

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

LOK SABHA
UNSTARRED QUESTION NO. 1000
TO BE ANSWERED ON 26.07.2023

STEPS TO CONTROL INCREASING PRICES OF COMMODITIES

1000. DR. M.P. ABDUSSAMAD SAMADANI:

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

- (a) whether the Government is aware of the financial burden that the people are compelled to bear due to the hike in essential commodities;
- (b) if so, the steps taken by the Government to control the situation and to prevent the rise in prices;
- (c) whether the Government is going to take necessary steps for reduction in the prices of essential commodities by monitoring wholesale and retail prices; and
- (d) if so, the details thereof?

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) to (d) : The Department of Consumer Affairs monitors the daily prices of 22 essential food commodities submitted by the 536 price monitoring centres that have been set up with Central assistance by State Governments and UT Administrations across the country. The daily report of prices and indicative price trends are duly analysed for taking appropriate decisions for release of stocks from the buffer to cool down prices, imposition of stock limits to prevent hoarding, changes in trade policy instruments like rationalization of import duty, changes in import quota, restrictions on exports of the commodity etc.

In order to check the current increase in prices of tomato and make it available to the consumers at affordable prices, the Government has started the procurement of tomatoes under Price Stabilisation Fund and is making it available at a highly subsidised rate to consumers. The National Cooperative Consumers Federation (NCCF) and National Agricultural Cooperative Marketing Federation (NAFED) are continuously procuring tomato from mandis in Andhra Pradesh, Karnataka and Maharashtra and making it available at affordable prices in major consuming centres in Delhi-NCR, Bihar, Rajasthan, etc. after subsidizing the price to the consumers. The tomatoes have been disposed initially at retail price of Rs.90/kg which has been reduced to Rs.80/kg from 16.07.2023 and further reduced to Rs.70/kg from 20.07.2023.

In order to check the volatility in prices of onion, the Government maintains onion buffer under the PSF. The buffer size has been increased year after year from 1.00 LMT in 2020-21 to 2.50 LMT in 2022-23. The onions from the buffer are released in major consumption centres during the lean season from September to December in a calibrated and targeted manner to cool down prices. The onion buffer target for 2023-24 has been enhanced further to 3.00 LMT.

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. Import duty of 10% on tur has been removed to facilitate smooth and seamless imports.

To prevent hoarding, stock limits has been imposed on tur and urad under the Essential Commodities Act, 1955 on 2nd June, 2023 for a period till 31st October, 2023. Disposal of 50,000 MT of tur from the Price Stabilisation Buffer has been undertaken in a targeted and calibrated manner to augment the availability of stocks for milling into tur dal for the consumers.

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 prices. Chana is also supplied to the States at a discount of Rs.15/kg for welfare schemes. Further, the government introduced the mechanism to convert chana stock into chana dal for retail disposal under the brand name of “Bharat Dal” at highly subsidized rate of Rs.60/kg for 1kg pack and Rs.55/kg for 30kg pack in order to make pulses available to consumers at affordable prices by converting chana stock of the government into chana dal. Bharat Dal is being distributed through retail outlets of NAFED, NCCF, Kendriya Bhandar and Safal. The chana dal, under this arrangement, is also made available to state governments for supplies under their welfare schemes, police, jails, and also for distribution through the retail outlets of state government controlled cooperatives and corporations.

In order to manage the overall food security of the country and control the increasing prices of foodgrains, the export policy of wheat has been prohibited w.e.f. 13th May, 2022 and from 12th July, 2022 the export of atta (wheat) has been subjected to the recommendation of Inter-Ministerial Committee (IMC) on Export of Wheat. To prevent hoarding and unscrupulous speculation, the Government of India has imposed stock limits on the Wheat from 12th June 2023 for a period till 31st March, 2024. The Government is also continuously offloading the wheat from central pool under Open Market Sale Scheme (Domestic) (OMSS (D)) 2023 to flour mills/private traders/bulk buyers/manufacturers of wheat products through e-auction to control retail prices of wheat.

Further, the export of broken rice has been banned w.e.f. 9th September, 2022 and the export of non-basmati White Rice prohibited w.e.f. 20th July 2023 to check the increase in prices. The government is also continuously disposing rice under the OMSS to augment availability in the market and control the prices.

In order to control and ease the prices of edible oils in the domestic market, the Government of India has taken the following steps:

- The basic duty on Crude Palm Oil, Crude Soyabean Oil and Crude Sunflower Oil was reduced from 2.5% to Nil. The Agri-cess on Oils was brought down from 20% to 5%.
- The basic duty on Refined Soybean oil and Refined Sunflower Oil was rationalised on 15.06.2023 by reducing it from 17.5% to 12.5% in line with the basic duty on Refined Palm Oils which was reduced from 17.5% to 12.5% on 21.12.2021.
- The import of Refined Palm Oils under free category has extended untill further orders.
- Regular meetings are conducted with leading Edible Oil Associations and industry wherein they are being advised to pass on the benefits of decrease in the international prices of major edible oils to the domestic end consumers.
