

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

UNSTARRED QUESTION NO:2910

ANSWERED ON:11.12.2012

CAUSES OF PRICE RISE

Adityanath Shri Yogi;Anuragi Shri Ghansyam ;De Dr. Ratna;Jawale Shri Haribhau Madhav;Lal Shri Kirodi ;Owaisi Shri Asaduddin;Pratap Narayanrao Shri Sonawane;Premajibhai Dr. Solanki Kiritbhai;Rajbhar Shri Ramashankar;Reddy Shri Magunta Srinivasulu;Singh Shri Ganesh;Singh Shri Ravneet;Tandon Shri Lal Ji

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

- (a) whether various organisations/bodies have suggested that excessive stocking beyond buffer norms and failure to release stocks on time has affected the roller flour mills and has contributed to the rise in prices;
- (b) if so, the details thereof, reaction of the Government thereto and the corrective steps taken in this regard;
- (c) whether the Government has held discussions with the States and is mulling over steps like market intervention, setting up of more Fair Price Shops/Co-operative Shops for distribution of essential commodities etc. to check prices;
- (d) if so, the details and the outcome thereof and the steps taken thereon;
- (e) whether the Government has set up any committee/body to strengthen the initiatives on market intervention to eliminate hoarding and streamline price monitoring; and
- (f) if so, the details thereof along with the features of the present system of price monitoring in the country?

Answer

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

(a)&(b) No Madam. No such suggestions have been received. Due to open ended procurement policy, Government is forced to procure and store foodgrains in excess of buffer and strategic reserve norms. However, Government has been releasing additional foodgrains under Targeted Public Distribution System (TPDS) and Open Market Sale Scheme (OMSS) to liquidate the excess stocks.

(c)&(d): A scheme for giving financial assistance to State/Union Territory (UT) Governments for non-formal Public Distribution System through State Civil Supplies Corporations and Consumers Marketing Federations has been formulated for approval. The scheme aims at strengthening the capacity of the State Agencies i.e. State Civil Supplies Corporations and Consumers Marketing Federations through augmentation of their financial resources with one time financial assistance from the Government of India and thereby enabling them to intervene effectively in the market by augmenting availability of essential commodities at reasonable prices in time of scarcity and/ or spurt in prices. Details of the scheme are to be finalized in consultation with States/UTs. States/UT Governments have been requesting from time to time to grant Fair Price Shop (FPS) licenses to SeSf Help Groups, Gram Panchayat, Cooperatives, etc. As reported up to 30.09,2012, out of a total of 513524 FPSs, 125862 are being run by various groups including Cooperatives in the States/UTs.

(e) & (f): The Price Monitoring Cell in Department of Consumer Affairs monitors the wholesale and retail price for 22 essential commodities as reported by concerned State Civil Supplies Department from 55 centres across the country on daily basis. Price data collected by Price Monitoring Cell is analyzed and used for deciding appropriate policy interventions.