**February, 2016**

**Executive Summary:**

- In Delhi, modal prices were trading at Rs 1184/ quintal in January month compared to prices of Rs 1457/ quintal during corresponding month last year. In coming month modal prices are expected to trade between Rs 1000-Rs 1100/ quintal.
- In Maharashtra, total Rabi sowing as per State Government is 192802.5 hectares as on 25.1.2016. Last year total Rabi area was estimated 185118 hectares based on onion survey.
- In A.P, total targeted area for Rabi season is approximately 5054 hectares. As on 3.02.2016, approximately 5629 hectare of area is sown compared to last year area of 3302 hectares. As on date normal sown area is approximately 4466 hectares.
- In Karnataka, Rabi sowing has started and targeted area is 20475 hectares. As on 25.01.2016 approximately 11007.05 hectares of area is sown compared to corresponding year 18145 hectares during same period.
- All India onion arrivals in the month of January is approximately 14.69% higher compared to the corresponding month. A comparison of onion arrivals in January month on a yearly basis revealed that arrivals are 21.59% lower than the corresponding year during same period.
- As per IBIS (International Business Information Services), approximately 116541 tons of processed and fresh onion has been exported in month of January 2016 compared to export of 110081 tons in December. Exports have increased because of removal of onion MEP and lower domestic prices.

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

| Market | Avg. Prices Jan. 2016 | Avg. Prices Dec. 2015 | % change in prices over previous month | Previous year Avg. Jan. 2015 Price | % change over previous Year | Daily Avg. Arrivals Jan. | Daily Avg. Arrivals Dec. | % change in arrivals over previous month |
|---|---|---|---|---|---|---|---|---|
| Delhi | 1184 | 1588 | -25.44 | 1457 | -18.74 | 12996 | 11571 | 12.32 |
| Bangalore | 1441 | 1973 | -26.96 | 1706 | -15.53 | 19826 | 20846 | -4.89 |
| Lasalgaon | 1091 | 1499 | -27.22 | 1264 | -13.69 | 22921 | 21250 | 7.86 |
| Pimplagaon | 1116 | 1599 | -30.21 | 1289 | -13.42 | 18500 | 21410 | -13.59 |
| Mumbai | 1435 | 1796 | -20.10 | 1479 | -2.97 | 22350 | 19620 | 13.91 |
| Pune | 1524 | 2100 | -27.43 | 1520 | 0.26 | 13921 | 16431 | -15.28 |
| Jaipur | 996 | 1642 | -39.34 | 1531 | -34.94 | 3887 | 4200 | -7.45 |
| Chennai | 2075 | 2907 | -28.62 | 2126 | -2.40 | 5371 | 5061 | 6.13 |
| Hyderabad | 1393 | 2185 | -36.25 | 2004 | -30.49 | 7075 | 5921 | 19.49 |

**(Source: AGRIWATCH)**

On a month-on-month basis, wholesale prices have decreased in almost all the markets with higher arrival of kharif and late kharif crop from producing regions. Prices are also lower if compared to corresponding year in month of January. In coming months prices are expected to remain range bound with continuous arrival of fresh crop.

Mixed variation of arrival was seen in most of the major market but overall all India arrivals are higher if compared to corresponding month. In Southern part of India onion arrival are arriving in market from local region and Maharashtra.

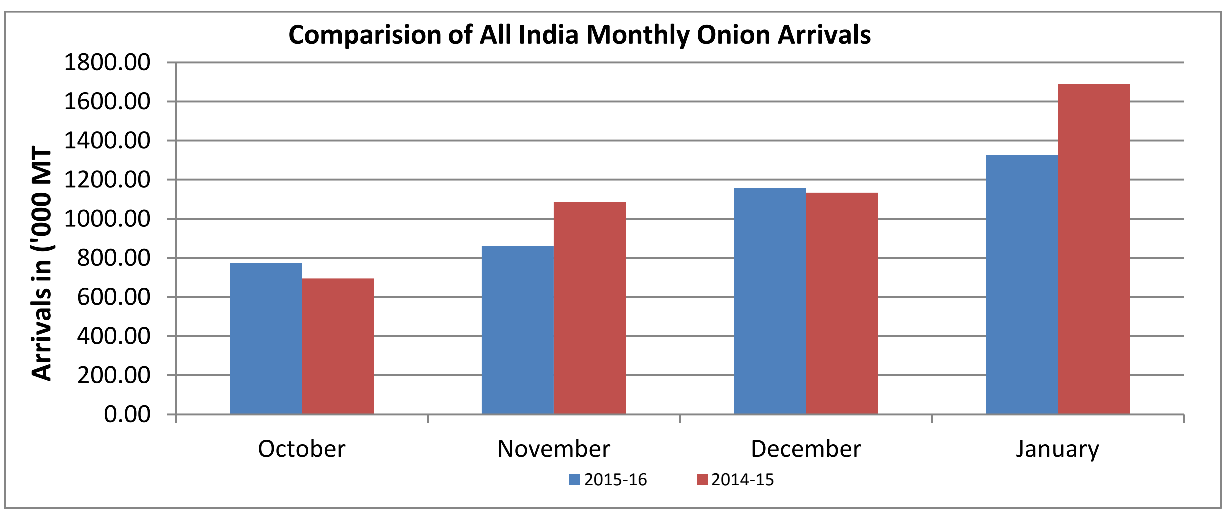
***Monthly Average Retail Price (Rs/Qtl) trend comparison:***

| Market | State | Average Retail Price Jan. 2016 | Average Retail Price Dec. 2015 | Previous year Avg. Retail Price-Jan. 2015 | % Change in Price Over Prev. Month | % Change in Price Over Prev. year |
|---|---|---|---|---|---|---|
| Bangalore | Karnataka | 2800 | 3400 | 2300 | -17.65 | 21.74 |
| Bhubaneswar | Odisha | 2000 | 2200 | 2100 | -9.09 | -4.76 |
| Chennai | Tamil Nadu | 2000 | 2800 | 2200 | -28.57 | -9.09 |
| Delhi | Delhi | 2800 | 3000 | 3200 | -6.67 | -12.50 |
| Guwahati | Assam | 2200 | 2600 | 2800 | -15.38 | -21.43 |
| Hyderabad | AP | 2600 | 3000 | 2500 | -13.33 | 4.00 |
| Kolkata | W. Bengal | 2500 | 2900 | 2600 | -13.79 | -3.85 |
| Mumbai | Maharashtra | 2600 | 3300 | 2800 | -21.21 | -7.14 |
| Patna | Bihar | 1800 | 2000 | 1900 | -10.00 | -5.26 |

**(Source: Consumer Affairs)**

In Retail markets, prices have decreased in almost all the markets compared to corresponding month. Prices are expected to remain range bound with arrival of late kharif crop in coming month. Prices are lower if compared to corresponding year during same period. During the month period maximum prices have dropped in Chennai, followed by Mumbai and Bangalore respectively.

**All India Onion Monthly Arrivals:**




**(Source: Agmarknet)**

The above graph shows the monthly all India onion arrivals. Arrivals are continuously increasing with availability of kharif and late kharif crop. During the month period arrivals have increased compared to corresponding month. But arrivals are lower than corresponding year during same period. In coming months arrivals are expected to increase with arrival of late kharif crop from Maharashtra, Karnataka and other major producing regions.

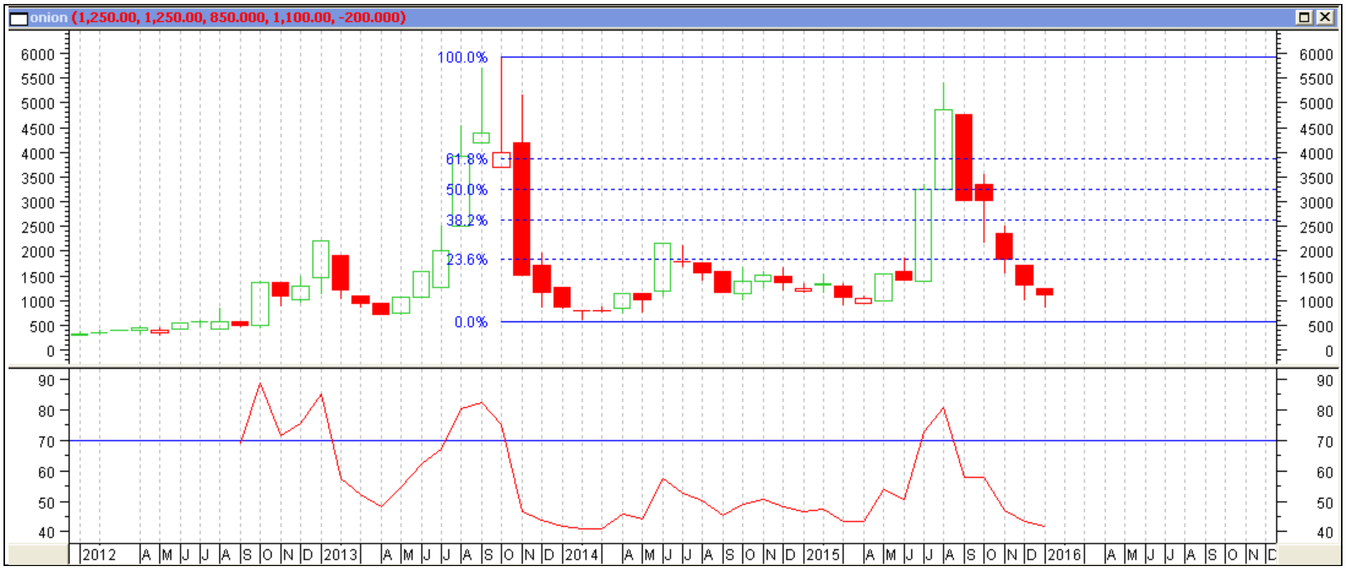
### *Onion Balance sheet:*

| (Qty in Lakh Tons) | Jan, 2016 | Feb, 2016 | Mar, 2016 | Apr,2016 | May, 2016 | Jun, 2016 | Jul, 2016 | Aug, 2016 | Sept, 2016 | Oct, 2016 | Nov, 2016 | Dec, 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Stored /Carry-in | 4.06 | 4.76 | 5.30 | 4.53 | 28.71 | 48.98 | 43.38 | 29.82 | 17.93 | 10.58 | 5.25 | 4.59 |
| Fresh Production | 13.00 | 13.00 | 14.00 | 43.00 | 40.00 | 10.00 | 0.00 | 0.00 | 4.00 | 6.00 | 11.00 | 12.00 |
| Imports | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Availability | 17.06 | 17.76 | 19.30 | 47.53 | 68.71 | 58.98 | 43.38 | 29.82 | 21.93 | 16.58 | 16.25 | 16.59 |
| In LT Storage | | | | 24.18 | 44.45 | 38.85 | 25.28 | 13.39 | 6.04 | 0.71 | | |
| Consumption | 11.00 | 11.00 | 12.00 | 12.00 | 12.00 | 11.00 | 11.00 | 10 | 10.00 | 10.00 | 10.00 | 10.00 |
| Exports | 0.6 | 0.75 | 1 | 1.4 | 1.4 | 1.25 | 0.5 | 0.5 | 0.3 | 0.3 | 0.5 | 0.5 |
| post production losses | 0.7 | 0.7 | 0.8 | 4.4 | 5.3 | 3.3 | 2.1 | 1.39 | 1.1 | 1.0 | 1.2 | 1.3 |
| Processing | | | 1.0 | 1.00 | 1.00 | | | | | | | |
| Total Usage | 12.29 | 12.47 | 14.76 | 18.82 | 19.73 | 15.60 | 13.57 | 11.89 | 11.35 | 11.33 | 11.66 | 11.83 |
| Carry out (incl temp storage) | 4.76 | 5.30 | 4.53 | 28.71 | 48.98 | 43.38 | 29.82 | 17.93 | 10.58 | 5.25 | 4.59 | 4.76 |

**Notes:**

- Monthly arrivals are estimated on the basis of onion production in 3 different seasons (kharif- Sep to Dec, Late kharif-Jan to March and Rabi- March to June)
- Annual consumption figures is estimated to be 130-132 Lakh tons (based on NSSO- per capita consumption of 0.87 kg/month and population of 1.25 billion
- Monthly consumption of onion is 9-12 Lakh tons are based on prices and availability.
- Exports fig. are from NAFED and if not reported by NAFED than from IBIS (International Business Information Services)
- Post production losses are assumed to be 10% of fresh arrivals in Kharif and 5% in rabi season. Again monthly 2 % losses after storage of rabi onion
- Rabi Production for 2016 is expected to be 102-105 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 continuously moving downside from last few months.
2. RSI is moving downward in a neutral region as chart depicts.
3. Prices are getting support from lower trend line.
4. Last candlestick depicts prices will get some upward correction in the prices.
5. We expect prices to test Rs 1500 per quintal in the coming month as expected.

**Support1:** 800, **Support 2:** 700, **Resistance1:** 1850, **Resistance 2:** 2600