

India extends curbs on onion exports till March 31, 2024 amid price spike

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Synopsis

India has extended restrictions on onion exports until March 31, 2024, aiming to maintain ample supply and curb escalating prices of this politically significant vegetable. With a minimum export price set at \$800 per tonne until December 31, 2023, the government seeks to stabilize domestic onion availability amidst nearly doubled prices within a year.



FILE PHOTO

India has extended restrictions on the outbound shipments of **onions** until the end of this fiscal year or March 31, 2024, as the government seeks to ensure ample supply in the country and keep a lid on prices of this key political crop that in the past was associated with toppling governments.

The government had introduced a minimum export price (MEP) of \$800 per tonne on **onion exports** from October 28 until December 31 this year. This measure aims to boost the availability of onions in the domestic market and control their prices.

The government today extended the same restriction on onion exports, Reuters reported citing a government order.

TAP TO WATCH

Onion prices have nearly doubled in a year.

The all-India retail price of onions increased 94.39% to Rs 57.85 a kilogram on November 29 from Rs 29.76 per kg a year ago, according to the government data.

There was an increase of 58% and 35% in prices of onions and tomatoes respectively in November over October, prompted by festive demand and lower output in Kharif season due to erratic rainfall conditions, according to a report by CRISIL.

A steep rise in prices of food essentials – wheat, rice, pulses, sugar, onions - in India in the past few months is a major

concern for the Narendra Modi-led government, which will face voters in the general elections in April-May 2024.

The government had imposed an export duty of 40% on onions in August. However, that did not help in curtailing their exports substantially. Rampant under-invoicing of exports undermined the duty, prompting the government to scrap it and impose a minimum export price of \$800 per metric tonne on onions.

This year, key onion exporters such as Egypt and Turkey had banned onion exports. Onion production in Pakistan is lower, while Holland has also resorted to imports.

Owing to recurring onion export bans enforced by the Indian government previously, India's portion in several significant export markets has dwindled drastically, dropping from 80% to as minimal as 30% in certain nations.