

Executive Summary:

- All India, cumulative arrival of Onion till 3rd week of July is approximately 22% lesser than last year during same time.
- In A.P, onion acreage for kharif season is approximately 27950 ha. So far 5504 hectare of area is sown as compared to previous year 2550 hectare area. The sown area has increased compared to previous year because of timely arrival of monsoon this year.
- According to trade sources in Maharashtra generally 70% of crop is left in Maharashtra during this time but due to lesser production this year approximately 30% of crop is left. This is the main reason for rise in prices.
- Export demand is good and mainly coming from Bangladesh, Colombo, Dubai and Malaysia as of Ramzaan festival. According to trade sources, demand is less from Pakistan as local crop is available with them.
- In Lasalgaon, modal prices have increased by 21% from Rs 1954 to Rs 2368/ quintal in last one week whereas arrivals have also increased by 5%
- According to trade sources in Lasalgaon and Pimpalgaon, wholesale prices have increased because demand from the states like Bihar, Madhya Pradesh and Rajasthan have increased due to decline in arrival of the crop in these states.

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

Center Name	Avg. Wholesale Price (15 July -21July)	Avg. Wholesale Price (8 July -13 July)	% Change in Wholesale Price over prev. week	Avg. Retail Price (15 July - 21 July)	Avg. Retail Price (8 July -13 July)	% Change in Retail Price over prev. week
BANGALORE	2350	2034	15.54	3171	2833	11.93
BHUBANESHWAR	2490	2392	4.10	3000	2860	4.90
CHENNAI	2933	2517	16.53	3687	3133	17.68
DELHI	2142	1846	16.03	2914	2633	10.67
HYDERABAD	1883	1340	40.52	2733	1920	42.34
JAIPUR	2325	2092	11.14	3100	2484	24.80
KOLKATA	2750	2532	8.61	3575	3400	5.15
MUMBAI	2479	2025	22.42	3500	3083	13.53
Patna	2217	2142	3.50	2960	3000	-1.33

(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 arrival of onion crop from producing regions is less.

The other reason is less onion stored 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

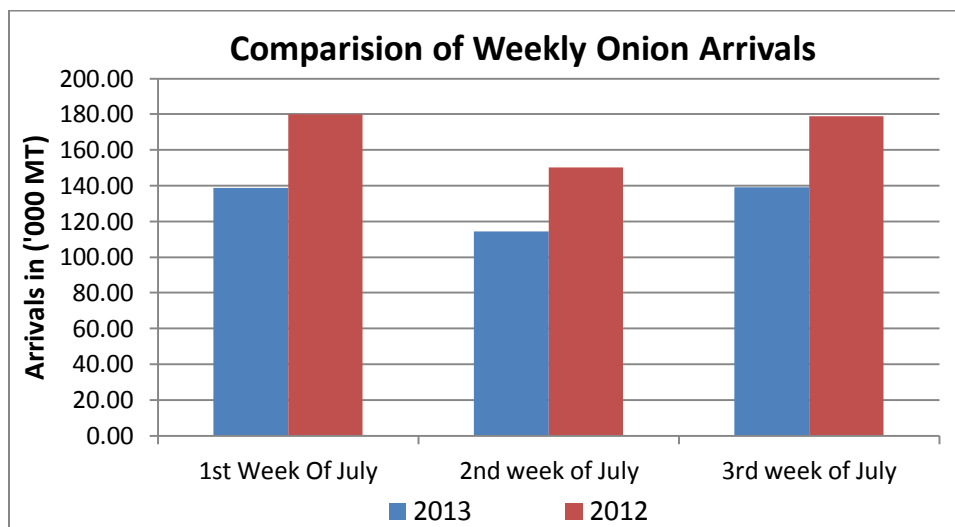
Center Name	Avg. Wholesale Price (15 July - 21 July)	Avg. Wholesale Price (8 July - 13 July)	% Change in Wholesale Price over prev. week	Total Arrivals (15 July - 21 July) Quintals	Total Arrivals (8 July - 13 July) Quintals	% Change in Arrivals over prev. week
LASALGAON	2368	1954	21.19	40250	38025	5.85
PIMPALGAON	2282	1906	19.73	42450	61600	-31.09
BHAVNAGAR	3108	1577	97.08	2300	1650	39.39
INDORE	1666	1459	14.19	86500	89000	-2.81

(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 increased in Lasalgaon and Bhavnagar because stockiest are releasing maximum of their stocks amid higher prices in market.

In Indore, prices have increased by approximately 15% in last one week and modal price is around Rs 1666/ quintal whereas arrivals have fallen down by approximately 3%.

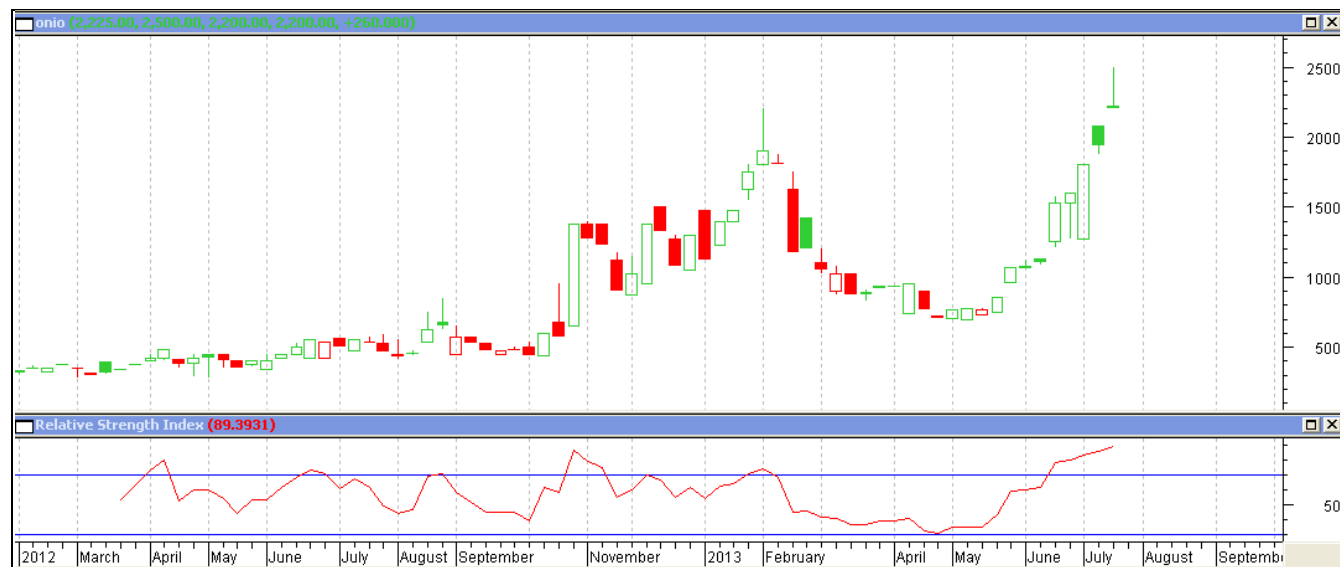
All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above graph shows the weekly all India arrivals. Arrivals are low as compared to previous year in every week. In July 3rd week arrivals are approximately 22% 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 2500/ quintal. On the higher side prices may find resistance at a level of Rs 2600 and on the lower side prices may find support at Rs.2000 / quintal. Relative Strength Indicator (RSI) is hovering in over-bought zone and expected to increase further.

Disclaimer

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