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# THE HINDU BusinessLine

Tomato prices to stay high till Aug-end



Turning pricey				
	Kolar		Delhi (Azadpur)	
	July 25, 2017	July 25, 2016	July 25, 2017	July 25, 2016
Arrivals (tonnes)	657	1,538	363	450
Minimum price (₹/quintal)	1,334	400	1,200	1,600
Maximum price (₹/quintal)	7,000	1,467	6,400	3,214
Modal price (₹/quintal)	4,167	1,000	3,847	2,362

Production trend		
	2015-16 (F)	2016-17 (2nd estimate)
Area ('000 ha)	774	809
Production ('000 tonnes)	18,732	19,697

Recent trends in major markets						
	Arrivals (tonnes)			Modal price (₹/quintal)		
	May '17	June '17	July '17	May '17	June '17	July '17
Kolar	68,410	1,37,147	1,42,520	783	2,144	4,478
Chennai	1,18,990	1,09,600	76,190	746	2,170	5,280
Delhi	96,837	86,753	61,972	523	1,224	3,407
Madanapalle	1,25,169	1,19,322	55,170	777	2,340	6,470



Source: Agmarknet, Agriculture Ministry, NHRDF

Spike triggered by early arrival of monsoon, pest attacks

Tomatoes have become the new onions. The flare-up in the price of the indispensable vegetable in recent months on disruption in supplies due to early arrival of the monsoon and incidence of pest attacks has soured consumer sentiment across the country.

In Delhi NCR, tomato prices were sold at ₹96-110 a kg on Tuesday. Safal, the subsidiary of Mother Dairy, was selling tomatoes at ₹96/kg, and online grocers BigBasket and Grofers at ₹99/kg and ₹98/kg, respectively. Desi tomatoes online were even more expensive at ₹105/kg.

In Mumbai, tomatoes were retailing at around ₹110/kg, in Kolkata at ₹99/kg, in Hyderabad at ₹108/kg, and in Bengaluru at ₹80-92/kg.

Prices are expected to stay firm in the near term, traders and officials said, hinting that consumers will likely get a respite only towards end-August when fresh supplies from key growing regions of Nashik and Kolar are expected.

While high prices are hurting retail consumers badly, even large buyers such as restaurants seem to be facing the brunt. A McDonald's restaurant in Noida put up a sign telling its customers that owing to temporary unavailability of tomatoes, "we are unable to add tomatoes in various products." The situation, it said, is expected to become stable soon.

The high prices have turned the vegetable into a precious commodity: there are reports of traders seeking armed protection for the stored tomatoes from markets in Madhya Pradesh.

With fresh tomatoes turning expensive, some consumers are switching over to processed puree. A 200-ml pack of tomato puree across brands costs ₹20-25, and a 1-kg pack about ₹85 in Delhi.

Restaurant chains, which typically source their supplies through annual contracts on pre-determined prices, are seen largely insulated from the sharp hike in prices, which have more than quadrupled over the past three months in major markets.

The early arrival of the monsoon across the country impacted the standing crop in Himachal Pradesh, Karnataka, Maharashtra and Uttar Pradesh, among other States, leading to a decline in arrivals.

"Cooler weather suits tomato crop better. Both excess temperature as well as rains, which leads to rotting, are not good for the crop," said Rohtas Kait, assistant professor at Chaudhary Devi Lal University, Sirsa.

The IMD has predicted a normal monsoon for the year. So far, the cumulative rainfall across the country as a whole has been 5 per cent surplus, with only the Peninsular region and North-East witnessing deficit rains.

Besides, the shrinkage in crop area last year in some parts of Maharashtra and Himachal has also affected market arrivals. “Prices were low in recent years, resulting in lower cultivation this year. Also, the crop was impacted by pest attacks this year,” said Prabhakar Harak, a tomato trader in Nashik.

Harak said prices are likely to stay high until the second week of August, after which they could come down with fresh arrivals.

In its crop outlook, RML Agtech said tomato supply is unlikely to improve in the near future. New crop will start arriving by the end of the next month, ahead of which prices are likely to remain firm.

In Karnataka’s Kolar region, scattered rains this year impacted the standing crop last month, hurting supplies. Transplanting of the tomato seedlings has begun, but the trend is sluggish. “Transplanting in the ongoing kharif season is 25-30 per cent of the total acreage. Only 14,200 acres of the 45,000 acres have been planted so far. The price trends may prompt more farmers to take up planting,” said Nagaraj, Joint Director, Karnataka Horticulture Department. He expects prices to come down over the next few weeks.

Drought over three successive years resulted in declining water table in the major tomato-growing districts of Kolar and Chikaballapur. This has impacted the planting of the vegetable. However, farmers in Kolar are bullish on tomato. “Tomato acreages could go up by 30-40 per cent this year,” said Abhilash T of Gold Farm, a start-up that provides outsourced services of farm implements in Kolar district.

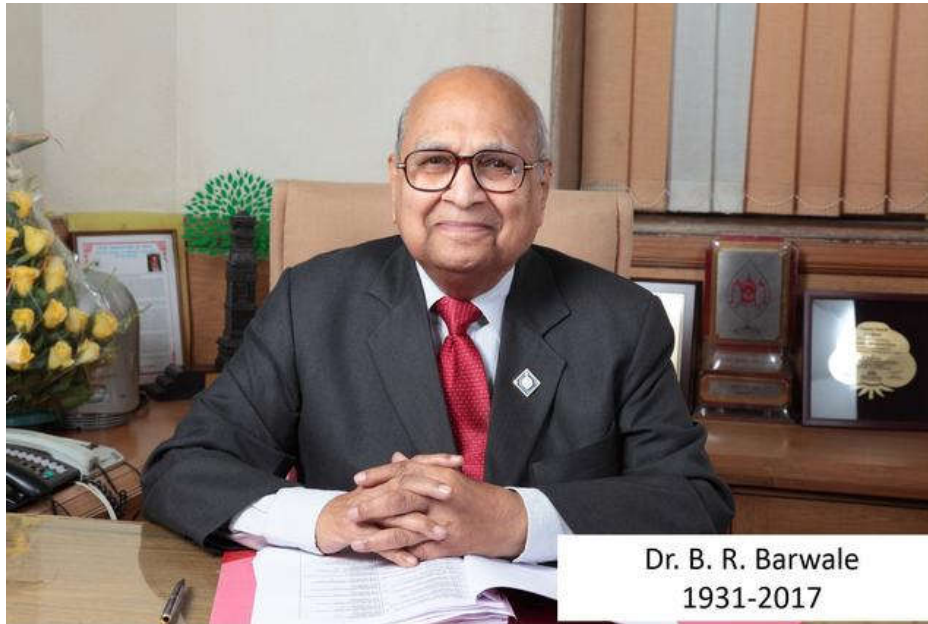
### **Exports hit**

The high prices have also impacted tomato exports. The export price to Dubai is around 60/kg, but farmers are getting 65/kg wholesale rate in the local market, Harak said.

*(With inputs from Vishwanath Kulkarni in Bengaluru and Rahul Wadke in Mumbai.)*

(This article was published on July 25, 2017)

## BR Barwale, father of the Indian seed industry, is no more



BR Barwale, Mahyco founder

Badrinarayan Ramulal Barwale, who turned Jalna, an otherwise nondescript district in Maharashtra, into the epicentre of the Indian seeds industry, breathed his last in Mumbai on Monday.

Barwale, who was 86, founded India's first private seed company, Maharashtra Hybrid Seeds Company Pvt Ltd (Mahyco), in 1964, and remained its chairman till his end.

Widely regarded as the father of the Indian seeds industry, Barwale was awarded the prestigious World Food Prize in 1998. In 2001, he received the Padma Bhushan from the Indian government.

“Grieved to share about the sad demise of Dr B R Barwale. He devoted his life for the upliftment of Indian farmers and the best way we can honour him and his life is to continue to take his legacy forward,” Mahyco said on its Twitter and Facebook accounts.

In a tweet, former Agriculture Minister and Nationalist Congress Party President Sharad Pawar said Barwale "was instrumental in making food security a reality in India.”

Born into a small agricultural family in Hingoli in the poverty-stricken Marathwada region in 1931, Barwale was clear right from the beginning that quality seeds are vital to improve the plight of poor farmers. His first experiment with seed production was with *Pusa Sawani*, a virus resistant variety of okra developed at the Pusa Institute.



## **Bumper harvests**

The fact that the farmers could harvest bumper production as the cultivar was free from disease, instilled a lot of confidence in him, said Charudatta Mayee, president of the Delhi-based South Asia Biotechnology Centre and former director of the Central Institute of Cotton Research in Nagpur.

Subsequently, following the setting up of Mahyco, a small team of breeders employed by him exploited hybrid breeding technology to develop a series of high-yielding cultivars of sorghum, pearl millet, cotton, sunflower, pulses and oilseeds, said Mayee, who briefly worked with Mahyco before going away for his PhD.

“In fact the hybrids in dryland agriculture proved a boon because they tolerated the erratic behaviour of the monsoon with their genetic flexibility to yield in extreme weather ,” said Mayee.

Barwale played an important role in bringing Bt cotton into the country. Mahyco formed a 50:50 venture with Monsanto Investments to form Mahyco Monsanto Biotech and introduced Bt cotton varieties in 2002.

(This article was published on July 25, 2017)

## **Tomato prices soar to Rs. 100/kg in Delhi-NCR on short supply**



Supplies have almost dried up from major tomato growing states such as Karnataka

Tomato prices have risen to around Rs. 100 per kg in the national capital market as supplies from major producing states have been disrupted because of heavy rains.

Mother Dairy is selling tomatoes at Rs. 96 per kg here through its 300 retail stores 'Safal', while online grocery platforms like Big Basket and Grofers are offering this key vegetable at nearly Rs. 100 per kg.

Local vendors are selling tomatoes in the Rs. 80—100 per kg range depending on the quality.

Prices have shot up about four times since the beginning of June when tomatoes were being sold at about Rs. 25 per kg in the Delhi—National Capital Region market.

As per the consumer affairs ministry's data, the average price of tomatoes stood at Rs. 80 per kg yesterday across major cities in the country while the maximum price was Rs. 95.

Price of tomatoes in Delhi was Rs. 83 per kg, while in Mumbai it was Rs. 88, Chennai Rs. 80 and Kolkata Rs. 95, the government data showed.

Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh, West Bengal and Odisha are the major tomato growing states.

The country produces around 18 million tonnes of tomatoes.

When contacted, a senior official from Mother Dairy said the supply has almost dried up from states like Karnataka, Maharashtra and Gujarat, while arrival from Himachal Pradesh and Uttarakhand too have fallen leading to a price surge.

Last week, Agriculture Secretary Shobhana K Pattanayak had said that "this is a lean season for tomato. The price rise is a temporary phenomenon and it will fade out soon".

The Department of Consumer Affairs monitors price for 22 essential commodities based on data collected from 100 market centres spread across India representing North, West, East, South and North—eastern regions of the country.

### **Security sought**

Traders have asked the management of Devi Ahilya Bai Fruit and Vegetable Market in Indore to hire security guards. "A big consignment of tomatoes was stolen in Mumbai recently. We fear it may happen here too," Subhash Narang, a wholesaler, said on Monday. "We have asked the market management to deploy security guards to protect tomatoes," he added. Market inspector Ramesh Savadia however said that security guards have already been deployed, and the traders need not have any fear. Supply crunch due to damage caused to the crop by heavy rains in several parts of the country has led to a sharp rise in prices, according to local vendors.

### **What ails the farm sector part-3: Safest bet for farmers, cotton's success stymied by low yields, lack of irrigation**

It's sturdy and withstands harsh weather conditions better than other crops, it's non-perishable, farmers can hope to get extra flushes from extended rain spells and, more importantly, prices have generally remained stable if not very remunerative. Moreover, cotton has always had a demanding market in the textile industry.



Cotton remains the most popular choice for farmers in Vidarbha, Marathwada and parts of middle Maharashtra. (Express Archive)

IN April 2010, raw cotton prices had zoomed close to Rs 7,000 per quintal, its highest peak till date. As a result, the cotton area in Maharashtra saw a record jump from 33.91 lakh hectare in 2009-10 to 39.42 lakh hectare in 2010-11. The event bears uncanny similarity to its intercrop arhar's story in 2016, when the pulse's price skyrocketed to a record over Rs 9,000 per quintal, leading to the area of the crop going up by over three lakh hectare in 2016-17. And it was cotton area that took the hit dropping from 42 to 38 lakh hectare. But with arhar (pigeon pea) prices crashing to less than Rs 4,000 per quintal and cotton prices touching a high of Rs 5,700 per quintal, cotton is set to regain its lost ground in 2017-18. Also, over the past ten years, soybean and cotton crops competed with each other in Maharashtra, with the area being influenced by prices and pests.

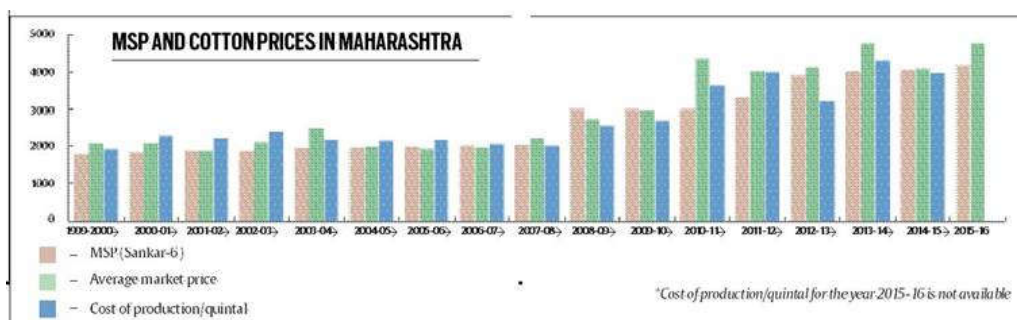
Despite being seen by some as a “problem crop” for farmers, cotton, however, remains the most popular choice for farmers in Vidarbha, Marathwada and parts of middle Maharashtra (Khandesh), thanks to the advantages it provides like no other crop does. It's sturdy and

withstands harsh weather conditions better than other crops, it's non-perishable, farmers can hope to get extra flushes from extended rain spells and, more importantly, prices have generally remained stable if not very remunerative. Moreover, cotton has always had a demanding market in the textile industry and hence was seen as a cash crop by farmers. Clearly, agrarian distress in general and farmers' suicides in particular in regions like Vidarbha do not relate to cotton so much as many have reasoned as far as the farmers' steadfast choice for the crop goes.

Says farmer Dilip Pohane from Hinganghat, the biggest cotton mandi in the state, in Wardha district, "I had stopped sowing cotton for past three years due to lopsided cost benefit ratio and had switched over to arhar. But since arhar prices have crashed, I am switching back to cotton this time. And if you take a look at the entire stretch of 50 km from Hinganghat to Wadki, you will find 75 pc of farmers have gone for cotton since it fetched up to Rs 5,700 per quintal last year." Pohane agrees that cotton provides advantages even if it's not hugely profitable. "In situations like the one created by arhar, cotton is the only viable option," he says.

According to government statistics, cotton sowing in the state is complete up to 93 pc of the average area till July 21, which is already 108 pc of last year's sown area. Arhar sowing, meanwhile, has fallen 13 pc. The rise in acreage could impact prices, some feel. According to cotton trader Pankaj Kochar from Hinganghat, there has been 40 pc increase in cotton area in the Hinganghat belt. "With the kind of rain at this juncture, production will go up by 1.5 times and is likely to suppress the prices this time round," he says.

But Keshav Kranthi, former Director of Central Institute for Cotton Research (CICR) and now with Washington's International Cotton Advisory Committee (ICAC), says many countries have seen a drop in area under cotton. "And with China also likely to import this time, the prices are expected to remain at the same level as last year," he says.



MSP and cotton prices in Maharashtra

Some activists have also blamed the advent of genetically modified Bt cotton as an aggravating event in farm distress. But increase in area, production and productivity in cotton over the years do not bear it out. Even going by the farmers' suicide numbers over the past ten years, Bt cotton is difficult to blame for distress. What most have missed is a very substantial drop in suicide numbers from 1449 in 2006 to 805 in 2013 in the six main cotton



growing districts of Vidarbha viz Wardha, Amravati, Akola, Buldana, Washim and Yavatmal. These are known as the most suicide-prone districts in not only Vidarbha but also anywhere in the country. Interestingly, Yavatmal, that had registered the maximum 360 suicides in 2006, recorded 231 suicides in 2013. Coincidentally, this was the period when Bt cotton picked up in a big way to cover over 95 pc of the cotton area in the state. The area under cotton also rose from 31.07 lakh hectares in 2006 to 42.07 lakh hectares in 2016, averaging an increase of more than one lakh hectare per year.

The productivity levels have also gone up from 253 kg lint per hectare in 2006-07 to maximum of 361 kg lint per hectare in 2013-14. The average market price has also risen from Rs 1,955 in 2006-07 to Rs 4,751 in 2015-16.

The problem for Maharashtra's 20 lakh cotton farmers, however, has been low productivity. In states like Gujarat, the yields are more than double that of Maharashtra. The difference between cost of production and average market price has always been very small. In 2006-07, according to statistics provided by Kranthi of the International Cotton Advisory Committee (ICAC), the cost of production in 2006 was Rs 2,052 per quintal against the average market price of Rs 1,955 and the minimum support price (MSP) provided by the government Rs 1,990.

Incidentally, the MSP factor was virtually rendered ineffective since 2005 when the state government virtually ended the Monopoly Cotton Procurement Scheme (MCPS), where it would buy the entire cotton produce of state farmers by paying a bonus amount above the MSP. The scheme, launched for thirty years in 1973, ran on extensions for two years till 2005 with no further extension being granted due to over Rs 8,000 crore losses piling up and continued default on payment of bonus. Since then, the open market prices have mostly been above the MSP, barring 2008, when then Union Agriculture Minister Sharad Pawar hiked the MSP by a huge 42 pc from Rs 2030 to Rs 3000. The market didn't respond to the government move and kept their offers low, forcing the state government to buy about 70 pc of the produce. But except for 2008-09, farmers have been selling their cotton in the open market.

Low productivity itself is because about 90 pc of the state's cotton area is non-irrigated and about one-third of the state area is in Vidarbha (about 15 lakh hectares), where irrigation is a far cry. Of late, in the Khandesh region, the yields have gone up handsomely, attributed to use of drip irrigation.

Though productivity has increased after the advent of Bt cotton, it has kind of plateaued over the past ten years. "Resurgence of sap sucking insects and emergence of Bt-resistant pink bollworms. Sap sucking insect pests such as jassids, mealy bugs, mirid bugs, thrips and whiteflies, which are not controlled by Bt-cotton, increased over the past ten years and caused serious damage despite heavy use of insecticides," says Kranthi. "Pink bollworms, which can feed only on developing cotton seeds and almost nothing else, developed high levels of resistance to Bt-cotton. More than a thousand private Bt-cotton hybrids were released during the five year period after 2006. Majority of these were very susceptible to the sap sucking

pests thereby leading to the problem of sucking pests. Non sowing of refuge crop surrounding Bt, as prescribed in the Bt technique coupled with extending the crop by a few months, led to rapid development of pink bollworm resistance to Bt-cotton only in India and nowhere else in the world,” he adds. Whiteflies in Punjab and Pink Bollworm in Gujarat, Karnataka, Maharashtra and Andhra Pradesh had hit national headlines last year. Whitefly had blown up into an election issue in Punjab.

Successive governments have rhetorically pushed “cotton to cloth” slogan doing virtually nothing on the ground to turn it into a reality. A value chain beginning with cotton and ending in cloth has kept hanging fire with no textile units coming up in and around cotton growing areas.

### **Whitefly attack fears grow in Punjab’s cotton belt**

Six pests per leaf have been detected in some parts of Fazilka, Bathinda, Muktsar and Mansa, while the average growth is between 4-5 pests per leaf in most parts of the cotton belt. Dr Sukhdev Singh, Deputy Director for Cotton, Department of Agriculture, revealed that economic threshold level (ETL) of the pest is six per leaf and therefore there is no scope of taking chances.



With hot & humid weather aiding pest growth, awareness camps begin in 1000 villages. (Representational Image)

HOT AND humid weather with less rainfall in Punjab’s cotton belt has set alarm bells ringing for the state’s Agriculture Department. Chief agriculture officers of the cotton belt districts have been told to be extra vigilant as the temperatures are conducive for the growth of whilefly pest.

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Sukhdev Singh, Deputy Director for Cotton, Department of Agriculture, revealed that economic threshold level (ETL) of the pest is six per leaf and therefore there is no scope of taking chances.

“This year, area under cotton is 3.82 lakh hectare, while in 2015, when whitefly attack had happened, area under cotton was 3.36 lakh hectare. Last year, farmers had grown cotton on only 2.86 lakh hectare fearing whitefly attack. However, this year we are very concerned and are advising farmers to do regular sprays so as to kill the pest as in the given temperature pest growth is very fast,” he said.

According to Dr Sukhdev, “Most farmers have started the first spray on cotton crop by this time, while at places where ETL level is below six, neem spray is being done so as to avoid excessive use of pesticides. Although our scouts are in the field to guide people, but if it rains properly in the coming days, it will be a big relief for cotton farmers.”

Dr Jasbir Singh, Director, Agriculture, added, “We have sent an alert to the chief agriculture officers of the entire cotton belt through video conferencing and they are sending us daily reports of action taken. Field reports say that multiplication of pest is fast in Muktsar, Bathinda and Mansa districts.” Dr Sukhdev added, “We have 1000 villages which are under cotton and awareness camps have started in all these villages. We are recommending 6 sprays suggested by PAU and farmers are repeatedly advised not to purchase any other spray as they did in 2015 when disease had spread fast in the cotton belt and had caused huge loss to farmers.”

Shingara Singh Mann, President of Bharti Kisan Union (BKU), said, “Few farmers in villages Bhucho Khurd, Mandi Kalan, Kalyan etc have sowed cotton crop and then midway switched to paddy after they saw whitefly pest growth. In Mansa too, in over 7,000 acre of land which was damaged due to excessive rain, paddy was the sown as cotton crop had been damaged completely. Other farmers are still afraid despite doing regular sprays....”

### **Crop stubble burning: Punjab govt to offer \$1 million for solution**

The Punjab government will soon advertise the challenge internationally, offering \$1 million to any university, agency, scientist or a private implement manufacturing firm that can come up with a viable solution for pollution-free management of stubble.



The Punjab government has decided to open up the search for a solution with a global million-dollar reward for the “paddy straw management challenge”. (Representational Image)

Unable to persuade farmers to stop burning crop stubble, the Punjab government has decided to open up the search for a solution with a global million-dollar reward for the “paddy straw management challenge”. The government will soon advertise the challenge internationally, offering \$1 million to any university, agency, scientist or a private implement manufacturing firm that can come up with a viable solution for pollution-free management of stubble. A “paddy straw challenge fund” is being created.

The issue is on the agenda of the next Cabinet meeting. “After cabinet approval, we will notify it immediately and insert advertisements. We will also ask farmers to dig out the stubble and save it. The government will buy the stubble and give it to the agency which offers the solution for experiment,” said a senior government functionary.

The government will set up a committee to evaluate the solutions offered. “Although we have not made it a part of the proposal yet, we plan to include experts from Punjab Agricultural University and Indian Council of Agricultural Research to evaluate the solution. The prize money would be given only if the panel certifies that a perfect solution has been offered,” said the official. Every kharif season, farmers in Punjab and Haryana burn paddy stubble left in the soil after harvest. The smoke causes a spike in air pollution levels, all the way to Delhi and beyond.



# Business Standard

## Sebi expands position limit base for farm commodity futures

Puts agri commodities in three categories, asks comexes to declare position limits in 30 days



Expanding the horizon for traders in agri commodity futures, market regulator Sebi has expanded position limits across all spectrums at the client, member and exchange levels.

In a circular dated July 25, Sebi said stakeholders' feedback shows the current numerical value of overall client level position limits for agricultural commodity derivatives is inadequate and not in consonance with the deliverable supply of commodities. After due consultation with various stakeholders on the basis of CDAC (Commodity Derivatives Advisory Committee), the regulator has divided the client-level position limit for agri commodities in three broad category -- sensitive, broad and narrow.

Defining sensitive commodities, the regulator said these are prone to frequent government / external intervention in the form of stock limits, import/export restrictions or any other trade-related barriers. Such commodities have had frequent cases of price manipulation during the past five years of derivatives trading. Hence, clients under this category are allowed to have a position limit of 0.25 per cent of deliverable supply (an average of last five years' average output and import).

The regulator defined "broad commodities" as those which are not sensitive in nature, but whose average deliverable supply for the last five years stood at one million tonne in

quantitative term and at least Rs 5,000 crore in monetary term. Commodities falling under this category would attract a client level position limit of one per cent of the deliverable supply.

The third type, the "narrow category" consists of commodities that do not fall in other two categories. Such commodities would entail with a client level position limit of 0.5 per cent of the deliverable supply.

"This is a fair move by Sebi," said Shiv Kumar Goel, President, Commodity Participants Association of India (CPAI), the body representing all participants in commodity futures value chain.

Earlier, Sebi followed the move of the Forward Markets Commission (FMC), the erstwhile regulator of commodity futures that was merged with it in 2015, and fixed position limits on numerical value depending upon the size of the individual commodity and traders' interest in it.

The regulator directed comexes to jointly classify agricultural commodities into these three broad categories. The regulator, however, allowed re-classification from 'narrow' to 'broad', provided the concerned commodity's average deliverable supply and monetary value thereof exceeds 5 per cent.

The regulator has directed comexes to revise the position limit and notify such details by July 31 every year by incorporating sources of data procured. For agricultural commodities, Sebi asked comexes to avail data from concerned ministries. For every year, the revised position limit data will become applicable for all running contracts with effect from September 1. For the current year, however, exchanges are advised to complete the exercise within 20 days and make the revised position limit applicable effective from October 1.

For member level, however, the position limit in agricultural commodities across all the contracts would be 10 times the numerical value of client level position limit of 15 per cent of the market wide open interest, whichever is higher. Also exchange wise position limit shall be capped at 50 per cent of the annual estimated production and import of the commodity. There will be no change in norms with regard to near month position limits, computation of open positions, monitoring of position limits or any other norms prescribed by Sebi earlier.

With regard to clubbing of position limits, Sebi has directed comexes to jointly formulate a uniform guideline and disclose the same to the market within 30 days.

## Onion hits 8-month high on supply disruptions, low arrivals

Traders say prices will remain elevated due to increased demand, lower availability



Onion prices saw a remarkable jump, hitting an eight-month high on account of a sharp increase in demand by stockists in both, domestic and overseas markets amid reports of low arrivals in the country's major *mandis*.

Data compiled by the National Horticultural Research & Development Foundation (NHRDF) showed that the model price of onion in Maharashtra's Lasalgaon *mandi* almost doubled to Rs 8.70 per kg, from its earlier low of Rs 4.50 per kg.

Prices of agricultural commodities usually increase around this time on account of supply disruptions due to rain and a sudden spurt in demand from stockists, ahead of a festive season including Diwali and Dussehra celebrations.

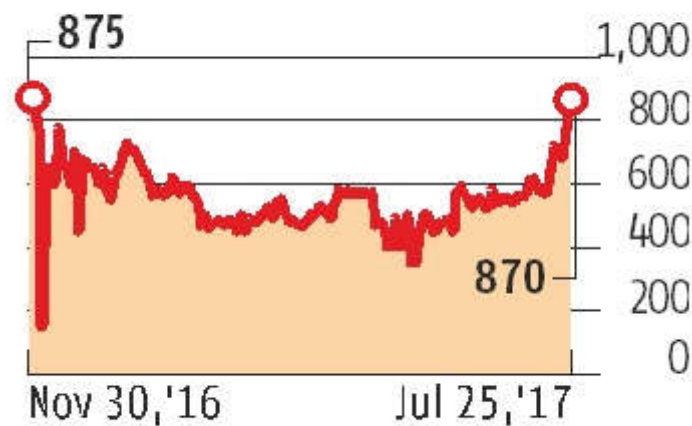
Two years ago, onion prices had hit the record high of Rs 80 a kg in the wholesale market, while rates had gone up to Rs 100 a kg in retail markets. The spike in prices prompted the government to allocate Rs 500 crore for the creation a buffer stock. Consequently, government agencies like the Small Farmers' Agribusiness Consortium (SFAC) and the National Agricultural Cooperative Marketing Federation of India (Nafed) accumulatively procured nearly 30,000 tonnes of onion during the last season.

"The buffer stock of onion is generally created during the April-May period every year. However, the central government refrained from creating a buffer stock for onion this season due to a bumper production. Even private traders did not stock up as much as they do every year since expectations were of low prices. Due to an existing lack of a buffer stock, the

government is unable to intervene and stabilise market prices, even as supply has started to decline in major markets across the nation," said Rajiv Tevtiya, Managing Director, RML AgTech, a city based farm advisory company.

## ONION-LASALGAON

Modal price (₹/q)



Compiled by BS Research Bureau Source:NHRDF

"Last year's stock in Madhya Pradesh has been exhausted. So, there is a demand pressure on Maharashtra from all across the country including West Bengal, Assam, Bihar and Uttar Pradesh, among others. Regular demand from Delhi and other regions continue with the festive season spurring demand further," said Atul Shah, Director, Pimpalgaon Agricultural Produce Market Committee (APMC).

In terms of supply, onion arrivals in the benchmark Lasalgaon *mandi* declined to 1,200 tonnes on Monday, after hitting a record high of 2,917 tonnes in early June, this year. On Tuesday, arrivals stood at 14,000 tonnes.

Lower storage by large stockists across the country contributed to the decline in supplies further. Onion stocks witnessed a decline on account of a lower output of 19.71 million tonnes in 2016-17, marking a decline of 6 per cent over last year's output of 20.93 million tonnes.

"Sowing scenario for the current year appears to be grim. Farmers are unwilling to sow and re-plant onion pods in the field due to lower realisation throughout this year. During the early harvesting period in the rabi season, farmers released the entire quantity of their produce, thereby reducing prices by Rs 1-2 a kg. Around half of quantity stored in cold storages got spoiled due to a weak infrastructure," said Sanjay Swarup, who is the owner of Shivkrupa-an onion wholesaler in Nashik.

He added that farmers suffered a major loss this year as prices remained below the estimated cost of production of Rs 5 a kg. As a result of this, sowing area under onion was less this



year. Swarup also rued the fact that the government was not willing to pay adequately to domestic farmers, while it was ready to encourage imports and pay higher to overseas farmers.

### **Tomato prices go through the roof**

Farmers shifted to other vegetables as they could not realise price in past 9 months: Farmers' body



Tomato prices breached the Rs 100 per kg-mark in Mumbai and Delhi on Tuesday due to severe shortage of supply.

In Mumbai, prices of tomatoes have shot up to Rs 150 a kg in the retail market while in Ahmedabad and Delhi it is around Rs 100 per kg. The lack of supply has impacted the prices, traders said. Karnataka is the second-largest producer of tomatoes. It supplies to the markets in south India, West Bengal and Bangladesh. In the past six-nine months, tomato farmers had price realisations of less than Rs 5 per kg, making it unviable for them to grow the crop.

The prevailing drought, for the consecutive fourth year, and the summer also contributed to the decline in tomato production. The southern state produces over two million tonnes every year from 64,000 hectares. The crop, mainly used as a vegetable across India, can be harvested in three months.

## PRICE CARD

RETAIL PRICE ₹/KG	JUNE 30	JULY 25	Chg (%)
Mumbai	40.0	100.0	150.0
Ahmedabad	45.0	90.0	100.0
Delhi	40.0	75.0	87.5
Chennai	46.0	80.0	73.9
Bangalore	48.0	75.0	56.3
Kolkata	65.0	90.0	38.5
Hyderabad	80.0	110.0	37.5

Prices of hybrid tomato ; Compiled by BS Research Bureau

Source: NHB

“Farmers had shifted to other vegetables as they could not realise price in the past nine months,” said Bellur Krishna, director of Horticultural Producers’ Cooperative Marketing and Processing Society, a state-run farmers-to-consumers marketing unit. “Now, with demand picking up, farmers are back to growing tomatoes. The supply should ease in the next 15 days,” he said.

In Kolar, Chikaballapur and Mysuru, low rainfall has also impacted production.

“In May, only 25 per cent of the plants yielded the vegetable. It was very difficult due to the heat,” said Jaffer Mian, a farmer in Belagavi district, that borders Maharashtra. “Now that the rains have come, production will be better.” Output in other regions such as Madhya Pradesh, the largest producer of tomatoes and Andhra Pradesh, Karnataka’s neighbour, had also dropped in the past few months.