

Executive Summary:

- Export demand has picked up as Malaysian buyers who had struck a deal with Pakistan sellers turned to India because of Strike at Karachi port few days back. According to trade sources, on a weekly basis 2500- 3000 ton of onion is being exported to Dubai, Singapore and Malaysian countries.
- Harvesting of kharif crop in Karnataka and Andhra Pradesh is still continued and expected to continue till end of December. Harvesting of kharif crop in Rajasthan has already started and arrivals are in full swing from Alwar to Delhi markets.
- Harvesting of kharif onion in Maharashtra, Gujarat and M.P has started and arrivals are increasing day by day and expected to further increase during end of December 2012.
- According to trade sources in Maharashtra, arrivals have decreased compared to previous year. This is due to drop in kharif onion production. This is getting reflected in the prices which are high.
- According to trade sources in Bangalore, in a couple of weeks Karnataka region has to totally dependent on Maharashtra region for onion. This is due to low kharif production in Karnataka, which was almost 40%-50% less compared to previous year's production.
- In Haryana, late kharif onion is mainly grown in Mewat, Mahendranagar, Bhiwani and Panchkula areas. But this year it is expected that late kharif area is less compared to previous area.
- In Hyderabad, onion is coming from Karnataka and Maharashtra region which are contributing approximately 15% and 85% respectively. According to trade sources, premium quality onion from Solapur (Maharashtra) is fetching highest prices of Rs 1700/ quintal.

Weekly Onion Prices (Rs/Qtl) and Arrivals (in Quintals) trend in important markets across India:

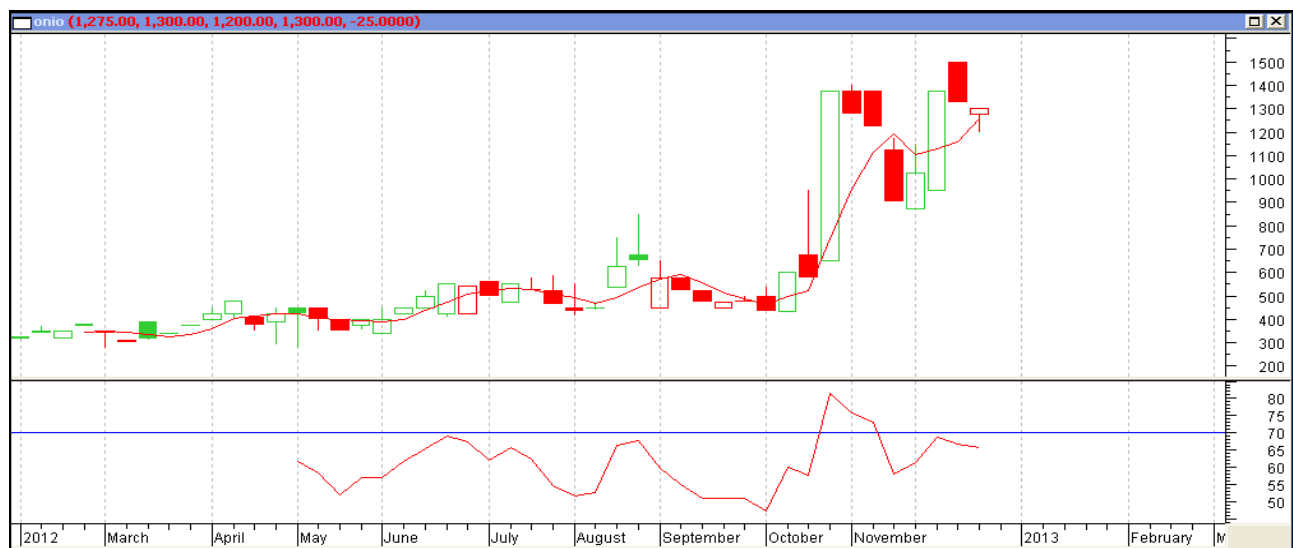
Market	State	Avg. Arrivals 17th Dec- 22th Dec 2012	Avg. Arrivals 10th Dec- 15th Dec 2012	% Change in arrivals Over Prev. Week	Avg. Prices 17th Dec- 22th Dec 2012	Avg. Prices 10th Dec- 15th Dec 2012	% Change in Price Over Prev. Week
Delhi	Delhi	13333	9500	40.35	1133	1500	-24.47
Bangalore	Karnataka	23403	23666	-1.11	1516	1675	-9.49
Lasalgaon	Maharashtra	15166	11250	34.81	1192	1237	-3.64
Pimpalgaon	Maharashtra	26000	21000	23.81	1085	1226	-11.50
Mumbai	Maharashtra	10125	8116	24.75	1358	1333	1.88
Hyderabad	AP	6916	6666	3.75	1375	1602	-14.17
Jaipur	Rajasthan	2750	3000	-8.33	1033	950	8.74
Indore	MP	35600	36666	-2.91	870	1008	-13.69

(Source: AGRIWATCH)

Prices have decreased across all the major markets. Kharif crop is arriving in market in full swing majorly from Rajasthan, Maharashtra and Madhya Pradesh.

Arrivals have increased in Lasalgaon, Pimpalgaon, Hyderabad, Delhi and Mumbai. Maximum arrivals have increased in Delhi by 40% followed by Pimpalgaon and Lasalgaon market by 23% and 34% respectively. In Lasalgaon (Maharashtra), most of the trades took place at Rs1192/ quintal which is lower compared to last week's prices Rs 1237 per quintal.

Analysis of Onion Prices at Lasalgaon, Nasik:



(Note: Each bar or "candle" in the chart shows the price movement in a particular week. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the "candle" shows the upper and lower end of the price range for the week.)

The above chart shows the weekly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. Prices have dropped down to a level of Rs 1200 level as it has also broken last week's lowest level. The reason for decline in prices were increase in arrivals in Lasalgaon market. Prices are expected to range bound for a couple of weeks. On the upper side, 1300 level is the resistance and on the lower side support is at 1100 level.

Arrivals are expected to be in full swing from Maharashtra, Rajasthan and Madhya Pradesh. Prices are expected to remain stable for a couple of weeks. Export demand may be normal as domestic prices are more and shelf life of kharif crop is also low.

Disclaimer

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