

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

UNSTARRED QUESTION NO:3213

ANSWERED ON:11.02.2014

RISE IN PRICES OF ESSENTIAL COMMODITIES

Choudhry Smt. Shruti;Dubey Shri Nishikant ;Karanakaran Shri P.;Mani Shri Jose K.;Rao Shri Nama Nageswara;Shankar Alias Kushal  
Tiwari Shri Bhisma;Shekhar Shri Neeraj;Singh Shri Ravneet;Singh Shri Yashvir

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

- (a) whether a report of Food and Agriculture Organisation has indicated that the prices of essential commodities have risen in the country despite a fall in the global markets and if so, the details there of and the response of the Government thereto;
- (b) whether the Government has identified the factors contributing to the price rise and if so, the details thereof and the remedial steps taken in this regard;
- (c) whether the Government proposes to facilitate setting up of Market Infrastructure Fund and if so, the details thereof and the modalities finalised for its implementation;and
- (d) the steps taken to remove defective market practices, improve Government supply chain, check hoarding and black-marketing and reduce the gap in production cost, wholesale and retail prices to contain the rising prices?

**Answer**

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

(a) &(b) Yes, Madam.

The rise in prices of essential food items in the country are due to several domestic factors such as shortfall in supply relative to demand, increase in input and transportation cost, adverse weather conditions, improvement in income and living standards with resultant changes in dietary habits and insufficient logistics and storage facilities.

Government has initiated several measures on the prices front to improve availability of essential commodities such as import of various items of mass consumption at zero or concessional import duties together with restriction on export, prescribing stock holding limits under Essential Commodities Act, allocation of food grains at affordable prices under Targeted Public Distribution System (TPDS) etc.

(c) No such information is available.

(d) The steps taken by the Government in this regard include formulation of model APMC Act for adoption by the State Governments/UTs to amend their respective agri-marketing channels for the benefit of farmers, providing Minimum Support Price (MSP) to protect the farmers, implementing "the Essential Commodities Act 1955" and "the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980" with the objective of preventing hoarding and black marketing of essential commodities.