

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA
QUESTION NO 07.03.2011
ANSWERED ON
ENDING OF FORWARD TRADING IN FOOD ARTICLES .

1111 Shri D. Raja

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state :
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- (a) whether it is a fact that all the Central trade unions had appealed to the Central Government to put an end to forward trading system in food articles including vegetables that is a main source of price rise;
- (b) if so, the details thereof;
- (c) whether Government is actively considering to take any measure towards that end;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(PROF. K. V. THOMAS)

(a) : No sir.

(b) : Does not arise

(c) to (e): As per the information with the Government, no one has furnished any evidence of forward trading being responsible for or main source of, price rise. On the contrary, there have been many studies including by the Abhijit Sen Committee Report (April 2008) and RBI (Annual Report 2009-10) Report which clearly state that there is no evidence of price rise in food items being linked to forward trading. The RBI has ascribed the price rise mainly to structural constraints on the supply side and rising demand on the other. Therefore, the Government is not considering to ban forward trading system in food articles including vegetables.