GOVERNMENT OF INDIA MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA UNSTARRED QUESTION NO.555 TO BE ANSWERED ON 6TH DECEMBER, 2023

FOODGRAIN INFLATION

555. SHRI D.K. SURESH:

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

(a) whether the Government has taken note that foodgrain inflation is very high during recent times;

(b) if so, the details thereof;

(c) whether the Government is taking any longterm measures such as local procurement, storage and distribution in order to combat foodgrain inflation; and

(d) if so, the response of the Government thereto?

ANSWER

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SADHVI NIRANJAN JYOTI)

(a) and (b): The price pressures on food items experienced during July-August 2023, caused by seasonal-weather driven supply constraints, were mitigated in September-October 2023. The Government took various measures to augment domestic availability and stabilize the prices of essential food items in the country. The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), providing free food grains to about 81.35 crore beneficiaries, which has been extended for a period of five years with effect from 1st January 2024, largely protects the vulnerable sections from price pressures in food grains.

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(c) and (d): The Government monitors prices of 22 essential food commodities to take corrective steps against food inflation. Government maintains buffer stock under Price Stabilization Fund to stabilise the prices of pulses. In the long term, 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, thereby control the food inflation.

Further, State Government agencies and Food Corporation of India (FCI) purchase wheat & paddy with prescribed Fair Average Quality (FAQ) specifications at MSP for Central Pool to ensure that farmers get remunerative prices for their produce and do not have to resort to distress sale. However, if producer/farmer gets better price in comparison to MSP, they are free to sell their produce in open market. Procurement in a State depends not only upon production but also upon other multiple factors like marketable surplus, MSP, prevailing market rate, demand & supply situation and participation of private traders etc.
