

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

LOK SABHA
UNSTARRED QUESTION NO. 2579
TO BE ANSWERED ON 11.12.2024

CORRUPTION IN ONION PROCUREMENT

2579. SHRI RAJA RAM SINGH:

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

- (a) whether the Government is cognizant of the report of allegations of corruption in the onion procurement process by the National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India;
- (b) if so, the action taken by the Ministry against the NAFED and NCCF;
- (c) whether the Government has received complaints by Farmers Associations against NAFED and NFCC for not purchasing the onions directly from farmers and if so, details of the complaints received including the action taken thereon;
- (d) whether the Government was consulted by certain other departments in its probe against irregularities in NAFED's onion procurement and if so, the details thereof; and
- (e) whether the Government has conducted an audit of NAFED's onion procurement practices and if so, the details thereof and if not, the reasons therefor?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री बी.एल. वर्मा)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L.VERMA)

(a) to (e) : To look into allegations of irregularities in the procurement of onions under Price Stabilisation Fund (PSF) by National Agricultural Cooperative Marketing Federation of India (NAFED), the Department of Agriculture & Farmers Welfare (DAFW) constituted a fact finding Committee. DAFW, vide OM dated 4th November, 2024, conveyed the suggestions that concerned district administration should be involved in the procurement process to ensure transparency and local oversight, to adopt biometric based verification of farmers, and payment to registered farmers bank account through AADHAR Enabled Payment system.

Onions for PSF buffer are procured by NAFED and National Cooperative Consumers' Federation of India (NCCF) from farmers through Farmer Producer Organisations (FPOs)/ Farmer Producer Companies (FPCs), wherein payments for the procured onions are transferred directly to the farmers' bank accounts. In order to streamline the procurement of onions, the Department of Consumer Affairs engaged third party agency to develop digital procurement support and information system. Through the system, procurement, storage and disposal of onions are being monitored.

In order to tackle the volatility in prices, the government maintains buffer stock onion for market interventions through calibrated and targeted release to moderate the prices in the market. A total of 4.70 lakh tonnes of onions from rabi-2024 crop has been procured. Onion from the buffer are released in a calibrated and targeted manner to moderate prices in high price consuming centres at wholesale markets and through retail outlets. Onions are distributed among retail consumers at Rs.35 per kg through stationary retail outlets and mobile vans in major consumption centres. These measures have helped in making onion available to consumers at affordable prices and also in stabilising the prices.
