



Vegetable inflation in August was at 11.4%.

SHANKAR NARAYAN/HT

# Kitchen staples to remain costly

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**NEW DELHI:** Food prices in the country are likely to stay high, as tomatoes, potatoes and onions — the three most volatile kitchen staples — have typically become pricey again because of an extended monsoon and supply-side pressures, trade officials monitoring data of market arrivals and output said.

Onion prices in the country's bellwether Lasalgaon wholesale market in Maharashtra, which sets prices around the country, crashed on Tuesday, a day after the Centre banned exports, but prices may continue to swing, traders said. To cool prices, the government plans to release 500 tonnes of onion from its buffer stock in cities facing up to a 50% increase in prices and take more measures during the upcoming festive months of October and November, when demand could soar, three officials told HT, requesting anonymity.

The nodal price of onions, a kind of average, in Lasalgaon, Asia's largest farm-gate onion market, crashed 31% on Tuesday, from ₹3,200 a quintal (100 a kg) a day earlier to about ₹2,200, according to Prakash Kumawat, secretary of the Lasalgaon agriculture produce market committee. This prompted traders and farmers to suspend trading in a bid to boost the wholesale price.

Kumawat said much of the country's supply of onions was being maintained by onions stored from the previous harvest and prices could see-saw until November, when the fresh crop is due. "Rains have damaged stored onions in many depots, the main source for current arrivals in markets," he said.

Centres picked for replenishing onion stocks from a federally held buffer are located in the Northeast and Jammu and Kashmir, along with Mumbai, Delhi, Kolkata, Hyderabad, Ahmedabad, Pune and Indore, officials with knowledge of the matter said. Kharif or summer sowing of most crops has beaten last

year's figures, with the total acreage as of September 11, 2020, standing at 6% higher than last year, led by a 7% monsoon surplus, according to data from the farm ministry and India Meteorological Department.

However, rains have disrupted supplies and damaged crops as well as stocked onion and potato in states such as Maharashtra, Madhya Pradesh and Karnataka, said Sudin Tarle, another official overseeing the commodities trade in Lasalgaon.

Potatoes, the most widely consumed kitchen staple, have become expensive too, while tomato prices have also been elevated. "One of the reasons for a spike in onion prices is a surge in exports. In August, there had been a steep increase in the export quantity. About 3 lakh MT of onion was exported in August, as compared to 1.26 lakh MT during the same period last year," an official said.

The price rise could be steeper in October and November, he said. The average wholesale price of potatoes in September 1-14 in Agra mandi was ₹2,200 a quintal, steeply higher than ₹760 a quintal during the corresponding period last year, according to data from the National Horticultural Research and Development Foundation. Arrivals data in the market, which refer to volumes traded and is a key indicator of prices, show that in September 2019, potato arrivals in Agra averaged 14,000 quintals a day. Between September 1 and 14, 2020, arrivals have halved to 7,000 quintal, the data show.

Tomato prices have edged up since July. On July 11, prices in Delhi doubled to ₹80 from ₹40 a kg. In the national capital, Chandigarh, Guwahati and Kolkata, tomato prices have jumped from ₹40 a kg in the first week of September to ₹50 a kg on September 14, the price data further show.

Fruits, vegetables, and oils and fats showed higher inflation during August compared to July, according to official retail food inflation figures released on Monday.