Ministry of Agriculture & Farmers Welfare

Scheme/Policy for Welfare and Protection of Onion Farmers

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Agriculture is a State subject. Government of India supports the States through appropriate policy measures and budgetary allocation for schemes for multiple aspects like agriculture inputs, price support etc. The Government has substantially enhanced the budget allocation of Department of Agriculture & Farmers Welfare (DA&FW) from Rs. 21,933.50 crore BE during 2013-14 to Rs. 1,27,290.16 crore BE during 2025-26.

In order to protect consumers from excessive price volatility in agri-horticultural commodities, the Government introduced the Price Stabilisation Fund (PSF) scheme in 2014-15. Under PSF, buffer stock of major pulses and onion have been maintained for market interventions and also to discourage hoarding and unscrupulous speculation. Stocks from the buffer are released in calibrated manner to augment availability in the market and stabilise prices. 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. Buffer procurement helps in absorbing excess supply during peak arrival season, preventing steep price crashes, ensuring farmers receive remunerative prices, and guaranteeing assured off take when needed. The buffer is released through retail outlets, state governments, and e-commerce platforms to moderate retail prices whenever required.

To provide remunerative price to the farmers, Governments implements Market Intervention Scheme (MIS), a component under PM-AASHA, for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and the cost of production. The condition is that there should be at least a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government, which is ready to bear 50 percent of the loss (25 percent in case of North-Eastern States), if any, incurred on its implementation.

Government has introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Further, from 2024-25 season, Government added another component under Market intervention scheme for reimbursing the Storage and Transportation cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & state designated agencies for transporting them from the producing state to consuming states in the interest of the farmers

With a view to provide financial support to the farmers in the event of loss to crop due to non-preventable natural calamities, Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance (RWBCIS) has been introduced in the country from Kharif 2016 season. PMFBY provides for comprehensive risk insurance against crop damage to food crops (cereals, millets and pulses), oilseeds and annual commercial horticultural crops notified by the concerned State Government from pre-sowing to post-harvest stages of the crops at very minimum premium for farmers. Onion crop can be notified by the concerned State Government.

State Governments of Andhra Pradesh, Chhattisgarh, Karnataka, Maharashtra, Odisha, Rajasthan and Tamil Nadu have notified the Onion crop in one or more seasons in their States during the last three years from 2022-23 to 2024-25. Details of number of farmer applications enrolled, Central Government share in premium subsidy and claims paid to onion growing insured farmers under PMFBY during the said period (as on 31.12.2025) are **Annexed.**

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.

Annexure

Details of number of farmer applications enrolled, Central Government share in premium subsidy and claims paid to onion growing insured farmers under PMFBY during the last three years from 2022-23 to 2024-25 (as on 31.12.2025) by major onion producing States

State	Farmer Applications Enrolled (In No.)	Central Share in Premium Subsidy	Claims Paid
		(Rs. In Crore)	
Andhra Pradesh	1,79,154	6.57	85.57
Chhattisgarh	2,592	0.32	0.31
Karnataka	94,143	41.32	91.12
Maharashtra	22,21,403	256.86	453.61
Odisha	14,903	0.45	0.17
Rajasthan	57,756	11.15	21.95
Tamil Nadu	1,51,531	22.88	48.80
Total	**27,21,482**	**339.53**	**701.54**

This information was given by Minister of State for Agriculture and Farmers Welfare, Shri Ramnath Thakur in a written reply in Rajya Sabha today.

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