

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

STARRED QUESTION NO:95  
ANSWERED ON:01.03.2011  
FOODGRAINS PRICE  
Purkayastha Shri Kabindra

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

- (a) whether adverse climatic conditions in major foodgrains producing countries like Russia, China, Australia, Europe and the United States have triggered a process of soaring agricultural commodity prices in the international market;
- (b) if so, the details thereof;
- (c) whether the increasing international prices of foodgrains is likely to affect the domestic foodgrains prices;
- (d) if so, the details thereof; and
- (e) the steps being taken by the Government to insulate the domestic foodgrains prices from the fluctuations in the international market?

**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.95 FOR 01.03.2011 REGARDING FOODGRAINS PRICE.

(a) & (b): As per assessment of FAO, global food system is becoming more vulnerable and susceptible to episodes of extreme price volatility because of increase in extreme weather events such as severe drought in some countries and heavy rainfall in other regions. Global production of cereals in 2010-11 as estimated by agencies such as Food and Agriculture Organisation (FAO), International Grains Council (IGC) and United States Department of Agriculture (USDA) indicate a 2%- 2.5% decline as compared to 2009-10. The decline estimated is mainly in production of wheat by around 5% and coarsegrains 2- 3%.

Consequently the cereals index FAO shows an increase of 43.74% in January 2011 over January 2010. The FOB price of US (SRW) Gulf wheat increased by 72% (as on 17th February 2011 over last year); FOB prices of Thailand 5% broken rice declined by -3.3% over the same period.

(c) & (d): The increase in the international prices of rice and wheat are not likely to impact on domestic prices as the requirement of import is almost negligible. In the case of pulses 15% of our needs are imported and therefore the international prices are likely to impact some extent. The details of the International and domestic prices of foodgrains such as rice, wheat, pulses are given in Annexure I.

(e): Government has taken comprehensive steps to insulate the domestic foodgrains prices from the fluctuations in the international market and to contain the price rise of essential commodities which are listed in Annexure II.