

Executive Summary:

- All India, onion arrival in month of June is approximately 11 % lower compared to previous month. If we compare onion arrivals in June month on a yearly basis we observe that arrivals are 3% lower than last year during same time.
- In Karnataka, kharif sowing is in progress. So far 36325 hectares of area is sown from a targeted area of 120240 hectares. Maximum sowing is done in Dharwad district so far.
- In A.P, kharif sowing is in progress and so far 1788 hectares of area is sown from a total targeted area of 25794 hectares.
- In A.P, Kurnool district contribute approximately 70% of total production in State. So far 1478 hectares of area is sown from a total targeted area of 18681 hectares.
- Government has increased Minimum Export Price (MEP) to \$425/ ton from \$250/ ton to discourage export and increase domestic availability.
- As per IBIS (International Business Information Services), approximately 83804 tons of processed and fresh onion has been exported in month of June 2015 compared to previous month export of 108359

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

Market	Avg. Prices June 2015	Avg. Prices May 2015	% change in prices over previous month	Previous year Avg. June (2014) Price	% change over previous Year	Daily Avg. Arrivals June	Daily Avg. Arrivals May	% change in arrivals over previous month
Delhi	1560	1379	13.13	1156	34.95	15369	14086	9.11
Bangalore	1892	1706	10.90	1866	1.39	29808	25958	14.83
Lasalgaon	1620	1236	31.07	1367	18.51	11280	12884	-12.45
Pimplagaon	1705	1340	27.24	1375	24.00	15583	24605	-36.67
Mumbai	1875	1358	38.07	1825	2.74	17550	19812	-11.42
Pune	1900	1419	33.90	1759	8.02	14659	11713	25.15
Jaipur	1469	1113	31.99	1136	29.31	4477	5248	-14.69
Chennai	2519	1992	26.46	2290	10.00	5135	5206	-1.36
Hyderabad	1715	1362	25.92	913	87.84	5023	4844	3.70

(Source: AGRIWATCH)

On a month-on-month basis, wholesale prices have increased in almost all the markets. Prices are higher than last year because of crop damaged in producing regions during harvesting time, due to which arrivals are slower and shelf life of onion has declined.

Arrivals are also lower than last year in major producing markets which indicate firmness in market until kharif crop starts arriving in market.

July, 2015

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

Market	State	Average Retail Price June 2015	Average Retail Price May 2015	Previous year Avg. Retail Price- June 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2700	2200	2300	22.73	17.39
Bhubaneswar	Odisha	2600	2000	2000	30.00	30.00
Chennai	Tamil Nadu	2700	2000	2300	35.00	17.39
Delhi	Delhi	3300	2900	2300	13.79	43.48
Guwahati	Assam	2600	2300	1800	13.04	44.44
Hyderabad	AP	2300	2200	2100	4.55	9.52
Kolkata	W. Bengal	2900	2400	2200	20.83	31.82
Mumbai	Maharashtra	2700	2300	2900	17.39	-6.90
Patna	Bihar	2100	2400	2100	-12.50	Unch

(Source: Consumer Affairs)

In Retail market, prices have increased compared to previous month and previous year. Prices are expected to remain firm in coming months due low shelf life of onion and less storage. But prices may drop down once kharif crop starts arriving in market as kharif sowing intension is expected to be good compared to previous year due to proper rainfall in major 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.

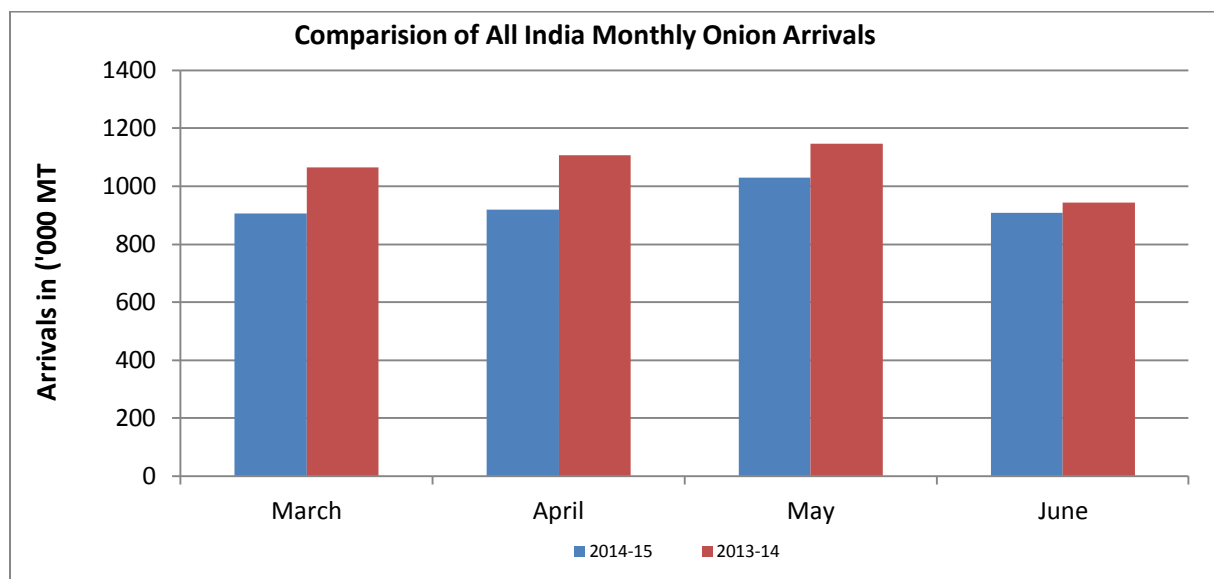
Production Estimate for Kharif Season:

State	Normal Kharif+Late kharif Area ('000 Ha)	Average Yield (Ton/Ha)	Average Production ('000 T)	Rainfall Status	Normal Monsoon Production ('000 T)	Expected Production for 2015-16 Below Normal Monsoon ('000 T)	Expected Production for 2015-16 Defecit Monsoon ('000 T)
Maharashtra	178.30	14.50	2585.31	61%	2843.84	2456.04	2326.78
Karnataka	114.03	13.00	1482.39	49%	1630.63	1408.27	1334.15
M.P	1.64	16.00	26.24	96%	28.86	24.93	23.62
Gujarat	4.95	15.00	74.25	-11%	81.68	70.54	66.83
Rajasthan	9.90	9.00	89.10	56.50%	98.01	84.65	80.19
Andhra Pradesh	25.05	22.00	551.10	170%	606.21	523.55	495.99
Others	10.50	15.00	157.50	20%	173.25	149.63	141.75
All India	344.37		4965.89	23%	5462.48	4717.59	4469.30

(Source: Agriwatch Research)

All India kharif production is estimated to be approximately in between 47 Lakh- 52 lakh tons as per initial estimates. Kharif sowing is in progress in producing regions and expected to arrive in market from October onward in full pace. But Kurnool crop is expected to arrive in market from August last as sowing in Kurnool starts earlier.

All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India onion arrivals. Arrivals are lower in June month compared to previous month. But when compared with previous year it is lower by 3%. Arrivals are expected to decrease in coming days with slow release of onion from storage by farmers and traders in expectation of higher prices.

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 June average modal prices was around Rs 1620/ quintal compared to previous month Rs 1236/ quintal. Prices in June month closed near Rs. 1600/quintal. 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 months as Relative strength indicator (RSI) oscillator is moving slightly downward in neutral region for short term and expected to increase ahead.

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