

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

RAJYA SABHA
UNSTARRED QUESTION No.1998
TO BE ANSWERED ON 23.12.2022

RISE IN FOOD INFLATION

1998. SHRI NIRANJAN BISHI
SHRI MALLIKARJUN KHARGE
SHRI NARESH BANSAL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether consistently high food inflation has adversely affected the poor and given rise to increased malnutrition in the country;
- (b) if so, the reasons of uncontrolled food inflation, especially in the vegetables and cereals sub-group;
- (c) whether Government proposes to take strict action against hoarders of consumer items; and
- (d) if so, the measures Government has taken in this regard and other steps taken to control food inflation in view of the anticipated decrease in the production of rice and other commodities arising due to untimely rains?

ANSWER

THE MINISTER OF STATE CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(SHRI ASHWINI KUMAR CHOUBEY)

(a) & (b) : Food inflation measured by Consumer Food Price Index (CFPI) has declined to 4.67% in November, 2022 from 7.01% in October, 2022. The inflation rates for vegetables and cereals in November, 2022 were (-) 8.08% and 12.96%, respectively. The Government ensures food security to the poor and vulnerable households by distributing major cereals, namely, wheat and rice under NFSA, 2013 for beneficiaries at highly subsidised rate. In order to address the problem of malnutrition, the Government has approved the supply of fortified rice throughout the Targeted Public Distribution System (TPDS) under the National Food Security Act (NFSA) and in other welfare schemes of Government of India in all States and Union Territories (UTs) in a phased manner by the year 2024. Further, to ameliorate the distress due to Covid, government has been distributing additional food grain free of cost @ 5 kg per person per month since April, 2020 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) over and above the NFSA allocation

(c) & (d) : The Essential Commodities Act, 1955 and the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980, are enforced to deal with regulation of the production, supply and distribution of essential commodities and malpractices like blackmarketing, hoarding and profiteering.

Department of Consumer Affairs monitors the daily retail and wholesale prices of 22 essential food commodities submitted by the 410 price monitoring centres that have been set up with Central assistance by the state governments and UT Administrations across the country. Taking into account price trends, the Government takes various measures from time to time to augment domestic availability and stabilize the prices of essential food commodities and make them accessible to all the consumers across India at affordable prices. These steps, inter alia, include releases from the buffer to cool down prices, imposition of stock limits, monitoring of stocks declared by entities to prevent hoarding and also requisite changes in trade policy instruments like rationalization of import duty, changes in import quota, restrictions on exports of the commodity etc.

In order to control price rise and manage overall food security of the country, the Government banned the export of broken rice and imposed 20% export duty on non-Basmati rice except parboiled rice w.e.f. 9th September, 2022; restricted the export of Indian Durum Wheat w.e.f 13th May 2022; and subjected the export of atta (wheat) to the recommendation of Inter-Ministerial Committee (IMC) on export of wheat w.e.f 12th of July, 2022.

To augment domestic availability and moderate the prices of pulses, import of tur and urad have been kept under 'Free Category' till 31.03.2023 and basic import duty on masur has been reduced to zero w.e.f. 27.07.2021, and the Agri-cess on masur import has been reduced to zero from 13.02.2022 till 31.03.2023. To prevent hoarding and restrictive trade practices in respect of tur the Government on 12th August, 2022 issued a directive to all the States and UTs to enforce stock disclosure by stockholders of tur under Section 3(2)(h) and 3(2)(i) of the Essential Commodities Act, 1955 and to also monitor and verify the stocks.

In order to stabilise the prices of onion, the Government procured a record 2.51 lakh metric tonnes of onion for the Price Stabilization Fund (PSF) buffer stock in current year (2022-23). Targeted disposal of the stocks to major consumption centres to moderate the prices has commenced from September, 2022. Apart from market disposal, States and Government/cooperative retail agencies have been offered onion at a discounted rate of Rs.8/- kg for making available to the retail consumers. A total of 1.82 lakh MT of onion from the buffer has been released till 20.12.2022.

To control the prices of edible oil, the Government reduced the basic duty on crude palm oil, crude soyabean oil and crude sunflower oil from 2.5% to Nil, and Agri-cess on these oils has been brought down to 5%. The basic duty on refined soyabean oil and refined sunflower oil has been reduced to 17.5% from the previous rate of 32.5% and the basic duty on refined palm oils has been reduced from 17.5% to 12.5%. The Government has also extended the free import of refined palm oils for a period upto 31.12.2022. In addition to these, the Government has imposed stock limits on edible oils and oilseeds for a period up to 31st December 2022. Thereafter, the Government exempted the big chain retails and wholesalers of edible oil companies from the stock limit order with effect from 2nd November 2022 in order to make the supply chain seamless amid easing global edible oil prices. The Government has also issued Notification for allocation of Tariff Rate Quota (TRQ) for import of 20 LMT of Crude Soyabean Oil and 20 LMT of Crude Sunflower Oil for the financial year 2022-23 and 2023-24 at zero import duty and zero Agri-cess.
