

Executive Summary:

- All India, cumulative onion arrival during 3rd week of March month is approximately 32.66% lower compared to previous year, on a week on week basis, arrivals in 3rd week of March are also 34.88% lower than previous week due to holiday period (festive season).
- The Director General of Foreign Trade (DGFT) issued a notification to free onion exports by anyone. In earlier days Nafed was the only canalising agency till 1999. Further 12 State Trading Enterprises (STEs) along with Nafed were designated by the government as the canalising agencies for export of onion only.
- As per Agriwatch ongoing survey, in Nasik region early harvesting reported a minimum of 10 – 15 days because of higher water content. Rabi crop damaged reported in Nasik and Satara districts, yields were affected as compared to the last year. Farmers were reported Onion standing crop affected 30 – 40 percent in some particular districts due to recent rain.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have decreased by 7.07% and 0.78% respectively. Arrivals in Lasalgaon higher by 62.60% while arrivals in Pimpalgaon arrivals have fallen by 3.10% compared to previous week.
- According to International Business Information services (IBIS) data as on 16.3.2014 approximately 60381 tons of processed and unprocessed onion has been exported in the month of March.

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

| Center Name | Avg. Wholesale Price(17 March -22 March) 2014 | Avg. Wholesale Price(10 March -15 March) 2014 | % Change in Wholesale Price over prev. week | Avg. Retail Price(17 March -22 March) 2014 | Avg. Retail Price(10 March -15 March) 2014 | % Change in Retail Price over prev. week |
|--------------|---|---|---|--|--|--|
| BANGALORE | 710 | 950 | -25.26 | 1220 | 1366 | -10.69 |
| BHUBANESHWAR | 1205 | 1325 | -9.06 | 1470 | 1670 | -11.98 |
| CHENNAI | 1220 | 1317 | -7.37 | 1800 | 1900 | -5.26 |
| DELHI | 1000 | 975 | 2.56 | 1580 | 1800 | -12.22 |
| JAIPUR | 880 | 1017 | -13.47 | 1520 | 1525 | -0.33 |
| KOLKATA | 1196 | 1171 | 2.13 | 1750 | 1816 | -3.63 |
| MUMBAI | 900 | 954 | -5.66 | 1160 | 1200 | -3.33 |
| PATNA | 1125 | 1242 | -9.42 | 1850 | 1966 | -5.90 |

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have decreased in almost all the markets. Maximum prices have decreased in Bangalore by 25.26% followed by Jaipur and Patna where it has decreased from 13.47% and 9.42% respectively. In Bangalore, onion is arriving in market from local region (Gulbarga and Chitradurga districts) and Maharashtra region.

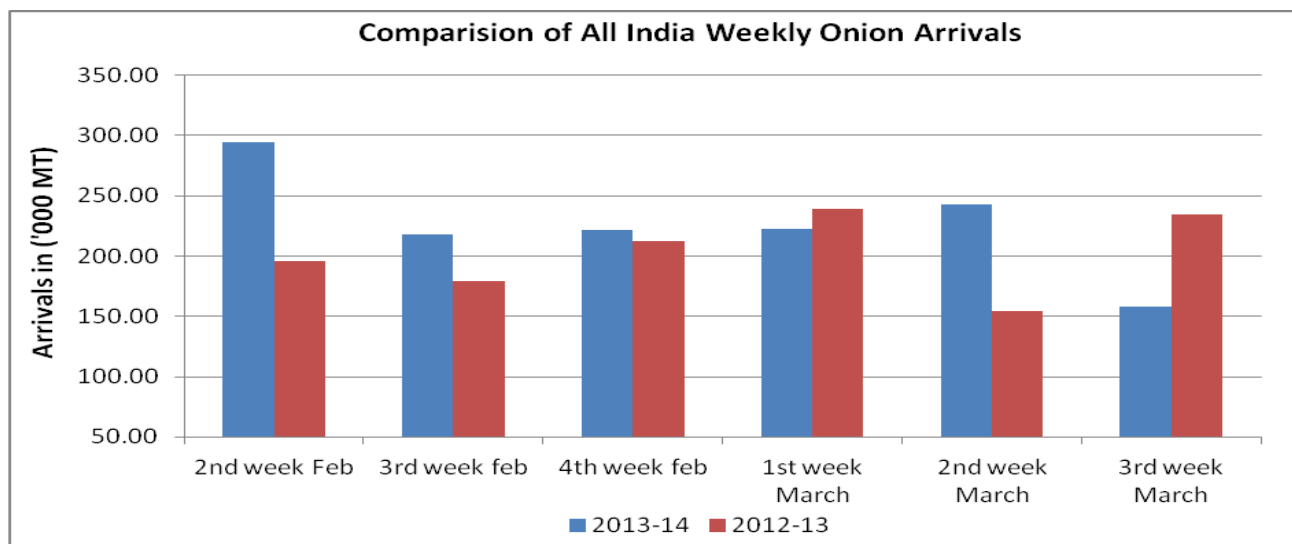
Weekly Wholesale Prices and Arrivals in producing regions:

| Center Name | Avg. Wholesale Price(17 March -22 March) 2014 | Avg. Wholesale Price(10 March -15 March) 2014 | % Change in Wholesale Price over prev. week | Average Arrivals (17 March -22 March) 2014 | Average Arrivals (10 March -15 March) 2014 | % Change in Arrivals over prev. week |
|-------------|---|---|---|--|--|--------------------------------------|
| AHMEDNAGAR | 862 | 987 | -12.66 | 17250 | 33166 | -47.99 |
| SOLAPUR | 525 | 604 | -13.08 | 18500 | 20533 | -9.90 |
| BANGALORE | 710 | 950 | -25.26 | 31200 | 28000 | 11.43 |
| INDORE | 750 | 792 | -5.30 | 8750 | 10167 | -13.94 |
| LASALGAON | 762 | 820 | -7.07 | 16000 | 9840 | 62.60 |
| PIMPALGAON | 887 | 894 | -0.78 | 6250 | 6450 | -3.10 |

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Market was weak in all the producing regions because of higher arrivals. Arrivals are expected to increase further as harvesting of Rabi crop will pick up pace. Mainly Delhi, Mumbai and Bangalore, arrivals have increased and pressurizes the prices.

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. However, in 3rd week of March arrivals were reported down in current year as compared to the last year due to festive season, market was reported closed.

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 1150/ quintal and on the lower side prices may find support at level of Rs 600/ quintal. As we were expecting that prices may rise as per Fibonacci retracement and that exactly is in continuation for last 3-4 weeks. It is expected that prices will increase before it start falling again with the higher arrivals in coming weeks.

Disclaimer

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