

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

LOK SABHA
UNSTARRED QUESTION NO. 1571
ANSWERED ON 09/12/2025

ONION EXPORT RESTRICTIONS AND FARMER INCOME LOSS

1571. MS. PRANITI SUSHILKUMAR SHINDE
ADV. GOWAAL KAGADA PADAVI

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware of the occasions when export bans, minimum export prices or duties were imposed on onions and the reasons therefor during the last five years;
- (b) whether any assessment has been made of the income loss suffered by farmers in Nandurbar, Solapur and Sangli due to these restrictions;
- (c) whether the Government proposes a long-term and stable export policy for onions; and
- (d) if so, the details thereof including any buffer stock or incentive mechanism to ensure price stability and fair farmer remuneration?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) Yes, the Government continuously monitors the availability, arrivals, buffer stock position and price trends of onions across the country. Whenever domestic supplies have shown signs of stress, calibrated and temporary trade policy measures—such as Minimum Export Price (MEP), export duties, or temporary export restrictions—have been imposed solely in the public interest.

These measures were necessary to protect consumers, especially low-income households, during years when adverse weather conditions and lower arrivals led to sharp spikes in retail prices. All such measures were time-bound, transparent and withdrawn immediately once domestic availability stabilised.

At the same time, the Government has consistently facilitated exports whenever the domestic situation permitted, thereby balancing remunerative prices for farmers with affordability for consumers. Key export policy interventions for onions during the last few years are available on the websites of DGFT and the Department of Revenue through CBIC.

(b) It may be noted that market prices of agricultural commodities depend on multiple factors, including arrivals, storage practices, traders' behaviour, quality variations and global price cycles. Therefore, any attempt to attribute price movements in specific mandis exclusively to export policy actions would not be empirically accurate.

Further, during periods of price moderation, the Government has actively procured onions through NAFED and NCCF to support farmers and prevent distress sales, thereby ensuring remunerative returns.

(c) The Government follows a stable and predictable approach for the onion trade, based on the following pillars:

- **Dynamic Monitoring:** Continuous monitoring of acreage, arrivals, wholesale and retail prices.
- **Evidence-Based Policy:** Temporary export interventions only during extraordinary circumstances of a domestic price spike.
- **Immediate Reversal:** As soon as domestic prices soften, restrictions are lifted to support farmers and exporters.
- **Strengthening Infrastructure:** Large investments in storage, irradiation, packhouses and logistics under NHB and other schemes.

This balanced framework ensures both price stability for consumers and market opportunities for farmers, and has functioned effectively over the last several years.

(d) The Government has undertaken the following measures:

1. **Creation of Onion Buffer:** Under the Price Stabilisation Fund (PSF), the Government annually creates a sizeable onion buffer. NAFED and NCCF procure onions from producing states at market-driven and farmer-friendly prices.

2. Procurement to Support Farmers: Buffer procurement helps in absorbing excess supply during peak arrival season, preventing steep price crashes, ensuring farmers receive remunerative prices, and guaranteeing assured offtake when needed.

3. Market Release to Protect Consumers: The buffer is released through retail outlets, state governments, and e-commerce platforms to moderate retail prices whenever required.

4. Infrastructure Development: The Government is promoting modern onion storage structures, scientific curing, grading and sorting facilities, cold-chain infrastructure, and value-addition units to reduce post-harvest losses and increase farmer incomes.

5. Export Facilitation: Whenever domestic availability is comfortable, exports are actively encouraged through improved logistics, GI tagging and branding initiatives, and market access support through APEDA.

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LOK SABHA
UNSTARRED QUESTION NO. 1602
ANSWERED ON 09/12/2025

BOOSTING EXPORTS

1602. SMT. MALVIKA DEVI

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) pleased to state:

- (a) the steps being taken by the industry to boost India's exports such as textiles, agriculture, engineering goods, and pharmaceuticals;
- (b) whether the Government has recently identified new global markets for Indian exporters and if so, the details thereof;
- (c) the steps being taken by the Government to help the industry in the situation of the recent decline in India's export growth; and
- (d) the measures being taken by the Government to support exporters, especially small exporters.

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) to (d): The Government has adopted a multi-pronged and integrated strategy to bolster India's exports across all sectors, with a special focus on addressing global market challenges and supporting exporters, including MSMEs and small exporters. This strategy combines enhanced infrastructure, digital transformation financial support, and targeted market initiatives to create a resilient and competitive export ecosystem.

In response to recent global trade headwinds, the Government is intensifying efforts through both flagship schemes and sector-specific interventions. Key initiatives are outlined in detail below:

I. Flagship Export Promotion and Digital Infrastructure Schemes:

- a. **Export Promotion Mission (EPM):** This flagship initiative, announced in the Union Budget 2025-26 with a total outlay of Rs.25,060 crore for FY 2025-26 to FY 2030-31, provides a comprehensive, flexible, and digitally-driven framework for export promotion. It aims to strengthen the competitiveness of key sectors like textiles, engineering goods, pharmaceuticals, and agriculture.
- b. **Bharat Trade Net (BTN):** Bharat Trade Net (BTN), announced in the Union Budget 2025, is a flagship digital public infrastructure developed by DGFT under the Ministry of Commerce & Industry. It aims to digitize trade documents, improve access to export finance, and integrate India's trade ecosystem with global standards. Anchored in India's G20 advocacy and aligned with international frameworks like UNCITRAL's MLETR and MLIT, it aims to provide cost-effective, interoperable, and MSME-friendly trade operations. The initiative enhances MSME competitiveness by enabling simpler, paperless documentation, reducing compliance burdens, and facilitating faster, secure trade transactions recognized globally.

II. Financial and Credit Support Mechanisms:

- a. The Central Government has introduced the Credit Guarantee Scheme for Exporters (CGSE) to provide 100% credit guarantee coverage by the National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities up to Rs. 20,000 crore to eligible exporters, including MSMEs. It will strengthen liquidity, ensure smooth business operations, and reinforce India's progress towards Aatmanirbhar Bharat.
- b. Under the International Cooperation Scheme being implemented by the Ministry of Micro Small and Medium Enterprises, financial assistance is provided on reimbursement basis to the eligible Central/State Government organizations and Industry Associations to facilitate visits/participation of MSMEs in international exhibitions/fairs/buyer-seller meets held abroad and for organizing international conferences/seminar/workshops in India with the

aim of technology upgradation, modernization, joint venture etc. Further, reimbursement is provided to first-time Micro & Small Exporters for costs incurred on Registration-cum-Membership Certification (RCMC) with Export Promotion Councils (EPCs), Export Insurance Premium, and Testing & Quality Certification for export.

c. **Export Credit Guarantee Corporation of India (ECGC)** has introduced several measures to support exporters, including:

- Collateral-Free Cover under WT-ECIB: In order to stimulate export credit among MSME exporters, who are not in a position to offer any collateral or third-party guarantee, a scheme offering 'Collateral-Free Cover' has been introduced by ECGC w.e.f. July 1, 2025. The scheme aims to support collateral-free export credit lending by Banks under its WT-ECIB, for export credit working capital limits up to ₹10 crore, without any additional premium. This will enable the banks to offer liberal credit to MSMEs.
- Enhanced Cover without additional premium under WT-ECIB: In order to compensate banks to a larger extent and to bring down the insurance cost and ease of doing business, the Company is offering enhanced cover of 90% to the eligible banks and accounts for their export credit loans up to ₹50 crore, as against earlier limit of up to ₹20 crore, without any incremental cost, w.e.f. October 1, 2025.
- Enhanced cover for Banks (for MSMEs): ECGC is offering enhanced cover of 90% to the banks availing WT-ECIB covers, as against 70% earlier, in respect of small exporter accounts having aggregate export credit working capital limit up to ₹80 crore, with a condition that they pass on this benefit through lower interest rate applicable to accounts with 'AA' and equivalent rating, thus facilitating availability of adequate credit at cost effective rates, particularly for MSME exporters.
- Enhanced cover for directly sourced business: ECGC is providing enhanced cover of up to 100% to exporters who take a policy directly from the Company without involving any alternate channels/brokers.
- Simplified procedure for settlement of claims: To provide better service and improve the turnaround time for settlement of claims under Short Term (ST)-ECIB, the Company has simplified the procedure for settlement of ECIB Claims for net principal outstanding up to ₹10 crore, irrespective of the limits sanctioned.
- MoU with Ministry of Micro, Small and Medium Enterprises (MoMSME): ECGC has signed an MoU with the Ministry of MSME for implementing the 'Capacity Building of First Time MSE Exporters' (CBFTE) component of the

International Cooperation (IC) Scheme. Under the CBFTE scheme, a refund of premium up to ₹10,000 in a financial year is allowed to the eligible exporters holding 'Small Exporter's Policy' and having a valid Udyam registration under 'Micro' or 'Small' Enterprise category.

III. Sector-Specific Initiatives:

a. For Textiles:

- The Government is implementing the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for Apparel/Garments and Made-ups in order to enhance competitiveness by adopting the principle of zero-rated exports.
- In addition, the Government provides financial support to various Export Promotion Councils and Trade Bodies to organise and participate in trade fairs, exhibitions, buyer-seller meets, etc., at national and international levels to boost exports.
- The other major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive development of sericulture value chain; National Handloom Development Program for end to end support for handloom sector.

b. For Agriculture:

- The Department of Commerce, through APEDA, provides financial assistance to its member exporters across the country to promote exports of scheduled products through its Financial Assistance Scheme. The scheme has the following components:
 - Development of Export Infrastructure
 - Quality Development
 - Market Development

The details of financial assistance guidelines are available at APEDA's website www.apeda.gov.in under the "Scheme" tab.

- Further, APEDA is implementing the National Programme for Organic

Production (NPOP). The programme involves the accreditation of Certification Bodies, the development of standards for organic production, the promotion of organic farming and marketing, etc. Under the National Programme for Organic Production (NPOP), operators are certified according to their scope of operation, such as production, processing, and trading. APEDA is also conducting training & Capacity Building programmes and export promotion activities for organic stakeholders across the country.

- To further boost agricultural exports, APEDA has recently launched the new initiative 'BHARATI' (Bharat's Hub for Agri-tech, Resilience, Advancement and Incubation for Export Enablement). It has been designed to empower 100 agri-food and agri-tech startups, accelerate their journey, promote innovation and create new export opportunities for young entrepreneurs. BHARATI seeks to resolve export challenges related to product development, value addition, quality assurance, perishability, wastage and logistics.

c. For Pharmaceuticals:

- Keeping in view India's vision of becoming 'Atmanirbhar', the Government has launched Production Linked Incentives (PLI) Schemes with a financial outlay of Rs. 1.97 lakh crore in 14 key sectors. In the Pharmaceutical industry, the Government has launched the PLI Scheme to promote domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) in India, also known as the PLI Scheme for Bulk Drugs. The scheme aims to avoid disruptions to the supply of critical APIs by reducing the risk of supply disruption from excessive dependence on a single source. The PLI Scheme for Pharmaceuticals has also been launched to enhance India's manufacturing capabilities by increasing investment and production in the sector and diversifying products into high-value goods in the pharmaceutical industry.

d. For Engineering:

- Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) for re-imbursement of taxes/ duties/ levies, which are currently not being refunded under any other mechanism, at the Central, State and local level, which are incurred in the process of manufacture and distribution of exported products.
- The scheme called "Trade Infrastructure for Export Scheme (TIES)" was launched with effect from 1.4.2017 to address the export infrastructure gaps in the country.

- A variety of export promotion activities are undertaken through EEPC India, including the annual International Engineering Sourcing Show in India and the Indian Engineering Exhibitions held worldwide, to promote engineering exports.

IV. Grassroots, Logistics, and Industrial Infrastructure:

- a. The Districts as Export Hubs (DEH) is an initiative of the Government of India aimed at fostering district-level export growth by identifying products and services with demonstrable export potential. The initiative seeks to strengthen local value chains by formulating District Export Action Plans (DEAPs) in coordination with State Governments, with a view to addressing critical gaps in infrastructure, logistics, standardisation, branding, market access and capacity-building.
- b. Strengthening infrastructure through the National Logistics Policy and PM Gati Shakti enhances multimodal connectivity and reduces logistics costs, directly benefiting MSME exporters by easing supply chain bottlenecks.
- c. In addition to the above, the Government has taken several initiatives under the 'Ease of Doing Business', including the Business Reform Action Plan (BRAP), the B-Ready assessment, the Trade Connect ePlatform, and reducing compliance burdens.

Additionally, the Government is proactively working to diversify India's export basket and reduce dependency on traditional markets by identifying and facilitating entry into new and emerging global markets. Leveraging Free Trade Agreements (FTAs), the Government aims to promote Export Diversification and has signed 15 Free Trade Agreements (FTAs) and 6 Preferential Trade Agreements (PTAs) with its trading partners. Government is working with all stakeholders to enable our exporters to better utilize the benefits of India's FTAs with major markets such as Japan, Korea, UAE etc. and effectively utilize the opportunities that have been created with the recently concluded FTAs such as with the EFTA countries and the UK. The Government is also engaged in negotiations for early conclusion of mutually beneficial FTAs with the EU, Peru, Chile, New Zealand, Oman etc.
