

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3111
ANSWERED ON:15.03.2011
DEMAND AND SUPPLY OF VEGETABLES AND FRUITS
Vinay Kumar Alias Vinnu Shri

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether any mechanism has been put in place to monitor and regulate the demand and supply of vegetables and fruits to keep the prices under control;
- (b) if so, the details thereof;
- (c) whether the Government proposes to set up any regulating/monitoring agency in this regard; and
- (d) if so, the details thereof?

Answer

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

(a) & (b): Yes, Madam. Prices of vegetables and fruits are a function of demand and supply which vary over the year, depending upon a host of factors influencing production and arrivals in the market. The Government has taken a number of short term and medium term measures to keep the prices of horticulture commodities under control:

Short Term Measures

(i) In order to contain the prices of horticulture products especially onion, government uses Minimum Export Price (MEP). The MEP of onion was raised from US \$ 275 PMT to US \$ 1200 PMT during 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. 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.

(ii) To give relief to consumers, Government started sale of horticulture products including onion through NAFED and other agencies in Delhi during January, 2011 at a subsidized rate.

Medium Term Measure

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, wholesale 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'.

(c) & (d): An Inter-Ministerial Group (IMG), under the chairmanship of Chief Economic Adviser (CEA), Ministry of Finance, with representatives from Departments of Consumer Affairs, Food and Public Distribution, Agriculture and Cooperation, Animal Husbandry, Planning Commission and Economic Affairs was recently constituted to review and suggest measures for control of prices with focus on primary food articles including onion.