

**Executive Summary:**

- All India, onion arrival in July 2<sup>nd</sup> week is approximately 20% lower compared to previous week. If we compare onion arrivals in 2nd week of July on a yearly basis we observed that arrivals are 16% lesser than last year during same time.
- Government increased onion MEP (Minimum Export Price) from to \$ 300/ ton to \$ 500/ton and other strict policies led onion prices range bounded because of shortfall of onion crop.
- According to International Business Information System (IBIS), approximately 16018 tons of onion has exported till 13 July 2014 which includes both processed and unprocessed onion from sea route. Further export is expected to be less because of imposing MEP of \$ 500/ ton.
- In Karnataka, kharif sowing is in progress. So far approximately 19069 hectares of area is sown of the total targeted area for kharif onion is 1, 32,165 hectares.
- In Lasalgaon, weekly modal prices reported Rs.1880/ quintal which are comparatively similar to previous week. This indicates prices are range bounded for next few coming weeks.

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

Centre	Wholesale Prices (Rs/Qtl.) #			Retail Prices (Rs/Kg)*		
	Current Week As on 15.07.2014	Previous Week As on 08.07.2014	A year ago As on 15.07.2013	Current Week As on 15.07.2014	Previous Week As on 08.07.2014	A year ago As on 15.07.2013
DELHI	1939	NA	1992	3300	3500	3100
MUMBAI	2200	2350	2200	2900	2900	3200
KOLKATA	2625	2375	2625	3200	3600	2800
CHENNAI	NA	NA	NA	3000	2700	2700
AHMEDABAD	1800	1600	1550	2800	2700	1900
BENGALURU	2300	2400	2100	3400	3200	3100
BHOPAL	NA	NA	NA	1800	1800	1100
BHUBANESHWAR	NA	2400	NA	2800	2800	2800
HYDERABAD	NA	2200	2200	2600	2600	2600
JAIPUR	1500	1750	NA	1800	2000	2300
TRIVANDRUM	NA	NA	NA	3400	3400	6800
LUCKNOW	NA	NA	2000	3000	3000	2200

(Source: #Agmarknet, \*Consumer Affairs)

Above table shows wholesale and retail prices of onion across different markets. Retail Prices are almost similar to previous week. Prices have increased because of lower arrivals in markets from producing regions. Prices are expected to remain firm due to lower storage in Maharashtra.

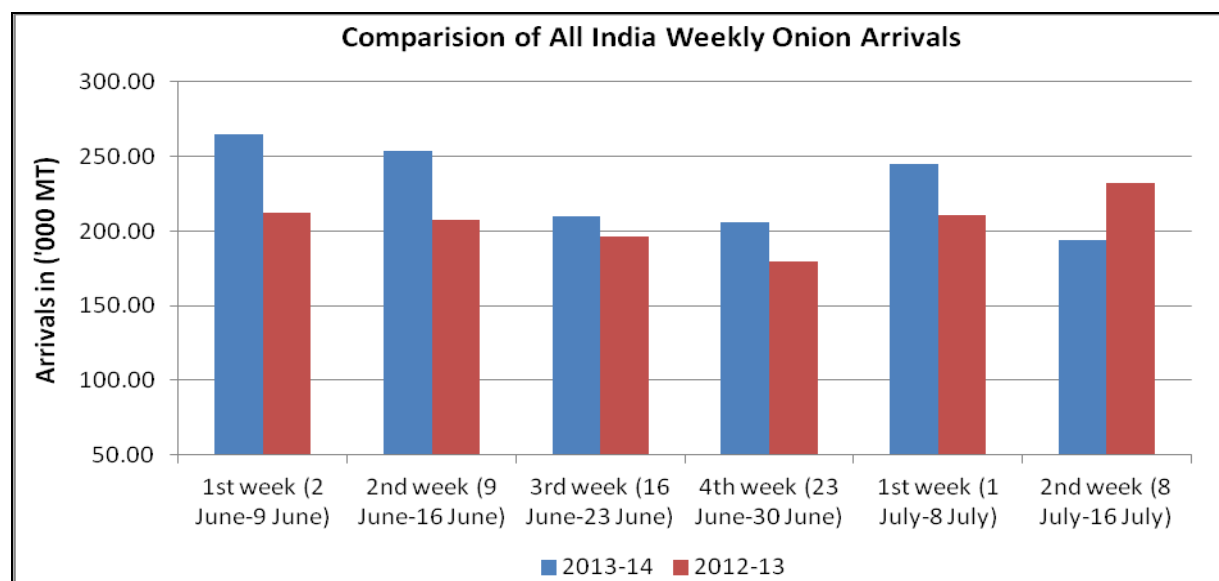
### Monsoon Progress as on 15 July, 2014

	Normal (mm)	Actual (mm)	Deficit/Surplus
Madhya Maharashtra	260.7	93.6	-64%
Marathwada	222.9	91.4	-59%
North Karnataka	164.2	109.3	-33%
South Karnataka	249.2	198.8	-20%

(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 was delayed by 15-20 days. In 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 2nd week of July has decreased sharply as farmers couldn't bring their onion stock to market as of heavy rainfall in Maharashtra region. Arrivals are expected to increase ahead as farmers/traders may bring their stocks in market as of low shelf life of onion this 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. Prices have increased in the market. On the higher side prices may find strong resistance at a level of Rs 2600/ quintal and on the lower side prices may find support at level of Rs 1500/ quintal. Relative Strength indicator (RSI) oscillator is moving down in neutral region which suggest prices may correct in coming days. As we were expecting that prices may correct after touching level of Rs 1950/ quintal and that exactly is happening. For the coming week prices are expected in the range of Rs 1500-Rs 1900/ quintal.

### Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC