

## Executive Summary:

- All India onion arrivals in the month of September have increased approximately by 9% compared to previous month. This increase in arrivals was due to fresh onion arrivals from Karnataka and Andhra Pradesh. Imported onion from China, Pakistan and Afghanistan were also coming to markets.
- Kharif onion acreage for onion is estimated to be higher in all major producing states like Karnataka, Andhra Pradesh and Maharashtra
- Government has hiked the Minimum Export price (MEP) to \$900/MT from \$650/MT to curtail exports and bring down the rising onion prices.
- Government has eased the rules and regulation on the clearance of imported onion because of which supply has started recovering and onion from Afghanistan, Pakistan, Egypt, Iran and China is expected to arrive further.
- Fresh onion crop from few pockets of Maharashtra has started arriving in market which are able to fetch a price of Rs 1000 to Rs 3000/ quintal. It is expected that pace of arrivals from Maharashtra region is expected to pick up in next 2-3 weeks and expected that prices may come down.
- According to News Source, NABARD has started a pilot project on Onion Value Chain Management in Nashik district. It has launched this project to increase onion production, improve quality of onion and consequently better sales.

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

Market	Daily Avg. Arrivals September	Daily Avg. Arrivals August	% change in arrivals over previous month	Avg. Prices September 2013	Avg. Prices August 2013	% change in prices over previous month	Previous year Avg. September (2012) Price	% change over previous Year
Delhi	14075	17133	-17.85	4654	3869	20.29	760	512.37
Bangalore	55125	29313	88.06	3623	3743	-3.21	900	302.56
Lasalgaon	2814	5132	-45.17	4695	3756	25.00	507	826.04
Pimplagaon	4120	7010	-41.23	4547	3666	24.03	605	651.57
Mumbai	8423	6051	39.20	4761	4053	17.47	710	570.56
Pune	4862	5877	-17.27	4818	4085	17.94	718	571.03
Jaipur	3659	3296	11.01	4458	3612	23.42	807	452.42
Chennai	4730	4541	4.16	5213	4655	11.99	1124	363.79
Hyderabad	3927	4797	-18.14	3793	3780	0.34	683	455.34

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in most of the markets. Prices have increased due to lower carry over stock and time gap between new fresh crop arrivals. Prices are expected to come down from 2-3<sup>rd</sup> week of October because supply from Maharashtra region is expected to pick up pace.

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

Market	State	Average Retail Price September 2013	Average Retail Price August 2013	Previous year Avg. Retail Price- September 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	4588	4260	1362	7.70	236.86
Bhubaneswar	Odisha	4858	4525	1339	7.36	262.81
Chennai	Tamil Nadu	6563	5700	1600	15.14	310.19
Delhi	Delhi	5988	5000	1512	19.76	296.03
Guwahati	Assam	6396	5116	1800	25.02	255.33
Hyderabad	AP	5064	4129	965	22.64	424.77
Kolkata	W. Bengal	6148	5641	1691	8.99	263.57
Mumbai	Maharashtra	5796	5000	1336	15.92	333.83
Patna	Bihar	5992	4975	1757	20.44	241.04

(Source: NHB)

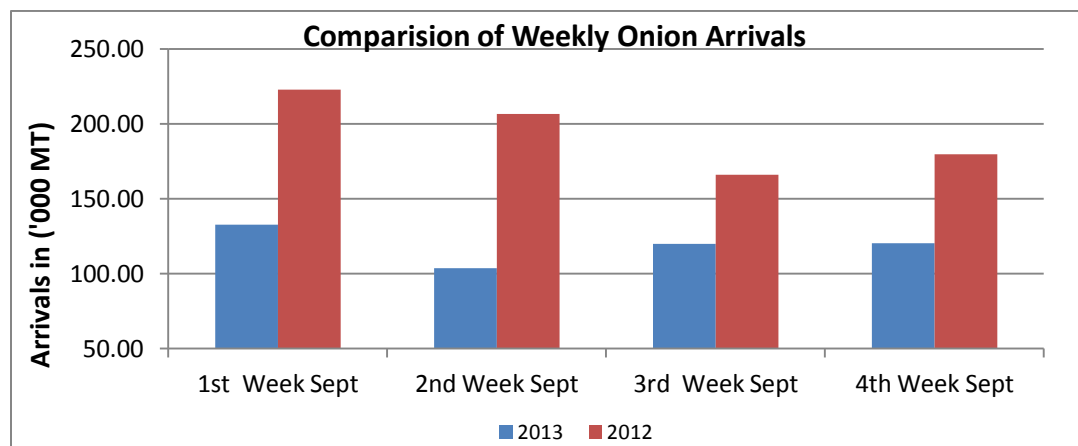
Retail prices have increased across the markets because of lower supply from producing regions and higher demand.

## Onion Kharif Season acreage Comparison: (Updated till End of September)

Kharif season	Area Sown (Hectares)#		Expected Yield 2013 (Ton/ Hectare)
States	Year - 2012	Year - 2013	
Maharashtra	46000	72000	13
Andhra Pradesh	22117	28592	17
Karnataka	22299	101462	13

# State Agriculture Dept

## All India Onion Weekly Arrivals:

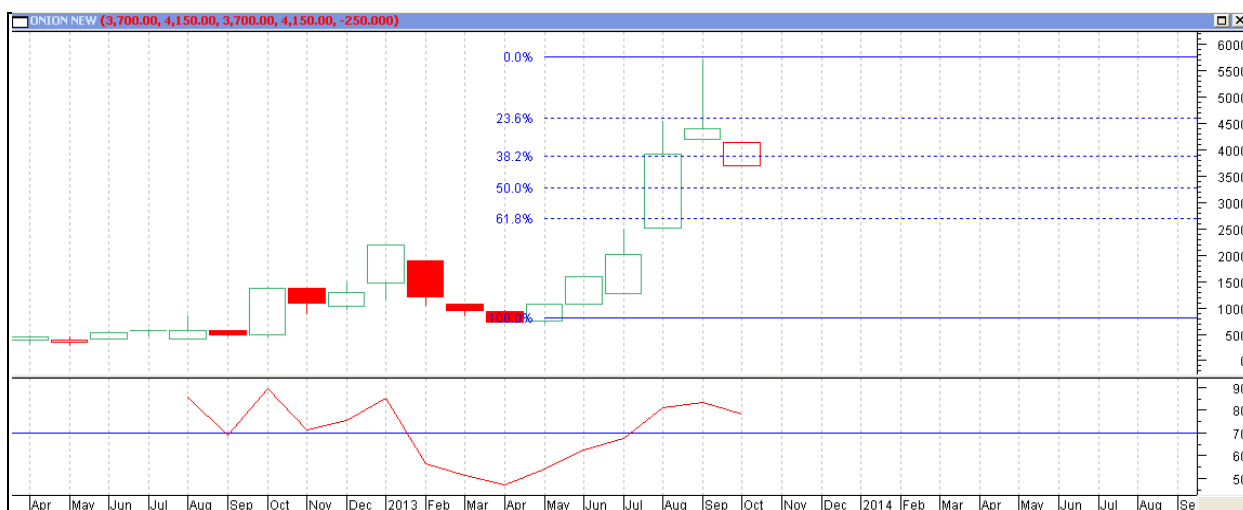


(Source: Agmarknet)

October, 2013

The above graph shows the weekly all India arrivals. Arrivals have started to increase on weekly basis. This phenomenon is expected to continue in October month with higher arrivals week on week basis. However when compared to previous year, arrivals are much lower.

## 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 monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of September modal prices touched high of Rs. 5700 and closed near. In the first week of October prices are trading near 3800 below closing price of September month. This suggests further correction in prices in this month. However, if price starts trading higher again then first resistance could be found near 4500 and then previous high of Rs. 5700. On the lower side, 1<sup>st</sup> support is placed at near Rs 3300 and then near 2700/Qtl. Relative Strength Indicator (RSI) oscillator has started downward movement which suggests price could correct further.

### Disclaimer

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