

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:877

ANSWERED ON:14.08.2012

PRICES OF VEGETABLES FRUITS AND MILK

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether a sharp increase in the prices of vegetables, fruits and milk has been registered in the country recently;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government proposes to develop a national market to ensure adequate supply of fruits, vegetables and milk to check the rise in their prices;
- (d) if so, the details thereof, State-wise;
- (e) whether the Government has taken any action to check hoarding of these produce by the sellers;
- (f) if so, the details thereof; and
- (g) the other steps taken by the Government to check the sharp increase in the prices of these products?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): The Wholesale Price Index (WPI) for vegetables, fruits and milk have shown fluctuations during the period June 2011- June 2012. Details of Monthly Wholesale Price Index(WPI) of Vegetables, Fruits and Milk (base year 2004-05=100) are given below;

Weight	1.74	2.11	3.24
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June 2011	163.8	194.9	191.7
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July	185.4	196.0	193.4
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Aug.	199.4	184.9	193.1
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Sep.	216.8	176.6	195.3
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Oct.	224.3	177.7	196.9
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Nov. 209.4 173.6 197.3

Dec. 157.4 173.5 198.4

Jan-2012 146.9 172.2 201.4

Feb 161.0 170.2 201.5

March 190.0 176.4 201.3

April 237.6 197.0 202.9

May 224.0 195.1 204.1

June 243.8 187.8 205.7

The reasons for the fluctuations are mismatch between demand and supply due to seasonal factors. In addition the cost of transportation, cold storage costs, role of middlemen and speculation on impending shortage of food items due to drought situation are also responsible for the rise in prices. Increase in price of milk is mainly attributed to increase in the cost of production.

(c) & (d): As a follow up to the announcement made by the Finance Minister in the Budget Speech, 2011-12, Government has launched a new Scheme on Vegetable initiative for urban Cluster with an outlay of Rs. 300 crores during 2011-12, under the Rashtriya Krishi Vikas Yojana (RKVY) which has been continued in 2012-13 with similar outlay. The Scheme envisages development of vegetables clusters for ensuring supply of good quality vegetables to one city or town in every State having a population of one million and above with the exception of Jammu and Kashmir where two capital cities have been covered. In the case of North East and the State of Goa which do not have any city with one million population, the capital city having less than one million population is covered. The Scheme covers all aspects relating to vegetable production, production & supply of planting material to marketing up to the retail level along with support for conducting baseline survey, formation of farmers groups, their linkages to aggregators and market besides training and capacity building of vegetables growers in the identified clusters. In addition efforts are made under National Horticulture Mission to increase the production of fruits and vegetable on long term basis. Incentives are also extended through market reforms.

Schemes such as Intensive Dairy Development Programme (IDDP) are being implemented to increase milk production and its marketing in a cost effective manner.

(e) to (g): Government has taken the following policy decisions for control of prices of fruits, vegetables and milk .

1. Reduced import duties to zero – for rice, wheat and onion, pulses, edible oils (crude) and to 7.5% for refined & hydrogenated oils & vegetable oils.

2. Due to satisfactory situation of milk in the country, export of casein and casein products were moved from "prohibited" to restricted category and export of casein is now permitted under licence w.e.f. 1st May, 2012. Export of skimmed milk powder was made free w.e.f. 8th June, 2012 and export incentive of 5% under Vishesh Krishi and Gram Udyog Yojana (VKGUY) w.e.f. 08.06.2012.

3. Ban on export of onion was imposed for short period of time whenever required. Exports of Onion were calibrated through the

mechanism of Minimum Export Prices (MEP) of onion.