

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

UNSTARRED QUESTION NO:1102

ANSWERED ON:01.03.2011

SUPPLY OF ESSENTIAL COMMODITIES

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

- (a) whether any assessment has been made regarding the implementation of various regulations regarding maintenance of supply of essential commodities and price control in different States and the impact thereof;
- (b) if so, the details and the outcome thereof;
- (c) the details of the action taken against the hoarders and speculators under the said regulation during each of the last three years and the current year, State-wise; and
- (d) the steps taken for strict implementation of the said rules to remove supply side bottlenecks and control prices?

**Answer**

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

(a) & (b): Measures to check rise in prices and maintain adequate availability of essential commodities at affordable prices for consumers is an ongoing process. Prices of essential commodities including pulses are influenced by various factors. The Government in conjunction with the State Governments adopt appropriate measures to mitigate the impact of the price rise especially on vulnerable sections.

A Conference of Chief Ministers was held on 06.02.2010, which was presided over by the Prime Minister to consider measures to insulate the poor and vulnerable from adverse price movements. As a follow up, a Core Group of some Chief Ministers and concerned Central Ministers met under the Chairmanship of Prime Minister on 08.04.2010 and recommended inter-alia, setting up of a Working Group on Consumer Affairs (under the Chairmanship of Chief Minister Gujarat with CMs of Andhra Pradesh, Tamil Nadu and Maharashtra as its Members) to suggest strategies/ plan of action for reducing the gap between farmgate and retail prices and recommend measures for amendment to and better implementation of the Essential Commodities Act, 1955. These include increasing efficiency of distribution channels from farm to consumers, reducing intermediation costs and reducing the gap between farm gate and retail prices, promoting State intervention for retailing essential commodities at reasonable prices and enforcement of Statutory provisions to improve availability of essential commodities at reasonable prices.

The Standing Committee of Parliament on Ministry of Consumer Affairs, Food & Public Distribution had in its 28th Report, inter-alia, suggested that the Department should examine whether there is any lacunae in the Essential Commodities Act, 1955. The State Governments/ UT Administrations were requested to send their views on the recommendation made by the Committee. Responses had been received from 20 States/UTs and these had been examined.

The Working Group on Consumer Affairs is expected to give its report on March 2nd 2011; this would inter alia include measures to improve the implementation of the Essential Commodities Act as per its terms of reference indicated above.

(c) & (d): 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.

In order to check price rise including hoarding and blackmarketing of essential commodities the Government of India has in continuum taken the following steps recently:-

(i) It is felt that the 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.

(ii) In January, 2011 Video Conferences were held with the officers of all States/UTs reiterating the need for enforcement of the provisions of EC Act and PBM Act to curb malpractices and provide adequate supplies of essential commodities at affordable prices and if required use State intervention and facilitate alternate arrangements for augmenting supplies of essential commodities.

(iii) Hon'ble Minister(I/C),(Consumer Affairs, Food & Public Distribution) has also written to Chief Ministers of all States/UTs on this issue vide letter dt.04.02.2011.

(iv) Hon'ble Minister (I/C), (CAF&PD) has convened a meeting of the Ministers of Food/PD/ Consumer Affairs of South Zone on 03.02.2011 at Thiruvananthapuram (Kerala), for North Zone (on 07.02.2011 at New Delhi), East Zone (on 14.02.2011 at Kolkatta) and West Zone (on 17.02.2011 at Mumbai) inter-alia, to control rise in prices and ensure adequate availability of essential commodities at affordable prices for consumers. It has also been reiterated that State Governments have a major role in checking the prices of Essential Commodities by curbing malpractices and hoarding through the administrative measures by using the aforesaid legislative measures effectively.

(v) 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 edible oils, edible oilseeds, and sugar for the period upto 31.03.2011 and pulses, rice and paddy for the period upto 30.9.2011.

(vi) 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 2008, 2009 and 2010 as reported by State Governments/ UT Administrations are at Annexure I to III.

(vii) 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 2008,2009 and 2010 are given below:-

Name of the State	2008	2009	2010
Gujarat	16	31	79
Tamil Nadu	141	112	120
Orissa	01	02	02
Maharashtra	-	02	02
Andhra Pradesh	04	-	01
Chhattisgarh	-	-	01
Total	162	147	205