

ONION & POTATO

Monthly REPORT

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Market Intelligence System

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Onion

Executive Summary

- All India, onion arrival in month of September is approximately 7% higher compared to previous month. If we compare onion arrivals in September month on a yearly basis we observed that arrivals are 31% higher than last year during same time.
- As per IBIS (International Business Information System), approximately 44554 tons of processed and fresh onion has been exported in month of September 2014 compared to previous month export of 29139 tons.
- In Karnataka, targeted area for *Kharif* season is approximately 132165 ha. So far 122860 ha of area is sown. Last year during same time approximately 114030 ha of area was sown.
- In Maharashtra, total target area for *Kharif* season is 123623 ha. As on 1st October approximately 79652.6 ha of area is sown.
- Across the country prices of onion have fallen down as fresh crop few parts of Maharashtra, A.P. and Karnataka has started arriving in market. Also government has eased down the import policies so that prices may remain stable in domestic market.

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

Market	Avg. Prices September 2014	Avg. Prices August 2014	% Change in Prices Over Previous Month	Previous Year Avg. September 2013 Price	% Change Over Previous Year	Daily Avg. Arrivals September	Daily Avg. Arrivals August	% Change in Arrivals Over Previous Month
Delhi	1819	1790	1.62	4654	-60.92	12734	12044	5.73
Bengaluru	1835	2072	-11.44	3623	-49.35	53308	23208	129.70
Lasalgaon	1439	1574	-8.58	4695	-69.35	11518	9710	18.62
Pimplagaon	1507	1563	-3.58	4547	-66.86	16912	12988	30.21
Mumbai	1660	1870	-11.23	4761	-65.13	14275	12467	14.50
Pune	1567	1887	-16.96	4818	-67.48	9262	8524	8.66
Jaipur	1850	1829	1.15	4458	-58.5	2692	2884	-6.66
Chennai	2400	2675	-10.28	5213	-53.96	4708	4954	-4.97
Hyderabad	1845	1957	-5.72	3793	-51.36	1711	3234	-47.09

Source: Agriwatch

On a month-on-month basis, prices have decreased in almost all the markets except Delhi where prices have increase marginally by 1% because of arrival of new crop. Maximum prices have decreased in Pune and Bengaluru market by 16% and 11% respectively. *Kharif* Onion has started arriving in market and expected to pick up pace in couple of weeks.

In Hyderabad, onion is arriving in market from Kurnool and expected to continue for next couple of weeks. Similarly in Karnataka onion is arriving in market from local region (Chitradurga and Gadag districts) has started arriving in market and expected to continue for coming months from other districts too.

Monthly Average Retail Price (₹/qtl) trend comparison

Market	State	Average Retail Price September 2014	Average Retail Price August 2014	Previous year Avg. Retail Price- September 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Bengaluru	Karnataka	2400	2800	4300	-14.29	-44.19
Bhubaneswar	Odisha	2400	2600	4800	-7.69	-50.00
Chennai	Tamil Nadu	2200	2700	5100	-18.52	-56.86

Market	State	Average Retail Price September 2014	Average Retail Price August 2014	Previous year Avg. Retail Price- September 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Delhi	Delhi	3100	3100	6100	0.00	-49.18
Guwahati	Assam	2500	2500	5500	0.00	-54.55
Hyderabad	A.P.	2700	2900	5600	-6.90	-51.79
Kolkata	W. Bengal	2500	2800	5400	-10.71	-53.70
Mumbai	Maharashtra	3000	2700	5600	11.11	-46.43
Patna	Bihar	2300	2400	5100	-4.17	-54.90

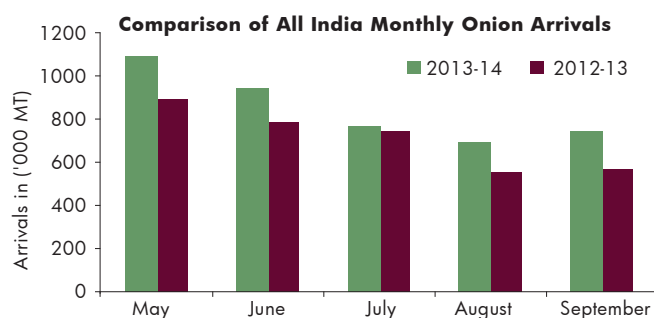
Source: Consumer Affairs

In Retail market, prices have decreased in almost all the markets except due to increase in arrivals as fresh produced onion is arriving in market from some States.

If we compare prices on a year on year basis it is observed from above table that prices are almost

half of the prices during same time last year. Prices are lower this year due to timely action taken by government if it's banning export or allowing import and ease down the import policy which is reflected in the prices. ■

All India Onion Monthly Arrivals



Source: Agmarknet

The graph shows the monthly all India arrivals. Arrivals are higher in September month than last month because fresh *Kharif* arrivals are arriving in market and picking up pace. In coming months arrivals are expected to increase as area in late *Kharif* is expected to increase because of slower monsoon this year. ■

Onion Balance Sheet

(Qty in Lakh Tons)	June, 2014	July, 2014	Aug, 2014	Sep, 2014	Oct, 2014	Nov, 2014	Dec, 2014
Stored /Carry-in	53.74	45.37	31.51	21.48	11.57	5.99	3.18
Fresh Prod/arrivals	8.00	0.00	0.00	1.13	4.58	7.50	9.00
Imports	0.00	0.00	0.05	0.10	0.00	0.00	0.00
Availability	61.74	45.37	31.56	22.70	16.15	13.49	12.18
In LT Storage	40.20	26.33	16.25	6.25	0.67		
Consumption	11.50	11.00	9.00	10.00	9.00	9.00	9.00
Exports	1.27	0.30	0.30	0.49	0.50	0.60	0.60
Post production losses	3.60	2.57	0.78	0.64	0.66	0.71	0.75
Total Usage	16.37	13.87	10.08	11.13	10.16	10.31	10.35
Carry out (incl temp storage)	45.37	31.51	21.48	11.57	5.99	3.18	1.83

Note: We have revised the exports of June month as per NAFED data.

September month export is taken from IBIS (International Business Information Services) data for Exports.

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 September modal prices touched low of ₹1200/qrtl and trading near ₹1439/qrtl. On the upper side prices may find resistance at a level of ₹1700/qrtl whereas long term support is ₹1000/qrtl. Overall, onion prices are expected to fall further as Relative Strength Indicator (RSI) oscillator is moving downward in neutral region which suggest prices may fall down further may be in a range of ₹1000-₹1300/qrtl in coming month. ■

Potato

Executive Summary

- In West Bengal, approximately 65% of potatoes have been released from a total storage capacity of 53 lakh ton compared to last year release of 63.5% by September end.
- In U.P., approximately 62% potatoes has been released by September end from a total storage of 83.4 lakh tons (Agriwatch Estimate). This pace of release is almost similar to previous year by September end but production is less this year which may lead to firm prices ahead.
- In Bihar, total potato production in the state is estimated to be 50 lakh tons from acreage of 3.21 lakh ha and average yield of 156 qtl/ha.
- In Bihar, this year capacity utilization was close to 67% against last year's capacity utilization of 76%. This year, total potato storage in the beginning of the season is estimated to be 7.5 lakh tons. So far approximately 60% of potatoes have been released compared to 55% released
- In Bengaluru, approximately 80% of potatoes arrived from "Hassan" and rest was coming from Belgaum and U.P.
- Across the country potato prices were firm in September month because of festival seasons like 'Navratri' and 'Dusherra'. Prices are expected to be stable ahead and may fall as crop from Punjab may start arriving in market from October last. ■

Monthly Wholesale Price Trend in different Producing & Consuming Centers

Market	September 2014 Avg. Wholesale Price (₹/qtl)	August 2014 Avg. Wholesale Price (₹/qtl)	September 2013 Avg. Wholesale Price (₹/qtl)	Absolute Change Over Prev. Month (₹/qtl)	% Change Over Prev. Month	% Change Over Prev. Year
Delhi	2045	1783	1347	262	14.69	51.82
Khandauli (Agra)	1892	1931	719	-39	-2.02	163.14
Farrukhabad	2244	1965	751	279	14.20	198.80
Ludhiana	1650	1523	559	127	8.34	195.17
Kolkata	1846	1752	817	94	5.37	125.95
Jaipur	1896	1806	652	90	4.98	190.80
Mumbai	2260	2063	1051	197	9.55	115.03
Bengaluru	2063	2102	936	-39	-1.86	120.41
Tarkeshwar	1701	1697	755	4	0.24	125.30

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 of festival seasons during the month and damage of "Hassan" crop which lead to rise in prices.

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 this year in major producing regions. Another reason for high prices this year is less storage in U.P., West Bengal and Bihar compared to previous year. ■

Monthly Retail Price (₹/qtl) and arrivals (Tons) trend in different Consuming Centers

Market	Average Retail Price- September 2014#	Average Retail Price- August 2014#	Previous Year Avg. Retail Price- September 2013 #	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year	Total Arrivals in September 2014 (in qtl)*	Total Arrivals in August 2014 (in qtl)*	Total Arrivals in September 2013 (in qtl)*
Bengaluru	2600	2800	2200	-7.14	18.18	227550	132900	430200
Chennai	2700	2700	1900	0.00	42.11	62200	51600	61400
Delhi	3300	3000	2000	10.00	65.00	561200	488000	586000
Guwahati	2600	2400	1500	8.33	73.33	23660	33100	31820
Hyderabad	3200	3100	2200	3.23	45.45	36010	27320	32415
Mumbai	3000	2900	2000	3.45	50.00	300450	305250	278210
Ranchi	2400	2200	1100	9.09	118.18	58030	53500	50310

Source: #Consumer Affairs, *Agriwatch

Retail prices have increased in almost all the markets except Bengaluru where local produced crop from Hasan and Belgaum 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 arrivals are lower in few markets as it is clearly visible in above table. All India arrivals in month of September is approximately 30% less compared to previous year during same time. ■

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 ₹1890/qtl. On the higher side prices may find long term resistance at a level of ₹2250/qtl. On the lower side prices may find long term support at a

level of ₹1800/qtl. As per Fibonacci retracement indicator prices may rebound on upper side from this point and may increase. Relative Strength Indicator (RSI) oscillator is also moving upward which suggest that prices may trade on the higher side for coming month. ■

DISCLAIMER

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