

**GOVERNMENT OF INDIA  
AGRICULTURE AND FARMERS WELFARE  
LOK SABHA**

UNSTARRED QUESTION NO:1108

ANSWERED ON:22.11.2016

Losses to Onion Farmers

Khairi Shri Chandrakant Bhaurao;Kothapalli Smt. Geetha

**Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:**

- (a) whether the farmers producing onion, tomato and other agricultural products in the country have not been able to recover their cost of production;
- (b) if so, the response of the Government in this regard;
- (c) the steps taken by the Government to ensure that these farmers are at least able to recover the cost of production and the outcome thereof; and
- (d) whether export of onion was not allowed at the time when the price for onion was on decline, if so, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

श्री अलुवालिया जी (श्री एस. अलुवालिया)

(a) to (c): Government announces Minimum support Price (MSP) for 22 crops namely Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Cotton, Groundnut, Sunflower, Soyabean, Sesamum, Nigerseed, Wheat, Barley, Gram, Lentil (Masur), Rapeseed and Mustard, Safflower, Copra, Jute and Fair Remunerative Price (FRP) for Sugarcane based on the recommendation of Commission for Agricultural Costs and Prices (CACP) and consultation with the States/UTs and Central Ministries/Departments. Government offers to procure their produce at MSP. However, farmers are free to sell it to Government agencies at MSP or in the open market as is advantageous to them.

For crops like onion, tomato, etc. which are not covered under MSP, Market Intervention Scheme (MIS) is implemented to protect the growers from making distress sale. The scheme is implemented when there is glut in the market and the prices of crops tend to fall below economic level/cost of production. It is implemented on the specific request of the concerned State/UT Government, which has to bear 50% of the loss (25% in case of North-Eastern States), if any, incurred on its implementation.

(d): At present export of onion is allowed without any quantitative restriction. There were some instances in the past, when Government had imposed Minimum Export Price on onion to control rising prices to augment its availability in domestic market.

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