

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. *253
TO BE ANSWERED ON 07.08.2023**

SURGE IN FOOD PRICES

***253. DR. KALANIDHI VEERASWAMY:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of the recent surge in food prices and the extent to which inflation has impacted these prices;
- (b) if so, the steps taken by the Government to address the significant increase in food prices resulting from inflationary pressures;
- (c) the measures taken or proposed to be taken by the Government to mitigate the adverse effects of rising food prices on vulnerable populations, particularly those with limited financial resources;
- (d) whether the Government is considering to provide subsidies or other financial assistance to consumers struggling with the increased cost of food, if so, the details thereof; and
- (e) the details of the outline of a long-term plan to stabilize food prices and ensure affordability for consumers, particularly in light of ongoing inflationary pressures?

ANSWER

**THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)**

(a) to (e): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.253 RAISED BY DR. KALANIDHI VEERASWAMY FOR 7th AUGUST, 2023 ON “SURGE IN FOOD PRICES”

- (a): The Government monitors the retail and wholesale prices of 22 essential food commodities submitted by the 536 price monitoring centres across the country. The recent increase in the price of tomato is due to crop seasonality, white fly disease in Kolar district of Karnataka, instant arrival of monsoon rains in the northern part of the country and logistics disruptions in isolated areas due to heavy rains. The price of tur/arhar increased, despite higher imports, because of lower production. As per the Wholesale Price Index, inflation in key agricultural inputs like fertilizers, insecticides and pesticides declined gradually from the previous year and remained low during the first quarter of 2023-24 (April-June 2023).
- (b): The government has taken various measures to augment domestic availability and stabilize the prices of essential food items for the common people. These steps, *inter-alia*, include timely releases of onion and pulses from the buffer stock, imposition of stock limits to traders, wholesalers and retailers, 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 and restrictions on exports of specific commodities. To bring relief to consumers, as per Government directions, NCCF and NAFED have procured tomato from producing States for continuous disposal in major consumption centres. Government has also carefully calibrated import policy for different pulses, imposed stock limits on tur and urad and released tur from the buffer stock in a targeted manner.
- (c) & (d): In order to protect the vulnerable sections, Government is implementing Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY), under which food grains free of cost are provided to the beneficiaries of National Food Security Act. PM-GKAY covers around 80 crore people in the country. To address the difficulties of migrants, One Nation One Ration Card scheme is implemented for nationwide portability of ration cards. Government is also providing a targeted subsidy of Rs.200 per 14.2 kg cylinder for up to 12 refills per year to the beneficiaries of Pradhan Mantri Ujjwala Yojana.
- (e): Interventions like timely supply of quality seeds of high yielding varieties, inputs, latest production technologies, credit, crop insurance, micro-irrigation and post-harvest facilities, targeted at increasing production and productivity, help stabilize prices. Ministry of Food Processing Industries implements Operation Greens scheme for enhancing value addition and reducing post-harvest losses of agri-horticultural commodities.

Apart from these measures, Government has taken various measures to stabilise the prices of specific food items. In order to stabilise the volatility in prices of onion, Government maintains buffer under Price Stabilization Fund. The buffer size has been increased from which onions are released in major consumption centres during lean production season of September-December. In the last five years, Government maintains buffer stock of pulses by procuring from the mandis and also by transferring stocks procured under the Price Support Scheme for calibrated release in the market. Government has introduced the mechanism to convert chana stock into chana dal for retail disposal under the brand name of “Bharat Dal” at highly subsidized rate.
