

**Executive Summary:**

- Onion prices have fallen in the range of 10-20% in various markets in the month of April as compared to March due to higher arrivals of Rabi crop.
- In Bhavnagar (Gujarat), local onion is expected to be available in market for next couple of weeks, which is contributing approximately 40% to the total arrival. But it is expected that prices will remain range bound for the coming weeks.
- In Rajasthan, 50% of crop is already in market from local region. According to trade sources, onion market is expected to be tight in coming days as crop is 30% less compared to previous year's crop.
- According to trade sources in Nasik region, Rabi onion area is lower by 35-40% compared to previous year but water and fertilizers were sufficient for sown area. So, productivity has increased as compared to last year.
- According to news sources, Srilankan government is planning to produce a minimum of 150,000 Mt of onions by 2015 so that it could become self sufficient. Currently, the annual production is about 80,000 metric tons.
- According to IBIS data, in the month of March, Pakistan has imported approximately 9500-10000 MT through sea route (JNPT Port) from India.

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

| Market     | Daily Avg. Arrivals April | Daily Avg. Arrivals March | % change in arrivals over previous month | Avg. Prices April 2013 | Avg. Prices March 2013 | % change in prices over previous month | Previous year Avg April (2012) Price | % change over previous Year |
|------------|---------------------------|---------------------------|--|------------------------|------------------------|--|--------------------------------------|-----------------------------|
| Delhi      | 23544                     | 22080                     | 6.63                                     | 1069                   | 1333                   | -19.80                                 | 573                                  | 86.56                       |
| Bangalore  | 18844                     | 15522                     | 21.40                                    | 985                    | 1064                   | -7.42                                  | 628                                  | 56.85                       |
| Lasalgaon  | 16463                     | 12792                     | 28.70                                    | 830                    | 935                    | -11.23                                 | 406                                  | 104.43                      |
| Pimpalgaon | 28210                     | 13444                     | 109.83                                   | 810                    | 965                    | -16.06                                 | 415                                  | 95.18                       |
| Mumbai     | 10128                     | 10709                     | -5.43                                    | 975                    | 1057                   | -7.76                                  | 546                                  | 78.57                       |
| Pune       | 10339                     | 10660                     | -3.01                                    | 1080                   | 1059                   | 1.98                                   | 508                                  | 112.60                      |
| Jaipur     | 4739                      | 4265                      | 11.11                                    | 992                    | 1052                   | -5.70                                  | 622                                  | 59.49                       |
| Chennai    | 5390                      | 5486                      | -1.75                                    | 1406                   | 1522                   | -7.62                                  | 821                                  | 71.25                       |
| Hyderabad  | 2295                      | 4422                      | -48.10                                   | 1228                   | 1355                   | -9.37                                  | 756                                  | 62.43                       |

(Source: AGRIWATCH)

The table above shows the monthly average wholesale prices and arrivals in the major markets as well as last year's average price during April. On a month-on-month basis, prices have decreased in almost all the markets except Pune. Prices have declined as arrivals in benchmark market of Lasalgaon and Pimpalgaon have increased by approximately 29% and 110% respectively. Prices are expected to increase ahead as onion crop is almost

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harvested and traders/farmers are stocking the crop in expectation of high prices in coming days as Rabi crop was less compared to previous year's crop.

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

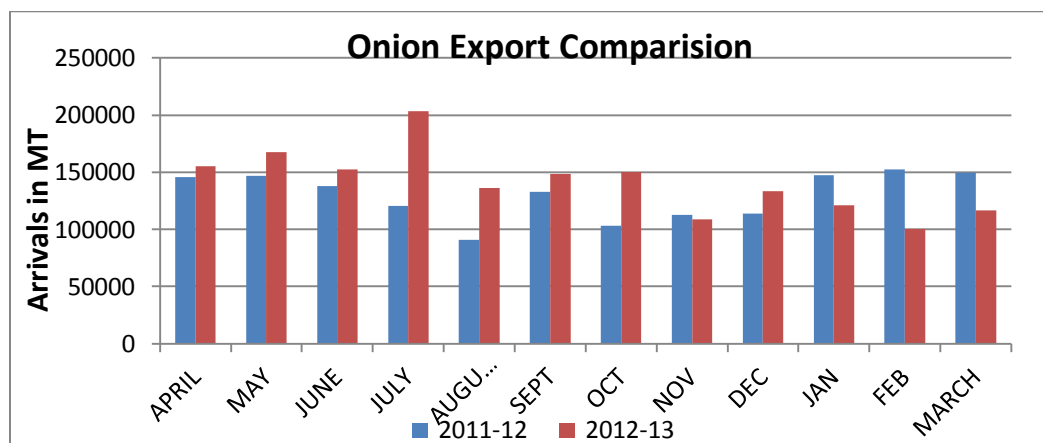
| Market      | State       | Average Retail Price April 2013 | Average Retail Price March 2013 | Previous year Avg. Retail Price- April 2012 | % Change in Price Over Prev. Month | % Change in Price Over Prev. year |
|-------------|-------------|---------------------------------|---------------------------------|---|------------------------------------|-----------------------------------|
| Bangalore   | Karnataka   | 1596                            | 1800                            | 1246  | -11.33                             | 28.09                             |
| Bhubaneswar | Odisha      | 1731                            | 1868                            | 1191  | -7.33                              | 45.34                             |
| Chennai     | Tamil Nadu  | 2042                            | 2187                            | 1650  | -6.63                              | 23.76                             |
| Delhi       | Delhi       | 1975                            | 2146                            | 1200  | -7.97                              | 64.58                             |
| Guwahati    | Assam       | 2429                            | 2044                            | 1320  | 18.84                              | 84.02                             |
| Hyderabad   | AP          | 2000                            | 2223                            | 1096  | -10.03                             | 82.48                             |
| Kolkata     | W. Bengal   | 1645                            | 1996                            | 1227  | -17.59                             | 34.07                             |
| Mumbai      | Maharashtra | 1500                            | 1717                            | 1000  | -12.64                             | 50.00                             |
| Patna       | Bihar       | 1725                            | 1857                            | 1210  | -7.11                              | 42.56                             |

(Source: NHB)

Retail prices have decreased across the markets following higher supply from producing region as Rabi crop is almost harvested. April is the peak harvesting season for rabi crop in most of the states. But prices have fallen down compared to previous month because of higher arrivals from producing regions which was less last month due to delay in Rabi crop.

If we compare on a yearly basis, it is very clear from the above table that prices this are high by 23% to 84% approximately. The reason for increase in prices this year compared to previous year because of less Rabi crop compared to previous year's crop.

## India's Onion Export:



(Source: NAFED)

The above graph shows the monthly export comparison of onion. As it is visible from the above graph that export was low from month of January compared to previous year same month because of high domestic prices. The other reason for low export from Jan –March compared to previous year was availability of Pakistan onion at a very competitive price. But overall export is higher this year by approximately 10% compared to previous year total exports.

### 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 strong support near 700 levels. Relative Strength Index (RSI) is hovering in neutral zone and stable from last few weeks. It suggests prices are expected to increase further up to a level of 1000 as arrivals are expected to decline because traders and farmers are stocking the crop in expectation of high prices ahead.

#### Disclaimer

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