LOK SABHA
UNSTARRED QUESTION NO. 263
TO BE ANSWERED ON 27.11.2024

PRICE MONITORING MECHANISM

263.   SHRI VISHNU DAYAL RAM:
         SHRI P P CHAUDHARY:
         SHRI JUGAL KISHORE:
         SMT. HIMADRI SINGH:
         SHRI VIJAY KUMAR DUBEY:
         SMT. APARAJITA SARANGI:
         SHRI CHANDRA PRAKASH JOSHI:
         DR. VINOD KUMAR BIND:
         SHRI ASHISH DUBEY:
         SHRI PRATAP CHANDRA SARANGI:
         SHRI BALABHADRA MAJHI:

         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 developed a predictive price forecasting model for essential commodities and if so, the details thereof including its features and the commodities covered;

(b)   whether the Government plans to integrate this model with existing price monitoring mechanisms and market intelligence systems and if so, the timeline and expected outcomes thereof;

(c)   the details of the specific measures proposed to be taken by the Government based on the model's predictions to control inflation and stabilize prices of essential commodities; and

(d)   whether any assessment has been made of its potential impact on market price stabilization and if so, the details thereof?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री बी.एल. वर्मा)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L. VERMA)

(a) to (d) : Department of Consumer Affairs monitors the daily consumer retail and wholesale prices of selected food commodities reported by 555 price reporting centres set up by the States/UTs across the country. The price scenario and trends of food commodities such as pulses are being analysed taking into account factors influencing price behavior such as the supply situation, price seasonality, estimate production, market intelligence inputs etc.

Price forecasting model to predict retail prices of pulses like Tur, Urad, Moong, Chana and Masur in major consumption centres based on price trends in benchmark mandis and import prices is one of the analytical tools adopted by the Department of Consumer Affairs. The price-prediction model utilizes time series data and is based on an additive model where non-linear trends are fit with yearly, weekly, and daily seasonality, plus holiday effects. Time-series data includes the prices of pulses at benchmark mandis and import prices for forecasting retail prices at major consumption centres. The price forecasting model has been integrated with the price monitoring analytical dashboard of the Department.

The daily price data and the analytical outputs constitute vital inputs for taking appropriate decisions pertaining to release of stocks from the buffer, changes in trade policy instruments like rationalisation of import duty, changes in import quota, restrictions on exports of the commodity etc. to stabilize the prices. The inputs are being used to decide the timing, quantum and targeting of market interventions with the buffer stock of pulses and onion being maintained by the government. The retail sale of onion from the buffer are targeted at cities/centres where prevailing retail prices are above the all-India average. The retail sale of Bharat Dals are targeted towards major consumption centres where prices are above the discounted prices of the dals. The data of daily prices and analytical outputs helped in better targeting of market interventions to stabilize price volatility and make these essential food commodities available to consumers at affordable prices.

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