

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

UNSTARRED QUESTION NO:2256

ANSWERED ON:10.03.2015

PRICE RISE

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

- (a) whether the prices of essential commodities including foodgrains, pulses and vegetables have increased recently despite the decline in wholesale price inflation during the last three months, if so, the details thereof and the reasons therefor;
- (b) the details of the mechanism evolved by the Government to check black marketing and hoarding during the last two years and the current year, indicating the number of cases detected, foodgrains recovered and the persons penalised, State-wise;
- (c) whether the State Governments and the Union Territories are required to send reports to the Union Government regarding action taken under various provisions of the Essential Commodities Act in order to check hoarding and contain price rise, if so, the details of the reports received during the last three years, State/UT-wise;
- (d) whether the Government has set up a Core Group on prices to tackle the issue of ever rising of prices of essentials commodities during the last three years, if so, the details thereof and the observations/ recommendations made by it; and
- (e) the details of fresh steps taken/ proposed to be taken by the Government to check the rising trend of prices of essential commodities?

Answer

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

(a) : Based on the price details received from 68 centres across the country, over the last three months (Dec.2014- Feb.2015), while the monthly average retail prices of wheat, pulses and edible oils showed a rise that of potato, tomato and sugar declined and the prices of rice and onion remained stable, as given at Annexure-I.

Prices of essential commodities are affected by several factors such as adverse weather conditions, rise in transportation costs, supply constraints and artificial shortages due to hoarding and black-marketing.

(b) & (c) : To protect the consumers from the exploitation by unscrupulous traders, the Government has enacted the Essential Commodities Act, 1955 and the Prevention of Black-Marketing and Maintenance of Supplies of Essential Commodities Act, 1980. As these Acts are implemented by the State Governments/UTs, they have been regularly advised to ensure effective implementation of both.

The State Governments/UTs are required to send reports to the Union Government regarding action taken under the Essential Commodities Act. The requisite information based on the monthly reports furnished by the State Governments/UTs for the last three years (2012 to 2014) are at Annexure-II.

(d) : Government closely monitors the wholesale/retail prices of 22 select essential commodities based on information received from 68 reporting centres across the country. There is a Committee of Secretaries (CoS) on Prices set up by the Cabinet Secretariat to review the prices of essential items, and to suggest possible policy interventions for implementation.

(e) : A new initiative taken by the Government is the setting up of Price Stabilisation Fund (PSF) a Central Sector Scheme, being implemented by the Department of Agriculture & Co-operation (DAC) with a corpus of Rs.500 crore. The scheme is expected to help in regulating price volatility of agricultural and horticultural commodities both when there is price rise or vice-versa. Initially the support is for procurement of onion and potato only.