Monthly Onion Report

December, 2015

Executive Summary:

- In Delhi, modal prices were trading at Rs 1991/ quintal in November month compared to prices of Rs 1631/ quintal during corresponding time last year. In Delhi maximum arrival in market is from Rajasthan (Khaithal and Alwar). In coming month modal prices are expected to trade between Rs 1100-Rs 1300/ quintal.
- In A.P, total targeted area for Rabi season is approximately is 5054 hectares. As on 2.12.2015, approximately 1673 hectare of area is sown compared to last year area of 1153 hectares. As on date normal sown area is approximately 2713 hectares.
- In Karnataka, Rabi sowing has started and targeted area is 20475 hectares. As on 30.11.2015 approximately 3580 hectares of area is sown compared to area of 5727 hectares sown during corresponding period last year.
- In Maharashtra, late kharif acreage is estimated to be 108000 hectares compared to last year acreage of 104892 hectares. Traders are expecting lower yield this year because unseasonal rains has affected the crop.
- All India onion arrivals in the month of November is approximately 11.41% higher compared to the previous month because fresh kharif crop is arriving in market. A comparison of onion arrivals in November month on a yearly basis revealed that arrivals are 20.59% lower than the corresponding time last year.
- As per IBIS (International Business Information Services), approximately 72207.88 tons of processed and fresh onion has been exported in month of November 2015 compared to export of 28815.78 tons in October. It includes only sea route.

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

Market	Avg. Prices Nov. 2015	Avg. Prices Oct. 2015	% change in prices over previous month	Previous year Avg. Nov. 2014 Price	% change over previous Year	Daily Avg. Arrivals Nov.	Daily Avg. Arrivals Oct.	% change in arrivals over previous month
Delhi	1991	2994	**-33.50**	1631	**22.07**	11720	11472	**2.16**
Bangalore	2646	2721	**-2.76**	1683	**57.22**	32630	64956	**-49.77**
Lasalgaon	2197	3005	**-26.89**	1431	**53.53**	10760	2536	**324.29**
Pimplagaon	2283	2980	**-23.39**	1563	**46.07**	22500	5268	**327.11**
Mumbai	2422	3245	**-25.36**	1656	**46.26**	19357	12912	**49.91**
Pune	2618	3400	**-23.00**	1794	**45.93**	13650	11925	**14.47**
Jaipur	2118	2956	**-28.35**	1670	**26.83**	3900	3724	**4.73**
Chennai	3437	3780	**-9.07**	2458	**39.83**	4743	4868	**-2.57**
Hyderabad	2370	2717	**-12.77**	1900	**24.74**	8109	8934	**-9.23**

(Source: AGRIWATCH)

December, 2015

On a month-on-month basis, wholesale prices have decreased in almost all the markets with arrival of kharif crop from producing regions. In Delhi, onion is arriving in market from Rajasthan, M.P, Gujarat and Maharashtra. Prices, in almost all the markets are higher compared to last year due to delay in harvesting of kharif crop and lower kharif area in Maharashtra this year.

Arrivals have increased in producing regions but in Bangalore arrivals have fallen in November month because of rains which disrupted the supply. In Bangalore onion arrivals from local region and Maharashtra contribute approximately 50% each to the total arrival.

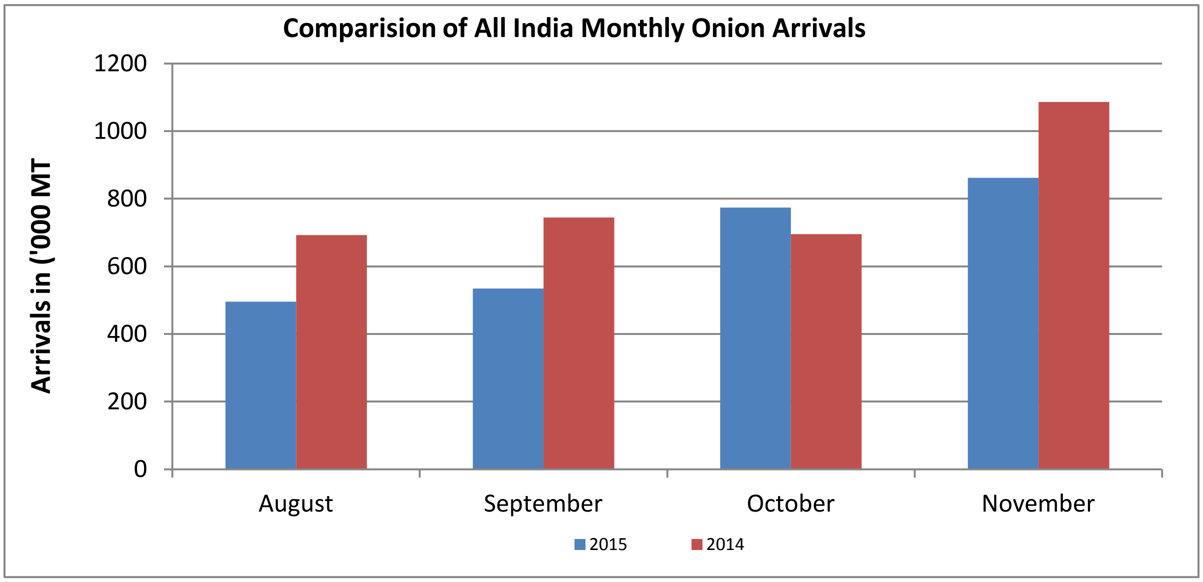
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price Nov. 2015	Average Retail Price Oct. 2015	Previous year Avg. Retail Price- Nov. 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	4400	4100	2100	**7.32**	**109.52**
Bhubaneswar	Odisha	3000	4100	2400	**-26.83**	**25.00**
Chennai	Tamil Nadu	4100	3400	2100	**20.59**	**95.24**
Delhi	Delhi	4300	5400	3200	**-20.37**	**34.38**
Guwahati	Assam	3700	5100	2500	**-27.45**	**48.00**
Hyderabad	AP	3600	4100	2600	**-12.20**	**38.46**
Kolkata	W. Bengal	3700	5200	2600	**-28.85**	**42.31**
Mumbai	Maharashtra	4000	4800	3100	**-16.67**	**29.03**
Patna	Bihar	3400	4300	2100	**-20.93**	**61.90**

(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 are much higher this year compared to last 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 continuously increasing from September month with increase in kharif crop arrival. During the month period arrivals have increased by 11.41% compared to corresponding month. But arrivals are lower by 20.59% compared to corresponding month last year. Fresh crop is arriving in market from Gujarat, Rajasthan, Maharashtra, M.P and Karnataka.

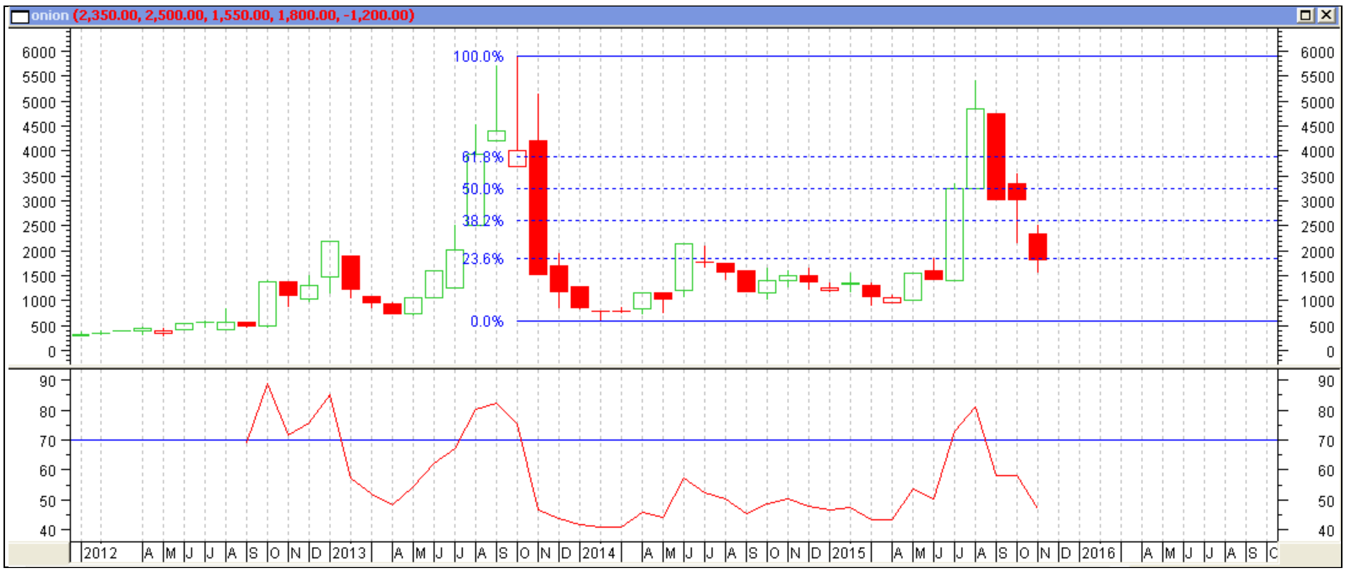
All India kharif and late kharif Production Estimate:

State	Normal Kharif+Late kharif Area ('000 Ha)	Kharif + Late Kharif Area in (2014-15) ('000 Ha)	Expected Kharif + Late Kharif Area in (2015-16) ('000 Ha)	Yield (2014-15) Ton/Ha	Yield (2015-16) Ton/Ha	Production for 2014-15 ('000 Tons)	Expected Production for 2015-16 (5-10% Rainfall deficit) ('000 Tons)
Maharashtra	**178.30**	164	150	14	14	2296	1995
Karnataka	**118.04**	122.86	133.57	13	13.5	1597.18	1713.04
M.P	**2.45**	3.26	25.6	15	14	48.9	340.48
Rajasthan	**13.00**	15	13	10.4	11	156	135.85
Andhra Pradesh	**25.79**	27.4	31.67	21	20	575.4	601.73
Others	**25.00**	21	30	14.6	14.5	306.6	413.25
All India	**362.58**	353.52	383.84	14.09	14.26	4980.08	5199.35

(Source: Agriwatch Research)

Above table gives the production estimate (Kharif +Late kharif season) in major producing regions. Area is higher in A.P and Karnataka compared to previous year. Yield is highest in A.P. All India production estimate for kharif and late kharif season together is expected to be 50-52 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 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.)

1. Onion prices at Lasalgaon are moving downside this month.
2. RSI is moving downward in a neutral region as chart depicts.
3. Last candlestick also depicts bearishness.
4. We expect prices to continue its short term bearish run and likely to test its next support levels i.e. Rs 1200-1000 per quintal in the coming month which also lying over trend line support levels.

Support1: 1200, **Support 2:** 1000, **Resistance1:** 2300, **Resistance 2:** 4000