

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

UNSTARRED QUESTION NO:4464

ANSWERED ON:07.12.2010

RISING PRICES

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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 and pulses in the country is attributable to supply constraints, lack of stringent action against hoarding and speculative trading;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the details of the steps taken by the Government against hoarding and speculative trading alongwith the success achieved therein during each of the last three years and the current year, State-wise; and
- (d) the steps taken to meet the shortage and to check the rise in prices?

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) & (b): The retail prices of foodgrains such as rice, pulses such as tur dal, urad dal, moong dal, mustard oil, milk are either steady or showing a declining trend while the prices of wheat, atta, pulses such as gram dal, masoor dal, groundnut oil, vanaspati, potato and onion have shown some increase as observed in the 4 metros viz. Delhi, Mumbai, Kolkata and Chennai, over a period of 3 months. The details of the retail prices of essential commodities in 4 metros viz. Delhi, Mumbai, Kolkata and Chennai over the last 3 months is given in Annexure I.

Price rise is due to the factors such as, shortfall in domestic supplies relative to demand, increase in MSP and bonus, hardening of international prices, changes in consumption pattern, adverse weather and climate change etc. Market expectations and sentiments also have an impact on the prices. The rise in prices of wheat can be partly attributed to the increase in MSP. The rise in prices of pulses and edible oils is mainly due to the demand supply gap due to which imports are resorted to. Weather and seasonal factors are responsible for the rise in potato and onion prices.

(c): The enforcement of the Essential Commodities Act, 1955 lies with the State Governments/ Union Territories. The State Governments/UT Administrations have been delegated powers to take necessary action under the provisions of both "The Essential Commodities Act, 1955" and "The Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980", to prevent hoarding and blackmarketing of essential commodities. The State Governments/UT Administrations have been repeatedly requested to strictly enforce both the Acts and also monitor enforcement of these Acts.

Further, in order to check hoarding and blackmarketing of essential commodities the Government of India has taken the following steps:-

(i) To enable the State Governments/UT Administration 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 15.2.2002 in respect of pulses, paddy and rice for the period upto 30.9.2011, in respect of edible oils and edible oilseeds for the period upto 31.3.2011 and for sugar upto 31.12.2010.

(ii) The details of the raids conducted, value of goods confiscated and persons booked for violation of rules under the Essential Commodities Act, 1955, during the year 2007,2008,2009 and 2010(upto 30.09.2010) as reported by State Governments/UT Administrations are at Annexure II, III, IV & V.

(iii) 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. Details of detention orders issued under the said Act and as reported to the Central Government by the State Governments/UT Administrations during the year 2007, 2008, 2009 and 2010 (upto 30.09.2010) are given below:-

Name of the State 2007 2008 2009 2010 (Upto 30.09.2010)

Tamil Nadu	65	141	112	83
Orissa	-	01	02	02
Maharashtra	01	-	02	02
Madhya Pradesh	03	-	-	-
Andhra Pradesh	-	04	-	02
Chhatisgarh	-	-	-	01
Total	119	162	147	153

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

(d): The steps taken by the Government to meet the shortage and to check the rise in prices of essential commodities is given in Annexure VI.