

Executive Summary:

- Total arrivals of onion in the country during February were lower among last four years due to lower production in Kharif and late kharif season as compared to last year. The impact of the same has seen on prices also. Average February month prices are higher in most of the markets. However, prices have started to decline during end of the February month.
- Arrivals were good in Bhavnagar district as compared to previous month. Total arrivals in the Bhavnagar district during month of February were 150745 tons as compared to 77140 tons during January.
- In some region like Pune and Bhavnagar, Farmers have harvested pre-mature crop in fear of further decline in prices which has lead to higher supply in the markets.
- In Delhi, onion is coming in market from Bhavnagar and Maharashtra region which are contributing approximately 40-45% each to the total arrival. Remaining 15-20% quantity is coming from Rajasthan and Haryana.
- India's total onion export till January in the current FY 2012-13 has reached to around 13.78 million tons. During 2011-12, total onion export till January was around 12.5 million tons. According to official sources, onion export in the month of January 2013 has declined to 83000 tons from December figure of 96000 tons due to higher prices in domestic markets
- Pakistan's onion export has reached 170,000 metric tons mark and is expected to reach 200,000 MT by the end of March 2013. Pakistan onion is being traded at \$250 MT

Monthly Average Wholesale Price (Rs/Qtl) and Arrivals (in Quintals) Trend Comparison:

Market	Daily Avg. Arrivals February	Daily Avg. Arrivals January	% change over previous month	Avg. Prices February 2013	Avg. Prices January 2013	% change over previous month	Previous year Avg February (2012) Price	% change over previous Year
Delhi	10845	12210	-11.18	1754	1320	32.88	523	235.37
Bangalore	15030	17038	-11.79	1602	1596	0.38	573	179.58
Lasalgaon (Nasik)	12710	13470	-5.64	1471	1534	-4.11	340	332.65
Pimplagaon	13305	14091	-5.58	1462	1457	0.34	325	349.85
Mumbai	9850	10900	-9.63	1501	1452	3.37	495	203.23
Pune	19757	9110	116.87	1396	1512	-7.67	459	204.14
Jaipur	3883	3180	22.11	1598	1398	14.31	495	222.83
Chennai	5321	5400	-1.46	2012	1948	3.29	885	127.34
Hyderabad	8288	5887	40.78	1773	1580	12.22	630	181.43

(Source: AGRIWATCH)

March, 2013

The table above shows the monthly average wholesale prices and arrivals in the major markets as well as last year's average price during February. On a month-on-month basis, prices have increased in all of the consuming markets due to lower arrivals from producing region. Despite higher supply from Gujarat state during this month prices have increased as supply from Maharashtra and Karnataka were lower.

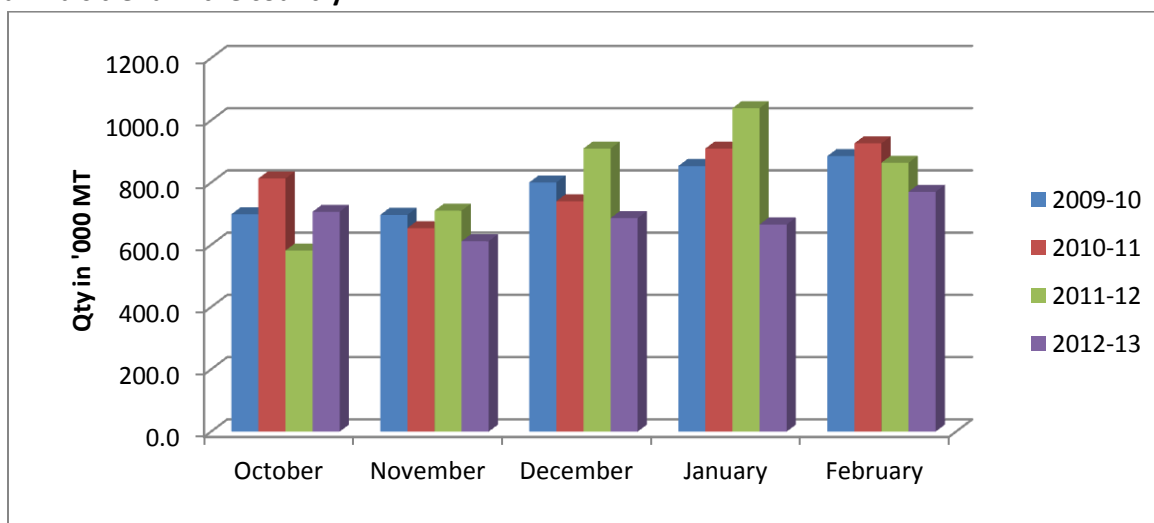
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price Feb 2013	Average Retail Price Jan 2013	Previous year Avg Retail Price- Feb 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2464	2183	1163	12.87	111.87
Bhubaneswar	Odisha	2572	2050	1015	25.46	153.40
Chennai	Tamil Nadu	2876	2545	1333	13.01	115.75
Delhi	Delhi	2617	2180	1313	20.05	99.31
Guwahati	Assam	2888	2369	1483	21.91	94.74
Hyderabad	AP	2905	1718	957	69.09	203.55
Kolkata	W. Bengal	2827	2571	1309	9.96	115.97
Mumbai	Maharashtra	2382	2104	1000	13.21	138.20
Patna	Bihar	2743	2212	1226	24.01	123.74

(Source: NHB)

Retail prices have increased across the markets following lower supply from producing region and sustained consumption demand. Retail prices started to increase from 1st week of February but at the end of month it has softened. Prices in coming month are expected to come down with higher arrivals of late kharif production and green onion arrivals from nearby producing regions.

Onion arrivals trend in the country:



(Source: Agmarknet, Agriwatch Research)



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Above graph shows the monthly arrivals comparison of last four years. It clearly shows the arrivals were consistently lower in last four year from the month of December. Month on month basis, arrivals have improved in February which has capped further increase in prices.

Technical Analysis of Onion Prices at Lasalgaon, Nasik:



(Source: AGRIWATCH)

(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 of Lasalgaon mandi of Nasik. Prices are finding support near 1000 level. Relative Strength Index (RSI) is hovering in neutral zone and stable from last two weeks. It suggests prices are expected to be in range of Rs. 1100-1400 in the coming weeks. Arrivals of rabi onion crop will decide further price movements.

Disclaimer

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