

### Executive Summary:

- All India, cumulative arrival of Onion in the month of July is approximately 20 % less than last year during same time.
- Across the country, prices of onion have increased in all the markets due to low Rabi crop in the major producing regions. In Maharashtra, usually 60% of stocked onion is available this time but this year it is only 25-30%.
- In Karnataka, fresh early Kharif crop of onion is expected to start from August end and traders are expecting a loss of 20-25% in yield due to heavy rains. Actual estimate can be made when arrivals start.
- In A.P, onion acreage for kharif season is approximately 27,950 ha. So far 13,110 hectares of area is sown as compared to previous year's 9,912 hectare area. The sown area has increased compared to previous year because of timely arrival of monsoon this year.
- In Lasalgaon and Pimpalgaon market, prices have increased by approximately by 57% and 62% whereas arrivals have declined by 25% in both the markets as traders/farmers are releasing maximum of their stocks in market to fetch maximum prices. Prices are soaring up as onion is demanded mainly for export.
- According to news source, Srilankan Govt has increased import duty on big onions from Srilankan rupee 15 to 30/Kg (1 srilankan rupee=0.46 Indian rupee). This step is taken to discourage import of big onion in the market and to ensure reasonable price for local growers.

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

Market	Daily Avg. Arrivals July	Daily Avg. Arrivals June	% change in arrivals over previous month	Avg. Prices July 2013	Avg. Prices June 2013	% change in prices over previous month	Previous year Avg. July (2012) Price	% change over previous Year
Delhi	20070	19880	0.96	1974	1244	58.68	753	65.21
Bangalore	17407	18960	-8.19	2218	1560	42.18	965	61.66
Lasalgaon	8724	11670	-25.24	1989	1260	57.86	579	117.62
Pimpalgaon	11292	15190	-25.66	2040	1255	62.55	640	96.09
Mumbai	7774	8050	-3.43	2215	1492	48.46	770	93.77
Pune	6664	8580	-22.33	2319	1461	58.73	761	91.98
Jaipur	4046	5525	-26.77	2096	1176	78.23	777	51.35
Chennai	4424	1852	138.88	2755	1852	48.76	1137	62.88
Hyderabad	2900	1252	131.63	1804	1145	57.55	828	38.29

(Source: AGRIWATCH)

The table above shows the monthly average wholesale prices has increased in almost all the markets whereas arrivals have fallen in all the markets except Delhi, Chennai and Hyderabad. On a month-on-month basis, prices have increased in most of the markets. Prices have increased due to less production in major producing regions and lower arrivals in benchmark markets like Lasalgaon and Pimpalgaon.

August, 2013

On a year on year basis, prices have increased from 50%- 120% across different markets if compared to last year. Prices are expected to under control in a couple of weeks as arrival from Kurnool will be available in full pace in coming weeks and early Kharif crop from Maharashtra may start from next month.

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

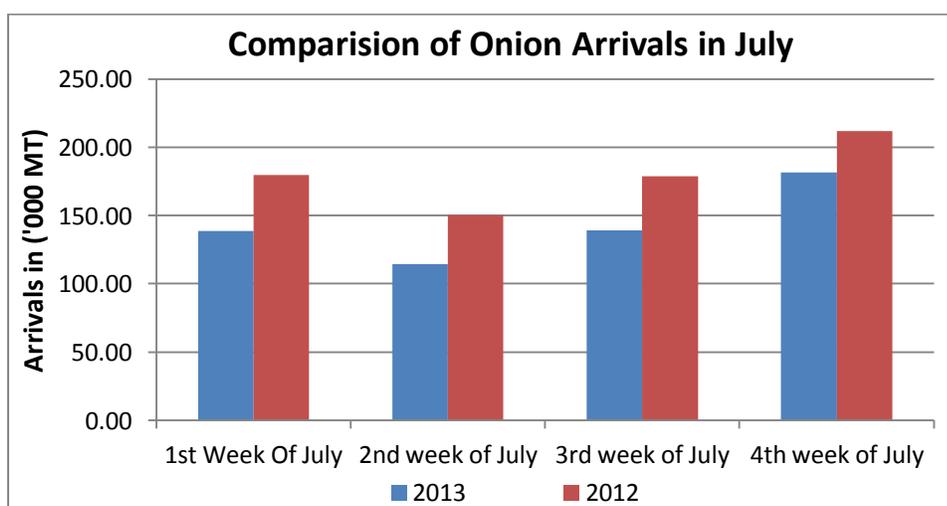
Market	State	Average Retail Price July 2013	Average Retail Price June 2013	Previous year Avg. Retail Price- July 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2922	2228	1324	31.15	120.69
Bhubaneswar	Odisha	2975	1960	1243	51.79	139.34
Chennai	Tamil Nadu	3433	2416	1550	42.09	121.48
Delhi	Delhi	2844	1912	1461	48.74	94.66
Guwahati	Assam	3014	2136	1752	41.10	72.03
Hyderabad	AP	2367	1745	1017	35.64	132.74
Kolkata	W. Bengal	3459	2536	1467	36.40	135.79
Mumbai	Maharashtra	2900	2000	1048	45.00	176.72
Patna	Bihar	2988	1852	1441	61.34	107.36

(Source: NHB)

Retail prices have increased across the markets because of 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 100% to 180%. 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.

### All India- Onion weekly arrival comparison



(Source: Agmarknet)

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The above graph shows the weekly all India arrivals. Arrivals are noticeably lower as compared to previous year in every week. In July, arrivals are approximately 20% less compared to previous year because of less stored onion from Rabi season and subsequent slow release from stockiest.

## 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. Modal prices touched the level of Rs. 3000 on 5<sup>th</sup> August, following weekly holidays and “Amavashya” on 6<sup>th</sup> August.

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. 2500/quintal and then Rs. 2300/quintal. On higher side, prices could find further resistance in the range of Rs. 3100/quintal.

### Disclaimer

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