

Executive Summary:

- All India, onion arrival in September 4th week is approximately 24% lower compared to previous week. If we compare onion arrivals in September 4th week on a yearly basis we observed that arrivals are 8 % lower than last year during same time.
- According to International Business Information System (IBIS), approximately 39791 tons of onion has exported as on 28-9-2014 which includes both processed and unprocessed onion from sea route.
- In Karnataka this year total targeted area is approximately 132165 hectares. Till 29th September, 122860 hectares of area is sown compared to last year's sown area of 114030 hectares during same time.
- In Delhi, onion is arriving in market from Rajasthan, M.P, Maharashtra and Karnataka which are contributing approximately 20% 25%, 40% and 15% respectively. Fresh crop Maharashtra is expected to pick up pace after mid October.
- Across the country onion prices have fallen down and expected to fall down further with increase in arrivals of kharif crop in couple of 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	Previous Week	A year ago	Current Week	Previous Week	A year ago
	As on 30.Sep.2014	As on 23.Sep.2014	As on 30.Sep.2013	As on 30.Sep.2014	As on 23.Sep.2014	As on 30.Sep.2013
DELHI	1595	1641	3639	3000	3100	6200
LUCKNOW	NR	1640	4625	2000	2000	6000
AHMEDABAD	NR	1100	3500	2500	2500	6200
INDORE	NR	1000	3000	1500	2200	5000
MUMBAI	1200	1400	1200	2700	2900	5900
JAIPUR	1350	1700	1350	2200	2200	5000
BHUBANESHWAR	2000	NR	5000	2200	NR	4500
KOLKATA	NR	NR	4500	2500	NR	6000
HYDERABAD	NR	1800	4200	2600	2600	5400
BENGALURU	1700	1800	3200	1600	2200	3000
TRIVANDRUM	NR	NR	NR	3500	3700	6300
CHENNAI	NR	NR	NR	1700	1700	3700

(Source: #Agmarknet, *Consumer Affairs)

Above table shows wholesale and retail prices of onion across different markets. Prices have fallen down in almost all the markets. Prices have fallen down in most of the markets as fresh crop from Kurnool, Bangalore and few parts of Maharashtra is picking up pace.

Prices are expected to fall down further as kharif onion arrival from other parts of Maharashtra may start arriving in market in a couple of weeks. The other reason for decline in prices is less demand because of "Navarati" festival.

Retail prices are almost similar to previous week or have fallen in most of the markets .If compared with previous year prices are comparatively lower which indicates market to remain stable and prices under control amid lower production this year.

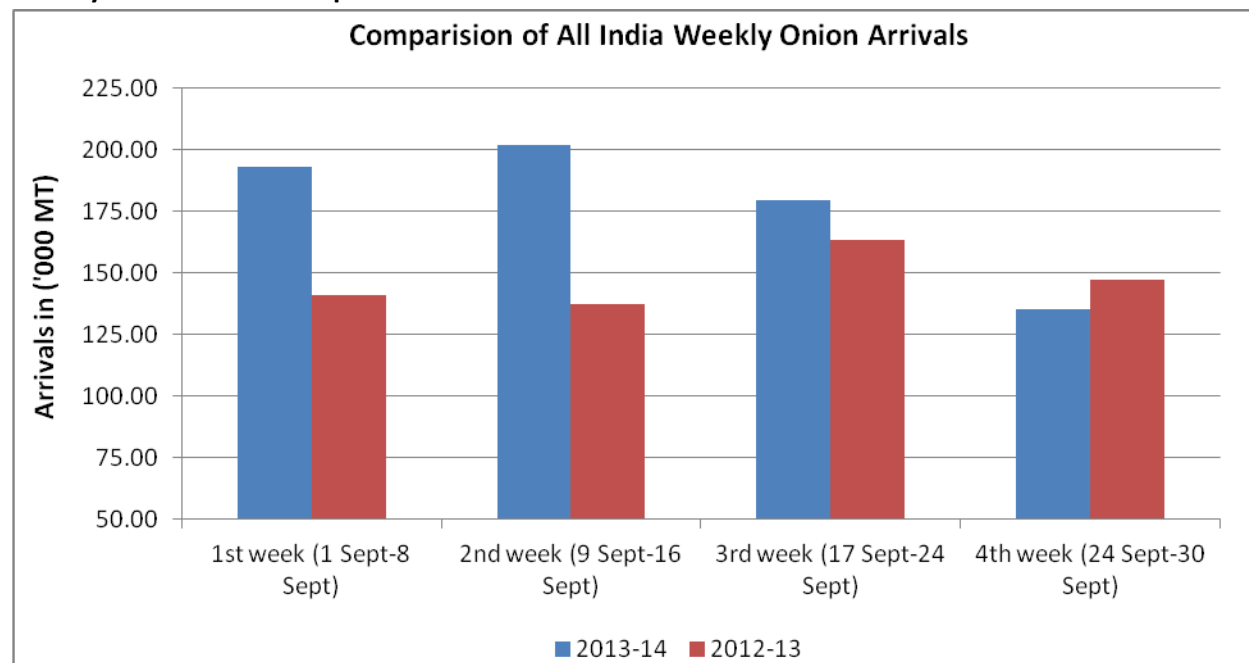
Monsoon Progress as on 25 September, 2014

	Normal (mm)	Actual (mm)	Deficit/Surplus
Madhya Maharashtra	729.3	657	-7
Marathwada	682.9	398.8	-42
North Karnataka	506	483.3	-4
South Karnataka	660	795.2	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. In Karnataka onion sowing is comparatively higher than last year. Early kharif crop has already started arriving in market. In Maharashtra, kharif sowing is less if compared to previous year during same time but area is expected to increase in late kharif season.

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 arrivals have decreased because of lower demand in market as of "Navratri" festival season.

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 1800/ quintal and on the lower side prices may find support at level of Rs 1000/ quintal. Relative Strength indicator (RSI) oscillator is moving downward in neutral region which suggest prices may fall down further or remain range bound in coming weeks. Prices are expected to be in the range of Rs 1100- Rs 1600/ quintal.

Disclaimer

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