

Executive Summary:

- All India, cumulative onion arrival during month of November is approximately 18% higher compared to last year's arrival during same month. If we compare on a week on week basis, arrivals in last week of November are approximately 23% less compared to previous week because of higher arrivals during third week.
- Onion export in month of October was approximately 22,000 ton compared to previous month arrivals of 19218 ton. If we compared with previous year during same time it is less by approximately 86%. This decline in was due to higher MEP which was imposed at \$1150/ ton.
- Across the country prices of onion have fallen as this time is peak time for arrivals which are majorly coming from Maharashtra, Rajasthan, M.P and Karnataka.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have fallen to Rs 1900 and Rs 2100/ quintal from Rs 2800/ quintal each respectively in last one week. This downfall of prices by 25-30% is due to higher arrivals from kharif crop.
- In Delhi, approximately 75% of onion is arriving in market from Rajasthan only and rest of the 25% is arriving from Maharashtra, M.P and Karnataka.
- Pro-active measures are necessary to support falling prices like reducing or removing MEP which was set higher to discourage exports and increase supply in domestic markets. Otherwise farmers may not be encouraged to transplant Rabi onion.
- Transplantation of Rabi is expected to start in couple of weeks in major producing regions. In Karnataka sowing has started and completed by 36% with total targeted area of 21967 hectares.

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

Center Name	Avg. Wholesale Price(25 November - 30 November)	Avg. Wholesale Price(18 November - 23 November)	% Change in Wholesale Price over prev. week	Avg. Retail Price (25 November- 30 November)	Avg. Retail Price (18 November- 23 November)	% Change in Retail Price over prev. week
BANGALORE	2150	3042	-29.32	3133	4140	-24.32
BHUBANESHWAR	4000	3933	1.70	3925	4320	-9.14
CHENNAI	4033	5017	-19.61	4967	5867	-15.34
DELHI	2008	2875	-30.16	4600	5417	-15.08
HYDERABAD	2125	2300	-7.61	3200	3000	6.67
JAIPUR	2492	4200	-40.67	4240	4650	-8.82
KOLKATA	3125	3648	-14.34	4567	5140	-11.15
MUMBAI	2458	3458	-28.92	3900	4667	-16.43
PATNA	2767	3650	-24.19	3833	4850	-20.97

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have reduced in almost all the markets in both retail and wholesale markets. The reason is continuous arrivals of crop which may increase ahead. In wholesale market maximum prices have fallen in Jaipur by 40% where locally

produced onion is available now in ample quantity. In Delhi Bangalore and Mumbai prices have fallen by approximately 30% each.

In Delhi, onion is arriving in market from Rajasthan, Maharashtra, Karnataka and M.P. Modal prices have fallen to Rs 2000/ quintal from Rs 2900/ quintal in last one week because of higher arrivals.

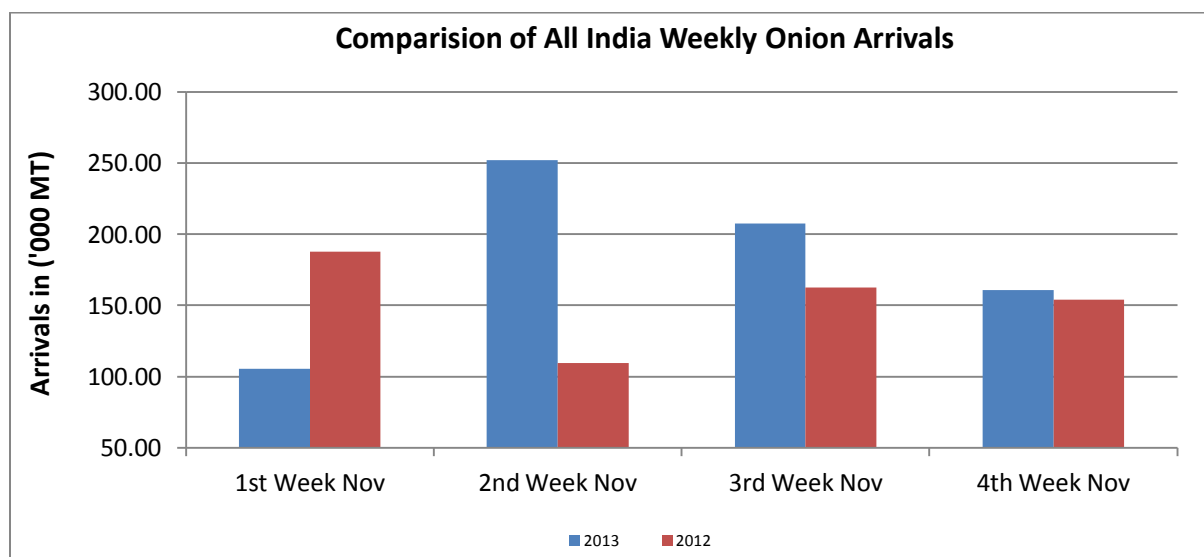
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(25 November -30 November)	Avg. Wholesale Price(18 November -23 November)	% Change in Wholesale Price over prev. week	Total Arrivals (25 November -30 November) Quintals	Total Arrivals (18 November -23 November) Quintals	% Change in Retail Price over prev. week
AHMEDNAGAR	2158	2758	-21.75	65000	81900	-20.63
SOLAPUR	1575	2267	-30.52	187800	227000	-17.27
BANGALORE	2150	3042	-29.32	243000	294000	-17.35
INDORE	1520	2250	-32.44	170000	207500	-18.07
LASALGAON	1910	2810	-32.03	66000	60000	10.00
PIMPALGAON	2100	2800	-25.00	115500	128750	-10.29

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have decreased in all markets due to continuous supply from producing regions. Though arrivals have fallen slightly on a weekly basis but overall monthly arrivals in November are higher if compared with previous year during same time. It is expected that arrivals may further increase from 2nd week of December.

Weekly Onion Arrival Comparison:

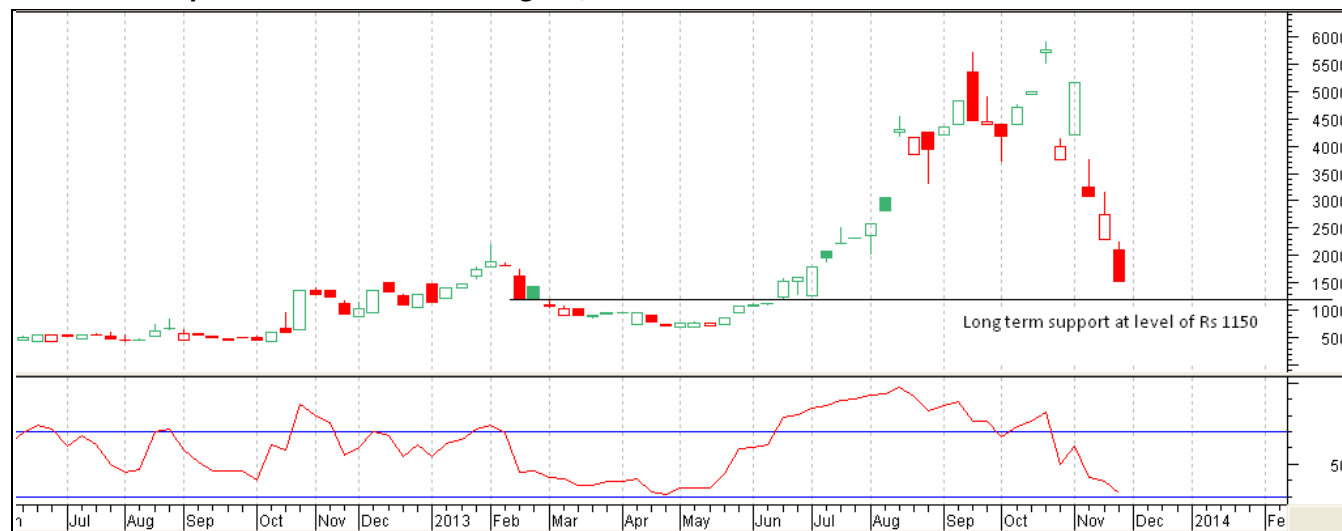


(Source: Agmarknet)

The above graph shows the week on week basis all India onion arrivals compared to last year. This year

arrivals were comparatively lower till first week of November. But in 2nd week of November arrivals increase sharply which balance the demand supply gap of onion in market and brought down the prices. In 4th week arrivals are almost same to last year.

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. As we expected prices are continuously falling and expected to fall to a lowest level of Rs 1000/ quintal in coming weeks. Next support would be near level of Rs 1150/ quintal which is a long term support. This continuous downtrend and falling Relative strength Indicator (RSI) oscillator indicates further bearish market in coming weeks.

Disclaimer

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