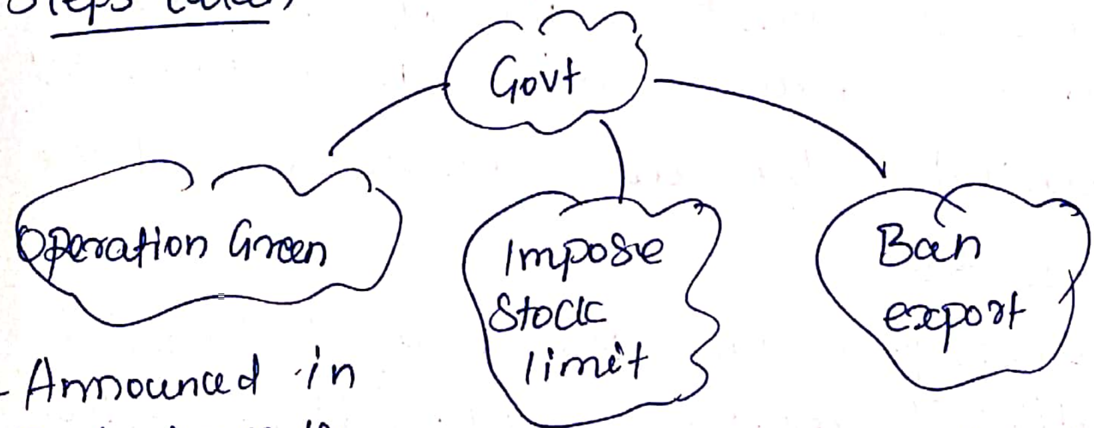
In the context of Operation Green, GoI needs to find a Sustainable solution for price stabilisation, rather than taking temporary ad-hoc measures. Explain

Every year basic vegetables such as Tomato-Onion-Potato (TOP) prices sour up & faces high price volatility. It has huge impact not just on Indian people but also on neighbour who mostly depend on Indian products.

While it is important that Government's dual objective of ensuring remunerative prices for farmers and provide vegetables at affordable prices for consumers, one cannot ignore the impact of price volatility it creates.

Steps taken



Operation Green

- Announced in Budget 2018-19
- ensures higher Share of consumer's prices to farmers
- Stabilises the prices of TOP
- Subsidies to Storage & transportation costs

Impose Stock limit

- Traders stock the vegetable for Monetary gain during demand Period

Ban export

- Neighbouring countries rely on Indian vegetable
- Exporters earn profit more than in internal market

Impacts of the Steps taken

- Imposing Stock limits on Onion discourages private investment
- TOPs are traded in APMC and it does not remunerative prices for farmers as it runs on Mandi fees & commission (farmers get only 1/3rd of the price)
- It creates trade deficit

Way forward:

- Increase the Storage for buffer Stocks & Increase private investment in cold storage facility through incentives
- Encourage direct buying of TOP from farmers producer Organisations (FPOs) by organised seller and according amend the APMC act
- Alternate processing: Since Tomato is highly volatile, it cannot be stored. But processing of tomato as tomato puree & tomato juice can be considered by reducing the GST from 12% to 5%.

It is imperative that government must maintain balance in ensuring remunerative prices for farmers & price stability through sustainable measures and than taking temporary measures.