

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 488
ANSWERED ON 07/02/2024

Financial losses due to ban on export

488 SHRI ANIL DESAI

Will the Minister of COOPERATION be pleased to state:

- (a) whether it is a fact that one main objective of National Co-operative Export Limited is to safeguard the interest of farmers and incentives for export;
- (b) whether Government is aware that the onion producers in Lasalgaon, Nasik (Maharashtra) which is the highest onion growing area in the country, are in great financial crises as the bumper crop of onion remained unsold in domestic market and Government has put a ban on export of the same to foreign countries; and
- (c) the steps taken by National Co-operative Export Limited, to save farmers from financial losses due to above action?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): The Ministry of Cooperation has set up National Cooperative Exports Limited (NCEL) under the Multi-State Cooperative Societies (MSCS) Act, 2002. NCEL will provide a complete ecosystem for the promotion of exports including agri commodities for the benefit of our farmers, in which India has a comparative advantage. All cooperative societies from the level of primary to apex, that are interested in exports, are eligible to become members.

National Cooperative Exports Limited (NCEL) will provide thrust to exports from cooperative sector by acting as an umbrella organization for carrying out and promoting exports. This will help in unlocking export potential of Indian cooperatives in global markets. This society will also help cooperatives in getting benefits of various export related schemes and policies of different ministries of Government of India in a focused manner through 'Whole of Government Approach.' This will also help in achieving the goal of "Sahkar-se-Samriddhi" through the inclusive growth model of cooperatives where the members would benefit both by realization of better prices through export of their goods and services and also by dividend distributed out of the surplus generated by the society.

NCEL, will safeguard the interest of farmers and incentives for exports by providing the final price of products to members by distributing up to 50% of net surplus as per the scheme given in clause 54 of its bye laws as under: -

- i. Initial price of the product(s) may be given to member(s) tentatively on the basis of prevailing market price of the product(s);
- ii. Net surplus shall be reckoned as the difference between the selling price and initial price after deduction of all expenses incurred by the society on sale of such product(s);
- iii. The Society will endeavour to give up to 50% of net surplus to its member(s) for their product(s) as may be decided by the Board Pand
- iv. The final price of the product(s) payable to the member(s) shall be determined by the Board on the basis of initial price plus the part of net surplus proposed to be paid under preceding sub-clause (iii).

(b) to (c): The Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution has informed that the export of onion has been placed under 'prohibited' category w.e.f 08.12.2023 by the Government in order to increase the domestic supply and ensure availability to consumers at affordable prices. To ensure that farmers are not adversely impacted by the export prohibition, the government enhanced the procurement target of onion in 2023-24 to 7.00 lakh tons from 2.50 lakh tons in 2022-23. The procurement of onion from the farmers is done at dynamic rate calculated on the basis of weighted average of modal and maximum prices during previous three days, to ensure remunerative prices to farmers. Till date, a total of 6.30 lakh tons of onion has been procured by National Cooperative Consumers Federations ("NCCF) and National Agricultural Cooperative Marketing Federation (NAFED) under the Price Stabilisation Fund. So far, NCEL has not undertaken any trade/export of onions from the country.
