

Onion prices surge as farmer protests across Maharashtra hit supply

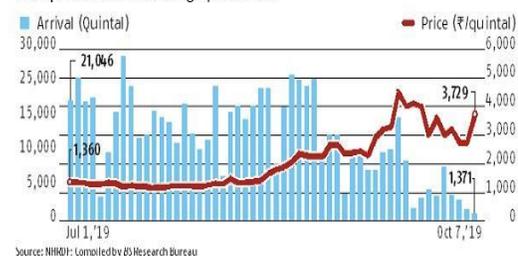
Sporadic protests by farmers across Nashik district in Maharashtra have hit the supply of onions to mandis or wholesale markets. As a result, prices have bounced back to the highest level in two weeks. This has neutralised the government's measures to curb onion prices. Onion prices at the benchmark

Lasalgaon mandi, Asia's largest spot onion selling market, jumped 37 per cent or Rs 10 a kg to trade at Rs 37.29 a kg on Monday. Quotations were not available for Tuesday as the mandi is closed because of Dussehra. Arrivals at Lasalgaon plunged to 137 tonnes on Monday — the lowest in 2019. On January 10, the arrivals at the market were 73 tonnes, but the mandi was closed on that day and the consignment was a spillover from the previous day. "The supply situation has changed quite a bit. There is very little onion left with farmers from the previous harvesting season. Excess rainfall and an extended monsoon has led to massive crop damage," said Jaydatta Sitaram Holkar, chairman, Agricultural Produced Market Committee, Lasalgaon. He added the quality of produce arriving in the market was poor. "Hence, onion prices are going up. There is very little opportunity for further price hike from the current level." In January, the prices of onion were Rs 3-4 a kg; by end-April, it had gone up to Rs 7-9 a kg. They started going up again in May, touching Rs 15.5 a kg in July.

Monsoon arrived three weeks late this year. This, in turn, delayed sowing and replanting of saplings. Onion prices soared to Rs 45 a kg at Lasalgaon; retail prices across the country shot up to Rs 80 a kg. The sharp increase in onion prices prompted the government to levy \$850 a tonne of the minimum export price (MEP) on September 15, followed by the ban on its exports and levy of stock limits. For wholesalers and retailers, the government levied 50 tonnes and 10 tonnes of stock holding limit, respectively. "Many small farmers' groups have joined hands to start protesting the holding limit and the ban on export ban. We are also supporting it. We demand the government withdraw both," said Hansraj Wadghule, a local leader Swabhimani Shetkari Sanghatana, the organisation headed by the Member of Parliament Raju Shetty. He admitted that the protests were staggered but they were trying to make organise better. Assembly elections in Maharashtra are scheduled later this month.

DIP AND RISE

Onion prices and arrivals in Lasalgaon, Maharashtra



Source: NHRIH. Compiled by IIS Research Bureau

The farmer protests are likely to affect the results, especially in the onion-growing belt of Nashik. "The low arrivals in mandis can be attributed to the little quantity of stock left in the cold storage from the last year. This means the protests do not have any impact on transportation of any commodity including onion," said Holkar. Sanjay Sanap, a wholesaler in Nashik, said onion prices would rise further as the new crop is expected to come only after a month.

Source: [Business standard, October 09, 2019](#) (verbatim reproduced)