

Executive Summary:

- All India, cumulative onion arrival during 2nd of December month is approximately 28% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 2nd week of December are approximately 4% less compared to previous week.
- Government has bought down Minimum Export Price (MEP) to \$ 350/ ton earlier which was reduced to \$ 800/ton in last one week from \$ 1150/ton. In Maharashtra farmers are agitating for abolishing the MEP on onion crop completely so that export may increase and they could get better price for their crop compared to domestic market.
- Onion export in month of November was approximately 66,236 ton compared to previous month arrivals of 58142 ton. If we compared with previous year during same time it is less by approximately 40%.
- Across the country prices of onion are continuously falling with increase in arrivals from major producing regions like Maharashtra, Rajasthan, M.P and Karnataka.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have fallen to Rs 1000 and Rs 950/ quintal from Rs 1500 and Rs 1400/ quintal respectively in last one week. This downfall of prices by 30% is due to higher arrivals.
- In Karnataka, total targeted area for Rabi crop is approximately 21967 hectares. So far, 20682 hectares of area has been sown. Maximum area is in Bijapur and Bagalkot district where sowing is still in progress with total targeted area of 5439 and 5671 hectares respectively.

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

Center Name	Avg. Wholesale Price(16 December-21 December)	Avg. Wholesale Price(09 December - 14December)	% Change in Wholesale Price over prev. week	Avg. Retail Price(16 December-21 December)	Avg. Retail Price(09 December - 14December)	% Change in Retail Price over prev. week
BANGALORE	1383	1683	-17.83	2117	3717	-43.05
BHUBANESHWAR	2100	2417	-13.12	2100	2950	-28.81
CHENNAI	2108	2942	-28.35	2550	4380	-41.78
DELHI	1242	1733	-28.33	3200	3700	-13.51
HYDERABAD	1590	1580	0.63	2900	2500	16.00
JAIPUR	1583	1875	-15.57	3500	3000	16.67
KOLKATA	1938	3203	-39.49	3583	4125	-13.14
MUMBAI	1288	1783	-27.76	2000	2800	-28.57
Patna	1621	2425	-33.15	2250	3240	-30.56

(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 from major producing regions. In wholesale market maximum prices have fallen in Kolkata, Chennai and Mumbai by 39 %, 29% and 27% respectively.



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In Retail market maximum prices have decreased in Bangalore Chennai and Patna by 43%, 41% and 30% respectively. In Delhi, maximum arrivals are arriving from Rajasthan which is contributing approximately 60% and rest 40% is arriving from M.P, Gujarat and few parts of Maharashtra.

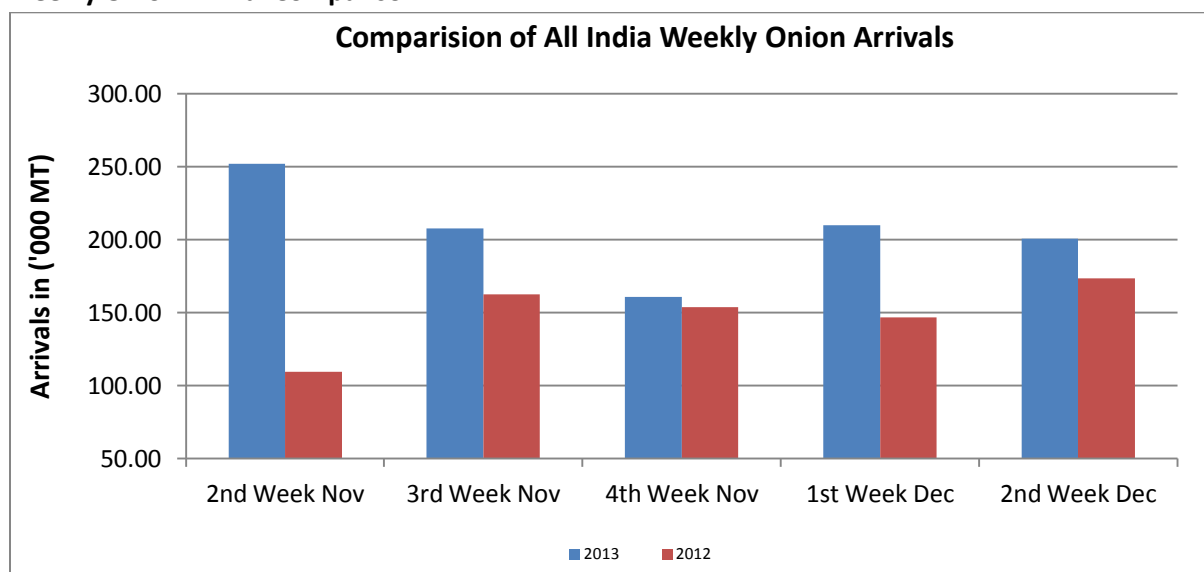
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(16 December -21 December)	Avg. Wholesale Price(09 December -14 December)	% Change in Wholesale Price over prev. week	Total Arrivals (16 December -21 December) Quintals	Total Arrivals (09 December -14 December) Quintals	% Change in Arrivals over prev. week
AHMEDNAGAR	950	1158	-17.96	65500	107500	-39.07
SOLAPUR	1008	1088	-7.35	261400	202400	29.15
BANGALORE	1383	1683	-17.83	264000	318000	-16.98
INDORE	904	1200	-24.67	206000	175000	17.71
LASALGAON	1028	1530	-32.81	121250	106000	14.39
PIMPALGAON	963	1420	-32.18	106000	140000	-24.29

(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. Arrivals have fallen slightly on a weekly basis in Ahmednagar, Bangalore and Pimpalgaon by 39%, 16% and 24%. Maximum arrivals have increased in Solapur by 30%. Overall market is expected to be sluggish ahead due to continuous supply of onion crop.

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 are comparatively higher than last year in every week because of delayed harvesting this year. In 2nd week of December arrivals were 4% lower than previous week but arrivals are continuously arriving in market.

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 touched a level below Rs 1000/ quintal and expected to be range bound for next coming week. On the higher side prices may find resistance at a level of Rs 1200/ quintal and on the lower side prices may find support at level of Rs 900/ quintal.

This continuous downtrend and falling Relative strength Indicator (RSI) oscillator indicates further bearish market in coming weeks.

Disclaimer

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