

Centre withdraws 20% duty on Onion Export effective from April 1st, 2025

Posted On: 22 MAR 2025 7:18PM by PIB Delhi

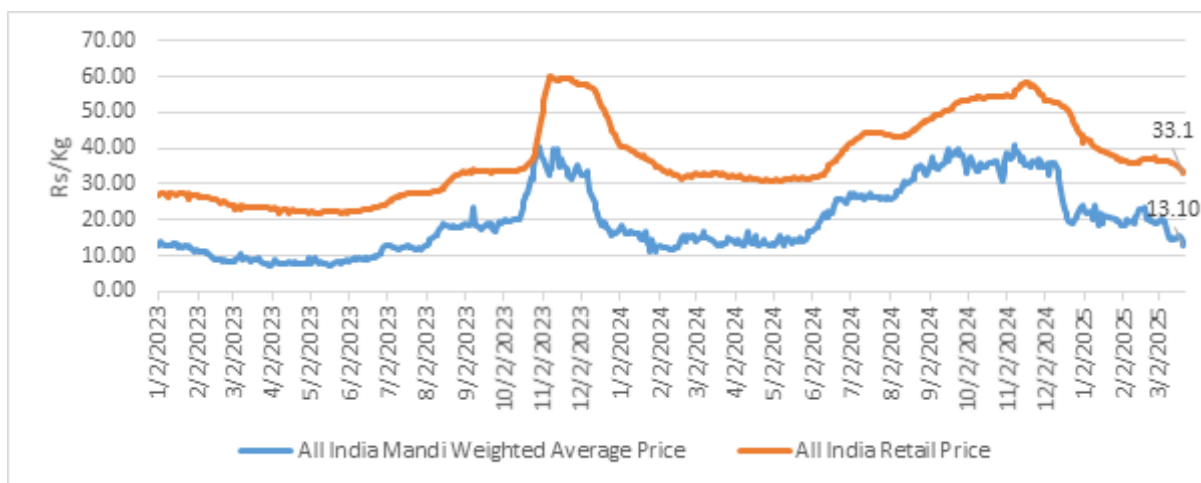
The Government of India has withdrawn 20% duty on onion export, effective from 1st April, 2025. A notification to this effect was issued by the Department of Revenue today on the communication of Department of Consumer Affairs.

To ensure domestic availability, the government had taken measures to check export by means of duty, minimum export price (MEP) and even to the extent of export prohibition for almost five months, from 8th December, 2023 till 3rd May, 2024. The export duty of 20% which now stands removed has been in place from 13th September, 2024.

Despite export restriction, the total onion export during FY 2023-24 was 17.17 LMT and FY 2024-25 (till 18th March) was 11.65 LMT. Monthly onion export quantity had picked up from 0.72 LMT in September, 2024 to 1.85 LMT in January, 2025.

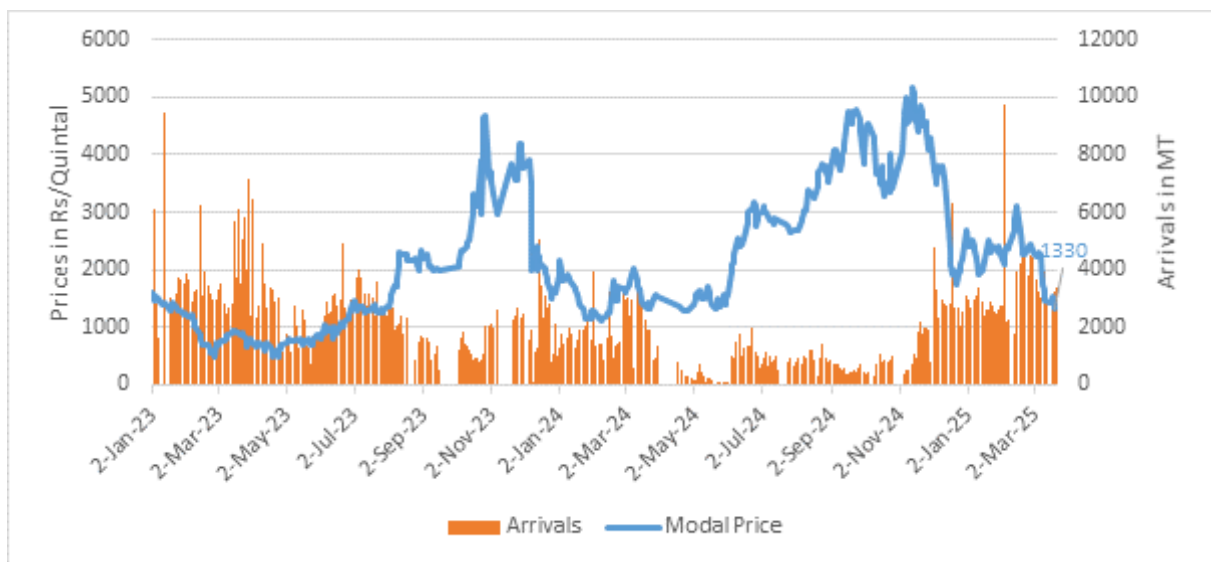
The decision stands as another testament to the government's commitment to ensuring remunerative prices to farmers while maintaining affordability of onion to the consumers at this crucial juncture when both mandi and retail prices have softened following expected arrival of rabi crops in good quantities. Even though, the current mandi prices are above the level during corresponding period of previous years, a decline of 39% is observed in the all-India weighted average modal prices. Similarly, all-India average retail prices recorded declined of 10% over the past one month.

Graph-1: Onion mandi and retail price trends

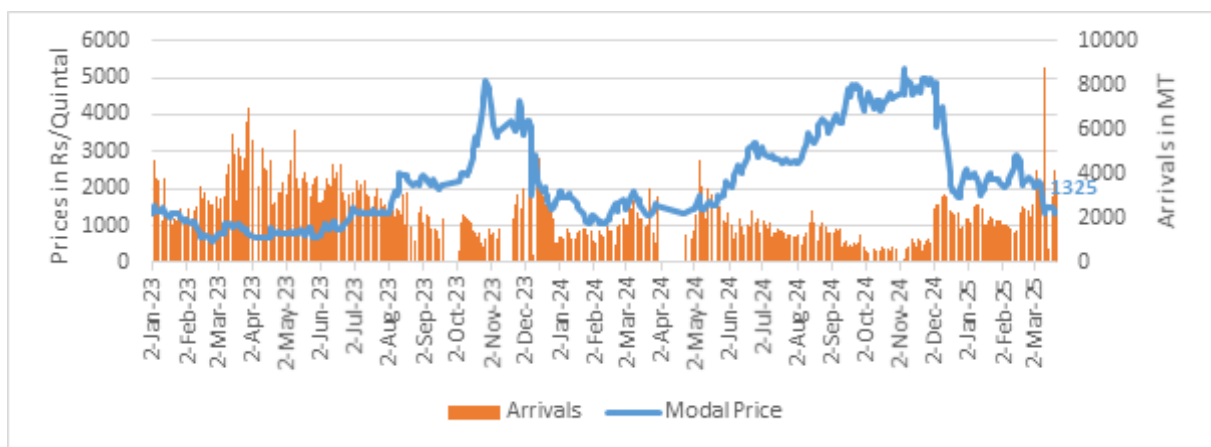


Onion arrival in benchmark markets Lasalgaon and Pimpalgaon have increased from this month which drive prices downward. The modal prices in Lasalgaon and Pimpalgaon on 21st March, 2025 were Rs.1330/qtl and Rs.1325/qtl, respectively.

Graph-2: Arrivals and prices in Lasalgaon Mandi



Graph-3: Arrivals and prices in Pimpalgaon Mandi



As per the estimates of Department of Agriculture & Farmers Welfare, rabi production this year at 227 lakh metric tonnes (LMT) is over 18% higher than 192 LMT last year. The rabi onion which accounted for 70-75% of India’s total onion production is crucial for overall availability and stability in prices till the arrival of kharif crop from October/November onward. The estimated higher production this season is expected to further ease the market prices in coming months.

The emerging production and prices scenario came as welcome breather for the country which had to grapple with the twin issues of lower domestic production and high international prices from August, 2023.

Abhishek Dayal/Nihi Sharma

(Release ID: 2114060)