



India Imposes Onion Export Ban

For Prelims: India Imposes Onion Export Ban, Director General of Foreign Trade (DGFT), Rabi and [Kharif Season](#), Food Security.

For Mains: India Imposes Onion Export Ban, Current Scenario of Wheat Distribution Across India.

[Source: IE](#)

Why in News?

Recently, the Director General of Foreign Trade (DGFT) has announced a **ban on onion exports** until March 2024, issuing a **notification converting the export policy of onions** from 'Free' to '**Prohibited**'.

- The current supply shortage, caused by early depletion of 2022-23 rabi season stocks and anticipated lower [kharif](#) 2023 output, along with increased festive demand, has led to a significant rise in onion prices.
- The government has also **revised the stock limit for [wheat](#)**, the stock limit has been halved to 1,000 tonnes for wholesalers, and for retailers to 5 tonnes.

Why has the Government Banned Export of Onion Price?

- **Price Control:**
 - By restricting onion exports, the government aims to prevent price surges or fluctuations within the domestic market.
 - To combat spiraling prices, the Centre had imposed a Minimum Export Price of USD 800 per tonne on onions in October 2023. Earlier, in August, the government imposed a 40% export duty on onions.
 - Onions have a history of significant price volatility, and an export ban helps in stabilizing prices, making them more affordable for local consumers.
- **Addressing Scarcity:**
 - Factors like adverse weather conditions, **lower production, or increased demand can lead to a scarcity** of onions within the country.
 - By banning exports, the government ensures that the available supply is directed towards meeting domestic demands first.
- **Food Security:**
 - Onions are a staple in Indian cuisine, and any scarcity can impact **food security**. By curbing exports, the government ensures that the **population has access to this essential food item** without facing shortages or unaffordable prices.

What are the Key Facts About Onion?

- Onion is an important horticultural commodities grown worldwide for their culinary purposes and medicinal values.

- India is the **second largest producer** of onion after China.
- Maharashtra, Karnataka, Orissa, Uttar Pradesh, Gujarat, Andhra Pradesh and Tamil Nadu are the major onion producing states.
- Maharashtra **ranks first in Onion production** with a share of **42.53% followed by Madhya Pradesh** with a share of 15.16% in 2021-22 (3rd Advance Estimate).

Why has the Government Put Stock Limits on Wheat?

- The revised stock limits aim to **prevent hoarding practices by entities involved in wheat stocking**. By imposing stricter limits, the government intends to **discourage artificial scarcity** and ensure a fair distribution of wheat across various stakeholders.
- Excessive hoarding can lead to **an imbalance between supply and demand**, causing price fluctuations that may negatively impact consumers.
- Regulating wheat stocks ensures **that sufficient quantities remain available in the market to meet the country's food requirements**. It helps **maintain food security by preventing shortages and ensuring access to this staple food** item for consumers.

What is the Current Scenario of Wheat Distribution Across the Country?

- India is the world's **second-biggest wheat producer after China**. But it accounts for less than 1% of the global wheat trade. It keeps a lot of it to provide subsidised food for the poor.
- Major wheat-growing states in India are **Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan, Bihar and Gujarat**.
- Major Export Destinations (2022-23): Bangladesh, Indonesia, Korea Rep., United Arab Emts and Yemen Republic.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. With reference to the provisions made under the National Food Security Act, 2013, consider the following statements: (2018)

1. The families coming under the category of 'below poverty line (BPL)' only are eligible to receive subsidised food grains
2. The eldest woman in a household, of age 18 years or above, shall be the head of the household for the purpose of issuance of a ration card.
3. Pregnant women and lactating mothers are entitled to a 'take-home ration' of 1600 calories per day during pregnancy and for six months thereafter.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 3 only

Ans: (b)

Mains:

Q. Hunger and Poverty are the biggest challenges for good governance in India still today. Evaluate how

far successive governments have progressed in dealing with these humongous problems. Suggest measures for improvement. **(2017)**

Q. What are the reformative steps taken by the Government to make the food grain distribution system more effective? **(2019)**

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