

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3046

ANSWERED ON:15.03.2011

HIKE IN PRICES OF VEGETABLES AND FRUITS

Azad Shri Kirti (Jha)

Will the Minister of AGRICULTURE be pleased to state:

(a) whether due to untimely rains in some parts of the country crops have been damaged leading to shortage of Vegetables and Fruits and consequent hike in the selling prices thereof;

(b) if so, the details thereof;

(c) the actual production viz-a-viz the estimated production of onions, tomatoes, peas, cabbage, beans, carrots, bananas, apples etc. as during the month of November, 2010 to January, 2011; and

(d) the steps taken by the Government to control the prices?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI ARUN YADAV)

(a) to (c): Madam, there has been no shortage in production of vegetables and fruits during the current year as evident from table below:

Hort. Commodity Production ('000MT)
2008-09 2009-10 2010-11 (Estimated)

Fruits 68466 72282 75770
Vegetables 129072 133545 141354

Source: National Horticulture Board, Department of Agriculture & Cooperation

Recent higher prices of onion were mainly due to lower and delayed arrivals in markets caused by initial damage of Kharif crop attributable to untimely rains during November and December, 2010 in some parts of major onion growing States. However, total estimated production of vegetables and fruits in 2010-11, shows an increase as compared to the production in 2009-10:-

Production in '000 MT

Crops 2009-10 2010-11 (Estimated)

Onion 12190.7 13147.1
Tomato 12424.9 12909.4
Peas 3011.0 3157.6
Cabbage 7245.5 7397.6
Beans 494.1 782.1
Carrots 305.4 308.9
Banana 27142.0 27862.0
Apple 1772.0 2402.0

Source: NHB, Department of Agriculture & Cooperation

(d): The retail selling prices of fruits and vegetables depend upon a large number of factors primarily the demand – supply position, cost of transportation, cost of cold storage, etc. The most effective measure for stabilizing prices of horticulture products is to establish good Post Harvest Management infrastructure in the country for which Department of Agriculture & Cooperation provides assistance under National Horticulture Mission (NHM) and Horticulture Mission for North-East and Himalayan States (HMNEH). This includes establishment of cold storages, setting up of terminal markets, whole sale markets and rural primary markets/apni mandies to ensure

adequate supply of fruits and vegetables to the consumers at reasonable prices and also to provide remunerative returns to the farmers. National Horticulture Board is also implementing a scheme "Capital Investment Subsidy for Construction/Expansion/Modernization of Cold Storages for Horticulture Produce".

In order to contain the prices of horticulture products especially onion, 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.