

18 June 2024

Market Update

Onion

- **The onion price in Lasalgaon increased by INR 125 per 100 kg from previous day and quoted at INR 2,700 per 100 kgs.**
- **Onion buffer stock not even 10% of FY25 target:** Government's procurement of onions for buffer stock creation for price stabilisation operations falls short of 2024-25 target by 90%. Delay attributed to elections and low purchase rates deterring farmers. Due to trader hoarding and farmers' reluctance to sell their stock, the government has only achieved less than 10 per cent of its 500,000-tonne onion buffer stock target. Government officials says that delay in procurement due to general election and low price offered for procurement. [\(Link\)](#)
- **Weather effect: Onion prices up by 15 since last week:** Onion prices increased by Rs 10-15 per kg in the last one week. Erratic weather and increase in demand-supply gap are the main reasons for the rise in prices. [\(Link\)](#)
- **Onion prices may soar again if procurement lags:** Onion prices are likely to soar if government does not intervene and accelerate procurement. Lesser production of onion due to drought-like conditions in Maharashtra and slower rate of procurement by the government agencies to maintain a buffer have fuelled onion prices in the last one month. The procurement price fixed by the government was around Rs 21/kg whereas wholesale market price is ranging around Rs 25-30. This made farmers to stockpile onion for longer rather than bring it to the market for a better price. [\(Link\)](#)
- **Onion prices on the boil as arrivals slow, demand picks up:** The average wholesale price of onions at the Lasalgaon mandi in Nashik on Monday was Rs 26 a kg, compared with Rs 17 on May 25. Onion prices have increased by 30-50% in the last fortnight, as arrivals have slowed, while demand has increased ahead of Eid-al-Adha (Bakra Eid). The main reason for the recent price rise is the mismatch between demand and supply. Farmers are slow in selling from their stocks as they expect price rise. Although pace of export is sluggish due to 40% export duty. One of the reason for price rise is that farmers and traders are in anticipation that central government may remove the export duty. Based on this they holding onion stock expecting the prices to go up. [\(Link\)](#)
- **Veg thali gets dearer by 9 pc in May on onion, tomato price jump:** The average cost of a vegetarian thali became dearer by 9 per cent in May primarily due to the jump in onion, tomato, and potato prices, a report by Crisil. The report attributed the overall hike in the vegetarian thali price to a 39 per cent increase in prices of tomato, 41 per cent in potato and 43 per cent in onion. "Lower onion arrivals on account of a significant drop in rabi acreage coupled with a decline in potato arrivals on account of the adverse impact of late blight and crop damage in West Bengal contributed towards the increase in prices. [\(Link\)](#)
- **As per second advance estimate of Horticulture,** onion production in 2023-24 is expected around 24.2 million tonnes decrease by 19% from 30.2 million tonnes during last year.
- **India lifts export ban on onion, puts \$550/tonne minimum export price:** A day after introduce 40% export duty on Onion, government has lifted export ban and imposed a minimum export price of USD 550 per tonne. [\(Link\)](#)

Summary Table

OTP's (INR/100kgs)	17-Jun-24	13-Jun-24	Change
Onion			
Lasalgaon	2,700	2,575	125
Pimpalgaon	2,750	2,700	50
Tomato			
Kolar (Karnataka)	-	2,330	-
Madanapalle(A.P.)	-	4,400	-
Potato			
Agra	1,725	1,720	5
Aligarh	1,780	1,740	40
Badaun	1,765	1,715	50
Farukhabad	1,725	1,725	0
Hathras	1,760	1,740	20
Kanpur	-	1,760	-1760
Sitapur (Mehmoodabad)	1,810	-	1810

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Potato

- **Potato price in Agra market were increased from previous day and quoted at INR 1725 per 100 kgs.**
- **As per second advance estimate of Horticulture**, potato production in 2023-24 is expected around 56.7 million tonnes decrease by 5.6% from 60.1 million tonnes during last year.
- **Heatwave likely to raise vegetable inflation:** With a severe heatwave striking parts of north and central India, vegetable inflation is expected to rise. Recent trend in vegetable prices showed TOP (Tomato, Onion, Potato), especially potato, on the rise. [\(Link\)](#)
- **Potato price surge in India due to supply shortage:** Potato prices have witnessed a 25% increase in the past week at the wholesale market in Vashi, due to continuous supply decline. With production dwindling, a further supply decrease is anticipated until November, when new crops are expected to stabilize the market. Adverse weather conditions have led to a 22 to 30% drop in yield per acre in Uttar Pradesh and West Bengal. [\(Link\)](#)
- **Adverse weather hits potato output in UP & Bengal:** Adverse weather condition in key potato growing regions led to drop in output in the 2023-24 crop year (July-June) resulting in increased retail price in the last couple of months. This year yield in UP is around 115 Q/acre as compared to 150 Q/acre last year due to lack of sunlight had impacted tuber formation. Prices to stay elevated till November. The model retail price of potato across country was INR 30 per kg an increase of 50% compared to the price three months ago. [\(Link\)](#)
- **Potato prices likely to be on hot plate till year-end:** As per trade sources from Uttar Pradesh, government has already launched a drive to see whether the cold storage facilities in Agra were hoarding the tuber to jack up prices. Potato prices will firm 5-10% as untimely rains have affected the tuber crop.

Tomato

- **Most markets are closed due to festival.**
- **Tomato prices soar to Rs 80 per kg in Madanapalle market:** The Madanapalle market, Asia's largest tomato trading hub, witnessed a spike in the commodity's prices on Monday - the highest rate reaching Rs 80 per kg. The surge was caused by a combination of factors, including the Bakrid festival and a significant decline in tomato supply from other mandals and neighbouring states. [\(Link\)](#)
- **Chennai Tomato Prices Skyrocket:** Tomato price in Tamil Nadu surged threefold within a week. At the Koyambedu wholesale market, the price increased to Rs 60 per kilogram on Sunday, marking a Rs 40 hike from its previous rate of Rs 20. The sharp rise was attributed to rain-induced damage to the produce, leading to supply chain disruptions. Local vendors says that adverse weather conditions in Andhra Pradesh and Karnataka, which collectively supply 75 percent of the region's tomatoes, contributed to the price surge. The recent rainfall has impacted tomato cultivation, leading to a surge in prices. [\(Link\)](#)
- **Tomato prices skyrocket amid supply crunch:** Tomato prices have shot up dramatically in Karnataka in just a month, rising from Rs 40-42 a kg in early May to Rs 80 now. The steep price rise in such a short span is attributed to the supply crunch of tomatoes to Kolar Agriculture Produce Market Committee (APMC). While the seasonal price variation is no surprise, a gradual decrease in tomato cultivation after last year's white fly outbreak is a concern. [\(Link\)](#)
- **Surge in prices of tomatoes brings joy to farmers in Madanapalle:** The prices of tomatoes have been steadily increasing since May this year, continuing through June, and are expected to go beyond July. On Wednesday, a 30 kg box of tomatoes was sold for a maximum of ₹1500 in the Angallu market, followed by a 25 kg box at ₹1300 in the Madanapalle tomato market. The price was ₹40 per kg in the Punganur market and ₹30 per kg in the Mulakalacheruvu yard. Organisers of the market committees attributed the price hike to the decrease in tomato yield and limited availability. They said that in May 2023, as many as 2,382,60 tons of tomatoes were brought to the market yard at Angallu, whereas this May, only 1,498,00 tonnes were available. [\(Link\)](#)
- **As per second advance estimate of Horticulture**, Tomato production in 2023-24 is expected around 21.2 million tonnes increase by 3.9% from 20.4 million tonnes during last year.
- **Vegetable prices soar due to rain in several districts that supply vegetables to Tirunelveli market:** Many southern districts had witnessed heavy to very heavy rainfall in the last 7 to 10 days, which cause vegetable markets have been receiving less arrivals and as a result, prices have started looking upwards. In the wholesale market, the price of tomato shot up to ₹50 a kg from ₹25 a kg in less than 10 days. [\(Link\)](#)

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- **Summer heat leads to rise in tomato prices in Annamayya (A.P) district:** Adverse effects of summer have compelled farmers to scale back their tomato cultivation during February and March, leading to a sharp reduction in tomato yield, and hence, a surge in prices. [\(Link\)](#)

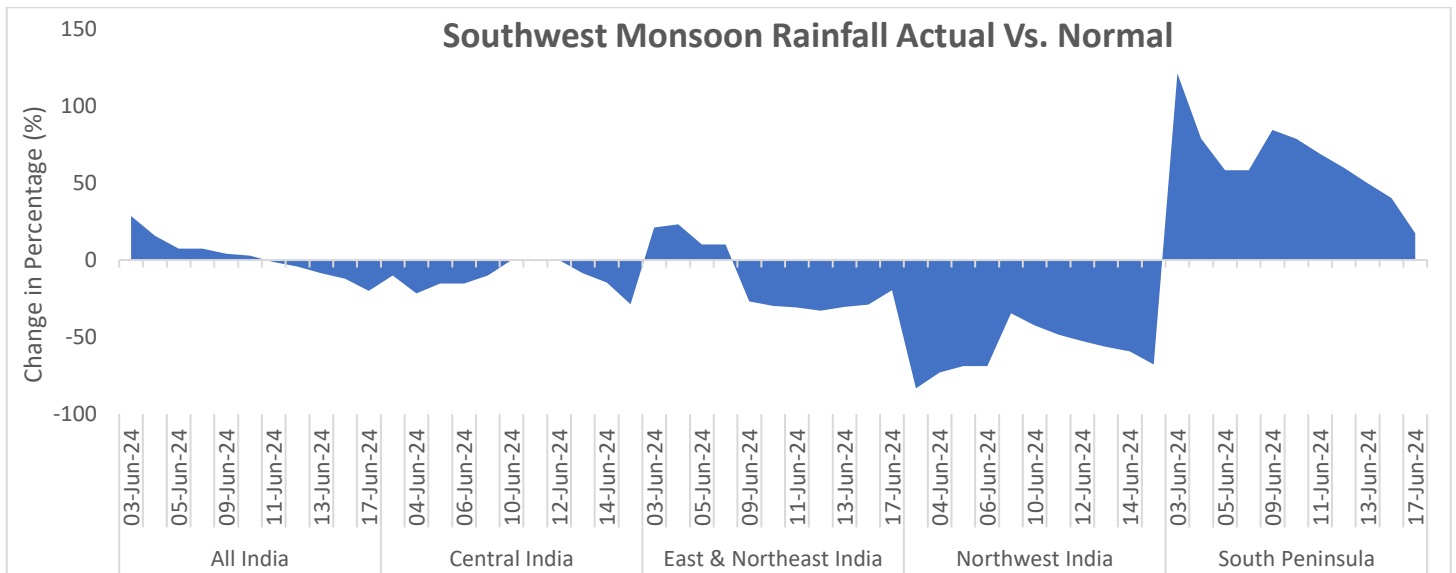
Prices (in INR/100 KG)

Commodity	Variety	Market	14-Jun-24	13-Jun-24	Change
Onion	ONION	Hyderabad	2800		
		Kolkata		3000	
		Mumbai	2450		
		Patna	2350	2400	-50
		Pune	1900		
		Ranchi		2200	
		Varanasi	2100		
Potato	POTATO FRESH	Mumbai	2100		
		Pune	2400		
		Ranchi		1700	
	POTATO STORE	Hyderabad	2500		
		Kolkata		2490	
		Patna	2300	2225	75
		Ranchi		1500	
Tomato	TOMATO HYBRID	Hyderabad	2800		
		Kolkata		2550	
		Mumbai	3000		
		Patna	1750	1800	-50
		Pune	2500		
		Ranchi		1300	
		TOMATO LOCAL	Ranchi		1200
	Varanasi	1800			

India Weather Updates: Southwest Monsoon Rainfall (in mm) from 01st June to 17 June 24.

Region	Actual	Normal	% Departure from Long Period Average
All India	59.4	74.3	-20
East & Northeast India	127.9	159	-20
Northwest India	9.9	30.8	-68
Central India	47.6	66.8	-29
South Peninsula	101.5	86.5	17

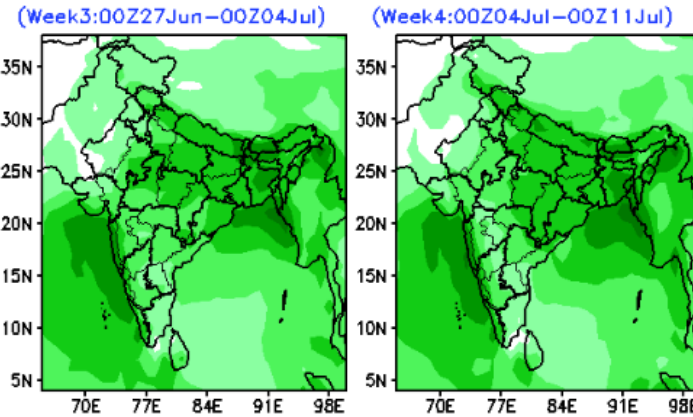
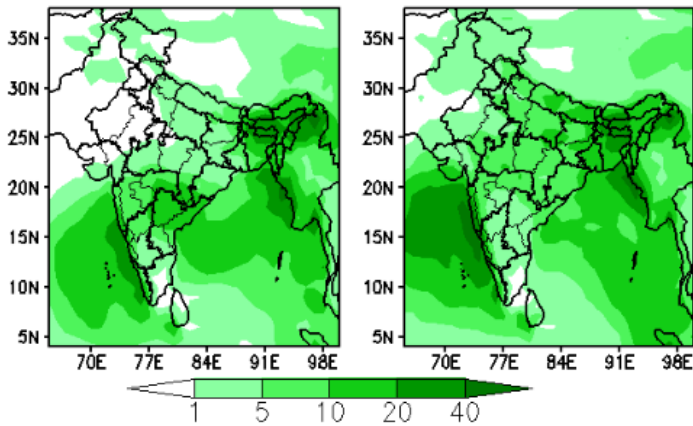
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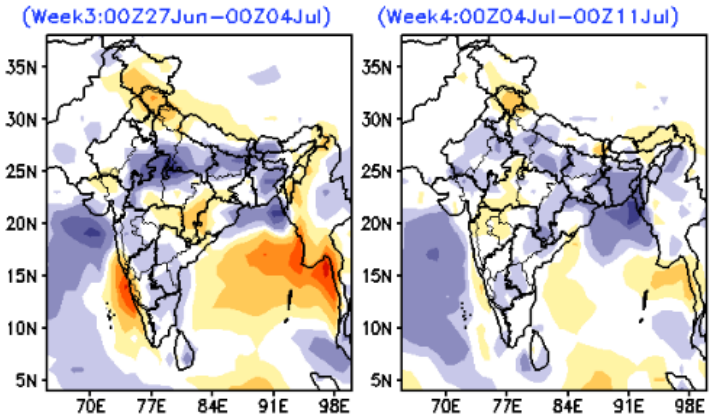
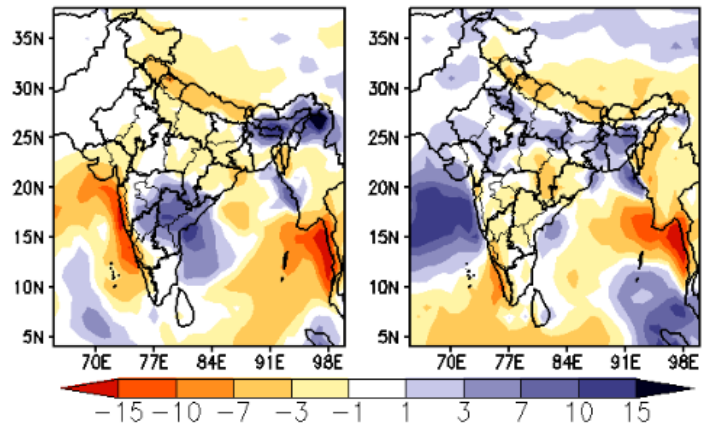
Source- IMD

Rainfall Forecast: Next four weeks

Forecast Rainfall (mm/day) (00Z=0530 hrs IST)
 (Week1:00Z13Jun-00Z20Jun) (Week2:00Z20Jun-00Z27Jun)



Forecast Rainfall Anomaly (mm/day) (00Z=0530 hrs IST)
 (Week1:00Z13Jun-00Z20Jun) (Week2:00Z20Jun-00Z27Jun)



Source: IMD

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