

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO.423**  
TO BE ANSWERED ON THE 5<sup>TH</sup> FEBRUARY, 2019

**HIGH PRICES OF FRUITS AND VEGETABLES**

423. SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:  
SHRI KRUPAL BALAJI TUMANE:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the price of fruits and vegetables being sold in the city mandis increase manifold by the time these reach the retail markets;
- (b) if so, the remedial steps taken/ being taken by the Government to solve this problem;
- (c) whether the Government proposes to fix maximum price to limit the arbitrary profit margin on the fruits and vegetables and to fix the maximum selling profit margin thereon; and
- (d) if so, the time by which it is likely to be implemented?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री ( SHRI GAJENDRA SINGH SHEKHAWAT)

(a) & (b): The prices of fruits and vegetables may increase from wholesale markets to retail market due to various factors such as transportation cost, loading/unloading expenses, grading/ sorting, wholesaler's margin, wastages during movement/weighing, location of retail shops, fixed overhead expenses of retailers and margin of retailers etc.

Steps taken by Government to control the prices of fruits and vegetables are as follows:

- i. Farmers are mobilised into Farmer Producer Organisations (FPOs) for aggregation and bringing economies of scale. Continuous efforts are being made to link FPOs to market by way of direct marketing, farmer consumer markets and e-NAM.
- ii. The Government has circulated to States/Union Territories (UTs) for adoption "The Agriculture Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017", which provides for alternate marketing channels such as setting up of private markets, direct marketing, farmer-consumer markets, special commodity markets, declaring warehouses/silos/cold storages or such structures as market sub yards to facilitate farmers in marketing their produce at competitive and remunerative prices.

- iii. In order to optimise the use of scarce resources and mitigate the uncertainty in price and marketing, the Government has formulated and released a progressive and facilitative Model Act “The ----State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018” in May, 2018 for its adoption by the states/Union Territories (UTs). The aforesaid Model Contract Farming Act covers the entire value and supply chain from pre-production to post harvest marketing including services contract for the agricultural produce and livestock.
  - iv. Government is implementing National Agriculture Market (e-NAM) scheme wherein online trading of agriculture commodities including horticulture commodities is carried out in transparent and competitive manner helping the farmers with better price discovery for their produce, while at the same time lowering transaction costs thereby stabilizing prices.
  - v. The Government has announced in Union Budget 2018-19 to develop and upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs) to work as centers of aggregation and for direct purchase of agricultural commodities thereby substantially improving market access for farmers.
  - vi. Assistance is provided under various schemes such as Rashtriya Krishi Vikas Yojana-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR), Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), Mission for Integrated Development of Horticulture (MIDH) for development of post harvest management and marketing infrastructure such as cold storages, ripening chamber, pack houses, reefer vehicles, primary and wholesale markets, etc.
  - vii. Market Intervention Scheme (MIS) for procurement of horticultural commodities which are perishable in nature and are not covered under Price Support Scheme.
- (c) & (d): No such proposal is under consideration.

\*\*\*\*\*