

## Executive Summary:

- In Lasalgaon and Pimpalgaon markets of Maharashtra, there was a strike from last Friday due to differences between mapari (official grain measurers) and traders over weighing charges and putting receipt numbers on onion bags which affected the auction. As per trade sources, the auction process which were affected is likely to resume within this week.
- In most of the markets of Maharashtra region, prices are hovering between Rs 500-Rs 700/ quintal as compared to last year's Rs 800- Rs900 / quintal at this time. The reason for decline in prices is the arrival of low quality of onion in markets.
- According to trade sources, newly-harvested crop is now available in Karnataka and Andhra Pradesh. Southern states are supplying to West Bengal and Orissa which has replaced the demand of Maharashtra origin onions.
- In Tamil Nadu, prices of small onion are expected to go up from current levels. Due to this, the farmers have held back the crop to sell them in November because the area under small onion had come down this year due to low rainfall, which has also put pressure on the market arrivals.
- In Bangalore, approximately 70% of total arrival is fresh onion. Around 70% harvesting of early crop is completed in Karnataka and Andhra Pradesh. According to trade sources, the arrivals from Karnataka have dropped this year and might stop during mid October which will push up the prices in Southern region.

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

Market	State	Avg. Arrivals 30th Sept-6 Oct 2012	Avg. Arrivals 24th Sept- 29th Sep 2012	% Change in arrivals Over Prev. Week	Avg. Prices 30th Sept-6 Oct 2012	Avg. Prices 24th Sept- 29th Sep 2012	% Change in Price Over Prev. Week
Delhi	Delhi	11500	9160	25.55	867	780	11.15
Bangalore	Karnataka	20750	26600	-21.99	925	880	5.11
Lasalgaon	Maharashtra	5250	7900	-33.54	521	480	8.54
Pimpalgaon	Maharashtra	8500	12000	-29.17	612	610	0.33
Mumbai	Maharashtra	10012	8975	11.55	700	725	-3.45
Hyderabad	AP	10437	9400	11.03	637	655	-2.75
Jaipur	Rajasthan	2815	2500	12.60	800	840	-4.76
Indore	MP	10000	19600	-48.98	565	500	13.00
Ludhiana	Punjab	1720	1525	12.79	538	625	-13.92

(Source: AGRIWATCH)

The above table shows a mixed pattern of prices in different markets across the country. Arrivals have decreased in Lasalgaon, Pimpalgaon, Bangalore and Indore because farmers are holding back good quality onion and their stock of poor quality onion is coming down. In both cases, prices are expected to increase in a couple of weeks. In Karnataka (Bangalore), fresh onion which was coming from local regions is expected to be over by October end.

If we see the price comparison of last week, prices of onion have gone up in all major markets except Hyderabad, Mumbai, Jaipur and Ludhiana where local region produced onion is arriving in market



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**Technical Analysis of Onion Prices at Lasalgaon, Nasik:**

(Source: AGRIWATCH)

(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 Lasalgaon Mandi in Nasik district. During the week, prices touched Rs 550 and came down due to poor quality and lower demand of onion. At the weekend, modal prices were reported Rs. 521/quintal which is almost similar to last week. Prices closed above the previous week's high.

Currently, prices are trading in range between Rs 450 and 550 per quintal. We expect this range to hold good for the next week. However, whenever the resistance level of Rs 570 is broken, prices are expected to rise quickly to the Rs 600 level. The 430 level represents a good long term support and prices are unlikely to fall below these levels. Prices are expected to trade with an upward bias in the coming week.

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