

PRESS RELEASE

Text of the D.O. letter dated 18.8.2017 of **Thiru Edappadi K. Palaniswami**, Hon'ble Chief Minister of Tamil Nadu addressed to **Shri Narendra Modi**, Hon'ble Prime Minister of India, New Delhi.

"I would like to bring to your kind notice that Government of India has restricted the subsidy at the rate of Rs.18.50 per kg of sugar to the Antyodaya Anna Yojana (AAY) beneficiaries only and also the scale of supply has been restricted to 1 kg per family per month.

In this regard, I wish to reiterate that the Priority Households (PHH) under the National Food Security Act, 2013 have been identified following very stringent guidelines, and they represent the most vulnerable sections of the society. Exclusion of such poor and vulnerable sections of the society from availing sugar at subsidized rate would lead to serious discontent amongst the public. Therefore, the coverage for sugar at subsidized rates may kindly be extended to all Priority Households (PHH).

The rate of subsidy i.e. Rs. 18.50 per kg was fixed in the year 2002, when the market rate of sugar was Rs.32 per kg. Accordingly, the issue price at the fair price shop was fixed as Rs.13.50 with a view to distribute sugar under the Public Distribution System at no cost on the State Government. Now, the market rate of sugar has gone upto Rs.42 per kg and the State Government has all along borne this additional expenditure of approximately Rs.10 per kg. Therefore, the level of subsidy, which was fixed way back in 2002, may be revised atleast as Rs.28.50 per kg of sugar.

The scale of supply has also been restricted to only 1 kg per family, which is very low keeping in view the average family size of approximately 4 persons in Tamil Nadu. The Government of Tamil Nadu has been distributing sugar at the scale of 0.5 kg per person subject to a ceiling of 2 kg per card. It may not be desirable to bring down the current scale of supply among the poorest of the poor. Therefore, the present scale of supply may kindly be protected.

Sugar is one of the essential commodities being supplied in Public Distribution System in Tamil Nadu on a regular basis. The average consumption of sugar per month in this State is 35,500 MT and the State Government has been bearing the entire financial burden, with huge drain on the State exchequer.

I request your kind intervention to extend the coverage of subsidized sugar to all priority households; enhance the subsidy from Rs.18.50 to atleast Rs.28.50 by taking into consideration the present market rate of sugar at Rs.42/- per kg; and assist the State Government in protecting the current scale of supply in the State.”

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