

Executive Summary:

- All India, onion arrival in month of November is approximately 3% higher compared to previous month. If we compared onion arrivals in November month on a yearly basis we observed that arrivals are 18% higher than last year during same time.
- Across the country, prices of onion have comparatively fallen down compared to previous months. Arrivals are continuously arriving in market from producing regions like Maharashtra, Rajasthan, Madhya Pradesh and Karnataka.
- In Benchmark market of Lasalgaon and Pimpalgaon, prices of onion have dropped down to each Rs 1700/ quintal respectively amid higher arrivals during 1st week of December.
- In Maharashtra, major arrivals are coming from Ahmednagar and Solapur districts. During the November month daily average arrivals from Ahmednagar and Solapur districts were approximately 10000 quintals and 34000 quintals respectively.
- 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.
- According to International Business Information Services (IBIS), approximately 49249 tons of onions were exported in month of November which includes both fresh as well as processed onion. There is decline in fresh onion export due to higher MEP which was imposed to \$1150/ ton.
- 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.

Monthly Average Wholesale Price (Rs/Qtl) and Arrivals (in Quintals) Trend Comparison:

Market	Avg. Prices November 2013	Avg. Prices October 2013	% change in prices over previous month	Previous year Avg. November (2012) Price	% change over previous Year	Daily Avg. Arrivals November	Daily Avg. Arrivals October	% change in arrivals over previous month
Delhi	3033	4160	-27.09	1386	118.83	15171	12537	21.01
Bangalore	3115	4146	-24.87	1579	97.28	50905	87208	-41.63
Lasalgaon	2950	4790	-38.41	1188	148.32	9459	1135	733.39
Pimpalgaon	2924	3978	-26.5	1002	191.82	20474	1569	1204.91
Mumbai	3467	4895	-29.17	1223	183.48	14570	11406	27.74
Pune	3266	4373	-25.31	1266	157.98	8151	5563	46.52
Jaipur	3926	4374	-10.24	1022	284.15	2521	3474	-27.43
Chennai	4719	4742	-0.49	1917	146.17	4563	4479	1.88
Hyderabad	2214	3000	-26.2	1176	88.27	7779	4037	92.69

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets. Maximum prices have fallen down in Lasalgaon, Mumbai and Delhi by 38%, 29% and 27% respectively. Arrivals have also increased in almost all the markets except Bangalore and Jaipur.

In Delhi, approximately 75% of onion is arriving in market from Rajasthan whereas rest 25% is arriving in market from Karnataka, M.P and Maharashtra.

Monthly Average Retail Price (Rs/Qtl) trend comparison:

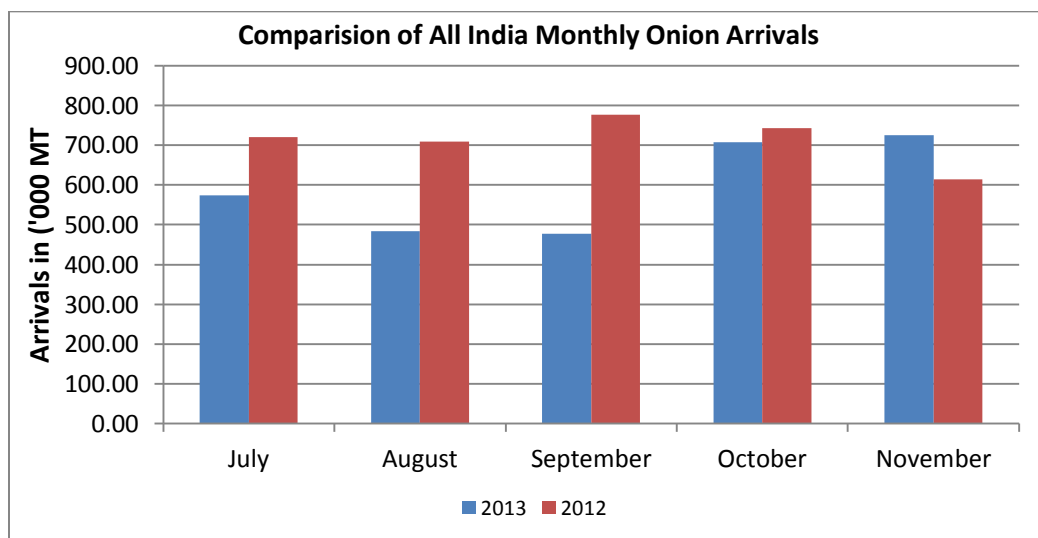
Market	State	Average Retail Price November 2013	Average Retail Price October 2013	Previous year Avg. Retail Price- November 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	5957	4748	2136	25.46	178.89
Bhubaneswar	Odisha	4750	5253	1860	-9.58	155.38
Chennai	Tamil Nadu	5635	5928	2408	-4.94	134.01
Delhi	Delhi	5417	5868	2000	-7.69	170.85
Guwahati	Assam	6000	6964	2248	-13.84	166.9
Hyderabad	AP	3321	4136	1233	-19.71	169.34
Kolkata	W. Bengal	5557	6257	2388	-11.19	132.71
Mumbai	Maharashtra	4917	5960	1990	-17.5	147.09
Patna	Bihar	5463	6675	2009	-18.16	171.93

(Source: NHB)

In Retail market, prices have fallen in almost all the markets except Bangalore. Prices have fallen because of increase in arrivals from producing regions.

If we compare prices on a year on year basis it is observed from above table that prices are almost double this year compared to previous year. This is due to delayed harvesting of crop this year which result into low arrivals and high prices.

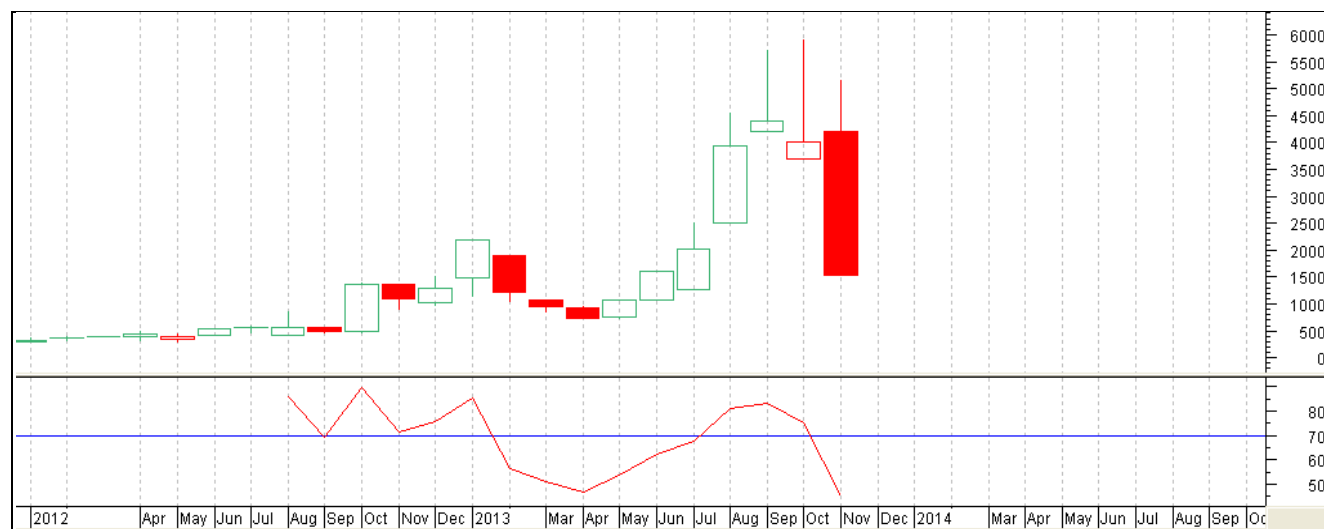
All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals started increasing from month of October because of delayed harvesting this year compared to previous year. In month of November arrivals were higher than last year by approximately 18%. It is expected that onion may arrive in market continuously.

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.)

December, 2013

The above chart shows the monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of November modal prices touched low of Rs. 1500. This suggests further correction in prices in this month. However, if price starts trading higher again then first resistance could be found near 2000 and if it breaches this resistance it may reach to Rs. 2500. On the lower side, support is placed at near 1000/quintal. Relative Strength Indicator (RSI) oscillator has started downward movement in neutral region which suggests that price could fall down further.

Disclaimer

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