

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1638
DUE FOR ANSWERED ON 31.07.2023

Rising Prices of Essential Commodities

1638. SHRI A. RAJA, SHRI A. GANESHAMURTHI and SHRIMATI HARSIMRAT
KAUR BADAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is rise in prices of essential commodities and food products especially vegetables, fruits, pulses, Mustard Oil, Lentils, Milk, wheat, Flour, Tomato, etc. during the last two years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has taken note that prices of these essential commodities have gone up by 200 per cent to 800 per cent when compared with 2014 till today;
- (d) if so, the details thereof; and
- (e) the measures taken or being taken by the Government to control higher inflation to give relief to common people and to stabilise the economy?

ANSWER

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

(a) & (b): Government monitors prices of 22 essential food commodities at designated price monitoring centres. The All-India retail prices of 22 essential commodities during 2021 (April-July), 2022 (April-July) and 2023 (1st April to 25th July) are presented in Annexure I. These items do not include fruits. Inflation in fruits as per the Consumer Price Index was 3.47 per cent and 1.40 per cent in 2022 (April-June) and 2023 (April-June) respectively. Prices of essential food items get affected by several factors, such as mismatch in demand and supply, seasonality, supply chain constraints, rise in international prices, *etc.* Sometimes, slight disruptions in supply chain or damage due to heavy rains lead to spike in prices of agricultural commodities.

(c) & (d): None of the aforementioned 22 essential commodities had a cumulative increase of 200 per cent or more in their average All-India retail prices between 25-07-2014 and 25-07-2023. For all these items except tur/arhar dal, groundnut oil and tomato, the annual compound average growth rate (CAGR) of price increase was below 6 per cent. The increase in the price of tomato in July 2023 is due to crop seasonality, region-specific crop disease, instant arrival of monsoon rains in the northern part of the country and logistics disruptions in isolated areas due to heavy rains. Price of tur/arhar increased, despite higher imports, because of lower production.

(e): 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 releases from the buffer stock, 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 and restrictions on exports of specific commodities. Besides, in order to rein in core inflation, the Government has, from time to time, calibrated the import duty and excise duty on specified key inputs. To bring relief to consumers, NCCF and NAFED have procured tomato from producing States for continuous disposal in major consumption centres of Delhi-NCR, Rajasthan, Uttar Pradesh and Bihar. Apart from measures taken to curb inflation, Government has taken various measures to stabilize the economy by containing fiscal deficit, while at the same time, significantly increasing capital expenditure. Union Budget, 2023-24 also initiated many investment-friendly measures to promote stable and robust economic growth.

Annexure I

All India Average Retail Prices of Essential Food items (Rs. per Kg) during 2021 (April-July), 2022 (April-July) and 2023 (1st April to 25th July)

Commodities	2021 (April-July)	2022 (April-July)	2023 (1st April-25 th July)
Rice	36.0	36.2	39.7
Wheat	26.6	29.5	31.6
Atta(Wheat)	30.2	33.2	36.8
Gram Dal	75.9	73.8	74.1
Tur/Arhar Dal	107.1	103.0	124.1
Urad Dal	108.9	104.5	110.6
Moong Dal	105.7	102.3	108.8
Masoor dal	85.4	96.4	92.4
Groundnut Oil (Packed)	175.8	190.8	190.8
Mustard Oil (Packed)	165.5	187.0	157.0
Vanaspati Oil (Packed)	129.8	161.3	131.5
Soya Oil (Packed)	147.9	167.7	139.3
Sunflower Oil (Packed)	168.9	186.6	154.2
Palm Oil (Packed)	129.7	149.8	111.9
Potato	19.4	23.8	21.2
Onion	25.9	24.6	23.4
Tomato	21.2	40.3	46.5 (*)
Sugar	39.6	41.5	42.5
Gur	46.7	48.3	49.9
Milk(Rs./Litre)	48.8	51.6	57.2
Tea Loose	276.2	284.0	275.6
Salt Pack(Iodised)	18.0	19.5	22.0

Source: Department of Consumer Affairs (DoCA)

(*) Average retail price of tomato per Kg for all centres monitored in the country was Rs. 23.2, Rs. 23.6, Rs. 32.6 and Rs. 106.6, respectively, during April, May, June and July (till 25th July) of 2023.
