

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:148  
ANSWERED ON:20.02.2006  
STEEP FALL IN PRICES OF ONION  
Khaire Shri Chandrakant Bhaurao

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether onion prices have fallen steeply in the country;
- (b) if so, the reasons therefor;
- (c) the reaction of the Government thereto;
- (d) whether there is no Minimum Support Price mechanism for onion;
- (e) if so, the steps proposed to be taken in this direction;
- (f) the total production of onion in Maharashtra during the last three years and the rates of procurement, year-wise;
- (g) whether the Government proposes to announce Market Intervention Scheme for Maharashtra and other States; and
- (h) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): Yes, Sir. The wholesale prices of onion have declined in major markets in the country. For example, the wholesale prices of onion at two selected Market Centres during the period November 2005 to February 2006, indicate a steep fall in prices as shown below:

Wholesale Prices of onion #

(Rs. per quintal)

State/Centres Nov 17, 2005 Dec 19, 2005 Jan 19, 2006 Feb 16, 2006

Maharashtra 900 451 290 225  
Nasik

Delhi 1000 660 578 400  
Azadpur

# Modal prices.

The price of onion measured in terms of wholesale price index has also shown a steep decline from 296.5 in November 2005 to 184.3 in January 2006.

(b): The production of onion in the country during the current year 2005-06 is expected to touch 60 lakh MTs(provisional) as against the normal production of around 55 lakh MTs. Owing to favourable weather condition at the time of sowing and harvesting of Kharif Onion in Maharashtra, Gujarat and other major producing States, the quality of bulbs is good and the arrivals have increased considerably resulting in fall in market prices.

(c) to (e): Onion is not covered under the Minimum Support Price mechanism. However, onion is covered under the Market Intervention Scheme (MIS). Under the Scheme, the State Governments send specific proposals as and when price of the concerned commodity falls below remunerative levels. The Government intervenes in the market and purchases specific quantity at prices mutually agreed with the concerned State. The losses, if any, in operation, are shared on 50:50 basis.

(f): The production of onion in Maharashtra during the last three years was as under :-

Year                      Production (000ton)

2003-04	1535.00
2004-05	1670.00
2005-06	1661.00

(Source: National Horticultural Research & Development Foundation, Nasik).

Under the MIS the National Agricultural Cooperative Marketing Federation of India Limited (NAFED) has not purchased onion from Maharashtra during the last three years.

(g) & (h): sNo proposal from the Government of Maharashtra has been received for implementing MIS for onion in the current year.