

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3262
ANSWERED ON:01.08.2014
FOOD INFLATION
Kataria Shri Rattan Lal

Will the Minister of FINANCE be pleased to state:

- (a) whether any inter-ministerial efforts have been made to clamp down on food inflation and if so, the details thereof; and
(b) the results achieved therefrom?

Answer

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

(a) An inter-ministerial meeting was convened by Honble Finance Minister on 17th June 2014 to discuss issues related to price rise. Some of the specific measures taken to contain inflation in the meeting 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.

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 by the respective State/UT whichever is earlier.

In addition, the Ministry of Consumer Affairs, Food & Public Distribution had also 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.

(b) Food inflation has been showing signs of easing in response to measures already taken earlier. As per the latest release of CPI-New Series, food inflation has moderated to 28 month low of 7.90 per cent in June 2014.