

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:178
ANSWERED ON:13.03.2012
HIKE IN PRICE OF ONION
Mahendrasinh Shri Chauhan

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the price of onion has increased sharply throughout the country during the last one year;
- (b) if so, the details thereof;
- (c) whether the increase in the export quota of onions has contributed to the rise in prices of onion in the domestic market;
- (d) if so, the details thereof; and
- (e) the effective steps taken/proposed to be taken by the Government to provide onion at cheaper rates?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): No, Madam. The Wholesale Price Index of onion (Base Year 2004-05 = 100) for the last one year has not shown any persistent increase. Prices have shown declining trend since October 2011. Details are as under:

Period	Index	Period	Index
Jan, 11	619.4	Aug, 11	244.8
Feb, 11	260.6	Sep, 11	257.6
March, 11	179.1	Oct, 11	231.3
April, 11	156.9	Nov, 11	222.9
May, 11	150.3	Dec, 11	185.6
June, 11	174.4	Jan, 12	151.3
July, 11	200.9		

(c) & (d): No export quotas are fixed by Government for onion exports. The prices of onion depend on the domestic demand and supply situation as well as the export policy. Whenever, there is a scarcity or short supply of onion in the domestic market, government prohibits or restricts export by suitably modifying the minimum export price (MEP) of onion and lays down other conditions, if necessary, to ensure availability of onion to consumers at reasonable prices. The Government takes stock of the arrival of onion and modal prices prevailing in the important production and consumption centres and decides the MEP of onion accordingly.

In September, 2011, in view of the deficit in onion availability in the country and in view of the anticipated increase in the prices of onion further, the Government took a decision to ban the export of onion. The ban was lifted after a gap of 11 days in September, 2011 itself on all varieties of onions with MEP which have been revised from time to time.

(e): The effective steps taken by the Government to provide onion at cheaper rates are as under:-

1. Full exemption from basic custom duty has been provided to onions w.e.f 21.12.2010
2. To control the increase in prices of onion a ban was imposed on export of all varieties of onion on 22nd December 2010 which was lifted on 17th February 2011.
3. During the onion price hike in Dec 2010-Jan 2011, NAFED and NCCF sold onions at the prices below prevailing market prices from their retail outlets. This was extended to over 400 outlets in the NCT region (including Mother Dairy and Kendriya Bhandar).
4. Import of 1000 tonnes of onions from Pakistan was undertaken.
5. Ban was imposed on export of onion on 9th September 2011 which was lifted on 20th September 2011.
6. During the hike in prices in September 2011, NCCF has sold onion at reasonable prices through their retail outlets/mobile vans.