

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:3840

ANSWERED ON:21.04.2008

CONTROL ON PRICE RISE

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

(a) whether the efforts made by the Government and the Price Monitoring Cell have failed to control the price rise and the prices of essential commodities have reached unprecedented levels during the last three months;

(b) if so, the details thereof indicating the price of essential commodities on date and on the same date last month alongwith the reasons identified for the continuous rise in prices; and

(c) the fresh steps taken by the Government to check price rise and improve availability of essential commodities in the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS,FOOD AND PUBLIC DISTRIBUTION(DR. AKHILESH PRASAD SINGH)

(a): No,Sir.Price Monitoring Cell (PMC) set up under Department of Consumer Affairs is mandated to only monitor on a daily basis the retail prices of 14 essential commodities, viz., rice,wheat, atta, gram, tur/arhar, tea, milk, sugar, vanaspati, mustard oil, groundnut oil, potato, onion and salt.It has not been setup to control/check the rise in prices of essential commodities.Report are prepared in this regard and sent to PMO, Cabinet Secretariat, Ministry of Finance and other concerned Departments.Besides, the situation of prices of essential commodities is regularly monitored at High Level Meetings of Cabinet Committee on Prices, Committee of Secretaries and Cabinet which take decision to keep the prices under check. Price rise of essential commodities have not reached unprecedented levels during the last three months. Only Retail Prices of Mustard and Vanaspati oil have shown an increase Other essential commodities are either steady or declined.

(b) The retail price situation at Delhi as on 15.04.2008 over the last month is indicated below:

Commodity	Current Price		Retail Prices (Rs./Kg.)		Variation
	15.04.2008	1 Week Back	08.04.08	1 Month Back	

Rice	18.00	18.00	18.00	0.00
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Wheat	13.00	13.00	13.00	0.00
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Atta	14.00	14.00	14.00	0.00
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Gram dal	37.50	38.00	39.00	-1.50
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Tur dal	42.00	42.00	42.00	0.00
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Sugar	18.00	18.00	18.00	0.00
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Groundnut oil	121.00	121.00	121.00	0.00
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Mustard Oil	73.00	74.00	87.00	-14.00
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Vanaspati	75.00	75.00	79.00	-4.00
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Tea ( Loose)	106.00	107.00	109.00	-3.00
Mite	20.00	20.00	20.00	0.00
Potato	8.00	8.00	8.50	-0.50
Onion	9.00	10.00	9.00	0.00
Salt (Packed)	10.00	10.00	10.00	0.00

#### Refined oil

During the last one month, retail prices of essential commodities are by and large steady or declined. The basic reason for price rise has been mismatch between demand and supply of most of the essential commodities in India as well as the global inflation in agricultural commodities.

(c): The fresh steps taken by the Government to check price and improve availability of essential commodities in the country are as follows:-

(i) The PSUs namely MMTC, PEC, STC and NAKED together have been asked to import 1 lakh tons of edible oils per month for the year 2008-09 to be distributed by the State Governments and their agencies at subsidized rates

(ii) Department of Consumer Affairs has issued Order dated 7.4.2008 regarding imposition of stock limits on edible oils and oilseeds

(iii) DGFT vide its notification dated 01.04.2008 banned export of non-basmati rice. Department of Revenue vide its Notification No. 37/2008-Customs dt 20.3.2008 has issued orders for reducing import duty on rice to zero upto 31.3.2009. Government also directed that the order regarding removal of restrictions on licensing, stock limits and movement of rice be kept in abeyance for a period of one year.

(iv) DGFT vide its notification dated 01.04.2008 raised MEP on basmati rice to \$ 1200 per tonne,

(v): Department of Revenue vide its notification dated 01.04.2008 made the following changes in the import duty of edible oils:-

# Import duty on crude edible oils cut to zero;

# Import duty on refined and hydrogenated oils reduced to 7.5%;

# Import duty on hydrogenated vegetable oils also reduced to 7.5%.

# Customs duty on butter and ghee was reduced to 30%.

(vi) DGFT vide its notification dated 01.04.2008 prohibited the export of edible oils for a year up to 31.3.2009.

(vii) Custom duty for maize reduced to zero under a Tariff Rate Quota of 5 lakh per annum vide GFT notification dated 01.04.08.