

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

LOK SABHA
UNSTARRED QUESTION NO. 1571
ANSWERED ON 09/12/2025

ONION EXPORT RESTRICTIONS AND FARMER INCOME LOSS

1571. MS. PRANITI SUSHILKUMAR SHINDE
ADV. GOWAAL KAGADA PADAVI

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware of the occasions when export bans, minimum export prices or duties were imposed on onions and the reasons therefor during the last five years;
- (b) whether any assessment has been made of the income loss suffered by farmers in Nandurbar, Solapur and Sangli due to these restrictions;
- (c) whether the Government proposes a long-term and stable export policy for onions; and
- (d) if so, the details thereof including any buffer stock or incentive mechanism to ensure price stability and fair farmer remuneration?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- (a) Yes, the Government continuously monitors the availability, arrivals, buffer stock position and price trends of onions across the country. Whenever domestic supplies have shown signs of stress, calibrated and temporary trade policy measures—such as Minimum Export Price (MEP), export duties, or temporary export restrictions—have been imposed solely in the public interest.

These measures were necessary to protect consumers, especially low-income households, during years when adverse weather conditions and lower arrivals led to sharp spikes in retail prices. All such measures were time-bound, transparent and withdrawn immediately once domestic availability stabilised.

At the same time, the Government has consistently facilitated exports whenever the domestic situation permitted, thereby balancing remunerative prices for farmers with affordability for consumers. Key export policy interventions for onions during the last few years are available on the websites of DGFT and the Department of Revenue through CBIC.

(b) It may be noted that market prices of agricultural commodities depend on multiple factors, including arrivals, storage practices, traders' behaviour, quality variations and global price cycles. Therefore, any attempt to attribute price movements in specific mandis exclusively to export policy actions would not be empirically accurate.

Further, during periods of price moderation, the Government has actively procured onions through NAFED and NCCF to support farmers and prevent distress sales, thereby ensuring remunerative returns.

(c) The Government follows a stable and predictable approach for the onion trade, based on the following pillars:

- **Dynamic Monitoring:** Continuous monitoring of acreage, arrivals, wholesale and retail prices.
- **Evidence-Based Policy:** Temporary export interventions only during extraordinary circumstances of a domestic price spike.
- **Immediate Reversal:** As soon as domestic prices soften, restrictions are lifted to support farmers and exporters.
- **Strengthening Infrastructure:** Large investments in storage, irradiation, packhouses and logistics under NHB and other schemes.

This balanced framework ensures both price stability for consumers and market opportunities for farmers, and has functioned effectively over the last several years.

(d) The Government has undertaken the following measures:

1. **Creation of Onion Buffer:** Under the Price Stabilisation Fund (PSF), the Government annually creates a sizeable onion buffer. NAFED and NCCF procure onions from producing states at market-driven and farmer-friendly prices.

2. Procurement to Support Farmers: Buffer procurement helps in absorbing excess supply during peak arrival season, preventing steep price crashes, ensuring farmers receive remunerative prices, and guaranteeing assured offtake when needed.

3. Market Release to Protect Consumers: The buffer is released through retail outlets, state governments, and e-commerce platforms to moderate retail prices whenever required.

4. Infrastructure Development: The Government is promoting modern onion storage structures, scientific curing, grading and sorting facilities, cold-chain infrastructure, and value-addition units to reduce post-harvest losses and increase farmer incomes.

5. Export Facilitation: Whenever domestic availability is comfortable, exports are actively encouraged through improved logistics, GI tagging and branding initiatives, and market access support through APEDA.
