

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 4699
TO BE ANSWERED ON 29.03.2023

CONTROLLING INCREASE IN FOOD PRICES

4699. SHRI D.K. SURESH:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether it is true that the report of United Nation's Food and Agriculture Organisation (UNFAO) indicated that world food prices reached a record high in 2022, if so, the details thereof;
- (b) whether the Government is taking any steps to control increasing food prices in India in view of the UNFAO report, if so, the details thereof;
- (c) whether the Government proposes to impose any restrictions on export of grain to control such increasing grain prices; and
- (d) if so, the response of the Government thereto?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री अश्विनी कुमार चौबे)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI ASHWINI KUMAR CHOUBEY)

(a) : The Food Price Index of the United Nation's Food and Agriculture Organisations (UNFAO) consisting of the average of 5 commodities group indices, namely, meat, dairy, cereals, vegetable oils and sugar for 2022 was 143.7. (Details may be seen at <https://www.fao.org/documents/card/en/c/cc2211en>)

(b) to (d) : Government takes various steps from time to time to augment domestic availability and control increasing food 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 as 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 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 on 13th May 2022 for restricting export of Indian Durum Wheat, and from 12th July, 2022 the export of atta (wheat) is subjected to the recommendation of Inter-Ministerial Committee (IMC) on export of wheat. Further, the export of broken rice has been banned and export duty of 20% imposed on non-Basmati rice except for parboiled rice w.e.f. 9th September, 2022. The Government has also decided to offload 50 lakh metric tons of wheat under Open Market Disposal Scheme (OMSS) and sales to State Governments, Kendriya Bhandar, National Consumer Cooperative Federation (NCCF), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), State Cooperatives/ Federations etc. to cool down the prices of wheat and atta.

To augment domestic availability and moderate the prices of pulses, import of tur and urad have been kept under 'Free Category' till 31.03.2024 and import duty on masur has been reduced to zero till 31.03.2024. The import duty on tur has also been removed to facilitate smooth and seamless import. To prevent hoarding and restrictive trade practices in respect of tur and urad, the Government has issued a directive to all the States and UTs to enforce stock disclosure by stockholders of tur under the Essential Commodities Act, 1955 and to also monitor and verify the stocks. Stocks of chana and moong from the Price Support Scheme (PSS) and Price Stabilisation Fund (PSF) buffer are continuously released in the market to moderate the prices. Chana from PSS and PSF are also being supplied to the States for welfare schemes at Rs.15/kg discount over the issue price.

In order to stabilise the volatility in prices of onion, the Government procured a record 2.51 lakh metric tonnes from Rabi-2022 crop under Price Stabilisation Fund (PSF) and released in major consumption centres during September, 2022 and January, 2023.

To control the prices of edible oil, the Government reduced the basic import duty on crude palm oil, crude soyabean oil and crude sunflower oil to zero 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 kept the import of refined palm oils under 'Free' category.
