

Executive Summary:

- All India onion arrivals in the month of July is approximately 26.57% lower compared to the previous month. If we compare onion arrivals in July month on a yearly basis we observed that arrivals are 13% lower than last year during same time.
- In Karnataka, kharif sowing is in progress. As on 3rd August 2015, total 69,126 hectares of area has been sown compared to last year's 66,197 hectares.
- In A.P, so far 15,765 hectares of area has been sown compared to last year's 18,067 hectares. Normal area as on date is 13,942 hectares.
- In Bangalore, the kharif crop has just started arriving in market, which is contributing approximately 50-60% to the total arrivals. It is expected that prices will remain range bound in these states.
- In Lasalgaon market, during the month, modal prices of the trades were Rs 2076/ quintal compared to last year's Rs 1850/quintal during same time.
- As per IBIS (International Business Information Services), approximately 43,366 tons of processed and fresh onion have been exported in month of July 2015 compared to export of 108,359 tons in June.
- To curb down the increasing prices of onion, government has taken many initiatives like increasing of onion MEP to \$ 425/ton. Import tenders were floated to import 10,000 tons of onion. In Delhi, government is selling onion at a fixed price of Rs 40/kg through retail outlets of DMS and Safal.

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

Market	Avg. Prices July 2015	Avg. Prices June 2015	% change in prices over previous month	Previous year Avg. July (2014) Price	% change over previous Year	Daily Avg. Arrivals July	Daily Avg. Arrivals June	% change in arrivals over previous month
Delhi	1818	1560	16.54	1902	-4.42	13504	15369	-12.1
Bangalore	2306	1892	21.88	2100	9.81	28730	29808	-3.6
Lasalgaon	2076	1620	28.15	1849	12.28	7550	11280	-33.1
Pimplagaon	2093	1705	22.76	1900	10.16	10083	15583	-35.1
Mumbai	2169	1875	15.68	2016	7.59	14578	17550	-16.9
Pune	2389	1900	25.74	2168	10.19	10967	14659	-25.2
Jaipur	2085	1469	41.93	1852	12.58	4569	4477	2.1
Chennai	2704	2519	7.34	2996	-9.75	2703	5135	-47.4
Hyderabad	2311	1715	34.75	1368	68.93	3842	5023	-23.5

(Source: AGRIWATCH)

On a month-on-month basis, wholesale prices have increased in almost all the markets. Prices have increased because of lesser arrivals in market. Prices if compared to last year are higher in most of the markets except Delhi and Chennai.

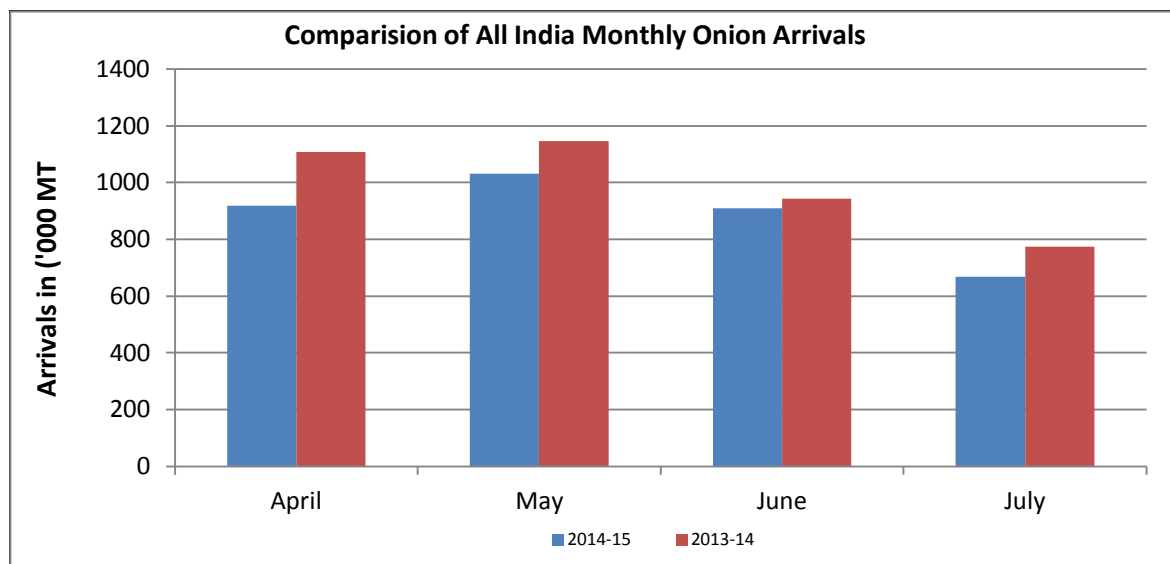
Arrivals are also lower than last year in major producing markets leading to the firmness in market, which may abate when the kharif crop starts arriving in market with full pace. Only small quantity have started arriving in markets of Karnataka and Andhra Pradesh.

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

Market	State	Average Retail Price July 2015	Average Retail Price June 2015	Previous year Avg. Retail Price- July 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	3000	2700	3200	11.11	-6.25
Bhubaneswar	Odisha	2900	2600	2800	11.54	3.57
Chennai	Tamil Nadu	3100	2700	2900	14.81	6.90
Delhi	Delhi	3800	3300	3300	15.15	15.15
Guwahati	Assam	3000	2600	2500	15.38	20.00
Hyderabad	AP	2700	2300	2700	17.39	Unch
Kolkata	W. Bengal	3300	2900	3200	13.79	3.13
Mumbai	Maharashtra	2800	2700	2900	3.70	-3.45
Patna	Bihar	2100	2100	2700	Unch	-22.22

(Source: Consumer Affairs)

In Retail markets, prices have increased compared to previous month and previous year. Prices are expected to remain firm in the coming months due to low arrivals. The chances of hoarding kharif onions is low given the low shelf life of this onion. Prices if compared to previous year, are much higher this year due to lower arrivals in producing regions. 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 lower in July month compared to previous month and also compared to the previous year, it is lower by 13%. Arrivals are expected to increase slightly in coming days as fresh crop has started arriving in market from southern states and farmer/traders may start releasing onion as shelf life this year is lower.

Cumulative Rainfall Comparison:

Subdivision	Normal (mm)	Actual 2015 (As on 29 July)	Actual 2014 (As on 30th July)	% Departure with Normal	Onion growing District under this Subdivision
Madhya Maharashtra	372	279	299.9	-25	Ahmednagar, Dhule, Jalgaon, Nashik, Pune, Sangli, Satara, Solapur
Marathwada	314.5	144.5	134.4	-54	Aurangabad, Beed, Osmanabad
N.I Karnataka	229.9	126.7	171.8	-45	Bagalkot, Belgaum, Bidar, Bijapur, Dharwad, Gadag, Gulbarga, Haveri, Koppal, Raichur, Yadgir
S.I Karnataka	344.6	331.2	354.9	4	Bellary, Chickballapur, Chikmanglur, Chitradurga, Davangree

(Source: IMD)

The above table gives a comparison between cumulative rainfalls this year and last year. Rainfall is deficit in almost all onion growing districts of Maharashtra and Karnataka. However, this year rainfall is better in South Karnataka and Marathwada, compared to last year during the same time. Improved rainfall in coming weeks, may increase the intention of late kharif crop sowing in producing regions. Lower rainfall would lead to lesser acreage under Kharif onion with transplantation also getting delayed. Yield could also get affected due to shortage of water for Kharif onion.

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 were around Rs 2076/ quintal compared to previous month’s Rs 1620/ quintal. Prices in July month closed near Rs.3300/quintal. Prices are expected to rise further. On the upper side, prices may find resistance at a level of Rs 4000/ quintal whereas support is at Rs 2600/ quintal. Overall, onion prices are expected to remain firm in the coming months as Relative strength indicator (RSI) oscillator is moving upward and has reached overbought zone and indicates firmness in market.

Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC.