

Executive Summary:

- All India, onion arrival in month of January is approximately 29% higher compared to previous month. If we compared onion arrivals in December month on a yearly basis we observed that arrivals are 25 % higher than last year during same time.
- In Maharashtra, last year Rabi acreage was approximately 1.56 lakh hectares. It is expected that it may increase by 15-20% compared to previous year.
- As per Maharashtra state government, progressive sowing of Rabi onion as on 13th Jan 2014 is 66000 hectare. Normal area for Rabi onion is 1.90-2.00 Lakh hectares.
- As per International Business Information Services (IBIS) approximately 1, 13,679 MT of onion has been exported in month of January which includes both processed and unprocessed onion.
- In Karnataka, total targeted area for Rabi crop is approximately 21967 hectares. So far, 22937 hectares of area has been sown and expected that area may increase further as sowing is still in progress in Bagalkot and Bijapur district which are major producing regions.

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

Market	Avg. Prices January 2014	Avg. Prices December 2013	% change in prices over previous month	Previous year Avg. January (2013) Price	% change over previous Year	Daily Avg. Arrivals January	Daily Avg. Arrivals December	% change in arrivals over previous month
Delhi	1130	1500	-24.67	1226	-7.83	18088	15808	14.42
Bangalore	1052	1640	-35.85	1610	-34.66	35256	40591	-13.14
Lasalgaon	986	1310	-24.73	1265	-22.06	19700	22047	-10.65
Pimplagaon	1032	1290	-20.00	1222	-15.55	18250	25611	-28.74
Mumbai	1102	1530	-27.97	1330	-17.14	19181	15858	20.95
Pune	963	1564	-38.43	1326	-27.38	14637	11948	22.51
Jaipur	1122	1594	-29.61	978	14.72	3324	3179	4.56
Chennai	1460	2500	-41.60	1966	-25.74	4808	4904	-1.96
Hyderabad	873	1390	-37.19	1442	-39.46	4934	4072	21.17

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets. Fall in prices were seen in the range of 20-40% in different markets due to increase in late kharif arrivals from producing regions. Maximum arrivals have increased in Pune and Mumbai by 22% and 20% respectively. In benchmark market of Lasalgaon market, prices have fallen by 24% and arrivals have fallen by 10% if compared to previous month.

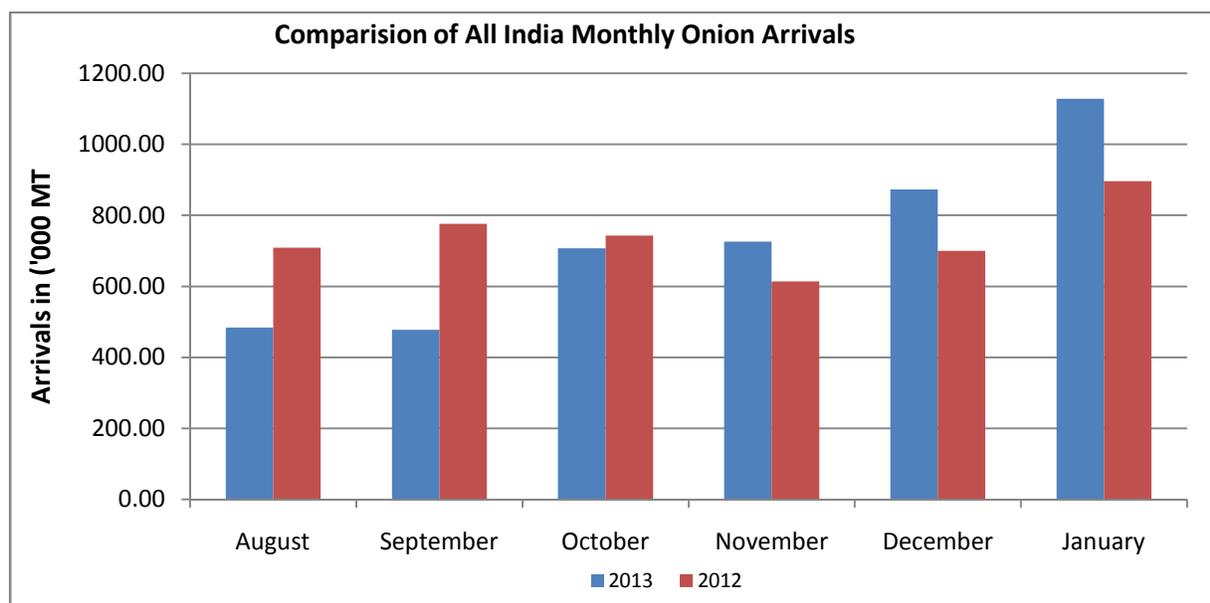
Monthly Average Retail Price (Rs/QtI) trend comparison:

Market	State	Average Retail Price January 2014	Average Retail Price December 2013	Previous year Avg. Retail Price- January 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	1844	2496	2183	-26.12	-15.53
Bhubaneswar	Odisha	1963	2668	2050	-26.42	-4.24
Chennai	Tamil Nadu	2371	3656	2545	-35.15	-6.84
Delhi	Delhi	2196	3492	2180	-37.11	0.73
Guwahati	Assam	2261	3355	2376	-32.61	-4.84
Hyderabad	AP	1428	2200	1718	-35.09	-16.88
Kolkata	W. Bengal	2444	3408	2571	-28.29	-4.94
Mumbai	Maharashtra	1952	2400	2104	-18.67	-7.22
Patna	Bihar	2046	2632	2212	-22.26	-7.5

(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 lower than last year by 4% to 16% because of higher arrivals during this time compared to previous year.

All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows all India monthly arrivals. Arrivals started increasing from month of December because of delayed harvesting this year compared to previous year. In month of January, 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 month. The green candle signifies prices increased and red candle signifies prices decreased in that month. The length of the “candle” shows the upper and lower end of the price range for the month.)

The above chart shows the monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of January modal prices touched low of Rs. 700. Prices are in down trend; however there is strong support near Rs. 500. Prices are expected to consolidate here with downward bias. Relative Strength Indicator (RSI) oscillator is hovering in oversold region, which suggest that prices may take small pull back from this level and again come down to touch the level of Rs. 500 in coming months.

Disclaimer

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