Rs. 4500 crores during last three Financial Years is likely to be reduced.

(d): The issue of continuance of the sugar subsidy scheme has been considered by the Central Government and it has been decided to continue the sugar subsidy scheme with restrictive coverage to AAY families.
