

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 5107
DUE FOR ANSWERED ON 03.04.2023

IMPACT OF PRICE RISE

5107. SHRI KOMATI REDDY VENKAT REDDY:
SHRI MANNE SRINIVAS REDDY:
SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of Finance be pleased to state:

- (a) whether the Government has taken note of the fact that the soaring prices of cereals such as wheat and rice are a concern for the Indian economy even though the latest set of inflation data may overstate the extent of the increase, including rising prices of protein items like milk, eggs and meat pushed up food and beverages inflation and also besides their effect on rates, elevated food prices will be a burden on India's rural areas, where disposable income is low and wage hikes have not kept pace with the rise in inflation and higher inflation in more heavily weighted components such as staple cereals and proteins is worrying and if so, the details thereof and the reaction of the Government thereto; and
- (b) the reasons for such situation along with the prices of each food/consumable item particularly ration which are used in daily consumption in houses and the corrective steps being taken by the Government to control the prices and inflation and the targets fixed/achieved by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The 'food & beverages' retail inflation rate based on Consumer Price Index-Combined (CPI-C) has moderated from 7.70 per cent during the first half (April-September 2022) of the current year to 5.84 per cent during the second half of the year till February 2023. The average rural wage rates for men and women in agricultural and non-agricultural activities increased from 2021-22 to 2022-23 (April-November). The details of retail inflation for cereals and protein-based items during 2022-23 (April-February) and details of rural wage rates during 2021-22 to 2022-23 (April-November) are given in Annexure 1.

Government has taken measures to mitigate the impact of inflation on the rural population. Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the largest public food security program in the world, covers around 80 crore people with free food grains as per entitlement. The Government is also implementing various schemes like Prime Minister's Employment Generation Programme, Mahatma Gandhi National Rural Employment Guarantee Scheme, Deen Dayal Upadhyaya Grameen Kaushalya Yojana and Deen Dayal Antodaya Yojana-National Rural Livelihoods Mission to generate income for rural population.

Factors like pandemic-induced supply-demand imbalances, increase in international commodity prices, Russia-Ukraine conflict, and erratic climatic conditions pushed up prices. The price situation of essential commodities is monitored by the Government on a regular basis and corrective action is taken from time to time. Several supply-side measures have been taken by the Government to address inflation. These steps, *inter alia*, include reduction in excise duty on petrol and diesel, prohibition of export of wheat products under HS Code 1101, imposition of export duty on rice, maintenance of buffer stock for onion and pulses, imposition of stock limits on edible oils and oil seeds, monitoring of stocks declared by entities to prevent hoarding and also requisite changes in trade policy instruments.

**STATEMENT REFERRED TO PART (A) IN REPLY TO THE LOK SABHA UNSTARRED QUESTION
NO.5107 RAISED BY SHRI KOMATI REDDY VENKAT REDDY AND OTHERS FOR 3RD APRIL 2023**

Table 1: Retail Inflation in Cereals and Protein based items (per cent)

Items	2022-23 (April-Feb)
Cereals and products	10.61
Rice_other sources	7.57
Wheat/atta_other sources	16.72
Meat and fish	4.72
Egg	0.39
Milk and products	7.22
Food & beverages	6.85

Source: MoSPI

Table 2: All-India Average Daily Rural Wage Rates (Rs.)*

Year	Agriculture Activities		Non-agriculture Activities	
	Men	Women	Men	Women
2021-22	343	252	387	253
2021-22 (April-Nov)	342	249	384	252
2022-23 (April-Nov)	359	268	402	262

Source: Labour Bureau

Note: Calculated by averaging the data published by Labour Bureau for different agricultural and non-agricultural activities
