

Executive Summary:

- All India, onion arrival in month of July is approximately 22% lower compared to previous month. If we compare onion arrivals in July month on a yearly basis we observed that arrivals are 2% higher than last year during same time.
- As per IBIS (International Business Information System), approximately 29284 tons of processed and fresh onion has been exported in month of July 2014 compared to previous month export of 68326 tons. Export quantity is less because of higher MEP of 500 USD per ton.
- In Karnataka, targeted area for kharif season is approximately 132165 hectares. So far 66197 hectares of area is sown.
- 'Gadag' is the major producing region in Karnataka where approximately 85% of sowing is completed in a total targeted area of 30455 hectares.
- Across the country onion prices are lower than last year during same time which gives indication that situation may not be worst like last year. This year decisions taken by government were in time which may keep the onion price range bounded and may not create a panic situation.

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

Market	Avg. Prices July 2014	Avg. Prices June 2014	% change in prices over previous month	Previous year Avg. July (2013) Price	% change over previous Year	Daily Avg. Arrivals July	Daily Avg. Arrivals June	% change in arrivals over previous month
Delhi	1896	1156	64.01	1973	-3.90	12044	15096	-20.22
Bangalore	2102	1866	12.65	2219	-5.27	23208	24960	-7.02
Lasalgaon	1844	1367	34.89	1990	-7.34	9710	12889	-24.66
Pimplagaon	1890	1375	37.45	2040	-7.35	12988	13176	-1.43
Mumbai	2015	1825	10.41	2216	-9.07	12467	16256	-23.31
Pune	2164	1759	23.02	2320	-6.72	8524	9355	-8.88
Jaipur	1856	1136	63.38	2096	-11.45	2884	2640	9.24
Chennai	2988	2290	30.48	2756	8.42	4954	5012	-1.16
Hyderabad	1371	913	50.16	1804	-24.00	3234	3290	-1.70

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in almost all the markets. Maximum prices have increased in Delhi by 64% followed by Bangalore and Hyderabad by 63% and 50% respectively. Maximum price have increased in Delhi because of lower arrivals in July month compared to previous month.

In Delhi, onion is arriving in market from Rajasthan which is contributing approximately 65% whereas rest 35% is coming from Maharashtra and M.P.

August, 2014

In benchmark market of Lasalgaon market, prices have increased by 34% compared to previous month but prices are lower than last year in July month. Arrivals were quite lower this month because farmers/traders are not bringing their stock in market in expectation of higher prices ahead.

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

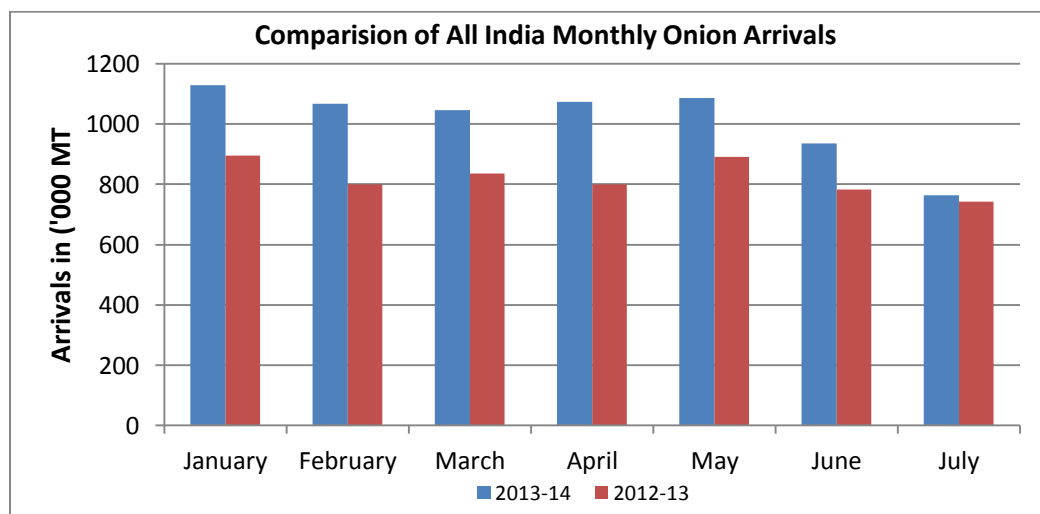
Market	State	Average Retail Price July 2014	Average Retail Price June 2014	Previous year Avg. Retail Price- June 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	3200	3760	2800	-14.89	14.29
Bhubaneswar	Odisha	2800	2043	3000	37.05	-6.67
Chennai	Tamil Nadu	2900	2968	2800	-2.29	3.57
Delhi	Delhi	3300	2136	3200	54.49	3.13
Guwahati	Assam	2500	2483	2700	0.68	-7.41
Hyderabad	AP	2700	1500	2500	80.00	8.00
Kolkata	W. Bengal	3200	2616	2900	22.32	10.34
Mumbai	Maharashtra	2900	2394	3200	21.14	-9.38
Patna	Bihar	2700	2284	2300	18.21	17.39

(Source: Consumer Affairs)

In Retail market, increased prices were seen in most of the markets except Bangalore and Chennai. Maximum prices have increased in Guwahati and Delhi by 80% and 54% 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. Prices are higher this year due to less production and lower stock in storages. This year prices are expected to remain firm ahead.

All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are lower than previous month but are almost similar to last year.

In month of July arrivals are less because of less selling interest of traders in expectation of higher prices ahead. Arrivals are expected to increase ahead as traders may start releasing their crop after there is rise in prices.

Sowing and Weather Update

In Maharashtra so far approximately 30% of kharif sowing is completed from a total targeted area of approximately 73000 hectares. Sowing is expected to be complete by end of August.

In Karnataka, total targeted kharif area is 132165 hectares. So far sowing is completed in 66197 hectares compared to last year's area of 70719 hectares during same time. Last year total sown area by September end was approximately 1 lakh hectares.

District wise cumulative Rainfall Distribution (1.06-2014 - 6-08-2014)

	ACTUAL (mm)	NORMAL (mm)	%DEP
KARNATAKA			
BAGALKOTE	123.1	169.4	-27%
BIJAPUR	129.3	203	-36%
DHARWAD	237.6	288.5	-18%
GADAG	187.6	171.7	9%
GULBARGA	151.7	299	-49%
CHICKBALLAPUR	106.2	172.4	-38%
CHIKMAGALUR	1171.6	1167.7	0%
CHITRADURGA	169.3	119.5	42%
DAVANGERE	234.5	201	17%
MAHARASHTRA			
AHMEDNAGAR	133.4	224.3	-41%
DHULE	292.2	323.2	-10%
JALGAON	289.4	369.4	-22%
NASHIK	506.5	532.8	-5%
PUNE	554.7	525.9	5%
SANGLI	313.6	296.1	6%
SATARA	467.7	449.9	4%
SHOLAPUR	138.2	222	-38%
OSMANABAD	186	313.6	-41%

(Source: IMD)

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 July modal prices touched low of Rs 1600/ quintal and trading near Rs. 1800/Qtl. In Last one month prices have increased by almost 30%. On the upper side prices may find resistance at a level of Rs 2400/ quintal whereas long term support is Rs 1000/ quintal. Overall, onion prices are expected to trade in the range of Rs. 1500-2000/Qtl in this month. Break above Rs. 2000 level again, can take prices to Rs. 2500 in wholesale market of Nashik.

Disclaimer

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