

### Executive Summary:

- All India onion arrivals in the month of August are approximately 25.73% lower compared to the previous month. If we compare onion arrivals in August month on a yearly basis we observed that arrivals are 28.43% lower than last year during same time.
- In Karnataka, approximately 92354.8 hectares of area is sown as on 31.8.2015 compared to last year's area of 108782 hectares.
- In A.P, as on 02.9.2015 normal area is 20930 hectares but so far 24278 hectares of area is sown compared to last year's 22663 hectares during same time.
- Total onion production in Kharif season (kharif + late kharif) is expected to be between 48-50 lakh tons. If further rainfall happens in Maharashtra and Karnataka it may increase the prospect of late kharif crop.
- To curb down the rising prices in domestic markets and to discourage exports, government increased the MEP to \$ 700/ ton from \$ 425/ton on 24-8-2015.
- Across the country prices of onion are coming down from last one week due to strict decision taken by Government against exports, hoarders and import of onion. Secondly fresh crop from A.P and Karnataka and availability of imported onion.
- As per IBIS (International Business Information Services), approximately 12,723 tons of processed and fresh onion has been exported in month of August 2015 compared to export of 43,366 tons in July. It includes only sea route.

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

Market	Avg. Prices Aug. 2015	Avg. Prices July 2015	% change in prices over previous month	Previous year Avg. Aug.(2014) Price	% change over previous Year	Daily Avg. Arrivals Aug.	Daily Avg. Arrivals July	% change in arrivals over previous month
Delhi	3433	1818	88.83	1790	91.79	11847	13504	-12.27
Bangalore	3000	2306	30.09	2072	44.78	39604	28730	37.85
Lasalgaon	4144	2076	99.61	1574	163.28	4064	7550	-46.17
Pimplagaon	4119	2093	96.80	1563	163.53	6971	10083	-30.86
Mumbai	4156	2169	91.61	1870	122.25	12744	14578	-12.58
Pune	4438	2389	85.77	1887	135.19	7750	10967	-29.33
Jaipur	3560	2085	70.74	1829	94.64	4075	4569	-10.81
Chennai	4890	2704	80.84	2675	82.80	5317	2703	96.71
Hyderabad	4133	2311	78.84	1957	111.19	9304	3842	142.17

(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 almost all the markets.

Arrivals are also lower than last year in major markets except Hyderabad and Bangalore where local produced fresh crop is available in market.

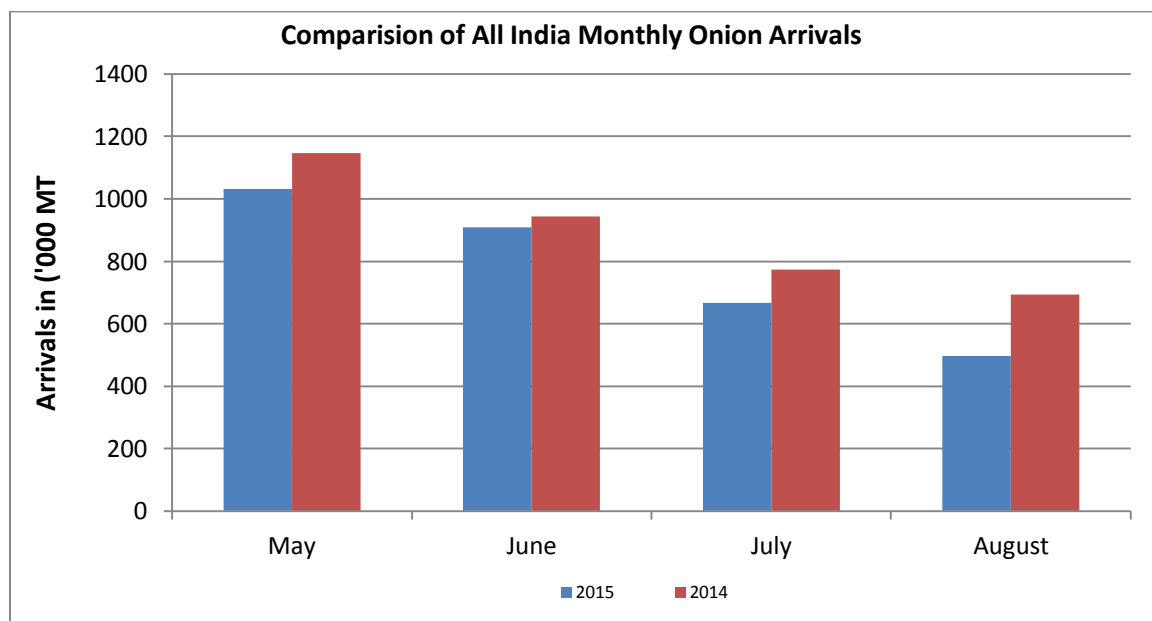
### Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price Aug. 2015	Average Retail Price July 2015	Previous year Avg. Retail Price- Aug. 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	4900	3000	2800	63.33	75.00
Bhubaneswar	Odisha	4500	2900	2600	55.17	73.08
Chennai	Tamil Nadu	4300	3100	2700	38.71	59.26
Delhi	Delhi	5500	3800	3100	44.74	77.42
Guwahati	Assam	4500	3000	2500	50.00	80.00
Hyderabad	AP	4500	2700	2900	66.67	55.17
Kolkata	W. Bengal	5200	3300	2800	57.58	85.71
Mumbai	Maharashtra	4900	2800	2700	75.00	81.48
Patna	Bihar	4100	2100	2400	95.24	70.83

(Source: Consumer Affairs)

In Retail markets, prices have increased compared to previous month and previous year. Prices are expected to ease down in coming months with increase in arrival of kharif crop. Prices if compared to previous year are much higher this year due to lower arrivals in producing regions. Prices are expected to come down in coming days.

## All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India onion arrivals. Arrivals are lower in August month compared to previous month and also compared to the previous year. Arrivals are expected to increase slightly in coming days as fresh kharif may pick up pace.

## Cumulative Rainfall Comparison:

Subdivision	Normal (mm)	Actual 2014, As on 3 <sup>rd</sup> September	Actual 2015, As on 2 <sup>nd</sup> September	% Departure with Normal	Onion growing District under this Subdivision
Madhya Maharashtra	589.6	585.6	342	-42	Ahmednagar, Dhule, Jalgaon, Nashik, Pune, Sangli, Satara, Solapur
Marathwada	535	344.5	258.9	-52	Aurangabad, Beed, Osmanabad
N.I Karnataka	367.6	401	206.6	-44	Bagalkot, Belgaum, Bidar, Bijapur, Dharwad, Gadag, Gulbarga, Haveri, Koppal, Raichur, Yadgir
S.I Karnataka	526.5	651.5	443.4	-16	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. 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 late 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 August, average modal prices were around Rs 4144/ quintal compared to previous month's Rs 2076/ quintal. Prices in August month closed near Rs.4600/quintal. On the upper side, prices may find resistance at a level of Rs 5400/ quintal whereas support is at Rs 3900/ quintal and followed by 3300/ quintal. Overall, onion prices are expected to come down in the coming months as Relative strength indicator (RSI) oscillator is in overbought zone and may start coming down in coming days.

#### Disclaimer

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