

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 2380
TO BE ANSWERED ON 02nd JANUARY, 2018

COVERAGE OF SUBSIDIZED
SUGAR IN TAMIL NADU

2380. SHRI PR. SENTHIL NATHAN:

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

- (a) whether the Union Government is in receipt of any letter from the Government of Tamil Nadu to extend the coverage of subsidized sugar to all priority households to the scale of 2 kg per household and to enhance the subsidy from Rs. 18.50 to 28.50 per kg;
- (b) if so, the details thereof including the Union Government's stand on this issue;
- (c) whether it is true that the subsidy rate of Rs. 18.50 per kg was fixed in the year 2002 and has not been increased till date;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the measures taken by the Union Government to increase the supply of sugar to Tamil Nadu, the details thereof?

A N S W E R

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

(a)&(b): The State Government of Tamil Nadu has represented to the Central Government requesting to extend the coverage of subsidized sugar to all priority households, enhance the sugar subsidy from Rs. 18.50 to at least Rs. 28.50 per kg and assist the state Government in protecting the current scale of supply of sugar under Public Distribution System (PDS) in the state.

Since there is no identified category of BPL under the National Food Security Act (NFSA), 2013 which is being implemented universally in the country, the Central Government has reviewed the sugar subsidy scheme. Accordingly, it has been decided to continue it only for the Antyodaya Anna Yojana (AAY) families, who are the poorest of the poor and the most vulnerable section of the society and identified under NFSA, 2013. 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.

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(c) &(d): The Central Government has been reimbursing a fixed sugar subsidy @ Rs. 18.50 per kg to the participating states/UTs since June, 2013 when the new dispensation for distribution of sugar under PDS was put in place after de-regulation of sugar sector. The States/UTs have been allowed to pass on any additional expenditure on account of transportation, handling and dealers' commission etc. over and above the retail issue price of Rs. 13.50 per kg to the beneficiaries or bear it themselves.

(e): In order to remove regional imbalances in demand and supply and to ensure availability of sugar at reasonable price, duty free import of 5 lakh MT of raw sugar under Tariff Rate Quota (TRQ) was allowed through ports of different zones including 3 lakh MT from South Zone ports. Further, with a view to supplement the availability of sugar mainly in Southern India including Tamil Nadu and to stabilize sugar prices, Government allowed an additional import of 3 lakh MT of raw sugar by sugar mills/ refineries under TRQ, at 25% import duty, exclusively through southern ports of the Country.

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