

Executive Summary:

- Growers are holding back good quality onion in expectation of higher price realization in the coming month.
- Prices which had declined a week ago, have either increased this week or remained at the same level in major mandis like Lasalgaon, Pimplagaon, Bangalore and Indore due to lower arrivals in the market yards.
- In the last one week, around 8,600 MT of onion has arrived in Lasalgaon with average auction prices of Rs. 373/Qtl. A week ago, average auction price was Rs. 370/Qtl.
- Traders expect prices could rise by Rs 50-60/qtl in the coming weeks due to lower arrivals of good quality onion.
- Traders expect that prices of onion will be higher during July as supply of green vegetables will be lower and stored onion will command higher prices. Farmers who can store their produce are advised to hold good quality onion.
- Stored onion in Bhavnagar is expected to be in market from the 1st week of June.

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

Market	State	Avg. Arrivals 21-26 May 2012	Avg. Arrivals 12-19 May 2012	% Change Over Prev. Week	Avg. Prices 21-26 May 2012	Avg. Prices 12-19 May 2012	% Change in Price Over Prev. Week
Delhi	Delhi	13083	15250	-14.21	610	590	3.39
Bangalore	Karnataka	16000	16833	-4.95	310	319	-2.82
Belgaum	Karnataka	4817	5867	-17.90	541	475	13.89
Lasalgaon	Maharashtra	14500	20083	-27.80	374	370	1.08
Pimplagaon	Maharashtra	18800	18400	2.17	365	350	4.29
Mumbai	Maharashtra	10233	10666	-4.06	492	483	1.86
Pune	Maharashtra	6500	7250	-10.34	480	435	10.34
Rajkot	Gujarat	1535	1566	-1.98	299	299	0.00
Gondal	Gujarat	843	1470	-42.65	250	222	12.61
Jaipur	Rajasthan	3256	3684	-11.62	487	566	-13.96
Chennai	Tamilnadu	5320	6000	-11.33	720	750	-4.00
Indore	MP	14833	15750	-5.82	333	315	5.71
Ludhiana	Punjab	1783	4040	-55.87	525	480	9.38

(Source: Agriwatch)

Prices have increased in almost all markets except in Jaipur, Chennai and Bangalore. Arrivals have fallen across all centres as farmers have been holding back their stock in anticipation of better price in near future when prices of other vegetables also start rising due to rain. In Lasalgaon, average arrivals are down by 27.8% whereas prices remained almost the same. This is due to low quality onion arrivals which fetches lesser price. In Pimplagaon, prices which had declined by 23% two weeks ago have recovered by 4% during last week.



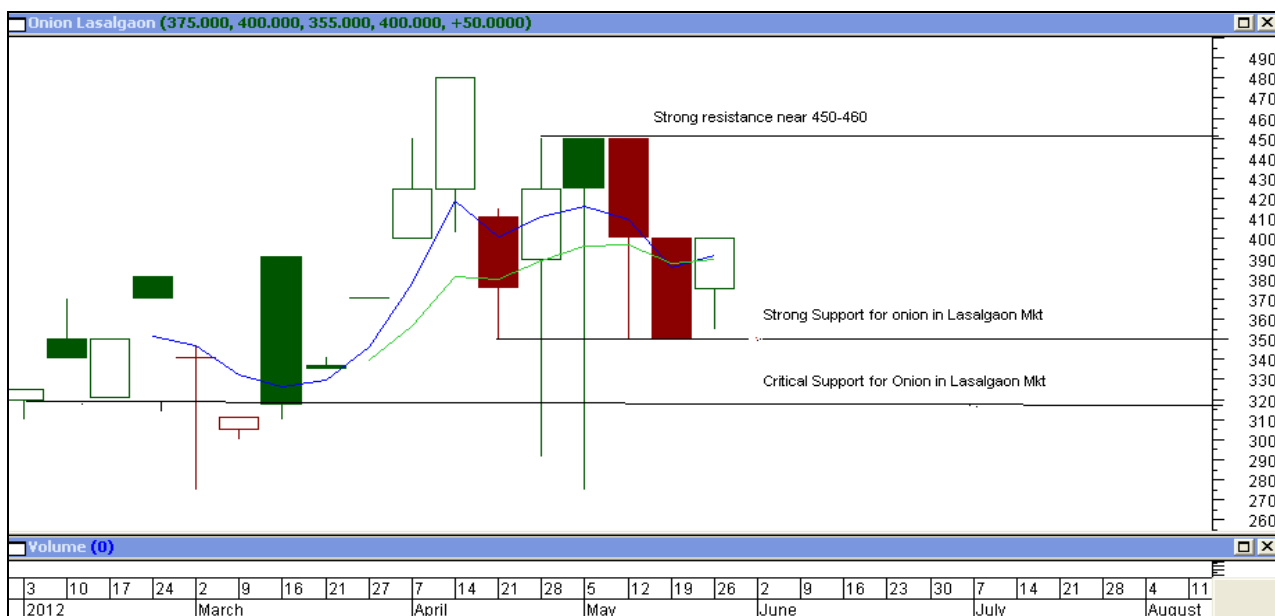
SFAC
लघु कृषक
कृषि व्यापार संघ

Small Farmers'
Agribusiness
Consortium



AGRIWATCH

Technical Analysis of Onion Prices at Lasalgaon, Nasik:

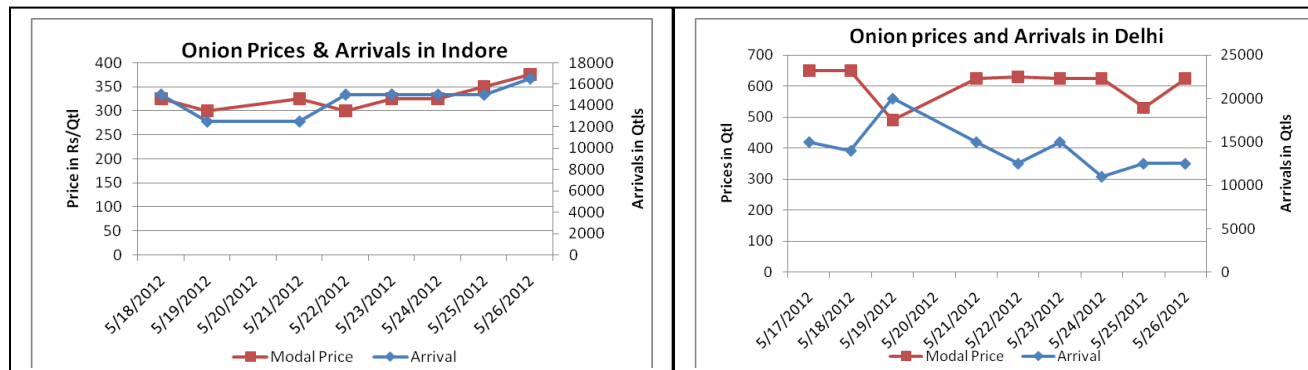


(Source: Agriwatch Research)

(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 of Nasik. As discussed in the previous weekly report (21st May), prices in Lasalgaon market were expected to rebound towards Rs. 400/qty. Prices behaved exactly as predicted and recovered from Rs 350 to trade in the range of 350-370. On the weekend modal prices were reported as Rs. 400/Qty. Prices closed near the previous week’s high price and above the 4-week exponential moving average which suggests further increase in prices in the short term. This week, the next level to watch for will be Rs. 450 which has been a strong resistance level in last 5-6 weeks. In the coming week, prices are likely to test the 450 resistance level where it is likely to face strong selling pressure.

Daily Onion Prices & Arrivals trend in producing and consuming center:



(Source: Agriwatch)

Prices in Delhi are decreasing due to higher arrivals of red variety onion from Rajasthan region which is inferior to Nasik onion and fetches lesser price.

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

State	Prices 24-31 May 2012	Prices 16-23 May 2012	Prices 09-15 May 2012	Prices 24-31 May 2011	% Change (Over Prev. Week)	% Change (Over Prev. to Prev. Week)	% Change (Over Prev. Year)
Assam	1048.75	914.2	897.22	1012.63	14.72	16.89	3.57
Gujarat	430.2	407.07	406	441.05	5.68	5.96	-2.46
Haryana	526.61	502.79	499.67	479.32	4.74	5.39	9.87
Himachal Pradesh	703.52	730.44	779.97	656.83	-3.69	-9.8	7.11
J & K	651.19	744.51	749.24	663.55	-12.53	-13.09	-1.86
Jharkhand	902.99	812.5	857.75	756.55	11.14	5.27	19.36
Karnataka	524.2	490.15	481.99	601.91	6.95	8.76	-12.91
Kerala	1291.33	1281.56	1180.73	1409.68	0.76	9.37	-8.4
Madhya Pradesh	259.71	277.44	298.47	348.1	-6.39	-12.99	-25.39
Maharashtra	404.49	382.57	364.53	529.78	5.73	10.96	-23.65
NCT of Delhi	497.52	531.66	587.71	517.52	-6.42	-15.35	-3.86
Orissa	1040.65	965.6	879.94	891.48	7.77	18.26	16.73
Punjab	510.57	564.69	577.07	483.01	-9.58	-11.52	5.71
Rajasthan	344.52	426.74	435.2	344.04	-19.27	-20.84	0.14
Uttar Pradesh	555.56	567.6	596.25	589.59	-2.12	-6.82	-5.77
Uttarakhand	612.98	564	511.5	455.31	8.68	19.84	34.63
West Bengal	641.72	694.76	770.94	806.29	-7.63	-16.76	-20.41

(Source: Agmarknet)

In states like Punjab, Madhya Pradesh, Rajasthan and Uttar Pradesh, prices are down during week-on-week basis as local arrivals have increased and put downward pressure on prices. In Delhi-NCR, supply from Rajasthan and Gujarat is putting pressure on prices. Prices have fallen in back-to-back weeks in these states due to higher arrivals and lower quality onions. However in Maharashtra, Karnataka and Gujarat prices have increased by 5-6% on a week-on-week basis due to lower arrivals caused by farmers' reluctance to sell at lower price. In Maharashtra, growers have reduced the supply of good quality onion and rather prefer to store onions in warehouses in expectation of higher price next month.

Prices in Maharashtra and Madhya Pradesh are still 23-25% below the last year's price levels while Orissa and Jharkhand are 16-19% higher than last year. The differential in prices between Maharashtra and Orissa is over Rs 600/ql. Similarly the differences between Maharashtra and Jharkhand and Maharashtra and Kerala are Rs 500/ql and 800/ql respectively. Farmers in Maharashtra and MP can be encouraged to divert some of their excess supply to these states which will not only benefit farmers in Maharashtra who are getting very low prices but also benefit consumers in Orissa, Jharkhand and Kerala.

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