9 April, 2013

Executive Summary:

- In Maharashtra export demand is mainly coming from gulf countries, Indonesia, Bangladesh and Pakistan. This week demand was low as compared to previous week.
- According to news sources in Pune, State government is assisting NHRDF to start onion processing centers, which will also map the actual onion plantation, accurate production and processing.
- In Delhi, prices have fallen to Rs 1150/ quintal from Rs 1350/ quintal in last one week whereas average arrivals have also declined to 18000 quintals from 28000 quintals.
- In Lasalgaon market of Maharashtra, modal prices have fallen to Rs 800/ quintal from Rs 930/ quintal in last one week because of sluggish demand from consuming centers.
- In Bangalore, onion is arriving in market from Maharashtra region and local region which are contributing approximately 70% and 30% respectively.
- As per Business Recorder, in Pakistan onion is selling at Rs. 45-50/ kg due to harvest gap between Sindh and Balochistan province. Since it is an election year in Pakistan, govt is taking every step to control onion prices. The gap is filled by importing onion from India through JNPT and Wagah border.
- According to IBIS data, in the month of March, Pakistan has imported approximately 9500-10000 MT through sea route (JNPT Port) from India.
- According to IBIS data, India has exported approximately 1.35 Lakh tons of onion in the month of March through air and sea route.

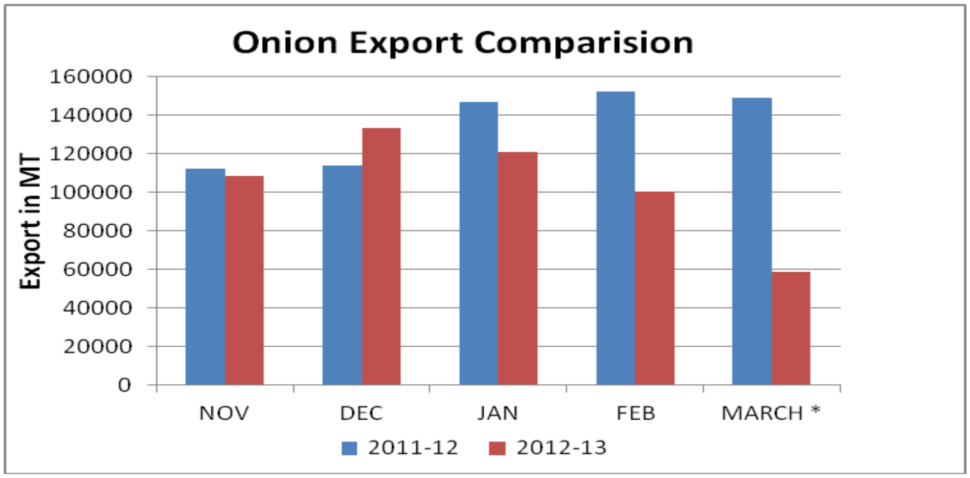
Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India:

Center Name	Avg. Wholesale Price (1st April-8 April)	Avg. Wholesale Price (24th March-30th March)	% Change in Wholesale Price over prev. week	Avg. Retail Price (1st April-8 April)	Avg. Retail Price(24th March-30th March)	% Change in Retail Price over prev. week
BANGALORE	1068	1037.5	2.94	1820	1800	1.11
BHUBANESHWAR	1410	1392	1.29	1880	1700	10.59
CHENNAI	1530	1500	2.00	2170	2100	3.33
DELHI	1265	1263	0.16	2000	2000	0.00
Hyderabad	1272	1088	16.91	2000	2000	0.00
JAIPUR	1092	1100	-0.73	1900	1833	3.66
KOLKATA	1080	1245	-13.25	1634	1800	-9.22
MUMBAI	1104	1063	3.86	1500	1500	0.00
Patna	1250	1250	0.00	1800	1800	0.00

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Both the wholesale andretail prices have increased marginally. Prices haven't changed much as harvesting of Rabi crop was in full swing and slight increase in prices was seen because trades/farmers have started storing onion crop for future to fetch maximum prices.

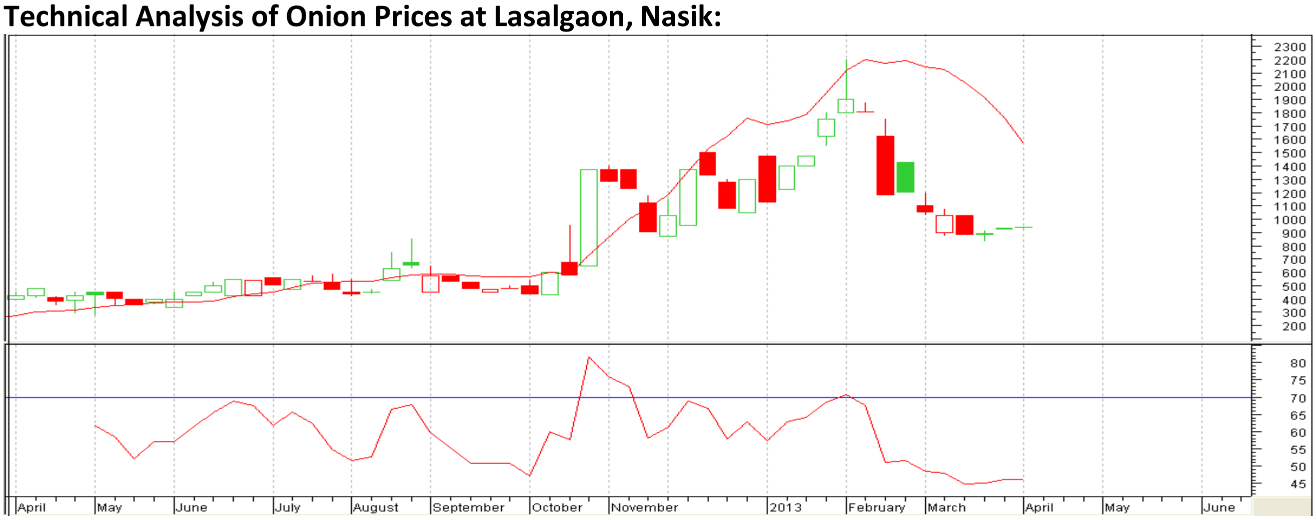
India's Onion Export:



(Source: NAFED)

The above graph shows the monthly export of onion. This year in month of February, onion export was approximately 34% less compared to previous year February month due to higher prices in domestic markets following less late kharif crop. In March (till 14.03.11) month approximately, 58738 tons of onion has been exported. It is expected that India's total onion export would be 5% more compared to previous year export.

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 are finding strong support near 850-900 levels. Relative Strength Index (RSI) is hovering in neutral zone and stable from last few weeks. It suggests prices are expected to be in range of Rs. 850-1200 in the coming weeks. Prices are expected to increase ahead as arrivals are expected to decline because traders and farmers are stocking the crop in expectation of high prices ahead.