

**Executive Summary:**

- Rabi crop onion arrivals have started in Maharashtra and other producing regions and are expected to increase in the next two weeks.
- Quality of Rabi onions is considered to be superior due its long shelf life which allows it to be stored for 6-8 months. Farmers and traders generally prefer to hold these onions in anticipation of better price realization due to export & domestic demand in the lean season.
- Export demand has started from Indonesia, Gulf and Far East countries. According to exporters, Philippines will begin importing Indian onions in a month's time.
- Currently, prices in Nashik district are rulling above Rs 400/Qtl. A month ago, prices were trading in the range of Rs 200-300/Qtl due to higher arrivals of late kharif season crop which cannot be stored for more than 2 months.
- The trading and farming communities are demanding that the government should remove current Minimum Export Price (MEP) of \$125 FOB and set up Minimum Support Price (MSP) for onions. Maharashtra Govt. is reportedly also considering a proposal to compensate onion growers.
- Estimates by trade and industry sources point towards onion production of around 15.1 million tonnes during 2011-12 as compared to 14.6 million tonnes in the previous year. The productivity of onion this year was higher due to favorable weather, prolonged winter and no rain damage, unlike last year.
- As per NAFED, India has exported around 13.4 lakh metric tonnes of Onion between April 2011 and February 2012. It is likely that we will end up the 2011-12 financial year with a figure of 15-16 lakh tonnes of onion export.

**Monthly Price- Rs/Qtl (Wholesale, Retail) and Arrivals (in MT) Trend comparison:**

Center Name	Mar 2012 Avg. Wholesale Price	Prev. Year Same Month Avg. Wholesale Price	Wholesale Price change (%)	Mar 2012 Avg. Retail Price	Prev. Year Same Month Avg. Retail Price	Retail Price Change (%)	Mar 2012 Total Arrival	Prev. Year Same Month Total Arrival
AHMEDABAD	415	457	-9.2	800	931	-14.1	10975	8886
BANGALORE	604	690	-12.5	1243	1242	0.1	27160	26190
BHOPAL	594	569	4.4	776	736	5.4	3012	3000
BHUBANESHWAR	731	913	-19.9	1034	1270	-18.6	7980	6970
CHENNAI	804	880	-8.6	1208	1556	-22.4	17850	14480
DELHI	584	693	-15.7	1269	1638	-22.5	24003	27218
HYDERABAD	690	586	17.7	1090	1052	3.6	17996	11021
JAIPUR	599	629	-4.8	967	1014	-4.6	7057	11580
KOLKATA	622	649	-4.2	1106	1308	-15.4	30734	12024
MUMBAI	483	614	-21.3	1000	1211	-17.4	123235	31530
NASIK	440	561	-21.6	676	806	-16.1	6270	5120
RANCHI	652	868	-24.9	1000	1231	-18.8	4498	2477
SURAT	561	657	-14.6	1035	1044	-0.9	6445	6175

(Source: NHB)



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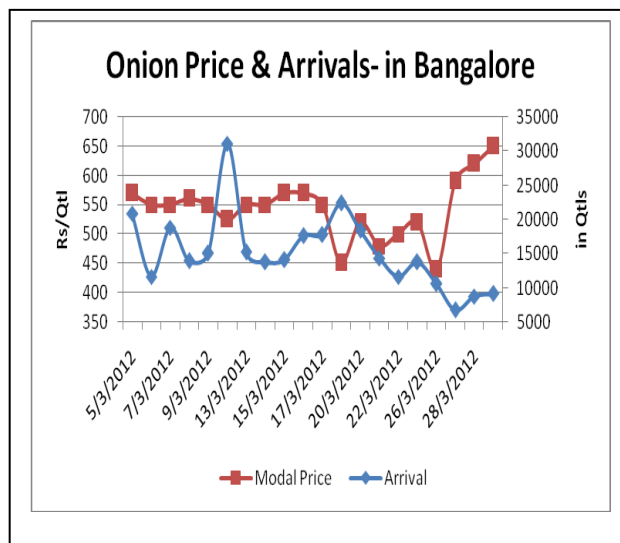
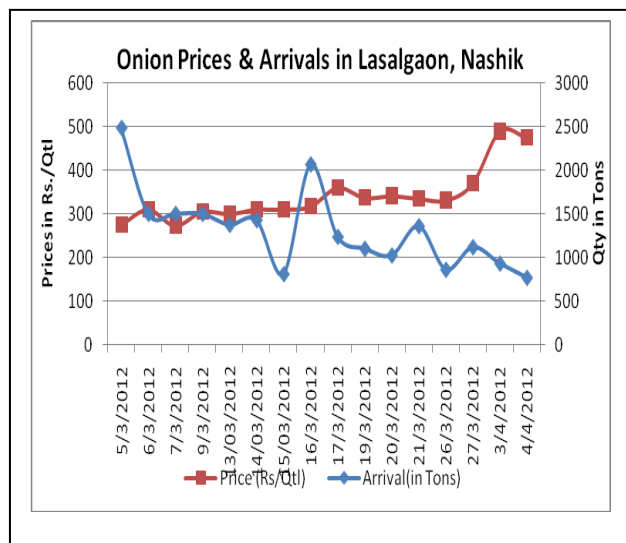
Small Farmers'  
Agribusiness  
Consortium



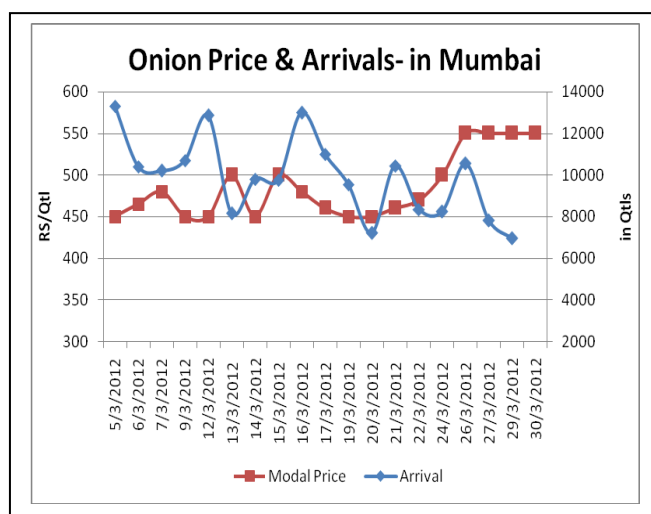
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As seen in above table, retail and wholesale onion prices are mostly down by 10-20% as compared to same month last year due to higher supplies from late kharif season crop from producing regions like Maharashtra, Gujarat. But in Bhopal and Hyderabad prices have increased despite higher arrivals.

## Onion Prices and Arrivals during March 2012 in Major Mandis:



(Source: Agriwatch Research)



**Market Outlook:** Onion prices in major producing regions are steady to higher. With the increased arrivals of rabi crop, prices could soften initially but we do not see any sharp drop in onion prices as other vegetables are also getting dearer. Therefore, looking at (i) the export demand during April, (ii) stocking interest from traders and (iii) higher consumption demand ahead, major fall in prices is unlikely.

### Disclaimer

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