

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:79

ANSWERED ON:24.02.2015

INCREASE IN PRICES OF FRUITS AND VEGETABLES

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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether it is a fact that recently prices of vegetables and fruits increased abnormally;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Union Government is aware that the abnormal rise in the prices of vegetables and fruits was due to speculations and the growers of these vegetables did not get remunerative prices;
- (d) if so, the details thereof;
- (e) whether it is also a fact that there is huge difference between the retail and wholesale prices of fruits and vegetables in the country; and
- (f) if so, the corrective steps taken by the Government to control the prices of vegetables and fruits and provide adequate remunerative prices to the farmers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) & (b): No, Madam. The monthly Wholesale Price Index (WPI) (Base year 2004-05) for vegetables as a group decreased from 296.4 in October 2014 to 292.0 in November 2014, to 268.7 in December 2014 and further to 259.6 in January 2015. WPI for Fruits as a group also declined from 253.3 in October 2014 to 242.9 in November 2014 and further to 235.5 in December 2014; however increased marginally to 237.2 in January 2015.

(c) & (d): As indicated above, there was no abnormal rise in prices of vegetables and fruits recently.

(e): A statement showing wholesale and retail prices of few major fruits and vegetables at four metro cities is at Annexure. Difference between wholesale and retail prices is noticed in respect of fruits and vegetables, due to factors like transport and handling charges, retailers' margin, wastages during handling, local taxes etc.

(f): Government has taken various steps to control prices of fruits and vegetables. These include, inter- alia, allowing duty free import of onion under Open General License (OGL) and calibrating exports of onion and potato through Minimum Export Price (MEP). Further, in July 2014, Government has included onion and potato under the purview of the Essential Commodities Act, 1955 for a period of one year. This would empower State Governments to notify stock limits and, if needed, undertake de-hoarding operations.

States have been advised to exempt levy of market fee on fruits and vegetables, and to allow establishment of "Kisan Mandis", or Farmers' Markets, where producers and Farmer Producer Organizations (FPOs) can directly market their produce to wholesalers, organized retailers and ordinary consumers. Such alternative marketing channels, promoted to reduce intermediaries and to contain marketing costs, are intended to benefit both farmers and consumers.

Price Stabilisation Fund (PSF), a Central Sector Scheme with a Corpus of Rs. 500 crores has been approved. The intervention is aimed at regulating price volatility of agricultural and horticultural commodities both when there is price rise or vice-versa through procurement of farm produce, maintenance of buffer stocks and regulated release into the market.

Government is also encouraging production of horticulture crops through a Centrally Sponsored scheme, namely, Mission for Integrated Development of Horticulture w.e.f 2014-15.