

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

RAJYA SABHA
UNSTARRED QUESTION No. 723

TO BE ANSWERED ON 08.12.2023

GAP IN DEMAND AND SUPPLY OF ESSENTIAL COMMODITIES

723. SHRI C. VE. SHANMUGAM

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

- (a) whether Government is aware of the gap between demand and supply of essential commodities including vegetables and fruits, which is increasing year after year, especially before the elections;
- (b) if so, the details thereof;
- (c) whether it is a fact that such a shortage results in huge increase in their prices;
- (d) if so, the details thereof and the action taken by Government thereon; and
- (e) the steps taken by Government against hoarders and other anti-social elements?

ANSWER

THE MINISTER OF STATE, CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(SHRI ASHWINI KUMAR CHOUBEY)

(a) to (e): Prices and availability situation of essential commodities are reviewed on a regular basis and necessary measures are being taken to ensure the availability of essential commodities to consumers at affordable prices. In this regard, the Department of Consumer Affairs monitors the daily retail and wholesale prices of 22 essential food commodities, including the prices of three vegetables, namely onion, tomato and potato, submitted by the 550 price monitoring centres spread across the country. The mechanism for monitoring the prices of essential commodities has been strengthened by increasing the number of price reporting centres from 64 in 2014 to 550 in 2023 (till November) across the country. Further, Mobile App for price reporting and price monitoring dashboard for data visualisation & analytics have also been introduced.

Prices of food commodities tend to be volatile as they are affected by several factors, such as seasonality in production, supply chain disruptions, artificial shortages created by hoarding and black marketing, rise in international prices etc. Sometimes slight disruptions in the supply chain or damage due to heavy rains lead to spike in the prices of agri-horticultural commodities. Conversely, bulk arrivals and logistics problems have the potential to create a glut in the market and a resultant dip in retail prices. In order to protect consumers from excessive price volatility in agri-horticultural commodities, the Government introduced the Price Stabilisation Fund (PSF) scheme in 2014-15. Under PSF, buffer stock of major pulses and onion have been maintained for market interventions and also to discourage hoarding and unscrupulous speculation. Till date, total budgetary support of Rs.27,489.14 crore has been provided for price stabilisation operations.

Taking into account price trends in essential food commodities, the Government takes various measures from time to time to augment domestic availability and stabilize prices of essential food commodities and make them accessible to all 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 commodity etc.

In order to ensure availability of dal to consumers at affordable prices, Bharat Dal has been launched in July, 2023 by converting Chana stock with the Government into Chana dal for retail disposal. The Bharat Dal is made available to the Army, CAPF, State Governments and to consumers at subsidized rates of Rs.60 per kg for 1 kg pack and Rs.55 per kg for 30 kg pack. Retail sale of Bharat Dal is being done through 3,836 retail outlets – both stationary and mobile outlets - across the country. Similarly, the Government has decided to convert Moong stock from the buffer into Moong Dal and Moong Sabut for retail sale to the consumers at subsidized prices. Government has also introduced Bharat Atta at subsidized price of Rs.27.50 per kg to make it affordable for the consumers.

Onion buffer target for current FY 2023-24 is fixed at 7.00 lakh tons and till date, 5.10 lakh tons have been procured. Onions from the buffer have been continuously released through (i) open market sales in major mandis, (ii) online auctions through e-NAM, and (iii) retail sales at Rs.25 per kg to consumers. Retail sale of onion is being done through 1,676 retail points in 172 cities and towns across the country. Apart from market interventions through buffer operations, the Government has imposed Minimum Export Price (MEP) of USD 800 per ton on onion w.e.f. 29.10.2023 to improve supplies in the domestic market.

In order to prevent hoarding, the Government imposed stock limits on Tur and Urad from 02.06.2023 till 31.12.2023 and it has been made mandatory for entities such as traders, stockists, importers etc. to disclose the stock of these pulses through online monitoring portal. Similarly, the Government imposed stock limits on the Wheat from 12.06.2023 till 31.03.2024 in order to manage the overall food security and to prevent hoarding and unscrupulous speculation.

In order to ensure availability and affordability of cooking oil to the consumers, the Government rationalised the import duty on edible oils. The basic duty on Crude Palm Oil, Crude Soyabean Oil, and Crude Sunflower oil was reduced from 2.5% to Nil. The Agri-cess on Oils was brought down from 20% to 5%. On 30th December 2022, this duty structure has been extended to 31st March, 2024. The basic duty on Refined Soybean oil and Refined Sunflower Oil was reduced to 17.5% from 32.5% and the basic duty on Refined Palm Oils was reduced from 17.5% to 12.5% on 21.12.2021. This duty structure has been extended up to 31st March 2024. The Government has also extended the free import of Refined Palm Oils till further orders. Further, on 15.06.2023, the Central Government has reduced the basic import duty on Refined Sunflower Oil and Refined Soybean Oil from 17.5% to 12.5%.

In order to manage the overall food security of the country and control the increasing prices of foodgrains, the government amended the export policy of wheat from free to prohibited category w.e.f 13th May 2022 for restricting export of Indian Durum Wheat. From 12th July, 2022 the export of atta (wheat) has been subjected to the recommendation of Inter-Ministerial Committee (IMC) on Export of Wheat. Further, the export of broken rice has been banned w.e.f. 9th September, 2022 and the export of non-basmati White Rice prohibited w.e.f. 20th July 2023 to check control the prices. The government is also continuously disposing rice under the OMSS to augment availability in the market and control the prices. Similarly, wheat from the central pool has been continuously offloaded under Open Market Sale Scheme (Domestic) (OMSS (D)) 2023 to flour mills/private traders/bulk buyers/manufacturers of wheat products through e-auction to control retail prices of wheat.
