

ONION & POTATO

Monthly **REPORT**

Volume 20

Market Intelligence System

January 2014

Onion

Executive Summary

- All India, onion arrival in month of December is approximately 20% higher compared to previous month. If we compared onion arrivals in December month on a yearly basis we observed that arrivals are 24% higher than last year during same time.
- Across the country, prices of onion have approximately fallen down to half of the prices of previous month. Arrivals are continuously arriving in market from producing regions like Maharashtra, Rajasthan, Madhya Pradesh and Karnataka.
- In Lasalgaon and Pimpalgaon market prices of onion have dropped down to more than 50% in both the markets because of continuous and increase in arrival from both the regions.
- During the month government slashed the Minimum Export Price (MEP) to \$150 from \$1150/qtl so that Indian onion may get competitive prices in international market due to lower prices in domestic market and export may be encouraged.
- According to news sources, Lasalgaon Agriculture Produce Market Committee (APMC) will remain open on Saturday to facilitate the farmers and for continuous supply earlier which used to remain closed.
- As per International Business Information Services (IBIS) approximately 89953.16 MT of onion has been exported in month of December which includes both processed and unprocessed onion.
- In Karnataka, total targeted area is approximately 21967 ha. So far 98.47% of total targeted area has been covered. Bagalkot and Bijapur districts are regions with maximum area of 5671 and 5439 hectares where sowing is expected to continue for next few weeks. ■

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

Market	Avg. Prices December 2013	Avg. Prices November 2013	% Change in Prices Over Previous Month	Previous Year Avg. December (2012) Price	% Change Over Previous Year	Daily Avg. Arrivals December	Daily Avg. Arrivals November	% Change in Arrivals Over Previous Month
Delhi	1500	3033	-50.54	1226	22.35	15808	15171	4.20
Bengaluru	1640	3115	-47.35	1610	1.86	40591	50905	-20.26
Lasalgaon	1310	2950	-55.59	1265	3.56	22047	9459	133.08
Pimpalgaon	1290	2924	-55.88	1222	5.56	25611	20474	25.09
Mumbai	1530	3467	-55.87	1330	15.04	15858	14570	8.84
Pune	1564	3266	-52.11	1326	17.95	11948	8151	46.58
Jaipur	1594	3926	-59.39	978	62.99	3179	2521	26.10
Chennai	2500	4719	-47.02	1966	27.16	4904	4563	7.47
Hyderabad	1390	2214	-37.21	1442	-3.61	4072	7779	-47.65

Source: Agrivatch

On a month-on-month basis, prices have decreased in almost all the markets. Maximum prices have fallen in Jaipur by almost 60% followed by Maharashtra region where maximum arrivals are coming from local region. Maximum arrivals have increased in Lasalgaon market because of continuous arrivals from producing regions.

Arrivals have increased in almost all the markets except Hyderabad and Bengaluru by 47% and 20% respectively.

Monthly Average Retail Price (₹/qtl) Trend Comparison

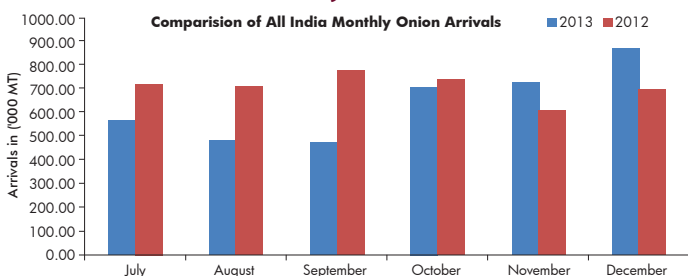
Market	State	Average Retail Price December 2013	Average Retail Price November 2013	Previous Year Avg. Retail Price- December 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year
Bengaluru	Karnataka	2496	5957	2286	-58.10	9.19
Bhubaneswar	Odisha	2668	4750	2115	-43.83	26.15
Chennai	Tamil Nadu	3656	5635	2471	-35.12	47.96
Delhi	Delhi	3492	5417	2035	-35.54	71.60
Guwahati	Assam	3355	6000	2596	-44.08	29.24
Hyderabad	A.P.	2200	3321	1432	-33.75	53.63
Kolkata	West Bengal	3408	5557	2696	-38.67	26.41
Mumbai	Maharashtra	2400	4917	2000	-51.19	20.00
Patna	Bihar	2632	5463	2314	-51.82	13.74

Source: NHB

In Retail market, prices have fallen in almost all the markets because of increase in arrivals from producing regions.

If we compare prices on a year on year basis it is observed from above table that prices are higher than last year by 20% to 70% because of delayed harvesting of crop this year due to later stage rains.

All India Onion Monthly Arrivals



The graph shows the monthly all India arrivals. Arrivals started increasing from month of October because of delayed sowing and delayed harvesting this year compared to previous year. In month of December arrivals were higher than last year by approximately 25% and expected to increase ahead.

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 December modal prices touched low of ₹900. This suggests further correction in prices in this

month. Prices are expected to trade range bounded for next coming weeks. Relative Strength Indicator (RSI) oscillator is stable which suggest that prices may remain range bounded in the range of ₹1000-₹1400/qtl.

Potato

Executive Summary

- In West Bengal, *Rabi* sowing is almost completed. Targeted area for this year is approximately 4 lakh ha compared to previous year 3.9 lakh ha.
- In West Bengal, local crop has started arriving in market in small quantity and expected to pick up pace in coming weeks. This year harvesting is delayed by approximately one month compared to normal time due to delayed sowing.
- In Bihar and U.P. *Rabi* sowing is completed with almost similar area compared to previous Year which was approximately 5.91 lakh ha and 3.16 lakh ha respectively. This year sowing was delayed due to heavy rains at later stage.
- In U.P., prices have fallen in most of the markets with increase in arrivals from producing regions and expected that prices may fall further in coming days.
- In Karnataka, *Rabi* sowing is almost completed by 50% of the total targeted area of 10205 ha. Maximum area is in Kolar and Chikkaballapura districts where approximately 74% and 24% of area has been covered.
- Across the country prices have fallen in almost all the markets because of continuous supply of potatoes from major producing regions like U.P., Punjab and less quantity from W.B. ■

Monthly Wholesale Price Trend in Different Producing & Consuming Centers

Market	December 2013 Avg. Wholesale Price (₹/qtl)- (Fresh Potato)	November 2013 Avg. Wholesale Price (₹/qtl)- (Fresh Potato)	December 2012 Avg. Wholesale Price (₹/qtl)	Absolute Change Over Prev. Month (₹/qtl)	% Change Over Prev. Month	% Change Over Prev. Year
Delhi	1088	1418	713	-330	-23.27	52.59
Khandauli (Agra)	1384	1504	939	-120	-7.98	47.39
Farrukhabad	1028	1426	574	-398	-27.91	79.09
Ludhiana	926	1210	511	-284	-23.47	81.21
Kolkata	1625	1213	1212	412	33.97	34.08
Hyderabad	1292	1478	1301	-186	-12.58	-0.69
Jaipur	1164	1376	741	-212	-15.41	57.09
Mumbai	1652	1741	1160	-89	-5.11	42.41
Bengaluru	1016	1703	1402	-687	-40.34	-27.53
Tarkeshwar	1295	1142	842	153	13.40	53.80

Source: NHB

The above table shows the monthly average prices and corresponding change in major markets. Prices have decreased in almost all the markets except Kolkata and Tarkeshwar. The reason for high prices in both markets is due to fewer stocks available in market and delayed in harvesting of crop. Meanwhile, demand in West Bengal is being met up by supply from Punjab

though local crop is available in market in fewer quantity and expected to pick up pace in coming days.

If we compare the prices with previous year during same time it is observed that prices are comparatively higher than last year because of delayed in harvesting of crop from major producing regions like U.P. and West Bengal. ■

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

Market	Average Retail Price- December 2013 (Fresh Crop)	Average Retail Price- November 2013 (Fresh+Crop)	Previous Year Avg. Retail Price- December 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. Year	Arrivals in December 2013 (in Tons)	Total Arrivals in November 2013 (in Tons)	Total Arrivals in December 2012 (in Tons)
Bengaluru	2852	2943	2027	-3.09	40.7	19569	9738	10125
Chennai	3260	3608	2447	-9.65	33.22	6730	3570	4290
Delhi	2008	2229	1335	-9.91	50.41	34299	32501	34503
Guwahati	2342	2396	1571	-2.25	49.08	2494	3395	1186
Hyderabad	2060	2279	1757	-9.61	17.25	3456	4213	3166
Mumbai	2520	3875	2000	-34.97	26	34152	32510	21250
Ranchi	2216	1992	1460	11.24	51.78	4330	4850	3543

Source: NHB

Retail prices have decreased in almost all the markets due to increase in arrivals from producing regions like Punjab and U.P.

If we compare on a year on year basis arrivals

have increased this year due to delayed harvesting compared to previous year. Overall market is expected to be weak further as potato from West Bengal will pick up pace in next couple of weeks.

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 decreased sharply to ₹650/qrtl in month of December from a high of ₹1800/qrtl. But currently modal prices are trading near ₹1350/qrtl. On the higher side prices

may find resistance at a level of 1400/qrtl and on the lower side prices may find support at a level of ₹600/qrtl. Relative Strength Indicator (RSI) oscillator is moving downward which suggest that prices may be downside for next couple of weeks.

Monthly Potato Futures (Agra Delivery) Analysis

Exchange	Expiry Date	Closing Price on 31st December 2013	Closing Price on 30th November 2013	% Change in Price Over Previous Month	Open Interest as on December 2013	Open Interest as on November 2013	Change in Open Interest
MCX	31-Mar-14	978.4	885	10.55	21030	11580	9450
MCX	30-Apr-14	966.5	863.6	11.92	12405	5370	7035
MCX	31-May-14	982	890	10.34	8025	3285	4740
MCX	30-Jun-14	999.2	900	11.02	360	0	360

Source: MCX, NCDEX

In MCX, March April, May and June contract month contract both prices and open interest are increasing which suggest that market participants are

building long positions after sharp increase in spot prices and delay in sowing for next Rabi season.

DISCLAIMER

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