

Executive Summary:

- All India, cumulative arrival of Onion in the first week of Aug is approximately 20 % less than last year during same time.
- According to trade sources, usually 40%-50% of total stock is left during this time but this year it is only 25-30% of total stocked onion.
- In A.P, onion acreage for kharif season is approximately 27,950 ha. So far 13,299 hectares of area is sown as compared to previous year's 12903 hectare area. The sown area has increased compared to previous year because of timely arrival of monsoon this year.
- Indian onions are out priced in export market as onion from china and India are available at cheaper rates. According to trade sources, FOB of China and Pakistan are approximately \$ 550-600/ton and \$ 625/ ton respectively whereas Indian onion is trading at \$750-800 ton.
- According to trade sources, prices of onion are expected to decline after two week as arrival of fresh crop from Karnataka will pick up pace which is major supplier to Andhra Pradesh, Karnataka and Tamil Nadu.
- In Karnataka, sown area for onion as on 12.8.2013 is approximately 70,769 hectares of the total targeted area 99506 hectares. Crop damaged is not reported till now but it may be expected ahead as of heavy rains.
- In Bangalore, arrivals have increased as fresh crop from Chitradurga district has started arriving in market and prices have also increased by 29% in last one week compared to previous week. At present, 30-35% of total arrivals in Bangalore market is fresh onion.

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

Center Name	Avg. Wholesale Price (5 August -10 August)	Avg. Wholesale Price (29 July -3 August)	% Change in Wholesale Price over prev. week	Avg. Retail Price (5 August -10 August)	Avg. Retail Price (29 July -3 August)	% Change in Retail Price over prev. week
BANGALORE	3280	2583	26.98	3970	3133	26.72
BHUBANESHWAR	3330	2963	12.39	3875	3266	18.65
CHENNAI	3560	3016	18.04	4234	3800	11.42
DELHI	2940	2200	33.64	4100	3500	17.14
HYDERABAD	3200	2516	27.19	3710	2700	37.41
JAIPUR	3380	2166	56.05	3694	3166	16.68
KOLKATA	3475	2918	19.09	4250	3900	8.97
MUMBAI	3300	2530	30.43	4200	4000	5.00
Patna	3060	2591	18.10	3840	3500	9.71

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Prices have increased in all the markets with increase in prices from benchmark market and lower arrivals from producing regions.

Prices have also increased due to lower stock available in market and higher demand from other states.

Weekly Wholesale Prices and Arrivals in producing regions

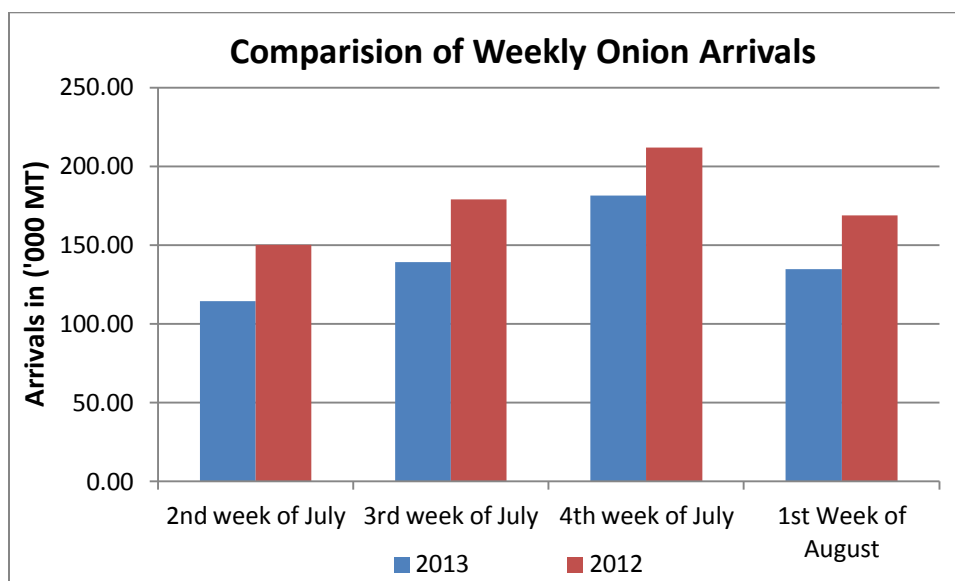
Center Name	Avg. Wholesale Price (3 August-10 August)	Avg. Wholesale Price (29 July - 3 August)	% Change in Wholesale Price over prev. week	Total Arrivals (3 August-10 August) Quintals	Total Arrivals (29 July - 3 August) Quintals	% Change in Arrivals over prev. week
LASALGAON	2964	2378.9	24.60	18600	34900	-46.70
PIMPALGAON	2959	2440	21.27	20450	37500	-45.47
BANGALORE	3280	2530	29.64	104400	76000	37.37
INDORE	2260	1691	33.65	45700	75500	-39.47

(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 increase in prices of onion at benchmark Lasalgaon mandi whereas arrivals have also fallen in all the markets except Bangalore.

In Bangalore, arrivals have increased by approximately 37% as local crop has started arriving in market which is contributing 30-35% to the total arrivals.

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 August, arrivals are approximately 20% 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 3000/ quintal. On the higher side prices may find resistance at a level of Rs 3300 and on the lower side prices may find support at Rs.2900 / quintal. Relative Strength Indicator (RSI) oscillator is hovering above overbought region which suggest prices to remain firm in coming week also.

Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC