

Executive Summary:

- **In June**, approximately 150512 MT onions exported as compared to previous year 182501 MT. This is approximately 17% less export compared to previous year because of high domestic prices. However, exports in the month of April and May were high as compared to previous year.
- All India, onion cumulative arrival till 2nd week of July is approximately 23% lesser than last year during same time.
- Fresh Kharif crop of onion is expected to start from September month from AP, Karnataka and later on from Maharashtra, Gujarat and Rajasthan which will provide cap to prices.
- In AP, normally 27950 ha are sown in the Kharif season. Out of which 3648 ha has been sown till 10th July 2013. (1895 ha was sown last year for the same period).
- In Laslgaon and Pimpalgaon market prices have increased to Rs 1954 and Rs 1906 from Rs 1658 to Rs 1695/ quintal whereas arrivals have fallen by 15% and 18% respectively in last one week.
- According to news source, Srilankan Govt has increased import duty on big onions from Srilankan rupee 15 to 30/Kg (1 srilankan rupee=0.46 Indian rupee). This step is taken to discourage import of big onion in the market and to ensure reasonable price for local growers.

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

| Center Name | Avg. Wholesale Price (8 July -13 July) | Avg. Wholesale Price (1 July -6 July) | % Change in Wholesale Price over prev. week | Avg. Retail Price (8 July -13 July) | Avg. Retail Price (1 July -6 July) | % Change in Retail Price over prev. week |
|--------------|--|---------------------------------------|---|-------------------------------------|------------------------------------|--|
| BANGALORE | 2034 | 1891 | 7.56 | 2833 | 2500 | 13.32 |
| BHUBANESHWAR | 2392 | 2108 | 13.47 | 2860 | 2600 | 10.00 |
| CHENNAI | 2517 | 2383 | 5.62 | 3133 | 2934 | 6.78 |
| DELHI | 1846 | 1700 | 8.59 | 2633 | 2380 | 10.63 |
| HYDERABAD | 1340 | 1280 | 4.69 | 1920 | 1720 | 11.63 |
| JAIPUR | 2092 | 1758 | 19.00 | 2484 | 2466 | 0.73 |
| KOLKATA | 2532 | 2247 | 12.68 | 3400 | 3140 | 8.28 |
| MUMBAI | 2025 | 1791 | 13.07 | 3083 | 2600 | 18.58 |
| Patna | 2142 | 1700 | 26.00 | 3000 | 2500 | 20.00 |

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Onion prices have increased in almost all the market. Prices have increased because crop from Bhavnagar (Gujarat) is almost over.

The other reason fewer crops is less onion stored in from Rabi season compared to previous year and slow release by traders/farmers in order to fetch high prices in near future. Prices have also increased as Ramzaan festival is going on so consumption of onion increases as demand is high.

Weekly Wholesale Prices and Arrivals in producing regions

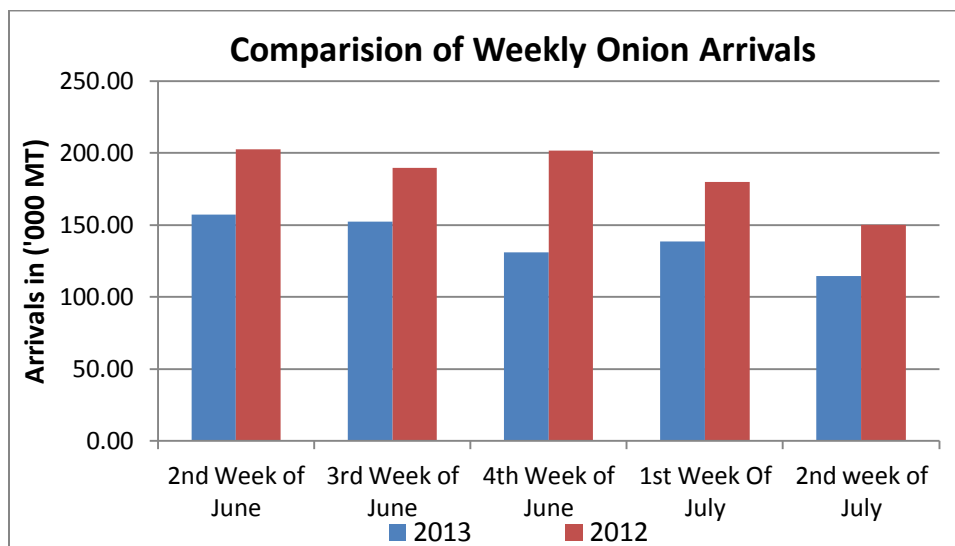
| Center Name | Avg. Wholesale Price (8 July - 13 July) | Avg. Wholesale Price (1 July - 6 July) | % Change in Wholesale Price over prev. week | Total Arrivals (8 July - 13 July) Quintals | Total Arrivals (1 July - 6 July) Quintals | % Change in Arrivals over prev. week |
|-------------|---|--|---|--|---|--------------------------------------|
| LASALGAON | 1954 | 1658 | 17.85 | 38025 | 44940 | -15.39 |
| PIMPALGAON | 1906 | 1695 | 12.45 | 61600 | 75150 | -18.03 |
| BHAVNAGAR | 1577 | 1344 | 17.34 | 1650 | 1350 | 22.22 |
| INDORE | 1459 | 1134 | 28.66 | 89000 | 85000 | 4.71 |

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have increased in all the markets due to higher demand in the market. Arrivals have fallen in Lasalgaon and Pimpalgaon market as traders/ farmers have stocked the onion crop and releasing in installments.

In Indore, maximum prices have increased by approximately 29% in last one week and hovering in the range of Rs 1460/ quintal whereas arrivals have increase slightly by 5%.

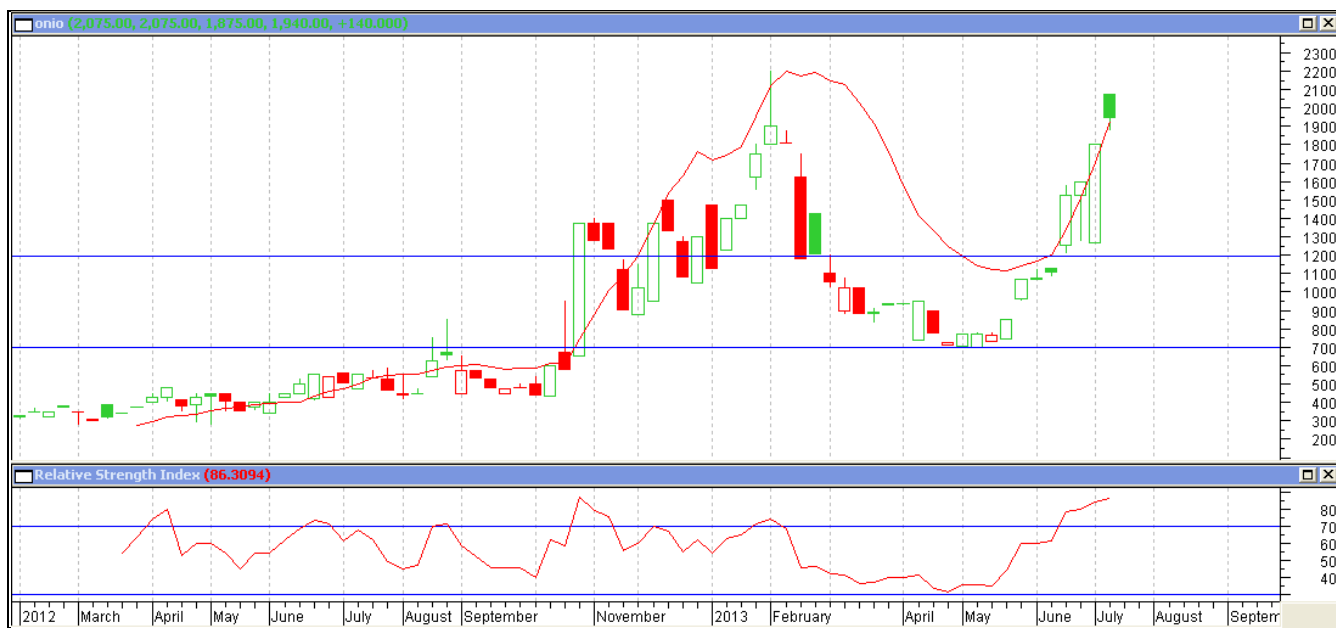
All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above graph shows the weekly all India arrivals. Arrivals are low as compared to previous year in every week. In July 2nd week arrivals are approximately 23% less compared to previous year because of less stored onion from Rabi season and subsequent slow release from stockiest.

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 2000/ quintal. On the higher side prices may find resistance at a level of Rs 2200 and on the lower side prices may find support at Rs.1850 and then Rs 1550/ quintal. Relative Strength Indicator (RSI) is hovering in over-bought zone and expected to increase further.

Disclaimer

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