

Executive Summary:

- All India, onion arrival in October 3rd week is approximately 139% lower compared to previous week. If we compare onion arrivals in October 3rd week on a yearly basis we find that arrivals are 37 % lower than last year during same time.
- Escalating arrivals reported in major growing regions as farmers have started bringing summer crops ahead of Diwali festival. Till now around 10% of the total crops that have arrived are of good quality.
- In Nasik region, producers have old stock around 10% of last year production. New crop arrivals from Nasik likely to enter the market after two months however other growing regions like Piplegaon and Lasalgaon new crop likely to come after Diwali festival.
- Sources revealed that, Nasik region current year Onion area reported up and less damaged so production likely to increase as compared to the last year.
- In Karnataka, targeted area for kharif season is approximately 132165 hectares. So far 122860 hectares of area is sown. Last year during same time approximately 114030 hectares of area was sown.
- Kharif Onion arrivals from Karnataka and Andhra Pradesh also coming to the market with higher quantity.
- According to International Business Information System (IBIS), approximately 15825 tons of onion has exported as on 12-10-2014 which includes both processed and unprocessed onion from sea route.
- As per Maharashtra horticulture department, this year total target area for kharif onion is 123623 hectares. As on 1st October approximately 79652.6 hectares of area is sown (including approximately 10000 ha of late kharif).

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 20.Oct.2014	As on 14.Oct.2014	As on 19.Oct.2013	As on 20.Oct.2014	As on 14.Oct.2014	As on 19.Oct.2013
DELHI	NA	1927	5142	3500	3400	NR
LUCKNOW	1675	1560	NA	2000	2000	NR
AHMEDABAD	1300	1100	4000	2500	2700	3800
INDORE	1250	1500	3500	1400	1500	NR
MUMBAI	NA	NR	5050	2900	2800	6000
JAIPUR	1500	1650	NA	2200	2500	5500
BHUBANESHWAR	NA	2100	4500	2200	2600	NR
KOLKATA	1875	2125	NA	2200	2500	NR
HYDERABAD	1600	1600	3900	2500	2500	4100
BENGALURU	1900	1800	NA	1800	1800	NR
TRIVANDRUM	NR	NR	NR	3500	3500	6800
CHENNAI	NR	NR	NR	2200	2400	5000

(Source: #Agmarknet, *Consumer Affairs)

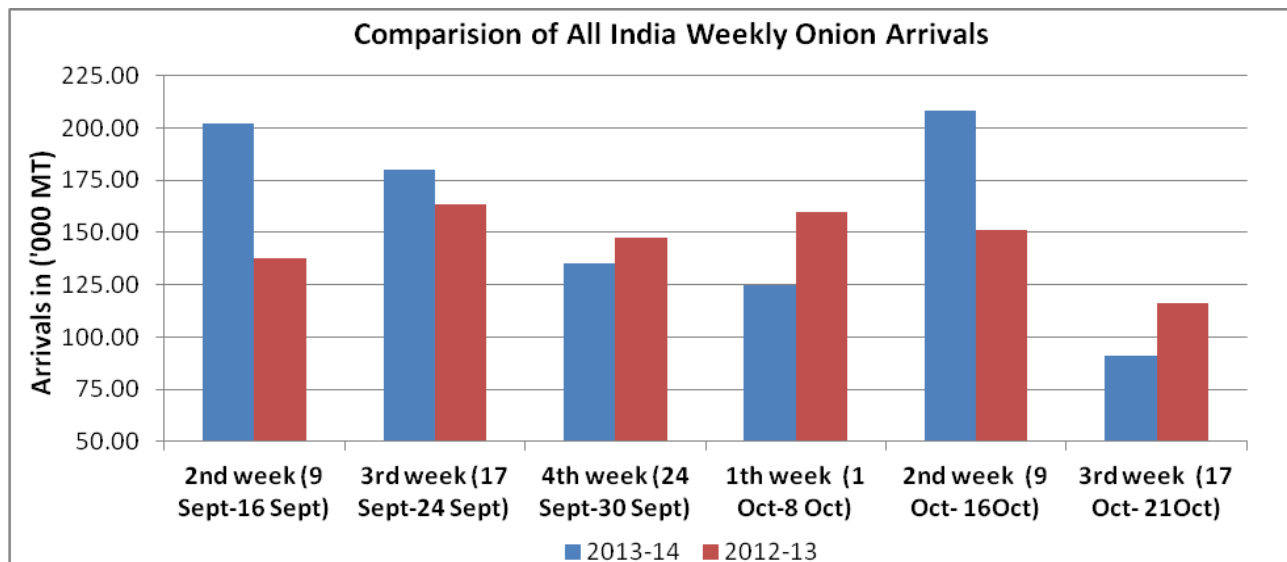
Above table shows wholesale and retail prices of onion across different markets. Mixed sentiment witnessed in domestic wholesale market during the week period due to arrival pressure. Onion prices may likely to fall in coming days as fresh arrivals from Maharashtra and Karnataka will increase. Steady to weak sentiment featured onion Retail prices during the period. New crop arrivals pressurize the prices. We expect prices will fall down further as arrivals likely to go up.

Onion Kharif Sowing:

In Karnataka, Kharif sowing is completed in a targeted area of 122860 hectares which is almost 8-9% higher than last year because of higher rainfall in Karnataka this year.

In Maharashtra, as per initial estimate of Agriwatch kharif area is expected to be in the range of 60000-62000 Ha against previous year acreage of approximately 63500 ha.

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. In third week of October arrivals reported lower as mostly market remain closed due to Diwali festival.

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. Candlestick chart indicates range bound movement in the market. RSI is moving up in neutral zone indicates prices may go up in the market.

Disclaimer

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