

Executive Summary:

- All India, onion arrival in month of December is approximately 20% higher compared to previous month. If we compared onion arrivals in December month on a yearly basis we observed that arrivals are 24 % higher than last year during same time.
- Across the country, prices of onion have approximately fallen down to half of the prices of previous month. Arrivals are continuously arriving in market from producing regions like Maharashtra, Rajasthan, Madhya Pradesh and Karnataka.
- In Lasalgaon and Pimpalgaon market prices of onion have dropped down to more than 50% in both the markets because of continuous and increase in arrival from both the regions.
- During the month government slashed the Minimum Export Price (MEP) to \$150 from \$ 1150/ quintal so that Indian onion may get competitive prices in international market due to lower prices in domestic market and export may be encouraged.
- According to news sources, Lasalgaon Agriculture Produce Market Committee (APMC) will remain open on Saturday to facilitate the farmers and for continuous supply earlier which used to remain closed.
- As per International Business Information Services (IBIS) approximately 89953.16 MT of onion has been exported in month of December which includes both processed and unprocessed onion.
- In Karnataka, total targeted area is approximately 21967 hectares. So far 98.47% of total targeted area has been covered. Bagalkot and Bijapur districts are regions with maximum area of 5671 and 5439 hectares where sowing is expected to continue for next few weeks.

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

Market	Avg. Prices December 2013	Avg. Prices November 2013	% change in prices over previous month	Previous year Avg. December (2012) Price	% change over previous Year	Daily Avg. Arrivals December	Daily Avg. Arrivals November	% change in arrivals over previous month
Delhi	1500	3033	-50.54	1226	22.35	15808	15171	4.20
Bangalore	1640	3115	-47.35	1610	1.86	40591	50905	-20.26
Lasalgaon	1310	2950	-55.59	1265	3.56	22047	9459	133.08
Pimplagaon	1290	2924	-55.88	1222	5.56	25611	20474	25.09
Mumbai	1530	3467	-55.87	1330	15.04	15858	14570	8.84
Pune	1564	3266	-52.11	1326	17.95	11948	8151	46.58
Jaipur	1594	3926	-59.39	978	62.99	3179	2521	26.10
Chennai	2500	4719	-47.02	1966	27.16	4904	4563	7.47
Hyderabad	1390	2214	-37.21	1442	-3.61	4072	7779	-47.65

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets. Maximum prices have fallen in Jaipur by almost 60% followed by Maharashtra region where maximum arrivals are coming from local region. Maximum arrivals have increased in Lasalgaon market because of continuous arrivals from producing regions.

January, 2014

Arrivals have increased in almost all the markets except Hyderabad and Bangalore by 47% and 20% respectively.

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

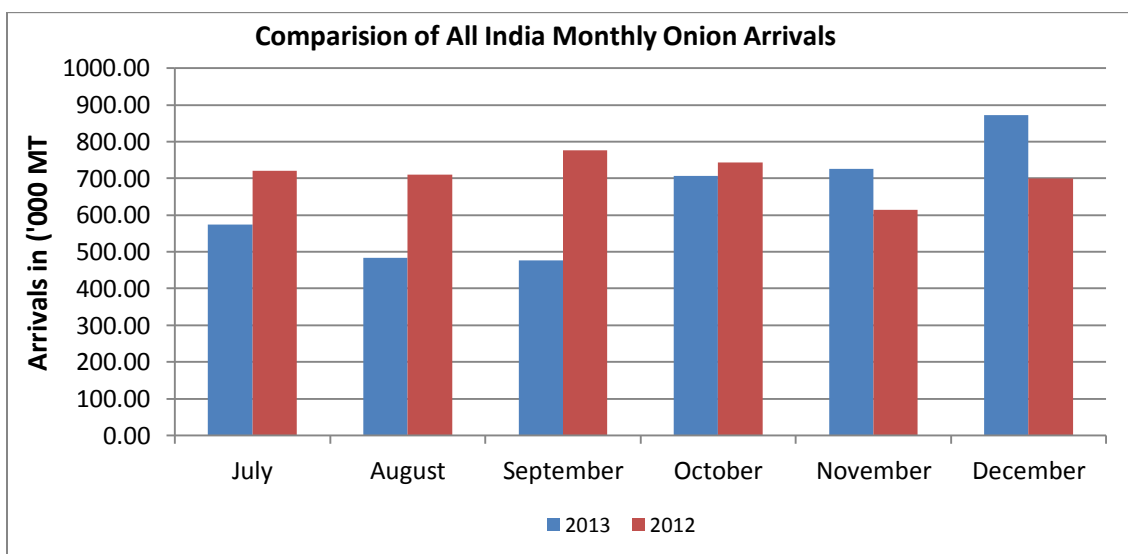
Market	State	Average Retail Price December 2013	Average Retail Price November 2013	Previous year Avg. Retail Price- December 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2496	5957	2286	-58.10	9.19
Bhubaneswar	Odisha	2668	4750	2115	-43.83	26.15
Chennai	Tamil Nadu	3656	5635	2471	-35.12	47.96
Delhi	Delhi	3492	5417	2035	-35.54	71.60
Guwahati	Assam	3355	6000	2596	-44.08	29.24
Hyderabad	AP	2200	3321	1432	-33.75	53.63
Kolkata	W. Bengal	3408	5557	2696	-38.67	26.41
Mumbai	Maharashtra	2400	4917	2000	-51.19	20.00
Patna	Bihar	2632	5463	2314	-51.82	13.74

(Source: NHB)

In Retail market, prices have fallen in almost all the markets 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 higher than last year by 20% to 70% because of delayed harvesting of crop this year due to later stage rains.

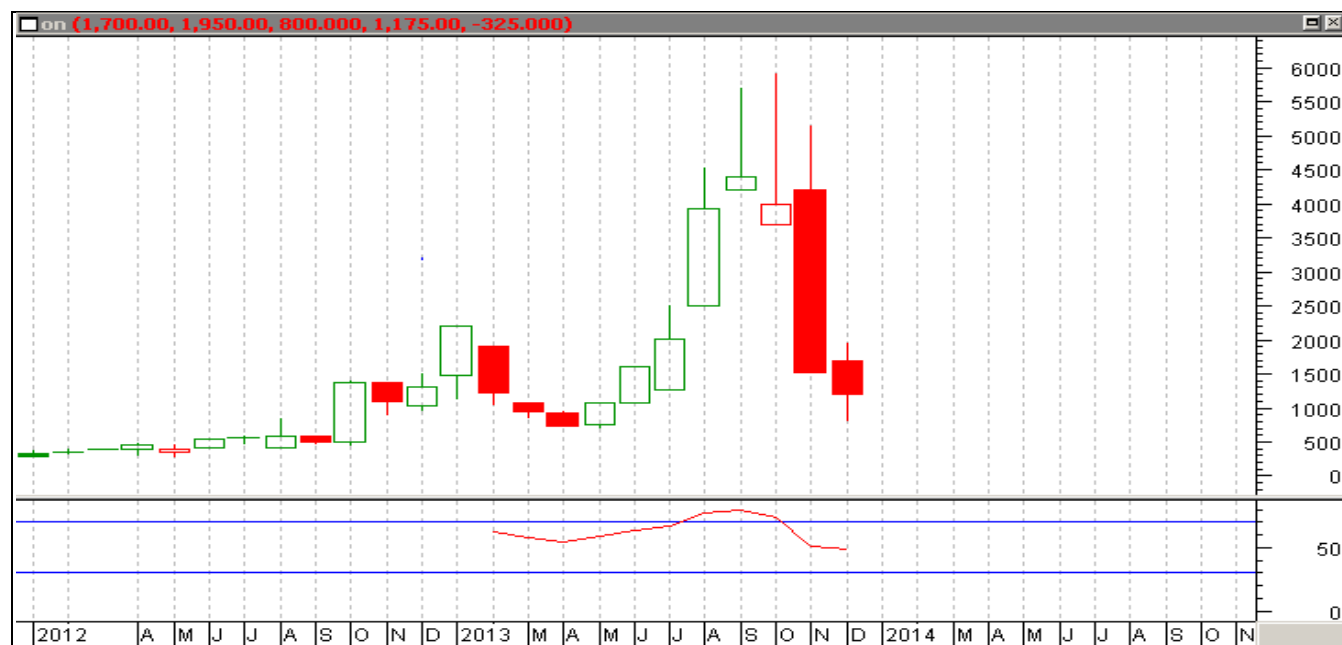
All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals started increasing from month of October because of delayed sowing and delayed harvesting this year compared to previous year. In month of December arrivals were higher than last year by approximately 25% and expected to increase 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 monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of December modal prices touched low of Rs. 900. This suggests further correction in prices in this month. Prices are expected to trade range bounded for next coming weeks. Relative Strength Indicator (RSI) oscillator is stable which suggest that prices may remain range bounded in the range of Rs 1000-Rs 1400/ quintal.

Disclaimer

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