

Executive Summary:

- All India, onion arrival in month of April is approximately 2% higher compared to previous month. If we compare onion arrivals in April month on a yearly basis we observed that arrivals are 25 % higher than last year during same time.
- As per IBIS (International Business Information System), approximately 1,03,522 tons of processed and fresh onion has been exported in month of April 2014 compared to previous month export of 1,24,713 tons. It includes the exports which are exported through sea routes only and do not include exports through roads.
- All India onion storage is expected to be similar to last year which was approximately 25 lakh ton because of low shelf life of onion crop because of higher water content.
- According to sources, Nashik district of Maharashtra which contributes approximately 30% of total Maharashtra onion production. Crop loss is estimated to be 40-50% of the total area which is 70279 hectares. Average yield in Maharashtra is estimated to be near 13-14 ton/ha after considering crop damage.
- Total Rabi onion production is expected to be in the range of 95-100 lakh tons. Onion sowing and production prospects in next Kharif season will build the sentiment further.

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

| Market | Avg. Prices April 2014 | Avg. Prices March 2014 | % change in prices over previous month | Previous year Avg. April (2013) Price | % change over previous Year | Daily Avg. Arrivals April | Daily Avg. Arrivals March | % change in arrivals over previous month |
|------------|------------------------|------------------------|----------------------------------------|---------------------------------------|-----------------------------|---------------------------|---------------------------|------------------------------------------|
| Delhi | 1009 | 987 | 2.23 | 1069 | -5.61 | 34122 | 32220 | 5.90 |
| Bangalore | 998 | 842 | 18.53 | 985 | 1.32 | 33085 | 30916 | 7.02 |
| Lasalgaon | 958 | 800 | 19.75 | 829 | 15.56 | 11015 | 11393 | -3.32 |
| Pimpalgaon | 995 | 850 | 17.06 | 810 | 22.84 | 13250 | 7714 | 71.77 |
| Mumbai | 942 | 895 | 5.25 | 975 | -3.38 | 19705 | 20056 | -1.75 |
| Pune | 832 | 760 | 9.47 | 1080 | -22.96 | 10546 | 18260 | -42.25 |
| Jaipur | 923 | 882 | 4.65 | 992 | -6.96 | 2932 | 4680 | -37.35 |
| Chennai | 1314 | 1280 | 2.66 | 1406 | -6.54 | 4782 | 12650 | -62.20 |
| Hyderabad | 818 | 780 | 4.87 | 1227 | -33.33 | 4152 | 5170 | -19.69 |

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in almost all the markets. Maximum prices have increased in Lasalgaon by 20% followed by Bangalore and Pimpalgaon by 18% and 17% respectively. In Delhi, 50% of onion is arriving in market from Rajasthan, 30% from Madhya Pradesh and rest 20% from Maharashtra and Gujarat.

May, 2014

In benchmark market of Lasalgaon market, prices have increased by 20% and arrivals have fallen slightly compared to previous month which suggest firmness in market. Arrivals were quite lower this month because farmers/ traders are holding the crop to fetch higher prices in future.

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

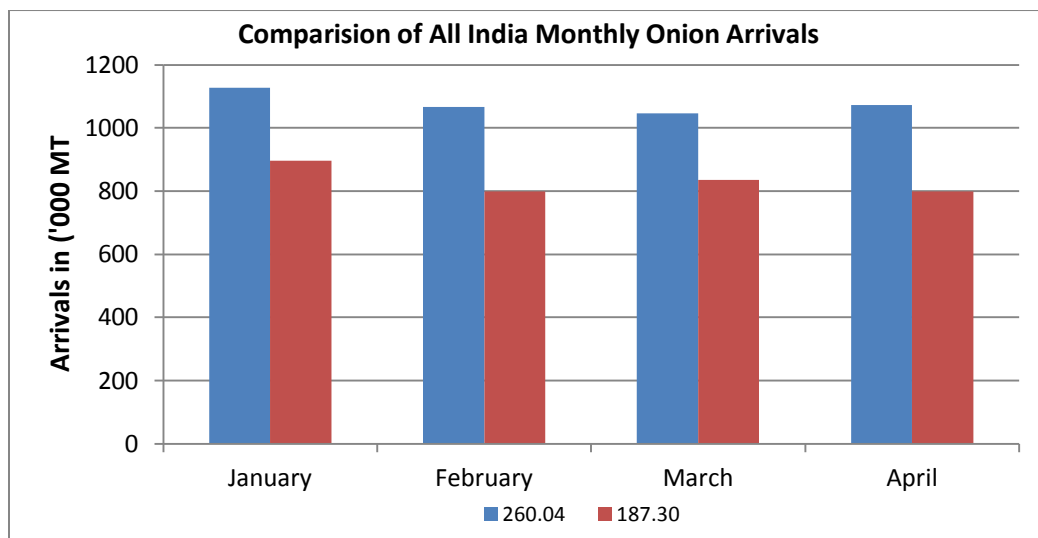
| Market | State | Average Retail Price April 2014 | Average Retail Price March 2014 | Previous year Avg. Retail Price- April 2013 | % Change in Price Over Prev. Month | % Change in Price Over Prev. year |
|-------------|-------------|---------------------------------|---------------------------------|---------------------------------------------|------------------------------------|-----------------------------------|
| Bangalore | Karnataka | 1377 | 1325 | 1596 | 3.92 | -13.72 |
| Bhubaneswar | Odisha | 1579 | 1513 | 1731 | 4.36 | -8.78 |
| Chennai | Tamil Nadu | 1900 | 1848 | 2042 | 2.81 | -6.95 |
| Delhi | Delhi | 1827 | 1708 | 1975 | 6.97 | -7.49 |
| Guwahati | Assam | 1941 | 1974 | 1754 | -1.67 | 10.66 |
| Hyderabad | AP | 872 | 1022 | 2000 | -14.68 | -56.40 |
| Kolkata | W. Bengal | 1857 | 1838 | 1679 | 1.03 | 10.60 |
| Mumbai | Maharashtra | 1614 | 1137 | 1500 | 41.95 | 7.60 |
| Patna | Bihar | 1814 | 1892 | 1725 | -4.12 | 5.16 |

(Source: NHB)

In Retail market, mixed trend of prices was seen in most of the markets. Maximum prices have declined in Hyderabad by 15% followed by Patna and Guwahati by 4% and 1% respectively. Maximum prices have increased in Mumbai by 41% followed by Delhi by 8% respectively.

If we compare prices on a year on year basis it is observed from above table that prices are lower than last year in most of the markets. Last year major producing regions were affected by drought. But crop has also affected this year because of unseasonal rains and hailstorms thus prices are expected to rise ahead.

All India Onion Monthly Arrivals:

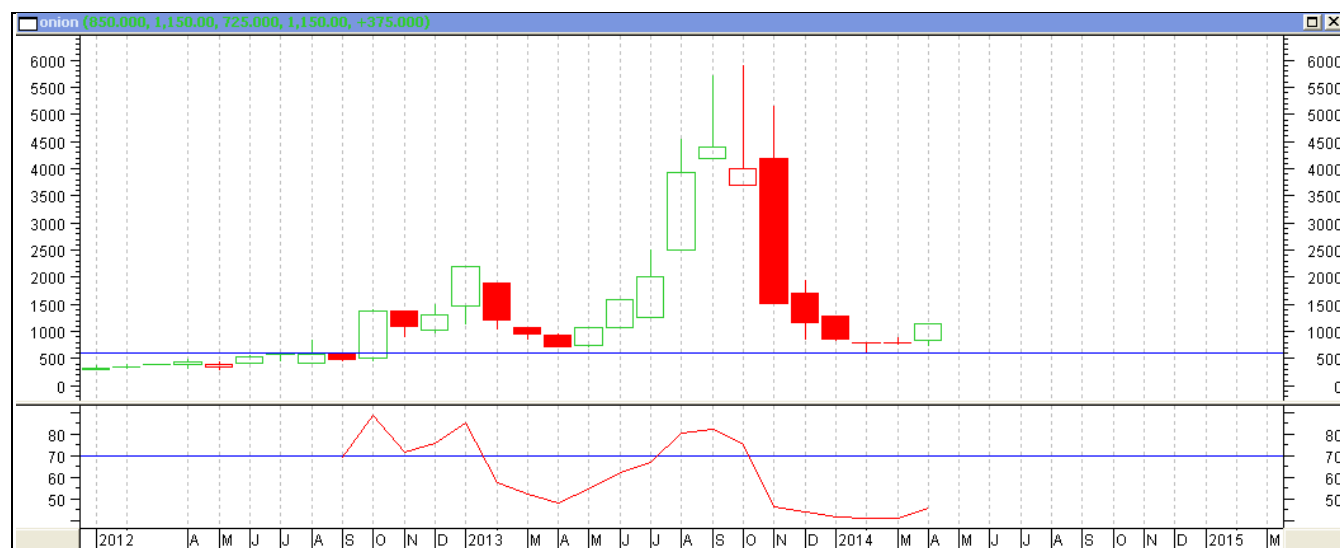


(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are comparatively higher than last year in each and every month. The reason is last year it was drought in major producing regions like Maharashtra, Gujarat and Karnataka.

In month of March and April arrivals are almost same because of crop damage due to hailstorms and unseasonal rains because of which has lead to lower arrivals. Arrivals are expected to be less ahead also as farmers might start stocking onion crop in expectation 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 monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of March modal prices touched low of Rs 900/ quintal and trading near Rs. 958/Qtl. In Last one month prices have increased by almost 20%. On the upper side prices may find resistance at a level of Rs 1300/ quintal whereas long term support is Rs 650/ quintal. Overall, onion prices are expected to be range bounded for next two weeks and may increase after that. Price range may be between 1000-1400/ quintal.

Disclaimer

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