

levels. However, to augment availability of foodgrains in the State to meet its requirement under TPDS, the following normal and additional allocations have been made to the State during 2009-10.

Existing monthly allocation of foodgrains to Andhra Pradesh under APL category are as follows:—

| (Qty. in tons) | |
|----------------|----------------|
| Commodity | APL Allocation |
| Rice | 131334 |
| Wheat | 2754 |
| TOTAL | 134088 |

Over and above these normal allocations, the following additional allocations have been made to the State:—

- (i) Allocation of 2.40 lakh tons of APL rice during the period April to September, 2009 as part of incentive for higher procurement of rice.
- (ii) Allocation of 17893 tons of rice and 35785 tons of wheat per month at MSP derived/based prices for drought relief from October, 2009 to March, 2010.
- (iii) A special *ad hoc* allocation of 125737 tons of rice and 32473 tons of wheat per month at MSP derived/based prices for January and February, 2010 @ 10 kg. per family for all accepted APL, BPL and AAY families under TPDS.
- (iv) 2250 tons of wheat per month at MSP based price during the period April to June, 2009.
- (v) 756 tons of Maize and 7200 tons of Jowar at Central Issue Price (CIP) during May to October, 2009.
- (vi) Under Open Market Sale Scheme (OMSS), 305506 tons of rice and 16478 tons of wheat have been allocated to the State for distribution to retail consumers during October, 2009 to March, 2010.

Price rise of essential commodities

940. SHRI BRIJ BHUSHAN TIWARI:
SHRI N.K. SINGH:

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

- (a) whether in view of continuing rocketing of prices of essential commodities particularly food items, Government has taken a slew of measures;
- (b) if so, the details thereof and the reasons for the price rise;

(c) whether various political parties and leaders have expressed serious concern over the price rise in food commodities; and

(d) if so, to what extent Government has succeeded in bringing down the prices of essential commodities?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) Yes, Sir.

(b) The Government Measures to check the prices of essential commodities are given in the Statement (See below).

The increase in prices of the rice and wheat can be attributed partly due to the increase in MSP.

Domestic prices of pulses rose mainly on account of the supply-demand mismatch and hardening of international prices.

Weather, apart from seasonal factors, may have contributed to increase in prices of vegetables and fruits.

The less than estimated sugar production in the country during the last sugar season 2008-09 and the anticipated low production of sugar during the current sugar season 2009-10 led to escalation in sugar prices.

(c) Yes, Sir. Short Duration discussions were held in Lok Sabha and Rajya Sabha on 25.2.2010 where the Members of the Parliament had expressed concerns over the escalation in food prices.

(d) The retail prices of essential commodities are either declining or are steady across 27 centres over the past one month. This is mainly due to the number of steps taken by the Government to control the price rise and to soften the impact of price rise on consumers.

Statement

Measures taken by Government to control prices of essential commodities

1. Fiscal Measures

- (i) Reducing import duties to zero — for rice, wheat, pulses, edible oils (crude) and maize and butter and ghee;
- (ii) Reducing import duties on refined and hydrogenated oils and vegetable oils to 7.5%;
- (iii) Allowed import of raw sugar at zero duty under O.G.L. up to 01.08.2009 by sugar mills (notified on 17.04.2009) extended up to 31.12.2010. Furthermore, import of raw sugar has been opened to private trade up to 31.12.2010 for being processed by domestic factories on job basis.
- (iv) Allowed import of white/refined sugar by STC/MMTC/PEC and NAFED up to 1 million tons by 01.08.2009 under O.G.L. at zero duty (notified on 17.04.2009) extended upto 31.3.2010. Furthermore, the duty free import of white/refined sugar under OGL

has been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies.

- (v) Withdrew export incentives on milk and milk products.
- (vi) Withdrawal of 5% benefit under VKGUY for the export of oil cake/meal.
- (vii) Reduced custom duty on Anhydrous Milk Fat (AMF) to 30% as in the case of butter/butter oil.
- (viii) Permitted import of 10,000 MT Skimmed Milk Powder (SMP) under TRQ (5%) for 2009-10.

2. Administrative Measures

- (ix) Removed levy obligation in respect of imported raw sugar and white/refined sugar.
- (x) Banned export of non-basmati rice, edible oils and pulses (except kabuli chana).
- (xi) Effected no changes in Tariff Rate Values of edible oils.
- (xii) Imposed stock limit orders in the case of paddy, rice, pulses, sugar, edible oils and edible oilseeds upto 30.9.2010; In order to discourage non-household sector consumers from stockpiling sugar and to ensure adequate availability of sugar in the open market for actual consumers, the Central Government has issued a notification dated 22.08.2009 imposing stockholding limit on bulk consumers.
- (xiii) Using Minimum Export Price (MEP) to regulate exports of onion (averaging at \$500 per tonne for February, 2010) and basmati rice (\$900 PMT);
- (xiv) Maintaining the Central Issue Price (CIP) for rice (at Rs. 5.65 per kg for BPL and Rs. 3 per kg for AAY) and wheat (at Rs. 4.15 per kg for BPL and Rs. 2 per kg for AAY) since 2002.
- (xvi) Futures trading in Rice, urad and Tur suspended by the Forward Market Commission in the year 2007-08 and continues during 2009-10. Futures trading in sugar was suspended *w.e.f.* 27.5.2009 upto the end of June, 2010.
- (xvii) Distribution of imported edible oils to States/UTs at a subsidy of Rs. 15/kg.
- (xviii) To augment availability of pulses, permitted the Public Sector Undertakings (namely, STC, MMTC and PEC) and NAFED to import and sell pulses under a scheme and the losses, if any, up to 15% are reimbursed by the Government.
- (xix) Distribution of imported pulses through PDS at a subsidy of Rs. 10 per kg to State Governments.
- (xx) Permitted sugar factories to sell processed raw sugar in the domestic market and fulfil export obligation on ton to ton basis.

- (xxi) Proportion of sugar production requisitioned as levy sugar has been increased from 10 to 20% for 2009-10 sugar season to ensure adequate levy sugar supplies under PDS.
- (xxii) For the month of February, 2010, 15.97 lakh tons of non levy sugar have been made available which includes 12.00 lakh tons of normal non-levy sugar and 2.97 lakh tons of sugar processed from imported raw sugar during December, 2009, estimated availability out of imported white/refined sugar is about 1.00 lakh ton. Besides, levy sugar quota of 1.94 lac tons also been released. Thus, for the month of February, 2010, 17.91 lac tons has been made available.
- (xxiii) An additional allocation of wheat/rice @ 10 kg/family/months of January and February, 2010 has been made to the accepted numbers of AAY, BPL and APL ration cards. This is in addition to existing allocation while the wheat will be allocated at MSP price, rice will be allotted at MSP derived price.
- (xxiv) **OMSS interventions:**
 - (i) Allocation to State Governments under OMSS (Domestic) for release of 20.00 lakh tonnes of wheat has been made to check inflationary trends in food economy from October, 09 to March, 2010. The State/UT Governments have been asked to distribute wheat released under OMSS (D) to household consumers and small processors of wheat.
 - (ii) In addition to above a quantity of 10.00 lakh MT wheat was also allocated by Government for sale to bulk consumers through open tenders by FCI from October, 09 — March, 10. On 18.1.2010, another 5.18 lakh tonnes of wheat from the expected savings from retail allocations, has been allocated for bulk consumers through tender sale.
 - (iii) In order to check inflationary trend in prices of rice, a quantity of 10.0 lakh tonnes of rice was allocated during Oct.'09 to March, 2010 to State Governments for distribution to retail consumers.
 - (iv) On 18.1.2010, NAFED has been allotted 37400 tonnes of wheat and 17000 tonnes of rice from the un-lifted quantity of OMSS allocations to State Governments. Similarly, NCCF has been allocated 32684.21 tonnes wheat and 11000 tonnes rice for sale to retail consumers.

3. Medium Term Measures:

In the medium term, Government has taken initiatives such as the National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY) to improve production and productivity in agriculture.

Price rise of sugar

941. SHRI MOINUL HASSAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether in the year 2008-09 the total availability of sugar was 300 million tones