

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

LOK SABHA
UNSTARRED QUESTION NO. 3391
TO BE ANSWERED ON 23.03.2022

RETAIL PRICE INFLATION

3391. SHRI MOHAMMED FAIZAL P.P.:

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

- (a) the list of essential food items whose average retail price has increased in 2021;
- (b) the reasons for the inflation of prices of the said essential food items; and
- (c) whether the Government has taken any steps to stabilize the prices and if so, the details of the same?

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 (c) 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. The list of food commodities whose average retail prices increased in December 2021 over January 2021 is at **Annexure**.

Prices of essential food commodities are volatile as they 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.

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 had allowed import of Tur, Urad and Moong under 'Free category' w.e.f 15.5.2021 till 31.10.2021 in order to ensure smooth and seamless imports. The Free regime was thereafter extended in respect of Tur and Urad till 31.3.2022. 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 duty on Masur to zero till September 30, 2022 and waived off the penalty on pulses import consignments from methyl bromide phased out countries for not being fumigated with methyl bromide in the country of origin till June 30, 2022. 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 August 16, 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 had been built in 2021-22. Open market releases of onion from the buffer were targeted towards States/Cities where prices were increasing over the previous month. Releases were also made in source markets to augment the availability in key mandis and thereby reduce retail prices. States/UTs had also been offered onion at Rs.21/kg ex-storage locations.

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, refined soyabean oil and refined sunflower oil has been reduced from 32.5% to 17.5%. Thereafter, the basic duty on refined palm oil has been further reduced from 17.5% to 12.5% w.e.f 21.12.2021 and duty on crude palm oil reduced from 7.5% to 5% w.e.f 13.2.2022. Futures trading in essential commodities relating to food security had been suspended to curb speculative trading. Stock limits on edible oils and oilseeds have been imposed for a period upto 30.06.2022 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.

ANNEXURE

ANNEXURE REFERRED IN REPLY TO PARTS (a) to (c) OF LOK SABHA UNSTARRED QUESTION NO. 3391 FOR 23.03.2022 REGARDING INCREASE IN RETAIL INFLATION.

List of Food Commodities whose Average retail prices increased in December 2021 over January 2021

S. No.	Commodities
1	Gram Dal
2	Masoor Dal
3	Groundnut Oil (Packed)
4	Mustard Oil (Packed)
5	Vanaspati (Packed)
6	Soya Oil (Packed)
7	Sunflower Oil (Packed)
8	Palm Oil (Packed)
9	Tomato
10	Sugar
11	Gur
12	Milk @
13	Tea Loose
14	Salt Pack (Iodised)
