

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:6580
ANSWERED ON:16.05.2012
EXPENDITURE ON FOOD GRAINS
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Will the Minister of PLANNING be pleased to state:

- (a) whether the poor people in India spend 80 percent of their income on foodgrains;
(b) if so, the details thereof alongwith the manner in which their life is getting effected due to increasing inflation;
(c) the steps taken by the Government to minimize the said impact on poor peoples life; and
(d) the success achieved by the Government from the steps taken so far?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) to (d): The Consumer Expenditure Survey, conducted quinquennially by the National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation, provides estimates of household Monthly Per Capita Expenditure (MPCE) and its distribution. As per the latest round of the Large Sample Survey on Household Consumer Expenditure (66th Round) conducted by NSSO during 2009-10, the expenditure of the lowest three decile classes of MPCE is given in the following table:

Value of Monthly Per Capita Consumption Expenditure (MPCE) for a period of 30 days for poorest three decile classes based on Mixed Reference Period (MRP)

Rural Urban

Decile Classes	Rural		Urban	
	Expenditure (Rs.)	Share of Expenditure on Foodgrain (%)	Expenditure (Rs.)	Share of Expenditure on Foodgrain (%)
0-10%	124.94	30.88	140.79	25.38
10-20%	145.51	27.66	160.38	20.94
20-30%	153.67	25.31	173.42	18.79

Note: Foodgrains include cereals, gram, cereal substitutes, pulses and pulse products Source: NSSO Report No. 538: Level and Pattern of Consumption Expenditure 2009-10

Rising inflation impacts the standard of living of all segments of the population in varying degrees. In order to minimize the impact of inflation on the life of the poor people, Government has taken various measures such as allowing import of various items of mass consumption at zero or concessional import duties togetherwith restrictions on their exports, prescribing stock limits under Essential Commodities Act, higher allocations of foodgrains at affordable prices under the Targeted Public Distribution system, etc. The Reserve Bank of India has also tightened the monetary policy by hiking repo and reverse repo rates a number of times since March 2010 so as to combat inflation.

As a consequence of the various anti-inflationary policies of the Government and Reserve Bank of India, inflation based on Wholesale Price Index (WPI) has declined from 10.36% in March 2010 to 9.68% in March 2011 and further to 6.89% in March, 2012.