

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2116
ANSWERED ON:23.11.2010
RISE IN PRICES OF FRUITS AND VEGETABLES
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether a rise in the prices of fruits and vegetables has been registered recently in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to take effective steps to ensure adequate supply and control on the prices of such commodities;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): Monthly Wholesale Price Index (WPI) (Base Year 2004-05=100) for fruits and vegetables for the Period January, 2010 to October 2010 show that there is no persistent increase in prices of fruits and vegetables. The movement of price is marked by monthly fluctuations with an upward trend as shown below.

WPI of fruits and vegetables

Month fruits and vegetables

January	147.6
February	142.2
March	139.5
April	153.3
May	157.6
June	168.3
July	171.3
August	161.8
September	164.5
October	170.6

(b): Most of the agricultural commodity markets including fruits and vegetables generally operate under normal forces of demand and supply. The buying and selling of agricultural produce mostly takes place in the market yards where a number of market functionaries are participating in transactions. There are a number of intermediaries operating in the supply chain of agricultural produce which include, the retailers, processors or exporters, in the name of commission agents, traders, wholesalers, distributors, etc. who retain their share in the consumers spending before determining prices.

Lack of proper marketing infrastructure and storage facility resulting in wastages of fruits and vegetables and high marketing cost also increase the ultimate price paid by the consumer. Recent drought conditions and untimely rains/floods have also adversely affected the standing crops of fruits and vegetables in different parts of the country. The resulting short supply and pressure of demand from the consumers have led to the rise in prices of fruits and vegetables.

(c) & (d): The Government has already taken a number of steps to ensure adequate supply and check the spiraling prices of fruits and vegetables in the country by launching the National Horticulture Mission (NHM) for holistic development of horticulture sector in the country, making available the supply of inputs to the farmers, launching of Terminal Market Project with end to end approach for development of State of the art marketing infrastructure to avoid wastages and insulating regular and timely procurement and distribution of perishables by involving private sector in this project. The Government is also implementing subsidy scheme for development of cold storage through National Horticulture Board.

The Govt. of India has also taken reform initiatives by amending present APMC Act on the lines of Model Act circulated to States

during 2003. This will provide avenues to the private sector for setting up of markets as per the need and help in efficient distribution of fruits and vegetables through their channels in addition to the existing agricultural markets in the country.

(e): Does not arise.