

### Executive Summary:

- All India, onion arrival in month of August is approximately 10% lower compared to previous month. If we compare onion arrivals in August 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 29139 tons of processed and fresh onion has been exported in month of August 2014 compared to previous month export of 29284 tons. During the month MEP was reduced to \$ 350ton from \$ 500 ton/ quintal.
- In Karnataka, targeted area for kharif season is approximately 132165 hectares. So far 110374 hectares of area is sown. Last year during same time approximately 79264 hectares of area was sown.
- In Maharashtra, total target area for kharif season is 123623 hectares. As on 4<sup>th</sup> September approximately 49154.6 hectares of area is sown compared to last year 56533 hectares during same time.
- Total onion production in coming Kharif season (kharif + late kharif) is expected to be between 45-50 lakh tons after revival of rains in Maharashtra and Karnataka which may increase the prospect of late kharif onion.
- Government has ease down the import policies and may import onion from Pakistan and Afghanistan to stablises the prices in domestic market.

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

Market	Avg. Prices August 2014	Avg. Prices July 2014	% change in prices over previous month	Previous year Avg. August 2013 Price	% change over previous Year	Daily Avg. Arrivals August	Daily Avg. Arrivals July	% change in arrivals over previous month
Delhi	1790	1896	-5.59	3746	-52.22	11215	12044	-6.88
Bangalore	2072	2102	-1.43	3723	-44.35	28000	23208	20.65
Lasalgaon	1574	1844	-14.64	3663	-57.03	11765	9710	21.16
Pimplagaon	1563	1890	-17.30	3566	-56.17	12927	12988	-0.47
Mumbai	1870	2015	-7.20	3860	-51.55	13049	12467	4.67
Pune	1887	2164	-12.80	3935	-52.05	7632	8524	-10.46
Jaipur	1829	1856	-1.45	3496	-47.68	2788	2884	-3.33
Chennai	2675	2988	-10.48	4482	-40.32	4467	4954	-9.83
Hyderabad	1957	1371	42.74	3679	-46.81	1841	3234	-43.07

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets. Maximum prices have decreased in Pimpalgaon and Lasalgaon market by 17% and 14% respectively. On a year on year basis prices are much lower than last year in almost all the markets. In Hyderabad, prices have increased because onion is arriving in market from Maharashtra but expected to fall down in coming month as onion crop from 'Kurnool' is expected to pick up pace.

In Delhi, onion is arriving in market from Rajasthan and M.P which are contributing approximately 60% and 35% respectively whereas rest 5% is arriving in market from Maharashtra region. Onion from Rajasthan is expected to last for next 15 days and after that arrival from Maharashtra and Karnataka may increase.

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

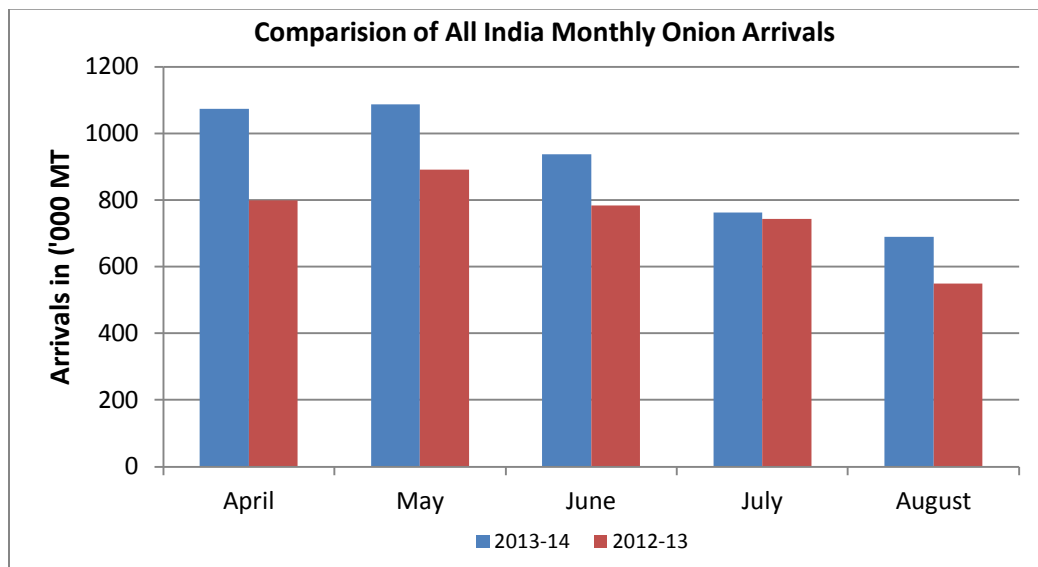
Market	State	Average Retail Price August 2014	Average Retail Price July 2014	Previous year Avg. Retail Price- August 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2800	3200	4000	-12.50	-30.00
Bhubaneswar	Odisha	2600	2800	4400	-7.14	-40.91
Chennai	Tamil Nadu	2700	2900	4500	-6.90	-40.00
Delhi	Delhi	3100	3300	5500	-6.06	-43.64
Guwahati	Assam	2500	2500	4300	Unch	-41.86
Hyderabad	AP	2900	2700	5000	7.41	-42.00
Kolkata	W. Bengal	2800	3200	5000	-12.50	-44.00
Mumbai	Maharashtra	2700	2900	5000	-6.90	-46.00
Patna	Bihar	2400	2700	4300	-11.11	-44.19

(Source: Consumer Affairs)

In Retail market, decreased prices were seen in most of the markets except Hyderabad. Maximum prices have decreased in Bangalore as local produced onion crop is available in market.

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. Prices are lower this year due to strict decision taken by government timely like imposing MEP and to ease down import policies to curb down prices.

### All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are lower than previous month but are higher than last year. This year in month of August arrivals are higher because In month of August arrivals are less because of selling interest of traders as of low shelf life and strict policies of Government. Arrivals are expected to increase ahead as fresh crop from 'Chitradurga' district in Karnataka has started arriving in market and expected to continue further.

### Onion Balance sheet:

(Qty in Lakh Tons)	July 2013	July, 2014	Aug, 2013	Aug, 2014	Sep, 2013	Sep, 2014	Oct, 2013	Oct, 2014	Nov, 2013	Nov, 2014	Dec, 2013	Dec, 2014
Stored /Carry-in	36.39	45.94	23.83	32.08	13.93	21.05	8.13	12.03	2.95	7.45	1.74	4.64
Fresh Prod/arrivals	0	0	0.15	0	1.5	1.13	2.5	4.58	7.7	7.5	11.36	9
Imports	0	0	0	0.05	0	0.1	0	0	0	0	0	0
Availability	36.39	45.94	23.98	32.13	15.43	22.27	10.63	16.61	10.65	14.95	13.1	13.64
In LT Storage	14.51	26.9	5.36	15.82	0	6.71	0	2.13	0	-0.68	0	
Consumption	11	11	9	10	7	9	7	8	8	9	8	9
Exports	1.56	0.3	0.3	0.3	0.25	0.6	0.58	0.5	0.66	0.6	1.23	0.6
post production losses	0.75	2.57	0.75	0.78	0.05	0.64	0.1	0.66	0.25	0.71	0.5	0.75
Total Usage	12.56	13.87	9.3	11.08	7.25	10.24	7.58	9.16	8.66	10.31	9.23	10.35
Carry out (incl temp storage)	23.83	32.08	13.93	21.05	8.13	12.03	2.95	7.45	1.74	4.64	3.37	3.29

Note: we have revised the exports of April and May month as per NAFED data.

From June to August we have taken IBIS (International Business Information Services) data for Exports. For rest of month, it is estimated based on present conditions and past trend.

We have assumed imports of 0.05 lakh tons by August End and 0.10 tons by September end

**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 August modal prices touched low of Rs 1400/ quintal and trading near Rs. 1574/Qtl. In Last one month prices have decreased by almost 30%. On the upper side prices may find resistance at a level of Rs 2000/ quintal whereas long term support is Rs 1200/ quintal. Overall, onion prices are expected to trade in the range of Rs. 1500-2000/Qtl in this month. Relative strength indicator (RSI) oscillator is moving downward in neutral region which suggest prices may fall down further or remain range bounded between to Rs 1400/ quintal to Rs 1800/ quintal.

**Disclaimer**

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