

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

UNSTARRED QUESTION NO:46

ANSWERED ON:23.02.2010

HOARDING OF ESSENTIAL COMMODITIES

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

- (a) whether rise in prices of essential commodities including foodgrains in the country has been caused by failure of the Government to take stringent action against hoarding, arrest fall in production and inadequate procurement of foodgrains by the Food Corporation of India (FCI);
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the quantum of foodgrains seized from hoarders as a result of measures against hoarding during the last three years; State-wise;
- (d) the details of the steps taken by the Government against hoarding;
- (e) the extent to which the Government has succeeded in its efforts; and
- (f) the steps taken to meet the shortage and to check the rise in prices vis-a-vis black marketing?

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) to (b): The prices of some essential commodities including foodgrains have risen on account of various factors like poor rainfall, rise in cost of inputs, high international prices and rising demand. In commodities like pulses and edible oils, imports take place every year because domestic production is not sufficient; thus when international prices rise, the domestic prices also rise. In the case of rice, prices increased due to increase in MSP and poor monsoon leading to lower kharif production. Similarly in the case of sugar, production has fallen short of demand in 2008-09; on account of this and rising demand as well as high international prices, domestic prices have increased. Procurement of wheat and rice by FCI and agencies of the State Governments in the last three years is as under:

Marketing Year Wheat (in lakh tones) Rice (in lakh tones)

2006-07	92.26	251.07
2007-08	111.28	287.36
2008-09	226.89	336.84
2009-10	253.82	221.03 (As on 18.02.2010)

Procurement is sufficient and prices can not be said to have increased because of inadequate procurement.

(c): The details of the raids conducted, persons arrested, persons convicted and value of goods seized/ confiscated for violation of rules under the Essential Commodities Act, 1955, during the year 2007, 2008 and 2009 as reported by State Governments/UT Administrations are at Annexure I to III.

(d) to (f): In order to check hoarding and blackmarketing, the Government of India has taken the following steps:-

(i) Powers have been vested with State Governments for taking action under the provisions of Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980.

(ii) 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 pulses, edible oils, edible oilseeds, rice and paddy for the period upto 30.09.2010. The commodity wheat which had also been included in the above list has been removed w.e.f.01.04.2009.

(iii) Further, in respect of sugar, the Central Government have also issued Orders providing for stock-holding/turnover limits which are as follows:

Stockholding:

(i) in Kolkata and extended area -

(a) recognized dealers who import sugar from outside West Bengal- 10,000 quintals;

(b) other recognized dealers-2000 quintals;

(ii) in other places - 2000 quintals.

Turnover: No dealer can hold the stock of sugar for a period exceeding 30 days from the date of receipt by him of such stock.

(iv) The State Government/Union Territory Administrations have fixed the stock limits as per their requirement. As per information furnished by the State Government/UT Administrations 23 State Governments/UTs have either issued stock limits for all the six items or for individual items or have issued only licensing requirements/ stock declaration (of these 23, 18 States/UTs have actually issued stock limit Orders; 5 States/UTs have issued licensing requirements/stock declarations).

(v) 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. In 2009, 147 detention orders have been issued under the Act.

(vi) The State Governments/UT Administrations have been repeatedly advised to strictly enforce both the Acts and also monitor such enforcements.

(vii) Several other Fiscal and Administrative Measures have been taken by the Government to moderate price rise.