## COMMODITY DASHBOARD:

<table>
<thead>
<tr>
<th>CROP</th>
<th>STATUS</th>
<th>BRIEF REASONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TUR (Red Gram)</td>
<td>Red</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 amid improving crop conditions in Karnataka, Maharashtra and Uttar Pradesh. Sale by importers at discounted price limits the scale of upward momentum this week. Prices are currently near MSP; may not rise much in short term, but scope for decline is also limited.</td>
</tr>
<tr>
<td>URAD (Black Gram)</td>
<td>Red</td>
<td>While recent floods have damaged crop in some parts of Maharashtra, Gujarat, Rajasthan and MP, weather condition in several other places is beneficial to the standing crop. Recent losses may remain supportive to a certain extent. Marked red to indicate that the prices are still ruling much below MSP. New arrival has commenced in Maharashtra and is expected soon from other states.</td>
</tr>
<tr>
<td>MOONG (Green Gram)</td>
<td>Red</td>
<td>Despite import cap in place, price may remain stable to slightly weak on improved kharif acreage and start of arrival from Karnataka, Maharashtra and some parts of Gujarat. Also, Nafed continues to sell old crop. Marked red to indicate that prices are ruling below MSP.</td>
</tr>
<tr>
<td>CHANA</td>
<td>Red</td>
<td>Demand for seed and improved offtake from mills have supported chana cash market and is expected to stabilize at current level. If demand continues and selling from Nafed remains restricted, chana should improve. As Nafed still has 1.37 MMT stock which it is trying to offload, any major upside in price is likely to remain limited.</td>
</tr>
<tr>
<td>TOMATO</td>
<td>Red</td>
<td>Tomato arrivals are expected to firm up over the next few weeks. Supply has increased and is likely to remain on higher side for coming weeks. Prices may remain low for the next few weeks.</td>
</tr>
<tr>
<td>ONION</td>
<td>Yellow</td>
<td>Kharif crop damage has been reported in Karnataka due to flood situation and damage in stocked onion in Maharashtra has pushed the prices upward. Further, late Kharif sowing has also been weak so far which is supporting the prices. Prices may increase further if late Kharif production remains low.</td>
</tr>
<tr>
<td>COTTON</td>
<td>Yellow</td>
<td>Domestic prices are expected to decline and align with the international prices as the new arrivals begin from across the country. Intervention by CCI will likely be required to support the farmers.</td>
</tr>
<tr>
<td>POTATO</td>
<td>Yellow</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>GROUNDNUT</td>
<td>Green</td>
<td>Current scenario is characterized by higher local demand against lower stock availability. However, good rainfall and higher crop expectation may curb any major price hike in the market. Overall S&amp;D justifies the prices being comfortably above MSP.</td>
</tr>
<tr>
<td>PADDY</td>
<td>Green</td>
<td>Rice prices are likely to remain steady through the fourth quarter of MY 2018/19 (July-Sept) on sufficient domestic supplies, given recovery of the 2019 monsoon and normal planting of kharif paddy crop.</td>
</tr>
<tr>
<td>CHILLI</td>
<td>Green</td>
<td>Cold storage stocks supply continued at Guntur spot market; stocks are reported lower during current year. Lower carry forward stocks are likely to support chilli prices in coming weeks even as new crop is likely to arrive by January.</td>
</tr>
<tr>
<td>Commodity</td>
<td>Description</td>
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<td>-----------------</td>
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<tr>
<td>Turmeric</td>
<td>Turmeric prices may not fall much from current level due to delayed sowing current year. Due to excess rainfall in Sangli (Maharashtra) and Belgaum (Karnataka) districts Turmeric standing crop is reported damaged.</td>
<td></td>
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<tr>
<td>Sugar</td>
<td>Prices may remain firm due to the support from festive demand and monthly sales quota of 19.5 LT released this month.</td>
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<tr>
<td>Maize</td>
<td>Despite the arrival of import; prices are expected to remain above MSP on low domestic arrivals and amid persistent demand from feed makers.</td>
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<tr>
<td>Crude Palm Oil</td>
<td>Price situation is expected to remain comfortable for consumers on rising global demand scenario.</td>
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<tr>
<td>RBD Palmolein</td>
<td>Prices are likely to remain in comfortable range for consumers on rising global demand scenario.</td>
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<tr>
<td>Sunflower Oil</td>
<td>Prices may fall on weak demand and falling international prices. The prices are expected to remain in a comfortable range for consumers for the next few weeks.</td>
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<tr>
<td>Groundnut Oil</td>
<td>Price situation is expected to fall on weak demand.</td>
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</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, Orange, Yellow, Green:**

**Tur (Red Gram):**

- Agriwatch preliminary production estimate for 2019-20 is 36.29 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 36.29 lakh MT against last year’s 35.99 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 2.94 lakh MT. Current year’s carry-in of 8.07 lakh MT was about 19% of consumption requirements while the carry-in of 2.96 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 down by 0.34 % to 45.49 lakh ha as on 20th Sep-2019. Market has already adjusted loss by
flooding and weather aberration. Good weather condition and likely higher area 45.5 to 46.5 lakh ha) is likely to compensate the current loss.

- 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 20th Sep, 2019) stands at 45.49 lakh ha, which is down only by 0.34% from last year till date. This year Nafed has procured 2.75 lakh MT and has 5.63 lakh MT old crop. This means it has total 8.38 lakh MT tur procurement against 10 lakh MT last year. It hints that supply side would be balanced and any major spike is unlikely in coming weeks amid increasing import volume from Myanmar.
- Govt. has fixed import limit at 4 lakh MT for private trade. Besides, govt. would import 1.80 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, almost same as last year till now. Cash market is expected to trade in the range of Rs5400 to 5850 in Sep. Currently it is ruling at Rs 5500-5550 in Gulbarga market.

**Urad (Black Gram):**

- Agriwatch 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. Recent loss of crop in some pockets of MP, Guj, MH may also help market to recover. Besides, lower kharif acreage (1.70%) so far may act as a balancing factor for open market. Ongoing sales through auction and weak demand in cash market may cap uptrend in the near term. Currently, it is being traded at Rs5000-5050 in Chennai and 4850-4950 in Mumbai 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 1.70 %, at 38.46 lakh ha so far.
- At import-export front scope remains limited due to disparity. India imported 58631.6 MT urad in Aug-2019. In current FY starting from April to Aug, it has imported 71430.54 MT. At export front it has exported 2453.14 MT during last four months till July.

**Moong (Green Gram):**

- Agriwatch production estimate for 2019-20 is 20.08 lakh MT under normal condition, including 14.27 lakh MT from kharif crop. If monsoon withdrawal delayed by 15 days (likely) and rains continues, it may affect final size of the kharif crop by 50 to75 thousand MT.
- 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 good quality 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 20th Sep--2019 area under kharif moong was registered at 30.99 lakh ha, down by 9.12% from last year.

- Nafed procured only 26 thousand MT moong in rabi season and it has 1.19 lakh MT old stock. Thus total stock with Nafed is 1.45 lakh MT. Area is lower by 11 % and heavy rains in growing reason and resultantly likely loss may not allow moong market to decrease beyond a certain level. In Jaipur market moong is being traded at Rs 6000. New arrival starts in Karnataka and is expected to start from MH by end Sep.

- India imported total 34027.13 MT moong from Apr to Aug-2019. Against it 5173.31 MT has been exported during same period. As there is no parity, export and import volume would remain limited in coming months.

- At price front, 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. Even in short term market may trade slightly down due to good crop condition in Rajasthan, Gujarat and Maharashtra. Loss by flooding is likely to be compensated by good weather conditions in other growing states.

Chana (Bengal gram):

- Weak demand in cash market despite festive season, weak futures and hefty stock (1.42 MMT) lying with Nafed would remain restrictive to cash chana market. Nafed have decided to sell chana at market price. It may continue to pressurize chana market in coming weeks. Kharif procurement would start from Sep end. There is a common view in the market that govt. would have to procure higher quantity this kharif season as mostly pulses are ruling below MSP. So, govt.’s agencies need storage space. Stock in private hands too is said to be at higher level. So, whenever chana price improves, stock held with private hands would come and it too would continue to cap uptrend.

- 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 (20.36 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 4300-4450 in Sep in Delhi and 4650-4800 in south India. Currently, chana in Delhi market is being traded at Rs 4350. 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 chickpeas at $690 per MT basis Indian port.

- India had imported 2.01 lakh MT chana and chana dal in 2018-19. This year in last five months starting from April, it has imported 140357.62 MT. In Aug alone it has imported 33488.04 MT. Due to higher import duty import volume would remain at lower ebb in Sep-Oct too. India exported 46772.83 MT chickpeas in the same period. Emerging situation for chana import and export remains bleak.

Onion:

- Government has imposed MEP of $850/Ton to control the prices in domestic market.
• Recent rains in Maharashtra and Karnataka has disrupted the supply because of which prices soared all of a sudden.
• Sowing in most of the kharif season is lesser than last year in most of the producing regions of South India (Karnataka and Andhra Pradesh mainly).
• Flood situation in Karnataka has affected the onion crop in 25,000 ha from sown area of 92,000 ha. Damaged is reported approximately 33% in affected area. Maximum damage reported in Dharwad district.
• According to trade sources, recent rains have damaged the stored onion in Maharashtra to some extent. Release of Rabi onion stock would be slower leading to higher prices that could last beyond September also.

**Tomato:**
• In Andhra Pradesh, lateral kharif sowing is higher because of availability of water so arrivals in October and November are expected to be full fledge.
• According to trade sources crop from Maharashtra is expected to be lower in size and arrivals are likely to pick up full fledge in a couple of weeks.
• Arrivals from Maharashtra, Karnataka and Andhra Pradesh are coming in the markets in full swing
• Tomato crop is continuously coming in market from different producing and prices are coming down slowly and are likely to stabilise in couple of weeks.

**Potato:**
• In west Bengal, so far, approximately 57-58% of potato stocks have been released from the cold storages.
• Release in major producing regions is in progress and traders are estimating prices to trade on lower side only in coming months.
• 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. Pace of release is higher than last year and prices are trading on lower side.
• Cold storage quantity is estimated to be higher than last year because release from cold storage was delayed by 2-3 weeks in most of the producing regions and higher loading in Uttar Pradesh.

**Groundnut:**
• Weekly average Groundnut modal prices at Adoni market is quoted higher at Rs. 6854.8 in the current week as compared to Rs. 6423.83/qt in previous week due to lower arrivals in the market compared to last week. Prices traded widely in the range of Rs. 4998/qt to Rs.7719/ qt during last two weeks.
• Good spell of rains across the country and attractive price hike in previous season and current season are encouraging groundnut growers to cover more acreage. As per recent released data by GOI, total groundnut kharif sowing area all over the country is reported at 39 lakh ha as on 20th Sept 2019 lower by 1.1 lakh ha from 40.08 lakh ha in previous year due to late arrivals of Monsoon in June month and less sowing seed availability in the market. However, recent good rainfall may help to increase yield of Kharif standing groundnut crops. So far, there is no damage groundnut crops report.
• As per state agriculture department of Gujarat, groundnut yield is likely to increase up to 1800 kg/ha due to good rainfall compared to last year 1085 kg/ha due to scanty rains. Sowing and rainfall pattern of 2019-20 is similar to 2016-17 and 2017-18, the estimated production could reach 28-30 lakh tonnes in the current year with favourable weather conditions. Higher prices at the end of the season last year and government procurement at the MSP promoted more farmers to cultivate groundnut this year.

• As per the 4th advanced estimates, ministry estimates lower Indian groundnut crop (Kharif and Rabi) at 66.95 lakh tonnes for 2018/19 season against 92.53 lakh tonnes in 2017/18. Kharif groundnut crop size during 2018-19 is estimated at 53.63 lakh tonnes which is 22.32 lakh tonnes lower than 75.95 lakh tonnes in 2017-18. Less rainfall at initial stage of crop and lower acreage are the main reason to cut output of Groundnut.

• 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.

Paddy:
• According to industry-trade critics, the minimum support price of paddy is being increased drastically, causing the price of rice to go up by $20 per ton. As a result, rice exports in the first quarter of the current financial year are about 30 percent lower. If the export incentive of 5% on non-basmati rice continued, it would have helped mitigate the impact of the increase in MSP and would have improved rice export performance.

• Despite historical revisions to consumption and stocks for China, the broader fundamental backdrop for rice in 2018/19 is little-changed from before, with production, consumption and stocks set to scale fresh highs. However, amid weak demand from buyers in Asia, world trade could decline by 3% y/y in 2019; smaller dispatches by India and Thailand contrast with bigger exports by China and Vietnam. Output could grow in 2019/20, but with main crop harvests some way off, prospects are highly provisional. Further gains in use and inventories are anticipated, while trade may advance on larger shipments to Africa.

• According to the August report released by IGC, the production of rice in the world is estimated to be 501 million tons, the world will be trading 460 million tons of rice this year, after consuming 496 million tons, the outstanding stock of 1780 lakh tons of rice will be left for next year carry over stock.

• The central government has set a target of procuring 416 lakh tons of rice for the marketing season (October-September) of 2019-20, which is more than 382 lakh tons for the 2018-19 season. It is noteworthy that for the marketing season of 2018-19, the government had exported a target of procuring 370 lakh tons of rice. Government procurement of rice in Chhattisgarh is expected to increase from 41 lakh tons in 2018-19 to 48 lakh tons in the 2019-20 season. Similarly, procurement of rice in Andhra Pradesh is expected to jump from 3 million tons in the last season to 4 million tons in the current year.

Chilli:
• Lower cold storage stocks supported the prices in the spot prices.

• As per Agriwatch’s final production estimate, Red Chilli all India production for 2019-20 (Marketing year) 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 remain active in the spot market from lower levels as current year Turmeric sowing reported lower in Tamil Nadu due to water scarcity and crop damaged reported in Maharashtra and Karnataka as a result of heavy rainfall.
- As per Agriwatch’s final production estimate, Turmeric all India production for 2019-20 (Marketing year) 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:
- All India daily cotton arrivals per day are reported be around 1300 bales to 11,000 bales this week according to trade sources. Maximum arrivals are from Haryana and Punjab as new crop has started arriving in these states.
- For the crop year 2019-20, the area under cotton has risen by 5.34% at 127.09 lakh ha compared to 120.64 lakh ha as on 20th Sep’19. The crop in 2019-20 is expected to increase by 11-15% in contrast to the previous year of lower crop.
- The standing crops may sustain losses if the rain continues after 15th of September, as the crop in many states are in boll opening stage when the crop needs proper and sufficient sunlight.

Sugar:
- The cane crushing would commence from 1st Oct’19 in northern states of India whereas the crushing might get delayed by 1-2 weeks in Maharashtra and Karnataka.
- Indonesia and Nepal have agreed to import Indian sugar from next season (2019-20) is a hope to Indian sugar industry to cut down the mounting arrears and stocked sugar from last 2 years.
- The sugarcane has been completely sown in 2019-20 covering 52.45 lakh ha lower against last year area by 3.06 lakh ha (5.5%).
- 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. Whereas the sugar production for the coming season is estimated to be much lower around 279 LT in 2019-20 in the view of loss caused by the floods in Maharashtra and Karnataka and drought conditions faced by the country before monsoon.

Maize:
- As per trade sources, Vessel (OCEAN CROWN) with 49,999.00 tonnes of corn has arrived at Tuticorin port on 15th September, 2019.
- Despite the above mentioned fact, maize is likely to trade above MSP amid persistent demand from feed makers and low stock availability.

Crude Palm Oil/ RBD Palmolein:
- Prices are likely to fall in India due to weakening of domestic demand, low buying at higher prices, and negative refining margins amid rising global palm oil demand. High stocks in ports and pipelines will cap prices.
RBD palmolein prices are expected to fall on weakening of domestic demand, low buying at higher levels amid rising global demand scenario. Higher inventory of RBD palmolein at ports and pipelines will cap gains.

Margins in refining CPO are higher than those in directly selling refined oil and import parity of RBD palmolein is lower than CPO which will lead to higher import of CPO compared to RBD palmolein in coming months.

Hike in of import duty on RBD palmolein imports from Malaysia will slow imports of RBD palmolein as duty differential between CPO and RBD palmolein doubled after the duty hike. Indian refiners are expected to benefit due to higher demand of domestic refined CPO and lower imports if ready to use palmolein. India will import more CPO in coming months due to rise in duty differential between CPO and RBD palmolein.

Sunflower Oil:
- Sunflower oil prices are expected to be underpinned by on weak demand and fall in international prices of sunflower oil. High premium over palm oil and soy oil at CNF and domestic market will cap gains in prices.
- Demand of sunflower oil is supported due to parity in imports and positive refining margins. However, high stocks at posts will cap gains.
- Due to record crop of sunflower in Ukraine, sunflower oil market will be well supplied; as a result, we do not expect prices to rise in September.

Groundnut oil:
- Groundnut oil prices are rose on firm demand. Demand of groundnut oil may weaken in expectation of better groundnut crop which will lead to lower groundnut oil prices scenario leading to postponement of demand. Retail demand of groundnut oil is expected to fall due to higher volatility in prices. Prices will fall due to expectation of improvement of supply of groundnut oil on higher supply of groundnut on higher auctions by NAFED due to lower prices quoted at auctions. Export demand has waned due to rise in prices of groundnut oil and groundnut. High premium over palm oil and soy oil may cap prices. Higher volatility in prices may lead to weakening of demand.
- In Andhra Pradesh, prices of groundnut oil rose due to demand ahead of festivals. However, prices will stay moderated as peak demand season is over. There is parity with Gujarat against good stocks position. Retail demand may weaken due to rise in prices of groundnut oil.

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