

Speech of

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CHIEF MINISTER OF TAMILNADU

presented by Deputy Chief Minister

Thiru. M.K. Stalin

**The State Chief Ministers Conference on the issue of rise in
prices of essential commodities**

06-02-2010

NEW DELHI

Hon'ble Prime Minister,

Hon'ble Union Minister of, Agriculture and Consumer

Affairs, Food & Public Distribution,

Hon'ble Chief Ministers of States and other Ministers,

and officers of the Union and State Governments.

Vanakkam.

I am happy to attend this conference on behalf of our Hon'ble Chief Minister. His speech has already been circulated. I, therefore, like to highlight some of the important points in the speech here.

I deeply share the concern, of the Union Government on the price rise, and thank the Hon'ble Prime Minister, and the Hon'ble Union Minister of Agriculture, for convening this meeting, to discuss the severe food inflation.

Both Central and the State Governments have, taken all possible measures, to bring down the prices, of essential commodities. What is required now is, giving a thrust, to the commodity specific measures.

The current trend indicates, an alarming increase in the prices, of commodities, like, pulses, sugar, edible oil and vegetables. This inflation is, driven by the, demand and supply constraints.

2. Factors such as, rising per capita consumption, of foodgrains, increasing per capita income, due to welfare schemes, are also contributory factors.

Distortions in the market, also contribute to the crisis. Thus, both long term and short term measures, are needed to tackle the issue.

3. Tamil Nadu has taken, several measures, to mitigate this situation. I would like to highlight on some of these measures.

- a) PDS Delivery system in Tamil Nadu, is one of the best in the country**
- b) Universal PDS provides better food security, than the targeted, PDS. In Tamil Nadu, all the cardholders, including the APL families, are supplied rice, upto 20 kgs per month, at the lowest price of Re.1 per kg under Universal PDS.**
- c) Every month the Government of India allocates 10 Thousand 832 tonnes of levy sugar to our State. We distribute 35,000 tonnes of sugar, at Rs.13.50 per Kg. to all the families. Meeting the gap, through open market purchase, involving an additional burden of Rs.500 Crore annually.**

- d) A special PDS scheme, was launched from May 2008, by our Hon'ble Chief Minister, to supply pulses, edible oil, and wheat products.**
- e) A special packet of 10 spices, and condiments, at a subsidized rate of, Rs.50 per packet, is also distributed.**
- f) Tamil Nadu has imposed, stock limits on, paddy, rice, pulses, oil, oilseeds and sugar.**
- g) We are also, taking strict action against, Hoarding, Black Marketing and Smuggling.**
- h) I am glad to inform that, under the directions of Hon'ble Chief Minister, through an innovative scheme, 150 Farmer Market (Uzhavar Santhais) have been established in this State. Here, the farmers, market their products directly, to the consumers.**

4. Finally, I would like, to place the following suggestions, for consideration.

- (i) The Union Government may consider, imposing upper ceiling, on the retail prices of, some essential**

commodities, like sugar and tur-dhall under Section 3A of the, Essential Commodities Act.

(ii) The Provisions, in the relevant Acts, providing punishments for Black Marketing etc. need to be made more deterrent.

(iii) The allocation of, APL rice/ wheat to the States, should be increased to meet increasing off-take. Further, the allocation of food grains, whether it is adhoc or additional, should be at subsidized rate and not at economic cost.

(iv) With the comfortable stock position of, wheat at present, regular allocation of wheat, under PDS has to be increased, instead of making adhoc allocations.

(v) As the levy entitlement is already increased, from 10 percent to 20 percent, with effect from 1.10.2009, the Union Government should, double the levy sugar allocation to the State. The Government of India may, import and supply sugar, whenever necessary.

(vi) The State Government PSUs, should also be allowed, to import essential commodities. The Central Government should, extend subsidy support, to such imports also.

(vii) To encourage the production of pulses, and oilseeds, the minimum support price fixed, should be comparable, to the prevailing market prices.

Finally, I am quite confident that, our Hon'ble Prime Minister, with his profound wisdom and knowledge, Hon'ble Minister for Agriculture, with his vast experience, will be able to find, a lasting solution to this problem. On behalf of our State, we assure you, all support.

Thank you,

Nandri!

Vanakkam !