

**Executive Summary:**

- Wholesale and retail prices across different markets are hovering in the range of Rs. 1000-1400/Qtl from last few days and in retail market onion is available in the range of Rs. 17-24/Kg. These are higher by 60-100% as compared to previous year during the same time.
- National Council of Applied Economic Research (NCEAR) has estimated a 20 percent drop in onion output for 2012-13, while domestic as well as export demand for Indian onions will remain strong.
- As per trader's initial estimate, area under Rabi crop of onion in Maharashtra could be down by 30-40% due to shortage of water.
- Traders expect prices will not fall much from here and are expected to remain firm despite arrivals of later kharif crop as area under Rabi crop would be down further
- Currently onions are exported in the price range of Rs. 15000-16000/MT but traders prefer to sell onion in domestic market as less availability of quality onion for export purpose.
- Arrivals are expected to be stable in next couple of weeks. Prices may increase ahead due to stable demand and expectation of lower late Kharif and Rabi crop. Export demand seems to be sluggish as onions in domestic market are fetching relatively good prices as compared to export market.

**Weekly Onion Wholesale Prices (Rs/Qtl) and Arrivals (in Qtls) trend in important markets:**

Market	State	Avg. Prices 29th Dec- 4th Jan 2013	Avg. Prices 21st Dec- 28th Dec 2012	Avg. Prices 29th Dec- 3 <sup>rd</sup> Jan 2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Delhi	Delhi	1062	908	540	16.96	96.67
Bangalore	Karnataka	1462	1410	650	3.69	124.92
Lasalgaon	Maharashtra	1270	1160	415	9.48	206.02
Pimpalgaon	Maharashtra	1183	1105	415	7.06	185.06
Mumbai	Maharashtra	1300	1350	600	-3.70	116.67
Hyderabad	AP	1255	1085	700	15.67	79.29
Jaipur	Rajasthan	912	1010	475	-9.70	92.00
Indore	MP	900	850	450	5.88	100.00
Chennai	Tamilnadu	1950	1800	950	8.33	105.26

(Source: Agriwatch)

Prices have increased across all the major markets except in Mumbai and Jaipur. Kharif crop is arriving in market in full swing majorly from Rajasthan, Maharashtra and Madhya Pradesh.

In Lasalgaon, wholesale prices have increased despite higher arrivals; this shows good demand for Nasik side onion and less supply from other major producing region.

7 January, 2013

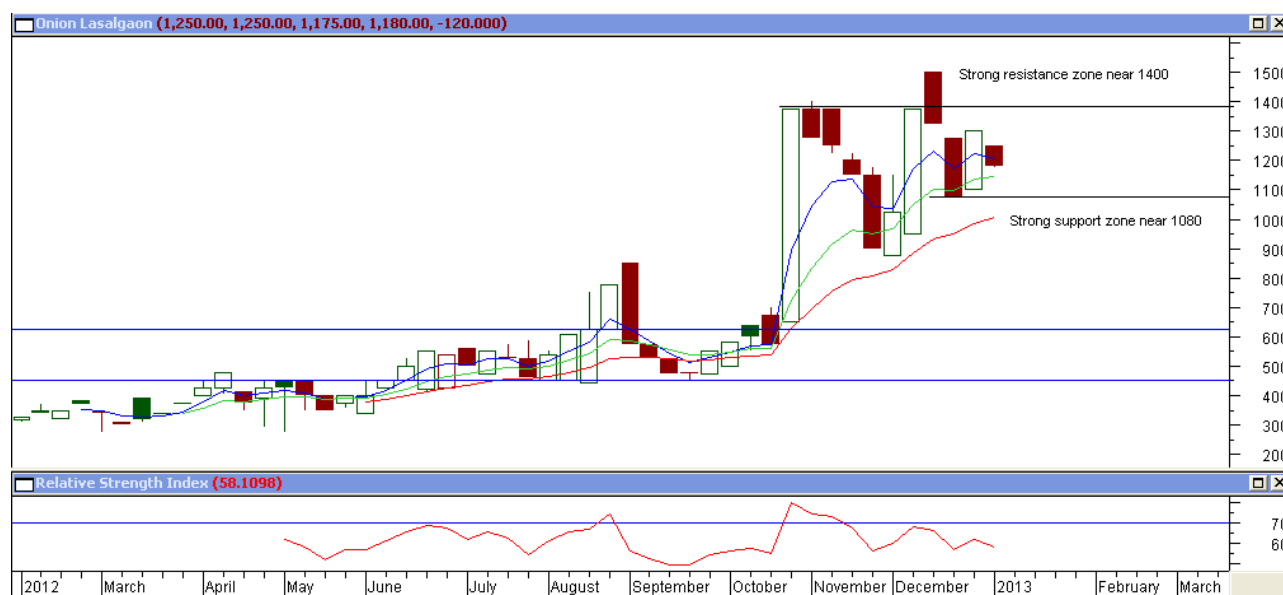
As visible from above table, this week average modal price is much higher compared to previous year at same time. The reason for increase in wholesale prices is lower kharif production this year because of delay in monsoon and lower planting subsequently. Area under Rabi also be down due to water scarcity.

## Weekly Onion Retail Prices (Rs/Qtl) and Arrivals (in Qtls) trend in important Centers across India:

Market	State	Retail price as on 4/01/2013	Prices one week ago- 29/12/2012	Price one year ago- 06/01/2011	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Ahmedabad	Gujarat	1800	2000	900	-10.00	100.00
Bangalore	Karnataka	2200	2000	1000	10.00	120.00
Bhubaneswar	Odisha	2000	2000	1000	0.00	100.00
Chennai	Tamilnadu	2400	2400	1600	0.00	50.00
Delhi	Delhi	2000	2200	1400	-9.09	42.86
Guwahati	Assam	2400	2400	1700	0.00	41.18
Hyderabad	Andhra Pradesh	2000	2000	1000	0.00	100.00
Kolkata	W. Bengal	2000	2700	1300	-25.93	53.85
Mumbai	Maharashtra	2000	2000	1000	0.00	100.00
Patna	Bihar	2000	2100	1200	-4.76	66.67

(Source: NHB, DCA)

## Technical Analysis of Onion Prices at Lasalgaon, Nasik:



(Source: Agriwatch)

7 January, 2013

(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 trading in the range of Rs. 1100-1300 from last three weeks as supply is adequate from Kharif crop arrivals.

On the upper side, 1400 level is the resistance and on the lower side support is at 1080 level. If Rs. 1400 level is breached, then prices could increase further up to Rs. 1600/Qtl.

#### Disclaimer

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