

## Executive Summary:

- Maharashtra State Government is considering a proposal to compensate onion farmers. It has also written to the Union government to remove the cap on bearing losses incurred in the market intervention scheme.
- The trading and farming communities are demanding that the government should remove Minimum Export Price (MEP) and set up Minimum Support Price (MSP) for onions.
- The productivity of onion this year was higher due to favorable weather, prolonged winter and no rain damage unlike last year.
- As per traders estimates, cost of production for Onion in Maharashtra this year worked out to be Rs. 3.5-5/Kg. Current ruling prices in Maharashtra mandis is barely covering the cost of production.
- Average wholesale prices in Maharashtra APMCs have increased 10-20% during the last one week due to lower arrivals.

## Market Outlook

Onion prices in major producing regions are steady to higher on a week-on-week basis. 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. Again, in summer season, consumption of onion will also increase. 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.

## Onion Prices in important markets of Maharashtra:

Market	Prices 01-08 Apr 2012	Prices 24-31 Mar 2012	Prices 16-23 Mar 2012	Prices 01-08 Apr 2011	% Change (Over Previous Week)	% Change (Over Previous Week)	% Change (Over Previous Year)
Aurangabad	291.66	286.05	320.21	389.07	1.96	-8.92	-25.04
Dhule	380	425.38	475.05	446.33	-10.67	-20.01	-14.86
Jalgaon	413.89	395.67	400	450	4.6	3.47	-8.02
Lasalgaon	432.91	357.7	358.86	500.51	21.03	20.63	-13.51
Manmad	392.06	335.19	324.17		16.97	20.94	—
Nagpur	574.5	557.8	568.51	617.21	2.99	1.05	-6.92
Nasik	380	396.41	395.72	553.36	-4.14	-3.97	-31.33
Pune	425.35	422.32	353.7	468.41	0.72	20.26	-9.19
Pune(Khadiki)	417.76	359.75	340	431.31	16.13	22.87	-3.14
Satara	450	385.86	375	512.89	16.62	20	-12.26
Vashi New Mumbai	565.8	546.26	462.96	615.87	3.58	22.21	-8.13

(Source: AGMARKNET)

As seen in above table, onion prices have increased on week-on-week and fortnightly basis in all major mandis of Maharashtra except Dhule, Aurangabad and Nasik. Rabi crop arrivals have started and traders and



**SFAC**  
लघु कृषक  
कृषि व्यापार संघ

Small Farmers'  
Agribusiness  
Consortium



**AGRIWATCH**

exporters are taking interest in storing these arrivals due to its long-shelf life. In Lasalgaon, Asia's largest mandi for onion, prices have increased around 20% in the last one week.

However, prices are still considerably lower on a year-on-year basis because of higher production this year. In most markets, prices are lower by 8-15% compared to last year. However, in the Nashik market which is a major supply centre, prices are almost 31% lower as compared to last year. This explains the demands from farmers and traders to revoke the MEP and set up price support operations through MSP.

## Onion Arrival Analysis:

Market	Per Day Average Arrivals 01-08 Apr 2012 (Days Reported)	Per Day Average Arrivals 24-31 Mar 2012 (Days Reported)	Average Arrivals 01-08 Apr 2011 (Days Reported)	% Change (Over Previous Week)	% Change (Over Previous Month)	% Change (Over Previous Year)
Aurangabad	99.73 (3)	77.64 (7)	34.35 (6)	28.45	18.07	190.33
Dhule	400 (1)	260 (3)	206.15 (2)	53.85	-20	94.03
Kolhapur	996.48 (5)	574.34 (7)	533.44 (5)	73.5	31.4	86.8
Lasalgaon	460.75 (2)	529.75 (2)	749.88 (4)	-13.03	-54.88	-38.56
Nagpur	211.8 (2)	245.15 (6)	74.87 (6)	-13.6	-60.91	182.89
Nasik	219.2 (1)	88.06 (7)	99.85 (6)	148.92	24.12	119.53
Pune	2262.47 (4)	1674.03 (6)	1853.35 (6)	35.15	-3.01	22.07
Solapur	1848.18 (5)	1230.85 (6)	1371.08 (6)	50.15	25.49	34.8
Vashi New Mumbai	1209 (5)	852.14 (7)	1271 (5)	41.88	23.62	-4.88

(Source: AGMARKNET)

Onion arrivals in most of the trading centers in Maharashtra increased substantially during the week under consideration due to start of Mandi operations on normal routine after March year-end close. Farmers have started bringing their produce after a week of slow mandi activity.

As can be seen from the table, arrivals are significantly higher except for Lasalgaon and New Mumbai. Arrivals are up 100 to 200% in many mandis. Lasalgaon is the exception with arrivals 38% lower as compared to last year. Given the higher production this year, arrivals are likely to remain higher than last year for the next few weeks.



**SFAC**  
लघु कृषक  
कृषि व्यापार संघ

Small Farmers'  
Agribusiness  
Consortium



**AGRIWATCH**

## Onion prices (Rs/Qtl) in important consumption centers across India:

Market Name		7/4/2012	One Week Ago	FortNight Ago	One Month Ago	One Year Ago	% Change Over Prev Year
BANGALORE	Min.Price	550	700	550	500	600	-7.7
	Max.Price	650	800	650	600	700	
	Model.Price	600	750	600	550	650	
	Retail.Price	1200	1300	1200	1000	1100	
	ArrivalQty	1350	1500	900	1000	1200	
DELHI	Min.Price	450	425	425	425	375	9.1
	Max.Price	750	800	700	750	700	
	Modal Price	600	625	570	587	550	
	Retail Price	1200	1200	1200	1200	1100	
	ArrivalQty	920	99	839	263	524	
JAIPUR	Min.Price	575	550	575	500	500	9
	Max.Price	625	650	625	600	600	
	Modal Price	605	605	605	560	555	
	Retail Price	900	1000	900	900	900	
	ArrivalQty	340	251	220	160	280	
KOLKATA	Min.Price	625	600	525	0	500	21
	Max.Price	675	650	575	0	575	
	Modal Price	650	625	550	0	537	
	Retail Price	1200	1100	1100	0	1000	
	ArrivalQty	180	500	74	0	312	
MUMBAI	Min.Price	550	500	450	300	500	0
	Max.Price	650	650	600	550	700	
	Modal Price	600	575	500	450	600	
	Retail Price	1000	1000	1000	1000	1000	
	ArrivalQty	1175	1300	8250	1070	1565	

(Source: NHB)

## Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC