Interim Price Forecast for Small Onion

India leads global onion production, with onions being cultivated over 19.68 lakh hectares and producing 307.67 lakh tonnes, according to the Second Advance Estimates of the Ministry of Agriculture and Farmers' Welfare (2025–26). Maharashtra, Madhya Pradesh and Gujarat are the major onion-producing states in India, while South Indian states such as Tamil Nadu, Andhra Pradesh and Karnataka lead in small onion production.

Tamil Nadu recorded an onion production of 4.57 lakh tonnes from an area of 0.45 lakh hectares. The key onion-producing districts of Tamil Nadu are Dindigul, Tiruppur, Perambalur, Trichy, Namakkal, Theni and Madurai. Small onions hold immense commercial and cultural importance throughout the state due to their widespread culinary use, with market demand frequently firming up ahead of major festival seasons. Although local production generally meets domestic demand, the small onion market is regularly reinforced by inflows from neighbouring Karnataka and Andhra Pradesh. Tamil Nadu supplies small onions to markets in Sri Lanka, Malaysia and Singapore, thereby becoming a major export hub.

The regular arrivals of small onions from Udumalpet, Dharapuram, Perambalur and Palladam to the major markets in Trichy and Dindigul have declined. The decline in arrivals may be attributed to unfavourable weather conditions, which have affected the availability of fresh produce in major markets. Currently, these markets are receiving small onion supplies from Madhampatti, Alandurai, Thondamuthur, Theni and Chinnamanur.

In this context, the Domestic and Export Market Intelligence Cell (DEMIC), under the Department of Agricultural Economics of the Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University (TNAU), has analysed the small onion prices that prevailed in the Dindigul market over the past 15 years and has also conducted a market survey. The results of the time series analysis show that the farm-gate prices of good-quality small onions during harvest would be around Rs. 60–65/kg. Hence, farmers are advised to take appropriate selling decisions accordingly.

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