

PARLIAMENTARY QUESTION NO B/1359

The Honourable Third Member for Curepipe and Midlands (Mr Dowarkasing)

To ask Dr the Honourable Minister of Agro-Industry & Fisheries:-

Whether, in regard to the onions, of the NUN 7272 variety, he will, for the benefit of the House, obtain from the Agricultural Marketing Board, information as to the price mechanism established by the Board for the purchase thereof?

REPLY

Mr Speaker Sir,

The NUN 7272 variety is one of the five high yielding varieties recommended by the Agricultural Research & Extension Unit in view of its good storage potential, its adaptability to the main growing areas and its preference by consumers.

2. The floor or purchase price of onions of high yielding varieties was last revised in October 1998 from Rs 8,900 to Rs 9,000 per tonne. Production costs have increased significantly since that time owing to increase in cost of inputs (seeds, fertilizers, chemicals, herbicides, fungicides), in labour cost, transport, land rental, storage rental and watchmen services.

3. The high production costs and the fixed floor price of 1998 have discouraged planters from planting onions. In fact, production of onions has dropped from 11,000 tonnes in year 2000 to around 5,000 tonnes in 2007 for a total annual consumption of 15,000 tonnes.

4. The National Onions Committee has examined this matter and has, in September 2007, recommended an increase in the floor price of high yielding onion varieties. This recommendation was approved by the Agricultural Marketing Board in October 2007 and by my Ministry subsequently.

5. The floor price has been increased to Rs 17,000 per tonne and is effective from 1 November 2007. The new floor price has been calculated on the basis of the following:

(a) a weighted cost price of Rs 133,000 per arpent;

(b) an average yield of 11.09 tonne of onions per arpent in the main growing areas; and

(c) a 40 percent mark up.

6. It is expected that this measure will give a boost to the production of onions and help the country to attain self-sufficiency by year 2015. In fact, the increase in the floor price will enable growers to renew their interest in onion production and encourage the emergence of new agro entrepreneurs. Onion producers are being encouraged to modernize the production techniques with respect to curing, storage, mechanization, fertigation etc. AREU is assisting planters to optimize early production of onion from onion setts. Onion is also being proposed for cultivation in new areas, particularly in the north under the Northern Plains Irrigation Project. AREU has recently released two new onion varieties namely Bellarose and Francia which are both high yielding that is more than 25 tons/hectare and with a long storage life which is more than six months under ambient condition. Consequently, the price of onion seeds is expected to be reduced significantly as a Seed Production Programme has already taken off. Furthermore, SEHDA is assisting potential entrepreneurs to set up SME in onion processing and marketing.