

Food subsidy

5.52 Provision of minimum nutritional support to the poor through subsidized foodgrains and ensuring price stability in different States are the twin objectives of the food security system. By fulfilling the obligation towards ensuring distributive justice, the Government incurs food subsidies. Food subsidies showed an annual increase of above 27 per cent during each of the three years namely 2000-01, 2001-02 and 2002-03. The annual increase came down to 4.1 per cent during 2003-04 and is expected to further decelerate to 2.54 per cent in 2004-05 (RE) (Table 5.21).

| Year | Food subsidy* (Rs crore) | Annual growth (per cent) | As per cent of GDP |
|-------------|-------------------------------------|-------------------------------------|-------------------------------|
| 1990-91 | 2450 | - | 0.43 |
| 1991-92 | 2850 | 16.33 | 0.44 |
| 1992-93 | 2800 | -1.75 | 0.37 |
| 1993-94 | 5537 | 97.75 | 0.64 |
| 1994-95 | 5100 | -7.89 | 0.50 |
| 1995-96 | 5377 | 5.43 | 0.45 |
| 1996-97 | 6066 | 12.81 | 0.44 |
| 1997-98 | 7900 | 30.23 | 0.52 |
| 1998-99 | 9100 | 15.19 | 0.52 |
| 1999-00 | 9434 | 3.67 | 0.48\$ |
| 2000-01 | 12060 | 27.84 | 0.57\$ |
| 2001-02 | 17499 | 45.10 | 0.77\$ |
| 2002-03 | 24176 | 38.16 | 0.98\$ |
| 2003-04 | 25160 | 4.07 | 0.91\$ |
| 2004-05(RE) | 25800 | 2.54 | 0.83\$ |
| 2005-06(BE) | 26200 | 1.55 | - |

\$ As per cent of GDP (new series based on 1999-00).
* Other than that on sugar.
Source : Budget documents, various issues and CSO.