

Rise in prices of essential commodities

1640. SHRI P. BHATTACHARYA:

SHRI K.C. TYAGI:

SHRIMATI RAJANI PATIL:

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

(a) whether Government has made any assessment and analysis of the causes for rise in prices of essential commodities and failure of steps taken to control it;

(b) if so, the details and outcome thereof indicating various steps taken by Government during last one year, and current year along with success achieved therein;

(c) whether Committee of Chief Ministers formed by Government to study the issue of price rise and suggest measures to control the same, has submitted its report; and

(d) if so, details of recommendations made by the Committee along with the status of implementation and their impact on prices?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS): (a) and (b) Government monitors the Wholesale/Retail prices of select essential commodities through data obtained from 57 Reporting Centres across the country on a continuous basis. The prevailing price situation as well as other factors which have impact on prices both in domestic and international markets are analysed, and based on this appropriate policy interventions are arrived at.

Rise in the prices of essential commodities are due to several factors such as shortfall in domestic supply related to demand, rising transportation cost, adverse weather conditions and improvement in income and living standards with resultant changes in dietary habits. With a view to insulate the vulnerable sections of society

and consumers, Government has initiated several measures on the prices front to improve the availability of essential commodities. The steps in operation include allowing import of various items of mass consumption at zero or concessional import duties together with restrictions on exports, prescribing stockholding limits under Essential Commodities Act and allocation of foodgrains at affordable prices under Targeted Public Distribution System (TPDS).

The Wholesale Price Index which is an indicator of general price trend shows that in July 2013 the rate of inflation for pulses, fruits, milk, sugar and edible oils declined while the rate of inflation for cereals and vegetables rose when compared to the corresponding month of July 2012.

(c) and (d) A Core Group comprising State Chief Ministers and the Central Ministers concerned was constituted on 15th MArch, 2010, regarding Prices of Essential Commodities. This Core Group decided to constitute three Working Groups on (i) Agriculture Production (ii) Consumer Affairs (iii) Food and Public Distribution. These Working Groups have subsequently submitted their Reports and action initiated by the respective Departments on the agreed points which emerged out of recommendations of the Working Groups.

The Working Group on Consumer Affairs had submitted its Report on 02.03.2011 to the Prime Minister. The main recommendations of the Working Group on Consumer Affairs include, inter-alia, increasing competition in Agriculture Produce Markets; improving Agro-Infrastructure; integrate warehousing/cold chain infrastructure with spot and future market; establishment of dedicated central body for collecting, analyzing and dissemination of information on market; and better implementation of amendments to Essential Commodities Act, 1955.

The aforementioned recommendations pertain to a number of Departments/Ministries. As a follow up action, the concerned Departments/Ministeries have been requested to initiate necessary action within the ambit of existing policy framework/plans/schemes.