

Executive Summary:

- All India, onion arrival in August 4th week is approximately 49% higher compared to previous week. If we compare onion arrivals in August 4th week on a yearly basis we observed that arrivals are 20 % higher than last year during same time.
- According to International Business Information System (IBIS), approximately 23618 tons of onion has exported till 24 August 2014 which includes both processed and unprocessed onion from sea route.
- In Karnataka this year total targeted area is approximately 132165 hectares. Till 25th August, 108782 hectares of area is sown compared to last year's sown area of 78912 hectares during same time.
- In Maharashtra, total targeted area for kharif is approximately 123623 hectares. Till 21st Aug, 30096 hectares of area is sown compared to last year's 42189 hectares of area during same time. Sowing is delayed due to delay in monsoon and rainfall deficit.
- Onion production in Kharif season (excluding late kharif) is expected to be 20-22 lakh tons whose supply continue till end of December. Late Kharif arrivals start from January and continued till middle of March.

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

Centre	Wholesale Prices (Rs/Qtl.)#			Retail Prices (Rs./Kg.) *		
	Current Week	Previous Week	A year ago	Current Week	Previous Week	A year ago
	As on 26.08.2014	As on 19.08.2014	As on 26.08.2013	As on 26.08.2014	As on 19.08.2014	As on 26.08.2013
DELHI	1642	1713	4074	3200	3000	6000
LUCKNOW	1745	1875	4100	2500	2500	5500
AHMEDABAD	1500	1375	4300	2000	2000	4800
INDORE	NA	1250	3250	2500	2500	5000
MUMBAI	1950	1950	NA	3000	2900	5600
JAIPUR	1500	1700	NA	2500	2200	4500
BHUBANESHWAR	NA	2450	4600	2600	2500	4800
KOLKATA	2375	NA	4500	2500	2500	6000
HYDERABAD	2000	NA	3800	2800	NR	6800
BENGALURU	2000	2000	NA	2800	2500	4000
TRIVANDRUM	NA	NA	NA	3500	NR	5300
CHENNAI	NA	NA	NA	2700	2600	4700

(Source: #Agmarknet, *Consumer Affairs)

Above table shows wholesale and retail prices of onion across different markets. Prices have declined in most of the markets. Prices may remain range bound ahead because continuous track on domestic prices by Government. Imposed MEP on onion also reduced to \$350/ton which shows onion prices are under control. Prices are expected to remain range bound in coming weeks.

Retail prices are almost similar to previous week .If compared with previous year prices are comparatively lower which indicates market to remain stable.

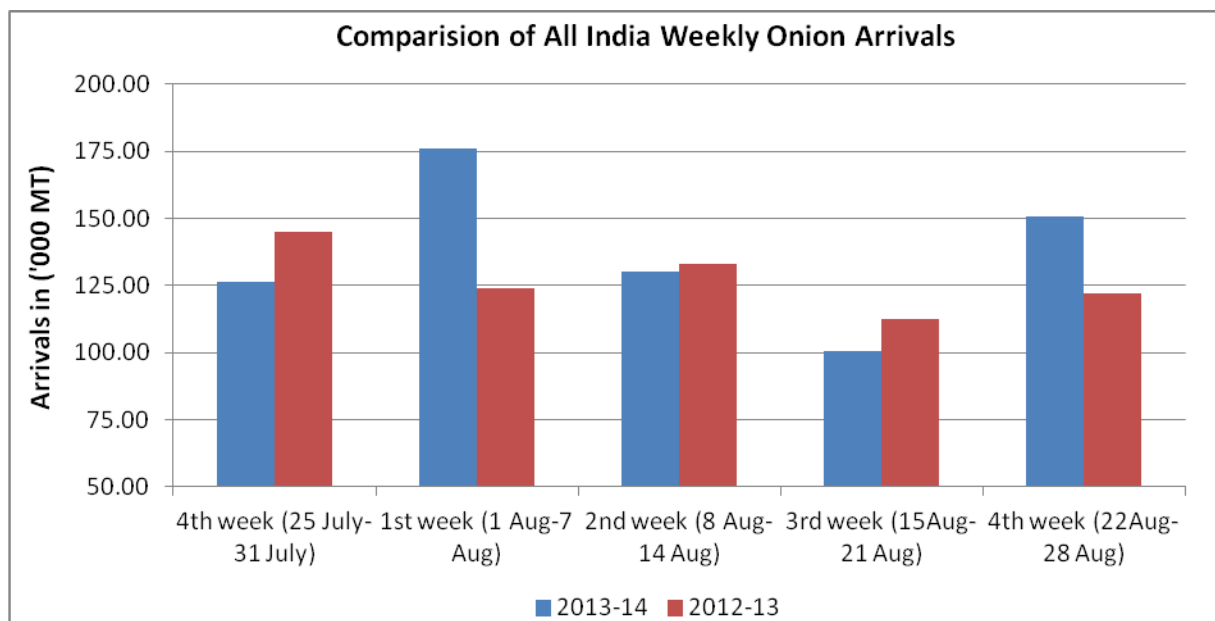
Monsoon Progress as on 28 Aug, 2014

	Normal (mm)	Actual (mm)	Deficit/Surplus
Madhya Maharashtra	560.9	522.2	-7%
Marathwada	499.8	267.1	-46%
North Karnataka	348	350.1	1%
South Karnataka	508.6	612.7	20%

(Source: IMD)

The above table depicts the rainfall data of kharif onion sowing regions. In South Karnataka, rainfall is comparatively more compared to normal. Maximum rainfall deficit is in Marathwada region. In Karnataka onion sowing is better as compared to Maharashtra.

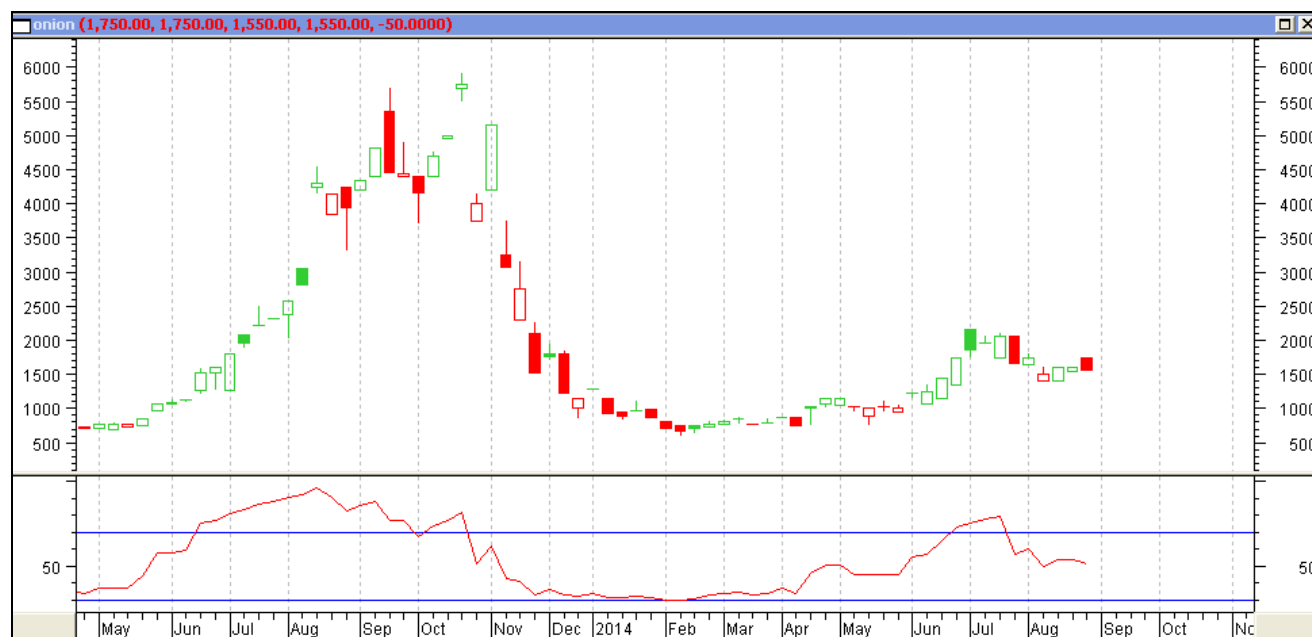
Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. In fourth week of August arrivals have increased sharply because farmers/ traders are bringing their stocks in market in fear of crop damage as of low shelf life 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. Range bound movement reported 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 1200/ quintal. Relative Strength indicator (RSI) oscillator is moving stable in neutral region which suggest prices may remain range bound in coming weeks. Prices are expected to be in the range of Rs 1500- Rs 2000/ quintal.

Disclaimer

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