**COMMODITY DASHBOARD:**

<table>
<thead>
<tr>
<th>CROP</th>
<th>STATUS</th>
<th>BRIEF REASONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>URAD</strong> (Black Gram)</td>
<td></td>
<td>Higher availability of imported stock, selling by Nafed in three major states, weak demand and stockist selling continue to cap Urad prices despite lower kharif acreage so far. Marked red to indicate that the prices are still ruling below MSP.</td>
</tr>
<tr>
<td><strong>MOONG</strong> (Green Gram)</td>
<td></td>
<td>Despite import cap at 1.5 lakh MT till Mar-2020, price may stabilize as arrival of summer crop from UP, Bihar, MP and Odisha has started declining. Besides, sales by Nafed are quite low. Marked red to indicate that prices are ruling below MSP.</td>
</tr>
<tr>
<td><strong>CHANA</strong></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 amid weak demand.</td>
</tr>
<tr>
<td><strong>TOMATO</strong></td>
<td></td>
<td>Tomato arrivals are expected to firm up over the next few weeks. Prices are expected to decline, but largely remain remunerative for farmers. Marked orange to indicate that the current prices are slightly inconvenient for the consumers.</td>
</tr>
<tr>
<td><strong>ONION</strong></td>
<td></td>
<td>Rabi crop is smaller in size in most states. Prices have started to strengthen and are expected to rise further in coming months. Prices during August-September period may become inconvenient for the consumers.</td>
</tr>
<tr>
<td><strong>POTATO</strong></td>
<td></td>
<td>Potato prices are likely to rise in coming weeks but will remain in comfortable range for both farmer as well as consumer.</td>
</tr>
<tr>
<td><strong>TUR</strong> (Red Gram)</td>
<td></td>
<td>Firming tur prices were restrained by relaxation of import quota to 4 lakh MT and decision of selling 2 lakh MT from central pool. Prices, which are currently near MSP, may not rise much in short term, but scope for decline is also limited.</td>
</tr>
<tr>
<td><strong>GROUNDNUT</strong></td>
<td></td>
<td>Firm local and export demand, lower crop estimates and procurement by Nafed will keep prices supported. Marked green to indicate that closing prices are currently above MSP.</td>
</tr>
<tr>
<td><strong>PADDY</strong></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><strong>CHILLI</strong></td>
<td></td>
<td>Cold storage stocks supply continued trading at Guntur spot market. Lower carry forward stocks likely to keep chilli prices supported.</td>
</tr>
<tr>
<td><strong>TURMERIC</strong></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 Kadapa and Duggiral spot markets.</td>
</tr>
<tr>
<td><strong>COTTON</strong></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>
</tbody>
</table>
tur (red gram):

- Agriwatch preliminary production estimate for 2019-20 is 36.12 lakh MT under normal condition. 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 41.5 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 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):
• Agriwatch preliminary estimate for urad for 2019-20 is 24.02 lakh MT, including 18.27 lakh MT from kharif. 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 (334552 MT) 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 kharif 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 250-300 more 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 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):
• Agriwatch preliminary production estimate for 2019-20 is 20.08 lakh MT under normal condition, including 14.27 lakh MT from kharif crop.
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):

- Problems continue to surface at chana cash market at price front due to hefty stock (20 lakh MT, old and new) in central pool, commencement of auction by Nafed in three states, weak demand in monsoon season despite double stock in cold storage/private hands. Millers have restricted buying sensing weak tone. So, improvement in chana market seems a remote possibility in the near to medium term, if Nafed continues to sell chana at Rs 4050-4075 per qtl.
- 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 4650-4850 in July in south India. Currently, chana in Delhi market is being traded at Rs4300-4350. Steady to slightly weak 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.
- India had imported 2.01 lakh MT chana and chana dal in 2018-19. This year in last two months starting from April, it has imported 48488.72 MT. Due to higher import duty import volume would remain at lower ebb in June-July.

Groundnut:

- Weekly average Groundnut modal prices at Adoni market increased by Rs. 6565 in the current week as compared to Rs. 5340/qtl in previous week due to decreased supplies. Prices traded widely in the range of Rs. 4720/qtl to Rs. 7082 qtl during last two weeks. The pace of arrivals is
registered lower at various key centers on high demand. However, the trend could be changed due to increased sowing area may pulls the groundnut prices down in future.

- Farmers increased the pace of groundnut Kharif sowing activities in the state of Andhra Pradesh, Gujarat, Karnataka, Rajasthan, Uttar Pradesh & Tamil Nadu supported by monsoon arrivals. Total Kharif sowing area is increased to 20.24 lakh hectares against 15.27 lakh hectares in previous year due to increased monsoon activity. In Gujarat 10-15% of cotton area is likely to replace by groundnut crop due to good price hike of groundnut seeds including attractive government policies. While sowing of groundnut seeds in Andhra Pradesh is impacting to plant groundnut on timely.

- 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 revised lower the Kharif production estimate of GN to 3.29 lakh tons as against 4.05 lakh tons in 1st Advance 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.

**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:
• After remaining firm for most of MY 2018/19, domestic prices have eased in June on arrival of another good harvest of rabi rice crop and weak export demand. Average spot prices in June 2019 for common grade coarse rice range from INR 23,400 ($339) to INR 40,500 ($587), per MT, in major producing states. Prices are likely to remain steady through the last quarter of MY 2018/19 on sufficient rabi rice, but may firm up if the 2019 monsoon falters affecting the prospects for MY 2019/20 rice production.
• Due to high demand in rice and supported by not being higher stocks in the market, there is a steady increase in the rice prices. For example, 1509 paddy new crops arrivals are increasing, whereas moisture is coming to 22 per cent even though paddy Selling up to 3200 in mandis and price of Sela rice 1509 at Rs.7000/quintal as, its demand is increasing because old stock is almost over and also new paddy is more whitish in nature.
• 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.

Chilli:
• Lower cold storage stocks supported the prices in the spot markets.
• As per Agriwatch’s final production estimate, Red Chilli all India production for crop year 2018-19 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, chilli prices will remain supported.

Turmeric:
• Buyers likely to remain active in the spot market from lower levels as current year Turmeric sowing reported delayed due to water scarcity in major growing regions.
• As per Agriwatch’s final production estimate, Turmeric all India production for crop year 2018-19 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:

- Kharif sowing of sugarcane crop was delayed in key growing states like Maharashtra, Karnataka. The total Kharif planting reached 49.98 lakh hectare as on 11th July’19, down by 3.96% compared to previous year (52.04 lakh ha) in 2018-19 season.
- Delay in monsoon by 15-20 days this season is likely to affect the yield of sugarcane this year in many parts of India. But this would be a support for the sugar prices to move upward in the coming season and germinates the hope of clearing glut situation prevailing in India.
- As per the Agriwatch latest estimate, India’s sugar production is expected to reach 331.09 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.

Maize:

- Maize is likely to continue trading above MSP as arrival pressure has reduced and new crop would not come before the month of October.
- India has allowed another 4 lakh tonnes; (total 5 lakh tonnes) non GM maize under TRQ @ 15% duty for the financial year 2019-20; starting from April 1 but as imports are also not expected to arrive before the mid of September it would continue to trade at elevated prices amid persistent demand from feed makers and low stock availability.

Crude Palm Oil/ RBD Palmolein:

- Prices will fall in India due to weak 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. 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 July.

**Groundnut oil:**

• Groundnut oil prices are expected to increase on weak supply and firm demand. Retail demand of groundnut oil is expected to fall due to rise in sudden rise in prices and higher volatility in prices. Prices have firmed due to low supply of groundnut oil on weak supply of groundnut on lower auctions by NAFED due to higher prices quoted at auctions. This comes at a time when demand firmed due to preponing of demand on supply concerns. Export demand from has waned due to rise in prices of groundnut oil and groundnut. 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, parity with Gujarat against less stocks position. Arrival of demand season in Andhra Pradesh will support demand and prices in future.

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