

Executive Summary:

- All India, cumulative onion arrival during 4th week of January month is approximately 19% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 4th week of January are approximately 4.5% higher compared to previous week.
- As per state Government estimate, this year late kharif acreage is 1.28 lakh hectares. Normal acreage of late kharif onion is 95000 hectares. Harvesting of late kharif onion has started from beginning of January and will continue till March end and may extend up to early April.
- In Maharashtra, last year Rabi acreage was approximately 1.56 lakh hectares. It is expected that it may increase by 20-25% compared to previous year.
- In benchmark market of Lasalgaon market, prices have declined by 5% compared to previous week and modal prices are ruling at Rs 927/ quintal and may fall ahead in coming weeks.
- According to international Business Information Services (IBIS), approximately 74575 MT of processed and unprocessed onion was exported from India as on 26.01.2014 in month of January through sea and air route.

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

Center Name	Avg. Wholesale Price(27 January-1 February) 2014	Avg. Wholesale Price(20 January-25 January)	% Change in Wholesale Price over prev. week	Avg. Retail Price(27 January-1 February) 2014	Avg. Retail Price(20 January-25 January) 2014	% Change in Retail Price over prev. week
BANGALORE	958	992	-3.43	1660	1930	-13.99
BHUBANESHWAR	1200	1375	-12.73	1575	2233	-29.47
CHENNAI	1325	1350	-1.85	2000	2180	-8.26
DELHI	958	1146	-16.40	2040	1900	7.37
HYDERABAD	588	830	-29.16	1180	1600	-26.25
JAIPUR	975	883	10.42	1560	1820	-14.29
KOLKATA	1471	1310	12.29	2400	2155	11.37
MUMBAI	960	1002	-4.19	1700	1662	2.29
PATNA	1250	1250	Unch	2000	1900	5.26

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have declined in most of the markets except Jaipur and Kolkata. Maximum prices have fallen in Hyderabad by 29% followed by Delhi and Bhubaneswar by 16% respectively.

In Retail market maximum prices have fallen in almost all the markets because of continuous arrivals of crop from producing regions. Maximum retail prices have fallen in Bhubaneswar followed by Hyderabad by 29% and 26% respectively

Weekly Wholesale Prices and Arrivals in producing regions:

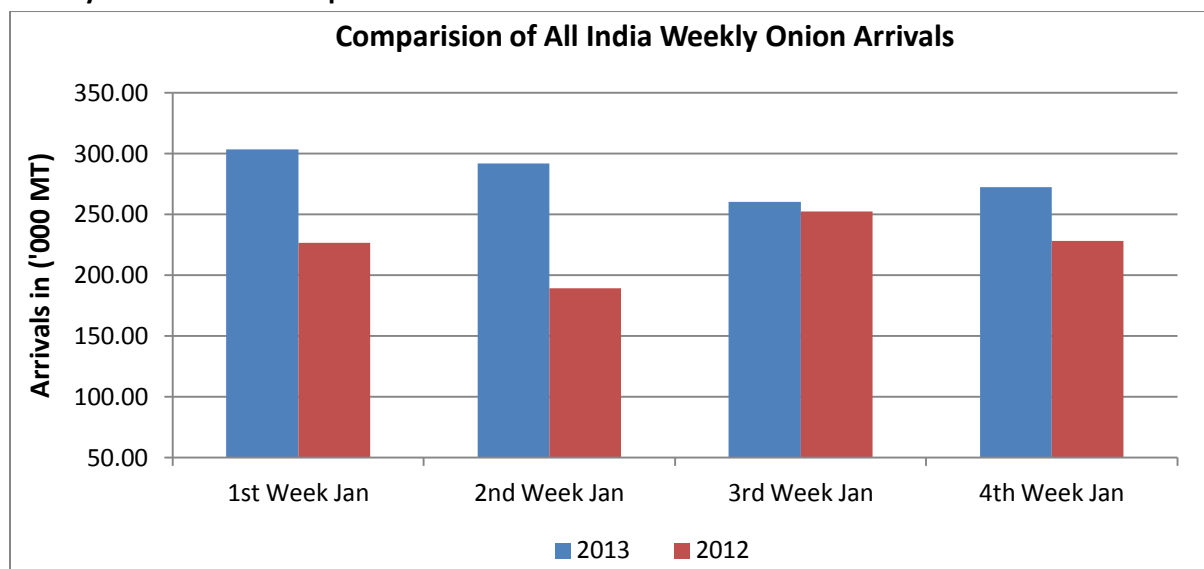
Center Name	Avg. Wholesale Price(27 January-1 February) 2014	Avg. Wholesale Price(20 January - 25 January)	% Change in Wholesale Price over prev. week	Average Arrivals (27 January-1 February)	Average Arrivals (20 January- 25 January)	% Change in Arrivals over prev. week
AHMEDNAGAR	888	975	-8.92	11833	12916	-8.38
SOLAPUR	625	608	2.8	31000	34666	-10.58
BANGALORE	958	992	-3.43	27800	38833	-28.41
INDORE	725	760	-4.61	20833	16500	26.26
LASALGAON	927	980	-5.41	13250	23800	-44.33
PIMPALGAON	988	1025	-3.61	13438	12750	5.4

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Mixed variation of prices was seen. Maximum prices have decreased in Ahmednagar by 8.92% followed by Lasalgaon and Indore by 5% and 4% respectively.

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 are continuously arriving in markets from Maharashtra, Gujarat and Orissa.

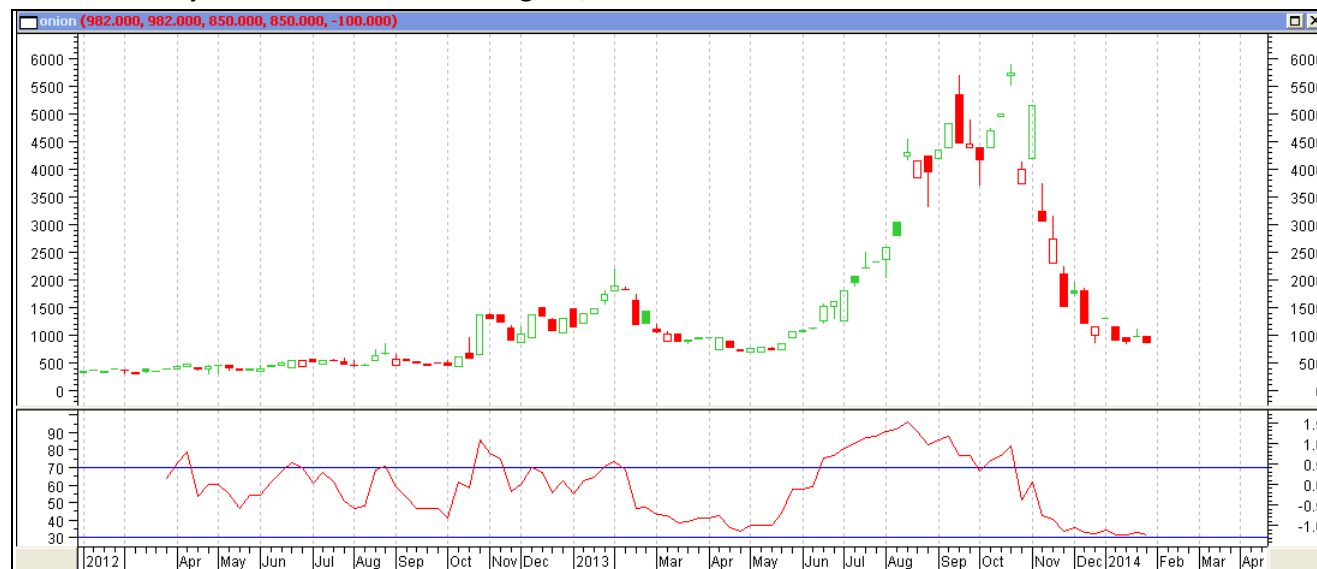
Weekly Onion Arrival Comparison:



(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 because of higher prices of onion which motivate farmers to grow onion on larger scale. These arrivals will increase in coming weeks also because last year arrivals were low because of drought condition.

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 700 –Rs 1050/ quintal from last two weeks 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 700/ quintal. Prices are moving in range bound movement because of continuous supply of crop from producing regions. Relative Strength Indicator (RSI) indicator is also stable which suggest stability in the market and range bound movement for coming week.

Disclaimer

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