

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO-2527
TO BE ANSWERED ON 10TH DECEMBER, 2024

MINIMUM SUPPORT PRICE FOR ONIONS

2527. SHRI RAJABHAU PARAG PRAKASH WAJE:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि और किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government is considering introducing a Minimum Support Price (MSP) for onions, given that it is a key crop for farmers in Nashik, India's main onion-producing region;
- (b) if so, the steps being taken to establish an MSP of at least 30 per kilogram to protect onion farmers from market fluctuations and rising production costs;
- (c) the manner in which the Ministry plans to ensure timely procurement and payments to onion farmers to avoid financial distress; and
- (d) whether the Government intends to strengthen market interventions to help stabilize onion prices and prevent extreme price volatility, which impacts both farmers and consumers?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (d): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country as a whole and not region or state-specific, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra.

The inclusion of crops under MSP framework is dependent on several factors which include relatively large shelf life, widely grown, item of mass consumption, essential for food security, among others.

Government implements Market Intervention Scheme (MIS) for perishable agricultural and horticultural commodities which are not covered under the MSP on the request of State/UT Government concerned. The objective of intervention is to protect the

growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. The condition as per the scheme is that there should be either at least a 10 percent increase in production or a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government which is ready to bear 50 percent of the loss (25 percent in case of North-Eastern States), if any, incurred on its implementation.

Government has removed the Minimum Export Price (MEP) on onions and reduce the export duty from 40% to 20% to increase onion exports, resulting is a rise in income for onion-producing farmers.
