

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

LOK SABHA
STARRED QUESTION NO. *22
TO BE ANSWERED ON 19.11.2019

ONION PRICES

*22. SHRI KULDEEP RAI SHARMA: ADV. DEAN KURIAKOSE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government is aware of steep rise in prices of onion in the domestic market recently, if so, the details thereof and the reasons therefor;
- (b) whether the Government has analyzed the gap between the demand and supply of onion in the country and if so, the details thereof;
- (c) the status of onion bufferstock and the percentage of the bufferstock that has already been disbursed to various State Governments;
- (d) whether the Government has asked the States to buy onions from the Union Government and if so, whether the Government has made arrangement to meet the requirement of States;
- (e) whether the Government is also considering to impose stock limit on onion traders and if so, the details thereof along with the measures taken against hoarding of onions; and
- (f) whether the Government is considering import of onions to meet the local demand, if so, the details thereof and the other corrective steps taken by the Government to bring down the prices of onion in the country?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री
(श्री राम विलास पासवान)

THE MINISTER OF
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO.*22 FOR 19.11.2019 REGARDING ONION PRICES.

- a) Onion is a seasonal crop with harvesting period of Rabi (March to June), Kharif (October to December) and late Kharif (January to March). In the intervening period (July to October), the market is fed by stored Rabi onions. During 2019-20, there was a 3-4 weeks delay in sowing as well as decline in sown area of the Kharif onion because of late arrival of monsoon. Further, untimely prolonged rains in the major growing States of Karnataka, Maharashtra and Madhya Pradesh during the harvesting period, i.e., September/October, caused damage to the standing crops in these regions. All this adversely impacted production and quality of the Kharif crop. The rains during September/October also affected transportation of the crop from these regions to consuming areas. This led to limited availability of Kharif onion in the market and has put pressure on its prices. Details of price increase is at **Annexure**.
- b) The details of production and annual demand of onion for last 7 years are as below (quantities in lakh MT):

Year	Production	Annual Demand
13-2012	168.13	182.52
14-2013	194.02	185.03
15-2014	189.27	184.88
16-2015	203.33	190.02
17-2016	217.18	207.70
18-2017	232.62	205.31
19-2018	234.85	Not Available

Source: Horticulture Statistics At A Glance 2018, Department of Agriculture, Cooperation and Farmers Welfare

During the current year, the production of Kharif and late Kharif is estimated to be 52.06 LMT which is about 26% lower than previous year's production of Kharif and late Kharif production of 69.91 LMT.

- c) During the current year, total buffer stock of 57,372.90 MT onion was created under Price Stabilization Fund (PSF). Of this, procurement of 48,183.54 MT and 9,189.36 MT was from Maharashtra and Gujarat, respectively. From this buffer, 26,735 MT was distributed to various States Governments, other agencies and also sold in various mandis through open auction. The remaining stock is accounted by disposal of 11,408 MT of low quality onion in the local market and losses due to prolonged storage, driage, spoilage, etc., due to limited shelf-life.
- d) Yes, Sir. During April to September, 2019, the Government had requested all States/UTs to indicate their demand for onion from the aforesaid buffer stock under PSF at several forums/levels. Further, in November 2019, Government decided to procure/import onions. States/UTs were again requested to indicate their demand from these procured/imported stock.

- e) Government, on 29.09.2019, imposed stock limits on traders across the country – 100 quintals on retail traders and 500 quintals on wholesale traders under the Essential Commodities Act, 1955. Further, Government of India has urged State Governments to hold regular meetings with the traders of Onions at State and District level to prevent hoarding, speculative trading and profiteering, unfair and illegal trade practices like cartelling, etc.
- f) Government has on 09.11.2019, directed MMTC to import up to 1 Lakh MT of onion from surplus countries. For wider participation, the Indian embassies in the major exporting countries of Iran, Afghanistan, Egypt have been requested to facilitate such imports. Also, Government has directed NAFED to procure surplus onion from Rajasthan, Maharashtra for distribution in deficit States.

Other corrective steps taken by the Government are as follow:

- Onions were supplied to State Governments of Haryana, Kerala, Andhra Pradesh and Uttar Pradesh at no-profit no-loss basis to improve prices and availability situation.
- Since July 2019, onions were supplied from the buffer stock for direct retailing in Delhi-NCR through Mother Dairy, NCCF, NAFED and Govt. of NCT of Delhi at regulated retail rates to ensure availability of onions at reasonable prices. Freshly procured onion from Alwar area is already being supplied to Govt. of NCT of Delhi.
- The benefit on export of onions under Merchandise Exports from India Scheme (MEIS) was withdrawn through notification dated 11.06.2019. Minimum Export Price (MEP) of \$850/MT was imposed on 13.09.2019.
- Since 29.09.2019, export of onions is banned. Stock limits have also been imposed across the country.

ANNEXURE

ANNEXURE REFERRED IN REPLY TO PART (a) OF LOK SABHA STARRED QUESTION NO.*22 FOR 19.11.2019 REGARDING ONION PRICES.

Retail Price of Onions (₹/kg.)

Centres	Price As On	1 Month ago	3 Months ago	6 Months ago	1 Year ago	% Variation Over			
	15.11.19	15.10.19	14.08.19	15.05.18	15.11.18	1 Month	3 Months	6 Months	1 Year
DELHI	65	55	28	21	31	18.18	132.14	209.52	109.68
MUMBAI	70	54	25	17	33	29.63	180.00	311.76	112.12
KOLKATA	70	50	28	20	30	40.00	150.00	250.00	133.33
CHENNAI	43	37	22	16	20	16.22	95.45	168.75	115.00
All INDIA	60.38	47.03	23.28	17.03	22.84	28.39	159.36	254.55	164.36
