

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

UNSTARRED QUESTION NO:1923  
ANSWERED ON:01.12.2009  
NATIONAL CONSUMER RIGHTS PROTECTION COUNCIL  
Swaraj Smt. Sushma

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

- (a) whether a meeting of National Consumer Rights Protection Council was held recently;
- (b) if so, the details and outcome thereof;
- (c) whether the representatives of various States have urged an immediate ban on forward trading of food items in the said menmg; and
- (d) if so, the details thereof and the reu, don of tne Government thereto?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

- (a): Yes Madam. The 25th Meeting of Central Consumer Protection Council (CCVC) was held on 3rd September, 2009 at New Delhi.
- (b): A number of issues, such as, functioning of Consumer Fora, Consumer Awareness activities, furnishing of complete & correct information on packages as per Packaged Commodity Rules, Non Standard Packaging, MRP, Control of Price Rise of Essential Commodities, etc. were discussed.
- (c) & (d): Representatives of some Voluntary Consumer Organizations raised the issue of a ban on forward trading of food items, such as, coarse grain, pulses and sugar; since in their view the benefits in commodity market are being cornered by middlemen & traders at the cost of farmers & consumers.

The Department of Consumer Affairs has already got this issue examined by an expert Committee. The Committee was appointed under the Chairmanship of the Planning Commission Member, Prof. Abhijit Sen to examine whether futures market was responsible for rise in the prices of essential commodities. The Committee in its report acknowledged the fact, that the futures market provides a platform for price discovery and price risk management and the farmers would be benefited from these economic functions of the market. The Committee analyzed the daily, weekly and monthly data on price volatility (spot price). The analysis made by the Expert Committee led it to conclude as follows:

`Given these conflicting results f. >m daily as against weekly and monthly data, no strong conclusion can be drawn on whether introduction of futures trade is associated with decrease or increase in spot price volatility`.

The Committee concluded that it is not possible-to make any general claim that inflation accelerated more in commodities with figures trading.