

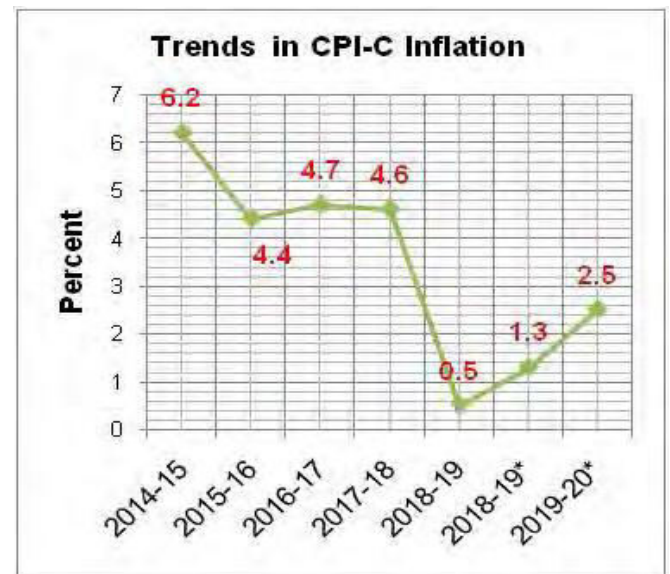
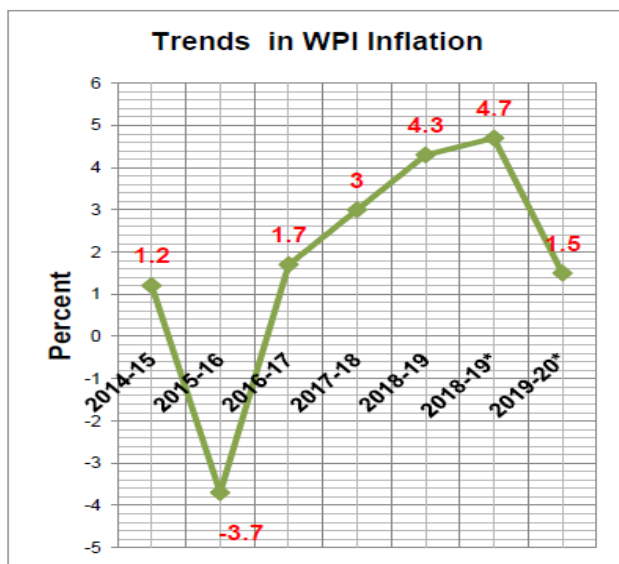
CHAPTER 6

PRICE MOVEMENT AND FOOD MANAGEMENT

(HP ECONOMIC SURVEY 2019-20)

(For better explanation, Chapter wise video lectures of this economic survey have been uploaded in the youtube channel of RANA ACADEMY SHIMLA)

Himachal's Economy is considered as a **consumption economy**. Mostly the consumption is based on demand and the prices are mainly based on the principle of demand and supply. In order to check price behavior, hoarding, profiteering and other malpractices in the sale and distribution of essential commodities of mass consumption, the State Government is vigorously enforcing various Orders/ Acts. A system of regular weekly monitoring of prices of essential commodities continued during the year by the **Department of Economic and Statistics** so that effective measures can be taken in time to check undue price rise.



GENERAL INFLATION BASED ON DIFFERENT PRICE INDICES (IN PERCENT) :

indices	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19*	2019-20*
WPI	1.2	-3.7	1.7	3.0	4.3	4.7	1.5 (P)
CPI Combined	6.2	4.4	4.7	4.6	0.5	1.3	2.5
CPI-Industrial worker	5.6	4.4	4.7	4.1	3.1	3.2	4.7
CPI-Agricultural Labour	8.8	4.4	4.9	2.7	1.2	0.7	3.6
CPI-Rural Labour	8.7	4.3	5.5	2.6	1.3	0.7	3.7

The **Food, Civil Supplies and Consumer Affairs Department** of the State has been keeping constant vigil on the price situation and maintained the mechanism of supplying the essential consumer commodities to the public through a network of **4,957 fair price shops**.

India introduced **inflation targeting** on **5th August, 2016** for a period of five years ending on 31st March, 2021.

Volatility in Essential Commodity Prices

Overall price volatility was **highest for vegetables** and **lowest for rice wheat, sugar, gur (gud or Jaggery), mustard oil and cement**. There was a significant rise in volatility for pulses, kerosene oil, and onion between April-December 2018- and April-December 2019.

Overall, **WPI inflation remained low** during the financial year 2019- 20, **CPI-C inflation saw a slight rise**, driven mainly by food prices. Supply-side shocks in agricultural commodities such as onion due to erratic rains led to the sudden spike in the prices of these commodities.

In order to monitor food insecurity and vulnerability issues the Department of Food and Civil Supplies and Consumer Affairs is also implementing **Food Insecurity and Vulnerability Mapping System (FIVIMS)** through **G.I.S**. As a result of various measures by the State Government the prices of essential commodities remained under control.

FOOD SECURITY AND CIVIL SUPPLIES:

One of the main constituents of the Govt. strategy for poverty alleviation is **Targeted Public Distribution System (TPDS)** which ensures availability of **essential commodities** like Wheat, Wheat *Atta* (flour), Rice, sugar etc. through a network of **4,957 fair price shops**.

The total families for distribution of essential items have been divided in two categories viz.

1) National Food Security Act (NFSA) (Eligible Household)

- i) Antyodaya Anna Yojana (AAY)
- ii) Priority Households

2) Other than NFSA (APL)

In HP, the Targeted Public Distribution System, having total ration cards **18,75,031** caters to a population of 72,90,044 from digitized record. These card holders are provided with essential commodities through 4,957 fair price shops which includes 3,227 Cooperative Societies, 13 Panchayat, 74 HPSCSC outlets, 1,631 Individual outlets and 12 Mahila Mandals.

Sl.No.	Name of Commodity	Unit	Distribution of items upto December, 2019
1.	Wheat/Atta APL	M.T.	1,20,979
2.	Rice APL	M.T.	57,714
3.	Wheat BPL/Atta BPL/Atta PHH	M.T.	48,614
4.	Rice BPL/PHH	M.T.	41,682
5.	Wheat/Atta (AAY/NFSA)	M.T.	58,692
6.	Rice (AAY/NFSA)	M.T.	23,840
7.	Rice Annapurna	M.T.	4
8.	Levy Sugar/ Sugar (NFSA/APL)	M.T.	32,006
9.	Pulses	M.T.	30,990
10.	Iodised Salt	M.T.	8,972
11.	Refined Oil	K.L.	5,501
12.	Mustard Oil	K.L.	21,591

Presently, following food items are being distributed under TPDS and H.P.State Subsidised Schemes which is as per Table given below :

Sl. No.	Item	Distribution (Quantity) Per Family/Per Month Per Ration Card
1	Pulses	One Kg Dal each of Dal Urd Sabut, Dal Channa, Dal Malka, Moong Sabut (Consumer will be given choice to opt for 3 pulses out of 4 pulses) Rate of Dal Urd Sabut @ 55.00 per Kg, Dal Channa @ 40.00 per kg, Dal Malka @ 40.00 per Kg., Moong Sabut @ 55.00 per Kg,
2	Edible oil	Edible Oil (Mustard Oil and Soya Refined Oil) 1 Ltr. having 1 & 2 members and 2 Ltrs. having 3 & above family members Edible Oil (Mustard Oil @ 75.00 per ltr. & Soya Refined Oil @ 72.00 per ltr.)
3	Iodized salt	One Kg. Iodised salt @ 4.00 per kg.
4	Other then NFSA APL	18kg W/Atta @ ₹ 8.60 per kg and 5.50kg Rice @ ₹10 per kg.
5	NFSA	
	i)For AAY	35 Kg. Food grains per family (20. Kg. Wheat @ 2 per kg & 15 Kg. Rice @ 3 per Kg.)
	ii)For priority households	5 kg per member-3kg Wheat @ ₹2 Per kg and 2kg Rice @ ₹3 per kg
	a)BPL	5 kg per member-3kg Wheat @ Rs.2 Per kg and 2kg Rice @ ₹3 per kg. The BPL families is being issued additional foodgrains to make good the quantity equal to 35 Kg. per family per month at BPL rate i.e. Wheat @ 5.25 per Kg. & Rice @ 6.85 per Kg. The quantity of wheat and rice will be distributed according to the household members for which detail is as given. For one member family 17 Kg. and 13 Kg., two members family 14 Kg. and 11 Kg., three members family 11 Kg. and 9 Kg., four members family 8 Kg. and 7 Kg., five members family 5 Kg. and 5 Kg., six members family 2 Kg. and 3 Kg. respectively.
	b) For Annapurna card holder	10 Kg. Rice free of cost.
6	Sugar	For OTNFSA ration card holders 500 gm per member per month @ ₹24.00 per kg. For NFSA ration card holders 500 gm per member per month ₹13.00 per kg. Note: In case of AAY ration card having less 1&2 family members 1 kg will be provided per month and for more than 2 members 500 grams of additional sugar will be provided to each AAY family member @ ₹13 per kg.

Food Security in Tribal and inaccessible Areas of the State

The **Himachal Pradesh State Civil Supplies Corporation (HPSCSC)** is committed, to provide all essential commodities, Petroleum products including kerosene oil and LPG in tribal and inaccessible areas, where private traders do not venture to undertake these operations due to economic non availability of the trade. During current financial year 2019-20 up to December, 2019 the supplies of essential commodities and petroleum products to tribal and snow bound area were arranged as per the tribal action plan of Government.



Himachal Pradesh State Civil Supplies Corporation (HPSCSC)

The H.P. State Civil Supplies Corporation as a "CENTRAL PROCUREMENT AGENCY" for all controlled and non-controlled essential commodities in the State is procuring and distributing food-grains and other essential commodities to the entire satisfaction of the Government under the Targeted Public Distribution System (TPDS) and National Food Security Act (NFSA). During the current financial year 2019-20, up to December, 2019 the Corporation procured and distributed various commodities under TPDS to the tune of ` 1,035.52 crore as compared to ` 978.20 crore during the corresponding period of last year.

Presently, the Corporation is also providing other essential items like cooking gas, Diesel/ Petrol/ Kerosene Oil and lifesaving drugs/ medicines at reasonable rates to the consumers of the State through its 116 Wholesale Godowns, 72 Retail Shops/ APNA STORE, 54 Gas Agencies, 4 Petrol Pumps and 32 Medicine Shops. In addition to this, the procurement and distribution, of non-controlled commodities (like sugar, pulses, rice, atta, detergents powder & soap, tea leaves, exercise note books, cement, CGI Sheets, medicines, items under Supplementary Nutritional Programme, MNREGA- cement and petroleum products etc.) through wholesale godowns and retail shops of the **Corporation has played an important role in stabilising prices of these commodities prevailing in the open market.** During the current financial Year, 2019-20, up to December, 2019 the Corporation procured and distributed various commodities under the scheme to the tune of ` 477.27 crore as compared to ` 473.42 crore during corresponding period of last year.

The corporation is arranging the supplies of rice and other supplementary items under the **Mid-day-Meal Scheme** to Primary and Upper Primary Schools as per the allocation made by the concerned Deputy Commissioner. During the current financial year 2019-20 up to December, 2019 the Corporation arranged the distribution of 9,889 MT rice as compared to 9,881 MT during the corresponding period of last year under this scheme. The Corporation is also arranging the supplies of identified Specially Subsidized items (pulses of various kinds, Edible Oil (Mustard/ Refined and I. Salt under the State Sponsored Schemes as per the decisions of the purchase committee constituted by the Government. During the current financial year 2019-20, upto December, 2019 the Corporation has distributed these commodities under the said scheme to the tune of ` 384.00 crore as compared to ` 377.00 crore during corresponding period of last year to the Ration Card holders of the Pradesh as per the scale fixed by the State Government. During the year 2019-20 for the implementation of this scheme, a budget provision of ` 220.00 crore has been made as State subsidy. During the year 2019-20 the corporation is likely to achieve a total turnover of over ` 1,450.00 crore as compared to ` 1,356.11 crore during the year 2018-19.

Government Supplies

Himachal Pradesh State Civil Supplies Corporation Ltd. is managing the procurement and supplies of **Ayurvedic medicines** to Government hospitals, **Cement** to Government Department/ Board/ Corporations and other Government institutions and GI/ DI/ CI Pipes to IPH Department of Government of Himachal Pradesh.

MNREGA Cement Supplies

During the financial year 2019-20 upto December, 2019 the Corporation managed the procurement and distribution of 30,60,740 cement bags amounting to ` 70.74 crore to various Panchayats for developmental works of the Panchayats in the State.

Dividend

The corporation is earning profit since its inception i.e 1980. During the year 2018-19 a net profit of ` 1.18 crore was earned and a sum of ` **35.15 lakh was proposed to be paid as dividend to the Government of Himachal Pradesh.**

Implementation of National Food Security Act, 2013 (NFSA) Under the task and responsibilities assigned by the Government of India to States for implementation of National



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COACHING OF VARIOUS CENTRAL &
STATE LEVEL COMPETITIVE EXAMS

Food Security Act 2013, the **Himachal Pradesh State Civil Supplies Corporation is playing major role in implementing the scheme** through timely procurement, storage and supply of allocated food grains through its **117 wholesale centres** to Fair Price Shops for further distribution among the beneficiaries of the State.

During the financial year 2019-20 up to December, 2019, **60,090 MT rice** and **30,995 MT wheat** at the rate of ` 3.00 and ` 2.00 per kg per month respectively have been distributed to the identified beneficiaries. In addition to above, in the absence of **separate Warehouse Corporation** of the State Government, the **Himachal Pradesh State Civil Supplies Corporation is managing storage capacity itself**, through **21,297 MT owned and 38,298 MT hired godowns in the State.**

In view of successful implementation of the NFSA, 2013, additional Storage Capacity is being created and efforts are being made for constructing of godowns. **Two godowns with capacity of 550 MT at Nerwa, District Shimla and 500 MT at Siddhpur Sarkari, District Kangra have been completed** and possession has been taken from the executing agency. The Corporation is working towards creating a storage capacity of 5,000 MT at different parts of the State.

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