

Executive Summary:

- **As per latest Exports data available from NAFED**, approximately 95687 MT onions have been exported in the month of May 2013 as compared to previous year 167583 MT.
- **According to news sources**, Economic Development Minister of Srilanka has said that they will stop importing big onions from 2015 when country becomes self sufficient as 93% of required onion is grown locally.
- **All India** onion cumulative arrivals in 3rd week of June were down by approximately 22% as compared to previous year at the same time.
- According to trade sources, prices of onion are expected to increase further as of 'Ramzaan' festival due to which both domestic and international demand increases.
- **In Lasalgaon**, arrivals have increased by almost 40% and prices have increased by 30% which are hovering in the range of Rs 1400 to Rs 1700. The reason is higher demand in market and farmers/traders are releasing maximum of their stock as they are able to fetch high prices.
- According to trade sources in M.P major demand is coming from South India. As monsoon has arrived and local crop is over so they are buying at any price. In Indore prices are continuously increasing from last few days and hovering in the range of Rs 700 to Rs 1500/ quintal.
- **In Nashik**, modal prices have increased to Rs 1500/ quintal from Rs 1250/ quintal in last one week because of high export demand from Middle East and South East Asia.

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

Center Name	Avg. Wholesale Price (17 June-22 June)	Avg. Wholesale Price (9 June-15 June)	% Change in Wholesale Price over prev. week	Avg. Retail Price (17 June-22 June)	Avg. Retail Price (9 June-15 June)	% Change in Retail Price over prev. week
BANGALORE	1692	1450	16.69	2280	2200	3.64
BHUBANESHWAR	1709	1575	8.51	2040	1900	7.37
CHENNAI	1917	1866	2.73	2466	2400	2.75
DELHI	1392	1172	18.77	2000	1766	13.25
HYDERABAD	1200	1200	0.00	1800	1760	2.27
JAIPUR	1259	1150	9.48	1960	1516	29.29
KOLKATA	1724	1405	22.70	2380	2000	19.00
MUMBAI	1530	1459	4.87	2000	2000	0.00
Patna	1388	1200	15.67	1866	1700	9.76

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Onion prices have increased in almost all the markets. Prices have increased because crop from Bhavnagar (Gujarat) is almost over. The other reason is low arrivals in the markets because of fewer crops in Rabi season compared to previous

year and stocking interest shown by traders/farmers as to fetch high prices in near future. Maximum prices were increased in Kolkata by 22%, followed by Delhi and Bangalore by 18% and 16% respectively.

Weekly Wholesale Prices and Arrivals in producing regions

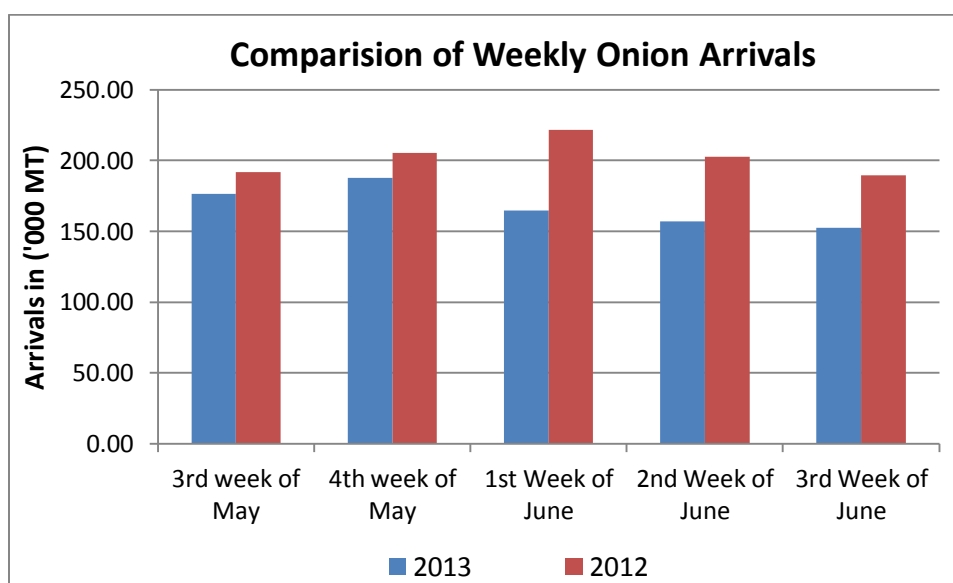
Center Name	Avg. Wholesale Price (17 June-22 June)	Avg. Wholesale Price (9 June-15 June)	% Change in Wholesale Price over prev. week	Total Arrivals (17 June-22 June) Quintals	Total Arrivals (9 June-15 June) Quintals	% Change in Arrivals over prev. week
LASALGAON	1428	1099	29.93	69875	48890	42.92
PIMPALGAON	1413	1209	16.87	65400	79219	-17.44
BHAVNAGAR	1087	1025	6.04	1075	3000	-64.17
INDORE	1017	884	15.04	107500	140000	-23.21

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have increased in all the markets whereas arrivals have fallen in all the markets except Lasalgaon market. Maximum arrival has fallen in Bhavnagar because onion crop is almost over there. In M.P, arrivals has declined because of pre monsoonal rains farmers are taking their crop to markets. The other reason is farmers are busy in sowing soyabean crop instead of selling onion crop in market.

In Lasalgaon market both the prices and arrivals have increased by approximately 30% and 40% respectively because of firm market.

All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above graph shows the weekly all India arrivals. Arrivals are low as compared to previous year in every week. In June month, first week, second week and third week arrivals were low by 25%, 22% and 19% respectively compared to previous year at same time. The reason for less arrival is low Rabi crop this year and less release of stocked onion from traders/farmers in anticipation of higher prices ahead.

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 1575/ quintal. On the higher side prices may find resistance at a level of Rs 1400 and on the lower side prices may find support at a level of Rs 1100/ quintal. Relative Strength Indicator (RSI) is moving upward which suggest that onion market is firm ahead.

Disclaimer

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