



ONGC News, 20.06.2021 Print

High diesel prices, rain fuel spike in veggie rates

Retailers Say Transportation Cost Also Gone Up 20-30%

AlokKMishra
@timesgroup.com

New Delhi: Vegetable prices have risen sharply in the past 10 days following increase in diesel prices and rain at various places. The prices have increased marginally in the wholesale markets, but the retail prices have shot up significantly affecting the household budget of several families many of which have been financially hit due to Covid-19 and lockdown.

In the retail market, onions are being sold for Rs 40 to 45 per kg, beans Rs 90-100, tomatoes Rs 30 to Rs 35, brinjals Rs 50-60, peas Rs 90-100, cabbage Rs 20-30, cauliflower Rs 60-70, cucumber Rs 40-60, lady's finger Rs 40-50, lemon Rs 40-60, pumpkin Rs 20-30 and capsicum Rs 40-60. Many of these vegetables have seen an increase of 50% to 100% in their prices in the retail market in the last 10 days.

Adil Khan, chairman, Agriculture Produce and Market Committee, Azadpur said that

SUPPLY HIT

*Price is per kg on June 19

Vegetables	Wholesale price (in Rs)		Retail price* (in Rs)
	June 19	June 6	
Onion	20.5	17.5	40-45
Tomatoes	4.2	4.2	30-35
Beans	42.5	37.5	90-100
Brinjal	14	10.7	50-60
Cabbage	4.5	3.2	20-30
Cauliflower	18.7	22.5	60-70
Cucumber	15.5	9.7	30-40
Gourd	12.5	14	30-40
Lady's finger	18.5	11.5	40-50
Lemon	10	21	40-60
Pumpkin	5.5	6.5	20-30
Capsicum	11.5	10	40-60
Potatoes	9.3	8	20-30

the cost of vegetables had gone up in the wholesale market primarily due to increasing diesel prices escalating transportation cost and also, due to rains in different states that supply vegetables to Delhi.

The wholesale rate of onions on June 19 was Rs 17.5 per kg, three rupees more than

the rate on June 9. Almost all the vegetables have reported an increase in their wholesale rates and only the rates of lemon, pumpkin, cauliflower and gourd have declined.

An official said that the retailers were paying more for transporting the vegetables from the wholesale market to

the vegetable shops and they were adjusting the difference by hiking the rate of the vegetables at their own level. "Usually a retailer sells at 2 to 2.5 times higher than the wholesale rate and since the retail market is unregulated, prices vary. Another major reason for varying prices is the quality of vegetables they sell with premium quality being costlier," said an official.

Khan said that due to rains, the plucking of vegetables gets hit as the vegetable growers find it difficult to get farm labourers. The rains also damage the vegetables in the farms, which hits supply and demand ration leading to higher prices. Vegetables are supplied to Delhi from Haryana, Gujarat, Rajasthan and different parts of Uttar Pradesh many of which have received rains recently.

A retailer said that vegetable costs had spiralled in the wholesale markets and the transportation cost had increased 20% to 30% due to which their income had been badly hit.

millenniumpost
NEW DELHI | SUNDAY, 20 JUNE, 2021

INSIGHT

mp 11



Pumping up the ante

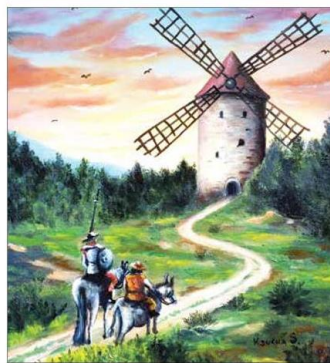
Try as we might, we are struggling to find a reason for the bloat, but we are acquiescing and waiting for the next blood-stroke. The bludgeon of petrol and diesel prices is maiming us, repeatedly. Why? Is it because the 'pocers-that-be' feel that the everyday Indian is now fair game?

I waited and waited. And then I waited some more. For someone or the other amongst my learned brethren reporters to write an epitaph on what is happening at my country's fuel stations: 'petrol pumps' as we fondly (or now dreadfully) call them. But no, apart from a few cursory, straitjacketed reports on rising prices, there's next to nothing in most sections of the media on India's fuel apocalypse. This left me with no option but to pick up the cudgels and a scythe, for someone has to bespeak the turmoil and plough the field. Petrol has trotted to a swashbuckling century and beyond, while its long-time surrogate diesel has stopped its obedient trot, choosing instead to gallop, finally (b)reaching the Rs 100-milestone last week, in Srirangnagar's Kesarsinghpur district.

This is my new India, an India where around 60 per cent of the price of these predominantly driving fuels is now made up of central excise duties and state VAT (value-added tax). Get a load of this – of every Rs 100 spent on petrol or diesel, around Rs 60 is made up of levies that fall into the central and state kitty. If we talk just the Central Government, the average excise duty collected for every liter of petrol sold at the vends stands at Rs 32, while diesel follows close behind, eking out an equally impressive Rs 31.80 per liter. States too impose VAT on both fuels and that makes up the rest in this taxation slug-fest.

Trying times, these

Ask the authorities the reason for this runaway growth and we are given so many different answers that by the time mental osmosis kicks in and we analyze the responses, we realize that there is no sense in any of the glib replies. Here are a few of



We need to ask ourselves: Do we still need Don Quixotes?

the replies given by the authorities over the last few years, which have fled to the dubious centuries by both fuel types. International prices have been oscillating, even rising, we are told: this is absurd, since global crude prices today are well below their historic highs, while the price of petrol and diesel are at all-time highs. There is 'lower output' now amongst OPEC (and non-OPEC countries) is another explanation, again a head-turner and 'scratcher. The 'price is not in our control' is a dismal third.

Other reasons for the skyrocketing fuel prices border on the bizarre and messianic, particularly as these are official statements from the authorities. Do please check them out. We have been told that petrol

and diesel prices are high because of 'Winter', 'Typhoons and Thunderstorms', 'Garreb Kalyan Yojana', 'Kisan Samman Yojana', expenditure on 'Primary Healthcare and Education', the 'Coronavirus Vaccination Program', 'Infrastructure and Highway Construction Works', 'Central Issues', 'State Issues', and because of 'Vikas' (development).

The above leads to a very basic, primal question, even given the caveat that the economy has been on a downswing for nearly 36 months and that the Coronavirus pandemic has only accelerated the slide. Are increasing earnings through higher duties on petrol and diesel the only means to shore up public coffers? What about the larger long-term impact on the economy, and the

debilitating immediate hit on the everyday Indian?

Final absurdity

Here's a final absurdity – it is all 'because of Rahul Gandhi' top leaders stoutly announce in-camera and on the record, emphasizing that Congress-led states like Maharashtra, Rajasthan and Punjab have very high fuel prices. Yes, the authorities are somewhat right, in that some state governments do impose higher VAT than others on fuel products. But then, when most Indian states do not get their GST dues for months and the next-best revenue-generator, our liquor shops, are shut down for months due to COVID lockdowns, revenues have to be generated from somewhere to keep the machinery running. Do remember, these same states, along with all others in the country, were asked by the Central Government not so long ago to negotiate themselves with global vaccine producers for their individual requirements of the life-saving jabs.

Admittedly, the Government has been spending big on people, as some numbers tell the tale, Rs 35,000 crore is being spent on vaccination, we have been informed. The Center will be distributing free foodgrain and other edibles worth

Rs 100,000 crore to the weaker sections over the next eight months, it has been announced. In June 2020, it was revealed that cash assistance was being extended to 42 crore people amounting to a total of Rs 65,454 crore, all of it through Direct Bank Transfers. Point taken and noted...

The explanations began in September 2017, when the Government said that rural development, drinking water, primary healthcare, education, highway development and the modernization of Indian Railways were the primary reasons for the rising fuel prices in the country. The logic extended was that expenditure on these was high, and hence taxes were being notched up. Thus it has been for four years now, that every time anyone has asked answers on rising petrol and diesel prices, we have been blessed with these mini-Budgets and ephemeral nuggets and vignettes.

A tough today

Admittedly, we are going through a rough time today, especially over the year-plus of a once-in-a-century pandemic. The Coronavirus tragedy has seen a desperate need to raise funds and collections, with businesses and Government revenues sliding to

historical lows and expenses rising exponentially. Agreeably then, the money residing with the exchequer has to come from somewhere. But a single-minded focus on the lowest-hanging fruit, the common man and his inevitable spending on petrol and diesel for even basic transportation, is quite bizarre.

Let's take a closer look at the numbers. In the last 27 days, the price of petrol has risen by Rs 6.61 and the maximum price in the country today stands at an excruciating Rs 108 per liter. Diesel has decided to keep pace and has now breached Rs 100-per-liter retail price in parts of India. In terms of excise collections by the Government, they stood at Rs 17.98 per liter for petrol and Rs 13.83 for diesel between October 2018 and September 2019. As on February 2, 2021, these excise collections were Rs 32.90 per liter of petrol and Rs 31.80 per liter of diesel, an increase of 83 per cent and 130 per cent, respectively.

More numbers, you say? The Central Government's excise collections from the sale of these two fuel types increased from Rs 52,537 crore in 2013-14 to Rs 2.13 lakh crore in 2019-20 and then to Rs 2.94 lakh crore in 2020-21 (11-month period). That's almost a six-fold jump in just over as many years.

Petrol alone has seen the Government's earnings zooming by 206 per cent. And huffing and puffing hard to playing catch-up is diesel, which has won this battle, notching up a revenue growth of 377 per cent. Not to be left out, LPG (liquefied petroleum gas) has seen prices increase from Rs 594 in December 2020 to Rs 813 now. Ironically, this is happening at a time when crude oil is way below its historical high of nearly \$150 per barrel.

So oil is cheap still?

Yes, if we talk crude oil. No, if we talk edible oil. And that is a direct reflection on the state of matters tossed with one, and it is now messing with the others; many, many others. It had to happen: inflation is soaring. Mustard oil, and I shall not talk brand names, is up almost 100 per cent in the last one year alone. Refined oil is keeping pace, as are the rest of the things we eat, a typical domino effect. We may stop going to clubs, five-star hotels and eateries, but we still have to eat. And so we eat. At prices most cannot afford. We see imbecilic videos on social media of people all but chastising and castrating themselves, screaming 'petrol mihanga ho gaya' (petrol is getting expensive). It is a good way to pass time, and it is good that there are idiots bigger than me out there, most of them politically-motivated. But it is a wake-up call too. Where shall this take us tomorrow; as a family, a colony, a city, a state and a nation?

I am talking the bigger picture. Thankfully, that's one thing I am not responsible for. I am not capable of it and don't want to be either. What I do want and need is that the people who manage my country and my future vest their interest in us and me, as much as we vested our trust in them. Otherwise, it shall continue to be a tumultuous turn-out – what came first, the cat, the mouse, the chicken or the egg?

Do we still need Don Quixotes? *Consultant and a clinical analyst, narayanrajeev2006@gmail.com. Views expressed are personal*

Fuel prices remain unchanged on Sat

IAN S ■ NEW DELHI

Fuel retailers spared consumers of any further increase in prices by keeping retail prices of petrol and diesel unchanged on Saturday.

Accordingly, petrol continues to cost ₹96.93 per litre and diesel ₹87.69 per litre in Delhi. Across the country as well the petrol and diesel prices remained static on Saturday but its actual retail prices varied depending on the level of local levies in respective states.

In the city of Mumbai, where petrol prices crossed ₹100 mark for the first time ever on May 29.

The fuel price reached new high of ₹103.08 per litre on Friday.

It remained at the same level on Saturday. Diesel is also priced at ₹95.14 a litre in the city, the highest among metros.

Petrol price has reached very close to hitting the century mark all across the country extending the scope of historic high prices that had already made the fuel rate cross the ₹100 per litre mark in certain cities and towns of Maharashtra, Madhya Pradesh, Rajasthan, Telangana and Andhra Pradesh.