

Executive Summary:

- **In Lasalgaon**, modal prices have increased to Rs 990/ quintal from Rs 787/ quintal in last one week which is approximately 25% higher. The reason for increase in prices is lower arrivals as farmers have stocked onion in expectation of high prices in coming days.
- **All India** onion cumulative arrivals in month of May were down by approximately 17% as compared to previous year at the same time.
- **In Delhi**, onion is arriving in market from M.P and Rajasthan. Prices are hovering in the range of Rs 700 to Rs 1200/ quintal and maximum prices are being fetched by M.P region onion.
- In month of April, total onion export this year was 165417 MT compared to last year's export of 155096 which is approximately 6.65% higher compared to last year's export in month of April.
- **In Indore**, prices are trading in range irrespective of the arrivals which are currently hovering in the range of Rs 500 to Rs 900/ quintal. The reason is locally produced onion is arriving in market so prices are low and range bounded as compared to other markets.
- Across the country in most of the markets, prices of onion have increased amid lower arrivals as prices have increased in benchmark market like **Lasalgaon and Solapur** mandi. Prices have increased in a range of 10-20% in last one week.
- **In Bhavnagar**, modal prices have increased to Rs 836 from Rs 754/ quintal in last one week due to low arrivals. According to trade sources, onion will be hardly available in Bhavnagar market after two weeks.

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

Center Name	Avg. Wholesale Price (27 May-1 June)	Avg. Wholesale Price (19 May-25 May)	% Change in Wholesale Price over prev. week	Avg. Retail Price (27 May-1 June)	Avg. Retail Price (19 May-25 May)	% Change in Retail Price over prev. week
BANGALORE	1309	1020	28.33	1966	1660	18.43
BHUBANESHWAR	1192	1180	1.02	1600	1500	6.67
CHENNAI	1500	1420	5.63	2000	2000	0.00
DELHI	942	935	0.75	1800	1800	0.00
HYDERABAD	1134	1300	-12.77	1800	1800	0.00
JAIPUR	893	960	-6.98	1534	1440	6.53
KOLKATA	1395	1203	15.96	1900	1767	7.53
MUMBAI	1192	965	23.52	1500	1500	0.00
Patna	1067	1050	1.62	1600	1680	-4.76

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Onion prices have increased in most of the markets except Hyderabad. Prices are expected to increase ahead as most of the traders/farmers are stocking onion to fetch high prices in futures.

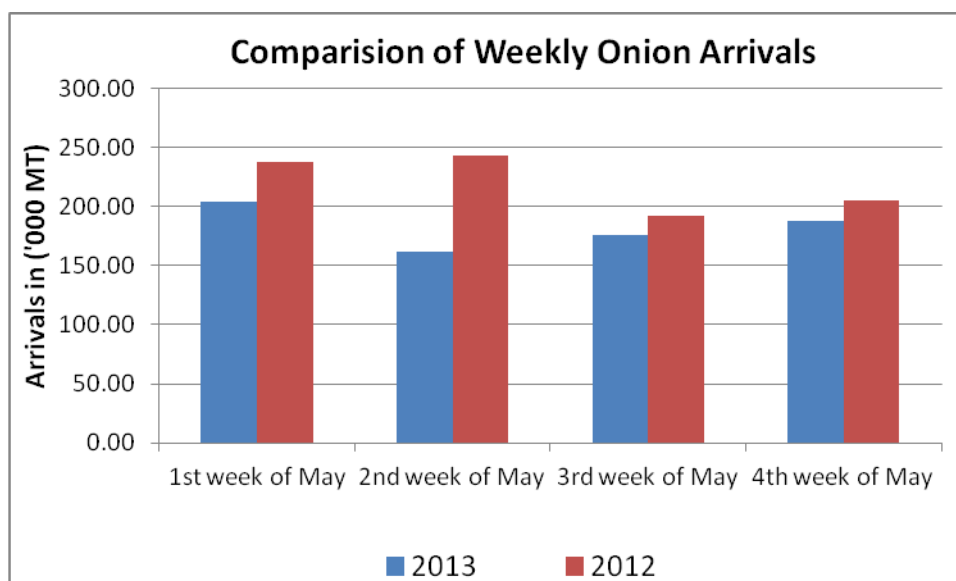
Weekly Wholesale Prices and Arrivals in producing regions

Center Name	Avg. Wholesale Price (27May-June)	Avg. Wholesale Price (19 May-25 May)	% Change in Wholesale Price over prev. week	Total Arrivals (27 May-1 June) Quintals	Total Arrivals (19 May-25 May) Quintals	% Change in Arrivals over prev. week
LASALGAON	990	787	25.79	46800	51050	-8.33
PIMPALGAON	1005	832	20.79	102650	82897	23.83
BHAVNAGAR	854	754	13.26	27650	66000	-58.11
INDORE	696	659	5.61	109500	130000	-15.77

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. In all the markets prices have increased whereas arrivals have fallen except in Pimpalgaon market. The reason for low arrivals is fewer crops in producing regions and secondly onion crop is also being stored by traders and farmers which is leading towards low arrivals and high prices in markets.

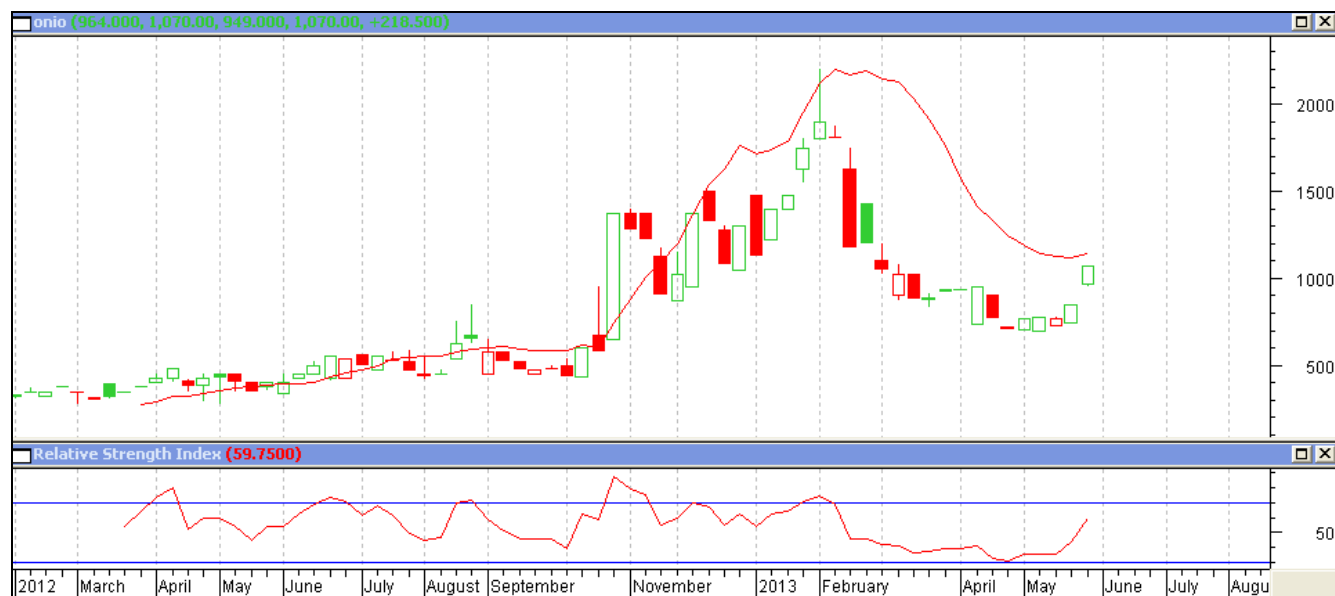
All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above graph shows the weekly all India arrivals in month of May. Arrivals are low as compared to previous year. The reason for less arrival is stocking interest by farmers & stockiest to fetch high prices in future as Rabi production is less. The shelf life of Rabi crop is 6-8 months so it is easy to stock for future. In the coming weeks it is expected that arrivals may decline further which may result into increase in prices.

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. Modal prices have increased up to a level of Rs 950 –Rs1070/ quintal from a continuous range bound prices of Rs 700-800 levels. On the higher side prices may found resistance at a level of Rs 1150 and on the lower side prices may found support at a level of Rs 900. Relative Strength Indicator (RSI) is moving upward which suggest that onion market is firm ahead.

Disclaimer

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