

Executive Summary:

- All India, onion arrival in month of January is approximately 32% higher compared to previous month. If we compare onion arrivals in January month on a yearly basis we observed that arrivals are 30% higher than last year during same time.
- All India Rabi production is expected to be approximately 95 lakh ton. According to trade sources, storage onion is expected to arrive in market from 1st week of March.
- As per IBIS (International Business Information Services), approximately 78383 tons of processed and fresh onion has been exported in month of January 2015 compared to previous month export of 34081 tons.
- In Karnataka, total Rabi area is approximately 16676 hectares. As on 27.1.2015 approximately 18145 hectares of area is sown compared to last year area of 23844 hectares.
- In Maharashtra, January arrivals are approximately 5% lower compared to previous year during same time. Prices are expected to fall down further with increase in arrivals of late kharif and Rabi crop

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

Market	Avg. Prices January 2015	Avg. Prices December 2014	% change in prices over previous month	Previous year Avg. January (2014) Price	% change over previous Year	Daily Avg. Arrivals January	Daily Avg. Arrivals December	% change in arrivals over previous month
Delhi	1457	1596	-8.71	1129	29.05	8189	10787	-24.08
Bangalore	1706	1788	-4.59	1052	62.17	32167	50560	-36.38
Lasalgaon	1264	1460	-13.42	985	28.32	19250	7185	167.92
Pimpalgaon	1289	1538	-16.19	1032	24.90	22279	16063	38.70
Mumbai	1479	1744	-15.19	1102	34.21	22406	19308	16.05
Pune	1520	1802	-15.65	962	58.00	10650	11500	-7.39
Jaipur	1531	1674	-8.54	1122	36.45	3154	2780	13.45
Chennai	2126	2420	-12.15	1460	45.62	4560	4796	-4.92
Hyderabad	2004	2125	-5.69	875	129.03	2442	2055	18.83

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in almost all the markets with arrivals of late kharif onion from Maharashtra and Other parts. Maximum prices have decreased in major producing regions of Maharashtra like Lasalgaon, Pimpalgaon and Pune by 13%-16%.

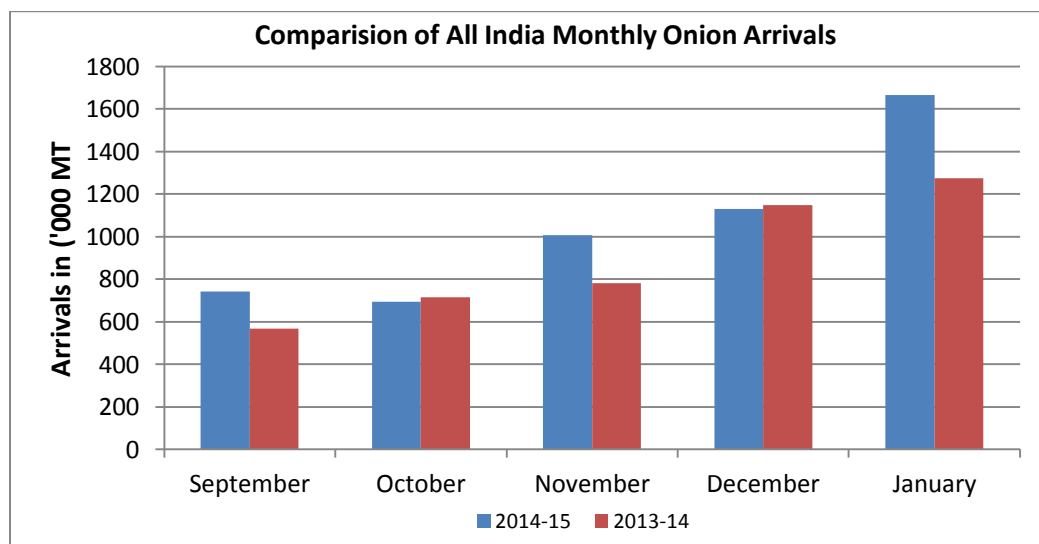
In Bangalore onion is arriving in market from local region (Bijapur and Gulbarga districts) and Maharashtra which are contributing approximately 40% and 60% respectively.

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

Market	State	Average Retail Price January 2015	Average Retail Price December 2014	Previous year Avg. Retail Price- January 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2314	2263	1600	2.3	44.6
Bhubaneswar	Odisha	2136	2540	1936	-15.9	10.3
Chennai	Tamil Nadu	2161	2159	1740	0.1	24.2
Delhi	Delhi	3150	3000	2525	5.0	24.8
Guwahati	Assam	2766	2819	2054	-1.9	34.7
Hyderabad	AP	2544	2600	1400	-2.2	81.7
Kolkata	W. Bengal	2605	2750	2200	-5.3	18.4
Mumbai	Maharashtra	2800	3000	2509	-6.7	11.6
Patna	Bihar	1933	2257	1720	-14.4	12.4

(Source: Consumer Affairs)

In Retail market, prices have decreased in almost all the markets except Bangalore, Chennai and Delhi where prices have increased nominally. In Bangalore prices have increased because almost 60% onion is arriving in market from Maharashtra.

All India Onion Monthly Arrivals:

(Source:Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are higher in January month than last month

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because fresh kharif arrivals are arriving in market with full pace.. In coming months arrivals are expected to increase as late kharif and rabi crop will start arriving in market.

Onion Rabi Production Estimate:

Name of the State	Rabi Targets for 2014 ('000 Hectares)	Likely Acreage ('000 Hectares)	Expected Average yield(Ton/Hectare)	Expected Production Rabi ('000 tons)*
Maharashtra	196.666	190	15	2850
Madhya Pradesh	119.917	119	21	2499
Karnataka	16.68	16	14.5	232
Andhra Pradesh	5.085	3.8	16	60.8
Gujarat	70	50	24.5	1225
Haryana	30.8	25	22	550
Tamil Nadu	14.345	25.57	11	281.27
Telangana	10.092	11	11	121
West Bengal	24.64	24	14	336
Punjab	7.56	7	22	154
Total Above state	495.785	471		8309.07
All India Total Rabi Production				9555.43

(Source: Agriwatch Research)

Rabi onion production this year under normal condition is estimated to be 95.55 lakh tons. It could vary between 95 to 100 lakh tons.

Technical Analysis of Onion Prices at Lasalgaon, Nasik:



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(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 January modal prices are trading around Rs 1264/ quintal. On the upper side prices may find resistance at a level of Rs 1500/ 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 stable in neutral region which suggest prices may remain range bound in a range of Rs 1000- Rs 1300/ quintal in coming month.

Disclaimer

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