

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

LOK SABHA
UNSTARRED QUESTION NO. 2804
TO BE ANSWERED ON 13TH MARCH, 2018

EXTENDING OF SUBSIDY TO TAMIL NADU

2804. SHRIMATI V. SATHYA BAMA:
 SHRI PR. SENTHIL NATHAN:
 SHRI BHARATHI MOHAN R.K.:
 SHRI K.N. RAMACHANDRAN:

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 request from the State Government of Tamil Nadu to extend the coverage of subsidized wheat, edible oil, kerosene, rice and pulses to all priority households and to enhance the subsidy given to these essential food items;
- (b) if so, the details thereof and the details of supply provided monthly and subsidy provided per kgs/unit of each;
- (c) whether it is a fact that the subsidy rates were fixed long back and was not increased for a long time till date;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the measures taken by the Government to increase the supply of these essential food items and kerosene to Tamil Nadu and also enhance the subsidy given on them?

A N S W E R

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

(a) to (e) : Coverage under the National Food Security Act, 2013 (NFSA), for receiving highly subsidized foodgrains is under two categories, namely, households covered under the Antyodaya Anna Yojana (AAY) and priority households. Accordingly, for the AAY and priority households identified by the Government of Tamil Nadu, within the coverage determined for the State, monthly 193.22 thousand tons of rice and 8.89 thousand tons of wheat is being allocated for eligible households at Rs.3/2 per kg for rice/wheat. In addition, 99.77 thousand tons of rice and 4.59 thousand tons of wheat is also being allocated, @ Rs.8.30/6.10 per kg for rice/wheat, to Tamil Nadu as 'tide over' allocation to protect their average annual offtake under erstwhile Targeted Public Distribution System (TPDS), as per provisions of NFSA.

The difference between the Economic Cost of foodgrains and the subsidized prices under NFSA is borne by the Central Government as food subsidy. With the increase in Minimum Support Price (MSP) of foodgrains and corresponding increase in the cost of procurement incidentals, the economic cost of foodgrains gets increased, resulting in increase in per unit food subsidy also. At the current level of Economic Cost, the per unit subsidy for allocation of foodgrains out of Central pool stocks for eligible AAY and priority households, is Rs.29.94 per kg for rice and Rs.21.96 for wheat. For tide over allocation, the per unit subsidy is Rs.24.64 per kg for rice and Rs.17.86 per kg for wheat.

As regards pulses, the stock available in the buffer is being utilized inter-alia for supply to States for distribution through their schemes. During 2016-17, 2587 MT of Tur and 2623 MT of Urad was released to State Government of Tamil Nadu.

Allocation of kerosene is made by Government of India to various States/UTs, including Tamil Nadu, for cooking and lighting purpose on quarterly basis. Further distribution of PDS Kerosene within the States/UTs under PDS network to various categories of ration card holders/ consumers is made by the concerned States/UTs. Scale and criteria of distribution are also decided by respective States/UTs. Average subsidy per liter on PDS kerosene and allocation of PDS Kerosene made to the State of Tamil Nadu are as under:

Year	Quantity of Kerosene allocated (in kL)	Average Subsidy (Rupee per litre)
2015-16	341724	13.47
2016-17	307560	11.39
2017-18	204528	8.79

As regards sugar under PDS, the Government has reviewed the sugar subsidy scheme in May 2017 and has decided to continue it only for AAY families across all States/UTs, as households under AAY are covered under NFSA and are already identified and there is no BPL category under NFSA. Under the scheme, Central Government reimburses 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 PDS. The Government of Tamil Nadu is participating in the sugar subsidy scheme for AAY families. The annual quota of sugar for Tamilnadu for distribution in PDS for AAY families is 22375 MT.

The State Government of Tamil Nadu represented to the Central Government in June and August, 2017 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 PDS in the State. The request of the State Government was not acceded to as there is no BPL category under NFSA. Further, 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 RIP of Rs.13.50 per kg PDS.

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.

Government of India is not implementing any scheme, at present, for distribution of edible oils at subsidized rates through PDS.
