

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:71

ANSWERED ON:08.07.2014

HIKE IN PRICES OF VEGETABLES

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the prices of vegetables, fruits, milk and other agricultural commodities have risen steadily across the country during the last few months;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government has imposed a minimum export price for onion to curb its export;
- (d) if so, the details thereof;
- (e) whether the expectation of weak monsoon this year is also likely to see a spurt in the prices of vegetables and other agricultural commodities; and
- (f) if so, the remedial steps taken/proposed to be taken by the Government to address the issue?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (DR. SANJEEV KUMAR BALYAN)

(a) & (b): The wholesale price index (WPI) (Base year 2004-05=100) is compiled on all India basis. WPI for vegetables, fruits, milk and other selected agricultural commodities during January 2014 – May 2014 are as follows:-

Commodity	January 2014	February 2014	March 2014	April 2014	May 2014
CEREALS	229.9	230.9	231.1	230.6	230.1
Rice	230.0	231.5	232.1	234.1	237.8
Wheat	220.2	220.9	218.1	212.9	208.1
PULSES	226.9	224.2	227.7	231.4	233.4
VEGETABLES	216.8	197.6	198.4	219.4	234.1
Potato	198.6	171.3	192.6	227.2	270.9
Onion	341.6	273.9	243.6	240.4	260.9
FRUITS	202.4	206.1	216.6	230.7	234.5
MILK	225.7	229.1	230.1	230.5	233.6
OIL SEEDS	202.2	203.0	207.0	211.3	217.3

As indicated above, the price trends, based on the movement in indices, of fruits and milk have increased consistently from January 2014 to May 2014 and those of vegetables and pulses have increased since March 2014. Price Index of cereals has declined marginally during April-May 2014.

The price increase of some agricultural commodities including fruits and vegetables can be attributed to several factors such as mismatch between demand and supply, seasonality factors, adverse weather conditions, increases in cost of inputs etc.

(c) & (d): Government has imposed Minimum Export Price (MEP) for onion at US\$300 per tonne w.e.f 17.6.2014 and has further raised it to US\$500 per tonne w.e.f. 2.7.2014.

(e) & (f): Production of agricultural crops and their prices are impacted by the overall rainfall situation in the country during the monsoon season. As per the current forecast of Indian Meteorological Department (IMD), the overall rainfall in the country during the current monsoon is likely to be deficient by 7%.

To meet any eventualities arising out of deficit rainfall situation, Government has developed Crop Contingency Plans for 500 agricultural districts. Appropriate drought mitigation measures viz. construction of water harvesting structures under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA); promotion of agronomic practices for moisture conservation; promoting cultivation of less water consuming crops; restoration of irrigation infrastructure by desilting canals; energizing tubewells, replacing/repairing faulty pumps etc. are being initiated by States to deal with any potential drought situation.

