

Executive Summary:

- All India, cumulative onion arrival during 2nd week of January month is approximately 54% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 2nd week of January are approximately 4% lower compared to previous week.
- As per state government, progressive sowing of rabi onion as on 13th Jan 2014 is 66000 hectare. Normal area for rabi onion is 1.90-2.00 Lakh hectare.
- Harvesting of late kharif onion has started from beginning of January and will continue till March end and may extend upto early April
- Late kharif arrivals have started arriving in markets from Maharashtra and few parts of Gujarat. According to trade sources, approximately 80% of late kharif and 20% of kharif onion is arriving in Maharashtra.
- According to international Business Information Services (IBIS), approximately 51126 MT of processed and unprocessed onion was exported from India as on 18.01.2014 in month of January through sea and air route. In addition some quantity is also exported to Bangladesh through road and rail route.
- In Karnataka, total targeted area for Rabi crop is approximately 21967 hectares. So far, 22909 hectares of area has been sown and expected that area may increase further as sowing is still in progress.

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

Center Name	Avg. Wholesale Price(13 January-18 January)	Avg. Wholesale Price(6 January-11 January)	% Change in Wholesale Price over prev. week	Avg. Retail Price(13 January-18 January) 2013	Avg. Retail Price(6 January-11 January)	% Change in Retail Price over prev. week
BANGALORE	1020	1067	-4.40	2150	1800	19.44
BHUBANESHWAR	1331	1725	-22.84	1963	2200	-10.77
CHENNAI	1425	1600	-10.94	2400	2600	-7.69
DELHI	1033	1242	-16.83	2040	2250	-9.33
HYDERABAD	1000	961	4.06	1960	1600	22.50
JAIPUR	1150	1383	-16.85	1850	2000	-7.50
KOLKATA	1153	1767	-34.75	2360	2600	-9.23
MUMBAI	1117	1171	-4.61	2000	2000	0.00
PATNA	1300	1650	-21.21	2060	2200	-6.36

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have reduced in most of the markets in both retail and wholesale markets. The reason is continuous arrivals of crop from major producing regions. In wholesale market maximum prices have fallen in Kolkata and Patna by 34% and 22% respectively.

In Retail market maximum prices have fallen in Bhubaneswar by 10 % followed by Delhi and Kolkata each by 9% approximately.

Weekly Wholesale Prices and Arrivals in producing regions:

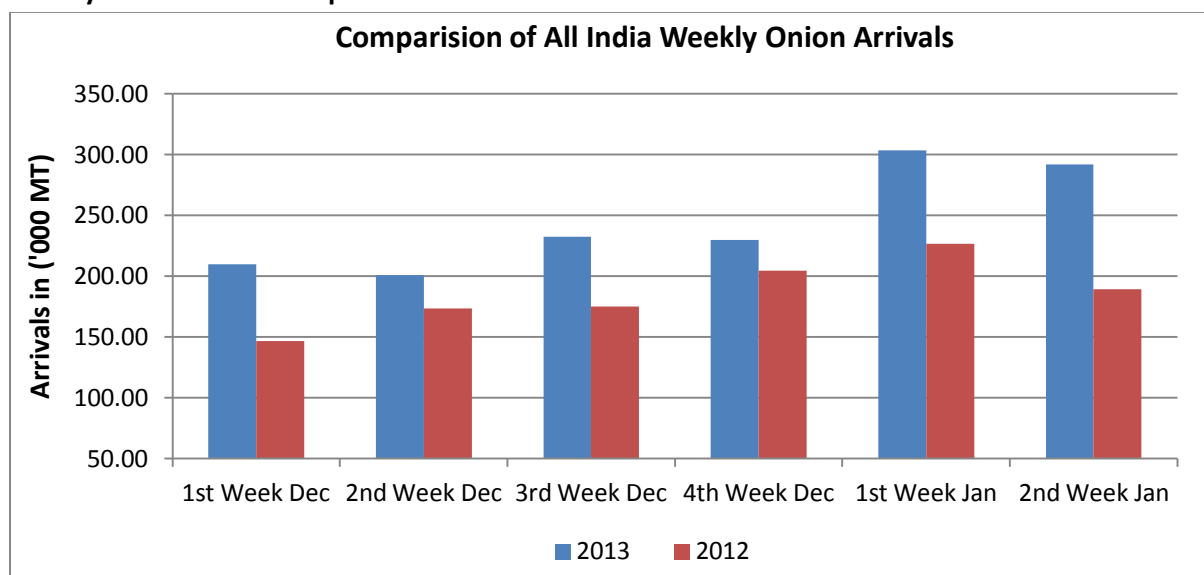
Center Name	Avg. Wholesale Price(13 January - 18 January)	Avg. Wholesale Price(6 January - 11 January)	% Change in Wholesale Price over prev. week	Average Arrivals (13 January- 18 January)	Average Arrivals (6 January- 11 January)	% Change in Arrivals over prev. week
AHMEDNAGAR	1079	1033	4.45	10417	20000	-47.92
SOLAPUR	650	848	-23.35	29333	44000	-33.33
BANGALORE	1020	1067	-4.4	25800	42667	-39.53
INDORE	740	833	-11.16	18300	22083	-17.13
LASALGAON	888	1060	-16.23	20375	17600	15.77
PIMPALGAON	968	1085	-10.78	18125	22500	-19.44

(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 of onion from different parts of the country. Overall market is expected to be sluggish ahead due to continuous supply of onion crop.

Though arrivals have fallen compared to previous week but supply is continuous so there was no impact on continuous falling onion prices. Late kharif arrivals have started arriving in markets from Maharashtra and few parts of Gujarat.

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 are comparatively higher than last year in every week because of delayed harvesting this year. In 2nd week of January arrivals are 4% lower than previous week but higher than previous 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 of Lasalgaon mandi of Nasik. As we expected prices are in a range bound movement between Rs 900 –Rs 1100/ quintal and may continue for next coming week. On the higher side prices may find resistance at a level of Rs 1300/ quintal and on the lower side prices may find support at level of Rs 800/ quintal. Prices are moving in range bound movement because of continuous supply of crop from producing regions.

Disclaimer

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