

ONION & POTATO

Monthly REPORT

Volume 28

Market Intelligence System

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Onion

Executive Summary

- All India, onion arrival in month of August is approximately 10% lower compared to previous month. If we compare onion arrivals in August month on a yearly basis we observed that arrivals are 25% higher than last year during same time.
- As per IBIS (International Business Information System), approximately 29139 tons of processed and fresh onion has been exported in month of August 2014 compared to previous month export of 29284 tons. During the month MEP was reduced to \$ 350 ton from \$ 500 ton/qtl.
- In Karnataka, targeted area for *Kharif* season is approximately 132165 ha. So far 110374 ha

of area is sown. Last year during same time approximately 79264 ha of area was sown.

- In Maharashtra, total target area for *Kharif* season is 123623 ha. As on 4th September approximately 49154.6 ha of area is sown compared to last year 56533 ha during same time.
- Total onion production in coming *Kharif* season (*Kharif* + *late Kharif*) is expected to be between 45-50 lakh tons after revival of rains in Maharashtra and Karnataka which may increase the prospect of *late Kharif* onion.
- Government has ease down the import policies and may import onion from Pakistan and Afghanistan to stabilise the prices in domestic market. ■

Monthly Average Wholesale Price (₹/qtl) and Arrivals (in Quintals) Trend Comparison

Market	Avg. Prices August 2014	Avg. Prices July 2014	% Change in Prices Over Previous Month	Previous Year Avg. August 2013 Price	% Change Over Previous Year	Daily Avg. Arrivals August	Daily Avg. Arrivals July	% Change in Arrivals Over Previous Month
Delhi	1790	1896	-5.59	3746	-52.22	11215	12044	-6.88
Bengaluru	2072	2102	-1.43	3723	-44.35	28000	23208	20.65
Lasalgaon	1574	1844	-14.64	3663	-57.03	11765	9710	21.16
Pimpalgaon	1563	1890	-17.30	3566	-56.17	12927	12988	-0.47
Mumbai	1870	2015	-7.20	3860	-51.55	13049	12467	4.67
Pune	1887	2164	-12.80	3935	-52.05	7632	8524	-10.46
Jaipur	1829	1856	-1.45	3496	-47.68	2788	2884	-3.33
Chennai	2675	2988	-10.48	4482	-40.32	4467	4954	-9.83
Hyderabad	1957	1371	42.74	3679	-46.81	1841	3234	-43.07

Source: Agriwatch

On a month-on-month basis, prices have decreased in almost all the markets. Maximum prices have decreased in Pimpalgaon and Lasalgaon market by 17% and 14% respectively. On a year on year basis prices are much lower than last year in almost all the markets. In Hyderabad, prices has increased because onion is arriving in market from Maharashtra but expected to fall down in coming

month as onion crop from 'Kurnool' is expected to pick up pace.

In Delhi, onion is arriving in market from Rajasthan and M.P. which are contributing approximately 60% and 35% respectively whereas rest 5% is arriving in market from Maharashtra region. Onion from Rajasthan is expected to last for next 15 days and after that arrival from Maharashtra and Karnataka may increase.

Monthly Average Retail Price (₹/qtl) Trend Comparison

Market	State	Average Retail Price August 2014	Average Retail Price July 2014	Previous Year Avg. Retail Price-August 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Bengaluru	Karnataka	2800	3200	4000	-12.50	-30.00
Bhubaneswar	Odisha	2600	2800	4400	-7.14	-40.91
Chennai	Tamil Nadu	2700	2900	4500	-6.90	-40.00

Market	State	Average Retail Price August 2014	Average Retail Price July 2014	Previous Year Avg. Retail Price- August 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Delhi	Delhi	3100	3300	5500	-6.06	-43.64
Guwahati	Assam	2500	2500	4300	Unch	-41.86
Hyderabad	A.P.	2900	2700	5000	7.41	-42.00
Kolkata	W. Bengal	2800	3200	5000	-12.50	-44.00
Mumbai	Maharashtra	2700	2900	5000	-6.90	-46.00
Patna	Bihar	2400	2700	4300	-11.11	-44.19

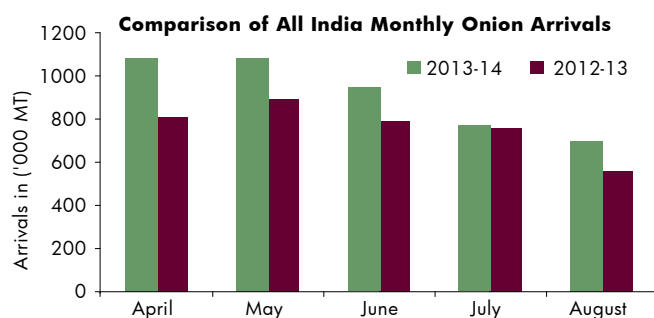
Source: Consumer Affairs

In Retail market, decreased prices were seen in most of the markets except Hyderabad. Maximum prices have decreased in Bengaluru as local produced onion crop is available in market.

If we compare prices on a year on year basis it is

observed from above table that prices are lower than last year in most of the markets. Prices are lower this year due to strict decision taken by government timely like imposing MEP and to ease down import policies to curb down prices. ■

All India Onion Monthly Arrivals



Source: Agmarknet

The graph shows the monthly all India arrivals. Arrivals are lower than previous month but are higher than last year. This year in month of August arrivals are higher compared to last year because of selling interest of traders due to low shelf life and strict policies of Government. Arrivals are expected to increase ahead as fresh crop from 'Chitradurga' district in Karnataka has started arriving in market and expected to continue further. ■

Onion Balance Sheet

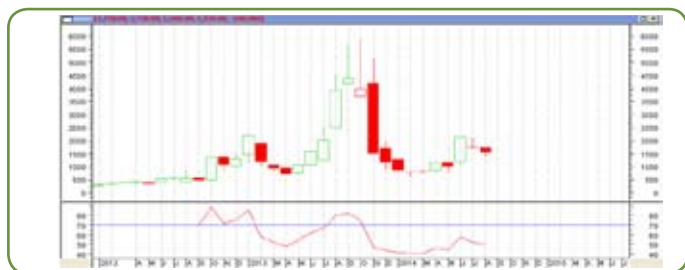
(Qty in Lakh Tons)	July 2013	July, 2014	Aug, 2013	Aug, 2014	Sep, 2013	Sep, 2014	Oct, 2013	Oct, 2014	Nov, 2013	Nov, 2014	Dec, 2013	Dec, 2014
Stored /Carry-in	36.39	45.94	23.83	32.08	13.93	21.05	8.13	12.03	2.95	7.45	1.74	4.64
Fresh Prod/arrivals	0	0	0.15	0	1.5	1.13	2.5	4.58	7.7	7.5	11.36	9
Imports	0	0	0	0.05	0	0.1	0	0	0	0	0	0
Availability	36.39	45.94	23.98	32.13	15.43	22.27	10.63	16.61	10.65	14.95	13.1	13.64
In LT Storage	14.51	26.9	5.36	15.82	0	6.71	0	2.13	0	-0.68	0	0
Consumption	11	11	9	10	7	9	7	8	8	9	8	9
Exports	1.56	0.3	0.3	0.3	0.25	0.6	0.58	0.5	0.66	0.6	1.23	0.6
Post production losses	0.75	2.57	0.75	0.78	0.05	0.64	0.1	0.66	0.25	0.71	0.5	0.75
Total Usage	12.56	13.87	9.3	11.08	7.25	10.24	7.58	9.16	8.66	10.31	9.23	10.35
Carry out (incl temp storage)	23.83	32.08	13.93	21.05	8.13	12.03	2.95	7.45	1.74	4.64	3.37	3.29

Note: We have revised the exports of April and May month as per NAFED data.

From June to August we have taken IBIS (International Business Information Services) data for Exports. For rest of month, it is estimated based on present conditions and past trend.

We have assumed imports of 0.05 lakh tons by August End and 0.10 tons by September end.

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 chart shows the monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of August modal prices touched low of ₹ 1400/qrtl and trading near ₹ 1574/qrtl. In Last one month prices have decreased by almost 30%. On the upper side prices may find resistance at a level of ₹ 2000/qrtl whereas long term support is ₹ 1200/ quintal. Overall, onion prices are expected to trade in the range of ₹ 1500-2000/qrtl in this month. Relative Strength Indicator (RSI) oscillator is moving downward in neutral region which suggest prices may fall down further or remain range bounded between to ₹ 1400/ quintal to ₹ 1800/qrtl. ■

Potato

Executive Summary

- In West Bengal, approximately 54% of potatoes have been released from a total storage capacity of 53 lakh ton compared to last year release of 49% by August end. Prices are expected to be firm throughout the season.
- In U.P., approximately 50% potatoes has been released by August end from a total storage of 83.4 lakh tons (Agriwatch Estimate). In U.P., average yield was down by approximately 20%-25% due to untimely rains during harvest time but potato acreage was similar to last year.
- In Bihar, pace of release is higher than last year because of higher price. Approximately 50% of total stored potato has been released by August end.
- In Bengaluru, 95% of total arrivals are from 'Hassan' region and rest 5% is coming from U.P. According to trade sources, crop from Hassan (Karnataka) is less by approximately 30-40% due to continuous rains at later stage.
- MCX issued a circular on 6th August in which August 2014 and September 2014 contracts were discontinued with immediate effect. Earlier FMC banned fresh positions in potato future market to curb down the rising price. ■

Monthly Wholesale Price Trend in different Producing & Consuming Centers

Market	August 2014 Avg. Wholesale Price (₹/qtl)- (Store Potato)	July 2014 Avg. Wholesale Price (₹/qtl)- (Store Potato)	August 2013 Avg. Wholesale Price (₹/qtl)	Absolute Change Over Prev. Month (₹/qtl)	% Change Over Prev. Month	% Change Over Prev. Year
Delhi	1783	1538	807	245	15.93	120.94
Khandauli (Agra)	1931	1626	800	305	18.76	141.38
Farrukhabad	1965	2521	729	444	29.19	169.55
Ludhiana	1523	1394	648	129	9.25	135.03
Kolkata	1752	1468	817	284	19.35	114.44
Jaipur	1806	1524	774	282	18.50	133.33
Mumbai	2063	1874	1152	189	10.09	79.08
Bengaluru	2102	2035	950	67	3.29	121.26
Tarkeshwar (WB)	1697	1411	786	286	20.27	115.90

Source: Agriwatch

The above table shows the monthly average prices of major markets and variation of prices with previous month and year. In most of the markets, prices have increased because supply of potatoes from West Bengal is restricted to other States and news of crop damage in "Hassan" region of Karnataka which supply to southern states during this time.

If we compare the prices with previous year during same time it is observed that prices are comparatively higher than last year because of less production and storage in U.P., West Bengal and Bihar. Prices are expected to increase ahead because of higher demand and less stored crop. ■

Monthly Retail Price (₹/qtl) and Arrivals (Tons) Trend in Different Consuming Centers

Market	Average Retail Price- August 2014	Average Retail Price- July 2014	Previous Year Avg. Retail Price- August 2013#	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year	Total Arrivals in August 2014 (in qtl)*	Total Arrivals in July 2014 (in qtl)*	Total Arrivals in August 2013 (in qtl)*
Bengaluru	2800	2800	1600	Unch	75	132900	191250	355488
Chennai	2700	2400	1600	12.50	68.75	51600	53800	54800
Delhi	3000	2800	2000	7.14	50.00	488000	462800	399800
Guwahati	2400	2100	1400	14.29	71.43	33100	37850	33200
Hyderabad	3100	2900	2200	6.90	40.91	27320	18560	52540
Mumbai	2800	2700	2000	3.70	40.00	305250	274350	238260
Ranchi	2200	1900	1200	15.79	83.33	53500	613300	40000

Source: #Consumer Affairs, *Agriwatch

Retail prices have increased in almost all the markets except Bengaluru where local produced crop from Hasan is arriving in market. Prices have increased this year due to less storage of potato crop in cold storages in major producing regions.

If we compare on a year on year basis prices are comparatively higher than last year because of less storage and production this year compared to previous year.

Technical Analysis Potato Spot Market (Khandauli, Agra)



Note: Each bar or “candle” in the chart shows the price movement in a particular month. The blue candle signifies prices increased and red candle signifies prices decreased in that month. The length of the “candle” shows the upper and lower end of the price range for the week.

The above chart shows the monthly price movement of potato for Agra (Khandauli) market. Modal prices are trading approximately ₹ 1931/qrtl. On the higher side prices may find resistance at a level of 2250/qrtl which was also the maximum price this August month. On the lower side prices may find long term support at a level of ₹ 1800/qrtl. As per Fibonacci retracement

indicator prices have touched the highest point of 2250/qrtl and may trade below this but if prices breached the level of ₹ 2250 and it may rise further. Relative Strength Indicator (RSI) oscillator is hovering stable in neutral zone which suggest that prices may trade range bounded for next coming month between ₹ 1800 to ₹ 2250/qrtl.

DISCLAIMER

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Report Produced by:



SMALL FARMERS' AGRIBUSINESS CONSORTIUM
 NCUI Auditorium Building, 5th Floor, 3 Siri Institutional Area
 August Kranti Marg, Hauz Khas, New Delhi – 110016
 Tel: (011) 26862365, 26966017 | Fax: (011) 26862367
 Email: sfac@nic.in | Web: www.sfacindia.com

Report Prepared by:



INDIAN AGRIBUSINESS SYSTEMS PVT. LTD.

H-128, First Floor, Sector 63, Noida – 201 301, India
 Tel: (0120) 4618100 | Fax: (0120) 4618118

Email: services@agriwatch.com | Web: www.agriwatch.com