## COMMODITY DASHBOARD:

<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, concerns of lower area in kharif, diminishing imported stock and continued procurement at MSP amid import cap may keep market well supported. 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>Cancellation of bids by NAFED 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>Potato prices are likely to increase in coming weeks and will be comfortable for both producer and consumer</td>
</tr>
<tr>
<td>TUR (Red Gram)</td>
<td></td>
<td>Firming tur prices lost steam with announcement of additional import quota of 2 lakh MT and decision of selling 2 lakh MT tur from central pool However, price expected to remain above MSP as imports would not be immediate.</td>
</tr>
<tr>
<td>GROUNDNUT</td>
<td></td>
<td>Firm local and export demand, lower crop estimates, Procurement of Nafed will keep prices supported. Marked green to indicate that closing prices are currently above MSP.</td>
</tr>
<tr>
<td>PADDY</td>
<td></td>
<td>Even though rabi rice arrivals are strong, prices going ahead will also depend on the progress of the 2019 monsoon and its impact on MY 2019/20 rice planting and production prospects. Currently we do not foresee too much strain on prices.</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 and Duggirala spot markets.</td>
</tr>
<tr>
<td>COTTON</td>
<td></td>
<td>International market prices have gained some support from low US export sales and low planting of cotton compared to previous week progress report. Indian prices may stay steady.</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 per month. MSP of sugar may be revised upwards to bring it in line with the cost of production.</td>
</tr>
<tr>
<td>MAIZE</td>
<td>Despite the fact India has allowed 1 lakh ton Non GM maize; prices are expected to remain strong on low domestic arrivals and amid high demand from feed makers.</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>CRUDE PALM OIL</td>
<td>Price situation is expected to remain comfortable for consumers despite falling global supply scenario.</td>
<td></td>
</tr>
<tr>
<td>RBD PALMOLEIN</td>
<td>Prices are likely to remain in comfortable range for consumers despite falling global supply scenario.</td>
<td></td>
</tr>
<tr>
<td>SUNFLOWER OIL</td>
<td>Prices may rise on firm demand and parity in imports and positive 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>
<td></td>
</tr>
<tr>
<td>GROUNDNUT OIL</td>
<td>Price situation is expected to firm on strong demand against less availability.</td>
<td></td>
</tr>
</tbody>
</table>

**LEGEND:**

- **Red** - HIGH RISK - Strong need of intervention to protect farmers’ interests.
- **Orange** - HIGH RISK – Strong need of intervention to protect consumers’ interests.
- **Yellow** - POTENTIAL RISK - Needs close watching, possibility of moving to Red or Orange.
- **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

**Dashboard dated 24th June 2019**
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 kahrif 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 Rs4750-4850 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 March 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 Rs4400-4450. 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 rose at Rs. 6007.6 in the current week as compared to Rs. 5926.33/qtl in previous week supported by remain strong demand in the spot market. Traders and farmers are expecting more rise in prices. Prices traded widely in the range of Rs. 5859/qtl to Rs. 6161 qtl during last two weeks. The pace of arrivals is registered higher at various key centers as most of the sellers want to book profit at the current level.

- Farmers have started groundnut Kharif sowing in the state of Andhra Pradesh, Gujarat, Karnataka & Tamilnadu. Total covering area is lower than previous year record due to delayed monsoon arrivals in last week. However, monsoon entered into so many places in India during this week and may support to plant groundnut kharif crop in a full swing. Sowing area and yield may increase in this season if growers will get good rainfall of this season. As a result, groundnut prices may come under pressures in coming days. While less stock availabilities at various centres may support groundnut prices.

- 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 Uttar Pradesh, Haryana, Karnataka and Andhra Pradesh are 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.
• If the kharif crop to be planted in July -August has lower sown area or yields due to deficient monsoon (which IMD and private forecasters have predicted), release of Rabi onion stock would be slower leading to higher prices that could last beyond September also.
• Exports are 11.17 lakh tons compared to last year 7.49 lakh tons (During September to February month). Exports incentives of 10% till 30th June 2019 under MEIS scheme which was exempted by Government with immediate effect from 9th June 2019 to curb down domestic prices and increase the availability in domestic market.

Potato:

• Loading in major producing regions like West Bengal, Bihar, Punjab and Gujarat is lower than last year.
• In U.P, traders are expecting approximately 85% capacity utilization compared to last year 78% capacity utilization from a total storage capacity of 142 lakh tons.
• 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:
- According to the USDA June 2019 report, the outstanding stock of 170.21 million tonnes of rice was available at the beginning of the season in the world, rice production in 499.62 million bales, import 44.45, consumption 495.95 and 47.18 million tonnes in 2019-20, 171.87 million tonnes Outstanding stock will remain. In 2018-19, the ending stock of rice in the world was 16.2 million tons in 170.21 and 2017-18.
- 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.

Chilli:
- Guntur market reopened with higher prices, as cold storage stocks start coming to the market.
- 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 are likely to be active in the spot market at lower levels 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 5,500 to 6,600 bales according to CAI.

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.
• The central government is considering revising the sugar MSP upwards in order to relieve the industry of current financial stress.
• India is expecting to export 7 million MT of sugar in the coming season compared to 3 million MT in 2018-19 to clear the stock piles.
• Sugar output this season is expected to be 3 year low due to dry weather, may decline to 28-29 million tonnes which is likely to support prices that drop around 20% last year.
• 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 Marthawada, 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.

Maize:
• Maize is likely to trade above MSP as arrival pressure has reduced and new crop would not come before the month of October. However, India has allowed 1 lakh ton Non GM maize for the financial year 2019-20; starting from April 1 but despite the fact, it would trade above amid high feed makers demand and low carryover stock.

Crude Palm Oil/ RBD Palmolein:
• Prices will rise in India due to firm domestic demand and falling global palm oil supply.
• RBD palmolein prices are expected to rise on firm domestic demand and falling global supply scenario.
• Margins in refining CPO are higher than those in directly selling refined oil. However, import parity of RBD palmolein is higher than CPO which will lead to lower import of CPO compared to RBD palmolein in coming months.
• Lowering of import duty on RBD palmolein especially RBD palmolein imports from Malaysia has led to surge in imports of RBD palmolein as duty differential between CPO and RBD palmolein halved after the duty cut. Indian refiners are struggling due to lower demand of domestic refined CPO and higher imports if ready to use palmolein.

Sunflower Oil:
• Sunflower oil prices are expected to be supported on firm demand. High premium over palm oil will cap gains in prices
• Prices of sunflower oil are supported due to 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 oils expected to fall due to rise in sudden rise in prices and higher volatility in prices. However, 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. Higher volatility in prices may lead to weakening 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.
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.