

The above buffer stock norms include Food Security Reserve of 20 lakh tons of rice and 30 lakh tons of wheat.

The Government has no proposal to reduce buffer stock norms to cut food subsidy. However, Government has taken several measures to contain food subsidy. These include:—

- (i) Encouraging decentralized procurement and distribution of foodgrains.
- (ii) Issue of bonds by the FCI at lower coupon rates, backed by Government guarantee.
- (iii) Improving the operational efficiency of FCI.
- (iv) Raising of unsecured loans by FCI to lower cost of funds.

Food inflation

3106. SHRI S. ANBALAGAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the details of food inflation on first of every month during each of the last three years;
- (b) whether it is a fact that liberalization of economy and subsequent withdrawal of important provisions of the Essential Commodities Act are the major reasons for the uncontrollable rise of food prices in the country; and
- (c) if so, the details thereof and the steps proposed to be taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIR, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The details of the food inflation on first week of every month during each of the last three years is given in the Statement (*See below*).

(b) and (c) The prices of some essential commodities including foodgrains have risen on account of various factors like poor rainfall, rise in cost of inputs, high international prices and rising demand. In commodities like pulses and edible oils, imports take place every year because domestic production is not sufficient; thus when international prices rise, the domestic prices also rise. In the case of rice, prices increased due to increase in MSP and poor monsoon leading to lower kharif production. Similarly in the case of sugar, production has fallen short of demand in 2008-09; on account of this and rising demand as well as high international prices, domestic prices have increased.

Powers have been vested with State Governments for taking action under the provisions of Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980. To enable the State Governments/UT Administrations to take effective action for undertaking de-hoarding operations under the Essential Commodities Act, 1955, it was decided to enable State Governments to impose stockholding limits by keeping in abeyance some provisions of the Central Order dated 15.02.2002 in respect of pulses, edible

oils, edible oilseeds, rice and paddy for the period upto 30.09.2010. The commodity wheat which had also been included in the above list has been removed *w.e.f.* 01.04.2009. Further, in respect of sugar, the Central Government have also issued Orders providing for stock-holding/turnover limits.

Statement

Details of WPI Inflation of Food Articles (%) during the last three years.

	Date in 2007	Inflation rate	Date in 2008	Inflation rate	Date in 2009	Inflation rate	Date in 2010	Inflation rate
January	6.1.2007	9.55	5.1.2008	1.86	3.1.2009	11.48	2.1.2010	18.63
February	3.2.2007	10.99	2.2.2008	2.05	7.2.2009	9.82	6.2.2010	18.67
March	3.3.2007	10.66	1.3.2008	5.47	7.3.2009	7.57	6.3.2010	16.30
April	7.4.2007	10.41	5.4.2008	4.76	4.4.2009	8.61	3.4.2010	17.22
May	5.5.2007	10.61	3.5.2008	6.09	2.5.2009	8.18		
June	2.6.2007	6.91	7.6.2008	6.36	6.6.2009	9.45		
July	7.7.2007	10.33	5.7.2008	5.29	4.7.2009	11.57		
August	4.8.2007	9.25	2.8.2008	6.84	1.8.2009	12.77		
September	1.9.2007	7.08	6.9.2008	7.16	5.9.2009	14.80		
October	6.10.2007	2.78	4.10.2008	10.19	3.10.2009	12.60		
November	3.11.2007	2.47	1.11.2008	9.79	7.11.2009	16.46		
December	1.12.2007	3.31	6.12.2008	10.28	5.12.2009	20.36		

Source: DIPP

N.B: The weekly WPI is released on Thursday every week falling on the dates as indicated above.

Reserved stock of wheat and rice in FCI godowns

†3107. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI SHIVANAND TIWARI:

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

(a) whether it is a fact that availability of wheat and rice in the godowns of Food Corporation of India (FCI) at the end of March, 2010 was more than quantity required for reserved stock;

(b) if so, the quantity estimated for required reserved stock and the quantity of actual stock of above two products;

†Original notice of the question was received in Hindi.