

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

STARRED QUESTION NO:115

ANSWERED ON:03.03.2015

PRICE MONITORING MECHANISM

Chandumajra Shri Prem Singh;Teacher Smt. P.K.Sreemathi

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

- (a) whether the Government has established/proposes to establish a price monitoring cell to monitor the prices of essential commodities and if so, the details and the modus operandi thereof;
- (b) whether the Government has taken any steps for stabilising prices and improving supply of essential commodities, if so, the details thereof and the success achieved therein;
- (c) whether the Government proposes to facilitate setting up of Market Intervention Fund/Price Stabilisation Fund to tackle price rise; and
- (d) if so, the details and the salient features thereof and the benefits likely to accrue therefrom along with the agency designated to administer the said fund?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

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

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.115 FOR 03.03.2015 REGARDING PRICE MONITORING MECHANISM.

(a) : A Price Monitoring Cell (PMC) was set up in the Department of Consumer Affairs in 1998 with the objective of monitoring prices of select essential commodities covering both retail and wholesale prices. At present, prices of 22 essential commodities are being monitored on a daily basis and these include cereals, pulses, edible oils, vegetables and a few other food items. The prices are collected from 68 reporting centres spread across the States/UTs and through their Civil Supplies Departments. Based on the price data received, the cell generates a daily prices report which can also be accessed directly on-line at <http://fcamin.nic.in>, www.consumeraffairs.nic.in. Over the years the daily report has become one of the official referral document for assessing actual price trends of these selected essential items of daily consumption.

PMC is also implementing a 12th Plan Scheme for Strengthening of the Price Monitoring Cell with an outlay of Rs.10.81 crore. The scheme's objectives include strengthening the existing mechanism of price monitoring both at the centre and state levels mainly through infrastructural support, organizing training programmes, hiring of professionals, conducting commodity specific studies etc.

In addition to monitoring of prices, the PMC is also associated with presentation of the price trends for review by the Committee of Secretaries (CoS) on Prices, review of commodity specific policy proposals of other departments, analysis as well as revision of Wholesale/Consumer Price Indices, conducting on the spot inspection of specific commodity prices like that of potato, onion, etc.

(b) : Control of prices remains a priority agenda of the Government. The recent steps initiated by the Government to contain the prices of essential commodities are at Annexure.

(c) & (d) : The Price Stabilization Fund (PSF) is being implemented as a Central Sector Scheme by the Department of Agriculture & Co-operation (DAC) with a corpus of Rs.500 crore. As per the guidelines of the scheme the fund is proposed to advance interest free loans to States and Central/State agencies to support their working capital and other expenses on procurement interventions for perishable agri-horticultural commodities when prices crash and farmers need to be protected. Alternatively, when prices are anticipated to increase substantially, then procurement of these commodities could be undertaken from farm gate/mandi to reduce the cost of intermediation and make them available at a cheaper price to the consumers. The intervention is thus expected to regulate price volatility of agricultural and horticultural commodities both when there is price rise or vice-versa. The fund will initially support procurement of highly volatile onion and potato only.