

Executive Summary:

- All India, onion arrival in June 4th week is approximately 2% lower compared to previous week. If we compare onion arrivals in 4th week of June on a yearly basis we observed that arrivals are 8% higher than last year during same time.
- Government strict policies and imposing MEP on Onion for export couldn't work out much as prices have increased across the country. This is clearly an indication towards shortfall of onion crop and preventive measures should be taken at the earliest.
- According to International Business Information System (IBIS), approximately 53,488 tons of onion has exported till 22nd June 2014 which includes both processed and unprocessed onion from sea route. Further export is expected to be less because of higher MEP.
- In Karnataka, kharif sowing is in progress. So far approximately 16145 hectares of area is sown against 9304 hectares at this time last year. Total targeted area for kharif onion is 1, 32,165 hectares.
- In Karnataka, major kharif growing districts are Gadag, Dharwad, Bijapur, Bagalkot and Chitradurga which contributes approximately 70% of total production.
- In Lasalgaon, modal prices reported Rs.1520/ quintal compared to last year price of Rs 1450/ quintal during same time. Prices are increasing as well as arrivals which suggest firmness in market due to crop loss in Maharashtra.

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

Center Name	Avg. Wholesale Price (23 Jun-28 Jun) 2014	Avg. Wholesale Price (16 Jun-21 Jun) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (23 Jun-28 Jun) 2014	Avg. Retail Price (16 Jun-21 Jun) 2014	% Change in Retail Price over prev. week
Bangalore	2158	1858	16.15	3200	2833	12.95
Bhubaneswar	2066	1425	44.98	2510	2000	25.50
Chennai	2483	2317	7.16	3200	3000	6.67
Delhi	1500	1075	39.53	2440	2117	15.26
Jaipur	1400	1067	31.21	2080	1592	30.65
Kolkata	2146	1774	20.97	2960	2780	6.47
Mumbai	1967	1908	3.09	2583	2100	23.00
Patna	1850	1650	12.12	2583	2400	7.63

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have increased in almost all the markets during week period. Prices have increased because of lower arrivals in markets from producing regions. Maximum prices have increased in Bhubaneswar and Delhi by approximately 44% and 39% respectively. Prices are expected to remain firm due to lower storage in Maharashtra.

Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (23 Jun- 28 Jun) 2014	Avg. Wholesale Price (16 Jun- 21 Jun) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (23 Jun- 28 Jun) 2014	Average Arrivals (16 Jun- 21 Jun) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	1200	1075	11.63	16000	11500	39.13
SOLAPUR	1483	1325	11.92	6000	8333	-28.00
BANGALORE	2158	1858	16.15	22667	25667	-11.69
INDORE	1158	1017	13.86	13750	21000	-34.52
LASALGAON	1520	1350	12.59	13600	9667	40.68
PIMPALGAON	1506	1362	10.57	16250	8542	90.24

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Prices have increased in almost all the producing regions. Mixed variation of arrivals was seen in the market. Further we are expecting less arrival as of lower stocks and low shelf life of onion. Prices are expected to remain firm throughout the season until or unless kharif crop doesn't start arriving in market.

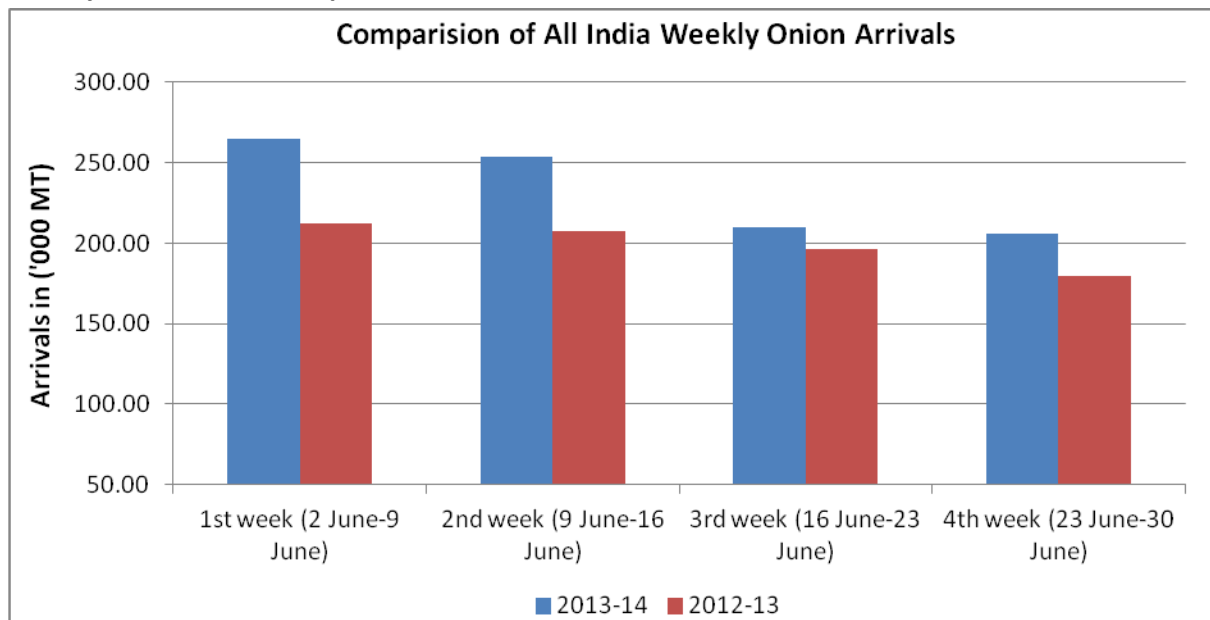
Monsoon Progress as on 29th June, 2014

	Normal (mm)	Actual (mm)	Deficit/Surplus
Madhya Maharashtra	139.4	44	-68%
Marathwada	137.4	30.4	-78%
North Karnataka	100.4	49.8	-68%
South Karnataka	133.8	105.3	-21%

(Source: IMD)

The above table depicts the rainfall data of kharif onion sowing regions. This year rainfall is less as compared to normal because of delayed monsoon and EL-Nino. Sowing for kharif season is already delayed by 10-15 days. In South Karnataka, rainfall deficit is comparatively less as compared to other producing regions

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. Rabi crop arrival in 3rd week of June has decreased sharply as farmers couldn't bring their onion stock to market as of heavy rainfall in Maharashtra region. Arrival may rise in coming weeks as farmers/traders may bring their crop in market in fear of crop damage.

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. Prices have increased in the market. On the higher side prices may find strong resistance at a level of Rs

2000/ quintal and on the lower side prices may find support at level of Rs 1400/ quintal. Relative Strength indicator (RSI) oscillator is moving in overbought region which suggest prices may increase in coming days. Fibonacci retracement indicator shows that prices may correct after touching a level of Rs 1950/ quintal in coming weeks.

Disclaimer

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