

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

LOK SABHA
UNSTARRED QUESTION NO. 2141
TO BE ANSWERED ON 02.08.2023

PRICES OF VEGETABLES AND FOODGRAINS

2141. SHRI B.Y. RAGHAVENDRA:
SHRI L.S. TEJASVI SURYA:
DR. UMESH G. JADHAV:
SHRI PRATHAP SIMHA:

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 prices of essential commodities like vegetables, foodgrains, pulses, specially tomato and edible oils have increased sharply resulting in consumer inflation in recent months;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken or proposed to be taken by the Government to control inflation along with the advisories issued to States to check the stock limit of these items by the traders beyond certain capacity?

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) & (b) : The Department of Consumer Affairs monitors the daily prices of 22 essential food commodities including potato, onion and tomato among vegetables; rice, wheat and atta among foodgrains; groundnut oil, mustard oil, soya oil, sunflower oil, vanaspati and palm oil among edible oils. The prices of most of the vegetables, pulses and edibles monitored by the Department have either declined or remained stable with the exception of commodities like tomato and tur dal. Among vegetables, the all-India average retail price of potato is about 12% lower than that of last year while the price of onion about 5% higher than last year. The prices of tomato has increased in recent weeks on account of a combination of factors like crop seasonality, white fly disease in Kolar, instantaneous arrival of monsoon rains in northern part of the country which adversely affected tomato crops in Haryana and Himachal Pradesh and logistics disruptions in isolated areas due to heavy rains. The all-India average retail prices of rice, wheat and atta have recorded an increase of 10.5%, 5.2% and 8.5% respectively, on year-on-year basis. Among the pulses, the all-India retail price of masur dal has declined 5% on year-on-year basis while the price of gram dal is stable with 1.6% increase over previous year. The prices of moong dal and urad dal recorded year-on-year increase of 8% which is roughly same as the rate of increase in the minimum support price. The all-India retail prices of all edible oils, except groundnut oil, have declined by 17.5% to 29% on year-on-year basis. The retail prices of groundnut remains stable with an year-on-year increase of 1.7%. The consumer food price inflation for June, 2023 is 4.49%.

(c) : 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 (PSF) 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.

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.

The Department of Consumer Affairs has launched in 2022, a grand challenge for development of technologies for primary processing, storage and valorization of onions with the overall objective of ensuring availability of onion to consumers at affordable prices. The 606 ideas submitted by various categories of participants had been evaluated by team of experts and 11 ideas have reached prototype development stage. Prototype development is in progress on ideas pertaining to improved storage, pre-harvesting treatment, primary processing and valorisation of onion. On a similar line, Tomato Grand Challenge has also been launched on 30.06.2023 to invite ideas on comprehensive and focused area interventions in tomato value chain, from cropping and market insights for the farmers to improved packaging, transportation and storage. The Tomato Grand Challenge is open to students, research scholars, faculty members, industry individuals, Indian start-ups, professionals etc.

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. Stock of pulses held by entities such as dealers, importers, millers and traders are continuously monitored through the online stock monitoring portal of the Department of Consumer Affairs.

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 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, KendriyaBhandar 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. Stock of wheat held by entities such as traders/wholesalers, retailers and processors are continuously monitored through the online stock monitoring portal of the Department of Food and Public Distribution.

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.
