

Executive Summary:

- All India, cumulative onion arrival during 4th week of February month is approximately 4% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 4th week of February are approximately 2% higher compared to previous week.
- Minimum Export Price (MEP) on onion has removed because of sharp reduction in onion prices and to boost onion export.
- As per IBIS (International Business Information System), approximately 98503 tons of processed and fresh onion has been exported in month of February.
- Across the country, prices of onion have increased in almost all the producing regions because of lower interest shown by farmers in harvesting onion crop due to lower prices which supported the prices as supply was slightly tight.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have increased by 11% and 18% respectively whereas arrivals have also increased by 37% and 10% respectively.
- According to Maharashtra state govt estimate, total Rabi sowing area in this year is 1.85 lakh hectares compared to last year 1.56 lakh hectares.

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

Center Name	Avg. Wholesale Price(24 February -1 March) 2014	Avg. Wholesale Price(17 February -22 February) 2014	% Change in Wholesale Price over prev. week	Avg. Wholesale Price(24 February -1 March) 2014	Avg. Retail Price(17 February- 22 February) 2014	% Change in Retail Price over prev. week
BANGALORE	900	792	13.64	1437	1317	9.11
BHUBANESHWAR	1090	1017	7.18	1775	1480	19.93
CHENNAI	1340	1300	3.08	1750	2000	-12.50
DELHI	1012	867	16.72	1481	2080	-28.80
HYDERABAD	625	625	Unch	1900	1133	67.70
JAIPUR	870	825	5.45	1362	1525	-10.69
KOLKATA	1238	950	30.32	1296	1775	-26.99
MUMBAI	805	671	19.97	1244	1000	24.40
Patna	1305	967	34.95	1625	1633	-0.49

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have increased because of lower supply and harvesting of onion in few parts due to rains. Maximum prices have increased in Patna by 34% followed by Kolkata and Mumbai by 30% and 20% respectively. In Patna, supply from West Bengal was less which led increase in demand of Maharashtra onion and rise in prices.

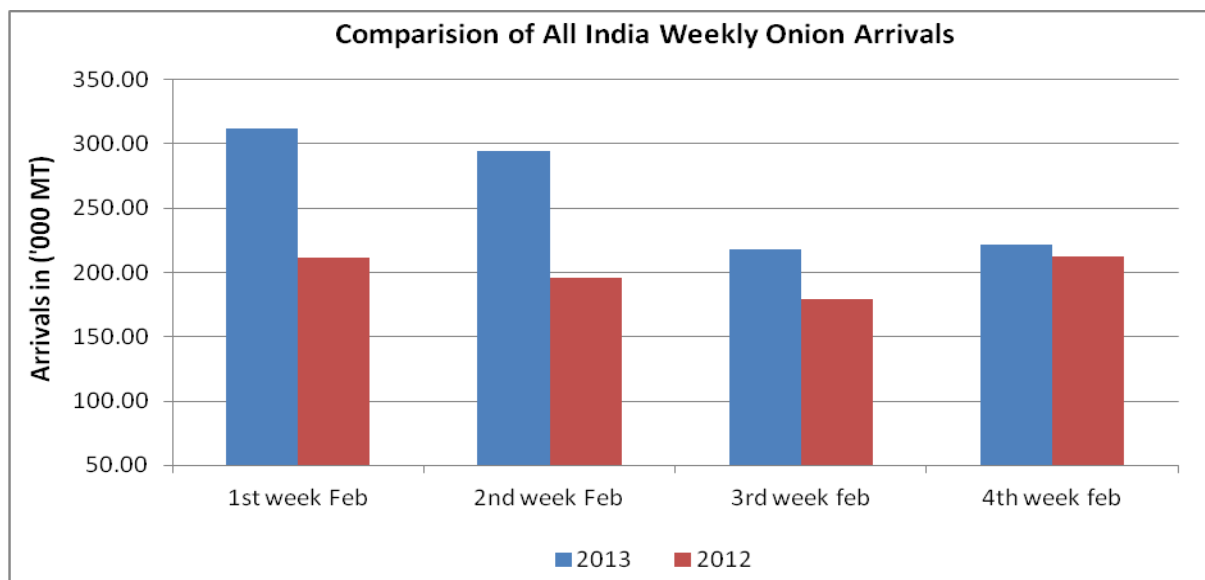
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(24 February -1 March) 2014	Avg. Wholesale Price(17 February -22 February) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (24 February -1 March)	Average Arrivals (17 February - 22 February)	% Change in Arrivals over prev. week
AHMEDNAGAR	760	693	9.67	36000	15414	133.55
SOLAPUR	540	492	9.76	23800	26000	-8.46
BANGALORE	900	792	13.64	19480	21933	-11.18
INDORE	780	708	10.17	6300	10417	-39.52
LASALGAON	775	694	11.67	10000	7250	37.93
PIMPALGAON	758	639	18.62	5250	4750	10.53

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Firm prices reported during the week period. Maximum prices have increased in Pimpalgaon by 18.62 % followed by Bangalore and Indore by 13.64% and 10.17 % respectively. Arrivals were also reported less in Solapur, Bangalore and Indore during the week which led the prices to increase marginally in every market.

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. This year arrivals are comparatively higher than last year due to higher onion prices which attracted farmers to grow onion on larger scale. Arrivals are expected to increase further because Rabi crop is expected to start from mid march and this year Rabi crop is more compared to 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. On the higher side prices may find resistance at a level of Rs 1000/ quintal and on the lower side prices may find support at level of Rs 600/ quintal. As we were expecting that prices may bounce back from the Rs 600/ quintal as per Fibonacci retracement and that exactly happened this week. Prices may increase further for next one week and are expected to fall down after that.

Disclaimer

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