Market Intelligence System

Weekly Onion Report
30 April, 2012

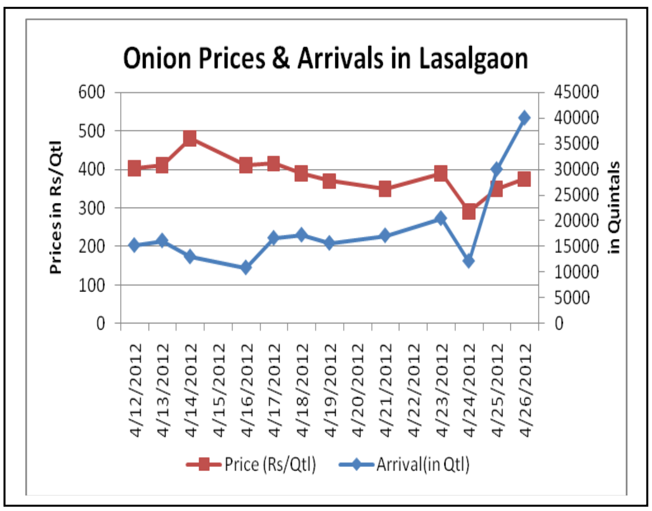
Executive Summary:

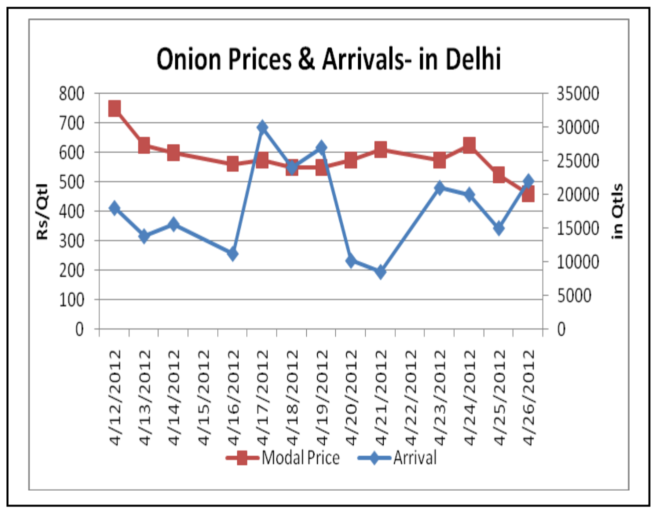
- In the benchmark Lasalgaon market, a large proportion of onion arrivals are going into storage as stockists feel that prices are lucrative at current levels. Traders expect Rabi onions, which are available currently in the range of Rs 300-350/Qtl in various Maharashtra APMC mandis, to fetch around Rs. 500-600/Qtl during the lean season.
- Approximately 65-70% of the total arrivals in Maharashtra is coming from Nasik and Ahmednagar districts, while the rest is from Pune, Solapur and other regions.
- The Centre is expected to deliberate and possibly decide on the issue of onion exports during its high-level meeting on April 30. The Commerce Ministry is in favor of removing the minimum export price (MEP) on onions for two months to boost exports and ensure better returns to farmers.
- Stocking and export off-take was reported to be good during the week. Exports are taking place to the Gulf, Singapore, Malaysia and Indonesia.

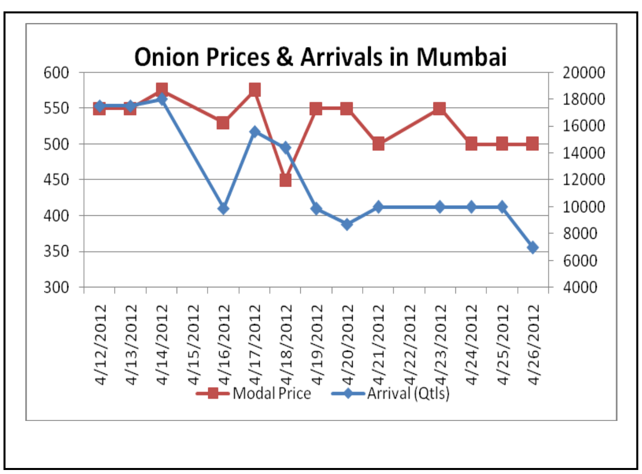
Market Outlook

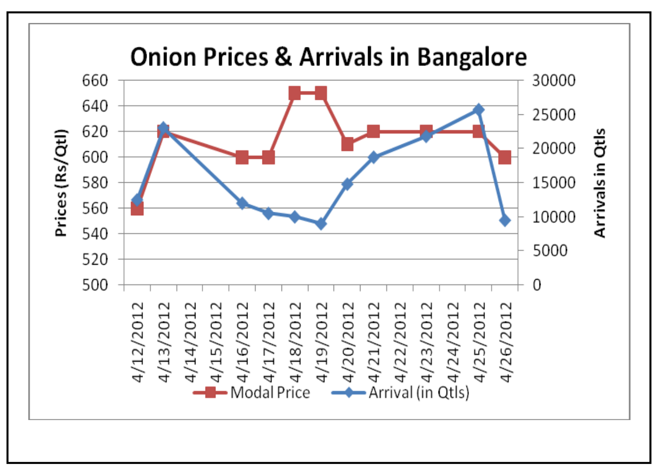
Onion prices are expected to be stable with the possibility of a small rise in the short term due to export off-take and stocking demand from Indian traders.

Daily Price and Arrivals trend in Producing and Consumption Centers:









SFAC
लघु कृषक कृषि व्यापार संघ
Small Farmers' Agribusiness Consortium

AGRIWATCH

Onion Arrivals (in MT) in important markets across India:

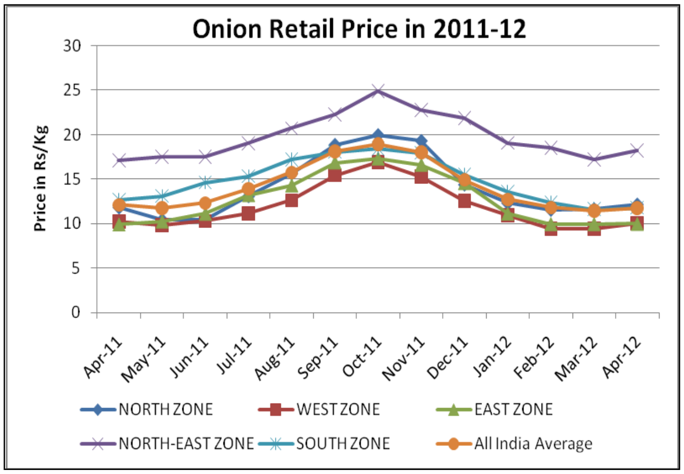
Market	State	Avg Arrivals 24-30 Apr 2012 (Days Reported)	Avg Arrivals 16-23 Apr 2012 (Days Reported)	Avg Arrivals 24-30 Apr 2011 (Days Reported)	% Change (Over Prev Week)	% Change (Over Prev Month)	% Change (Over Prev Year
Jodhpur	Rajasthan	119.2 (4)	185.44 (7)	188.5 (6)	-35.72	-27.69	-36.76
Sri Ganganagar	Rajasthan	700 (2)	503.75 (8)	382.5 (4)	38.96	173.75	83.01
Bangalore	Karnataka	1350.33 (3)	1836.43 (7)	1643.83 (6)	-26.47	26.24	-17.85
Indore (F&V)	MP	587.1 (2)	1018.88 (4)	458.18 (5)	-42.38	32.88	28.14
Sagar	MP	1200.47 (3)	1287.5 (5)	1098.81 (7)	-6.76	63.03	9.25
Ahmadabad	Gujarat	255.4 (3)	655.04 (7)	592.13 (6)	-61.01	-41.88	-56.87
Rajkot	Gujarat	102.5 (2)	165.52 (6)	154.12 (4)	-38.07	0	-33.49
Chandvad	Maharashtra	875.5 (1)	941.67 (3)	316.7 (5)	-7.03	124.06	176.44
Kolhapur	Maharashtra	689.37 (3)	766.28 (5)	594.33 (6)	-10.04	29.6	15.99
Lasalgaon	Maharashtra	940.5 (2)	580.67 (6)	450.3 (5)	61.97	77.54	108.86
Manmad	Maharashtra	950 (1)	1070 (5)	274 (5)	-11.21	256.25	246.72
Nagpur	Maharashtra	145.2 (1)	232.18 (6)	115.97 (6)	-37.46	-33.76	25.2
Nasik	Maharashtra	313.9 (1)	268.37 (6)	86.2 (4)	16.97	275.25	264.15
Pune	Maharashtra	768.2 (1)	1198.26 (7)	1112.37 (3)	-35.89	-54.11	-30.94
Solapur	Maharashtra	602.5 (1)	1271.08 (5)	1782.75 (6)	-52.6	-51.05	-66.2
Yeola	Maharashtra	756.9 (1)	1022.9 (6)	499.53 (6)	-26	111.03	51.52

(Source: AGMARKNET)

Arrivals have fallen across major markets in India during last week except in Lasalgaon, Nasik and Sri Ganganagar. In Maharashtra, farmers have started holding back the new crop due to low price realization in mandis. As seen in above table, in Pune, Solapur, Nagpur and Yeola average daily arrivals have decreased between 25-50% as compared to previous week.

However, arrivals are considerably higher as compared to the same week last year in almost all markets of Maharashtra, indicating a bumper Rabi production in the state.

Monthly Average Retail Prices of Onion in India:



The adjacent graph depicts the retail price of onion during 2011-12 in various zones of India. As visible in the graph, prices remain under pressure during Jan to April due to harvesting season in Maharashtra and Gujarat but it starts rising from May-June onwards as arrivals diminish in the producing regions. Generally, prices in North-East zone tend to remain high as compared other zones due to their dependence on supply from other regions. Onion Prices in all zones follows more or less similar price movement as visible in the chart.

(Source: State Civil Supplies Dept.)

State wise Wholesale Prices (Rs/Qtl) Weekly Analysis of Onion in India:

State	Prices 24-30 Apr 2012	Prices 16-23 Apr 2012	Prices 09-15 Apr 2012	Prices 24-30 Apr 2011	% Change (Over Previous Week)	% Change (Over Prev Fortnight)	% Change (Over Prev Year)
Andhra Pradesh	424.27	413.01	428.04	447.02	2.73	-0.88	-5.09
Assam	953.99	892.34	892.02	864.18	6.91	6.95	10.39
Gujarat	440.96	464.19	497.03	399.22	-5	-11.28	10.46
Haryana	597.03	629.95	646.43	510.89	-5.23	-7.64	16.86
Himachal Pradesh	826.47	799.56	783.83	756.34	3.37	5.44	9.27
J & K	750	751.24	844.49	749.24	-0.17	-11.19	0.1
Jharkhand	917.63	808.35	813.68	637.74	13.52	12.78	43.89
Karnataka	495.65	520.11	512.32	628.25	-4.7	-3.25	-21.11
Kerala	1099.57	1133.76	1171.5	1459.43	-3.02	-6.14	-24.66
Madhya Pradesh	293.94	304.41	337.37	329.57	-3.44	-12.87	-10.81
Maharashtra	419.38	396.31	409.01	531.01	5.82	2.54	-21.02
Meghalaya	1300	1272.22	1173.33	1550	2.18	10.8	-16.13
Delhi	582.88	609.52	633.52	550.35	-4.37	-7.99	5.91
Orissa	923.43	960.9	965.13	932.42	-3.9	-4.32	-0.96
Punjab	723.46	607.38	598.12	833.4	19.11	20.96	-13.19
Rajasthan	416.06	446.35	446.11	396.42	-6.79	-6.74	4.95

Uttar Pradesh	623.44	634.55	635.54	627.4	-1.75	-1.9	-0.63
Uttrakhand	611.88	557.53	579.12	490.35	9.75	5.66	24.78
W Bengal	724.4	718.14	711.18	651.43	0.87	1.86	11.2

(Source: Agmarknet)

Onion Prices in Punjab, Uttarakhand and Jharkhand have increased around 10-20% during the week under review. On the other hand, in Rajasthan, Haryana, Gujarat and Karnataka prices declined 5-7% during the week.

It is interesting to note that onion prices in largest producing state Maharashtra have started to increase during the last two weeks even when Rabi arrivals are in full swing. This suggests good domestic and export demand amid rising prices of other vegetables in metro cities. It also indicates that farmers are holding back supplies due to low prices which currently are 21% below the prices during the same week last year.