

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 238
TO BE ANSWERED ON THE 9TH JULY, 2019

PRICES OF ONION

*238. SHRI RAHUL RAMESH SHEWALE:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:

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

- (a) whether it is a fact that prices of onion have been manipulated by the traders' lobby due to laxity of the Government to keep a check on them and it's inefficient administration, if so, the details thereof;
- (b) whether prices of onion have declined drastically in the market, if so, the details thereof along with the reasons therefor;
- (c) whether the Government proposes to procure onion from the farmers directly to ensure better price to the farmers and supply of onion at affordable price during the lean season, if so, the details thereof;
- (d) whether the Government also proposes to allow export of onion for better price realisation, if so, the details thereof;
- (e) whether according to a report- 'Competitive Assessment of Onion Markets in India', the onion trade is unilaterally dictated by traders and middle men and has benefited them the most, if so, the details thereof and the steps being taken by the Government to keep a check on the role of traders' lobby in onion prices and regulate onion market to avoid/prevent steep fluctuation in onion prices; and
- (f) the various other steps taken by the Government to provide remunerative price for onions in order to save farmers from the burden of debt?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 238 DUE FOR REPLY ON 9TH JULY, 2019.

(a) & (b): Agriculture Marketing is a State subject and wholesale marketing of agriculture commodities are regulated in mandies under respective State regulations. Government of India plays a supportive role and has circulated the Model Agricultural Produce & Livestock Marketing (Promotion & Facilitation) Act, 2017 for its adoption by States/Union Territories. Model APLM Act, 2017 provides for de-regulation of perishable fruits and vegetables including onion. So far 17 States & Union Territories have de-regulated fruits and vegetables from the State Agriculture Marketing Regulation in varied form.

The wholesale prices of agricultural commodities including that of onion at any given point of time depends on various factors such as the normal market forces of demand and supply as well as on quality, perishability and prevailing weather conditions. Onion is produced in the country mostly in three seasons namely Pre-kharif, post Kharif and Rabi in mostly 08 to 10 States and is consumed across the country round the year. The price of agricultural produce is relatively lower immediately after its harvest due to increased supply in the market, which gradually picks up thereafter. The wholesale prices of onion have experienced downfall from October 2018 to February, 2019 and gradually started increasing from March 2019 onwards.

(c): Government of India has decided to create a buffer stock of about 60,000 MT of onions during Rabi 2019 season under the Price Stabilization Fund (PSF) for its utilization towards calibrated release during the lean season. As on 2.7.2019, about 53,000 MT onions have been procured through National Agricultural Cooperative Marketing Federation of India (NAFED) under PSF.

(d): The Minimum Export Price (MEP) is imposed on export of onion as and when it is required for stability of domestic prices in the country. At present, export of onion is free without any quantitative restrictions and presently, the MEP is Nil.

(e) & (f): A study titled 'Competitive Assessment of Onion Markets in India' was conducted by the Agricultural Development and Rural Transformation Centre, Institute for Social and Economic Change, Bangalore, for the Competition Commission of India which claimed that most of the trading is in the hands of commission agents and traders.

The Government is promoting market information system of agricultural commodities including that of onion through Agricultural Marketing Information Network (AGMARKNET) Portal to deal with asymmetry in market information.

The Government is implementing the Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities including onion, which are generally perishable in nature. The basic objective of MIS 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 MIS is implemented on the specific request of the State Government/UT Administration willing to share the loss with the Central Government on 50:50 basis (75:25 in case of North Eastern States).

Government has also taken several other measures to ensure remunerative prices to farmers and stabilize its price in the market which, inter-alia, include National Agriculture Market (e-NAM), mobilisation of farmers into Farmer Producer Organisations (FPOs) for aggregation and economies of scale, assistance for development of post harvest management and marketing infrastructure, from various schemes of the Government such as Mission for Integrated Development of Horticulture (MIDH) and Agricultural Marketing Infrastructure (AMI) etc.