

Executive Summary:

- Harvesting of kharif crop in Rajasthan has started and arrivals are in full swing in Kota, Udaipur, Ajmer and Jodhpur markets.
- According to market sources, late kharif area is expected to be lower by 15- 20% in Maharashtra and 60-70% in Gujarat due to low water storage levels. Harvesting is expected from middle of January 2013. Maharashtra and Gujarat are the main late kharif growing regions for onion.
- In Belgaum, most of the onion is arriving in market from local regions and it is expected that the pace of arrival of fresh onion in the market may decrease after 1-2 weeks which may increase the prices of onion in the Belgaum area.
- In Indore, fresh and stored onions are contributing approximately 85% and 15% respectively to the total arrival. Prices are hovering in the range of Rs 900 to Rs 1050/ quintal.
- According to news sources, retail prices of onion in West Bengal are in the range of Rs 25- 28/kg and expected to decline ahead as arrival from Nasik are likely to pick up pace from second week of December.
- Harvesting of kharif onion in Maharashtra, Gujarat and M.P has already started from first week of November and arrivals are increasing day by day and expected to be in full swing from the middle of December 2012.
- Export demand is normal at this time and is expected to increase in coming weeks as enquiries from Sri Lanka might start.

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

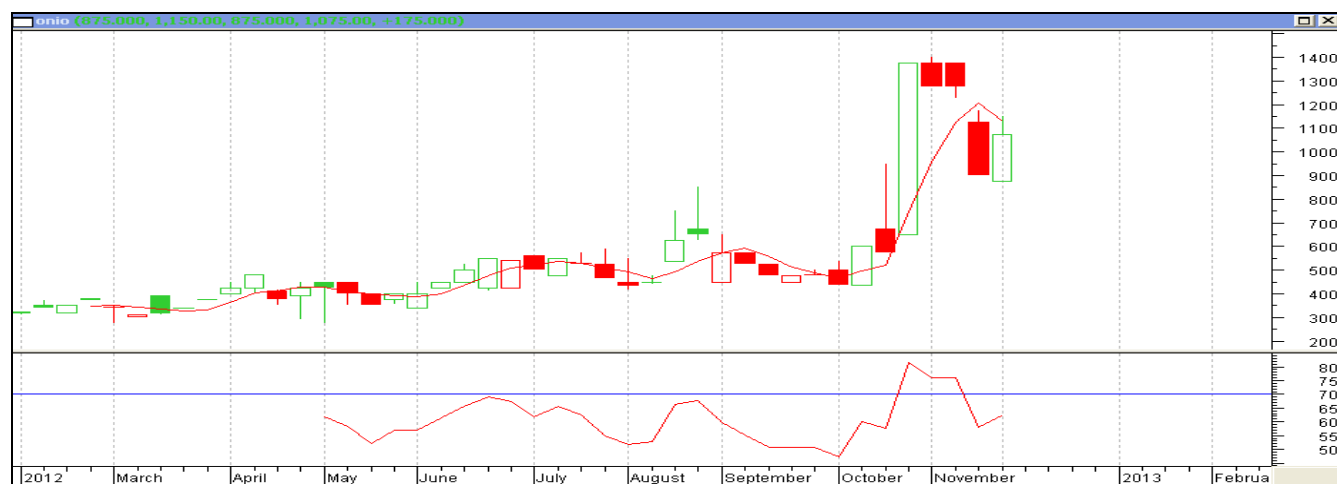
Market	State	Avg. Arrivals 23rd Nov- 30th Nov 2012	Avg. Arrivals 16th Nov- 23rd Nov 2012	% Change in arrivals Over Prev. Week	Avg. Prices 23rd Nov- 30th Nov 2012	Avg. Prices 16th Nov-23rd Nov 2012	% Change in Price Over Prev. Week
Delhi	Delhi	18350	18958	-3.21	1366	1460	-6.44
Bangalore	Karnataka	36600	41983	-12.82	1620	1680	-3.57
Lasalgaon	Maharashtra	9000	12000	-25.00	1012	1085	-6.73
Pimpalgaon	Maharashtra	10250	10500	-2.38	1025	1000	2.50
Mumbai	Maharashtra	10175	8699	16.97	1200	1230	-2.44
Hyderabad	AP	10200	7750	31.61	1020	1308	-22.02
Jaipur	Rajasthan	3500	4164	-15.95	1000	1085	-7.83
Indore	MP	32300	28333	14.00	980	1016	-3.54
Ludhiana	Punjab	2500	2700	-7.41	1056	1060	-0.38

(Source: AGRIWATCH)

In the above table, we can see that arrivals have increased in Mumbai, Hyderabad and Indore whereas prices have fallen in almost all the markets except Pimpalgaon. Prices are expected to increase this week as arrivals from Maharashtra region is expected to pick up pace only in a couple of weeks.

In Lasalgaon and Pimpalgaon market, arrivals are expected to be low till mid-December and increase thereafter. Demand for fresh onion from Maharashtra region has increased as it is able to fetch higher prices. Prices in Hyderabad have fallen due to higher arrivals of fresh onion which are approximately 40% of total arrivals in the market.

Analysis of Onion Prices at Lasalgaon, Nasik:



(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. During the week, prices bounced from previous week low of Rs. 900 and closed near 1150 after it found resistance at Rs. 1200 level. We expect that prices may increase further this week to a level around 1200. There is strong resistance at the level of 1300-1400 which is unlikely to be surpassed in the near to medium term.

Weekly Outlook:

Onion prices are expected to remain stable throughout the week as arrival of kharif crop has started from Rajasthan, MP and Gujarat. Arrivals are expected to remain low for next 2-3 weeks. Prices are expected to remain stable in most markets. In Lasalgaon however, prices might increase slightly in the coming week due to lower arrivals.

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