

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

**LOK SABHA
UNSTARRED QUESTION NO. 1434 (OIH)
TO BE ANSWERED ON 31.07. 2024**

FOOD INFLATION

1434. SHRI SATPAL BRAHAMCHARI:
(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 Government is aware that the retail and food inflation has become very high in the country;
- (b) if so, the details thereof;
- (c) the details of the measures taken by the Government to check the excessive increase in food prices during the past years;
- (d) whether the Government has allocated adequate funds from the Price Stabilization Fund (PSF) to help reduce volatility in prices of essential agri-horticultural commodities like pulses, onion, fruits, vegetables and potatoes;
- (e) if so, the details thereof; and
- (f) the details of the amount allocated from PSF during the last three years, year-wise?

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 (f) : Department of Consumer Affairs monitors the daily retail and wholesale prices of 22 essential food commodities, submitted by the 550 price monitoring centres that have been set up with Central assistance by the State Governments and UT Administrations across the country. The daily report of prices and indicative price trends are 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.

Prices of food commodities tend to be volatile as they are affected by several factors, such as seasonality in production, adverse weather conditions, supply chain disruptions, artificial shortages created by hoarding and black marketing, rise in international prices etc. Sometimes slight disruptions in the supply chain or crop damage due to adverse weather condition etc. lead to spike in the 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 prices.

In order to protect consumers from excessive price volatility in agri-horticultural commodities, the Government introduced the Price Stabilisation Fund (PSF) scheme in 2014-15. Under PSF, buffer stock of major pulses and onion have been maintained for market interventions and also to discourage hoarding and unscrupulous speculation. Stocks from the buffer are released in calibrated manner to augment availability in the market and stabilise prices.

To make the dals available to consumers at affordable prices, Bharat Dal was launched in July, 2023 by converting Chana stock with the Government into Chana Dal for retail disposal. The Bharat Dal is made available to the consumers at subsidized rates of Rs.60 per kg for 1 kg pack and Rs.55 per kg for 30 kg pack. Similarly, moong Dal and moong sabut are being sold at subsidized prices of Rs.107 per kg and Rs.93 per kg respectively, to the consumers, under the Bharat Dal Brand. The Bharat Dals are distributed through NCCF, NAFED, Kendriya Bhandar and state government controlled cooperatives.

In order to augment domestic availability, import of Tur and Urad under 'Free' regime has been allowed till 31st March 2025 and the import duty on Masur has been reduced to zero till 31st March, 2025. Import of Yellow peas has been allowed from 8th December, 2023 till 31st October 2024 to augment supply of pulses. Further, the import of desi Chana at zero duty has been allowed from 4th May, 2024 till 31st March 2025.

To prevent hoarding, stock limits have been imposed on Tur and desi Chana from 21st June 2024 till 30th September 2024.

Price control measures taken by Government together with robust progress in sown area under Kharif pulses this year (2024-25) have stabilised the market and the prices of Chana, Tur and Urad in major mandis had declined by up to 5% in past one month.

The Government maintains onion buffer under the PSF for calibrated release during the lean availability months and check the volatility in prices. The buffer size has been increased year after year from 1.00 LMT in 2020-21 to 2.50 LMT in 2022-23 and further to 5.00 LMT in 2024-25. The onions from the buffer are released through retail sales, e-Nam auction and bulk sales in wholesale markets.

Further, to control the rise in prices of onion, in August, 2023, export duty of 40% was imposed to enhanced domestic availability. When export surged against increasing international prices, MEP of USD 800 per MT was imposed in October, 2023 and then prohibition of onion export from December, 2023. Thereafter, export had been allowed from 4th May, 2024 with 40% duty and MEP of USD 550 USD to ensure domestic availability of onion and keep prices under control.

Adequate fund has been allocated under the Price Stabilisation Fund (PSF). Since its inception in 2014-15 till 2023-24, a total of Rs.27,489.14 crore has been provided as budgetary support for the scheme. In Union Budget, 2024-25 has further allocated of Rs.10,000 crore under Price Stabilisation Fund. The annual budgetary support provided for PSF are transferred to the PSF Corpus Fund and price stabilisation operations involving procurement, storage and disposal of stocks are funded by drawing out of the Corpus Fund. Sale proceeds of stocks are ploughed back into the Corpus Fund. The year-wise amount of fund released from the PSF Corpus for interventions to reduce volatility in prices during last three years are given below:

Year-wise release of Funds from the PSF Corpus

Year	Amount (Rs. in crore)
2021-22	10,367.70
2022-23	4,582.82
2023-24	11,331.15
