

**Executive Summary:**

- All India, onion arrival in month of September is approximately 7% higher compared to previous month. If we compare onion arrivals in September month on a yearly basis we observed that arrivals are 31% higher than last year during same time.
- As per IBIS (International Business Information System), approximately 44554 tons of processed and fresh onion has been exported in month of September 2014 compared to previous month export of 29139 tons.
- In Karnataka, targeted area for kharif season is approximately 132165 hectares. So far 122860 hectares of area is sown. Last year during same time approximately 114030 hectares of area was sown.
- In Maharashtra, total target area for kharif season is 123623 hectares. As on 1<sup>st</sup> October approximately 79652.6 hectares of area is sown.
- Across the country prices of onion have fallen down as fresh crop few parts of Maharashtra, A.P and Karnataka has started arriving in market. Also government has eased down the import policies so that prices may remain stable in domestic market.

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

Market	Avg. Prices September 2014	Avg. Prices August 2014	% change in prices over previous month	Previous year Avg. September 2013 Price	% change over previous Year	Daily Avg. Arrivals September	Daily Avg. Arrivals August	% change in arrivals over previous month
Delhi	1819	1790	1.62	4654	-60.92	12734	12044	5.73
Bangalore	1835	2072	-11.44	3623	-49.35	53308	23208	129.70
Lasalgaon	1439	1574	-8.58	4695	-69.35	11518	9710	18.62
Pimplagaon	1507	1563	-3.58	4547	-66.86	16912	12988	30.21
Mumbai	1660	1870	-11.23	4761	-65.13	14275	12467	14.50
Pune	1567	1887	-16.96	4818	-67.48	9262	8524	8.66
Jaipur	1850	1829	1.15	4458	-58.5	2692	2884	-6.66
Chennai	2400	2675	-10.28	5213	-53.96	4708	4954	-4.97
Hyderabad	1845	1957	-5.72	3793	-51.36	1711	3234	-47.09

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets except Delhi where prices have increase marginally by 1% because of arrival of new crop. Maximum prices have decreased in Pune and Bangalore market by 16% and 11% respectively. Kharif Onion has started arriving in market and expected to pick up pace in couple of weeks

In Hyderabad, onion is arriving in market from Kurnool and expected to continue for next couple of weeks. Similarly in Karnataka onion is arriving in market from local region (Chitradurga and Gadag districts) has started arriving in market and expected to continue for coming months from other districts too.

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

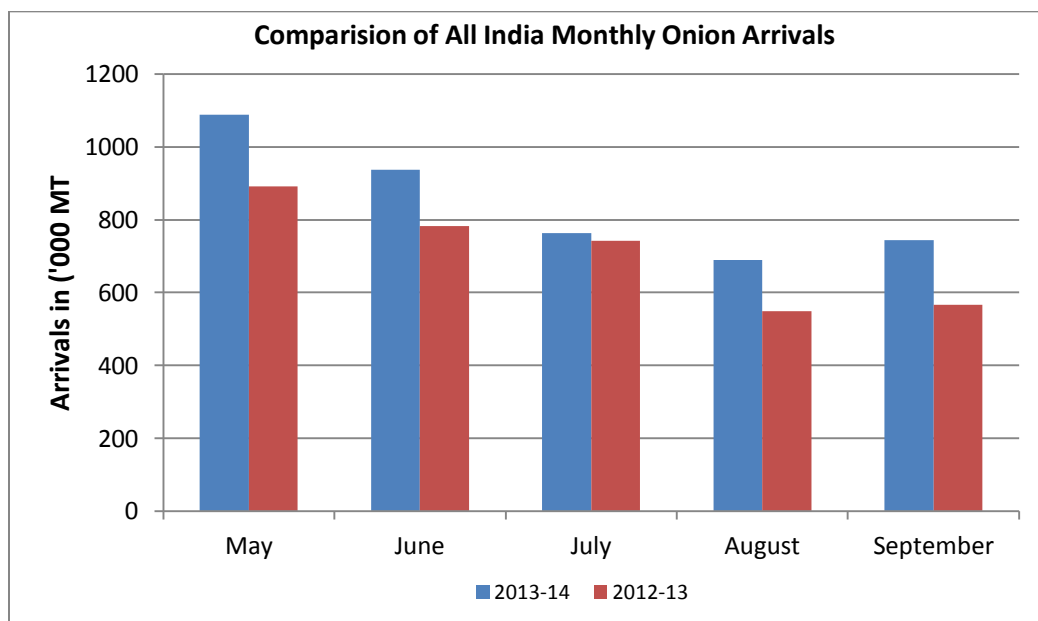
Market	State	Average Retail Price September 2014	Average Retail Price August 2014	Previous year Avg. Retail Price- September 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2400	2800	4300	-14.29	-44.19
Bhubaneswar	Odisha	2400	2600	4800	-7.69	-50.00
Chennai	Tamil Nadu	2200	2700	5100	-18.52	-56.86
Delhi	Delhi	3100	3100	6100	0.00	-49.18
Guwahati	Assam	2500	2500	5500	0.00	-54.55
Hyderabad	AP	2700	2900	5600	-6.90	-51.79
Kolkata	W. Bengal	2500	2800	5400	-10.71	-53.70
Mumbai	Maharashtra	3000	2700	5600	11.11	-46.43
Patna	Bihar	2300	2400	5100	-4.17	-54.90

(Source: Consumer Affairs)

In Retail market, prices have decreased in almost all the markets except due to increase in arrivals as fresh produced onion is arriving in market from some States.

If we compare prices on a year on year basis it is observed from above table that prices are almost half of the prices during same time last year. Prices are lower this year due to timely action taken by government if it's banning export or allowing import and ease down the import policy which is reflected in the prices.

## All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are higher in September month than last month because fresh kharif arrivals are arriving in market and picking up pace. In coming months arrivals are expected to increase as area in late kharif is expected to increase because of slower monsoon this year.

## Onion Balance sheet:

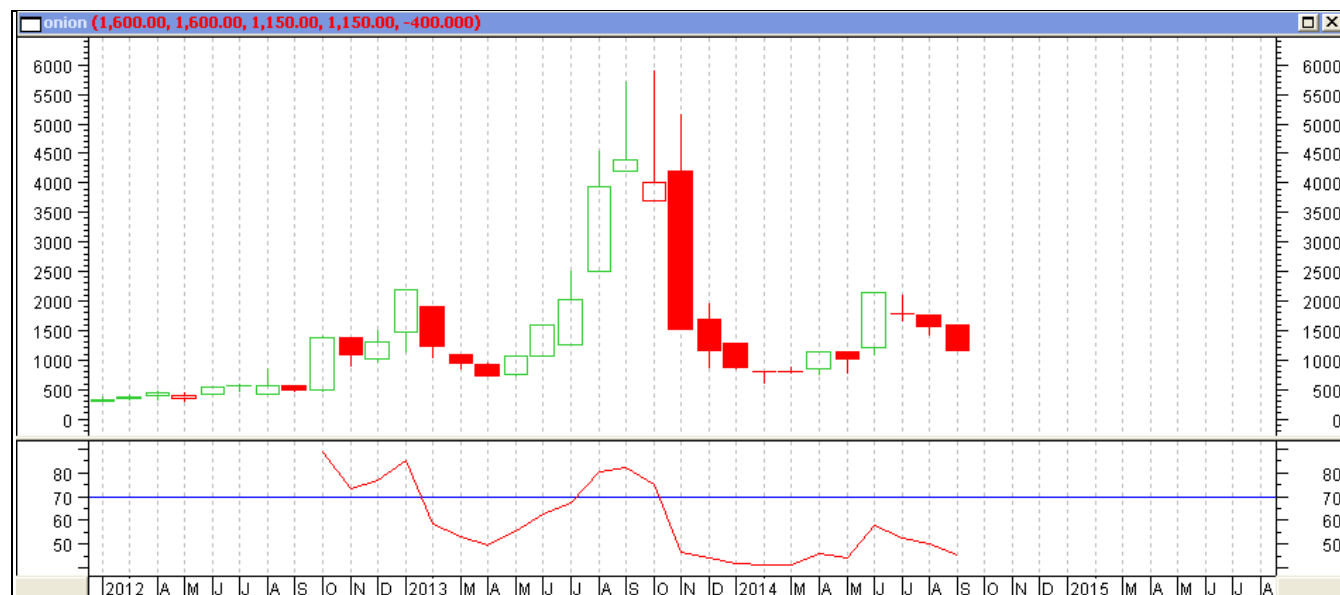
(Qty in Lakh Tons)	June, 2014	July, 2014	Aug, 2014	Sep, 2014	Oct, 2014	Nov, 2014	Dec, 2014
Stored /Carry-in	53.74	45.37	31.51	21.48	11.57	5.99	3.18
Fresh Prod/arrivals	8.00	0.00	0.00	1.13	4.58	7.50	9.00
Imports	0.00	0.00	0.05	0.10	0.00	0.00	0.00
Availability	61.74	45.37	31.56	22.70	16.15	13.49	12.18
In LT Storage	40.20	26.33	16.25	6.25	0.67		
Consumption	11.50	11.00	9.00	10.00	9.00	9.00	9.00
Exports	1.27	0.30	0.30	0.49	0.50	0.60	0.60
post production losses	3.60	2.57	0.78	0.64	0.66	0.71	0.75
Total Usage	16.37	13.87	10.08	11.13	10.16	10.31	10.35
Carry out (incl temp storage)	45.37	31.51	21.48	11.57	5.99	3.18	1.83

Note: Note: we have revised the exports of June month as per NAFED data.

September month export is taken from IBIS (International Business Information Services) data for Exports.

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 September modal prices touched low of Rs 1200/ quintal and trading near Rs. 1439/Qtl. On the upper side prices may find resistance at a level of Rs 1700/ quintal whereas long term support is Rs 1000/ quintal. Overall, onion prices are expected to fall further as Relative strength indicator (RSI) oscillator is moving downward in neutral region which suggest prices may fall down further may be in a range of Rs 1000- Rs 1300/ quintal in coming month.

#### Disclaimer

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