

Record onion crop pulls down prices

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New Delhi, March 30: With the expectation of a record onion output of over 20 million tonne in 2015-16, the prices of the vegetable across mandis in Maharashtra have fallen to as low as ₹500/quintal from ₹800/quintal prevailing a few weeks back.

Farmers and traders from Nashik, the hub of country's onion trade, said that the rabi supplies are going to rise sharply in the next few weeks thus bringing down the prices further. "There would be huge arrivals of rabi onion crop in mandis across Maharashtra and other key growing states such as Andhra Pradesh, Karnataka, Rajasthan, Madhya Pradesh and Gujarat. These states are reporting a bumper crop, thus the prices are expected to fall further in the coming months," CB Holkar, a farmer leader

Onion output and exports



Both output and exports in million tonne
*Estimate; crop period (July-June)
Source: NHRDF

from Nashik, told *FE*.

Holkar said that farmers' input cost for producing onion and bringing it into mandis is estimated around ₹250 per quintal thus leaving out a small sum as income. "The government must provide export subsidy to ensure that excess stocks is shipped out of the country," he said.

"At present, the condition of rabi crop is very good and if the climatic condition remains favourable, the production

of onion will be more by 15-20% as compared to the previous year," Nashik-based National Horticultural Research and Development Foundation (NHRDF) has stated in its latest crop prospects report.

Of the annual onion production of close to 19 million tonne in 2014-15, around 13 million tonne were produced during rabi season. Out of total rabi output, which usually starts arriving in the market by the end of March and

April, 7-8 million tonne are stored for distribution till October and November months.

According to an agriculture ministry official, at present the late kharif onions are arriving in various markets of the country and this can't be stored for longer time. "The recent rains in few pockets of Maharashtra have not damaged onion crop in the field, since weather is cleared immediately after rains and no water logging were observed," the official said.

In a bid to boost exports, the government had abolished the minimum export price (MEP) for onion in December 2015. At present the global onion price is in the range of \$ 300-\$ 350 per tonne.

The government had imposed an MEP of \$250 a tonne in May. This was raised to \$425 a tonne in June to restrict export and increase domestic supply.

In August, when the prices continue to rise the government against hiked MSP to \$700 a tonne in August last year thus virtually stopping exports.

India exports onion to countries that include Nepal, Bangladesh, Malaysia and West Asia.

An agriculture ministry official said the period between July and September is sensitive, in which prices rise as demand is met through stored crops from summer output. Domestic onion demand during the lean period from June to November is met through stored rabi (winter) and fresh kharif (summer) produce.

The country exported around 7 lakh tonne of onion in 2014-15 from the total output of 18.9 million tonne. Maharashtra, Rajasthan, Madhya Pradesh, Karnataka and Andhra Pradesh are the biggest producers of onions.

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