

## Executive Summary:

- **All India arrival** of onion crop in month of June is approximately 25% less compared to previous year at same time.
- **In June**, approximately 150512 MT onions exported as compared to previous year 182501 MT. This is approximately 17% less export compared to previous year because of high domestic prices.
- **According to news sources**, Economic Development Minister of Srilanka has said that they will stop importing big onions from year 2015 when country becomes self sufficient as 93% of required onion will be grown locally by then.
- **In Karnataka**, total targeted kharif area is approximately 99506 hectare from which 8745 hectare of area has been sown. In Karnataka last year kharif sown area was approximately 22299 ha.
- **In AP**, a total of 27950 Ha is expected to be sown of which 1903 ha has been sown as of now. (1671 ha was sown last year for the same period)
- According to trade sources from lasalgaon, usually by end of June month approximately 70% of crop is left stocked but this year only 30-40% of stocked onion is left with them. As this stocked crop is utilized till October, so price control measures are necessary at this place.

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

Market	Daily Avg. Arrivals June	Daily Avg. Arrivals May	% change in arrivals over previous month	Avg. Prices June 2013	Avg. Prices May 2013	% change in prices over previous month	Previous year Avg. June (2012) Price	% change over previous Year
Delhi	19880	24040	-17.30	1244	946	31.50	606	56.11
Bangalore	18960	18396	3.07	1560	1078	44.71	710	51.83
Lasalgaon	11670	12885	-9.43	1260	820	53.66	467	75.59
Pimplagaon	15190	21618	-29.73	1255	864	45.25	444	94.59
Mumbai	8050	8088	-0.47	1492	1003	48.75	574	74.74
Pune	8580	9399	-8.71	1461	977	49.54	578	69.03
Jaipur	5525	4766	15.93	1176	929	26.59	673	38.04
Chennai	1852	5500	-66.33	1852	1428	29.69	895	59.55
Hyderabad	1252	2360	-46.95	1145	1262	-9.27	679	85.86

(Source: AGRIWATCH)

The table above shows the monthly average wholesale prices has increased in almost all the markets except Hyderabad whereas arrivals have fallen in all the markets except Bangalore and Jaipur. On a month-on-month basis, prices have increased in most of the markets. The markets where prices have increased have shown significant changes. Prices have increased due to lower arrivals in benchmark markets like Lasalgaon and Indore.

Prices if compared with previous year have shown a rise of 40 to 95%. The reason for such rise in prices is lower crop in last late Kharif and Rabi season compared to previous year. According to trade sources, arrivals are less so price may increase ahead but expected to be under control as fresh crop from Kurnool will be available in market from next month which is expected to be in good condition compared to previous year.

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

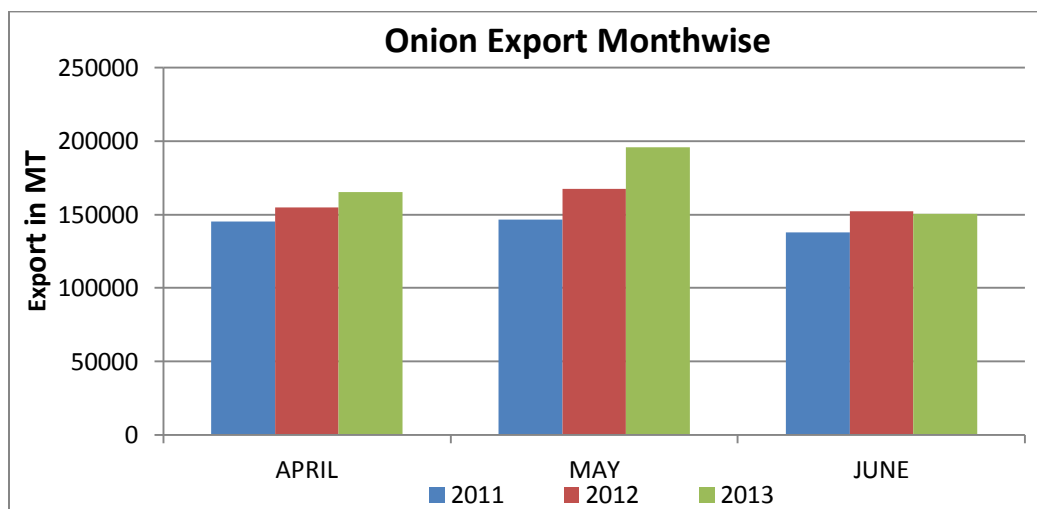
Market	State	Average Retail Price June 2013	Average Retail Price May 2013	Previous year Avg. Retail Price- June 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2228	2325	1258	-4.17	77.11
Bhubaneswar	Odisha	1960	1529	1193	28.19	64.29
Chennai	Tamil Nadu	2416	2000	1377	20.80	75.45
Delhi	Delhi	1912	1837	1304	4.08	46.63
Guwahati	Assam	2136	2044	1516	4.50	40.90
Hyderabad	AP	1745	1776	1080	-1.75	61.57
Kolkata	W. Bengal	2536	1876	1273	35.18	99.21
Mumbai	Maharashtra	2000	1500	1000	33.33	100.00
Patna	Bihar	1852	1792	1251	3.35	48.04

(Source: NHB)

Retail prices have increased across the markets except Bangalore and Hyderabad. The reason for increase in price is lower supply from producing regions as farmers are bringing their stock in installments so that they can fetch higher prices.

If we compare on a yearly basis, it is very clear from the above table that prices this year are high by approximately 40 to 100%. The reason for increase in prices this year compared to previous year because of less Rabi crop compared to previous year's crop and higher export this year.

## India's Onion Export:



(Source: NAFED)

The above graph shows export of onion in last few years. It is visible from the above graph that export in month of June is lowest as compared to last three months. The reason for low export was higher domestic prices as

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compared to international market because of less rabi crop this year. Last three year's average export in month of June was approximately 146602.67 MT but this year total export in the month of June was 150512 MT.

## Technical 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 price movement of onion in the benchmark of Lasalgaon mandi of Nasik. Modal prices have increased up to a level of Rs 1750/ quintal/. Relative Strength Indicator (RSI) is hovering in overbought zone so a little correction in prices could be expected. Initial support price could be in the range of Rs. 1450-1500/Qtl and then Rs. 1300/qtl. On higher side, prices could find further resistance in the range of Rs. 1900-2000/qtl.

### Disclaimer

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