

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
DEPARTMENT OF CONSUMER AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION No. 1327
TO BE ANSWERED ON 11.03.2025

PRICE STABILIZATION FUND (PSF)

1327. SHRI P. WILSON

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

- (a) the prices of essential food items, particularly potatoes, onions, tomatoes and pulses, tend to rise during the rainy season, the details of steps taken to tackle the increase of price and ensure the availability of essential food items;
- (b) whether the Price Stabilization Fund (PSF) has been primarily utilized for building buffer stocks of pulses (Tur, Urad, Moong, Masur, and Chana) and onions to ensure their availability, whether Government has considered including other food commodities under PSF and details thereof; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE, CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(SHRI B. L. VERMA)

(a) : Department of Consumer Affairs monitors the daily retail and wholesale prices of selected essential food commodities, submitted by the 555 price monitoring centres that have been set up with Central assistance by the State Governments and UT Administrations across the country. The daily report of prices and indicative price trends are duly analysed for taking appropriate decisions such as release of stocks from the buffer, stock disclosure by stockholding entities, imposition of stock limits, changes in trade policy instruments like rationalisation of import duty, changes in import quota, restrictions on exports of the commodity etc. Government keeps a close watch on the production and availability of essential commodities through regular reviews by the Inter-Ministerial Committee (IMC). The Committee reviews, on regular basis, the situation of prices and price trends of essential agri-horticulture commodities and suggests measures to enhance availability through increased domestic production and through imports. Ministry of Agriculture and Farmers Welfare (DAFW) is a major stakeholder in all these meetings and continues to undertake measures to increase production and productivity.

(b) & (c) : To stabilise the volatility in the prices of certain agri-horticultural commodities Price Stabilization Fund (PSF) was set up in 2014-15. The objectives of PSF are (i) to promote direct purchase from farmers/farmers' associations at farm gate/ mandi; (ii) to maintain a strategic buffer stock of that would discourage hoarding and unscrupulous speculation; and (iii) to protect consumers by supplying such commodities at reasonable prices through calibrated release of stock. Under this scheme, dynamic buffer stock of pulses (Tur, Urad, Moong, Masur and Gram) and Onions has been created over the years. The buffer stock maintained under the PSF are released in calibrated manner to stabilize prices and reduce price volatility by ensuring availability of these food commodities at affordable prices to the consumers. Price Stabilisation intervention had been taken up under PSF in recent past to moderate the prices of tomato during July and August, 2023 by procuring from source markets for simultaneous disposal in the major consumption centres.
