

Rise in vegetable prices

What is the issue?

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- The prices of vegetables with short shelf - life are rising.
- A better infrastructure for marketing is required.

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What is the status of vegetable prices in India?

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- Price of tomato is spiralling, along with other food items.
- Tomatoes saw a sharp inflation of over 209.5% from 29.4%
- The prices of onion and potato have increased in recent months owing to disparity between demand and supply.

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What is the reason for high price?

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- The rise in the retail prices of tomato is being associated with low supply from key growing States.
- Heavy rain in a few regions that damaged the crop and hindered transport as well.
- The mismanagement in the supply chain is another reason for the huge gap in prices that growers sell perishable agricultural commodities for and what the consumer pays.

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- The cost of packaging, grading, transporting and fees, besides the margins of the middlemen, are some of the elements that determine the final price the consumer has to bear.

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How can these issues be addressed?

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- **Storage facility** - Upgraded storage infrastructure will keep a check on price volatility.

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- India's cold storage capacity at present is nearly 3.5 crore tonnes, which is short by 30 - 40 lakh tonnes, and it needs to be increased.

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- **Transportation** - There are 7,000 -8,000 refrigerated trucks plying in India, mostly transporting pharmaceuticals and dairy products.

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- Transport of perishable vegetables in refrigerated trucks could be one of the options that would help in better supply and availability of the produce.

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- **Marketing** - Creation of co -operative groups and societies are probably an alternative that could assist in minimising the marketing channel.

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- **Co - operative farming** - Most farmers in India have small landholdings, nearly 85% farmers are 'small,' who have less than 2 hectares.

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- Co-operative farming will stabilise prices and benefit consumers.

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Source: The Hindu

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