

Executive Summary:

- All India, cumulative arrival of Onion till 4th week of July is approximately 28 % lesser than last year during same time.
- In A.P, onion acreage for kharif season is approximately 27,950 ha. So far 10,061 hectares of area is sown as compared to previous year's 6,085 hectare area. The sown area has increased compared to previous year because of timely arrival of monsoon this year.
- In Lasalgaon and Pimpalgaon market, prices have fallen by approximately by 3% and 8% due to fear among traders that soaring onion prices may lead to ban on onion export by the central government.
- Traders from Lasalgaon are expecting that prices may come down below Rs 2000/quintal after Ramzaan festival as during the festival period, demand is high.
- In Indore, prices have fallen by 9% compared to previous week whereas arrivals have fallen by 16% as stockists are releasing lesser crop in order to fetch better prices in future.
- Fresh early Kharif crop of onion is expected to start from August end from AP, Karnataka and later on from Maharashtra and Gujarat which will provide a cap to the prices.
- In Belgaum (Karnataka), onion is arriving in market from local region (Basant Bagewadi) and Maharashtra which are contributing approximately 15% and 85% respectively to the total arrival.

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

Center Name	Avg. Wholesale Price (22 July - 27 July)	Avg. Wholesale Price (15 July -21July)	% Change in Wholesale Price over prev. week	Avg. Retail Price (22 July - 27 July)	Avg. Retail Price (15 July - 21 July)	% Change in Retail Price over prev. week
BANGALORE	2467	2350	4.98	3040	3171	-4.13
BHUBANESHWAR	2833	2490	13.78	3300	3000	10.00
CHENNAI	3060	2933	4.33	3834	3687	3.99
DELHI	2120	2142	-1.03	3040	2914	4.32
HYDERABAD	2180	1883	15.77	2800	2733	2.45
JAIPUR	2260	2325	-2.80	3400	3100	9.68
KOLKATA	2479	2750	-9.85	3500	3575	-2.10
MUMBAI	2456	2479	-0.93	3625	3500	3.57
Patna	2350	2217	6.00	3150	2960	6.42

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Mixed variation of prices was seen and it is also visible that prices have fallen in markets near to producing regions like Mumbai, Kolkata and Jaipur. The other reason of falling prices is lower quality of onion arriving in market.

Prices have increased in rest of the markets due to less onion stored from Rabi season compared to previous year and slow release by traders/farmers in order to fetch higher prices in future.

Weekly Wholesale Prices and Arrivals in producing regions

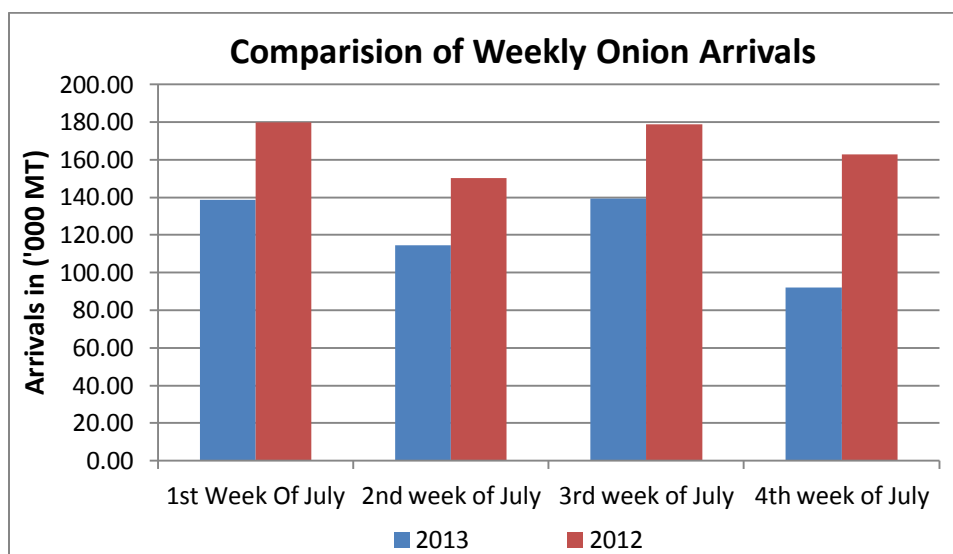
Center Name	Avg. Wholesale Price (22 July - 27 July)	Avg. Wholesale Price (15 July - 21 July)	% Change in Wholesale Price over prev. week	Total Arrivals (22 July - 27 July) Quintals	Total Arrivals (15 July - 21 July) Quintals	% Change in Arrivals over prev. week
LASALGAON	2300	2368	-2.87	18500	40250	-54.04
PIMPALGAON	2120	2282	-7.10	20400	42450	-51.94
BHAVNAGAR	1688	2500	-32.69	1200	2300	-47.83
INDORE	1516	1666	-9.00	72500	86500	-16.18

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have decreased in all the markets due to decline in prices of onion at benchmark Lasalgaon mandi as arrivals arriving in mandi were of low quality and traders feared that government may impose ban on export.

In Lasalgaon and Pimpalgaon market, arrivals have declined to half of the previous week because prices started falling down due to low quality of onion and also due to lower consumption owing to higher prices which has led to decline in demand.

All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above graph shows the weekly all India arrivals. Arrivals are noticeably lower as compared to previous year in every week. In July 4th week, arrivals are approximately 28% less compared to previous year because of less stored onion from Rabi season and subsequent slow release from stockists.

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 and have settled down to Rs 2300/ 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.2100 / quintal. Relative Strength Indicator (RSI) oscillator has also started declining which suggest that onion prices may fall to a level of Rs 2100 in coming week.

Disclaimer

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