Bill including coverage and entitlement under TPDS after a wide ranging consultation and taking into account trends in production and procurement of foodgrains. As submitted in reply to parts (a) to (e) above, after finalizing its views on recommendations of the Standing Committee, Government will move necessary amendments to the Bill, wherever required, for consideration of the Parliament.

Prices of essential items

665. SHRI ALOK TIWARI :
SHRI ARVIND KUMAR SINGH :
SHRIMATI KUSUM RAI :
SHRI PRABHAT JHA :

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

(a) whether retail inflation has, once again, reached in double digits during the last few months;

(b) if so, the details thereof;

(c) the reasons therefor;

(d) whether Government has failed to check the rise in prices of essential articles both in rural and urban areas;

(e) if so, the details thereof during the last three months, till date;

(f) the reasons for failure of Government to check retail inflation; and

(g) the fresh steps Government proposes to take in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) and (b) The All India New Consumer Price Index (CPI) which reflects the changes in the price levels of various goods and services consumed by urban and rural population, shows that the provisional all India annual inflation rate for January, 2013 for all groups stood at 10.79% as compared to 9.75% in October, 2012 and 10.02% in June, 2012. The rate of inflation for the group Food, Beverages and Tobacco which includes, *inter-alia*, cereals, pulses, oils, milk, vegetables, fruits, sugar etc., shows that it was 13.36% in January, 2013 as compared to 11.43% in October, 2012 and 10.71% in June, 2012.

(c) Rise in the prices of essential food items are due to several factors such as shortfall in domestic supply relative to demand, hardening of international prices, rising fuel cost, changes in consumption pattern, adverse weather conditions, insufficient logistics, storage facilities etc.

(d) to (g) Government has initiated several measures to control the prices and improve the availability of essential commodities such as allowing import of various items of mass consumption at zero or concessional import duties together with restriction on their exports, prescribing stock holding limits under Essential Commodities Act, allocation of food grains at affordable prices under Targeted Public Distribution System (TPDS) etc. The steps in operation by the Government to control the prices of essential commodities are given in the Statement.

Statement

The Steps in operation by the Government to contain price rise in essential commodities

The steps *inter-alia* include the following:—

- Reduced import duties to zero- for wheat, onion and pulses and to 7.5% for refined & hydrogenated oils & vegetable oils.
- The import duty on sugar has been kept at 10%.
- Banned export of edible oils (except coconut oil, forest based oil and edible oils in blended consumer packs upto 5 kgs. with a Minimum Export Price of USD 1500 per (MT) and pulses (except Kabuli chana and organic pulses and lentils up to a maximum of 10000 tonnes per annum).
- Imposed stock limits from time to time in the case of select essential commodities such as pluses, edible oil, and edible oilseeds for a period upto 30.9.2013 and in respect of paddy and rice upto 30.11.2013.
- 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.
- Suspended Futures trading in rice, urad, tur, sugar gum and guar seed.
- To ensure adequate availability of sugar for the households covered under TPDS, the levy obligation on sugar factories was restored to 10%.
- Government allocated rice and wheat under OMSS Scheme.

- The Scheme for distribution of subsidized imported pulses through PDS with a subsidy element of Rs. 20/- per kg. is presently under operation. The scheme for subsidized imported edible oils has been extended upto 30.9.2013 with subsidy of Rs. 15/ - per kg. for import of upto 10 lakh tonnes of edible oils for this period.

Gap between demand and supply of edible oils

666. SHRI PALVAI GOVARDHAN REDDY : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that there is more than 50 per cent gap between demand and supply of edible oils in the country;

(b) whether it is also a fact that this gap has been going up since 1990, in spite of various measures being taken by Government;

(c) if so, the reasons behind (a) and (b) above; and

(d) how the Ministry is planning to bridge the gap?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) Yes, Sir. There is gap of about 50% between demand and supply of edible oils in the country.

(b) The gap between demand and supply in 1990-91 was 8.88%, in 2000-01 it was 43.17% and in 2011-12 it further increased to 48.36%.

(c) and (d) The consumption of edible oils in the country has been increasing steadily due to increasing population and increase in purchasing power whereas the production of oilseeds is not increasing as compared to demand. At present to bridge this gap, import of edible oils has been kept under Open General Licence (OGL) and import duty on crude and refined edible oils is maintained at 2.5% and 7.5% respectively. In order to enhance the production and productivity of oilseeds, Government is implementing a Centrally Sponsored Integrated Scheme on Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) through Department of Agriculture in major oilseeds and oil palm growing States.

In order to augment domestic availability and to keep the prices under control, Central Public Sector Undertakings (CPSUs) are importing edible oils under the Scheme for distribution of subsidised imported edible oils limited to 10 lakh tonnes per annum for distribution through PDS. States bear the cost of oil, transportation and packaging, over which subsidy of Rs. 15/- per Kg. is given by the Central Government.