

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

STARRED QUESTION NO:66

ANSWERED ON:27.11.2006

RISE IN PRICES

Adhalrao Patil Shri Shivaji;Gaikwad Shri Eknath Mahadeo

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

- (a) whether the prices of essential commodities including sugar, edible oil, cereals and vegetables continue to spiral despite the efforts made by the Government to control prices leading to a huge gap in the rate of growth in price and per capita income;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to give more powers to the Pricing Regulatory Authority and invoke the provisions of Essential Commodities Act, 1955 to improve availability of essential commodities and control its prices;
- (d) if so, the details thereof; and
- (e) the other remedial steps being taken by the Government in this regard?

**Answer**

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the table of the house.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 66 FOR 27/11/2006 REGARDING RISE IN PRICES

(a) & (b): The prices of certain essential commodities such as wheat, pulses, sugar and edible oils have registered an upward trend over the past few months. The main reasons for the rise in prices are shortfall in domestic supplies relative to demand and hardening of international prices. However, prices of sugar, tur dal and gram dal have declined over the past one month at several centres.

(c) & (d): The Government has invoked the provisions of the Essential Commodities Act in August, 2006 enabling fixing of stock limits and licensing requirements in respect of wheat and pulses.

(e): Government have already taken several steps for checking the rise in prices of essential commodities. Some of the important steps taken are given below:-

(i) State Trading Corporation has already contracted for import of 55 lakh tonnes of wheat to supplement domestic availability, of which 22.65 lakh tonnes of wheat have been received by FCI till 21.11.06.

(ii) Private trade has been permitted to import wheat at zero duty from 9th September, 2006 as against the normal applicable duty of 50 per cent. The customs duty was earlier reduced to 5 per cent on June 27, 2006.

(iii) Customs duty on import of pulses was reduced to zero on June 8, 2006 and a ban was imposed on export of pulses with effect from June 27, 2006.

(iv) Import of sugar was permitted at zero duty and its export was banned till the end of the current financial year with effect from June 22, 2006.