

# Despite ban, India allows onion export to 5 nations

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**NEW DELHI:** India has allowed onion exports to a few countries on priority in response to diplomatic requests, but the world's largest exporter of the item will continue to ban overseas shipments amid projections of lower output for two years in a row, an official said on Wednesday.

The export ban imposed in December 2023 came on the back of a domestic supply crunch and after a 40% export tax failed to cool prices, which had more than doubled to reach ₹100 a kilo in some cities.

The Union government has allowed the export of 50,000 tonnes of onion to Bangladesh and 550 tonnes to Bhutan, apart from 3,000 tonnes to Bahrain, 1,200 tonnes to Mauritius and 14,400 tonnes to the UAE, the official said.

"These countries traditionally depend on India for part of their onion supplies and some of them



**India banned the export of onion in December 2023.** HT

are our immediate neighbours. So, they get priority," the official cited above said.

India is expected to harvest 19.3 million tonnes of rabi or winter-grown onions during 2023-24, which is about 18% lower than the production of 23.6 million tonnes in the previous season, according to official projections.

Rabi or winter-harvested onion is critical for country's availability as it contributes 72-75% of India's annual produc-

tion. It is also crucial for ensuring year-round availability as it has a better shelf life compared to kharif or summer onion, and therefore can be stored for supplies till November-December.

Onion is a highly volatile commodity whose supplies tend to run low during an annual summer lean season. Since the bulb is the base ingredient of most Indian dishes and therefore widely consumed, consumers are quite sensitive to a rise in onion prices, relative to many other commodities.

The Union government has also started procuring onions from farmers, beginning April 1, at market rates to build an emergency reserve of 500,000 tonnes for 2024-25.

The buffer will be used to ramp up supplies and keep prices stable, according to an official of the consumer affairs ministry.

"The Union government has directed two state-backed food agencies – the NCCF and NAFED

— to initiate procurement of 5 lakh tonnes of onion for the buffer requirement directly from the farmers as the rabi-2024 harvest started arriving in the market," a second official said. Procurement refers to the government's purchases of farm produce for state-held reserves.

For the procurement, NAFED and NCCF will pre-register onion farmers to ensure that payments to the farmers are transferred to their bank accounts through direct benefit transfer, according to the government's directive.

The department of consumer affairs had, through NAFED and NCCF, purchased about 600,000 tonnes of onion during 2023-24 for the government's reserves. These agencies then intervened in retail markets, selling the vegetable at a subsidised price of ₹25, when market rates had more than doubled due to a supply crunch in 2023. The buffer currently has just about 20,000 tonnes and needs to be replenished.

Govt begins mustard purchase under prices support scheme

# Govt begins mustard purchase under prices support scheme

Prices ruling below MSP due to record edible oil imports & bumper output

**SANDIP DAS**  
New Delhi, April 3

**AMIDST THE FALL** in mustard's mandi rates below the minimum support price (MSP) due to bumper output and cheaper imports of edible oils, the government has initiated purchase of oilseeds from the farmers under prices support scheme (PSS).

Agriculture ministry officials said that over the next three months, the target is to purchase 2.82 million tonne (MT) of mustard from the farmers under MSP operations in the key oilseed producing states of Rajasthan, Uttar Pradesh, Haryana, Madhya Pradesh and Assam.

The two agencies farmers' cooperative Nafed and National Cooperative Consumers Federation (NCCF), in collaboration with state agencies, have purchased 72,000 tonne of mustard in the last few days in these states.

"Procurement would pick up pace in the next couple of weeks," an official told *FE*.

Sources said that while in 2020 and 2021, the farmers received remunerative prices which were reasonably above the MSP, prices have been ruling below MSP since last year as there has been an increase in imports of edible oil as global prices have softened and the government has slashed import duties.

Mandi prices of mustard seed at Bharatpur (Rajasthan), the hub of the country's trade, were ruling

## 2.82 MT TO BE BOUGHT

Mustard output (in million tonne)

2019-20	9.12
2020-21	10.21
2021-22	11.96
2022-23	12.64
2023-24*	12.69

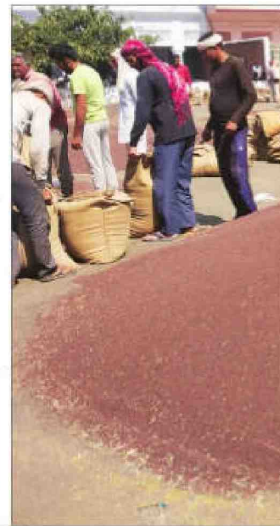
Source: Agriculture ministry, crop year (July-June), \*2nd advance estimate

## Retail inflation in mustard oil

(% change, y-o-y change)

2023				2024	
Sept	Oct	Nov	Dec	Jan	Feb
-18.44	-17.7	-19.01	-19.36	-19.46	-18.14

Source: MoSPI



around average price of ₹5,100/quintal on Wednesday against a minimum support (MSP) price of ₹5,650/quintal for 2023-2024 season.

Roop Singh, CEO, Uttan Mustard Producers Company, an FPO based in Bharatpur said that farmers are holding on to their stocks in anticipation of realising better prices at par with MSP.

Last year, the government could purchase only 1.15 MT of mustard from the farmers under PSS.

In February, 2024, agriculture minister Arjun Munda had announced that the Centre would purchase mustard directly from farmers at the MSP of ₹5,650/quintal to stabilise the market.

Meanwhile, the Solvent Extractors Association, a leading body associated with the edible oil industry, in its first estimate on Wednesday projected mustard seed output

at a record 12.08 MT for 2023-24 season, 7% up on year. As per the estimate, share of key states in mustard output include Rajasthan (4.61 MT), Uttar Pradesh (2.03 MT), Madhya Pradesh (1.75 MT), Haryana (1.22 MT), West Bengal (0.7 MT) and Assam (0.2 MT).

The agriculture ministry, as per the second advance estimate of crop output recently, had projected mustard seed production at a record 12.69 MT in the 2022-23 crop year (July-June).

India's import of edible oils – palm, soybean and sunflower – rose 17% on year to a record 16.47 million tonne (MT) in the 2022-23 oil year (November-October), helped by lower import tariffs of only 5.5% on crude oil imports.

The government has extended the lower import duty structure for palm, soybean and sunflower oils till March 31, 2025.