

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

UNSTARRED QUESTION NO:1089

ANSWERED ON:01.03.2011

CONTROL OF PRICES

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

- (a) whether the Government has banned export and permitted duty free import of certain food items to control food prices and food inflation;
- (b) if so, the details thereof and the success achieved therein;
- (c) whether the Government has recently convened a meeting of Ministers/ Secretaries of the States on the issue of price rise;
- (d) if so, the details of the issues discussed and the recommendations/ suggestions made therein alongwith the current status of the said recommendations/suggestions; and
- (e) the steps taken by the Government to improve availability of such food items and check price rise?

Answer

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

- (a) & (b): Government has taken several fiscal and administrative measures to contain the food inflation as briefly listed below:
- (i) Government has banned export of wheat, pulses & non-basmati rice. Export of edible oils is also banned, except coconut oil (through Cochin Port), certain oils produced from minor forest produce and edible oils in branded consumer packs of up to 5 kgs subject to a limit of 10,000 tonnes per year.
 - (ii) Import duty on rice, wheat, sugar, pulses, onion and crude edible oil was reduced to zero.

Due to these measures, the retail prices of sugar, pulses such as tur dal, moong dal, masoor dal, potato and onion have declined; however, 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.

(c) & (d): Zonal meetings of the Ministers of Food/PD/ Consumer Affairs were recently held in South Zone, North Zone, East Zone and West Zone, to control rise in prices and ensure adequate availability of essential commodities at affordable prices for consumers.

Discussions/recommendations focused on issues related to allocation and PDS, improving storage related issues, FCI related issues regarding procurement, storage and movement, availability of levy sugar under TPDS, effective implementation of Essential Commodities Act and stock holding limits.

(e): List of all government measures are given in Annexure II.