

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

STARRED QUESTION NO:113

ANSWERED ON:13.08.2013

PRICES OF ESSENTIAL COMMODITIES

Dhruvanarayana Shri R. ;Rajendran Shri C.

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

(a) whether the Government has made any assessment and analysis of the causes for the rise in the prices of essential commodities and the failure of the steps taken to control the same;

(b) if so, the details and the outcome thereof indicating the various steps taken by the Government during the last one year and the current year along with the success achieved therein; *

(c) whether the Committee of Chief Ministers formed by the Government to study the issue of price rise and suggest measures to control the same, has submitted its report; and

(d) if so, the details of the recommendations made by the Committee along with the status of implementation and its impact on prices?

Answer

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

(a)to(d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 113 FOR 13.8.2013 REGARDING PRICES OF ESSENTIAL COMMODITIES.

(a) & (b) Government monitors the Wholesale/Retail prices of select essential commodities at select centers across the country on a continuous basis. The prevailing price situation as well as other factors which have impact on prices both in domestic and international markets are analysed, and based on this appropriate policy interventions are arrived at.

Rise in the prices of essential commodities are due to several factors such as shortfall in domestic supply related to demand, rising transportation cost, adverse weather conditions and improvement in income and living standards with resultant changes in dietary habits. With a view to insulate the vulnerable sections of society and consumers, Government has initiated several measures to control the prices and improve the availability of essential commodities. The steps in operation include allowing import of various items of mass consumption at zero or concessional import duties together with restrictions on exports, prescribing stockholding limits under Essential Commodities Act and allocation of foodgrains at affordable prices under Targeted Public Distribution System (TPDS). The Wholesale Price Index which is any indicator of general price trends shows that the rate of inflation for food articles which was at 10.91% in June 2012 with fluctuations declined to 9.74% for the month of June 2013.

(c) &(d) :A Core Group comprising State Chief Ministers and the Central

Ministers concerned was constituted on 15 March, 2010, regarding Prices of Essential Commodities.

This Core Group decided to constitute three Working Groups on

(i) Agriculture Production

(ii) Consumer Affairs

(iii) Food & Public Distribution. These Working Groups have subsequently submitted their Reports and action initiated by the respective Departments on the agreed points which emerged out of recommendations of the Working Groups.

The Working Group on Consumer Affairs had submitted its Report on 02.03.2011 to the Prime Minister.

The main recommendations of the Working Group on Consumer Affairs include, inter-alia, increasing competition in Agriculture Produce Markets; improving Agro-Infrastructure; integrate warehousing /cold chain infrastructure with spot and future market; establishment of dedicated central body for collecting, analyzing and dissemination of information on market; and better implementation of amendments to Essential Commodities Act, 1955.

The aforementioned recommendations pertain to a number of Departments/Ministries. As a follow up action, the concerned

Departments/ Ministries have been requested to initiate necessary action within the ambit of existing policy framework/ plans/ schemes.