

Executive Summary:

- All India, onion arrival in month of June is approximately 13% lower compared to previous month and 20 % higher than last year during same time.
- As per IBIS (International Business Information System), approximately 68326 tons of processed and fresh onion has been exported in month of June 2014 compared to previous month export of 96262 tons. It includes the exports through sea routes only and do not include exports through roads.
- In Karnataka, kharif sowing is in progress. So far approximately 16145 hectares of area is sown against 9304 hectares at this time last year. Total targeted area for kharif onion is 1, 32,165 hectares. Major Kharif growing districts are Gadag, Dharwad, Bijapur, Bagalkot and Chitradurga which contributes approximately 70% of total production.
- During the month Government imposed MEP of \$300/ton which was further increased to \$500/ton to curb down the rising prices in domestic markets.
- Government has asked State governments to imposed stock limits on onion so that rising prices may bring down.
- In Benchmark market of Lasalgaon, modal prices are hovering around Rs 1367/ quintal compared to previous year Rs 1260/ quintal during June month.

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

Market	Avg. Prices June 2014	Avg. Prices May 2014	% change in prices over previous month	Previous year Avg. June (2013) Price	% change over previous Year	Daily Avg. Arrivals June	Daily Avg. Arrivals May	% change in arrivals over previous month
Delhi	1156	921	25.52	1244	-7.07	15096	29596	-48.99
Bangalore	1866	1313	42.12	1560	19.62	24960	23810	4.83
Lasalgaon	1367	988	38.36	1260	8.49	12889	16086	-19.87
Pimplagaon	1375	1067	28.87	1254	9.65	13176	17563	-24.98
Mumbai	1825	1196	52.59	1492	22.32	16256	17304	-6.06
Pune	1759	1074	63.78	1461	20.40	9355	10013	-6.57
Jaipur	1136	981	15.80	1176	-3.40	2640	3558	-25.80
Chennai	2290	1631	40.40	1852	23.65	5012	4662	7.51
Hyderabad	913	939	-2.77	1145	-20.26	3290	5289	-37.80

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in almost all the markets except Hyderabad. Maximum prices have increased in Pune by 63.78% followed by Bangalore and Chennai by 42% and 40% respectively.

July, 2014

In benchmark market of Lasalgaon market, prices have increased by 38% and 8% higher than 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:

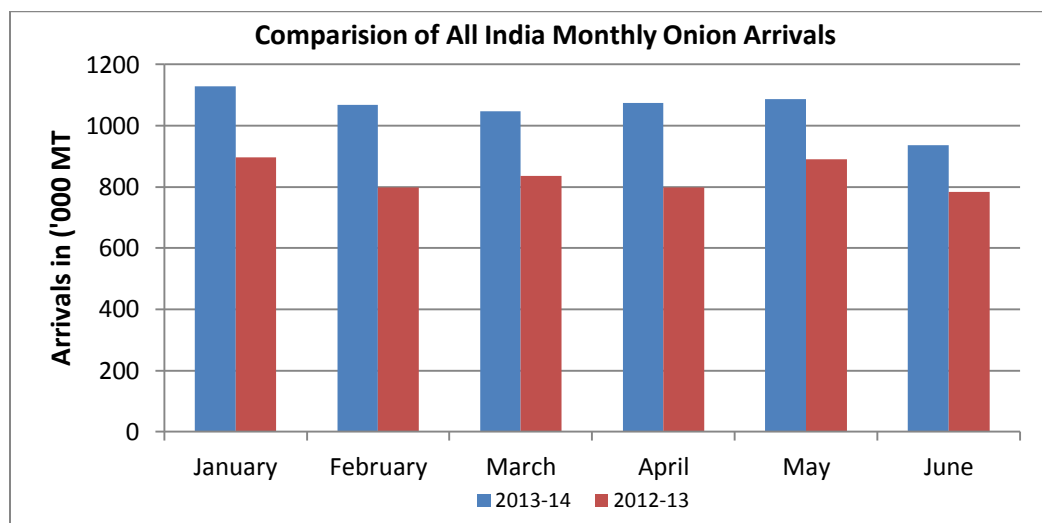
Market	State	Average Retail Price June 2014	Average Retail Price May 2014	Previous year Avg. Retail Price- June 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	3760	1648	2228	128.16	68.76
Bhubaneswar	Odisha	2043	1619	1960	26.19	4.23
Chennai	Tamil Nadu	2968	2232	2416	32.97	22.85
Delhi	Delhi	2136	1977	1916	8.04	11.48
Guwahati	Assam	2483	2225	2142	11.60	15.92
Hyderabad	AP	1500	1004	1745	49.40	-14.04
Kolkata	W. Bengal	2616	2125	2356	23.11	11.04
Mumbai	Maharashtra	2394	2000	2000	19.70	19.70
Patna	Bihar	2284	1973	1852	15.76	23.33

(Source: NHB)

In Retail market, mixed trend of prices was seen in most of the markets. Maximum prices have increase in Bangalore by almost 128% followed by Hyderabad and Chennai by 49% and 32% respectively.

If we compare prices on a year on year basis it is observed from above table that prices are higher than last year in most of the markets except Hyderabad. But crop has affected this year because of unseasonal rains and hailstorms thus prices are expected to remain firm.

All India Onion Monthly Arrivals:

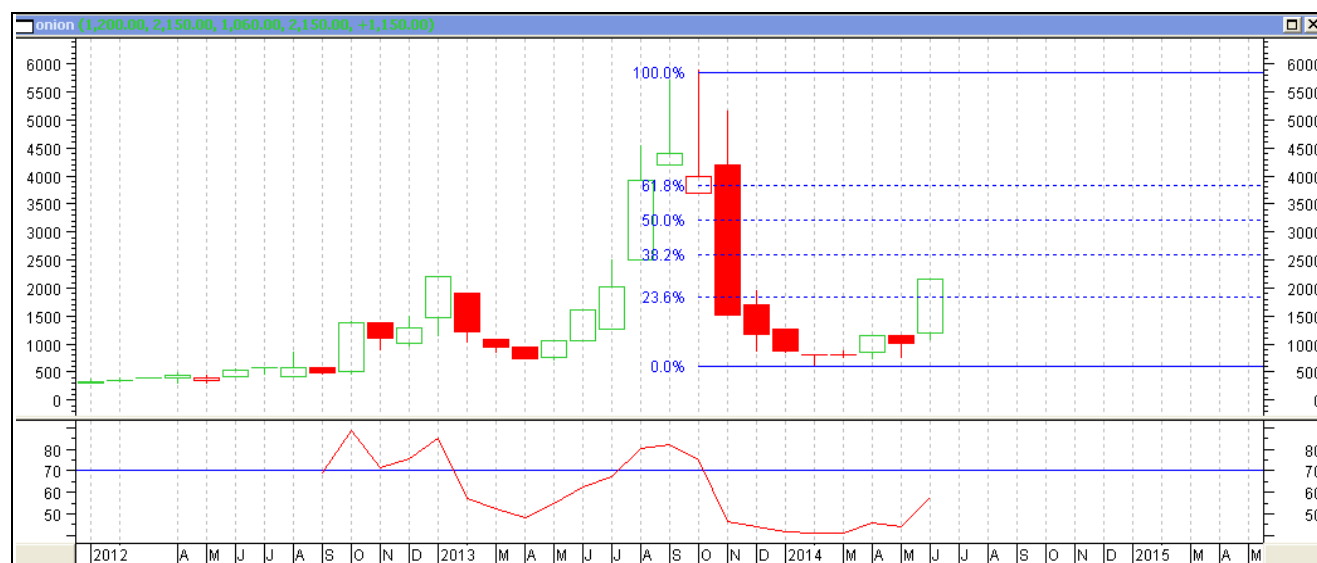


(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are comparatively higher than last year in June month. Last year crop was less due to drought condition in major producing region like Maharashtra, Karnataka and Gujarat.

Arrivals may increase ahead as farmers may start releasing their onion crop in fear of crop damage as higher water content in stored onion. The other reason is low shelf life of onion this year as compared to previous years because of high water content in onion crop.

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 June prices touched high of Rs 2200/ quintal and modal prices trading at Rs 1367/ quintal. In Last one month prices have increased by almost 38%. On the upper side prices may find resistance at a level of Rs 2600/ quintal whereas long term support is Rs 1500/ quintal. Overall, onion prices are expected to be range bounded for next month and prices may trade between Rs 1500- Rs 2200/ quintal.

Disclaimer

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