<table>
<thead>
<tr>
<th>CROP</th>
<th>STATUS</th>
<th>BRIEF REASONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>URAD (Black Gram)</td>
<td></td>
<td>Lower rabi crop size, fear of lower area in kharif due to delayed monsoon, diminishing imported stock and continued procurement at MSP amid import cap at 1.5 lakh MT may keep market well supported at current level. Marked red to indicate that the prices are still ruling below MSP.</td>
</tr>
<tr>
<td>MOONG (Green Gram)</td>
<td></td>
<td>Despite import cap at 1.5 lakh MT till Mar-2020 and procurement drive under PSS price may slip as new summer crop has started arriving from UP, Bihar, MP and Odisha. Marked red to indicate that prices are still ruling below MSP.</td>
</tr>
<tr>
<td>CHANA</td>
<td></td>
<td>Procurement drive and poor arrival in market remain supportive. However, price recovering above MSP is unlikely in the near term as there is ample old stock with Nafed and in private hands.</td>
</tr>
<tr>
<td>TOMATO</td>
<td></td>
<td>Tomato arrivals are low across the board, and are expected to remain so for coming months. Prices are expected to remain high.</td>
</tr>
<tr>
<td>ONION</td>
<td></td>
<td>Rabi crop is expected to be smaller in size in most states. Prices have started to strengthen and are expected to rise further in coming months.</td>
</tr>
<tr>
<td>POTATO</td>
<td></td>
<td>High prices similar to last year likely to prevail due to lower loading in cold stores outside U.P. Overall S&amp;D situation closely resembles that of last year.</td>
</tr>
<tr>
<td>TUR (Red Gram)</td>
<td></td>
<td>Firm trend in Tur may continue due to lower crop size, quality issue in govt.’s stock, lower crop at origins, decreasing imported stock and restriction on import quantity. Gap between supply and demand may widen further.</td>
</tr>
<tr>
<td>GROUNDNUT</td>
<td></td>
<td>Firm local and exporters demand, lower crop estimates, Procurement of Nafed will support groundnut prices to rise more in coming days. Prices performed well above MSP level during this week supported by good demand despite improved supplies. Marked green to indicate that closing prices are currently above MSP.</td>
</tr>
<tr>
<td>PADDY</td>
<td></td>
<td>Lower paddy arrival and diminishing stock in open markets push the paddy/rice prices up in this quarter. Export demand is weak but India could not cut prices because of strengthening Rupee. We expect prices to remain strong going ahead.</td>
</tr>
<tr>
<td>CHILLI</td>
<td></td>
<td>Cold storage stocks supply continued trading at Guntur spot market. Lower carry forward stocks likely to support chilli prices from lower levels.</td>
</tr>
<tr>
<td>TURMERIC</td>
<td></td>
<td>Turmeric prices may not fall much from current level due to delayed sowing current year. New Turmeric supply continued in the Warangal, Nizamabad, Duggirala spot market.</td>
</tr>
<tr>
<td>COTTON</td>
<td></td>
<td>International market prices have fallen sharply during the preceding weeks, while the price declines in India have been smaller. This has given rise to huge import parity. Indian prices may stay high eventually due to diminishing arrivals.</td>
</tr>
<tr>
<td>SUGAR</td>
<td></td>
<td>Sales quota for June month has been fixed at 21.5 LT against consumption of about 22 -23 LT. MSP of sugar may be revised upwards to bring it in line with the cost of production.</td>
</tr>
</tbody>
</table>
**COMMODITY DASHBOARD:**

**LEGEND:**
- Red = HIGH RISK - Strong need of intervention.
- Yellow = POTENTIAL RISK - Needs close watching, possibility of moving to Red
- Green = STABLE - No imminent risk of extreme prices.

**RATIONALE BEHIND CLASSIFICATION AS RED, YELLOW, GREEN:**

**Tur (Red Gram):**
- As per Agriwatch estimates India’s carryover stocks at the beginning of current marketing season was at 8.07 lakh MT. Current year’s production is estimated at 36.21 lakh MT against last year’s 38.67 lakh MT. Private trades have pegged it below 35 lakh MT. Consumption for the year is estimated at 42.0 lakh MT. Coupled with imports that happened earlier during the year, carryover stock for the next year is estimated to decline to 2.78 lakh MT. Current year’s carry-in of 8.07 lakh MT was about 19% of consumption requirements while the carry-in of 2.78 lakh MT for next year would likely to be only about 9% of the annual requirement. This measure of beginning stock as a percentage of annual requirements is known as “stocks to use ratio” and helps determine the relative ease of availability of the commodity for the year. Stock/use of about 15% is an ideal scenario wherein the producers usually realize remunerative prices while the consumers are also not too stressed by inflation. As tur’s stock/use is expected to decline from 19% during current year to 9% next year. Market has started finding balance and already crossed MSP. Now Nafed has started procuring tur above MSP or market price. Excessive old stock in open market has started declining. New crop from UP and Bihar could not pressurize cash market as yield realised is lower by 20 to 25% this year as of now.
- Beyond the current S&D, the largest factor that can swing the market is the production for the crop year 2018-19. Current acreage (as on 20 Sep 2018) stands at 45.83 lakh ha, which is 9.36% higher than normal and higher by 0.58% than the acreage registered same time last year. Moisture stress in major growing region affected normal yield of last year’s crop. Arrival from new crop has started decreasing in major growing states. Procurement is on and Nafed has procured around 2.81 lakh MT so far. Total procurement may decline to 5 lakh MT this year against over 10 lakh tonne last year due to farmer’s unwillingness to sell at prevailing price as

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Classification</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAIZE</td>
<td>Green</td>
<td>Despite the new crop arrival pressure; especially from Bihar and import relaxation; maize could trade above MSP due to high feed makers demand and low carryover stock.</td>
</tr>
<tr>
<td>CRUDE PALM OIL</td>
<td>Yellow</td>
<td>Price situation is expected to remain comfortable for consumers on rising global supply scenario.</td>
</tr>
<tr>
<td>RBD PALMOLEIN</td>
<td>Red</td>
<td>Prices are likely to remain in comfortable range for consumers on rising global supply scenario.</td>
</tr>
<tr>
<td>SUNFLOWER OIL</td>
<td>Yellow</td>
<td>Prices may fall on weak demand and disparity in imports and negative refining margins amid firm global supply scenario. The prices are expected to remain in a comfortable range for consumers for the next few weeks.</td>
</tr>
<tr>
<td>GROUNDNUT OIL</td>
<td>Green</td>
<td>Price situation is expected to firm on strong demand against less availability.</td>
</tr>
</tbody>
</table>
they think market to continue moving beyond MSP in coming weeks. Karnataka govt has offered Rs425 as bonus over and above MSP (Rs 5675) for farmers. Emerging scenario hints firmness to continue.

- Govt. has fixed import limit at 2 lakh MT for private trade. Besides, govt would import 1.75 lakh MT through G to G basis . If prices continue to improve and crosses MSP, import would take place as there is parity from Myanmar. As import quantity remains restricted, cash market may face tight supply side in the 3rd quarter of the year. Further upward momentum may depend on planting area this kharif season, starting from July. Cash market is expected trade in the range of Rs 6000-6600 in June. Currently it is ruling at Rs6000-6100 in Gulbarga market. Procurement drive is on in major states except UP. Karnataka has procured around 1.81 lakh MT so far.

Urad (Black Gram):

- For the crop year 2018-19, carry over from previous year stands at 8.97 lakh MT. Further, production during the year is estimated at 24.58 lakh MT while consumption for the year is not likely to exceed 27.5 lakh MT. Coupled with imports of about 1.5 lakh MT that happened earlier in 2017-18, we expect to close the year with hefty ending stocks of about 8.25 lakh MT. A large chunk of the current stocks (334552MT including old and new with Nafed and around 1.5 lakh MT by private trades) are held by various government agencies including private firms. Private participation remains restricted as market is well aware of huge carry in stock procured by various agencies and higher import than set quantity. If stock from central pool is provided to states for PDS and mid-day meal schemes- as has been planned by central government and paused auction for open market amid import cap at 1.5 lakh MT may remain supportive for Urad cash market at current level. Besides, lower rabi acreage (10.81%) so far and likely lower kahrfi area may act as a balancing factor for open market. Ongoing procurement drive amid restricted selling by stockists would push Urad cash market up by Rs 250-300more from current level in coming months. Currently, it is being traded at Rs 5000-5100 in Chennai market.

- Besides, higher MSP for kharif Urad (Rs.5600 per quintal) and slightly lower rabi production may push up price in the medium term. Area under kharif Urad was down by 8.97 %, at 40.37 lakh ha. Rabi urad area was down by 10.83% to 9.71 lakh ha as on 22nd Feb-2019. . From April to Mar India has imported around 490095.32 MT against set quota of 1.5 lakh tonne for the whole year.In April India imported 431.18 MT Urad at an average monthly price of $465 per MT. Demand for dal has started improving in cash market and is expected to improve during June with increasing temperature.

Moong (Green Gram):

- MY 2018-19 for Moong has started with 7.26 lakh MT of opening stocks. Production is expected to be 20.26 lakh MT while consumption for the year is projected at 23.5 lakh MT. Adding up imports that occurred earlier during the year and exports that occurred last month, we expect the carryover stocks to decrease from 7.26 to 4.52 lakh MT. Hence, stocks to use ratio for current year will decrease from 33% to 18%. It may remain supportive for cash moong market.

- Retention of stocks by traders is likely to increase and likely lower area coverage in kharif may support market to some extent in the near to medium term. There is no parity for export at current price. As on 22nd February area under moong was registered at 8.55 lakh ha, down by 6.12% from last year.
• Arrival of moong in the markets of Karnataka, Gujarat, Maharashtra and Rajasthan is almost over now. Arrival from new crop from UP, MP & Bihar has commenced. State agencies have started buying moong in Karnataka and other states too. Nafed has 177375 MT stock including new. Besides, private trades too have around 1 lakh MT stock.
• Moong procurement target in Rajasthan was set at 2.39 lakh tonne. Against it around 2.69 lakh tonne has been procured so far. Kharif procurement is over now and rabi too is nearing at final stage.
• Procurement and sales strategy by government agencies and central government’s import policy would continue to influence price of Moong in 2019. DGFT has put import ceiling at 1.5 lakh MT for the whole year. However, it can be confidently maintained that retention of stocks by private players would increase on the back of higher MSP, it would remain supportive for moong price.

Chana (Bengal gram):
• Despite the lower production size of chana this year (87/88 lakh tonne) and procurement drive, cash market trades below MSP (Rs4620). However, improvement in demand from bulk buyers with rising temperature may help market to retain price near MSP level in coming weeks. Arrival has not been up to the mark so far. Bulk buyers are active now. The new season started with hefty carry in (over 2.1 MMT) and it has negated the impact of lower crop size this year. Even Nafed has ample chana stock (2.24 MMT including old and new) and it would not allow market to cross beyond a certain level of 5000 in the near term. Due to higher availability supply side would remain at comfortable level. Chana may continue to trade in the range of Rs 4550-4750 in June. Currently, chana in Delhi market is being traded at Rs4600-4700. Steady to slightly firm movement might be seen in chana cash market in the near to medium term.
• The market has recently started finding balance as Australian chana crop is pegged lower at 3.30 against 10.48 lakh tonne last year- leading to possibility of exports of 2-4 lakh MT of chana from India to neighbouring countries like Nepal, Bangladesh, Bhutan etc. Govt is considering giving export incentive once again and may be increased to 10% from 7% given earlier. As of now no decision over export incentive has been taken. India exported 298023.08 MT chana and chana dal from April to Mar-2019. India imported 192850.01 MT Chana during the same period. Shortage might be seen June-2019 onward, so import volume may increase to normal level of 4 to 5 lakh tonne.

Groundnut:
• Weekly average Groundnut modal prices at Adoni market declined at Rs. 5797.6 in the current week as compared to Rs. 6250/qtl in previous week on heavy supplies. Traders and farmers want to book profit at current level. Prices traded widely in the range of Rs. 5269/qtl to Rs. 6250/qtl during last two weeks. The pace of arrivals is registered higher side at various key centres due to higher prevailing prices.
• Farmers have started groundnut Kharif sowing in the state of Andhra Pradesh, Gujarat, Karnataka & Tamilnadu. However, the total covering area is lower than previous year record due to delayed monsoon arrivals.
• Nafed has started now to procure Groundnut seed of Rabi season 2019 in Odisha at MSP price. It may commence soon in Telangana markets as well. Nafedis selling groundnut K-17 in Gujarat states only as it has already finished in Rajasthan, Karnataka and Andhra Pradesh. It is in progress to sale K-18 groundnut stocks majorly in Rajasthan, Madhya Pradesh, Gujarat&UP state.
• According to the third advanced estimate released by Ministry of Agriculture, groundnut production is down by 29.7% for the kharif and Rabi season y-o-y and is projected at 65.02 lakh tons. Solvent extractors association has indicated the all India Kharif production to be down by 29% y-o-y and is estimated at 37.70 lakh tons. SEA estimates AP/Telangana groundnut Kharif crop size at 3.40 for 2018/19 lower from 3.60 lakh tonnes in previous year.

• In the second advanced estimates AP has downward revised the Kharif production estimate of GN to 3.29 lakh tons as against 4.05 lakh tons in 1st Advanced estimates. Rabi groundnut production is estimated at 1.49 lakh tons. We expect 2018/19 AP groundnut crop size (Kharif and Rabi season) at 4.21 lakh tonnes lower from the previous estimates due to less rainfall in key growing states. Lower rainfall has damaged yield on a higher note.

Tomato:
• Arrivals from Rajasthan Haryana, Karnataka and Andhra Pradesh is coming in the markets in lower quantity compared to normal arrivals. Arrivals are likely to remain similar for couple of weeks.
• According to trade sources, summer crop in Andhra Pradesh is expected to be almost 40% smaller than last year because of lower water level in dams.
• Tomato crop is continuously coming in market from different producing regions though the arrivals are lesser and the prices are trading on upper side and expected to remain on higher side for next couple of weeks.

Onion:
• Agriwatch’s estimate for all India Rabi production is 134.71 lakh tons which is 10.84% lower than last year’s 151 lakh tons. This is based on our interactions with trade sources.
• In Maharashtra, Rabi acreage (Rabi+Unhali) is estimated to be 2.88 lakh hectares compared to last year’s area of 3.39 lakh hectares, down 15% as per our estimates. Madhya Pradesh and Gujarat, the other major rabi onion producing states also are estimated to have 5% and 6% lower acreages.
• Arrivals were higher in most of the producing regions in April because farmers were fetching higher prices during peak harvesting season and actively selling their harvest. Going ahead, stock availability for any given month is likely to be lower compared to a year ago period.
• Lower rabi production and anticipated higher exports are contributing to this situation. Exports are anticipated higher on account of 10% incentive under MEIS scheme which is in force till 30th June. September to January exports stand at 8.84 lakh tonnes compared to 6.4 lakh tonnes during same period last year.
• This raises the possibility of prices spiking up in Aug-Sept period if kharif onion crop is delayed or smaller.

Potato:
• Loading in all the producing regions like West Bengal, Bihar, Punjab and Gujarat is lower than last year.
• In West Bengal, capacity utilization is almost 85% compared to last year 92% because of lower yield in late crop. Yield reported lower because of rains at later stage as crop was damaged during crop maturity stage.
• Cold storage loading is estimated to be similar to last year, when prices were high until Nov. Overall S&D situation closely resembles that of last year. Prices are likely to increase in coming months.

Paddy:
• Paddy production in the current kharif season can be reduced by 4% from last year to 97.8 lakh hectares. Like other crops, paddy crop also depends entirely on rain.
• Global production and outstanding stocks of rice have been projected to have good growth in the upcoming marketing season. In its major producing countries include China, India, Indonesia, Bangladesh, Pakistan, USA and Thailand and Vietnam etc. India, Thailand and Vietnam are the top three exporting countries. According to the latest report of the (IGC), the global production of rice in the 2019-20 season is expected to increase to 50.40 million tonnes, which is likely to increase 40 million tonnes from the 50 million tonnes of the 2018-19 season. Earlier, in the 2017-18 season, 49.40 million tonnes of rice was produced and in the 2016-17 season there was a global production of 49.20 million tonnes of rice.
• According to the latest report of the (IGC), the global production of rice in the 2019-20 season is expected to increase to 50.40 million tonnes, which is likely to increase 40 million tonnes from the 50 million tonnes of the 2018-19 season. Earlier, in the 2017-18 season, 49.40 million tonnes of rice was produced and in the 2016-17 season there was a global production of 49.20 million tonnes of rice.

Chilli:
• In Guntur market, annual summer vacation continued, market will reopen from 10th June.
• As per Agriwatch’s second advance production estimate, Red Chilli all India production for 2019-20 is estimated at 12.22 lakh MT. Previous year’s production was 10.50 lakh MT. As carry forward stocks reported lower current year as a result of lower production last year (2018-19) chilli prices will take support in the spot market.

Turmeric:
• Buyers reported active in the spot market as current year Turmeric sowing reported delayed due to water scarcity in major growing regions.
• In Telangana, Warangal market new turmeric continued in the market.
• As per Agriwatch’s Second advance production estimate, Turmeric all India production for 2019-20 is estimated at 532,353 MT (basis dry crop) compared to previous year’s 476,771 MT. Turmeric production may go down as Maharashtra standing crop is at very crucial stage.

Cotton:
• As per the latest estimates by Agriwatch, cotton output in country during the season 2018-19 would be around 336.53 lakh bales (of 170 kg each) which is lower compared to 365 lakh bales of last season. The main reason for reduction in cotton crop is that farmers have uprooted more than 50% of their cotton crop after second picking and foregone the third and fourth pickings due to moisture deficiency and pest attacks. Dry spells in the initial stages of the crop, too, led to stunted growth of bolls, were the major reasons to decline in cotton yield in India.
• Cotton imports were already estimated to double from previous year to 31.5 lakh bales according to CAI, before the current rout in international prices. Given larger disparity in Indian and international prices, imports may be even higher going ahead. CAI’s estimate for exports was 47 lakh bales, which may get revised lower.
• All India daily cotton arrivals are reported to be declined to 15,000 to 20,000 bales according to CAI.
• Disputes between US and China hit the international prices adversely in past few days and likely to affect yarn export prices eventually effect bearish on the domestic prices of cotton.

Sugar:
• Government fixes June sales quota slightly higher at 21.5 LT to each of 534 mills in the country against 21LT for last month along with added incentivized quota to those mills who have completed their export targets under MIEQ Quota.
• ISMA has revised India's 2018-19 sugar production estimated to increase to 330 lakh tonnes from first advance estimate of 315 lakh tonnes issued in October 2018.
• As per the Agriwatch latest estimate, India’s sugar production is expected to reach 328 LT in 2018/19 higher than 322 LT last year. Although couple of major cane growing regions of Maharashtra, including Marathwada, had poor rainfall this season. And mild white grub infestation has been reported in States of Karnataka and few parts of Maharashtra. Apart from that higher recovery is observed this year, the reason for higher production.
• The central government is considering revising the sugar MSP upwards in order to relieve the industry of current financial stress.

Maize:
• Crop arrival pressure and relaxation in imports could weigh on market sentiments but despite the fact, it would trade above MSP due to high feed makers demand.

Crude Palm Oil/ RBD Palmolein:
• Prices will fall in India due to weak demand domestic demand and rising global palm oil supply.
• RBD palmolein prices are expected to fall on weak domestic demand and rising global supply scenario.
• Margins in refining CPO are higher than those in directly selling refined oil. As a result, import demand of CPO is estimated to remain higher than that of RBD palmolein for the coming months.

Sunflower Oil:
• Sunflower oil prices are expected to be underpinned on weak demand and high premium over palm oil.
• Prices of sunflower oil are supported due to stability in prices and parity in imports and parity in refining margins.
• The international market is well supplied; as a result, we do not expect prices to rise much in June.

Groundnut oil:
• Groundnut oil prices are expected to increase on firm demand. Retail demand of groundnut oil rosein fear of less availabilityas a result demand is there at these levels. Higher export demand from China due to political uncertainty in Sudan will support prices in coming days. High premium over palm oil and soy oil may cap prices. Prices will firm up on good demand. Lower volatility in prices may lead to strengthening of demand.
• In Andhra Pradesh, prices of groundnut oil increased on good demand against less stocks position. Arrival of demand season in Andhra Pradesh will support demand and prices in future.
Disclaimer
The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Ltd.