

Executive Summary:

- All India, onion arrival in month of May is approximately 10 % higher compared to previous month. If we compare onion arrivals in May month on a yearly basis we observed that arrivals are 10% lower than last year during same time.
- As per IBIS (International Business Information Services), approximately 108359 tons of processed and fresh onion has been exported in month of May 2015 compared to previous month export of 101599 tons.
- Currently Onion MEP is at \$250/Ton and Indian FOB price quoting in the range of \$350-400/ton whereas china onion FOB is in between \$290-\$300 / Ton. In month of May average FOB from JNPT port was approximately \$300/Ton.
- According to trade sources in Maharashtra, shelf life of onion has reduced to 3-4 months this year from 5-6 months due to rains and hailstorms during harvesting time.
- Onion prices are comparatively higher than last year in both wholesale and retail market because of crop damaged during harvesting time in producing regions.

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

Market	Avg. Prices May 2015	Avg. Prices April 2015	% change in prices over previous month	Previous year Avg. May (2014) Price	% change over previous Year	Daily Avg. Arrivals May	Daily Avg. Arrivals April	% change in arrivals over previous month
Delhi	1379	1363	1.17	921	49.73	14086	12485	12.82
Bangalore	1706	1345	26.84	1313	29.93	25958	32130	-19.21
Lasalgaon	1236	987	25.23	988	25.10	12884	18214	-29.26
Pimplagaon	1340	1110	20.72	1067	25.59	24605	17789	38.32
Mumbai	1358	1227	10.68	1196	13.55	19812	23313	-15.02
Pune	1419	1091	30.06	1074	32.12	11713	10300	13.72
Jaipur	1113	1008	10.42	981	13.46	5248	4584	14.49
Chennai	1992	1880	5.96	1631	22.13	5206	5264	-1.10
Hyderabad	1362	1495	-8.90	939	45.05	4844	5095	-4.93

(Source: AGRIWATCH)

On a month-on-month basis, wholesale prices have increased in almost all the markets except Hyderabad. Prices are higher than last year because of crop damaged in producing region regions during harvesting time. Due to which arrivals are slower and shelf life of onion has declined. In Bangalore onion is arriving in market from local region and Maharashtra which are contributing approximately 40% and 60% respectively

June, 2015

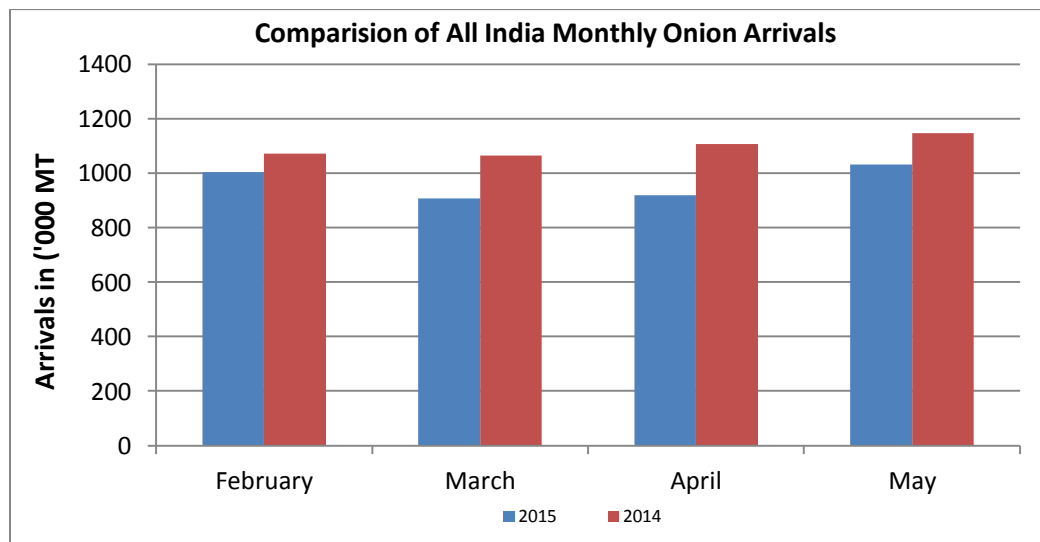
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price May 2015	Average Retail Price April 2015	Previous year Avg. Retail Price- May 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2200	2000	1700	10.00	29.41
Bhubaneswar	Odisha	2000	2000	1600	0.00	25.00
Chennai	Tamil Nadu	2000	1900	1700	5.26	17.65
Delhi	Delhi	2900	2800	2400	3.57	20.83
Guwahati	Assam	2300	2000	2100	15.00	9.52
Hyderabad	AP	2200	2300	1800	-4.35	22.22
Kolkata	W. Bengal	2400	2100	2000	14.29	20.00
Mumbai	Maharashtra	2300	2200	2700	4.55	-14.81
Patna	Bihar	2400	2100	1800	14.29	33.33

(Source: Consumer Affairs)

In Retail market, prices are almost similar to previous month but it is expected that onion prices may remain firm this year due to crop damage and lower supply. Prices may remain firm until kharif crop starts arriving in market. Kharif crop sowing is completely dependent on monsoon, if rainfall is appropriate kharif area may increase else area may decline in producing regions.

Prices if compared to previous year are much higher this year due to lower arrivals in producing regions and lower shelf life of onion crop. Further prices are expected to remain firm in coming days.

All India Onion Monthly Arrivals:

(Source: Agmarknet)

The above graph shows the monthly all India onion arrivals. Arrivals are higher in May month compared to previous month. But if arrivals compared with previous year it is lower by 10%. Arrivals are expected to decrease in coming days with slow release of onion from storage by farmers and traders in expectation of higher prices.

Export Comparison:

Months	Exports in 2015 (MT)	Exports in 2014 (MT)	Exports in 2013 (MT)	Exports in 2012 (MT)
Jan	112380	121000	133141	147255
Feb	81769	150000	101860	152197
Mar	89150*	100000	182768	149402
April	101599*	127461	203578	158812
May	108359*	137614	193083	175961
June		127327	143165	182501
July		60252	126432	177017
Aug		58891	39481	156283
Sep		78353	23786	150833
Oct		78490	58142	154957
Nov		65107	66236	110611

(Source: Nafed,*-IBIS- provisional figures)

The above table shows the export figure month wise compared to previous year. On an average 12 to 15 lakh tons of onion is exported every year. Mainly onion is exported to Gulf countries and South East Asia. This year exports are lower than last year due to higher price in domestic market and MEP of 250 USD/Ton. Last year, there was no MEP at this time. MEP of \$300/Ton was imposed on 17th June, 2014.

Technical Analysis of Onion Prices at Lasalgaon, Nasik:

(Note: Each bar or "candle" in the chart shows the price movement in a particular month. 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 May average modal prices was around Rs 1236/ quintal compared to previous month Rs 986/ quintal. Prices in May month closed higher near Rs. 1500. Green candle of May month shows that prices are expected to rise further. On the upper side prices may find resistance at a level of Rs 2000/ quintal whereas support is at Rs 1250/ quintal. Overall, onion prices are expected to remain firm in coming weeks as Relative strength indicator (RSI) oscillator has also started moving upward towards over-bought region which suggest prices may remain higher in coming weeks.

Disclaimer

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