

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

STARRED QUESTION NO:15

ANSWERED ON:22.02.2011

RISE IN PRICES

Adhalrao Patil Shri Shivaji;Bali Ram Dr.

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

- (a) whether the price of essential commodities including foodgrains and pulses have been rising constantly;
- (b) if so, the details thereof and the reasons therefor alongwith the mechanism in place to control prices;
- (c) the steps taken including action against hoarding and black marketing to control the same;
- (d) whether any directive/advisory has been issued to the States in this regard; and
- (e) if so, the outcome thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.15 FOR 22.02.2011 REGARDING RISE IN PRICES.

(a) & (b): A mixed trend has been observed in the price behaviour of essential commodities over the last one year. The retail prices of sugar, pulses such as tur dal, moong dal, masoor dal, potato and onion have declined while that of rice, wheat, pulses such as gram dal and urad dal, edible oils such as mustard oil, groundnut oil and vanaspati increased as indicated by the trends in 4 metros viz. Delhi, Mumbai, Kolkata and Chennai over the last one year (Annexure I). The increase in prices of the rice and wheat can be attributed partly due to the increase in MSP. The rise in prices of gram dal and urad dal and edible oil has been due to the hardening of international prices and demand supply mismatch due to which import is resorted to. Weather, apart from seasonal factors, contributed to increase in prices of some vegetables.

Government has set up a Price Monitoring Cell (PMC) in the Department of Consumer Affairs to monitor and analyse price data and trends of availability of 21 essential commodities. The PMC prepares agenda Notes for the consideration of high level meetings such as the Committee of Secretaries and the Cabinet Committee on Prices, which regularly review the prices and availability of essential commodities and recommend appropriate necessary action to check the rise in prices. These include changing the import export policy, imposition of stock limit orders in the case of select commodities in order to curb hoarding and black marketing.

(c) to (e): Government has taken fiscal, monetary and administrative measures to contain prices. 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.

State Governments have a major role in checking prices of essential commodities by curbing malpractices, profiteering and hoarding through a set of administrative and regulatory measures. The State Governments/UT Administrations have been repeatedly requested to strictly enforce both the Acts and also monitor enforcement of these Acts. In order to check price rise including hoarding and blackmarketing of essential commodities the Government of India has taken steps. All steps taken by Government are given in Annexure II.

Action has taken by different State Governments/UTs under the ECR Act. 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 2009 and 2010 are given below:-

Number of detention orders issued by State Governments in 2009 & 2010

Name of the State	2009	2010
Gujarat	31	79
Tamil Nadu	112	120
Orissa	02	02
Maharashtra	02	02
Andhra Pradesh	-	01
Chhattisgarh	-	01
Total	147	205

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 2009 and 2010 as reported by State Governments/ UT Administrations are at Annexure III.

As a result of various steps taken by Central Government and the State Governments/UTs, the WPI based inflation rate has declined from 18.32% as of 25.12.10 to 11.05% as of 5.2.2011.