

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

RAJYA SABHA
UNSTARRED QUESTION No. 360
TO BE ANSWERED ON 03.02.2026

FREQUENT FOOD PRICE VOLATILITY

360. DR. M. DHANAPAL:

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

- (a) whether Government has examined the impact of frequent food price volatility on household nutrition and consumption patterns;
- (b) whether Government has evaluated the adequacy of buffer stocks and market intervention mechanisms; and
- (c) whether Government proposes reforms to improve price stabilisation while protecting both producers and consumers?

ANSWER

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

(a) & (b) : Department of Consumer Affairs monitors the daily prices of 40 essential food commodities submitted by the 577 price monitoring centres across the country. As per the data, prices of food commodities are stable and under control.

The prices of food commodities tend to be volatile as they are affected by several factors such as seasonality in production, supply chain disruptions, rise in international prices etc. Price volatility affects consumers by way of increase in food consumption budget. In order to moderate the volatility in prices mitigate hardships to consumers, the Government implements Price Stabilisation Fund (PSF).

Buffer stock of pulses and onion maintained by the government under Price Stabilisation Fund (PSF) plays important role in controlling extreme volatility in the prices and in ensuring the availability of these essential food commodities to consumers at affordable prices. Fluctuations in domestic production, seasonal variations in demand and speculative activities of market players often leads to volatility in the prices of pulses. Regulated release of pulses from the buffer to augment the availability helps in cooling down the market prices, and retail sale to consumers at discounted prices ensures availability of dals at affordable prices. Market interventions through buffer stock also helps in nudging the market players lower their prices. Further, buffer stock of pulses with the government acts as deterrent against manipulative hoarding and unscrupulous speculations by market players. In case of onion, the buffer stock plays critical role in controlling the seasonal fluctuation in prices. The period between Rabi and Kharif onion harvests is associated with rise in prices due to the depletion in stored Rabi onions. Onions from the government buffer are released during this lean season in regulated and targeted manner to augment the market availability and stabilise the prices.

Buffer stock and market interventions under the Price Stabilisation Fund has helped in moderating the volatility in prices and in controlling food inflation. Food inflation measured by the year-on-year variation in Consumer Food Price Index (CFPI), as published by Ministry of Statistics and Programme Implementation, for December, 2025 is (-) 2.71%.

(c) : Price Stabilisation Fund (PSF) and Price Support Scheme (PSS) have been integrated under the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) to achieve convergence between the two schemes for supporting the farmers and protecting the consumers. Under the convergence framework, all procurement, including the procurement of pulses for buffer, at Minimum Support Price (MSP) are done under the PSS and procurement at market prices for buffer are done under PSF.
