

## Fearing price jump, government starts creating buffer stock of onions

NEW DELHI: In its bid to tide over any spike in onion prices in the next few months, the government has started creating a buffer stock of 50,000 tonnes of onion. The move comes amid indications of drought impacting the onion harvest this year. Besides water crisis, the acreage of onion is also less in Maharashtra as last year farmers had to sell the key kitchen item at as low a price as 50 paise per kg due to a bumper crop.

Sources said due to drought conditions such as in parts of Maharashtra, production of rabi onions is also expected to be lower. As this rabi onion is stored and utilised to meet the demand during April-November, the shortfall in its production is anticipated to affect its availability during the lean season which is likely to put pressure on its prices. Almost 60% of Maharashtra—the biggest producer of onions—is reeling under extreme water scarcity.

“Price stabilisation fund management committee has directed NAFED to procure 50,000 tonnes of onions during the ongoing rabi season under price stabilisation fund. Till May 23, approximately 32,000 tonnes of onion has been procured. The government will take necessary steps if the prices increase abnormally,” an official said. Onion prices traditionally shoot up during July and September.

Similarly, the consumer affairs ministry has started the process of creating a buffer of 16.15 lakh tonnes of pulses for 2019-20. Following the recommendation of a committee, about 11.53 lakh tonnes of pulses have already been added to the central pool. The balance will be met from domestic procurement, officials said.

Source: [Times of India, June 04, 2019 \(verbatim reproduced\)](#)