

Executive Summary:

- All India, onion arrival during 1st week of December month is approximately 42% higher compared to last year's arrival during same time. If we compare on a week on week basis, arrivals in 1st week of December are approximately 30% higher compared to previous week.
- According to news sources, India imported approximately 8000 tons of onion from Egypt, China and Pakistan during the time of shortage (Sep-Nov) in domestic markets.
- In most of the markets, prices have fallen because of higher arrivals from producing regions. Arrivals are higher this year compared to previous year during same time because harvesting was delayed due to heavy rains at later stage.
- In benchmark market of Lasalgaon and Pimpalgaon market prices has fallen each to Rs 1800/ quintal from Rs 1900/ quintal and Rs 2100/ quintal respectively in last one week. This downfall of prices is due to higher arrivals from kharif crop and higher acreage expectation of late kharif.
- In Bangalore, approximately 70% of onion is arriving in market from local region only and rest of the 30% is arriving from Maharashtra.
- In Karnataka sowing has started and completed by 40% with total targeted area of 21967 hectares. In major growing area like Bagalkot and Bijapur land preparation is in progress with total targeted area of 5671 hectares and 5439 hectares respectively. Maximum sowing is completed in Chitradurga and Chamarajnagar districts.

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

Center Name	Avg. Wholesale Price(02 December - 09 December)	Avg. Wholesale Price(25 November - 30 November)	% Change in Wholesale Price over prev. week	Avg. Retail Price (02 December - 09 December)	Avg. Retail Price (25 November-30 November)	% Change in Retail Price over prev. week
BANGALORE	2333	2150	8.51	3143	3133	0.32
BHUBANESHWAR	3100	4000	-22.50	3410	3925	-13.12
CHENNAI	3290	4033	-18.42	4357	4967	-12.28
DELHI	2040	2008	1.59	4083	4600	-11.24
HYDERABAD	1875	2125	-11.76	2767	3200	-13.53
JAIPUR	1792	2492	-28.09	3829	4240	-9.69
KOLKATA	2870	3125	-8.16	4057	4567	-11.17
MUMBAI	1925	2458	-21.68	3000	3900	-23.08
PATNA	2180	2767	-21.21	3243	3833	-15.39

(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 except Bangalore and Delhi. The reason for low prices is increase in arrivals. In wholesale market maximum prices have fallen in Jaipur by 28% where locally produced onion is available now in ample quantity.

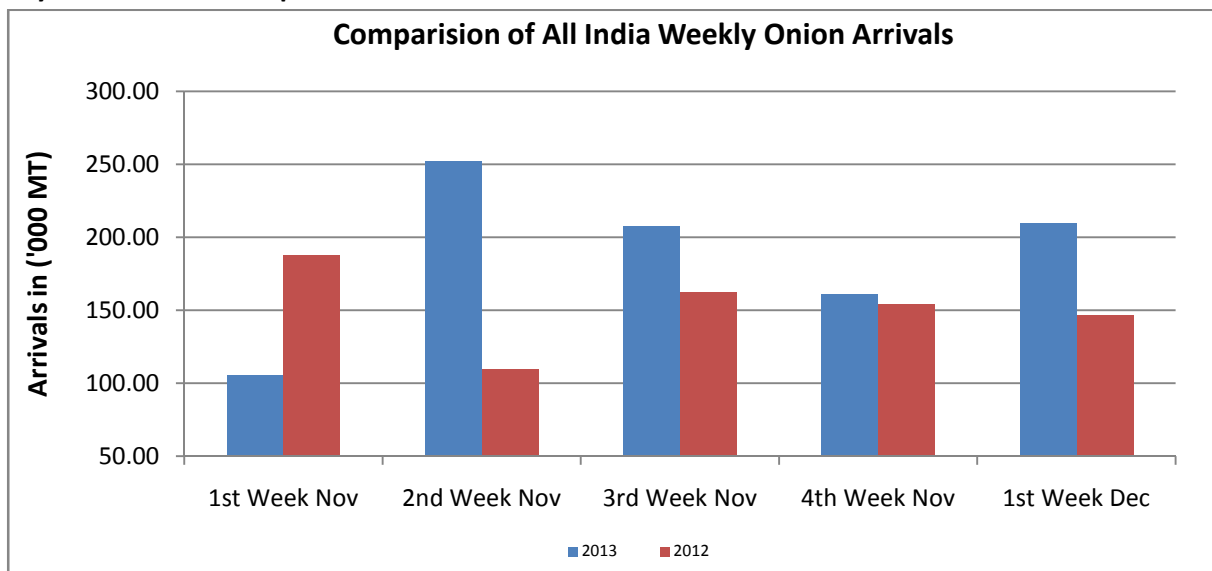
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(02 December -09 December)	Avg. Wholesale Price(25 November -30 November)	% Change in Wholesale Price over prev. week	Total Arrivals (02 December -09 December) Quintals	Total Arrivals (25 November - 30 November) Quintals	% Change in Retail Price over prev. week
AHMEDNAGAR	1450	2158	-32.81	75000	65000	15.38
SOLAPUR	1660	1575	5.4	129600	187800	-30.99
BANGALORE	2333	2150	8.51	124200	243000	-48.89
INDORE	1442	1520	-5.13	122500	170000	-27.94
LASALGAON	1780	1910	-6.81	92200	66000	39.7
PIMPALGAON	1800	2100	-14.29	117500	115500	1.73

(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 except Solapur and Bangalore. Arrivals have fallen in Solapur, Bangalore and Indore which is reflected in prices. In Bangalore prices have increased because arrivals are less and locally produced onion is fetching more prices compared to Maharashtra onion.

Weekly Onion Arrival Comparison:

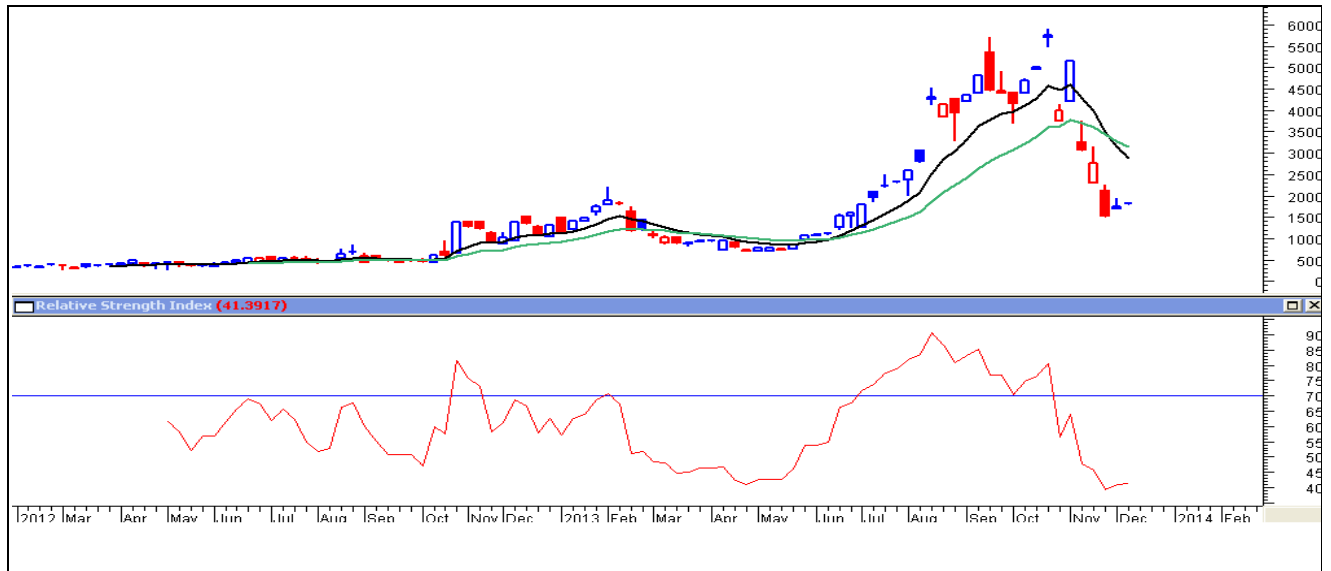


(Source: Agmarknet)

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 from 2nd week of November arrivals increased sharply because of delayed harvesting this year due to heavy rains at maturity stage.

In first week of December arrivals were comparatively higher than last year and expected to continue in coming weeks.

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. Prices are finding support at 1500 level after falling from Rs. 4000 to 1500 level in last 3-4 weeks. Prices are trading in the range of Rs. 1700-1800/qtl. If the level of Rs. 1500 is breached again, next support would be near level of Rs 1350/ quintal and after breaching this prices may fall up to a level of Rs 1000/ quintal which is a long term support.

Prices are likely to consolidate here for some time, before it start falling again.

Disclaimer

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