

.Executive Summary:

- In Lasalgaon (Maharashtra), Modal prices which had went upto Rs 2200/Qtl have fallen to Rs 1900/Qtl at the weekend. The reason for decline in prices may be fear of strict government actions like ban of export or imposing higher MEP.
- According to news sources, government is planning to levy MEP at \$700 a ton to discourage exports from India due to high prices in domestic markets.
- According to trade sources, prices of onion in Katmandu has increased by Rs 15 compared to previous month and prices are hovering near Rs 45/kg. The reason for increase in prices is due to short supply and soaring prices in India as it is dependent on India.
- In Bangalore, 90% of onion is coming from Maharashtra region whereas rest 10% is arriving in market from local region. This year prices are approximately 1.3 times high as compared to previous year at same time.
- Maharashtra which is the major producing region of Onion and contributes approximately 38% to the total arrival in the country. Arrivals are low this year in all the major markets like Lasalgaon, Pimpalgaon and Nasik. Prices have touched a high from Rs 1700 to 2200 in last 2-3 days.
- In Hubli (Karnataka), onion is coming from local region and Maharashtra region which are contributing approximately 25% and 75% respectively to the total arrival.

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

Market	State	Avg. Prices 28th Jan - 2nd Feb 2013	Avg. Prices 21 Jan - 26th Jan 2013	Avg. Prices 28th Jan - 2nd Feb 2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Delhi	Delhi	1930	1388	435	39.05	343.68
Bangalore	Karnataka	2090	1930	830	8.29	151.81
Lasalgaon	Maharashtra	1960	1715	355	14.29	452.11
Pimpalgaon	Maharashtra	1870	1655	325	12.99	475.38
Mumbai	Maharashtra	1813	1663	500	9.02	262.60
Hyderabad	AP	1900	1600	800	18.75	137.50
Jaipur	Rajasthan	1970	1820	300	8.24	556.67
Indore	MP	1430	888	515	61.04	177.67
Chennai	Tamilnadu	2225	2180	600	2.06	270.83

(Source: Agriwatch, NHB)

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 and late kharif production this year from 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 four times increase in prices due to higher demand in market because of low production this year.

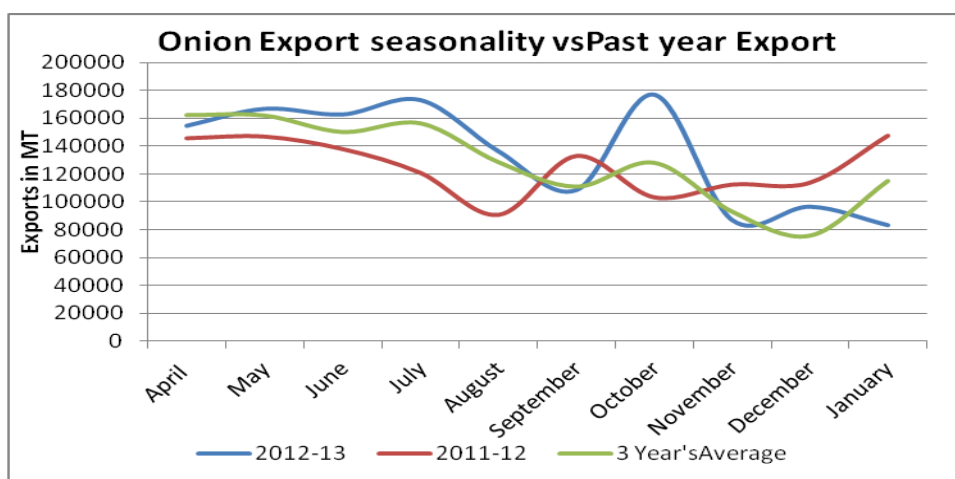
Comparison of Retail Prices (Rs. /Qtl) of Onion across different markets

Market	State	Retail Price as on 2nd Feb 2013	Retail Price as on 24th Jan 2013	Retail Price as on 2nd Feb 2012	% Change in Price Over Prev. week	% Change in Price Over Prev. year
Bangalore	Karnataka	2400	2300	1000	4.35	140.00
Bhubaneswar	Odisha	3000	2400	1000	25.00	200.00
Chennai	Tamil Nadu	2300	2800	800	-17.86	187.50
Delhi	Delhi	3100	2400	1400	29.17	121.43
Guwahati	Assam	2200	2200	1100	0.00	100.00
Hyderabad	A.P	2200	1900	1000	15.79	120.00
Kolkata	W. Bengal	2800	2600	1000	7.69	180.00
Mumbai	Maharashtra	3300	2000	1300	65.00	153.85
Patna	Bihar	3200	2400	900	33.33	255.56

(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 100 to 200% across all markets reflecting the higher Retail prices. Prices in retail market are further expected to increase until arrival of rabi crop in the markets.

India's Onion Export Seasonality:

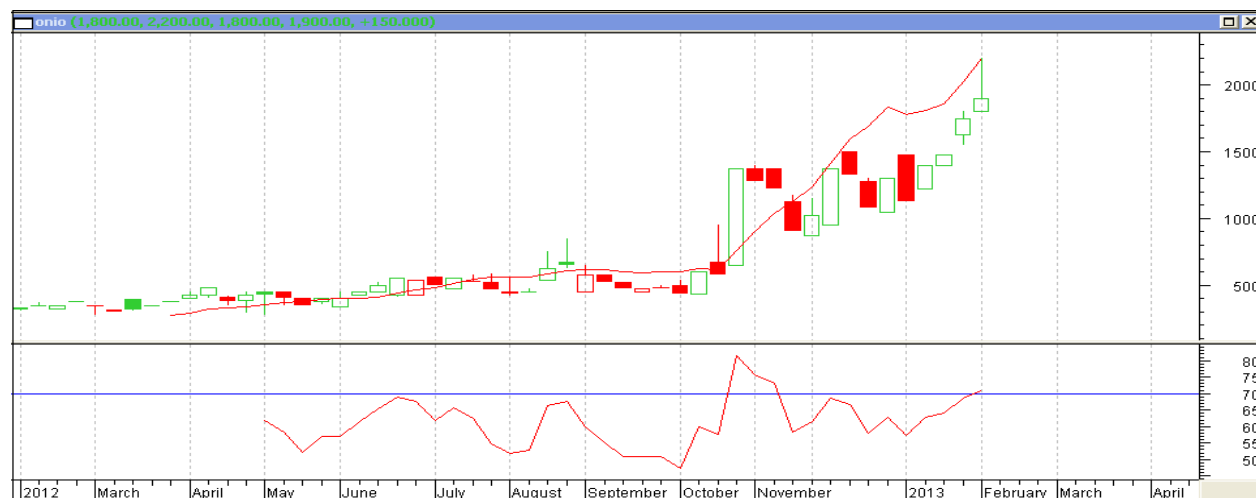


(Source: NAFED, Agriwatch Research)

In month of January export is less compared to previous month and also from last 3 year's average export quantity. This year prices were high in domestic markets only so farmers prefer to sell it here only. This year in month of December and January, major demand for export was coming from Bangladesh. Onion from Pakistan is available at competitive prices and exporting at \$ 30-40 less compared to Indian Onion which is

being exported around \$ 400- \$460. Export demand may decrease as government is considering levying MEP on onion at which may shift the onion importers towards Pakistan.

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 highest price of Rs 1800 of last week. Prices have touched a high of Rs 2200 level but settled down at a level of 1900 in the end of the week. On the upper side, prices are expected to find resistance at level of 2050 whereas on the lower side prices may find support at a level of Rs 1550. Prices are expected to be range bound between Rs 1800-2200/ quintal as late kharif arrival are coming in market as prices are ruling higher.

Disclaimer

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