

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 4086
TO BE ANSWERED ON 20.03.2018

INCREASE IN PRICE OF VEGETABLE

4086. DR. ANSHUL VERMA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether retail prices of onion and tomato had jumped to almost Rs. 60 per kg in many cities in November this year, if so, the details thereof;
- (b) whether steady and continuous rise in prices of tomato and onion without any plausible reason indicates possibility of hoarding of these commodities and if so, the details thereof;
- (c) whether production of onion and tomato has reduced in the current season as compared to the last season, if so, the details thereof and if not, the reasons for the rise in price of onion and tomato in retail market; and
- (d) the steps being taken for proactive role of Government to control the prices of onion in future?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री सी. आर. चौधरी)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C.R. CHAUDHARY)

(a) : As per the information provided by various State Civil Supplies Departments, the retail prices of onion and tomato has reached ₹.60 per kg in some cities on some days during November, 2017.

(b) & (c) : As per all India 2017-18 (1st Advance Estimate) of Area and Production of Horticultural crops, brought out by Department of Agriculture & Cooperation, there has been a decline in crop area (8.4%) and production (5%) of onion during 2017-18 as compared to previous year. Also, prices of vegetables including onion and tomato are determined by various factors such as demand-supply mismatch, weather conditions affecting production and availability, seasonality, increased transportation costs, supply chain constraints, artificial shortage created by hoarding and black marketing etc.

(d) : Government took various measures to control the rising price of onions. Vide Notification No.39/2015-20 dated 23.11.2017 brought out by DGFT, export of onions were permitted only on Letter of Credit subject to Minimum Export Price (MEP) of USD 850 F.O.B per Metric Ton. In view of moderation in domestic prices of onions the MEP was subsequently reduced to USD 700 F.O.B per Metric Ton vide DGFT Notification dated 19.01.2018 and has been completely withdrawn till further orders, since 02.02.2018. In addition, Government also enabled States to impose stock limit on onions and advised the producing States to take action against hoarders/traders engaging in illegal practices. MMTC was directed to import onions. However, no bids were received against tenders floated by them. Government also directed NAFED and SFAC to procure onions from producing regions for supply in consuming areas. In addition, Government is implementing Mission for Integrated Development of Horticulture (MIDH), for holistic growth of the horticulture sector covering fruits, vegetables, etc. Besides, Government is also implementing Price Stabilization Fund (PSF) scheme to help moderate the volatility in prices of agri-horticultural commodities like onion, potato and pulses.
