

Executive Summary:

- All India, cumulative arrival of Onion in the second week of August is approximately 26 % less than last year during same time.
- Last week's average modal prices in benchmark Lasalgaon is reported near Rs. 4300/Qtl which is higher by 45% when compared to prices previous week.
- Prices have increased due to lower stock available in key producing regions and higher demand from other states as supply from their local regions also less this year.
- Government has imposed the minimum export prices (MEP) of onion to \$650 ton per metric ton FOB, so that rising prices in domestic market may come down. According to trade sources, FOB of China and Pakistan are approximately \$ 550-600/ton and \$ 625/ ton respectively.
- In A.P, onion acreage for kharif season is approximately 27,950 ha. So far 13,439 hectares of area is sown as compared to previous year's 15728 hectare area. The sown area is approximately 35% less from normally sown area of 20599 by this time.
- 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.
- Arrivals are expected to increase by 15-20% from 4th week of August and expected to be maintained during the month of September also. Total all India onion arrivals in 2nd week of August 2013 (8th-16th August) were 1, 06,000 tons.
- Arrivals will pick up in Bangalore region and Kurnool (AP) markets which will supply to other southern states mainly Karnataka, Tamil Nadu and Andhra Pradesh. So demand from these states will be met by local onions.

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

Center Name	Avg. Wholesale Price (12 August -17 August)	Avg. Wholesale Price (5 August -10 August)	% Change in Wholesale Price over prev. week	Avg. Retail Price (12 August -17 August)	Avg. Retail Price (5 August -10 August)	% Change in Retail Price over prev. week
BANGALORE	4630	3280	41.16	4740	3970	19.40
BHUBANESHWAR	3900	3330	17.12	5250	3875	35.48
CHENNAI	5440	3560	52.81	6760	4234	59.66
DELHI	5085	2940	72.96	6000	4100	46.34
HYDERABAD	4340	3200	35.63	4420	3710	19.14
JAIPUR	3652	3380	8.05	5960	3694	61.34
KOLKATA	5313	3475	52.89	6675	4250	57.06
MUMBAI	4080	3300	23.64	6400	4200	52.38
Patna	4640	3060	51.63	5900	3840	53.65

(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.

Maximum prices were increased in Delhi by 72% followed by Kolkata and Patna by approximately 52 and 51% respectively. It is expected that prices may start coming down from next week as arrivals of onion from Southern States are picking up pace.

Weekly Wholesale Prices and Arrivals in producing regions

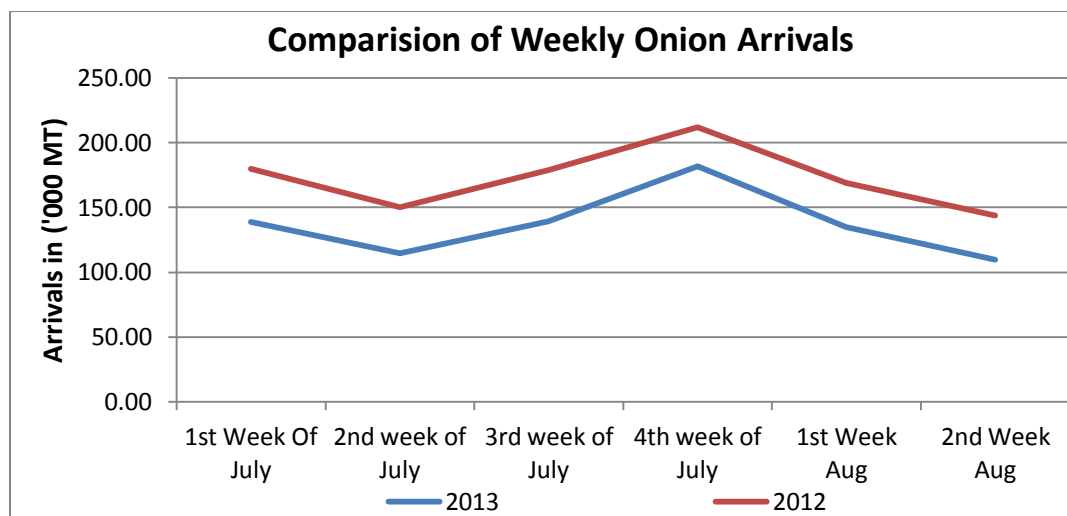
Center Name	Avg. Wholesale Price (12 August-17 August)	Avg. Wholesale Price (3 August-10 August)	% Change in Wholesale Price over prev. week	Total Arrivals (12 August-17 August) Quintals	Total Arrivals (3 August-10 August) Quintals	% Change in Arrivals over prev. week
LASALGAON	4309	2964	45.38	25250	18600	35.75
PIMPALGAON	4138	2959	39.84	44750	20450	118.83
BANGALORE	4630	3280	41.16	123000	104400	17.82
INDORE	3280	2260	45.13	76200	45700	66.74

(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 increased in both Lasalgaon and Pimpalgaon market as traders/ farmers are releasing maximum of their stocks to fetch maximum prices.

In Bangalore, arrivals have increased by approximately 17% as local crop has started arriving in market which is contributing 30-40% to the total arrivals. Maximum arrivals are in Bangalore as fresh crop from Chitradurga district has started arriving in market.

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. But it is following the same pattern in both the years. In August, cumulative arrivals till second week are approximately 21% less compared to previous year because of less stored onion from Rabi season in Maharashtra and also lower arrivals from other states.

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 4500/ quintal. On the higher side prices may find resistance at previous high Rs 4600 and on the lower side support can be placed near at Rs.3700 / quintal. Relative Strength Indicator (RSI) oscillator is hovering above overbought region and moving upward which suggest prices to remain firm for the coming week also.

Disclaimer

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