

Executive Summary:

- All India, onion arrival in month of May is approximately 2% higher compared to previous month and 22 % higher than last year during same time.
- As per IBIS (International Business Information System), approximately 96262 tons of processed and fresh onion has been exported in month of May 2014 compared to previous month export of 1,03,522 tons. It includes the exports through sea routes only and do not include exports through roads.
- According to Agriwatch Research, total arrival in month of June is expected to be 700000 tons compared to last year arrivals 782959 tons during same time.
- In benchmark market of Lasalgaon, average prices in month of May is approximately Rs 988/ quintal compared to last year price of Rs 820/ quintal during same time.
- In Karnataka, kharif sowing has started and total targeted area is 132165 hectares. so far approximately 5126 hectares of area has sown.
- In Maharashtra, total rabi onion is expected to be 22.5 lakh tons compared to previous year 26.5 lakh tons. In Month of June total arrival is expected to be 2.5-3 lakh tons

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

Market	Avg. Prices May 2014	Avg. Prices April 2014	% change in prices over previous month	Previous year Avg. May (2013) Price	% change over previous Year	Monthly Avg. Arrivals May	Monthly Avg. Arrivals April	% change in arrivals over previous month
Delhi	921	1009	-8.72	946	-2.64	29596	34122	-13.26
Bangalore	1313	998	31.56	1078	21.80	23810	33085	-28.03
Lasalgaon	988	958	3.13	820	20.49	16086	11015	46.04
Pimplagaon	1067	995	7.24	863	23.64	17563	13250	32.55
Mumbai	1196	942	26.96	1003	19.24	17304	19705	-12.18
Pune	1074	832	29.09	976	10.04	10013	10546	-5.05
Jaipur	981	923	6.28	929	5.60	3558	2932	21.35
Chennai	1631	1314	24.12	1428	14.22	4662	4782	-2.51
Hyderabad	939	818	14.79	1263	-25.65	5289	4152	27.38

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in almost all the markets. Maximum prices have increased in Bangalore by 31.56 % followed by Pune and Mumbai by 29% and 26%% respectively. In Delhi, onion is arriving in market from Rajasthan, M.P and Pune which are contributing approximately 57%, 23% and 20% respectively.

In Bangalore, prices increased the most because onion is now arriving from Maharashtra region as much as the local Bijapur region.

June, 2014

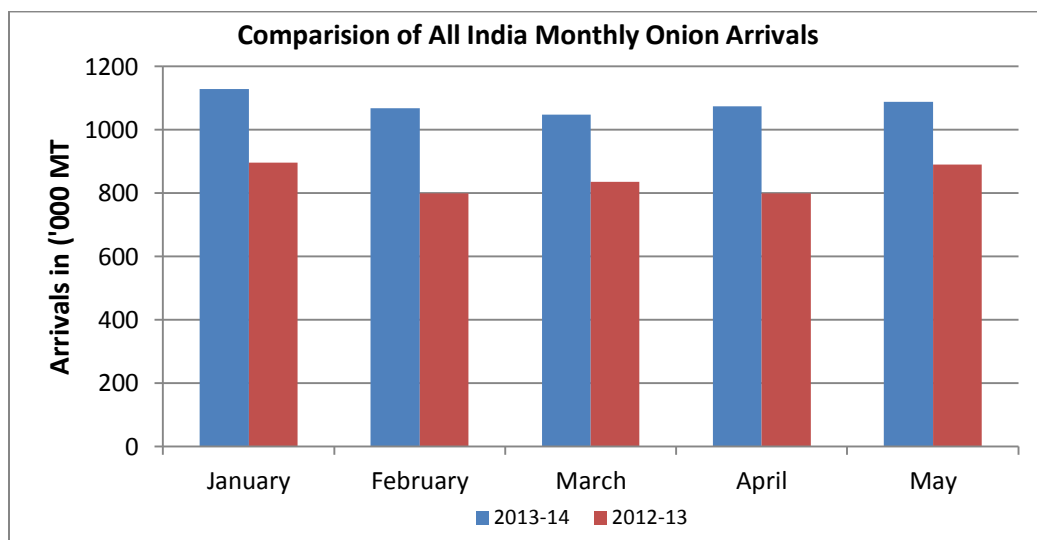
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price May 2014	Average Retail Price April 2014	Previous year Avg. Retail Price- May 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	1648	1377	2325	19.68	-29.11
Bhubaneswar	Odisha	1619	1579	1530	2.53	5.81
Chennai	Tamil Nadu	2232	1900	2000	17.47	11.64
Delhi	Delhi	1977	1827	1831	8.21	7.97
Guwahati	Assam	2225	1941	2046	14.63	8.74
Hyderabad	AP	1004	872	1776	15.14	-43.46
Kolkata	W. Bengal	2125	1857	1876	14.43	13.27
Mumbai	Maharashtra	2000	1614	1667	23.92	19.97
Patna	Bihar	1973	1814	1792	8.77	10.10

(Source: NHB)

In Retail market, prices have increase in almost all the markets because of lower stock of onion this year in Maharashtra region. Onion stock is expected to be lower this year because of less shelf life of onion crop due to higher water content. Prices have increased most in Mumbai by 24% followed by Bangalore by 20%.

If we compare prices on a year on year basis it is observed from above table that prices are higher than last year in almost all the markets due to crop loss in Maharashtra and Karnataka.

All India Onion Monthly Arrivals:

(Source: NHB)

June, 2014

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

In month of April and May arrivals remained almost equal because of crop damage due to hailstorms and unseasonal rains. Arrivals may increase ahead as farmers should start releasing their onion crop because of the higher water content this season will progressively lead to more stock damage and loss.

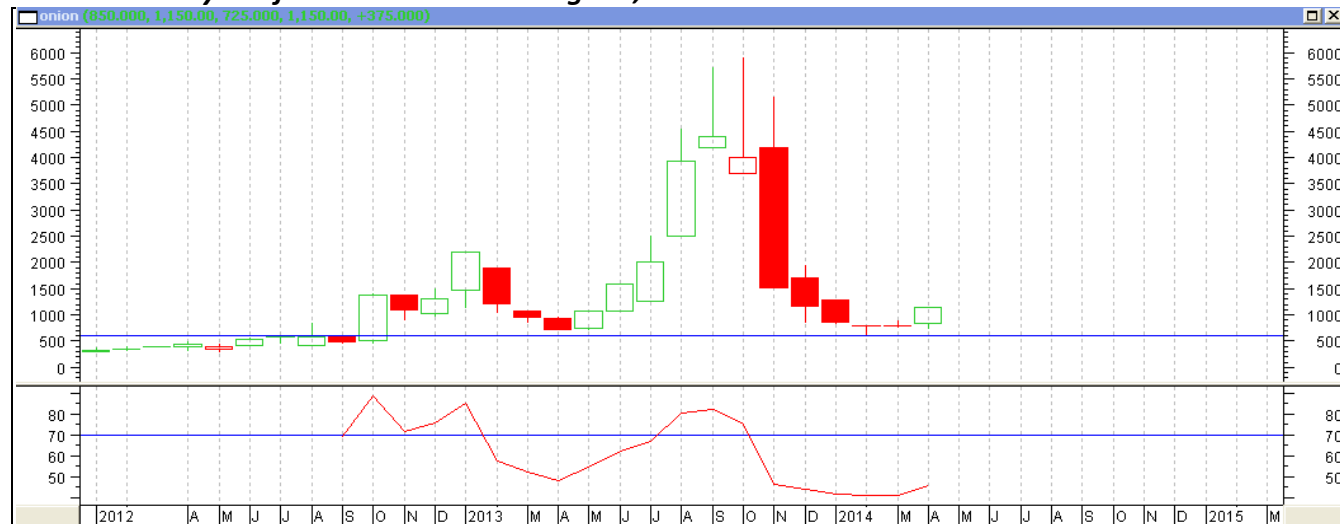
State wise Area, production estimate for Rabi Onion:

	Rabi onion Acreage		Area Affected in 2014 (Ha)	Rabi Production (MT)	
State	2012-13	2013-14		2012-13 (Estimate)	2013-14 (Estimate)
Gujarat	28800	72600	Nil	700000	1670000
Karnataka	NA	29137	1777	NA	437000
Maharashtra	156000	185000	67365	2650000	2250000
Madhya Pradesh	104000	110000	12000	2121000	2310000
Others	NA	185000	NA	NA	3200000
Total					9867000

Notes

- Acreage, area affected and production of Maharashtra is based on Agriwatch Rabi onion survey where farmers were interviewed and their area and estimate for damage, yield expectation were collected during March-April. Quality of onion in Maharashtra is not good at this time
- The extent of average yield loss in the affected area of Maharashtra is in the range of 40-50%
- Average yield in Maharashtra is estimated to be near 13-14 ton/ha after considering crop damage.

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 May modal prices are in a range of Rs 988/ quintal. In Last one month prices have increased by almost 5%. On the upper side prices may find resistance at a level of Rs 1500/ quintal whereas long term support is Rs 800/ quintal. Overall, onion prices are expected to be range bounded for coming weeks and may be rise after that in a range of Rs 1200- Rs 1400/ quintal. Relative strength Indicator (RSI) oscillator is moving upward which indicates prices may rise ahead.

Disclaimer

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