Monthly Onion Report

March, 2015

Executive Summary:

- All India, onion arrival in month of February is approximately 39% lower compared to previous month. If we compare onion arrivals in February month on a yearly basis we observed that arrivals are 6% lower than last year during same time.
- In Gujarat as per state horticulture department onion acreage this season has declined to 44500 hectares compared to previous year's acreage of 72600 hectares.
- Late kharif production in Maharashtra is less as compared to previous year due to less acreage (down by 14%) and further lower yield. Late kharif onion comes in the market till mid of March and after this rabi onion starts coming.
- In Maharashtra, unseasonal rains have damaged the onion crop which has affected the supply in coming days. Rabi onion is expected to arrive in market from mid March.
- As per IBIS (International Business Information Services), approximately 70021 tons of processed and fresh onion has been exported in month of February 2015 compared to previous month export of 78383 tons.
- In Karnataka, total Rabi area is approximately 16676 hectares. As on 27.2.2015 approximately 19286 hectares of area is sown compared to last year area of 29137 hectares.

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

Market	Avg. Prices February 2015	Avg. Prices January 2015	% change in prices over previous month	Previous year Avg. February (2014) Price	% change over previous Year	Daily Avg. Arrivals February	Daily Avg. Arrivals January	% change in arrivals over previous month
Delhi	1572	1457	**7.89**	854	**84.07**	11050	8189	**34.94**
Bangalore	1692	1706	**-0.82**	830	**103.86**	26166	32167	**-18.66**
Lasalgaon	1392	1264	**10.13**	713	**95.23**	17647	19250	**-8.33**
Pimplagaon	1325	1289	**2.79**	748	**77.14**	21985	22279	**-1.32**
Mumbai	1665	1479	**12.58**	716	**132.54**	22806	22406	**1.79**
Pune	1566	1520	**3.03**	660	**137.27**	12289	10650	**15.39**
Jaipur	1744	1531	**13.91**	821	**112.42**	3875	3154	**22.86**
Chennai	2217	2126	**4.28**	1300	**70.54**	5333	4560	**16.95**
Hyderabad	1586	2004	**-20.86**	660	**140.30**	1497	2442	**-38.70**

(Source: AGRIWATCH)

On a month-on-month basis, prices have increased in almost all the markets except Hyderabad and Bangalore with lower arrivals of late kharif onion from Maharashtra and Other parts. Maximum prices have increased in Jaipur, Lasalgaon and Mumbai by 13%, 10% and 12% respectively.

In Delhi, onion is arriving in market from Rajasthan, Haryana, Gujarat and smaller quantity from Maharashtra. Less quantity is coming from these producing regions to Delhi.

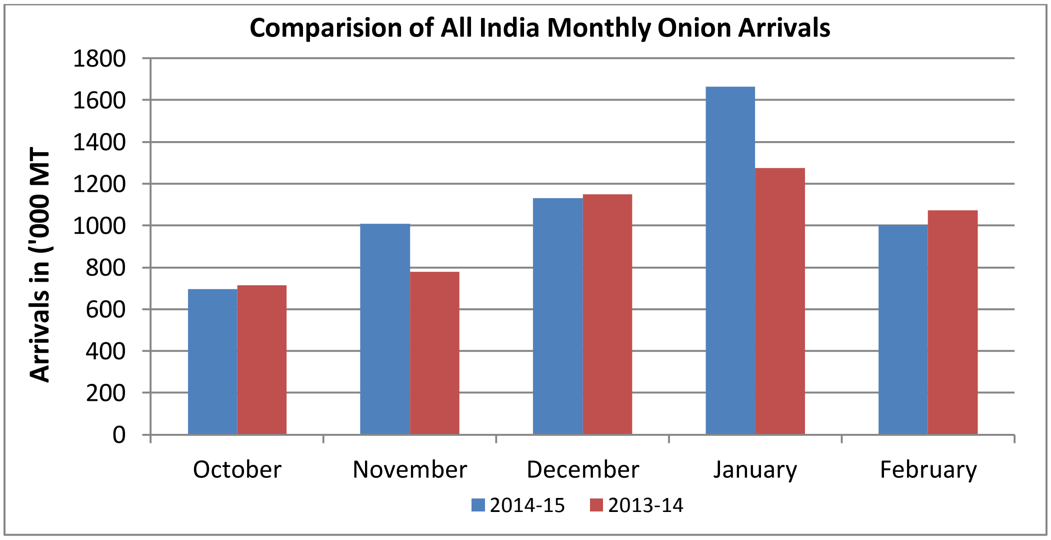
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price February 2015	Average Retail Price January 2015	Previous year Avg. Retail Price- February 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2400	2300	1500	4.35	60.00
Bhubaneswar	Odisha	2400	2100	1500	14.29	60.00
Chennai	Tamil Nadu	2200	2200	1400	Unch	57.14
Delhi	Delhi	3300	3200	2300	3.13	43.48
Guwahati	Assam	2400	2800	1700	-14.29	41.18
Hyderabad	AP	2500	2500	1400	Unch	78.57
Kolkata	W. Bengal	2300	2600	1700	-11.54	35.29
Mumbai	Maharashtra	2700	2800	2100	-3.57	28.57
Patna	Bihar	1600	1900	1500	-15.79	6.67

(Source: Consumer Affairs)

In Retail market, mixed variation of prices was seen. Maximum prices have increased in Bhubaneswar and Bangalore. In coming days prices are expected to decrease with the arrival of Rabi crop.

All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India arrivals. Arrivals are lower in February month than last month because of lower late kharif crop. The other reason is unseasonal rains which was major constraint for arrivals. In coming months arrivals are expected to increase as rabi crop will start arriving in market.

Onion Balance sheet:

(Qty in Lakh Tons)	Jan, 2015	Feb, 2015	Mar, 2015	Apr, 2015	May, 2015	Jun, 2015
Stored /Carry-in	2.58	0.25	1.84	1.44	26.86	49.08
Fresh Production	10.00	14.00	12.50	43.00	40.00	8.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Availability	12.58	14.25	14.34	44.44	66.86	57.08
In LT Storage				25.43	47.65	40.16
Consumption	11.00	11.00	11.00	12.00	12.00	11.00
Exports	0.78	0.70	1.25	1.25	1.25	1.25
post production losses	0.55	0.71	0.65	4.32	4.53	3.24
Total Usage	12.33	12.41	12.90	17.57	17.78	15.49
Carry out (incl temp storage)	0.25	1.84	1.44	26.86	49.08	41.59

*Till September Exports are from Nafed and October month to February 2015 exports are from IBIS (International Business Information Services) data
Total kharif production (kharif+late kharif) is taken to be 47-50 lakh tons amid lower rainfall in onion producing regions.
Rabi Production is expected to be 95-100 lakh ton.

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 January modal prices are trading around Rs 1392/ 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 remain stable for next few weeks 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 1500/ quintal in coming month.