SFAC
लघु कृषक
कृषि व्यापार संघ

ONION & POTATO

Monthly REPORT

Market Intelligence System

Volume 18 November 2013

Onion

Executive Summary

- All India, onion arrival in month of October is almost 25% higher compared to previous month. If we compare onion arrivals on a yearly basis we observed that onion arrivals are almost similar to last year. Last year October month also, crop was delayed due to late arrivals of monsoon and less rains.
- Government has again hiked the Minimum Export price (MEP) to $1150/MT from $900/MT one month back and $ 650MT in the starting to curtail exports and bring down the rising onion prices.
- In Karnataka, Rabi sowing area has started and targeted area is approximately 21967 hectares. So far, 5555 hectare of area is sown as compared to previous year total sown area of 2047 hectares. Bagalkot, Bijapur and Chamarajnagar districts have maximum area of 5671 ha, 5439 ha and 2832 hectares respectively.
- In Maharashtra, 80%-85% of late kharif onion sowing is completed and remaining area will be sown in next few days. Nursery preparation for Rabi crop has started and is expected to pick up pace in next few weeks. Yield for late kharif crop is expected to be much higher than kharif crop based on current weather conditions.
- Arrivals are expected to pick up Pace after mid November as festival season will be over by that time and crop will be matured enough to bring in market. But still arrivals are coming from few parts of Maharashtra and expected that increase in arrivals may bring the prices down.

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

Market	Daily Avg. Arrivals October	Daily Avg. Arrivals September	% Change in Arrivals Over Previous Month	Avg. Prices October 2013	Avg. Prices September 2013	% Change in Prices Over Previous Month	Previous Year Avg. October (2012) Price	% Change Over Previous Year
Delhi	12537	14075	-10.93	4160	4654	-10.61	1128	268.79
Bengaluru	87208	55125	58.20	4146	3623	14.44	1113	272.51
Lasalgaon (Nasik)	1135	2814	-59.67	4790	4695	2.02	775	518.06
Pimplagaon	1569	4120	-61.92	3978	4547	-12.51	833	377.55
Mumbai	11406	8423	35.41	4895	4761	2.81	945	417.99
Pune	5563	4862	14.42	4373	4818	-9.24	855	411.46
Jaipur	3474	3659	-5.06	4374	4458	-1.88	984	344.51
Chennai	4479	4730	-5.31	4742	5213	-9.04	1264	275.16
Hyderabad	4037	3927	2.80	3000	3793	-20.91	886	238.60

Source: Agriwatch

On a month-on-month basis, prices have decreased in most of the markets. Prices have decreased due to higher arrivals from producing regions. Prices are expected to come down further as arrival of kharif crop is in full swing from Maharashtra region.

If we compare the average arrivals it is visible from the above table that arrivals have increased in most of the markets. Maximum arrivals have increased in Mumbai, Pune, Bangalore and Hyderabad.

Monthly Average Retail Price (₹/qtl) Trend Comporison

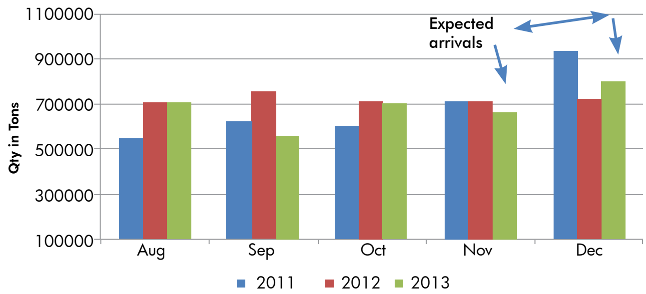
Market	State	Average Retail Price October 2013	Average Retail Price September 2013	Previous Year Average Retail Price October 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Bengaluru	Karnataka	4748	4588	1530	3.49	210.33
Bhubaneswar	Odisha	5253	4858	1454	8.13	261.28
Chennai	Tamil Nadu	5928	6563	1739	-9.68	240.89
Delhi	Delhi	5868	5988	1767	-2.00	232.09
Guwahati	Assam	6964	6396	1983	8.88	251.19
Hyderabad	A.P.	4136	5064	1117	-18.33	270.28
Kolkata	West Bengal	6257	6148	2018	1.77	210.06
Mumbai	Maharashtra	5960	5796	1342	2.83	344.11
Patna	Bihar	6675	5992	1609	11.40	314.85

Source: NHB

In Retail market mixed variation of prices were seen. Prices have fallen in Chennai, Delhi and Hyderabad by 9%, 2% and 18% respectively. Prices have marginally increased in few markets and expected to correct in coming days. Arrivals have started picking up pace which is leading downfall in onion prices.

All India Onion Arrivals Pattern

The graph shows the monthly all India arrivals. Arrivals were increased in month of October because kharif crop arrivals start during this time. This phenomenon is similar to last year but this year arrivals were delayed due to later stage rains spoiled the early kharif crop and stocked onion was also less compared to previous year.



Expected wholesale Prices in Metro Cities:

	Week	Bangalore	Chennai	Delhi	Mumbai
Actual Price	2nd week Oct	3830	3900	4200	4900
	3rd week Oct	4800	5000	4700	5300
	4th week Oct	4600	5700	4000	4900
Expected Prices in 2013	1st week Nov	4600	4200	4600	5000
	2nd week Nov	4000	3800	4200	4500
	3rd week Nov	3800	3600	3900	4200
	4th week Nov	3500	3400	3500	4000

Source: Agriwatch Research

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 monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of October modal prices touched low of ₹3900. This suggests further correction in prices in this month. However, if price starts trading higher again then first resistance could be found near 4600 and then previous high of ₹5700. On the lower side, support is placed at near 3300/quintal and after breaching this support, prices may settle down at a level of ₹2700/ quintal. Relative Strength Indicator (RSI) oscillator has started downward movement which suggests price could correct further.

Potato

Executive Summary

- In West Bengal, State government has put a cap on the prices to control rising prices. State government has also restricted export of potato outside the state to ensure availability of potato at cheaper rates in the State. Traders and cold store owners are unhappy with this move as they are not able to realize higher price by sending potatoes outside the state.
- In West Bengal, approximately 20-25% of cold storage potatoes are remaining from which 7% is kept for sowing which is in progress. Lower price during sowing and state government strict actions against price rise in the state may discourage farmers to sow potato.
- In U.P, approximately 10-12% of potatoes are left in cold storages which in quantity terms become 10-12 lakh tons. Rabi sowing is completed by 60-65% and it is expected that area would remain same due to higher cost of seeds at this time.
- In Bihar, approximately 20-25 % sowing is completed. This delay in sowing was due to rains at later stage. It is expected that Rabi area may increase this year compared to previous year.
- Across the country potato prices are rising and expected to increase further because supply of potatoes from West Bengal has stopped which will create additional demand for UP potatoes as eastern states are looking for alternate option to bring potato to their states. It is expected that new crop from Punjab may start arriving in market within next fortnight.

Monthly Wholesale Price Trend in different Producing & Consuming Centers

Market	October 2013 Avg. Wholesale Price (₹/qtl)	September 2013 Avg. Wholesale Price (₹/qtl)	October 2012 Avg. Wholesale Price (₹/qtl)	Absolute Change Over Prev. Month (₹/qtl)	% Change Over Prev. Month	% Change Over Prev. Year
Delhi	1240	859	874	381	44.35	41.88
Khandauli (Agra)	1113	719	885	394	54.8	25.76
Farrukhabad	1030	751	992	279	37.15	3.83
Ludhiana	837	559	649	278	49.73	28.97
Kolkata	1011	817	1124	194	23.75	-10.05
Hyderabad	1221	1014	1408	207	20.41	-13.28
Jaipur	1043	652	812	391	59.97	28.45
Mumbai	1386	1051	1160	335	31.87	19.48
Bengaluru	1460	936	1319	524	55.98	10.69
Tarkeshwar	1041	755	1106	286	37.88	-5.88

Source: Agriwatch, NHB

The above table shows the monthly prices change in major markets. Prices have increased in almost all the markets. Prices have increased because of higher demand as prices of green vegetables are very high so potato is the best substitute. The other reason is lower stock of potatoes in U.P which is majorly supplying to different part of countries. Supply from West Bengal has stopped which has also led prices to increase.

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

Market	Average Retail Price October 2013	Average Retail Price September 2013	Previous Year Avg. Retail Price October 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year	Total Arrivals in October 2013 (in tons)	Total Arrivals in September 2013 (in tons)	Total Arrivals in October 2012 (in tons)
Bengaluru	2114	1409	2030	50.04	4.14	28020	43020	19590
Chennai	2388	1984	2504	20.36	-4.63	5850	6140	5480
Delhi	2088	1240	1685	68.39	23.92	4093	1344	1710
Guwahati	1696	1353	1708	25.35	-0.7	2730	3182	3310
Hyderabad	1780	1588	1780	12.09	0	3142	3242	10486
Mumbai	2196	2000	2150	9.8	2.14	21944	27821	32919
Ranchi	1375	1000	1775	37.5	-22.54	2424	5031	5930

Source: NHB

Retail prices have increased in almost all the markets. Prices have increased because of lower sock of potatoes in U.P which is supplying to different parts. The other reason for rise in prices is due to ban on supply of potatoes from West Bengal State.

Maximum arrivals were seen in Delhi because crop is arriving from different producing regions like U.P, Haryana, Karnataka and Shimla (H.P). ■

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. Prices have increased sharply to ₹1600/Qtl in month of October and currently trading near ₹1200-1400/Qtl. On the higher side prices may find resistance near ₹1600/ quintal whereas on lower side prices may found long term support at a level of ₹1000/ quintal. Overall market seems to be firm for next couple of weeks. ■

Monthly Potato Futures (Agra Delivery) Analysis

Exchange	Expiry Date	Closing Price on 3st October 2013	Closing Price on 30th September 2013	% Change in Price Over Previous Month	Open Interest as on October 2013	Open Interest as on September 2013	Change in Open Interest
MCX	31-Mar-14	881.3	827	6.57	7710	8325	-615
MCX	30-Apr-14	848.2	795	53.2	3390	1755	1635

Source: MCX, NCDEX

In March month contracts, prices are increasing and open interest is falling which suggest that market participants are short covering their positions. In April month contract, market participants are building long positions with increase in price and open interest after sharp increase in spot prices and delay in sowing for next rabi season. ■

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