

**Executive Summary:**

- Supply of onion to major mandis is decreasing gradually as peak arrival season comes to an end. However, demand is gradually increasing which is pushing prices up in consumption centers. In Azadpur Mandi of Delhi, average wholesale prices increased from Rs. 632 to Rs. 742/Qtl in the last week. Presently, major arrivals in the mandi are from MP and Rajasthan rather than Maharashtra.
- In Nasik region of Maharashtra, kharif sowing is only 5%-10% complete because of delay in the monsoon. The sowing is already delayed by 1 month and while it is premature to estimate the area under the crop at this time, as per market sources, area will be lower as compared to last year.
- In Kota (Rajasthan), kharif sowing of onion is yet to start. During this time last year, 15-20% of the sowing was completed. Due to delay in monsoon, farmers are expecting increase in prices as area under crop for the kharif crop will be less.
- In Hyderabad, onion is coming only from Maharashtra region. The modal prices have increased from Rs. 700/Qtl to Rs. 850/Qtl in the last one week. As per a trader, prices are likely to increase as local onion will not be in the market for the next two months and they have to depend on Maharashtra.
- As per news reports, India exported 4, 61,854 tonnes of onions during April- June period this year. As per NAFED sources, India had exported 4, 24,634 tonnes of onion in the same period last year which implies no major change in exports despite lower domestic prices. The increase is only 10% as compared to last year.
- As per traders from Lasalgaon, with arrivals decreasing in mandis, prices are likely to start increasing further and may touch Rs. 800 by this month end. But things will be clear after kharif sowing ends. Much will depend on how kharif sowing progresses from here.

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

Market	State	Avg. Arrivals 9-14 July 2012	Avg. Arrivals 2-7 July 2012	Absolute Change in Arrivals Over Prev. Week	Avg. Prices 9-14 July 2012	Avg. Prices 2-7 July 2012	% Change in Price Over Prev. Week
Delhi	Delhi	11000	12167	-1167	742	632	17.41
Bangalore	Karnataka	13500	15667	-2167	814	838	-2.86
Belgaum	Karnataka	3500	3167	333	625	686	-8.89
Lasalgaon	Maharashtra	13900	15095	-1195	515	486	5.97
Pimpalgaon	Maharashtra	18900	19000	-100	536	575	-6.78
Mumbai	Maharashtra	12209	8875	3334	784	767	2.22
Pune	Maharashtra	2290	5000	-2710	730	655	11.45
Rajkot	Gujarat	991	1176	-185	449	355	26.48
Gondal	Gujarat	327	550	-223	600	550	9.09
Jaipur	Rajasthan	2584	2330	254	760	742	2.43
Indore	MP	13167	14917	-1750	470	476	-1.26
Ludhiana	Punjab	1080	1484	-404	725	655	10.69

(Source: Agriwatch)



**SFAC**  
लघु कृषक  
कृषि व्यापार संघ

Small Farmers'  
Agribusiness  
Consortium

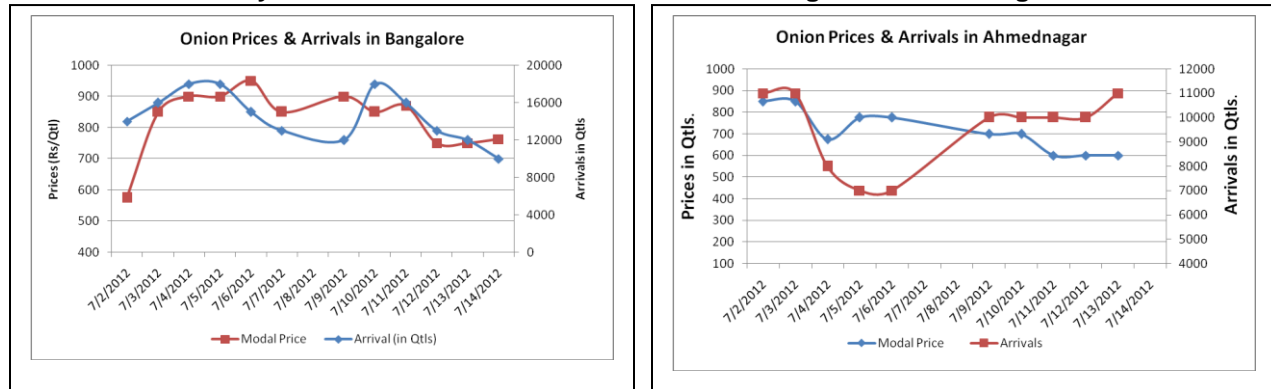


**AGRIWATCH**

16 July, 2012

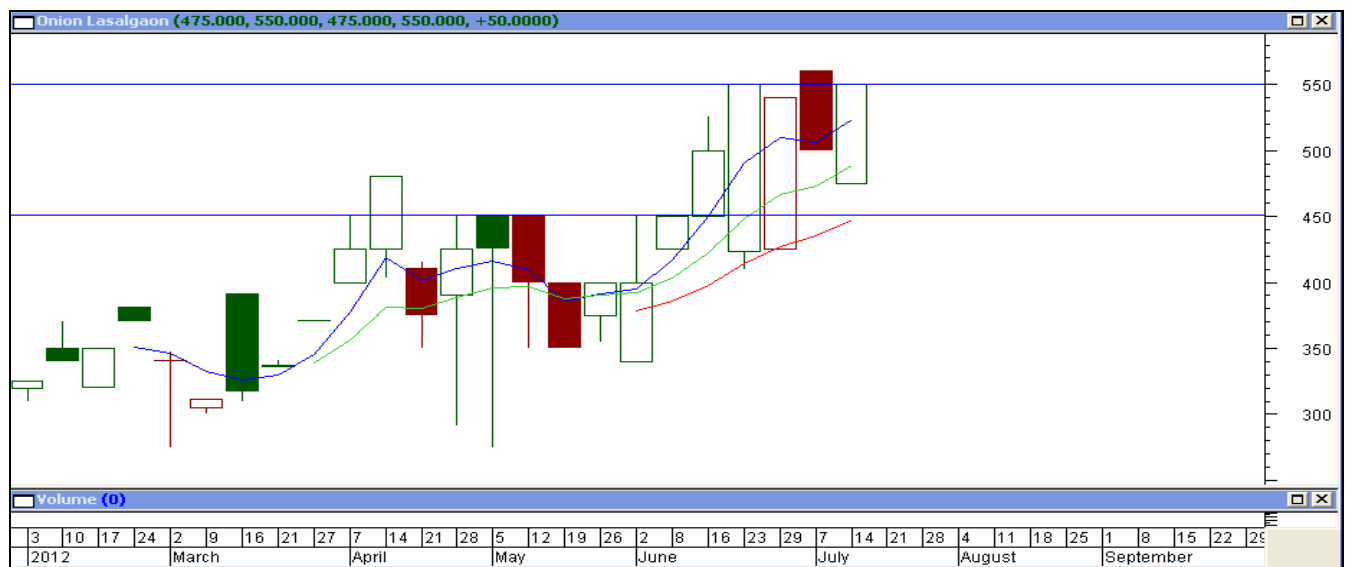
As visible in the table above, onion prices have increased in most of the markets during the week under review. In Mumbai, average arrivals increased by 3334 Qtl but its impact was not seen on prices and on the contrary, prices also increased by 2% to Rs. 784/Qtl which shows that consumption has increased after rains. In Delhi, prices increased by 17% during last week backed by lower arrivals in Azadpur Mandi. Arrivals in Pimplagaon have increased as compared to Lasalgaon and it seems farmers are diverting their stocks to Pimplagaon as onions are selling at higher price as compared to Lasalgaon.

**Daily Onion Prices & Arrivals trend in Producing and Consuming Center:**



(Source: 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 spot price movement of Onion in the benchmark Lasalgaon Mandi of Nasik. Though came down to Rs. 475/Qtl during the middle of the week, by the time the weekend arrived, modal prices had moved up and closed near the resistance level Rs. 550. The modal prices could not manage to close above the Rs. 550 level due to regular supply from farmers and stockists. But the supply on a week-on-week basis is drying up in Lasalgaon as peak arrival season is coming to an end.

16 July, 2012

Prices might once again decline and test the support level of Rs. 450 per quintal in the coming weeks if the kharif sowing activity gathers pace from here but thereafter it is likely to bounce again as this level is a strong support for Lasagaon onion price. If the resistance of Rs 550 is breached, prices might move quickly to the Rs 600 to 650 per quintal level. For the coming week however, the Rs 475-500 level is likely to provide good support and the trading range is likely to be Rs 475 to 575 per quintal.

### 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