

Food inflation

*4. SHRI M.P. ACHUTHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the rate of inflation in food items, including vegetables is rising sharply, causing great difficulties to common people;

(b) if so, the details thereof;

(c) whether Government is considering to take any step to bring down this food inflation;

(d) if so, the details thereof;

(e) whether this inflation is linked with the recent hike of petrol prices along with the hike in prices of other petro-products; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (f) The WPI based inflation rate of primary food articles has shown a steady decline over the past three months. The WPI based primary food inflation rate declined from 10.66% during the month of April, 2011 to 8.38% in the month of June, 2011. In the case of vegetables such as Potato, the WPI based inflation rate has been negative over the same period. However, in the case of Onion, the WPI based inflation rate had increased from 6.01% in the month of April, 2011 to 15.38% in June, 2011.

Government has already taken various steps to contain food inflation. List of Government measures to contain food inflation are given in the Statement.

The Reserve Bank of India has estimated that the indirect impact of administered petroleum price hike on food index (other things remaining constant) may be of the order of 0.35%.

Statement

Government measures to contain food inflation

Steps taken by the Government to contain price rise in essential Commodities are listed below:

(A) Short term Measures:

1. Fiscal Measures

- (i) Reduced import duties to zero - for rice and wheat, onion and pulses, edible oils (crude) and to 7.5% for refined & hydrogenated oils & vegetable oils.

- (ii) Duty under Tariff Rate Quota for Skimmed Milk Powder (SMP) reduced from 15% to 5% for import upto an aggregate of 10000 metric tonnes in a financial year.
- (iii) Import of 30000 tonnes of Milk Powder and 15000 tonnes of Milk Fat at zero duty allowed to NDDB during 2010-11 under TRQ.
- (iv) Allowed sugar mills on 17.04.2009 to import duty-free raw sugar under Open General License (O.G.L.). Later on, this facility was extended to private trade on job basis.
- (v) Allowed STC/MMTC/PEC and NAFED on 17.04.2010 to import duty-free white/refined sugar initially with a cap of 1 million tons. Later on, duty-free import was also allowed by other Central/State Government Agencies and private trade without any cap on the quantity.

2. **Administrative Measures**

- (i) Removed levy obligation in respect of all imported raw sugar and white/refined sugar.
- (ii) Banned export of non-basmati rice and wheat until further orders, edible oils (except coconut oil and forest based oil) up to 30.9.2011 and pulses (except Kabuli chana and organic pulses up to a maximum of 10000 tonnes per year).
- (iii) Export of edible oils permitted in branded consumer packs of up to 5 kgs subject to a limit of 10,000 tonnes.
- (iv) Effectuated no change in Tariff Rate Values of edible oils;
- (v) Extended stock limit orders in the case of pulses, paddy and rice, edible oil, edible oilseeds and sugar.
- (vi) The MEP of onions other than Bangalore Rose Onions and Krishnapuram onions was US\$ 230 per metric ton for the month of July, 2011. The MEP of Bangalore Rose Onion and Krishnapuram onion was at USD 350 per metric tonnes and MEP of Sona Masuri and Ponni Samba varieties of non-Basmati rice was at USD 850 per MT;
- (vii) Maintained 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.

- (viii) Suspension of Futures trading in Rice, urad and Tur by the Forward Market Commission in the year 2007-08 continues during 2010-11. Futures trading in sugar were suspended w.e.f. 27.5.2009 up to 30.9.2010. However the future trading in sugar has since been resumed, with effect from 27.12.2010.
- (ix) Proportion of sugar production requisitioned as levy sugar was increased from 10 to 20% for 2009-10 sugar seasons. However, for 2010-11 sugar season, the levy obligation has been reduced to 10%.
- (x) 25 lakh tonnes of food grains have been allocated on 6.1.2011 to all States/UTs for BPL families at BPL issue prices for distribution during January to June 2011.
- (xi) An additional adhoc allocation of 50 lakh tonnes of foodgrains made on 16th May, 2011 to all State/UTs for BPL families at BPL issue price for distribution during the current year up to March, 2012.
- (xii) An additional adhoc allocation of 25 lakh tonnes of foodgrains made on 6.1.2011 to all States/UTs for APL families @ Rs. 8.45 per kg for wheat and Rs. 11.85 per kg for rice for distribution during January to June 2011.
- (xiii) In addition, adhoc allocation of 50 lakh tonnes of foodgrains made on 30th June, 2011 to all State/UTs for BPL families for APL issue price for distribution during the current year for the months of June 2011 to March, 2012.
- (xiv) Government has allocated 25 lakh tonnes of wheat and 20 lakh tonnes of rice under OMSS (D) 2011 for the period of January, 2011 to September, 2011.
- (xv) The Scheme for distribution of subsidized imported pulses through State Governments/UTs with subsidy of Rs 10/- kg for distribution to BPL families @ 1 kg per month.
- (xvi) The Scheme for distribution of subsidized imported edible oils through State Governments/UTs with subsidy of Rs.15/- kg for distribution to ration card holders @ 1 litre per ration card per month.

Impact of earthquake and tsunami in Japan on Indian sea waters

*5. SHRI K.N. BALAGOPAL : Will the Minister of EARTH SCIENCES be pleased to state:

- (a) whether the recent earthquake and tsunami in Japan has had any impact on the sea waters bordering India;