

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

UNSTARRED QUESTION NO:1347

ANSWERED ON:27.10.2008

DIFFERENCE IN PRICES

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

- (a) the difference per kilogram between existing wholesale and retail prices of essential commodities in the metropolitan cities;
- (b) whether any guidelines have been issued in relation to maximum permissible difference between wholesale and retail prices of essential commodities;
- (c) if so, the details thereof; and
- (d) if not, the manner in which the Government monitors the prices including the retail prices of essential commodities?

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 (SHRI TASLIMUDDIN)

- (a): The per kilogram difference between existing wholesale and retail prices of essential commodities as monitored by this Department is given at Annexure.
- (b): There are no guidelines issued in relation to the maximum permissible difference between wholesale and retail prices of essential commodities. The wholesale/retail prices are largely determined by the market forces. Difference in consumer price and whole sale price of produce of food grains is mainly due to
 - (i) transportation and handling costs
 - (ii) packaging and other marketing expenses at retail,
 - (iii) retailers mark-up and
 - (iv) various taxes levied by different State Governments e.g. octroi duty. The gap between wholesale and retail prices is found to be generally within limits with respect to essential commodities.
- (c): In view of above, does not arise.
- (d): Government closely monitors the wholesale/retail prices of select essential commodities at select centres. The Price Monitoring Cell (PMC) is entrusted, inter-alia, with the task of monitoring of the prices of select essential commodities in the country viz., rice, wheat, atta, gram dal, tur/arhar dal, urad dal, moong dal, masoor dal, tea, milk, sugar, vanaspati, mustard oil, groundnut oil, potato, onion and salt, based on the information received from the State Food and Civil Supplies Departments. Information on Retail Prices is received on daily basis from 27 centres of the country. Similarly, information on Wholesale Prices is received from 37 centres of the country on weekly basis. Any variation, especially an increase in prices at the wholesale/retail level, is immediately taken note of and the State Food and Civil Supplies Department concerned is contacted for details thereof. The prevailing price situation as well as other factors which impact on prices, both in domestic and international markets are studied and brought to the notice of high level committees, such as Committee of Secretaries (COS), Cabinet Committee on Prices (CCP), through agenda notes prepared for their meetings, for appropriate action at the policy level.