

Executive Summary:

- Fresh arrivals from Bhavnagar (Gujarat) region have started arriving in various consuming markets.
- In the last one week, Onion prices in various markets have increased by 15-20% due to higher prices of Maharashtra-origin onion.
- According to news sources, government is considering levying Minimum Export Price (MEP) of \$700/tonne on onion exports to discourage export and check price rise in the event of lower Rabi onion acreage.
- In M.P, transplantation of Rabi crop is 40% done and the remaining 60% is expected to get completed by 15th February. According to trade sources, Rabi crop area is expected to be 20% less as compared to previous year.
- In Maharashtra region, almost 99% transplantation of onion crop is completed. It is expected that productivity may increase as in some parts of Maharashtra due to conducive weather for onion crop.
- According to state horticulture department of Bihar and Orissa, onion area for Rabi season is expected to be 5-15% higher than last year.
- In Bangalore, onion is arriving mainly from Maharashtra region and is fetching good prices. Maharashtra-origin onion accounts for approximately 90% to the total arrivals in Bangalore whereas local region onion is contributing only 10% to the total arrival.
- In Delhi, onion is mainly coming from Mahuva (Gujarat), Khairtal (Rajasthan), Nasik and Solapur. Prices are hovering in the range of Rs 1250 to Rs 1500/ quintal and expected to remain firm.

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

Market	State	Avg. Prices 18th Jan - 25th Jan 2013	Avg. Prices 12th Jan - 17th Jan 2013	Avg. Prices 18th Jan - 25th Jan 2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Delhi	Delhi	1415	1158	475	22.19	197.89
Bangalore	Karnataka	1775	1400	900	26.79	97.22
Lasalgaon	Maharashtra	1660	1413	400	17.48	315.00
Pimpalgaon	Maharashtra	1610	1288	380	25.00	323.68
Mumbai	Maharashtra	1592	1410	550	12.91	189.45
Hyderabad	AP	1525	1684	900	-9.44	69.44
Jaipur	Rajasthan	1600	1250	300	28.00	433.33
Indore	MP	925	894	525	3.47	76.19
Chennai	Tamilnadu	2066	1800	600	14.78	244.33

(Source: Agriwatch, NHB)

As visible in the table above, the average price of onion is much higher as compared to the same time previous year. The reason for increase in wholesale prices is lower kharif and late-kharif production this year in major producing regions like Maharashtra and Karnataka due to lower rainfall and late arrival of monsoon. Lasalgaon

and Pimpalgaon, which are biggest market for onion in Maharashtra region has shown almost three times increase in prices due to higher demand and lower stocks.

Comparison of Retail Prices (Rs./Qtl) of Onion across different markets

Market	State	Retail Price as on 24th Jan 2013	Average Retail Price as on 18th Jan 2013	Retail Price as on 24th Jan 2012	% Change in Price Over Prev. week	% Change in Price Over Prev. year
Bangalore	Karnataka	2300	2200	1000	4.55	130.00
Bhubaneswar	Odisha	2400	2000	1100	20.00	118.18
Chennai	Tamil Nadu	2800	2400	1400	16.67	100.00
Delhi	Delhi	2400	2000	1400	20.00	71.43
Guwahati	Assam	2200	2400	1800	-8.33	22.22
Hyderabad	A.P	1900	2000	1200	-5.00	58.33
Kolkata	W. Bengal	2600	2600	1300	0.00	100.00
Mumbai	Maharashtra	2000	2000	1000	0.00	100.00
Patna	Bihar	2400	2200	1300	9.09	84.62

(Source: NHB)

The above table shows a mixed trend in retail prices across different markets in India during the week. However on a yearly basis, prices are higher by 50 to 130% across all markets reflecting the higher wholesale prices. Prices in retail market are further expected to increase until arrival of rabi crop in the markets.

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. Prices have crossed the long term resistance of Rs 1500. If prices can remain above 1500 for the next week, it will become a support level. On the upper side, Rs 1800 is likely to offer some resistance. On the lower side

prices are likely to find support good support at a level of 1400-1500. For the coming week, prices are expected to trade between Rs 1500 to Rs 1800/ quintal as farmers are continuously bringing their late kharif produce in the market because they are able to fetch high prices.

Disclaimer

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