

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

RAJYA SABHA
UNSTARRED QUESTION No. 1640
TO BE ANSWERED ON 06.08.2024

FOOD INFLATION IN DECEMBER 2023

1640. SHRI BEEDHA MASTHAN RAO YADAV
SHRI RYAGA KRISHNAIAH

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

- (a) the reasons for the record food inflation in December 2023;
- (b) whether Government has taken any steps or plans to take steps to bring down food prices; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE, CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L VERMA)

(a) : Food inflation measured by year-on-year percentage variation in Consumer Food Price Index (CFPI) as published by Ministry of Statistics and Programme Implementation for December, 2023 was 9.53%. The prices of agri-horticultural crops are volatile due to seasonality in production and exposure to vagaries of adverse weather conditions. In 2023-24, delayed and erratic monsoon rains in several parts of the country had adverse impact on kharif crops. Prolonged dry spells, lower water levels in reservoir and lower soil moisture further impacted sowing of rabi crops. These adverse weather condition have contributed the food inflation in December, 2023.

(b) & (c) : Government took, from time to time, various measures to contain food prices. 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. Stocks from the buffer are released in calibrated manner to augment availability in the market and stabilise prices.

To make the dals available to consumers at affordable prices, Bharat Dal was launched in July, 2023 by converting the Chana stock with the Government into Chana Dal for retail disposal. The Bharat Dal is made available to the consumers at subsidized rates of Rs.60 per kg for 1 kg pack and Rs.55 per kg for 30 kg pack. Similarly, Moong Dal and Moong Sabut are being sold at subsidized prices of Rs.107 per kg and Rs.93 per kg respectively, to the consumers, under the Bharat Dal Brand. The Bharat Dals are distributed through NCCF, NAFED, Kendriya Bhandar and state government controlled cooperatives.

In order to make tomatoes available at affordable prices, NCCF started retail sale of tomatoes to the consumers at Rs.60 per kg from 29th July, 2024

In order to augment domestic availability of pulses, import of Tur and Urad under 'Free' category has been allowed till 31st March 2025 and the import duty on Masur has been reduced to zero till 31st March, 2025. Import of Yellow Peas under 'Free' category with zero import duty has been allowed from 8th December, 2023 till 31st October 2024. Further, the import of desi Chana at zero duty has been allowed from 4th May, 2024 till 31st March, 2025. All the above steps have been taken to augment supply of pulses.

Government maintains onion buffer under the PSF for calibrated release during the lean availability months and check the volatility in prices. The onion buffer size has been increased year after year from 1.00 LMT in 2020-21 to 2.50 LMT in 2022-23 and further to 5.00 LMT in 2024-25. The onions from the buffer are released through retail sales, e-Nam auction and bulk sales in wholesale markets to augment the availability. Further, to ensure availability of onions at affordable prices to domestic consumers, the Government imposed restrictions on onion exports from August, 2023 through measures such as imposition of export duty, minimum export price (MEP) and export prohibition. From 4th May, 2024, onion export had been allowed with 40% duty and MEP of USD 550 per MT to maintain domestic availability of onion at affordable prices to consumers.

Price control measures taken by Government together with robust progress in sown area under kharif pulses this year (2024-25) have stabilised the market and the prices of Chana, Tur and Urad in major mandis have declined in past one month. The declining trend in mandi prices are now reflected in retail prices in recent weeks as the all-India average retail prices of pulses have either declined or stabilized in recent weeks.
