

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:409

ANSWERED ON:11.07.2014

PRICE RISE

Ahmed Shri Sultan ;Owaisi Shri Asaduddin

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the prices of essential commodities are rising continuously in the recent past;
- (b) if so, the details thereof and reasons therefor along with the reactions of the Government thereto;
- (c) whether Government has chalked out a road map to curb the prices of essential commodities; and
- (d) if so, the details thereof and action taken or being taken thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) & (b) The Wholesale Price Index (WPI) based Inflation in 31 essential commodities have moderated from a peak of 10.23 per cent in October 2013 to 5.24 per cent in April 2014. However, it has again gone up to 6.12 per cent in May 2014 on account of seasonal spike in some vegetables and increase in input cost. As the rise in the prices of essential commodities impacts the poor and vulnerable sections the most, Government attaches a high priority to containing inflation, particularly for the essential commodities.

(c) The Ministry of Consumer Affairs, Food & Public Distribution organised a conference of State Food and Consumer Affairs Ministers to discuss issues relating to food inflation on July 4, 2014. The conference noted the importance of the Government of India and the State Governments working together on an action plan covering important food items and its effective implementation over the next six months. The suggested action plan entails establishing a price monitoring cell by the States, mobilizing existing storage capacity, creating a revolving fund for buying products in bulk and distributing them under the Public Distribution System, strengthening anti- hoarding operations and making the Essential Commodities Act more stringent.

(d) Government is closely monitoring the situation and taking measures on an ongoing basis to bring down inflation. Some of the specific measures taken recently to contain inflation in essential commodities include:

# Recommending the delisting of fruits & vegetables from the purview of Agricultural Produce Marketing Committee Acts of the States; this has since been implemented by Delhi.

# Fixing/revising minimum export price of US \$ 500 per MT and US \$ 450 per MT on the export of onions and potatoes respectively.

# Approving the inclusion of onions and potatoes under the purview of stock holding limits under the Essential Commodities Act, 1955. This will empower the State Governments to undertake de-hoarding operations and to control the prices of onions and potatoes. This decision is expected to help in the efforts being taken to tackle the problem of rising prices and also improve the availability of these commodities to the general public especially vulnerable sections.

# Allocating additionally 50 lakh tonnes of rice for distribution to below poverty line (BPL) families at BPL prices and above poverty line price for others for the period July, 2014 to March, 2015 or till implementation of the National Food Security Act (NFSA) by the respective State/UT whichever is earlier.

Besides the above, Government has been imposing stock limits from time to time for select essential commodities such as pulses, rice, paddy, edible oil, and edible oilseeds etc.