

Executive Summary:

- All India, cumulative onion arrival during 2nd week of December was approximately 20% less as compared to 1st week of December. However, when compared arrivals of previous year during same time, it is 15% higher. Arrivals in 2nd week of December have decreased as prices have fallen and harvesting of kharif crop is coming to end in some parts of Maharashtra
- Onion export in month of November was approximately 66,236 ton compared to previous month exports of 58242 ton. If we compared with previous year during same time it is less by approximately 45%. This decline in was due to higher MEP which was imposed at \$1150/ ton.
- Across the country prices of onion have fallen as this time is peak time for arrivals which are majorly coming from Maharashtra, Rajasthan, M.P and Karnataka.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have fallen to Rs 1530 and Rs 1420/ quintal from Rs 1800/ quintal each respectively in last one week. This downfall of prices by 14-20% is due to higher arrivals of onion crop.
- In Delhi, approximately 75% of onion is arriving in market from Rajasthan only and rest of the 25% is arriving from Maharashtra, M.P and Karnataka.
- Farmers agitation has started after wholesale prices fallen below Rs. 1000/Qtl in Pimplagaon mandi of Nashik district. Farmers are demanding complete removal of MEP to support prices.

Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India:

Center Name	Avg. Wholesale Price(09 December - 14December)	Avg. Wholesale Price(02 December - 07December)	% Change in Wholesale Price over prev. week	Avg. Retail Price (09 December - 14December)	Avg. Retail Price (02 December - 07December)	% Change in Retail Price over prev. week
BANGALORE	1683	2333	-27.86	3717	3143	18.26
BHUBANESHWAR	2417	3100	-22.03	2950	3410	-13.49
CHENNAI	2942	3290	-10.58	4380	4357	0.53
DELHI	1733	2040	-15.05	3700	4083	-9.38
HYDERABAD	1580	1875	-15.73	2500	2767	-9.65
JAIPUR	1875	1792	4.63	3000	3829	-21.65
KOLKATA	3203	2870	11.60	4125	4057	1.68
MUMBAI	1783	1925	-7.38	2800	3000	-6.67
PATNA	2425	2180	11.24	3240	3243	-0.09

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have reduced in almost all the markets except Jaipur, Kolkata and Patna in wholesale market. The reason is continuous arrivals of crop which may increase ahead. In wholesale market maximum prices have fallen in Bangalore by 28% where locally produced onion is available now in ample quantity. In Jaipur, Kolkata and Patna, prices have increased.

In Indore, onion is arriving in market from local region (Khandwa and Rajpur) and few parts of Maharashtra.

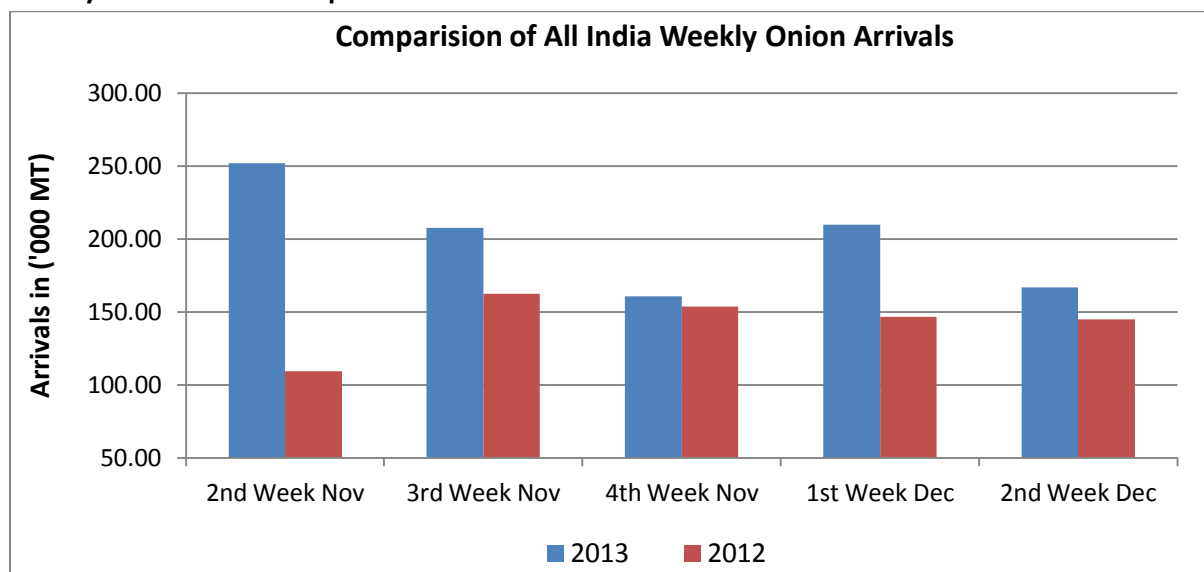
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(09 December - 14December)	Avg. Wholesale Price(02 December - 07December)	% Change in Wholesale Price over prev. week	Total Arrivals (09 December - 14December) Quintals	Total Arrivals (02 December - 07December) Quintals	% Change in Retail Price over prev. week
AHMEDNAGAR	1158	1450	-20.14	107500	75000	43.33
SOLAPUR	1088	1660	-34.46	202400	129600	56.17
BANGALORE	1683	2333	-27.86	318000	124200	156.04
INDORE	1200	1442	-16.78	175000	122500	42.86
LASALGAON	1530	1780	-14.04	106000	92200	14.97
PIMPALGAON	1420	1800	-21.11	140000	117500	19.15

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have decreased in all markets due to continuous supply from producing regions. Arrivals have increased comparatively from last week. Maximum arrivals have increased in Bangalore where onion is coming from “Kolar” region followed by Solapur and Ahmednagar districts. Arrivals have increased in Bangalore as prices were relatively higher as compared to other Maharashtra markets.

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph shows the week on week basis all India onion arrivals compared to last year. This year arrivals were comparatively lower till first week of November. But in 2nd week of November arrivals increase sharply which balance the demand supply gap of onion in market and brought down the prices. In 4th week arrivals are almost same to last year.

Technical Analysis of Onion Prices at Lasalgaon, Nasik:



(Note: Each bar or "candle" in the chart shows the price movement in a particular week. 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 weekly price movement of onion in the benchmark market of Lasalgaon mandi in Nasik. As we expected prices are in downward trend and weakness to persist in coming weeks also. Next support would be near level of Rs 1000/ quintal which is a long term support and prices may stabilize after reaching this point.

This continuous downtrend and falling Relative strength Indicator (RSI) oscillator indicates further bearish market in coming weeks.

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