

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

RAJYA SABHA
UNSTARRED QUESTION No. 877

TO BE ANSWERED ON 22/12/2017

RISE IN PRICE OF ONION

877. SHRIMATI SAROJINI HEMBRAM:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the various measures Government has taken in order to control the rising prices of onion in various parts of the country, including in the metro cities;
- (b) the reasons for sudden rise in the prices of onions;
- (c) whether Government has taken action against hoarders and black marketeers; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C.R. CHAUDHARY)

(a) : Government took various measures to control the rising price of onions. Export of onions is permitted only on Letter of credit subject to Minimum Export Price (MEP) of USD 850 F.O.B per MT till 31.12.2017. Government has enabled States to impose stock limit on onions and advised the producing States to take action against hoarders/traders engaging in illegal practices. Government directed NAFED and SFAC to procure 10,000 MT and 2,000 MT respectively from producing regions for supply in consuming areas. MMTC was directed to import 1000 MT of onions with a provision for additional 1000 MT at the same rate. Letters were written to States to indicate their respective demand of onions. Government is retailing onions through SAFAL, NCCF and auction in mandies in Delhi to moderate prices.

(b) Prices of essential commodities including onion are affected by various factors such as mismatch in demand and supply, increased transportation costs, supply chain constraints, artificial shortage created by hoarding and black marketing etc. Prices during current year is also influenced by the decline of around 31% in crop area of kharif onion during 2017-18 affecting its supply.

(c) & (d) : Government of India has made enabling provision allowing States to impose stock limit on onions till 31.12.2017. Letters were written to States to take necessary and corrective measures by way of licensing, imposition of stock limits and movement restrictions. They were also requested to hold periodical meetings with traders, farmers, retailers and consumer associations at State and District levels to impress upon them the need to desist from unfair and illegal trade practices and profiteering. Government has also requested States to initiate action against unscrupulous traders and hoarders of onion under Essential Commodities Act.
