## 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>Higher availability of imported stock, selling by Nafed in three major states, weak demand and stockiest selling continue to cap Urad prices despite lower kharif acreage so far. Marked red to indicate that the prices are still ruling much below MSP.</td>
</tr>
<tr>
<td>MOONG (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 amid lower area coverage. Besides, sales by Nafed are quite low. Marked red to indicate that prices are ruling below MSP.</td>
</tr>
<tr>
<td>CHANA</td>
<td></td>
<td>NAFED’s intention to offload chana not below Rs 4400 may lend some support to cash chana market. Recovery is expected now to a certain extent. Commencement of the festive season is likely to help market to recover.</td>
</tr>
<tr>
<td>TOMATO</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>ONION</td>
<td></td>
<td>Rabi crop is smaller in size in most states, because of which prices have started strengthening. Further, kharif sowing has also been weak so far. Prices may rise sharply if kharif production remains low.</td>
</tr>
<tr>
<td>POTATO</td>
<td></td>
<td>Potato prices are likely to remain steady for coming weeks on higher stocks in UP cold stores and steady release.</td>
</tr>
<tr>
<td>TUR (Red Gram)</td>
<td></td>
<td>Firming prices were restrained by relaxation of import quota to 4 lakh MT and decision of selling 2 lakh MT from central pool. Further, government has the option to import another 1.75 lakh MT under G2G agreement. Prices are currently near MSP; may not rise much in short term, but scope for decline is also limited.</td>
</tr>
<tr>
<td>GROUNDNUT</td>
<td></td>
<td>Strong local and exporters demand, less stock availability, Poor monsoon activity, moderate supplies, increased MSP, supported by good demand. Marked green to indicate that closing prices are currently above MSP.</td>
</tr>
<tr>
<td>PADDY</td>
<td></td>
<td>Rice prices are likely to remain steady through the fourth quarter of MY 2018/19 (July-Sept) on sufficient domestic supplies, assuming recovery of the 2019 monsoon and normal planting of the kharif paddy crop.</td>
</tr>
<tr>
<td>CHILLI</td>
<td></td>
<td>Cold storage stocks supply continued trading at Guntur spot market while available stocks this year are reported lower than usual. Lower carry forward stocks likely to keep chilli prices supported.</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 Kadapa and Duggirala spot markets.</td>
</tr>
<tr>
<td>COTTON</td>
<td></td>
<td>Domestic prices likely to remain steady unlikely the weaker international prices. The area under cotton crop is likely to increase which may influence the prices in coming days.</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 is ruling near MSP. Excessive old stock in open market has started declining. Kharif sowing is running behind by 14.43% to 29.58 lakh ha so far.

- Beyond the current S&D, the largest factor that can swing the market is the production for the crop year 2019-20. Current acreage (as on 19 July, 2019) stands at 22.87 lakh ha, which is lower by 13.48% from last year till date. This year Nafed has procured around 3 lakh MT so far. Total

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**dashboard dated 29th July 2019**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUGAR</strong></td>
<td>Buffer stock for sugar increased by 10 LT to 40 LT, thus supporting the sugar industry to reduce the stocks as well as the government is trying to incentivize more on the sugar exports.</td>
</tr>
<tr>
<td><strong>MAIZE</strong></td>
<td>India has allowed another 4 lakh tonnes; (total 5 lakh tonnes) of non GM maize under TRQ @15% duty. However, prices are expected to remain strong on low domestic arrivals and amid persistent demand from feed makers.</td>
</tr>
<tr>
<td><strong>CRUDE PALM OIL</strong></td>
<td>Price situation is expected to remain comfortable for consumers on rising global demand scenario.</td>
</tr>
<tr>
<td><strong>RBD PALMOLEIN</strong></td>
<td>Prices are likely to remain in comfortable range for consumers on rising global demand scenario.</td>
</tr>
<tr>
<td><strong>SUNFLOWER OIL</strong></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>
</tr>
<tr>
<td><strong>GROUNDNUT OIL</strong></td>
<td>Price situation is expected to support on weak supply against improving demand.</td>
</tr>
</tbody>
</table>

**LEGEND:**

<table>
<thead>
<tr>
<th>Color</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Red</td>
<td>HIGH RISK - Strong need of intervention to protect farmers’ interests.</td>
</tr>
<tr>
<td>Orange</td>
<td>HIGH RISK – Strong need of intervention to protect consumers’ interests.</td>
</tr>
<tr>
<td>Yellow</td>
<td>POTENTIAL RISK - Needs close watching, possibility of moving to Red or Orange.</td>
</tr>
<tr>
<td>Green</td>
<td>STABLE - No imminent risk of extreme prices.</td>
</tr>
</tbody>
</table>

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

**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 is ruling near MSP. Excessive old stock in open market has started declining. Kharif sowing is running behind by 14.43% to 29.58 lakh ha so far.

- Beyond the current S&D, the largest factor that can swing the market is the production for the crop year 2019-20. Current acreage (as on 19 July, 2019) stands at 22.87 lakh ha, which is lower by 13.48% from last year till date. This year Nafed has procured around 3 lakh MT so far. Total
Procurement may decline to 4 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. Emerging scenario hints range bound movement to continue in the near term.

- Govt. has fixed import limit at 4 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. Right now it is running behind by 14.43% to 29.58 lakh ha. Cash market is expected to trade in the range of Rs5800 to 6200 in August. Currently it is ruling at Rs5900-6000 in Gulbarga market.

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. 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 kharif acreage (13.12%) so far 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 Rs 4500-4550 in Chennai market.
- Besides, higher MSP for kharif Urad (Rs.5700 per quintal) and slightly lower rabi production may push up price in the medium term. Area under kharif Urad was down by 9.72 %, at 26.15 lakh ha so far.
- At import-export front scope remains limited due to disparity. India imported 1582.34 MT urad in June-2019. In current FY starting from April to June, it has imported 3699.56 MT. At export front it has exported 1619.88 MT during last three months till June.

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 26th July-2019 area under kharif moong was registered at 20.48 lakh ha, down by 24.72% from last year.
- 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. Total kharif and rabi procurement comes to 3.02 lakh MT. Nafed has started auction of
moong from 2018-19 crop. As new arrival is expected now in Sep, moong may stay steady to slightly firm in coming months.

- 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 (Rs7050 per qtl for new kharif crop), it would remain supportive for moong price in the long term

**Chana (Bengal gram):**

- Nafed has decided not to pass chana bid below 4400 and it may support cash market to some extent. Bulk buyers too are expected to return to market now as festive demand starts now. Chana in Delhi market has increased by Rs 100 in last two days and it being traded at Rs 4400-4450. It may touch MSP level in the weeks ahead.

- 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 (18.21 MMT including old and new) and it would not allow market to cross beyond a certain level of 4650 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 4750-4950 in July in south India. Currently, chana in Delhi market is being traded at Rs4350-4450. Steady to slightly weak movement might be seen in chana cash market in the near to medium term.

- Import would remain restricted due to higher import duty. Australian crop would be available in Nov-Dec. Bulk import is possible only chana price in domestic market moves beyond 5000, seems unlikely at current situation. Some import is taking place from Myanmar and Black Sea region. Myanmar is offering chickpea at $700 per MT basis Indian port.

- India had imported 2.01 lakh MT chana and chana dal in 2018-19. This year in last three months starting from April, it has imported 70594.37 MT. In June alone it has imported 22105.65 MT. Due to higher import duty import volume would remain at lower ebb in July-August too. India exported 38073.94 MT chickpeas in the same period. It has exported 9748.91 MT. Emerging situation for chana import and export remain bleak.

**Groundnut:**

- Weekly average Groundnut modal prices at Adoni market decreased by Rs. 5749 in the current week as compared to Rs. 6581/qtl in previous week, primarily because of some poor grade material in the arrival mix. Prices traded widely in the range of Rs. 4759/qtl to Rs. 6949/qtl during last two weeks. Groundnut prices may come under further pressure, once farmers start to grow at full swing.

- Moderate rainfall had been noticed during this week, which supports the groundnut farmers for cultivation in Andhra Pradesh. Total Kharif sowing area as on 26th July 2019 is 27.23 lakh hectares against 29.18 lakh hectares in previous year. Farmers in Marathwada and Vidarbha regions of Maharashtra, the main belts for Oilseeds and pulses opting for short duration crops such as Maize, Jowar, sunflower due to declined monsoon activity. Better prices and lower moisture requirement has led to many farmers preferring maize and bajra (sorghum). Both crops had traded above the Minimum Support Price (MSP) throughout last year. Cultivation of bajra and maize would increase by 5 and 15 per cent this year.
• 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 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.
Paddy:
- The International Grains Council (IGC) has estimated the global production of rice in the 2019-20 season to reach the top level of 503.0 million tonnes, which is 40 million tonnes more than the 498 million tonnes estimated in the 2018-19 season. According to the report of IGC, global production of rice before this was 494 million tonnes in the 2017-18 season and 492.0 million tonnes in the 2016-17 season.
- The recent hike in the MSP for MY 2019-20 will prevent any decline in prices in the upcoming MY 2019-20, but future price movements will critically depend on the planting and harvest prospects of the upcoming crop and international demand.
- 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 334.57 lakh bales (of 170 kg each) from the previous estimate of 336.53 lakh bales as the arrivals in many districts have been finished and till 13th June around 310 lakh bales crop have been arrived in the market.
According to sowing data, the area under cotton is likely to increase by 5-6% in 2019-20. Sufficient water is received by the crop as well as area has also increased in North India. All India daily cotton arrivals are reported to be declined to 2,500 to 3,050 bales this week according to trade sources.

Sugar:
- The sugarcane area in 2019-20 is lagging behind by 3.15 lakh ha from the corresponding period in the previous year. The large decrease in area is seen in Tamil Nadu, Maharashtra and Gujarat by 28.22%, 23.64% and 25.68% respectively from last year. The south India and some parts of Maharashtra have been affected adversely due to bad rainfall scenario in the current monsoon.
- New sugar export incentives are to be introduced by the government for the next season. The central government has announced the buffer stock of 40 lakh tonnes increased by 10 lakh tonnes from 30 lakh tonnes.
- As per the Agriwatch latest estimate, India’s sugar production is expected to reach 330.09 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 rise in India due to improving domestic demand, buying at lower levels, positive refining margins and rising global palm oil demand. High stocks in ports and pipelined will cap prices.
- RBD palmolein prices are expected to rise on improving domestic demand, buying at lower levels and positive refining margins and rising global demand scenario. Higher inventory of RBD palmolein at ports and pipelines will cap prices.
- 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.
• There is disruption of weather in Ukraine leading to tight supply scenario. However, due to record crop of sunflower, sunflower oil market will be well supplied; as a result, we do not expect prices to rise much in rest of July.

Groundnut oil:
• Groundnut oil prices are expected to rise on improving demand 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. However, auctions have resumed and supply scenario is improving thereby decreasing supply bottlenecks. 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 rise on firm demand. Higher volatility in prices may lead to weakening of demand.
• In Andhra Pradesh, prices of groundnut oil decreased on weak demand despite parity with Gujarat against good stocks position. Prices will stay moderated as demand season in Andhra Pradesh is over.