

In Delhi, onions sell at double wholesale rate

Among India's eight largest metros, consumers in Delhi are the most short-changed by retailers of onions with margins between the wholesale and retail prices being much higher than other cities. The data also shows that a sudden increase in prices does temporarily impact a retailer's margins, but they soon adjust, though a fall in wholesale prices is transferred to the consumers after a considerable lag. **TOI** analysed daily wholesale and retail prices data collated by the Union consumer affairs department for September 2019. Between September 1 and September 5, the wholesale price of onions fell from Rs 20.75 to Rs 18 per kg in Delhi. During this time, the lowest price range for the month, Delhi retail prices ranged from 102% to 117% over the wholesale price.



Metro	Average	Minimum	Maximum
Delhi	167.4	76.4	245.5
Pune	125.2	14	251.4
Mumbai	112.2	39.5	231
Chennai	56.1	32.9	84.7
Kolkata	41.3	14.7	66.7
Bengaluru	36.8	18.2	56.2
Hyderabad	27.5	8.3	45.5
Ahmedabad	20.7	8.7	36.4

Source: Department of consumer affairs, GoI

Why onions are such a tearjerker for Delhi

The mark-up was between 17% and 80% in Hyderabad, 20-70% in Chennai and 45-48% in Mumbai. For Ahmedabad, Kolkata, Pune and Bengaluru, it was under 30%. So what happens during a price surge? Between September 15 and 16, wholesale prices in Delhi increased by Rs 8.5 per kg. The average retail price for the first 15 days in September was Rs 40 per kg while the average retail mark-up over the wholesale price for this period was Rs 20 per kg. Because of the sudden increase in wholesale price, the retail mark-up fell to Rs 14 per kg for September 16 and 17. In two days, the increase in wholesale prices was transferred to consumers and the retail price went up to Rs 52 on September 18 from Rs 43 on September 15. For the next 13 days, the retail price averaged Rs 58 per kg, the mark-up averaging Rs 23 a kg, higher than in the period when prices were not this high.

In Mumbai, the price surge happened between September 19 and September 21, when the wholesale price increased from Rs 33.5 to Rs 44.5 per kg. For the 13 days till September 21, for which both retail and wholesale price data is available for Mumbai, the retail price averaged Rs 41 per kg while the average retail markup was Rs 11.6 per kg. For the six days since then for which data is available, the average retail price was Rs 58 per kg and the mark-up was up to an average of Rs 18.5 per kg. Similarly, in Pune, the surge

happened between September 19 and September 23, when wholesale prices reached Rs 36.33 from Rs 25 a kg. In the 19 days prior to and during the surge, the average retail price of onion was Rs 24.8 a kg and the mark-up averaged Rs 1.6 per kg. For the seven days after the surge for which data is available, the average price was up to Rs 38 a kg and the mark-up rose to an average of Rs 7.7 per kg. The other metros also exhibit a similar pattern. In Bengaluru, the wholesale price reached Rs 44 a kg on September 23 and fell to Rs 40 on September 25. The retail price was reported at Rs 48 on September 21 and hasn't fallen since. Similarly, in Chennai, the wholesale price went up to Rs 35 on September 24 and has fallen to Rs 24 since September 26. The retail price on the other hand stabilised at Rs 37, which is higher than the pre-surge days. Hyderabad and Kolkata also had similar trends. Ahmedabad is the only metro where retail mark-ups have stayed at Rs 2 per kg throughout the month even as wholesale prices have risen. Whether this is linked to the city's relatively lower consumption of onion is a moot question.

Source: [The Times of India, October 04, 2019 \(verbatim reproduced\)](#)