

# ONION & POTATO

## Monthly REPORT

Volume 27

Market Intelligence System

August 2014

### Onion

#### Executive Summary

- All India, onion arrival in month of July is approximately 22% lower compared to previous month. If we compare onion arrivals in July month on a yearly basis we observed that arrivals are 2% higher than last year during same time.
- As per IBIS (International Business Information System), approximately 29284 tons of processed and fresh onion has been exported in month of July 2014 compared to previous month export of 68326 tons. Export quantity is less because of higher MEP of 500 USD per ton.
- In Karnataka, targeted area for Kharif season is approximately 132165 ha. So far 66197 ha of area is sown.
- 'Gadag' is the major producing region in Karnataka where approximately 85% of sowing is completed in a total targeted area of 30455 ha.
- Across the country onion prices are lower than last year during same time which gives indication that situation may not be worst like last year. This year decisions taken by government were in time which may keep the onion price range bounded and may not create a panic situation.

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

Market	Avg. Prices July 2014	Avg. Prices June 2014	% Change in Prices Over Previous Month	Previous Year Avg. July (2013) Price	% Change Over Previous Year	Daily Avg. Arrivals July	Daily Avg. Arrivals June	% Change in Arrivals Over Previous Month
Delhi	1896	1156	64.01	1973	-3.90	12044	15096	-20.22
Bengaluru	2102	1866	12.65	2219	-5.27	23208	24960	-7.02
Lasalgaon	1844	1367	34.89	1990	-7.34	9710	12889	-24.66
Pimplagaon	1890	1375	37.45	2040	-7.35	12988	13176	-1.43
Mumbai	2015	1825	10.41	2216	-9.07	12467	16256	-23.31
Pune	2164	1759	23.02	2320	-6.72	8524	9355	-8.88
Jaipur	1856	1136	63.38	2096	-11.45	2884	2640	9.24
Chennai	2988	2290	30.48	2756	8.42	4954	5012	-1.16
Hyderabad	1371	913	50.16	1804	-24.00	3234	3290	-1.70

Source: Agriwatch

On a month-on-month basis, prices have increased in almost all the markets. Maximum prices have increased in Delhi by 64% followed by Bengaluru and Hyderabad by 63% and 50% respectively. Maximum price have increased in Delhi because of lower arrivals in July month compared to previous month.

In Delhi, onion is arriving in market from Rajasthan which is contributing approximately 65%

whereas rest 35% is coming from Maharashtra and M.P.

In benchmark market of Lasalgaon market, prices have increased by 34% compared to previous month but prices are lower than last year in July month. Arrivals were quite lower this month because farmers/traders are not bringing their stock in market in expectation of higher prices ahead.

#### Monthly Average Retail Price (₹/qtl) Trend Comparison

Market	State	Average Retail Price July 2014	Average Retail Price June 2014	Previous Year Avg. Retail Price- June 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Bengaluru	Karnataka	3200	3760	2800	-14.89	14.29
Bhubaneswar	Odisha	2800	2043	3000	37.05	-6.67
Chennai	Tamil Nadu	2900	2968	2800	-2.29	3.57
Delhi	Delhi	3300	2136	3200	54.49	3.13

Market	State	Average Retail Price July 2014	Average Retail Price June 2014	Previous Year Avg. Retail Price- June 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Guwahati	Assam	2500	2483	2700	0.68	-7.41
Hyderabad	A.P.	2700	1500	2500	80.00	8.00
Kolkata	W. Bengal	3200	2616	2900	22.32	10.34
Mumbai	Maharashtra	2900	2394	3200	21.14	-9.38
Patna	Bihar	2700	2284	2300	18.21	17.39

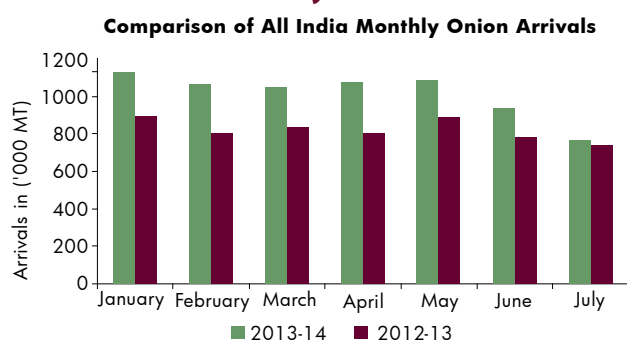
Source: Consumer Affairs

In Retail market, increased prices were seen in most of the markets except Bengaluru and Chennai. Maximum prices have increased in Guwahati and Delhi by 80% and 54% respectively.

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

observed from above table that prices are higher than last year in most of the markets. Prices are higher this year due to less production and lower stock in storages. This year prices are expected to remain firm ahead.

### All India Onion Monthly Arrivals



Source: Agmarknet

The above graph shows the monthly all India arrivals. Arrivals are lower than previous month but are almost similar to last year.

In month of July arrivals are less because of less selling interest of traders in expectation of higher prices ahead. Arrivals are expected to increase ahead as traders may start releasing their crop after there is rise in prices.

### Sowing and Weather Update

In Maharashtra so far approximately 30% of *Kharif* sowing is completed from a total targeted area of approximately 73000 ha. Sowing is expected to be complete by end of August.

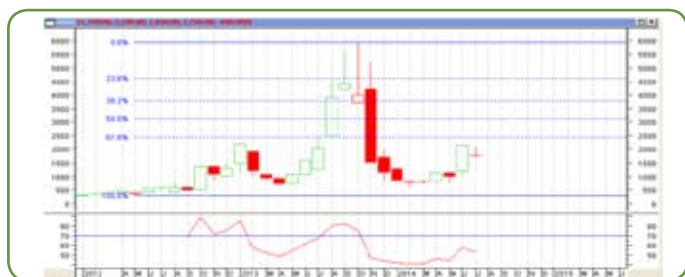
In Karnataka, total targeted *Kharif* area is 132165 ha. So far sowing is completed in 66197 ha compared to last year's area of 70719 ha during same time. Last year total sown area by September end was approximately 1 lakh ha.

### District wise cumulative Rainfall Distribution (1.06-2014 - 6-08-2014)

	Actual (mm)	Normal (mm)	%DEP
<b>KARNATAKA</b>			
Bagalkote	123.1	169.4	-27%
Bijapur	129.3	203	-36%
Dharwad	237.6	288.5	-18%
Gadag	187.6	171.7	9%
Gulbarga	151.7	299	-49%
Chickballapur	106.2	172.4	-38%
Chikmagalur	1171.6	1167.7	0%
Chitradurga	169.3	119.5	42%
Davangere	234.5	201	17%
<b>MAHARASHTRA</b>			
Ahmednagar	133.4	224.3	-41%
Dhule	292.2	323.2	-10%
Jalgaon	289.4	369.4	-22%
Nashik	506.5	532.8	-5%
Pune	554.7	525.9	5%
Sangli	313.6	296.1	6%
Satara	467.7	449.9	4%
Sholapur	138.2	222	-38%
Osmanabad	186	313.6	-41%

Source: IMD

### 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 July modal prices touched low of ₹1600/ quintal and trading near ₹1800/Qtl. In Last one month prices have increased by almost 30%. On the upper side prices may find resistance at a level of ₹2400/ quintal whereas long term support is ₹1000/ quintal. Overall, onion prices are expected to trade in the range of ₹1500-2000/ qtl in this month. Break above ₹2000 level again, can take prices to ₹2500 in wholesale market of Nashik.

## Potato

### Executive Summary

- In U.P., so far approximately 35% of potatoes have been released from cold storages compared to last year 33% release by July end. This year release from cold storages is at higher pace compared to previous year.
- In U.P., total storage in cold store this year was approximately 90 lakh ton compared to previous year.
- In West Bengal, cold storage were filled with a capacity of approximately 52 lakh ton. As per trade sources, nearly 40% of potatoes have been released from cold storages by the end of July month.
- Across the country prices are expected to increase ahead because supply of potato from West Bengal to other States has banned. This situation may increase prices and demand of potatoes from other states like U.P.
- In Bihar, release from cold storage is at higher pace compared to previous year due to higher prices this year. Potato yield in Bihar producing regions were down by 30–40% due to heavy rainfall at the time of harvesting period.
- In Hasan total sown area for this year is 18004 ha of the total targeted area of 20267 ha. According to trade sources, Hasan crop is expected to be damaged by 30% due to continuous rains at later stage.
- In Futures market restricted trading is taking place. Commodity Exchange, after direction from FMC had banned fresh positions in all contracts in order to curb down rising prices. ■

### Monthly Wholesale Price Trend in different Producing & Consuming Centers

Market	July 2014 Avg. Wholesale Price (₹/qtl)- (Fresh Potato)	June 2014 Avg. Wholesale Price (₹/qtl)- (Fresh Potato)	June 2013 Avg. Wholesale Price (₹/qtl)	Absolute Change Over Prev. Month (₹/qtl)	% Change over Prev. Month	% Change Over Prev. Year
Delhi	1538	1419	807	119	8.39	90.58
Khandauli (Agra)	1626	1504	792	122	8.11	89.89
Farrukhabad	1521	1349	776	172	12.75	96.01
Ludhiana	1394	1294	600	100	7.73	132.33
Kolkata	1468	1431	825	37	2.59	77.94
Jaipur	1524	1326	849	198	14.93	79.51
Mumbai	1874	1776	1075	98	5.52	74.33
Bengaluru	2035	1900	1271	135	7.11	60.11
Tarkeshwar	1411	1386	774	25	1.80	82.30

Source: Agriwatch

The above table shows the monthly average prices of major markets and variation of prices with previous month and year. In U.P., prices have increased because of higher demand as West Bengal government has seized the borders in order to control the prices in West Bengal state.

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 storages. Prices are expected to increase ahead because of higher pace of release from cold storages and higher demand. ■

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

Market	Average Retail Price- July 2014 (Fresh crop)#	Average Retail Price- June 2014 (Fresh crop)#	Previous year Avg. Retail Price- July 2013#	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year	Total Arrivals in July 2014 (in qtl)*	Total Arrivals in June 2014 (in qtl)*	Total Arrivals in July 2013 (in qtl)*
Bengaluru	2800	2884	1900	-2.91	47.37	191250	227550	258750
Chennai	2400	3008	1900	-20.21	26.32	53800	47850	64100
Delhi	2800	2058	2100	36.05	33.33	462800	361400	490240
Guwahati	2100	2083	1300	0.82	61.54	37850	47900	40315
Hyderabad	2900	1920	1800	51.04	61.11	18560	19920	19325
Mumbai	2700	2489	2300	8.48	17.39	274350	258750	311430
Ranchi	1900	1767	1300	7.53	46.15	61330	52650	67100

Source: #Consumer Affairs, \*Agriwatch

Retail prices have increased in almost all the markets except Bengaluru and Chennai where prices have fallen marginally. Prices have increased due to less storage of potato crop in cold storages and crop loss 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 ₹1626/qrt. On the higher side prices may find resistance at a level of 1950/qrt which was also the maximum price this month. On the lower side prices may find long

term support at a level of ₹1550/ quintal. Relative Strength Indicator (RSI) oscillator is hovering upward in neutral zone which suggest that prices may be range bound for next coming month between ₹1550 to ₹1950/qrt.

### Monthly Potato Futures (Agra Delivery) Analysis

Exchange	Expiry Date	Closing Price on 31st July 2014	Closing Price on 31st June 2013	% Change in Price Over Previous Month	Open Interest as on 30th July 2014	Open Interest as on 30th June 2013	Change in Open Interest
MCX	31-Jul-14	1347.8	1265	6.55	150	10800	-10650
MCX	28-Aug-14	1485	1299.8	14.25	405	3270	-2865
MCX	30-Sep-14	1580	1310.6	20.56	60	900	-840

Source: MCX

The above table shows the monthly price change of different month contract in MCX exchange. Prices have increased in almost all the contracts whereas

open interest have fallen sharply as FMC had restricted to take fresh positions to curb down rising prices.

### DISCLAIMER

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