

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1056
TO BE ANSWERED ON 02.12.2024

Intervention of RBI in Taming the Food Inflation

1056. SHRI DURAI VAIKO:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the intervention of RBI in taming the food inflation in the country during the last one year; and
- (b) the details of Government agencies associated with the RBI to control food inflation?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The Reserve Bank of India kept the policy repo rate unchanged at 6.5 per cent after February 2023 and continued with the disinflationary stance of withdrawal of accommodation, as food price pressures affected overall inflation in 2023-24. In the bi-monthly review of October 9, 2024, the Monetary Policy Committee (MPC) noted that with better prospects for both *kharif* and *rabi* crops and ample buffer stocks of food grains, there is now greater confidence on the disinflation path later in the current financial year. In view of this, the MPC decided to change the monetary policy stance from ‘withdrawal of accommodation’ to ‘neutral’ and remain focused on a durable alignment of inflation with the target, while supporting growth.

(b) Apart from the monetary policy actions of the RBI, the Government has independently taken various measures to control food inflation. These included procurement, buffer stocking, open market operations and subsidized distribution of select essential food items involving agencies like the Food Corporation of India, National Agricultural Co-operative Marketing Federation of India, Kendriya Bhandar and National Co-operative Consumers Federation of India. The Government has also taken trade policy measures to improve domestic availability of essential items and imposed, revised and monitored stock limits to prevent hoarding.
