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

RAJYA SABHA UNSTARRED QUESTION No. 851 TO BE ANSWERED ON 03.12.2024

INFLATION IN THE PRICE OF ESSENTIAL ITEMS

851. SHRI RAGHAV CHADHA

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

- (a) reasons for the recent rise in retail inflation, especially concerning essential items such as fruits, vegetables and meats in October, 2024 and key factors contributing to this inflation;
- (b) measures Government is taking to stabilize the prices of essential food items and protect consumers from inflation;
- (c) whether Government has considered any specific interventions to address supply chain issues or seasonal disruptions affecting availability and prices of perishable goods;
- (d) whether details on any relief measures/subsidies introduced to assist low-income households affected by food inflation; and
- (e) the long-term strategies being pursued to mitigate inflation in essential commodities and ensure food security?

ANSWER

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

(a) to (e): The rise in consumer food price inflation in October, 2024 is on account of the increase in prices of vegetables due to prolonged monsoon rains in major producing States which resulted in damage to standing crops and also higher perishability to harvested crops. Prices of agri-horticultural commodities are volatile as they are affected by factors, such as seasonality in production, adverse weather conditions, supply chain disruptions, rise in international prices etc.

Department of Consumer Affairs monitors the daily retail and wholesale prices of selected essential food commodities, submitted by the 555 price monitoring centres that have been set up with Central assistance by the State Governments and UT Administrations across the country. The daily report of prices and indicative price trends are duly analysed for taking appropriate decisions such as release of stocks from the buffer, stock disclosure by stockholding entities, imposition of stock limits, changes in trade policy instruments like rationalisation of import duty, changes in import quota, restrictions on exports of the commodity etc.

In order to tackle the volatility in prices, the government maintains buffer stocks of pulses and onion for market interventions through calibrated and targeted release to moderate the prices in the market. As a measure of direct intervention in the retail market, part of the stock of pulses from the buffer are converted into dals for retail sale to the consumers at affordable prices under the Bharat Dal brand. Similarly, atta and rice are distributed to retail consumers under Bharat brand at subsidized prices. Onion from the buffer are released in a calibrated and targeted manner to moderate prices in high price consuming centres at wholesale markets and through retail outlets. Onion is distributed among retail consumers at Rs.35 per kg through stationary retail outlets and mobile vans in major consumption centres. These measures have helped in making essential food commodities such as pulses, rice, atta and onion available to consumers at affordable prices and also in stabilising the prices.

In order to ensure accessibility, affordability and availability of foodgrains for the poor, the government has decided to provide free foodgrains to about 81.35 crore beneficiaries of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for a period of next five years with effect from 1st January, 2024, as per their entitlement (i.e. 35 kg of foodgrains per month per AAY household and 5 kg of foodgrains per person per month in case of Priority Household).

Government keeps a close watch on the production and availability of essential commodities through regular reviews by the Inter-Ministerial Committee (IMC). The Committee reviews, on regular basis, the situation of prices and price trends of essential agri-horticulture commodities and suggests measures to enhance availability through increased domestic production and through imports. Ministry of Agriculture and Farmers Welfare (DAFW) is a major stakeholder in all these meetings and continues to undertake measures to increase production and productivity to mitigate inflation in essential commodities and ensure food security.
