June, 2016

Executive Summary:

- In Delhi, modal prices were trading at Rs 701/ quintal in May month compared to Rs 1379/ quintal in corresponding period of 2015. In coming month modal prices are expected to trade between Rs 850-Rs 950/ quintal.
- All India onion arrival in month of May is approximately 11.53 lakh tons which is 10.94% higher compared to 10.39 lakh tons in corresponding period of 2015. This year production is higher in major producing regions and harvesting was continued in full phase till May month due to untimely rains in few regions.
- In Lasalgaon, modal prices in May month are trading in the range of Rs 730/ quintal compared to Rs 1236/quintal in corresponding period of 2015.
- According to news sources, M.P Govt. is purchasing onion at MSP of Rs 6/kg to help farmers as prices of onion are trading at its lowest amid higher production in State.
- As per IBIS (International Business Information Services), approximately 146693.14 tons of processed and fresh onion has been exported in month of May 2016 compared to export of 130697.27 tons in April. In 2015 approximately 108359 tons of onion was exported in May month.

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

Market	Avg. Prices May. 2016	Avg. Prices Apr. 2016	% change in prices over previous month	Previous year Avg. May. 2015 Price	% change over previous Year	Daily Avg. Arrivals May.	Daily Avg. Arrivals Apr.	% change in arrivals over previous month
Delhi	701	802	-12.59	1379	-41.84	15242	13584	12.21
Bangalore	787	787	Unch	1706	-53.87	19423	18125	7.16
Lasalgaon	730	704	3.69	1236	-43.04	10726	11263	-4.77
Pimplagaon	813	808	0.62	1340	-39.70	13304	9861	34.92
Mumbai	847	845	0.24	1358	-37.78	19512	21627	-9.78
Pune	732	746	-1.88	1419	-47.43	15981	13711	16.56
Jaipur	672	745	-9.80	1113	-33.06	4119	4120	-0.02
Chennai	1380	1334	3.45	1992	-33.03	5220	4969	5.05
Hyderabad	683	701	-2.57	1362	-48.53	5603	5416	3.45

(Source: AGRIWATCH)

On a month-on-month basis, mixed variation of prices was seen in wholesale market. Maximum prices have decreased in Delhi and Jaipur by 12.59% and 9.80% respectively. In rest of the markets prices have increased but in Bangalore prices are similar to previous week.

Prices if compared to corresponding period of 2015 are comparatively lower this year in almost all the markets because of higher production estimates in major producing regions.

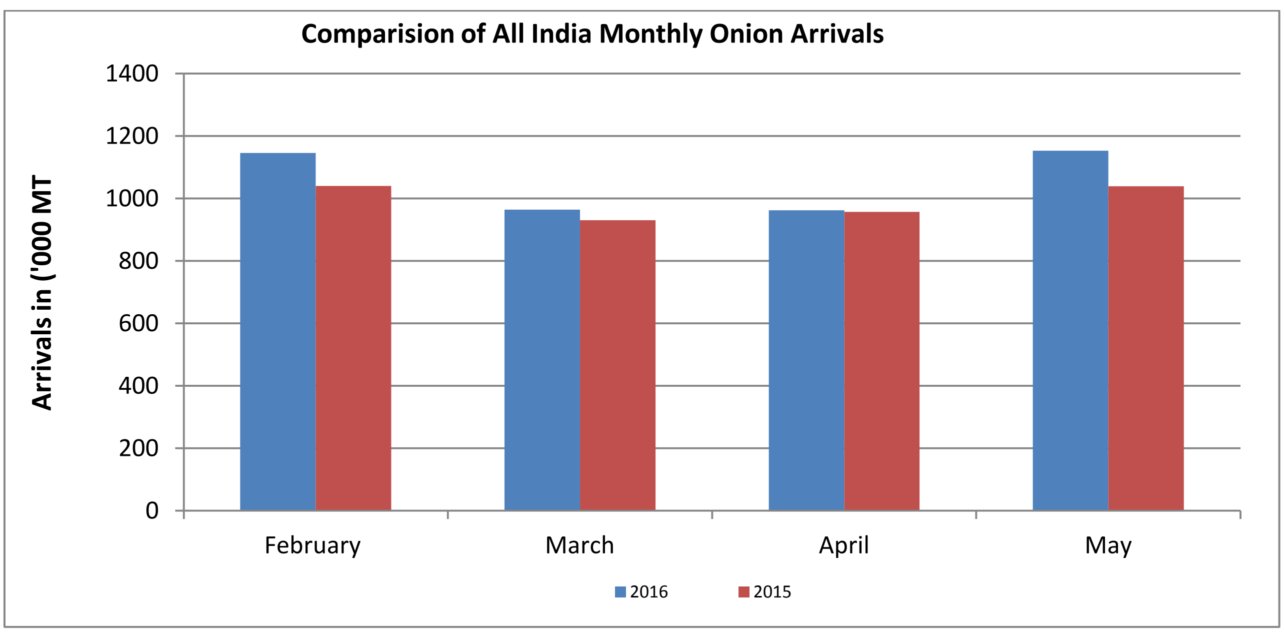
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price May. 2016	Average Retail Price Apr. 2016	Previous year Avg. Retail Price- May. 2015	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	1700	1600	2200	**6.25**	**-22.73**
Bhubaneswar	Odisha	1500	1600	2000	**-6.25**	**-25.00**
Chennai	Tamil Nadu	1500	1500	2000	**Unch**	**-25.00**
Delhi	Delhi	2100	2300	2900	**-8.70**	**-27.59**
Guwahati	Assam	1600	1600	2300	**Unch**	**-30.43**
Hyderabad	AP	1600	1600	2200	**Unch**	**-27.27**
Kolkata	W. Bengal	1600	1600	2400	**Unch**	**-33.33**
Mumbai	Maharashtra	1500	1900	2300	**-21.05**	**-34.78**
Patna	Bihar	1300	1400	2400	**-7.14**	**-45.83**

(Source: Consumer Affairs)

In Retail markets mixed variation of prices is seen in most of the markets. Prices are either similar to previous week or have decreased in rest of the markets. In coming month prices may tighten slightly as harvesting of Rabi onion is almost over in most of the producing regions. Also prices are lower in almost all the markets compared to corresponding period of 2015 during same time.

All India Onion Monthly Arrivals:



(Source: Agmarknet)

The above graph shows the monthly all India onion arrivals. During the month period arrivals have increased compared to corresponding month and Corresponding period of 2015. Arrival has increased because of higher production and continuous harvesting of Rabi crop during the month period.

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	11.57	13.28	14.69	17.42	42.87	64.42	59.63	44.99	32.05	24.33	17.9	16.21
Fresh Production	15	16	19	46	42	12	0	0	5	6	11	12
Imports	0	0	0	0	0	0	0	0	0	0	0	0
Availability	26.57	29.28	33.69	63.42	84.87	76.42	59.63	44.99	37.05	30.33	28.9	28.21
In LT Storage				25.45	46.99	42.21	27.57	14.63	6.91	0.48		
Consumption	11	12	12	12	11	11	11	10	10	10	10	10
Exports	1.3	1.51	2	2	2	1.25	0.5	0.5	0.5	0.5	0.5	0.5
post production losses	0.99	1.08	1.27	5.55	6.45	4.53	3.15	2.44	2.22	1.92	2.19	2.25
Processing			1	1	1							
Total Usage	13.29	14.59	16.27	20.55	20.45	16.78	14.65	12.94	12.72	12.42	12.69	12.75
Carry out (incl temp storage)	13.28	14.69	17.42	42.87	64.42	59.63	44.99	32.05	24.33	17.9	16.21	15.46

Assumptions

- Till February 2016 exports are taken from Nafed.March onward exports are taken from IBIS.
- 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

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 month.)

1. Onion prices at Lasalgaon are moving range bound from last three months.
2. RSI is moving steady in oversold 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. In coming months prices may test the level of Rs 1200/ quintal.

Support1: 700, **Support 2:** 600, **Resistance1:** 1300, **Resistance 2:** 1500