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RESEARCH ARTICLE

INDIAN ONION EXPORT

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ABSTRACT

Onion (*Allium cepa*) is one of the important commercial vegetable crops grown in India. It is widely grown in different parts of the country mainly by small and marginal farmers. Onion is produced and consumed not only in India but also throughout the world. Onion is classified as a vegetable and has special qualities which add taste and flavor to food. It is used extensively in Indian cuisine and culinary preparations both in cooked and raw form. Onion possesses very good nutritive and medicinal values. Onion is consumed by all classes of people-poor and rich and hence assumes a place of an essential item. Nitin Gadkari said India is the third-largest exporter of onions after the Netherlands and China. It enjoys 19% share of the global onion production. The annual average production is 12 lakh tones. In this study an attempt is made to know about the Indian onion export.

INTRODUCTION

Onion is one of the important vegetable crops grown in India. In terms of area, India ranks first with an area of 5.54 lakhs hectares (2008-09) accounting for around 22.40 per cent of the world onion area. In terms of production, the country occupies second position after China constituting 19 per cent of the global onion production. It is produced for both domestic consumption as well as exports. In the wake of galloping price rise in onion, it is imperative to understand the nature and causes of price rise and effect on consumer. Hence, an attempt has been made through this study to bring out the reasons for such high rise in the price of onion. The study has been made on Indian onion Export.

Objectives of the study

- To know about the countries to which onion is exported
- To study the growth and development of onion export
- To identify the problems faced by the Indian onion exporters
- To review the challenges and to give suggestion measurer to improve onion export
- To assess the position of onion export with respect to the economic growth.

Scope of the study

This study will help exporters to know trends in export of onion and to know about the potential demand of onion in international market. And also this study will help to know existing problems and external threats faced by the onion exporter's. This study will be useful for onion producers, exporters and Government.

MATERIALS AND METHODS

In this study secondary data is extensively used. The magazines, articles in news papers, the official web site of APEDA, websites of international organizations such as Food and Agriculture Organization (FAO), Ministry of Agriculture, and websites of different institutes such like NAFED, NHRDF etc. and Internet have been referred extensively to collect the information.

Product profile

Onion is a vegetable cultivated in almost all the countries of the world and consumed across the globe. Except for a few communities, onion is used for cooking purposes by almost all the people and is often used as thickening agents in curries. Not only does the vegetable lend an excellent taste to dishes, but is also associated with imparting a number of health benefits to its users. Onions (*Allium cepa*) belong to the lily family, the same family as garlic, leeks, chives, scallions and shallots. There are over 600 species of *Allium*, distributed all over Europe, North America, Northern Africa and Asia. The

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plants can be used as ornamentals, vegetables, spices, or as medicine.

History of onion

Onions are one of the most ancient food sources on the planet. It's impossible to know exactly when they first popped up on the culinary scene; most historians agree that they have been domesticated and cultivated for at least 6000 years, possibly longer. They were likely a prehistoric dietary staple for our hunter-gatherer ancestors. Onions are mentioned on ancient Babylonian tablets in recipe form dating all the way back to 1700-1600 BCE. They've been used throughout history for a variety of purposes, primarily in cooking. Part of the onion's popularity throughout the centuries is its versatility; it can be grown in a wide variety of climates and soils. Ancient Egyptians believed onions symbolized eternity; they were placed on altars and buried with the Pharaohs. Excavated tombs have revealed mummies with onions placed on various parts of their bodies. Onions were used to feed the workers constructing the pyramids; they also appear on pyramid paintings. In Pompeii, remains of an onion basket were discovered in a brothel apparently, back then they were thought to encourage "carnal desire." Nowadays they seem to have the opposite effect. Onions have a long medicinal history. Ancient Roman naturalist Pliny the Elder believed that they healed sores, vision problems, toothaches, and dysentery. Gladiators were massaged with onion juice before walking into the arena, believing it promoted strength. In 6th century India, onions were deemed helpful for the heart, joints and indigestion. In Elizabethan times, onions were used to soothe blisters and hemorrhoids. Science has caught up with these antiquated beliefs, and we now know that some of these early medicinal theories were not far off base. Onions are proven to be high in Vitamin C and quercetin, an antioxidant flavonoid that may help to lower cholesterol and the risk of heart disease, as well as certain types of cancer.

Common Varieties of Onions Grown in India

Big Onions

Agrifound Dark Red: Bulbs are dark red in colour, globular in shape with tight skin, moderately pungent. Mature in 95–110 days after transplanting. Recommended for growing in Kharif season all over the country. **Agrifound Light Red:** Bulbs are globular in shape with tight skin and light red colour. Mature in 110–120 days after transplanting and keeping quality is good. Recommended for growing in Rabi season all over country.

NHRDF-Red (LINE-28): Bulbs are attractive dark red in colour. This variety is very popular among farmers in North India because of its attractive dark red colour and better storage performance. Mature in 110–120 days after transplanting. Recommended for cultivation in Northern, Central and Western India in Rabi season.

Agrifound White: Bulbs are globular in shape, with tight skin and silvery attractive white colour. Mature in 110–130 days after transplanting and keeping quality is good. Suitable for cultivation in late Kharif and Rabi seasons. Good variety for dehydration. Recommended for Maharashtra, Madhya Pradesh and Gujarat.

Small Onions

Agrifound Rose: Bulbs are flattish round in shape, deep scarlet red in colour. Mature in 95 to 110 days from sowing. This variety is suitable for growing in Kharif in Andhra Pradesh and in all three seasons in Karnataka.

Multiplier Onions

Agrifound Red: Average size of cluster is 7.15 cm with weight of 65–67 g. Average number of bulblets per cluster is 5–6. Colour of bulblets is light red. Mature in 65–67 days after 17 planting. Recommended for cultivation in Kharif and Rabi seasons in Tamil Nadu, Karnataka and Kerala.

Health and Nutrition benefits of eating Onions

- Fresh as well as cooked onions have anti-platelet adhesiveness, which helps in preventing thrombosis.
- Onion has been found to be very good for those suffering from high blood pressure.
- Onion helps reduce inflammation and is therefore, beneficial for those suffering from Neuritis, Vertigo and Bronchitis.
- Onion, being a diuretic, increases the secretion of urine.
- Regular consumption of onions also prevents colon cancer.
- Onions are rich in flavonoids and thus, provide protection against cardiovascular disease.
- Onions are very good for the health of hair, finger and toe nails and even the eyes.
- Onions contain a number of sulfides that help in lowering blood lipids
- Onions have anti-allergy properties, apart from being slightly laxative.
- Onions help drain out mucus from the cavities and loosen phlegm, in turn alleviating the symptoms of sinus.
- Onions help the body in destroying worms and other parasites.
- Researches have revealed that onions prolong longevity.
- Since onions have the property of helping lower blood sugar, they are good for those suffering from diabetes.
- The extracts of onion, being rich in a variety of sulfides, provide some protection against tumor growth.
- In case of bleeding from the nose it is advisable to smell fresh cut onion, as it can be extremely beneficial in stopping the bleeding.
- Those who are suffering from insomnia should eat onions to get a good night sleep.
- The juice of onion can be highly effective in healing ear pain and blurred vision. Put a few drops in your ears or eyes and get immediate positive results.
- Regular consumption of onion with sugar can be beneficial for those kids who want to gain height.
- 3 ounces of onion juice when taken with water early morning every day can prevent fits.
- Onion can help you combats hair loss and baldness. Pour onion juice on your scalp and message.
- Consumption of white onions with curd can be extremely beneficial in relieving acidity.
- It has been found that onion juice or raw onions can be effective in combating TB bacteria in the body. Eating onion with salt can be more effective.

- The mixture of onion juice and ginger juice can be helpful in stopping vomiting.
- Onion can also be beneficial in toothaches and gum-aches. Cut a small piece of onion and keep it near the affected area to get rid of the pain.

Domestic Production

Onion is a crop of national importance and considerable attention has been paid by the National Agricultural Research System of the country to the improvement of this crop. The National Horticultural Research Development Foundation, sponsored by the apex level cooperative called the National Agricultural Cooperative Marketing Federation of India (NAFED), and the National Research Center on Onion and Garlic of the Indian Council of Agricultural Research (ICAR) are engaged in systematic efforts for the improvement of onion. Besides these two organizations, several other crop research institutes of the ICAR and state agricultural universities are also involved in research on onion. In 1995, a National network scheme was initiated at 15 centers by the ICAR Research Network for the promotion of hybrid research in vegetable crops to develop F_1 hybrids for 9 important vegetables among which onion is also one of the important crops (Singh and Pal, 1996). India produces all three varieties of onion – red, yellow and white. The different institutes engaged in research on onion have developed 34 varieties of the common and multiplier onion. Besides these some local varieties, especially Nasik Red, Patna Red, Bombay Red, Poona Red, and Bahadurgarh Local, are also grown by the farmers. A large variety of vegetables are grown in India. In the agricultural year 1998-99, onion accounted for around 8 per cent of the area and 3 per cent of the production of vegetables in the country. Although onion is cultivated almost all over the country, the major onion growing states are Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu and Uttar Pradesh. These nine states together account for over 90 per cent of both the area and production of onion in the country. In the northern part of the country, onion is usually grown in winter (rabi) season. However, in the southern and western States of Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat and Maharashtra, it is grown in winter (rabi) as well as in the rainy (kharif) seasons. A red onion variety, N 53, has been successfully developed for the northern Indian plains and the National Horticultural Research Development Foundation has taken up this technology on a large scale at farmers' fields in Harlan, Punjab, eastern Uttar Pradesh, Bizarre and Rajasthan. Thus onion is cultivated and is available to domestic consumers, as well as for the exports, throughout the year.

The Indian Onion Market

The reports by NCAER and IDFC show that after China, India is the second largest producer of onions in the world with the area under crop having increased by 33 percent to 1,004 thousand hectares between 2009-10 and 2010-11 and output growth averaging 19.3 percent per annum from 2008-09 to 2010-11. The top five onion producing States are Maharashtra, Karnataka, Gujarat, Bihar and Madhya Pradesh, which account for approximately 70 percent of total production.

Three types of markets were identified

- Local aggregation markets,

- Transit markets which act as forwarding markets and
- Terminal markets where produce is sold to consumers.

Market participants

It include licensed commission agents (CAs), traders, wholesalers, exporters, processors, semi-wholesalers, organized retailers, unorganized retailers and retail consumers. The domestic market price of onions is primarily determined in regulated state-run agricultural wholesale markets under the control of Agricultural Produce Marketing Committees (APMCs) whose members are largely appointed by state governments and in some cases elected. Produce is sold by auction with participation restricted to licensed commission agents and wholesalers. The process by which APMCs issue licenses lacks transparency, impedes entry by buyers and discriminates against the participation of larger corporate entities. Efforts by the central government to modernise wholesale markets and agricultural marketing through the State Agricultural Produce Marketing.

Onion Exports

India is a traditional exporter of fresh onion. Immediately after independence in 1951-52 the country was exporting over 5000 tones of onion per annum. Exports of onion started expanding rapidly during the sixties and reached a peak level of 427 thousand tones in 1996-97. Over the years there has been a progressive increase in the exports of onion from India. However although there has been an increasing trend in the quantum and value of exports of onion from the country, there also are apparent wide fluctuations in both from year to year. This may be attributed to the fact that the exports of onion have not been free but are canalized through NAFED and now also some other agencies. One over-riding concern of the canalizing agencies has been the protection of the domestic consumer and producer from unduly high prices and gluts. Exports have been allowed only after domestic requirements have been met which may be a cause of the fluctuations in exports from year to year. Exports of onion have fetched for the country valuable foreign exchange and have earned for the producers a high price per tonne. In terms of dollars, the decline in the unit value after 1990 may be attributed to the devaluation of the rupee. The profitability and the potential offered by the exports of onion are evident from the fact that, on a national basis, the area under onion is steadily increasing, having almost doubled between 1980-81 and 1998-99 (Table 4). The increase in area has been particularly significant after the initiation of the economic and trade policy reforms beginning in 1990 –1991 which have helped to liberalize trade in agricultural commodities. The export market mix for onions changes from year to year, but India's onion exports cater mainly to the neighboring South East Asian countries and some Middle East nations. Malaysia, UAE, Sri Lanka, Bangladesh, Singapore and Saudi Arabia account for the major share of exports from India. In 1997-98, India exported onions to 36 countries. Export of onion has been made free. Earlier, export of onion was permitted through STEs, Among the canalizing agencies for export of onion are Nafed, Spices Trading Corporation, Maharashtra State Agriculture Marketing Board, and AP State Trading Corporation, among others. Earlier this month, the government had abolished the export floor price of onions as domestic prices dropped to Rs 6-7 a kg in the wholesale markets. The government had imposed minimum export prices (MEP) on onion in September 2013

and then it was raised several times to curb exports and boost domestic supplies as retail prices had shot up as high as Rs 100 a kg in major parts of the country. India had to even import onion to control price rise. In 2012-13, the country had exported 1.82 million tones. India's annual onion production is estimated at 18.9 million tones in 2013-14, while in 2012-13 it was around 16.8 million tones.

The Marketing System

Institutional Support for Marketing and Trade Exports of onions from India are not free but are permitted only through certain designated canalizing agencies. Foremost among these agencies is the National Agricultural Cooperative Marketing Federation of India, Limited (NAFED), which was from 1974-75 till January 1999, the sole canalizing agency for onion exports. NAFED, located in New Delhi, was set up in October 1958 to provide market support to agricultural producers. This market support to producers is provided by NAFED through various state level marketing federations, primary agricultural marketing societies and the National Cooperative Development Corporation. In order to provide marketing support to producers and ensure a better price to them, and also to maintain the availability of the commodities in the domestic market at reasonable prices, NAFED undertakes internal trade in agricultural commodities especially food grains, pulses, oilseeds, cotton, jute, spices, fruits, vegetables and eggs. NAFED also engages in external trade and a variety of agricultural commodities are exported by NAFED. In fact the exports of agricultural commodities through the cooperative system in India developed only after NAFED came into existence. As a part of its external trade activities, NAFED also undertakes imports of agricultural commodities as and when requested by the government.

Price support programs

Since NAFED is responsible for providing marketing support to producers and ensure that they receive a remunerative price for their product, it also undertakes support price purchases of various commodities for the government. It is the key agency for implementing the price support policy program in respect of oilseeds and coarse grains. For onion, NAFED intervenes in the domestic marketing whenever there is glut in the market and prices reach uneconomical levels. Prices prevailing in major markets all over the country are reviewed every day in this process. Procurement prices of onion are decided by NAFED on the basis of cost of production and procurement is initiated in the markets and from the farmers directly. This benefits the producers, particularly the small producers, who have low carrying capacity and are constrained to sell immediately after harvest on account of financial constraints. In case of external trade, NAFED is responsible for fixing the minimum export price (MEP) of onions, which is done on a monthly basis. The Price Fixation Committee of NAFED decides this price. Factors such as market trends, world prices and domestic prices, and margins are considered for arriving at the MEP of onion.

Technological and extension support

A National Horticultural Research Development Foundation has been set up by NAFED to undertake research on development of varieties of onion suitable for cultivation in different agro-climatic regions of the country as well as the

development of suitable production practices. NAFED has also set up units for the production of bio-fertilizers and rhizobium culture. Besides NAFED, other public research agencies are also involved in technology development and up gradation for onion. The technologies and package of practices developed are passed on to the producers through an extensive system of extension. Seed and at times, other critical inputs are provided to farmers by NAFED. Plant protection operations have also been undertaken to provide protection against pest and disease infestations. Technical know how is extended to farmers to improve production and productivity. Seed production is undertaken by the NAFED sponsored National Horticultural Research Development Foundation and seed is sold by NAFED under its own name.

External trade support

From 1974-75 to January 1999, the NAFED was the sole canalizing agency for external trade and exports of onions from India. In January 1999, the new export - import policy of the Government of India introduced certain changes in the system of onion trade by including some other agencies as additional canalizing agencies for onion trade. These were the Maharashtra Agricultural Marketing Board and the Gujarat Agro Industries Corporation. In December 1999, the list was extended with the inclusion of Karnataka State Cooperative Marketing Federation, Andhra Pradesh Marketing Federation, Spices Trading Corporation, Limited, National Consumers Cooperative Federation, and Andhra Pradesh State Trading Corporation as canalizing agencies for onion exports. The reasons for allowing other agencies to enter into the canalized exports of onion is that the Government does not want any agency to acquire a monopoly position in this respect and also to facilitate the easy procurement, distribution and exports of the commodity from the widely distributed producing centers of the country. However, NAFED continues to be a monitoring agency. Each canalizing agency is allocated a quota for exports. An inter-ministerial group comprising representatives of the Ministries of Commerce, Consumer Affairs, and Agriculture and NAFED decide the quotas for exports to be allocated to each canalizing agency. These quotas are decided for varying periods of say 15 days to a month and generally not for a long period. The share of NAFED in the total quantity exported is around 50 per cent, with the remaining being shared by the other co-canalizing agencies. Having been responsible for exports of onions since its inception, NAFED has been able to establish markets for Indian onion abroad, which is evident from the increasing volume of onion exports. NAFED has set up modern state-of-the-art storage facilities in Maharashtra, Gujarat and Tamil Nadu near its major procurement centers. Onions require storage facilities that require sufficient inflow of fresh air. Consignments are packed in hessian bags which allow air to pas through. Export consignments meant for long distance are transported by NAFED's associated shippers in specially equipped sea vessels in which air is blown in storage areas through fans and blowers. India grows three types of onions – red, white and yellow. The bulk of the country's exports are of the red variety. Generally only 'A' grade onions are exported. Grading is done manually on the basis of bulb size by trained people deployed by NAFED who are well versed with the requirements of different export markets. Occasionally 'B' grade onions are also exported but the market for such onion is only Dubai. Tastes and preferences of consumers vary and the

Bangalore rose variety, a small variety of onion, is preferred in and exported to Singapore and Malaysia.

Marketing channels

In the case of private trade in onions for domestic consumption, producers sell onions to commission agents in assembling regulated markets which are now in operation extensively throughout the country. The commission agents sell the onion to sub-wholesalers or directly to retailers, who in turn, sell to the consumers. A second channel is the cooperative channel in which producers market their onion through cooperative marketing societies at the village level. NAFED and the other canalizing agencies procure their requirements from cooperative societies and rarely buy from commission agents or wholesalers in markets. This benefits the small producers as they collectively receive a better price for their product. It is estimated that around the World, over 9,000,000 acres (3,642,000 ha) of onions are grown annually. About 170 countries cultivate onions for domestic use and about eight percent of the global production is traded internationally.

Scope for increasing Onion export

India is presently exporting onions to mainly Gulf countries, Far East countries, Bangladesh, and Sri Lanka where there is not much scope to increase the quantity as some countries have also started their own production. The scope, however, exists for diversifying the market to European countries and Japan. These countries do not prefer strong and pungent onions. In these countries, yellow onions having mild pungency, bigger bulb size with thick fleshy layers are preferred. The possibility of growing yellow onions in Maharashtra, Orissa, Madhya Pradesh and other parts was explored by NHRDF by taking trials on farmers' fields where bulbs of Arad (H) could be successfully produced during late-kharif season. The evaluation of various exotic varieties has been done in the past and is being taken up by NHRDF now also where good bulb development with required size and quality could be produced during late-kharif season and thus export from February to May by sending bulbs in electrically-ventilated containers could be explored. For this, however, contract production is preferred as there may not be much local demand for these onions if not purchased by exporters for export. Similarly, there is a scope for exporting dehydrated onions as many processing units under export-oriented unit schemes have been installed in India. These are not presently running to their installed capacity mainly for want of raw material. Thus, there is a scope for development of varieties suitable for dehydration. Onion Agrifound White developed by NHRDF holds promise in this regard. This variety has already been given for evaluation under ICAR coordinated trials.

According to AGMARK standards Onions are classified into following classes

Size Code	Diameter (in mm.)	Difference between the diameter of the smallest and the largest onion in the same package (in mm.)
A	10-20	5
B	21-40	15
C	41-70	20

Problems faced by onion exporters

A global review of area and production of major vegetables shows that onion ranks second in area and third in production of the total vegetables in the world. China is first in area and production while India occupied second position in the production. The big onion is produced in Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu and exported to Dubai, Kuwait, Saudi Arabia, Middle East, Malaysia, Singapore, Bangladesh, Sri Lanka etc. Small onion produced in Karnataka and Andhra Pradesh are exported to Singapore and Malaysia etc. In our state onion is grown in all the three seasons. However, it is predominantly a winter crop. Generally, the onion growers bring their produce to market for sale immediately after the harvest, because of lack of storage facilities and financial problems of onion growers. This result in glut of onion in market and fall in market prices of the onion. Some times, the market rate will reach a record low as less than one rupee per kilogram. Then it becomes very difficult for onion growers even to meet the transportation charges. This situation is creating discontent among the farmers giving rise to their agitation for the fair market price. Onion consumption is spread throughout the year and there is constant demand for onion bulb all around the year. However, production of onion fluctuates from year. The low production results in hike of price which creates discomfort among consumers. The middlemen are taking undue advantage of this situation and exploiting both producers and consumers.

Earlier this month, the government had abolished the export floor price of onions as domestic prices dropped to Rs 6-7 a kg in the wholesale markets. The government had imposed minimum export prices (MEP) on onion in September 2013 and then it was raised several times to curb exports and boost domestic supplies as retail prices had shot up as high as Rs 100 a kg in major parts of the country. India had to even import onion to control price rise. In 2012-13, the country had exported 1.82 million tonnes. India's annual onion production is estimated at 18.9 million tonnes in 2013-14, while in 2012-13 it was around 16.8 million tonnes.

The major problems in Onion export:

Criteria and Description of Grades

Grade Designation	Grade Requirements	Provision Concerning Sizing	Grade Tolerances
1 Extra class	2 Onion shall be of superior quality. They shall be characteristic of the variety and/or commercial type. The bulbs shall be: - firm and compact; - un sprouted (free from externally visible shoots); - properly cleaned; - free from swelling caused by abnormal development; - free of root tufts, however, onions harvested before complete maturity, root tufts are allowed. They shall be free of defects, with the exception of very slight superficial blemishes, provided these do not affect the general appearance of the produce, the quality, the keeping quality and presentation in the package.	3 As per table 'A'	4 5% by number or weight of onion not satisfying the requirements of the grade, but meeting those of class I grade or, exceptionally, coming within the tolerances of that grade.

Problems faced by onion exporters

- Recession in the world markets the world markets faced recession in 2008 and in the first half of 2009. The recession in was triggered due to sub-prime crisis of USA in September 2007. Due to recession, the demand for several items such as gems and jewellery, textiles and clothing and other items were badly hit. During recession exporters get low profits or suffer from losses.
- Protectionist measures by developed countries. The developing countries like India have to face the problem of protectionist measures by developed countries. For instance, in 2009, USA Govt provided a bailout package to General Motors and other firms to overcome from financial Crisis.
- The bailout packaged contained 'Buy American Clause' which means the firms getting financial assistance from the Govt have to use domestic content rather than importing from other countries. Since USA is the major importer from India, some of the exporters such as Auto parts suppliers have to face problems.
- Reduction in Export Incentives: Over the years, the Govt of India had reduced export incentives such as reduction in DBK rates, withdrawal of income tax benefits for majority of exporters, etc. The reduction in export incentives demotivates exporters to export in the overseas markets.

Farm to market

Story from Nashik India's onion capital

A farmer gets a kg bag of seeds for Rs 7,000. He uses nearly two such bags for an acre fertilizers worth Rs 12,000 and pesticides worth Rs11000 have to be used for goods yield. In all, a farmer spends Rs 52,000 an acre-including labour cost which have gone up to Rs400 per person per day. It gives him a yield of 30 quintals of onion. Thus, his net production cost is Rs17.33 a kilo. When the harvest is ready, the farmer has to make a deal with traders. Though the farmers are legally allowed to sell the produce directly, the powerful traders do not allow them to do so. Also, marginal farmers-who account for at least 80 per cent of onion producers-do not have storage facilities, so they are forced to strike deal with traders at the agricultural produce market committee yards. The big traders conduct the auctions according to their whims. No one else is allowed to participate in the process. Let us assume that a farmer's produce gets auctioned at Rs 3,500 a quintal. After the deductions such as APMC fee (8 per cent), weighing/loading/unloading charges (5 per cent), transportation (Rs5, 700 for a trolley of 30 quintals), he gets in hand Rs2,600 for a quintals, or Rs26 a kilo. His profit is Rs9 a kilo. And his total earning for the whole season is Rs 27,000, after selling 3,000kg. The farmer spent Rs17 for a kilo and made a profit of Rs9 on it. But the consumer, in recent times, paid almost Rs80 for a kilo. And yet, the farmer got only Rs9 so where did the remaining dough go?. The intermediate plays a major role in pricing of onions and they exploit the farmers. This is the major problem faced by the Onion producers.

FINDING

There is a lot of demand for Indian Onion in the world Modern. The exports of onion have not been free but are canalized through NAFED and now also some other agencies.

One over-riding concern of the canalizing agencies has been the protection of the domestic consumer and producer from unduly high prices and gluts. Exports have been allowed only after domestic requirements have been met which may be a cause of the fluctuations in exports from year to year. Exports of onion have fetched for the country valuable foreign exchange and have earned for the producers a high price per tone. The increase in area has been particularly significant after the initiation of the economic and trade policy reforms beginning in 1990 –1991 which have helped to liberalize trade in agricultural commodities. India exports onions to 36 countries. Export of onion has been made free. Earlier, export of onion was permitted through STEs, Among the canalising agencies for export of onion are Nafed, Spices Trading Corporation, Maharashtra State Agriculture Marketing Board, and AP State Trading Corporation, among others. National Agricultural Cooperative Marketing Federation of India, Limited (NAFED), which was from 1974-75 till January 1999, the sole canalizing agency for onion exports. NAFED, located in New Delhi, was set up in October 1958 to provide market support to agricultural producers. This market support to producers is provided by NAFED through various state level marketing federations, primary agricultural marketing societies and the National Cooperative Development Corporation.

Onion exports have more than doubled during December at over 1.33 lakh tonnes compared with the previous month after government lowered the minimum export price (MEP). Exports of onions stood at 66,236 tonnes during November, 2013, according to data compiled by the National Horticultural Research and Development Foundation (NHRDF). During last month, the government had slashed onion MEP thrice in order to boost exports and check the sliding domestic prices of edible bulb that led to farmers protest in producing states. On December 26, onion MEP, which is the benchmark price below which the commodity cannot be exported, was reduced to \$150 a tonne from \$350 a tonne. Before that, MEP was reduced to \$350 per tonne from \$800 a tonne on December 19, while it was cut to \$800 a tonne from \$1,150 on December 16. As per NHRDF data, onion exports jumped more than two-fold to 1,33,290 tonnes in December as against 66,236 tonnes in the previous month. However, exports were lower than December, 2012 that saw shipments of 1,37,956 tonnes. During April-December period of 2013-14, onion exports have declined by 30 per cent to 9.87 lakh tonnes as compared with 14.04 lakh tonnes in the corresponding period of previous financial year. India exported 18.22 lakh tonnes of onions in the entire fiscal year 2012-13 (FY13).

The government had imposed MEP on onion in September and then it was raised several times to curb exports and boost domestic supplies as retail prices had shot up as high as Rs 100 per kg in major parts of the country. India had to even import onion to control price rise. With improved domestic supplies and crash in wholesale rates, the Centre has now reduced the MEP sharply to boost exports and stabilise the domestic prices. Wholesale rates in Lasalgaon Nashik's vegetable market have risen to Rs 11.25 per kg from around Rs 10 per kg last month. Packhouses for sorting, grading and packing of the quality onions are available at production zones but these facilities are not provided in all the states. Sometimes the farmers are forced to sell their produced at a low price to the traders as they dont have proper storage facility. Guidelines has been framed to determine the compliance with maximum residue levels (MRLs) for the identified pesticides. Grade designation and

quality development parameters has been set up. There is general feeling that prices of onion within the country go up if export is increased which is not true as the quantity exported is about 10-12% of the total production. Major Export Destinations of India are Malaysia, Bangladesh, United Arab Emirates, Sri Lanka, Indonesia, Singapore and Kuwait.

Suggestions

- Popularization of improved varieties, quality seed production, expansion of area of production and distribution.
- Production and distribution of quality seed of improved varieties in adequate quantities by following seed village concept.
- Planning for contract production for export.
- Awareness can be created on proper post harvest practices by providing quality Training to farmers. Training program can be designed for post-harvest management and marketing.
- Packing material used is not attractive, introduction of attractive, eco-friendly packages, consumer packages etc.
- Infrastructure facilities like Electrically-ventilated containers for export onions and adequate transport with reasonable rates, synchronize the rail/road transport with schedule of vessel and providing insulated wagons and creation of adequate curing and storage facilities at field level and at ports. It will promote the export.
- Developing more ventilated storage godowns for onions. Providing handling sheds and make available modified containers with proper ventilation.
- To develop market intelligence for different seasons, quality of produce and corresponding season crop in other competing countries.
- Development of biological control measures against pests and disease by taking up work with NRC for Onion and Garlic and NHRDF.
- Popularizing various onion products in export markets developing varieties suitable for various processed products.

- Proper steps to be taken to safeguard the onion producers from intermediates.

Conclusion

Onion-growing is profitable in India. The commodity always remains in demand irrespective of the type of season. The most profitable production areas of onion are Maharashtra, Gujarat and Tamil Nadu. The exports of onions from India have been a success story. The country has been able to export large quantities of onions after ensuring that the domestic requirements are met. The canalizing agencies, especially NAFED, have been able to establish markets for Indian onions abroad as they take good care to maintain the quality of the produce for the export market. In order to improve unit value realization, it is necessary to tap the potential of markets in the European Union and other developed countries. These countries import large quantities of onion and it is important that India should quickly try to penetrate these markets. There is a large scope of earning foreign exchange through onion export.

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