

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE
LOK SABHA
UNSTARRED QUESTION NO-264
TO BE ANSWERED ON 22nd JULY, 2025

SUPPORT TO ONION FARMERS IN MAHARASHTRA

264. SHRI BAJRANG MANOHAR SONWANE:
PROF. VARSHA EKNATH GAIKWAD:
SMT. SUPRIYA SULE:
SHRI MOHITE PATIL DHAIRYASHEEL RAJSINH:
DR. AMOL RAMSING KOLHE:
SHRI SANJAY DINA PATIL:
SHRI NILESH DNYANDEV LANKE:
SHRI BHASKAR MURLIDHAR BHAGARE:

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

- (a) whether the Government is aware that the farmers from Nashik, Pune and Dindori districts, which are largest onion-producing regions in Maharashtra are currently facing severe losses due to a drastic fall in onion prices and many of them have reduced their cultivation area from one and-a-half acres to merely half an acre due to un-remunerative prices and financial distress;
- (b) whether the current market price of onions is significantly lower than the combined cultivation and transport cost and if so, the steps being taken to address this gap;
- (c) whether the Government has any plans to procure onions at a remunerative price through NAFED or other central agencies to prevent distress sales by farmers in Nashik, Pune and Dindori districts;
- (d) the quantity of onions procured during the past three years under any price stabilization scheme, along with details of procurement in Maharashtra;
- (e) the details of any price support, transport subsidy, or export assistance provided to onion farmers of Maharashtra during the last three years;
- (f) whether the Government is considering long-term reforms in onion marketing, including MSP-like mechanisms or crop insurance for price fluctuation, if so, the details thereof; and
- (g) whether the Government is planning to increase cold storage and warehousing capacity in major onion-producing areas like Nashik to help farmers hold their stock until prices improve?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (e): Production of Onion in the country is seasonal in nature and its price fluctuates as per prevailing demand and supply. As per the Second Advance Estimates for 2024-25, area estimates of onion in the state of Maharashtra is 9.78 Lakh Ha compared to 6.67 Lakh Ha in 2023-24, an increase of 46%. The All-India Wholesale Price Index (WPI) for onion was reported as 279.2 for June, 2024 and 185.7 for June, 2025 registering a rate of inflation of - 33.49%.

The Government takes appropriate policy measures to ensure remunerative prices to the onion farmers. Government implements Market Intervention Scheme (MIS), a component under Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA), for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). 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 the cost of production. The condition is that there should be at least 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 introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Further, from 2024-25 season, Government added another component under Market intervention scheme for reimbursing the Storage (upto 3 months) and Transportation cost of TOP crops (Tomato, Onion and Potato) to National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), National Cooperative Consumer's Federation of India Ltd. (NCCF) & State designated agencies for transporting from the producing state to consuming states in the interest of the farmers.

Department of Consumer Affairs (DoCA) under the scheme of Price Stabilization Fund (PSF) is procuring onion from the farmers to create buffer stock through NAFED and NCCF. The Government has decided a buffer target of 3 Lakh MT Onion during Rabi 2025 with a target of 1.50 LMT to be procured by NAFED and NCCF. As of July 16, 2025, a total of 1,07,365.26 MT of Rabi onions have been procured, of which 1,06,228.13 MT has been procured from Maharashtra alone. The quantity of onions procured under price stabilization scheme in the state of Maharashtra during the past three years i.e. 2022-23, 2023-24 and 2024-25 are 2.38 LMT (NAFED Rabi), 6.38 LMT (NAFED/NCCF Rabi+Kharif) and 4.65 LMT (NAFED/NCCF Rabi) respectively.

Government has removed the 20% export duty on onion effective from 1st April 2025 to boost exports thereby farmers getting remunerative prices.

(f): The inclusion of crops under Minimum Support Price (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. Pradhan Mantri Fasal Bima Yojana (PMFBY) envisages comprehensive risk insurance against crop damage due to non-preventable natural calamities. Onion crop can be notified under the scheme by the concerned State Government.

(g): Under Mission for Integrated Development of Horticulture (MIDH), credit linked assistance is provided for establishment of Cold Storage and Reefer transport vehicles for perishable horticulture crops including onion. Assistance is also extended for setting up of market infrastructures, setting up static/mobile vending cart/ platform with cool chamber, for setting up functional infrastructures for collection, sorting /grading, packing etc., for preventing the losses and facilitating better marketing of the horticulture produce. Assistance is also envisaged at the rate of 50% of the cost for a unit of the size from 5 to 1000 MT capacity on pro rata basis.
