

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

LOK SABHA
UNSTARRED QUESTION NO. 2536
TO BE ANSWERED ON 07.08.2024

RISE PRICES OF POTATOES AND ONIONS

2536. DR. D RAVI KUMAR:

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

- (a) whether the immediate measures the Government is taking to control the price surges in view of the Department of Consumer Affairs Price Monitoring Division's data showing significant increases in the average retail prices of potatoes (56%) and onions (67%) as of July 15 compared to a year earlier, if so, the details thereof;
- (b) whether there has been a sharp 76% increase since mid-June despite of tomato prices being 43% lower than a year ago and if so, the details thereof including the interventions being considered by the Government to address this sudden shift in price momentum and prevent further spikes;
- (c) the steps taken by the Government to stabilize cereal prices and ensure food security in the country; and
- (d) the manner in which the Government is planning to mitigate the impact of deficient rains on key food-growing areas like Punjab and address potential inflationary pressures?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री बी.एल. वर्मा)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L. VERMA)

(a) to (d) : Prices of agri-horticultural commodities tend to be volatile as they are affected by factors, such as seasonality in production, adverse weather conditions, supply chain disruptions, artificial shortages created by hoarding and black marketing, rise in international prices etc. Sometimes slight disruptions in the supply chain or crop damage due to adverse weather condition etc. lead to spike in the prices of agri-horticultural commodities. Conversely, bulk arrival and logistics problems have the potential of creating a situation of glut in the market and resultant dip in prices.

In order to protect consumers from excessive price volatility in agri-horticultural commodities, the Government introduced the Price Stabilisation Fund (PSF) scheme in 2014-15. Under PSF, buffer stock of major pulses and onion have been maintained for market interventions and also to discourage hoarding and unscrupulous speculation. Stocks from the buffer are released in calibrated manner to augment availability in the market and stabilise prices.

Government maintains buffer stock of onion by procuring onions from rabi crop for release in the market during the lean months to stabilise the prices. In current year, about 4.64 lakh tons of onion has been procured through NCCF and NAFED and kept in the buffer. Onions from the buffer will be released in the market through various channels such as retail sales, e-Nam auction and bulk sales in wholesale markets to augment the availability.

The recent increase in tomato prices is due to crop seasonality and extreme pre-monsoon heat followed by supply chain disruptions due to excessive rains in some pockets. To ameliorate the hardship faced by consumers and make tomatoes available at affordable prices, NCCF started retail sale of tomatoes the consumers at Rs.60 per kg from 29th July, 2024

In order to manage the overall food security and to prevent hoarding and unscrupulous speculation, the Government imposed stock limits on wheat from 24th June 2024 till 31st March 2025. The export of non-basmati white rice has been prohibited and export duty of 20% imposed on parboiled rice has been imposed.

Retail sale of Bharat Atta and Bharat Rice at subsidized prices was launched for increasing supplies in the market at affordable rates and helped in continued moderation of prices of these food items.

The Government has allowed grain deficient states to directly purchase rice from Food Corporation of India (FCI) under the Open Market Sale Scheme (Domestic) (OMSS [D]) without participating in the e-auction from August 1st, 2024. Under the OMSS (D), the Department of Food and Public Distribution will directly offload rice to states for Rs.2,800 per quintal (excluding the cost of transportation). If the States/UTs want to procure more than the stipulated 5 kg of free grain per individual, then they can procure that at the same price at Rs.2,800 per quintal instead of earlier Rs.2,900 per quintal.

The Union Budget 2024-25 announced focus on agriculture productivity and resilience by developing high yielding and climate resilient varieties. This would help mitigate the impact of deficient rains in major foodgrain producing States, including Punjab.
