

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1372

ANSWERED ON:28.07.2015

Prices of Vegetables and Fruits

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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government is aware that the prices of vegetables and fruits including onion and tomatoes in wholesale and retail markets in the country have increased manifold during the last several months and it is likely to go up sharply in future and if so, the details thereof along with the reasons therefor;

(b) whether the Government is contemplating to impose a ban on the export of onions and tomatoes and take strict action against illegal hoarding of onions and tomatoes and if so, the details thereof along with the action taken by the Government against these hoarders;

(c) whether it is also a fact that only middlemen are earning profit due to the price rise;

(d) if so, the steps taken by the Government to provide direct marketing facility to the farmers; and

(e) the steps taken by the Government to promote the production of fruits and vegetables in the country and bring down the prices of fruits and vegetables?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

श्री मोहनभाई कुन्दरिया (SHRI MOHANBHAI KUNDARIA)

(a) to (d): The data on wholesale and retail prices of vegetables and fruits including onion and tomatoes, available on the central portal www.agmarknet.nic.in, web sites of National Horticulture Board (NHB) and Price Monitoring Cell of Department of Consumer Affairs generally shows mixed trends in respect of agri-commodities during January to June, 2015. It has been observed that during the period July to November each year prices of essential commodities including vegetable generally show an upward trend. Reasons for this could be on several accounts including inclement weather which damages crops, impacts transportation and distribution thereby, adversely affecting the supply side, undue profiteering by some unscrupulous traders and fragmented and long food supply chain with multiple handlings

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perishable nature of these commodities which makes them price sensitive and rise in demand owing to important festivals on the other, which accentuate the situation.

There is no ban on export on onion and tomato at present. However, to augment availability in domestic market and check the rising prices, Government has recently increased Minimum Export Price (MEP) on onion from US\$ 250 per tonne to US\$ 425 per tonne on 26th June, 2015. To curb hoarding, the Government has issued advisories to all States to ensure effective implementation of the Essential Commodities (EC) Act and the Prevention of Black Marketing and Maintenance of Supply of Essential Commodities Act. Onion and Potato have been brought under the stock holding limits. The States are empowered to impose stock limits. In two successive national consultation meetings on 04.07.2014 and 07.07.2015, the State Governments have been asked to prepare an action plan and take immediate measures to ensure that prices of all essential food items remain under control. Further States have been delegated powers under the EC Act to take appropriate action against hoarders, black marketeers and profiteers.

In order to shorten the food supply chain and reduce intermediation, specially where unnecessary, Government has taken number of steps to provide direct marketing facility, including advocacy with the States to reform their marketing laws to allow direct wholesale purchase of fruits and vegetables from farmers at their farm gate and establishment of farmers' market, wherein farmers can sell their produce directly to the consumers without involving middlemen. Further, Government has issued advisories to States to deregulate marketing of fruits and vegetables outside the market yards, thereby, promoting emergence of alternative marketing channels for direct marketing to processors/ bulk retailers/ wholesalers/ consumers. In Delhi after such de-regulation of fruits and vegetables outside three market yards, the Small Farmers Agribusiness Consortium (SFAC) has setup a Kisan Mandi at Alipore to source agri-commodities directly from farmers and Farmer Producer Organizations (FPOs) in and around Delhi. SFAC has also offered its technical expertise to any State that desires to set up a similar Kisan Mandi.

(e): To promote production of fruits and vegetables in the country the Government implements a Centrally Sponsored Scheme "Mission for Integrated Development of Horticulture (MIDH)" w.e.f. 2014-15 for holistic growth of horticulture sector including fruits, vegetables. The Mission subsumes erstwhile schemes of National Horticulture Mission (NHM), Horticulture Mission for North East and Himalayan States (HMNEH), National Bamboo Mission (NBM), National Horticulture Board (NHB), Coconut Development Board (CDB) and Central Institute for Horticulture (CIH), Nagaland. The Mission envisages improvement in production and productivity of horticulture crops including fruits and vegetables through various interventions, assistance for seed infrastructure to facilitate proper handling, storage and packaging of seeds and assistance for creation of infrastructures for marketing of fruits and vegetables, viz. rural markets, wholesale markets, terminal market complexes and low cost onion structures.

Further to stabilize prices of agri-commodities including onion and potato, Government has set up the Price Stabilization Fund under which interest free advance is given to State Governments, Central/State Agencies, Public Sector Units and Cooperatives to undertake market intervention operations to control price hike in respect of these commodities.
