

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

**LOK SABHA  
UNSTARRED QUESTION NO. 47  
TO BE ANSWERED ON 2<sup>nd</sup> February, 2021**

**REDUCTION OF FOOD SUBSIDY BILL**

**47. SHRI SISIR KUMAR ADHIKARI:**

**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 Government has massively reduced the food subsidy bill from Rs 1.84 lakh crore to Rs 1.15 lakh crore in 2020-2021 budget which has indirectly impacted the livelihood of the farmers;
- (b) if so, whether FCI, whose share in the food subsidy bill last year was Rs 1.51 lakh crore had spent just Rs 75,000 crore in 2019-2020 therein; and
- (c) if so, the reasons behind the gap between allocation and actual spending during the last five years?

**A N S W E R**

**MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI DANVE RAOSAHEB DADARAO)**

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(a) and (b): Food Subsidy is given by the Department of Food and Public Distribution to the Food Corporation of India (FCI) and to States directly in case of Decentralized Procurement (DCP) on the basis of quantity of foodgrains procured and distributed under National Food Security Act (NFSA) and Other Welfare Schemes (OWS). As per budgetary allocation provided by Ministry of Finance, Department of Food and Public Distribution releases food subsidy to FCI and DCP States.

An amount of Rs. 1.84 lakh crore food subsidy (Rs. 1.51 lakh crore in Food subsidy to FCI + Rs. 0.33 lakh crore for Food subsidy to DCP States) was provided in BE 2019-20 and the same has been reduced to 1.15 lakh crore (Rs. 0.78 lakh crore Food subsidy to FCI + Rs. 0.37 lakh crore for subsidy to DCP States) in BE 2020-21.

Out of the total food subsidy of Rs. 1.51 lakh crore in BE 2019-20, an amount of Rs. 75000 crore only was released as per the directions of Ministry of Finance. However, as mentioned above, an amount of Rs. 1.10 lakh crore as NSSF loan was also provided to FCI during FY 2019-20 for their operations.

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(c): The details of allocation and actual expenditure for food subsidy during last 5 years are as below:

(Rs. In crore)

FY	Schemes	Budgetary Provision			Extra Budgetary provision (NSSF Loan)	Total Food Subsidy provided during the FY (actual + NSSF Loan)*
		BE	RE	Actual expenditure		
2015-16	Food Subsidy to FCI	97000.00	112000.00	112000.00	-	112000.00
	Food Subsidy to DCP States	22919.00	22919.00	22919.00	-	22919.00
	<b>Total</b>	<b>119919.00</b>	<b>134919.00</b>	<b>134919.00</b>	<b>-</b>	<b>134919.00</b>
2016-17	Food Subsidy to FCI	103334.61	100000.00	78334.61	70000.00	148334.61
	Food Subsidy to DCP States	27000.00	30672.96	27338.35	-	27338.35
	<b>Total</b>	<b>130334.61</b>	<b>130672.96</b>	<b>105672.96</b>	<b>70000.00</b>	<b>175672.96</b>
2017-18	Food Subsidy to FCI	107138.60	101981.69	61981.69	65000.00	126981.69
	Food Subsidy to DCP States	38000.00	38000.00	38000.00	-	38000.00
	<b>Total</b>	<b>145138.60</b>	<b>139981.69</b>	<b>99981.69</b>	<b>65000.00</b>	<b>164981.69</b>
2018-19	Food Subsidy to FCI	138123.00	140098.00	70098.00	97000.00	167098.00
	Food Subsidy to DCP States	31000.00	31000.00	31029.49	-	31029.49
	<b>Total</b>	<b>169123.00</b>	<b>171098.00</b>	<b>101127.49</b>	<b>97000.00</b>	<b>198127.49</b>
2019-20	Food Subsidy to FCI	151000.00	75000.00	75000.00	110000.00	185000.00
	Food Subsidy to DCP States	33000.00	33508.35	33508.35	-	33508.35
	<b>Total</b>	<b>184000.00</b>	<b>108508.35</b>	<b>108508.35</b>	<b>110000.00</b>	<b>218508.35</b>
2020-21 (As on 27.01.2021)	Food Subsidy to FCI	77982.54	-	77980.00	84636.00	162616.00
	Food Subsidy to DCP States	37337.14	-	47187.71#	-	47187.71
	<b>Total</b>	<b>115319.68</b>	<b>-</b>	<b>125167.71</b>	<b>84636</b>	<b>209803.71</b>

\* Allocation and the release of funds are as per the directions/ instructions of Ministry of Finance.

# Actual expenditure above BE 2020-21 in respect of 'Food Subsidy to DCP States' is due to additional allocation of Rs. 10,000 crore through 1<sup>st</sup> batch of supplementary demands for grants 2020-21.

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