

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:2

ANSWERED ON:22.02.2011

RISE IN PRICES OF VEGETABLES AND FRUITS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the prices of vegetables and fruits including onion, tomato, garlic and apple have risen in the recent past;
- (b) if so, the details thereof indicating the reasons therefor, item-wise;
- (c) whether the increase in the export quota of the same including onion has contributed to the rise in prices of such produce;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to bring down the prices?

Answer

MINISTER OF AGRICULTURE (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. 2 DUE FOR REPLY ON 22ND FEBRUARY, 2011.

(a) & (b): The wholesale price indices of Fruits and Vegetables which include onion, tomato, apple and garlic, has reduced from the level of 205.8 as on 8th January, 2011 to the level of 173.3 as on 5th February, 2011, thus registering a decline of 15.8% in the recent past.

(c) & (d): There is no export quota for fruits and vegetables, including onion. In fact, the export of onion in 2010-11 upto November was 11.58 lakh tons, which was less than the quantity of 13.83 lakh tons exported upto November 2009-10. Export of onion was banned in December, 2010.

The price of onion had registered a rise in December 2010 due to damage to Kharif onion crops as a result of untimely rains during November and December, 2010 in Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. However, with the improvement in production of late Kharif onion, the wholesale prices of onion in Mandis have sharply declined. For example, the model price in Pimpalgaon Mandi, which had touched a peak of Rs.3800/- per quintal in the 3rd week of December, 2010, has now come down to around Rs.887 per quintal in the third week of February, 2011 with minimum price dipping to as low as Rs.200 per quintal on 9th February, 2011.

(e): With a view to contain the prices of such products, Government have taken a number of steps including raising the minimum export price (MEP) of onion from US\$ 275 PMT to US\$ 1200 PMT from September 2010 to December, 2010. Further, from 22nd December, 2010 export of onion was banned and duty free imports of onion were allowed to enhance domestic supply. To give relief to consumers, Government started distribution of onion through NAFED and other agencies in Delhi during January, 2011 at a subsidized rate. In the second week of February 2011 a decision has been taken by the Government to remove ban on export varieties like Bangalore Rose and Krishnapuram onion as these are not domestically consumed, cannot be stored for long periods and moreover farmers are adversely affected by the ban. Recently, the Government has taken a decision to totally remove the ban on export of all varieties of onions in view of the improved arrivals and falling prices of onions across the country and reduced the MEP to US \$ 600 per metric ton.

With a view to increase the production and productivity of fruits, vegetables and other horticulture crops, Government is implementing two Missions viz. (i) Horticulture Mission for North East and Himalayan States (HMNEH) and (ii) National Horticulture Mission (NHM) in the remaining States. The infrastructure facilities created under the mission, such as nurseries, tissue culture units, disease forecast units, plant health clinic, water tanks, tube wells, green houses/shade net, mechanization, etc. have helped in production and supply of quality planting material and also in improving the production and productivity of horticulture crops. The implementation of Mission has helped in bringing in an additional area of 21.75 lakh ha of identified horticulture crops. In addition, 3.4 lakh ha of senile and unproductive orchards has been rejuvenated to increase productivity. Major infrastructure which has come up includes 3166 nurseries for mass production of quality planting material. Besides, 88 diseases forecast units, 93 tissue culture units, 95 plant health clinics and 78 bio control labs have been established. The Missions have also succeeded in bringing in an area of 1.91 lakh ha under organic farming of horticulture crops and facilitated adoption of IPM practices in an area of 8.0 lakh ha. Consequently, the production of

horticulture crops has increased from 170.8 MMT in 2004-05 to 223.0 MMT in 2009-10. The per capita availability of fruits and vegetables has also increased from 391 gram per day in 2004-05 to 466 gram per day in 2008-09.