

# ONION & POTATO

Weekly **REPORT**

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Market Intelligence System

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## Onion

### Executive Summary

- India's total onion export till March (14.3.2013) in the current FY 2012-13 has reached to around 1635452 MT. During 2011-12, total onion export till March was around 1552904 MT. According to official sources, onion export in the month of February 2013 has declined to 100319 tons from January figure of 121261 tons due to higher prices in domestic markets.
  - Prices of onion in Maharashtra are expected to range bound till crop from 'Mahuva' and 'Sukhsagar' variety from West Bengal gets over. Once this crop gets over, prices in Maharashtra are expected to strengthen as Rabi crop is less due to lesser rainfalls.
  - Farmers of Maharashtra and Gujarat had planted rabi onion crop little early in anticipation of less availability of ground water at later stage.
- Therefore harvesting of rabi onion crop started early and arrivals have started in the markets. The main crop harvesting will take place in April.
- Across the country, arrivals have decreased in all the major markets due to lower supply from Maharashtra and Gujarat region. The other reason for decrease in arrivals is lower late kharif crop this season and gap between arrivals of rabi crop as late kharif arrival is almost over.
  - In Delhi, onion is arriving in market from Maharashtra region, Gujarat (Mahuva) region and M.P region which are contributing approximately 50%, 30% and 20% respectively. Prices are continuously stable from last 4-5 days and hovering in the range of Rs 1100 to Rs 1400/quintal.

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

Center Name	Avg. Wholesale Price (11th March-16th March)	Avg. Wholesale Price (2nd March-9 March)	% Change in Wholesale Price over prev. week	Avg. Retail Price (2nd March-9th March)	Avg. Retail Price (11th March-16th March)	% Change in Retail Price over prev. week
Bangalore	1059	1050	0.86	1740	2000	-13.00
Bhubaneshwar	1413	1747	-19.12	1670	1800	-7.22
Chennai	1400	1543	-9.27	2050	1900	7.89
Delhi	1325	1243	6.60	1960	2300	-14.78
Hyderabad	1259	1708	-26.29	2034	1800	13.00
Jaipur	892	1100	-18.91	1780	2000	-11.00
Kolkata	1228	1361	-9.77	1940	2000	-3.00
Mumbai	1042	936	11.32	1700	2000	-15.00
Patna	1317	1336	-1.42	1834	2500	-26.64

Source: Agriwatch, NHB

The above table shows the wholesale and retail prices of onion in major cities of India. Wholesale prices have declined as onion from Gujarat and 'Sukhsagar' variety from Gujarat are arriving in market in full pace. Maximum

wholesale prices were fallen in Hyderabad, Bhubaneswar and Jaipur by 26%, 19% and 18% respectively. Prices of onion are expected to remain stable for next couple of weeks as after that Rabi onion may start arriving in market.

### Onion arrivals (Qtls) in major cities of India markets

Center Name	Total Arrivals (11 March-16 March)	Total Arrivals (3 March-9 March)	% Change in arrivals over prev. week	Total Arrivals (24th Feb-2 March)
Bangalore	43500	67000	-35.07	62000
Bhubaneswar	16000	18750	-14.67	18750
Chennai	35700	39700	-10.08	38800
Delhi	43920	67070	-34.52	62380
Hyderabad	10720	8980	19.38	9250
Jaipur	11510	20200	-43.02	17500
Kolkata	35800	67680	-47.10	68060
Mumbai	41250	66950	-38.39	59500
Patna	3650	5750	-36.52	2250

Source: NHB

The above table shows the total arrivals trend during last three weeks in major cities. Arrivals have decreased in all the major markets except Hyderabad.

This week arrivals has started declining as late kharif crop is almost over and there is a small gap in arrival of Rabi crop.

### 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 fallen week on week basis. Prices are trading in the range of Rs 950 to Rs 1150/ quintal. On higher side, prices are expected to find resistance near 1122

level. On the lower side prices may found support at a level of Rs 860. Once this level is breached, prices come below Rs. 800 level. Relative Strength Index (RSI) is moving near over-sold region which suggests prices might fall a little before start rising again.



## Potato

### Executive Summary

- In Bihar, approximately 20-30% of cold storages have already filled. According to trade sources, this year cold storages are expected to get filled 15-25% less compared to previous year storages because of less potato sown area.
- Across the country, prices of potatoes have increased because potatoes from producing regions are directly going to cold storages because of which arrivals in spot market are lower.
- In Begusarai (Bihar), cold storages are expected to get filled by 12 lakh packets (1 packet=50kg) compared to previous year 16 lakh packets.
- In West Bengal, potato area is 10% more compared to previous year. According to trade sources, early sown potatoes productivity was less but later stage sown potato crop has shown improvement in productivity.
- According to trade sources, in West Bengal total cold storage capacity is expected to be filled by 58 lakh ton compared to previous year's 64 lakh ton. This decline is mainly due to less rent of cold storages because of which few cold storages suffered losses and are closed this year.
- In West Bengal, State government has decided to procure Rs 27 crore potatoes from farmers in order to help farmers as prices are low and farmers are not even able to get back cost of cultivation.

### Weekly Wholesale Potato Prices Analysis for 11th March-16th March 2013

Market	State	Avg. Prices 11th March-16th March 2013 <sup>#</sup>	Avg. Prices 2nd March-9th March 2013 <sup>#</sup>	Avg. Prices 11th March-16th March 2012 <sup>*</sup>	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	694	632	575	9.81	20.70
Agra	UP	537	515	375	4.27	43.20
Kanpur	UP	646	579	500	11.57	29.20
Farrukhabad	UP	452	406	435	11.33	3.91
Kolkata	W. Bengal	504	554	550	-9.03	-8.36
Ludhiana	Punjab	475	481	700	-1.25	-32.14
Indore	MP	796	743	515	7.13	54.56
Mumbai	Maharashtra	917	843	850	8.78	7.88
Bangalore	Karnataka	1238	1115	1300	11.03	-4.77
Ahmedabad	Gujarat	630	592	600	6.42	5.00
Hyderabad	AP	1000	1000	1100	0.00	-9.09
Chennai	Tamil Nadu	1317	1315	800	0.15	64.63

Source: <sup>#</sup>Agriwatch, <sup>\*</sup>NHB

The above table shows the weekly wholesale price variation across different markets in the country. Prices have declined in almost all the markets as arrivals are in full swing. Maximum prices have fallen in Kolkata, Ludhiana and Mumbai by 9% and 1% respectively.

### Weekly Retail Potato Prices Analysis for 11th March-16th March 2013

Market	State	Price as on 16/03/2013	Price as on 9/03/2013	Price one year ago- 16/03/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1684	1700	1280	-0.94	31.56
Bhubaneswar	Odisha	775	900	890	-13.89	-12.92
Chennai	Tamilnadu	1900	1800	1600	5.56	18.75
Delhi	Delhi	1200	1000	900	20.00	33.33
Guwahati	Assam	800	800	900	0.00	-11.11
Hyderabad	Andhra Pradesh	1634	1400	1600	16.71	2.13
Kolkata	W. Bengal	720	700	850	2.86	-15.29
Mumbai	Maharashtra	1584	2200	1200	-28.00	32.00
Patna	Bihar	817	900	920	-9.22	-11.20

Source: NHB

In Retail prices, a mixed variation is seen. Retail prices were declined in Mumbai and Bhubaneswar by 28% and 13% respectively. Prices have increased in Delhi and

Hyderabad by 20% and 17% respectively. The increase in prices is due to lower supply to market as potato from producing regions is directly going to cold storages.

### Technical Analysis – Weekly Spot Price Chart of Potato- Khandauli, Agra



**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 Potato prices in spot market of Agra. In Agra, prices were trading between Rs 600-800 from last two weeks. Prices have increased this week as harvesting from producing region has picked up pace but produce is directly going to cold storages

rather than in market. On the lower side prices may found a support at a level of 600 whereas on higher side prices may found resistance at level of 750-800. Relative Strength Indicator (RSI) is sloping upward and it is expected that prices may further rise for a couple of weeks.

### MCX- Potato Futures Weekly Analysis: (11th March-16th March 2013)

Symbol	Delivery Center	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	This Week Open Interest	Previous Week Open Interest	Change in Open Interest
Potato	Agra	15-Mar-13	849.9	749.9	100	13860	15270	-1410
Potato	Agra	15-Apr-13	840.9	731.4	109.5	36750	33360	3390
Potato	Agra	15-May-12	922	823	99	8310	-	-
				<b>Total</b>			<b>48630</b>	<b>1980</b>

Source: MCX

In futures markets potato prices are trading above Rs. 800/Qtl. In MCX, April contract short covering was seen with increase in prices and decreased in open interest.

In MCX, May contract long build up was seen with increase in open interest and prices. In MCX, June contract has opened which is currently trading at Rs 922/quintal.

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