

Govt bans export of onions

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The government on Monday banned export of onions, anticipating a shortfall in the key cooking ingredient as exports shot up 30% in the April-July period.

Exports of all varieties of onions are prohibited with immediate effect, the Directorate General of Foreign Trade said in a notification. "The provisions under the Transitional Agreement shall not be applicable under this notification," it said.

India exported fresh onions worth \$328 million and dried onions worth \$112.3 million in FY20. Exports of onions shot up 158% to Bangladesh in the April-July period.

The ban comes at a time when the wholesale and retail price of onion in August fell 35% and 4%, respectively. In Delhi, retail price of onion stood at ₹40 per kg.

Restriction on onion exports has become an annual affair.

Last year on 29 September, the government had banned exports of onions and imposed countrywide stock limits to bring down prices of onions that had soared ahead of state elections in Maharashtra and Haryana. The crackdown followed retail onion prices touching ₹80 a kg in Delhi because of supply disruptions after floods in some states.

In December, the prices hit ₹160 per kg in certain parts of the country.

Five months after the ban, government lifted the curbs starting 15 March this year as the shortage in onion supply because of excess rain and flood hitting the kharif crop passed with the arrival of the rabi crop.