

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

LOK SABHA
UNSTARRED QUESTION NO. 1612
TO BE ANSWERED ON 10.12.2025

PRICE VOLATILITY OF ESSENTIAL COMMODITIES

1612. SHRI YADUVEER WADIYAR:
SHRI BRIJENDRA SINGH OLA:
SHRI CHANDRA PRAKASH JOSHI:
SHRI ASHISH DUBEY:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION** be pleased to state:

- (a) the new tools/systems currently implemented by the Government to strengthen price monitoring of essential commodities including the details of the various initiatives implemented by the Government to manage price volatility of essential commodities in the country;
- (b) the efforts being made by the Government to ensure buffer stock levels to stabilize the market prices of pulses and edible oils;
- (c) whether the Government has issued revised storage limit orders to prevent hoarding of pulses and wheat and if so, the details thereof; and
- (d) the manner in which the Government is coordinating with States including Uttar Pradesh to ensure strict action against along with black marketing and price manipulation along with the details thereof?

ANSWER

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

(a) : Department of Consumer Affairs monitors the daily prices of 38 essential food commodities submitted by the 575 price reporting centres across the country. Price Monitoring System (PMS) Mobile App has been introduced to improve the ease of reporting and quality of price data. Data reported through PMS Mobile App are geo-tagged to ensure reporting from the market locations and has inbuilt feature to calculate and report the average price from three collection centres thereby avoiding human errors in calculation. An analytical dashboard has been developed for analysis of prices data through graphical visualisation, heat map, comparison between commodities and geographies etc.

The daily report of prices and indicative price trends is duly analysed for taking appropriate decisions such as release of stocks from the buffer, stock disclosure by stockholding entities, imposition of stock limits, changes in trade policy instruments like rationalisation of import duty, changes in import quota, restrictions on exports of the commodity etc. Inter-Ministerial Committee (IMC) reviews and deliberates, on a regular basis, the situation of prices and price trends of essential agri-horticulture commodities and suggests measures to enhance availability through increased domestic production and through imports.

(b) : The dynamic buffer stock of pulses maintained by the government under Price Stabilisation Fund (PSF) plays an important role in controlling extreme volatility in the prices and in ensuring the availability of these essential food commodities to consumers at affordable prices. Fluctuations in domestic production, seasonal variations in demand, and speculative activities of market players often lead to volatility in the prices of pulses. Market interventions through buffer stock augment the availability in the open market and help in cooling down prices. Further, the buffer stock of pulses with the government acts as a deterrent against manipulative hoarding and unscrupulous speculations by market players.

In respect of edible oils, the Government does not maintain any buffer stock for price stabilization of edible oils. In order to stabilize the market prices of edible oils, rationalization of Basic Import Duty (BCD) is being done from time to time. Duty rationalization helps stabilize prices by influencing both the cost and availability of essential goods. When the government reduces import duties on items such as edible oils, the landed cost of these products falls, which in turn lowers wholesale and retail prices. Cheaper imports also help increase overall market supply during periods of domestic shortage, preventing price spikes and discouraging hoarding or speculative behaviour. By easing supply constraints, duty cuts act as an effective tool to control inflation and protect consumers from sudden price shocks. Conversely, when domestic prices fall too sharply affecting farmers' incomes the government may increase duties to reduce cheaper imports, thereby stabilizing prices on the lower side as well. In this way, rationalization of duties provides flexibility to manage both high and low price situations, ensuring smoother market functioning and long-term price stability in the country.

(c) & (d) : Currently, there is no stock limit imposed on pulses. In respect of wheat, in order to manage the overall food security and to prevent hoarding and unscrupulous speculation, the Government issued a revised stock limits order on 26th August, 2025 under the Essential Commodities Act (EC Act), 1955, applicable till 31st March, 2026. As per the order, the stockholding limit for trader/wholesaler is 2000 MT; for retailer - 8 MT for each retail outlet; for bigchain retailer - upto 8 MT for each retail outlet subject to maximum quantity (8 multiplied by total no. of outlets) MT; and for processor - 60% of monthly installed capacity multiplied by remaining months of FY 2025-26.

EC Act, 1955 and the Prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act (PBMMSEC Act), 1980 provide the legislative and administrative foundations to the Government to regulate prices, production, supply, distribution etc. of essential commodities for maintaining or increasing their supplies and for securing their equitable distribution and availability at fair prices, and to prevent hoarding/black-marketing of foodstuffs. The implementation of EC Act and PBMMSEC Act is a collaborative effort among the Central Government, State Governments, and UT Administrations. States and UTs are responsible for implementing and enforcing these regulations on the ground. States/UTs are required to submit action taken reports on the implementation of the Acts every month through the online portal. Directives are issued to States and UTs, including Uttar Pradesh, to monitor the disclosure of pulses stocks by various entities like traders, dealers, importers, millers, stockists and big chain retailers on the online stock disclosure portal. Meetings with State/UTs and various stakeholders have been held from time to time to review the implementation of the Acts.
