

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
RAJYA SABHA
QUESTION NO 07.03.2011
ANSWERED ON
FORWARD TRADING AND BETTING IN FOOD ITEMS .

1106

Dr. Prabha Thakur

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

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- (a) whether forward trading and betting in food items is a major reason for rising inflation;
- (b) whether it has caused rise in the trend of hoarding and black marketing in the market;
- (c) if so, the States that have taken effective action to check forward trading and have taken action against bookies, hoarders and black marketeers in public interest as a result of which items related to hoarding and black marketing have been confiscated;
- (d) whether such profiteers have been punished; and
- (e) if so, the details thereof during the last one year?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(PROF. K. V. THOMAS)

(a) :No Sir. The rises in prices are caused by demand and supply imbalances.

(b) :No Sir. Both hoarding and black marketing are a phenomenon of the physical markets due to supply shortages and it has nothing to do with futures trading.

(c) to (e): The enforcement of the Essential Commodities Act, 1955 lies with the State Governments/ Union Territories. The State Governments/UT Administrations have been delegated powers to take necessary action under the provisions of both "The Essential Commodities Act, 1955" and "The Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980", to prevent hoarding and blackmarketing of essential commodities. The State Governments/UT Administrations have been repeatedly requested to strictly enforce both the Acts and also monitor enforcement of these Acts. In order to check price rise including hoarding and blackmarketing of essential commodities the Government of India has in continuum taken the following steps recently:-

(i) It is felt that the State Governments have a major role in checking prices of essential commodities by curbing malpractices, profiteering and hoarding through a set of administrative and regulatory measures.

(ii) In January, 2011 Video Conferences were held with the officers of all States/UTs reiterating the need for enforcement of the provisions of EC Act and PBM Act to curb malpractices and provide adequate supplies of essential commodities at affordable prices and if required use State intervention and facilitate alternate arrangements for augmenting supplies of essential commodities.

(iii) Hon'ble Minister(I/C),(Consumer Affairs, Food & Public Distribution) has also written to Chief Ministers of all States/UTs on this issue vide letter dt.04.02.2011.

(iv) Hon'ble Minister (I/C), (CAF&PD) has convened a meeting of the Ministers of Food/PD/ Consumer Affairs of South Zone on 03.02.2011 at Thiruvananthapuram (Kerala), for North Zone (on 07.02.2011 at New Delhi), East Zone (on 14.02.2011 at Kolkatta) and West Zone (on 17.02.2011 at Mumbai) inter-alia, to control rise in prices and ensure adequate availability of essential commodities at affordable prices for consumers. It has also been reiterated that State Governments have a major role in checking the prices of Essential Commodities by curbing malpractices and hoarding through the administrative measures by using the aforesaid legislative measures effectively.

(v) To enable the State Governments/UT Administrations to take effective action for undertaking de-hoarding operations under the Essential Commodities Act, 1955, it was decided to enable State Governments to impose stockholding limits by keeping in abeyance some provisions of the Central Order dated 15.02.2002 in respect of edible oils, edible oilseeds, and sugar for the period upto 31.03.2011 and pulses, rice and paddy for the period upto 30.9.2011.

(vi) The details of the raids conducted, value of goods confiscated and persons booked for violation of rules under the Essential Commodities Act, 1955, during the year 2010 as reported by State Governments/UT

Administrations are at Annexure I.

(vii) The State Governments/UT Administrations are empowered to detain such persons under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980, whose activities are found to be prejudicial to the maintenance of supplies of commodities essential to the community. Details of detention orders issued under the said Act and as reported to the Central Government by the State Governments/UT Administrations during the year 2010 are given below:-

Name of the State 2010

Gujarat	79
Tamil Nadu	120
Orissa	02
Maharashtra	02
Andhra Pradesh	01
Chhattisgarh	01

Total	205
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