

Executive Summary:

- Prices have increased in almost all the major markets across the country and are further expected to increase during the coming week due to demand-supply mismatch as kharif crop is expected to come only by mid November.
- Export of onion in October 2012 was approximately 177,239 MT, nearly 70% higher than the previous month when it was 108,387 MT. Last year, export during the October was 103,447 MT. This increase in export is due to lower prices of onion this year and weak Indian Rupee which encourages exports.
- Average price during October 2012 was Rs. 700-800/Qtl whereas last year at the same time prices were trading in the range of Rs. 800-900/Qtl.
- While there are news reports of farmers harvesting their crop before maturity in Maharashtra, the peak arrivals will only start after mid November. Till then prices are expected to remain firm in the wholesale markets.
- In Delhi, onion is arriving from Maharashtra, Jamnagar and Indore. Fresh onion from Indore has started arriving in the market which is contributing approximately 20 % to the total arrival.
- In Indore, fresh and stored onion is arriving in the market which is contributing approximately 30% and 70% respectively to the total arrival.
- In Belgaum (Karnataka), onion is arriving in the market from local regions only and is expected to be available in market till the end of this month.

Weekly Onion Prices (Rs/Qtl) and Arrivals (in Quintals) trend in important markets across India:

Market	State	Avg. Arrivals 26th Oct -2nd Nov 2012	Avg. Arrivals 19th Oct -25th Oct 2012	% Change in arrivals Over Prev. Week	Avg. Prices 26th Oct- 2nd Nov 2012	Avg. Prices 19th Oct - 25th Oct 2012	% Change in Price Over Prev. Week
Delhi	Delhi	18167	11450	58.66	1478	1165	26.87 %
Bangalore	Karnataka	38200	38040	0.42	1470	1240	18.55 %
Lasalgaon	Maharashtra	11834	10600	11.64	1318	735	79.32 %
Pimpalgaon	Maharashtra	7000	9375	-25.33	990	1025	-3.41 %
Mumbai	Maharashtra	8219	8280	-0.74	1300	1105	17.65 %
Hyderabad	AP	6250	8750	-28.57	1550	969	59.96 %
Jaipur	Rajasthan	4959	2750	80.33	1167	980	19.08 %
Indore	MP	13400	15000	-10.67	860	750	14.67 %
Ludhiana	Punjab	2400	1450	65.52	1097	900	21.89 %

(Source: AGRIWATCH)



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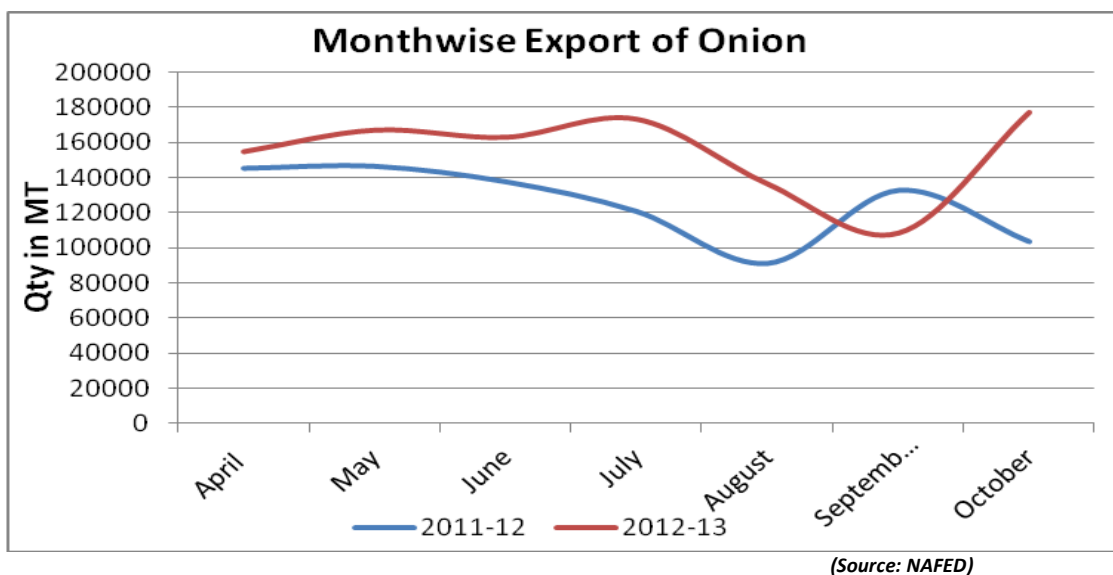
Prices have increased in almost all the markets irrespective of arrivals because of high demand and low availability of onion in the market. Maximum increase in prices was seen in Lasalgaon where prices have increased by approximately 80% compared to previous week's average price. In Pimpalgaon market prices have fallen down marginally because of low quality of onion arriving in market.

In Lasalgaon, average modal prices are hovering near 1400/qtl for the last one week. This week will be crucial to watch onion prices and arrivals in major mandis. According to a trade source in Lasalgaon, export demand is moderate because of high prices in the domestic market. On a daily basis 400-500 tonnes of onion are being exported to Bangladesh and Pakistan.

Arrivals have decreased in Mumbai, Indore, Pimpalgaon and Hyderabad. In Hyderabad, arrivals have declined because locally produced early kharif crop is already 90-95% harvested and the rest is expected to last for only a couple of weeks.

Wholesale prices in Azadpur Mandi of Delhi have touched Rs. 1700/ quintal. Onion from Jamnagar is contributing approximately 25-30% of the total arrival in Delhi. Prices increased due to lower arrival from major producing regions.

Export of Onion:



Export of onion has increased by approximately 70% to 177,239 MT in month of October as compared to September. The reason for increase in export is low prices of onion which was hovering between Rs 700-800/ quintal. But, export demand in the month of November may be low due to sharp increase in prices of onion at Lasalgaon market which are currently hovering between Rs 1350 to Rs 1400/ quintal. Export demand is mainly coming from Pakistan and Bangladesh.



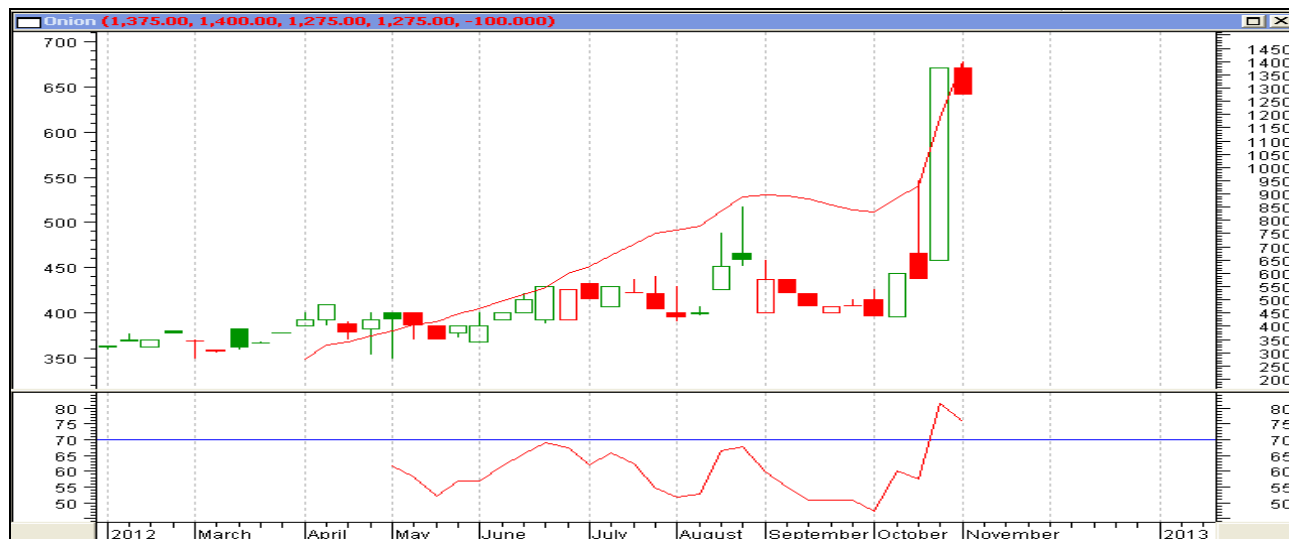
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Analysis of Onion Prices at Lasalgaon, Nasik:



(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 spot price movement of Onion in the benchmark Lasalgaon Mandi of Nasik. During the week, prices touched Rs 1400 due to lower arrivals in the market and good demand. Prices are likely to increase further in the coming weeks and expected to cross range of Rs 1400/quintal until arrival of fresh Kharif crop in the market.

Weekly Outlook:

Onion prices are expected to be firm for the next two weeks as arrivals are low and kharif crop is expected to be available in the market only after mid November. Export demand is likely to be low due to the increase in prices of domestic market.

Disclaimer

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