

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1085

ANSWERED ON:05.08.2011

INFLATION

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Will the Minister of FINANCE be pleased to state:

(a) whether there is an increase in inflation rate, causing rise in the prices of essential commodities including food items;

(b) if so, the rate of sector-wise inflation registered since January 2011, till date along with the reasons for such rise in inflation, month-wise; and

(c) the stringent measures or new initiatives taken/proposed to be taken by the Government to check rise in inflation and contain prices of essential commodities?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b) The month-wise details of prices of 31 essential commodities including food items is given at Table 1. After falling sharply in previous months till March 2011, prices have started to go up, mostly due to edible oils, gram, some seasonal rise in onion, coarse grains, cotton and energy.

(c) Measures taken to contain prices of essential commodities include; import prices reduced to zero on rice, wheat, pulses, edible oils (crude) and onion, ban on export of non-basmati rice, edible oils (except coconut oil and forest based oil) and pulses (except Kabuli chana and organic pulses upto a maximum of 10000 tonnes per year), futures trading suspended in rice, urad and tur by the Forward Market Commission, stock limit orders extended in the case of pulses, paddy and rice up to 30 September 2011, duty under Tariff Rate Quota (TRQ) for Skimmed Milk Powder (SMP) reduced from 15% to 5% for import upto an aggregate of 10000 metric tonnes in a financial year, import of 30000 tonnes of Milk Powder and 15000 tonnes of Milk Fat at zero duty allowed to National Dairy Development Board (NDDB) during 2010-11 under TRQ, reduction in custom duty on crude oil and import duty on petrol and diesel.

As part of the monetary policy review stance, the RBI has taken suitable steps with 11 consecutive increases in policy rates and related measures to moderate demand to levels consistent with the capacity of the economy to maintain its growth without provoking price rise. As per the most recent announcement of the RBI on 26 July 2011, the repo rate and reverse repo rate have been revised to 8.0 per cent and 7.0 per cent respectively.

Table 1: Inflation in 31 essential commodities since January 2011 (%)

Commodities	Weight (%)	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
All Commodities	100.00	9.47	9.54	9.68	9.74	9.06	9.44
Food combined	24.31	10.28	6.77	6.78	8.95	7.98	8.42
31 essential commodities	14.60	5.85	4.93	5.03	6.19	7.38	9.39
Rice	1.79	3.58	3.84	2.27	2.32	2.57	1.89
Wheat	1.12	-3.79	-1.28	0.17	0.18	-0.12	-0.06
Gram	0.33	0.19	8.74	8.52	5.98	5.27	9.78
Arhar	0.14	-27.52	-12.21	-9.40	-11.77	-16.01	-18.40
Potatoes	0.20	-13.80	-10.86	1.42	-1.09	0.00	-0.72

Onions	0.18	129.07	5.17	4.55	6.01	10.29	15.38	
Tea	0.11	1.12	0.35	7.05	10.64	-5.94	10.05	
Sugar	1.74	-14.40	-15.43	-7.14	3.45	5.34	7.79	
Oil, mustard & rapeseed	0.45	1.84	6.26	6.22	10.14	10.29	10.86	
Oil, groundnut	0.30	9.95	9.37	8.44	12.39	14.03	13.46	
Salt	0.05	-7.86	-2.60	-0.63	-4.38	-7.81	-7.81	
Vanaspati	0.71	15.97	15.61	13.92	11.16	11.10	12.09	
Jowar	0.10	15.73	20.48	17.96	26.81	34.95	42.67	
Bajra	0.12	-0.34	1.61	2.94	9.40	14.43	7.83	
Moong	0.08	-14.34	-12.11	-16.39	-19.43	-22.27	-24.05	
Masur	0.06	-29.29	-25.02	-19.28	-22.33	-25.72	-26.00	
Urad	0.10	-10.95	-6.01	-1.53	-1.83	-6.35	-12.33	
Milk	3.24	13.77	12.54	4.43	2.87	6.40	12.51	
Fish-Inland	0.57	14.72	16.06	16.84	14.24	14.52	16.23	
Mutton	0.35	2.35	12.99	2.29	2.77	1.73	5.55	
Chillies(Dry)	0.16	9.02	25.51	33.55	28.06	36.40	33.95	
Wheat flour (atta)		0.39	5.40	6.64	1.34	4.97	6.61	6.92
Gur	0.08	-10.28	-15.37	-14.01	-8.98	-4.19	-0.53	
Oil, copra	0.10	14.09	15.73	21.97	23.41	24.89	26.00	
Coking Coal	0.38	0.00	8.17	32.76	32.76	32.76	32.76	
Kerosene	0.74	35.44	35.44	35.44	35.44	35.44	30.06	
Cloth finished/ processed, cotton	0.45	9.73	16.13	19.27	20.47	22.60	24.61	
Grey cloth (bleached / unbleached)	0.11	14.95	12.85	16.00	17.96	15.29	14.76	
Dyed/printed textiles, cotton	0.13	15.89	19.49	22.84	24.31	21.16	21.96	
Soap, washing	0.23	7.37	8.49	9.04	7.59	8.12	9.18	
Matches, safety (match box)	0.09	-5.45	-6.36	-11.34	-13.03	-11.45	-11.45	