

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

**LOK SABHA
UNSTARRED QUESTION NO. 2802
TO BE ANSWERED ON 15.12.2021**

PRICE RISE OF EDIBLE ITEMS

2802. SHRI RAMCHARAN BOHRA: SHRI RAHUL KASWAN:
(OIH)

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

- (a) whether the prices of edible items used in daily life is continuously increasing from the last several years including the year 2021 in the country;
- (b) if so, the details thereof;
- (c) whether the price of several products have increased sharply during the last three years;
- (d) if so, the names thereof and the maximum consumer selling price thereof;
- (e) whether the Government has contemplated the reasons for this price rise; and
- (f) if so, the details thereof and the reaction of the Government thereto?

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 (f) : Prices of essential food commodities are volatile and tend to get affected by several factors, such as mismatch in demand and supply, seasonality, supply chain constraints, artificial shortage created by hoarding and black marketing, rise in international prices etc. Sometimes slight disruptions in supply chain or damage due to heavy rains leads to spike in prices of agri-horticultural commodities. Conversely, bulk arrival and logistics problems have the potential of creating a situation of glut in the market and resultant dip in retail prices.

The Government monitors the retail and wholesale prices of 22 essential food commodities submitted by the 179 price monitoring centres that have been set up with Central assistance by State Governments and UT Administrations across the country.

Taking into account price trends, the Government takes various measures from time to time to augment domestic availability and stabilize prices of essential food commodities. These steps, *inter-alia*, include releases from the buffer to cool down prices, 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, restrictions on exports of the commodity etc.

In May, 2021 advisories were issued to States/UTs to monitor prices of essential food commodities and to ensure disclosure of pulses stocks held by millers, importers and traders under the Essential Commodities Act, 1955. Imposition of stock limit on all pulses except Moong was notified on 2.7.21. Thereafter, an amended order was issued on 19.7.21 imposing stock limits on four pulses, namely, Tur, Urad, Masur, Chana for a period up to 31.10.2021.

To improve availability and stabilise prices of pulses, the Government has allowed import of Tur, Urad and Moong under 'Free category' w.e.f May 15, 2021 till October 31, 2021 in order to ensure smooth and seamless imports. The Free regime in respect of Tur and Urad was thereafter extended; the last date for Bill of Lading is December 31, 2021 and for Customs clearance, it is January 31, 2022. This policy measure has been supported with facilitation measures and close monitoring of its implementation by the concerned Departments/organisations. The import policy measures have resulted in substantial increase in import of Tur, Urad and Moong as compared to the corresponding period for the past two years. In order to soften the impact of higher international prices on domestic consumers, the Government reduced the basic import duty on Masur to zero and AIDC (Agriculture Infrastructure and Development Cess) to 10% from 27th July, 2021. To augment the availability of pulses in the market, 3 Lakh Metric Ton of Chana stock has been released between June and August, 2021 through open market sales and to stabilise prices, futures trading in Chana has been suspended from 16th August, 2021. State Governments have been supplied pulses from the buffer on an ongoing basis for their nutrition and welfare programmes.

In order to stabilise retail prices of onion, a buffer stock of 2.08 LMT onion has been built in 2021-22. Open market releases of onion from the buffer have been targeted towards States/Cities where prices are increasing over the previous month and also in source markets to augment the availability in these key mandis and thereby reduce retail prices. States/UTs have been offered onion at Rs.21/kg ex-storage locations and same has been lifted by some States. Through these measures, the Government has made effective interventions for containing the prices of onion.

In order to improve the domestic availability of edible oils and to keep prices under control, the Government has rationalized the duty structure on edible oils by reducing the effective duties. As per the notification dated 14-10-2021, the total duty on crude palm oil has been reduced from 22.5% to 7.5%, and on crude soyabean oil and sunflower oil it has been reduced from 22.5% to 5%. The basic duty on RBD palmolein oil, refined soyabean oil and refined sunflower oil has been reduced from 32.5% to 17.5%. Futures trading in mustard oil on NCDEX has been suspended to curb speculative trading and stock limits on edible oils and oilseeds have been imposed for a period upto 31st March, 2022 to prevent hoarding.

Further, the Government has issued advisory to States/UTs to set up the State-level Price Stabilisation Fund (PSF) corpus with central assistance, and has requested States which have set up the Fund already, to make appropriate interventions for cooling down retail prices of essential food commodities.
