

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

UNSTARRED QUESTION NO:1108

ANSWERED ON:01.03.2011

MONITORING OF PRICE RISE

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

- (a) whether the Government has constituted a task force/ inter-ministerial group to monitor prices in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to take further measures including changes in rules relating to Agricultural marketing and pricing and further empowering the price monitoring authority to control prices;
- (d) if so, the details thereof;
- (e) whether the Government proposes to formulate a comprehensive long term policy to check prices; and
- (f) if so, the details thereof?

Answer

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

(a) to (f): Government has constituted an Inter-Ministerial Group (IMG) under the chairmanship of Chief Economic Adviser, Ministry of Finance to review the overall inflation situation, with particular reference to primary food articles and suggest corrective measures. The terms of reference of the IMG will be as under:

- (i) Review trends in overall inflation, with particular reference to primary food articles;
- (ii) Review trends in rainfall and their impact on agricultural and non-agricultural production;
- (iii) Review trends in domestic production, exports and imports, overall availability, stocks and prices of major commodities, with particular references to primary food articles;
- (iv) Review trends in international production, stocks and prices of major commodities;
- (v) Build an institutional machinery in order to read warning signals;
- (vi) Make recommendations for action on fiscal, monetary, administrative and other fronts, inter alia covering production, marketing, distribution and infrastructure, to prevent price spikes;
- (vii) Suggest measures to strengthen collection and analysis of data and forecasting; and
- (viii) Any other issues related to the above. IMG's mandate is to look at the whole range of inflation policy issues, from distribution of foodgrains and vegetables to macro policies connected to fiscal and monetary matters. Focus would be on how information from various sectors of the Indian economy would be collated and systems developed for early warning systems. Flaws that may be there in the system would be studied and advance corrective measures would be taken so that spikes do not occur in the future.