

KHARIF PRE-SOWING PRICE FORECASTS FOR 2015-16

1. GROUNDNUT PRICES LIKELY TO BE AROUND Rs.4000/Q AT KHARIF HARVEST

Despite being one of the largest producers of oilseeds in the world, India's import dependence has doubled over the past few years owing to expanding consumption of edible oils and stagnating production of oilseeds. The country imported vegetable oils worth \$10 billion in 2013-14 compared with \$ 5 billion in 2007-08. The major states Gujarat, Rajasthan, Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu account for close to 90 per cent of the total groundnut output. European Commission and Malaysian Regulation has imposed the requirement of health certificates for all consignments of peanut and peanut products exported from India to comply with prescribed level of aflatoxin. For 2014-15, groundnut in shell production target is 90 lakh tonnes comprising 72 lakh tonnes for kharif and rest for rabi. To help the farmers in taking sowing decision in 2015 the AMIC of S.V.Agricultural College, Tirupati forecasted groundnut prices at harvest using econometric analysis of modal prices of Kurnool market. Coupled with the market survey, the kharif harvest prices (2015) are likely to be around Rs.4,000/Q.

2. SUNFLOWER PRICES ARE EXPECTED BE LESS THAN MSP AT HARIF HARVEST

World sunflower seed production is predicted to slide 4.7 per cent in 2014-15, more than forecast given in October, 2014 after the outlook for Russia and Ukraine was out, crimping crushing for oil and meal according to Oil World data. Farmers around the globe may harvest 40.6 million tonnes compared with 42.6 million tonnes in 2013-14. Reduced supply is pushing up sunflower seed oil prices relative to soyabean and palm oils according to Oil World. The area under sunflower in the country this year i.e till January, 2015, stood at 2.78 lakh ha. against 4.15 lakh ha last year. In Andhra Pradesh the area in kharif 2015-16 is expected to be closer to the one in 2014-15.

To help the farmers in taking sowing decisions in 2014 the AMIC functioning at S.V.Agricultural College, Tirupati forecasted the sunflower prices at harvest using econometric analysis of modal prices of Kurnool market coupled with the market survey. The price assuming normal area and present market sentiments would be around MSP (**Rs.3,300-Rs.3,400/Q**) at harvest period.

3. MAIZE PRICES ARE EXPECTED TO BE CLOSER TO MSP

The record production in America, Brazil and Argentina affected the Indian exports during 2014-15. In India the expected output this year is around 220 lakh tonnes. This demand from the poultry sector is around 105 lakh tonnes. In South Africa, the area under maize is 26.56 lakh ha and the production is expected to be affected given the drought situation over there. Yet there is no hope of better prices due to high global stocks. In 2014-15 the expected output both in Telangana and Andhra Pradesh stands at 41 lakh tonnes and there would be more than 50 per cent stocks at the beginning of the new season 2015-16. In states like Karnataka, Maharashtra, Bihar, Tamil Nadu and Orissa the production is on the rise.

Under the circumstances to help the farmers in taking sowing decisions in kharif 2015-16, the Agricultural Market Intelligence Centre (AMIC) has forecasted the prices that are likely to prevail at harvest period. i.e. September – October, 2015, using the modal prices of Nizamabad market, with the help of econometric analysis. It was also supported by market survey. The results indicated that the prices are likely to range between **Rs.1200-1300/Quintal**.

4. SOYABEAN PRICES TO BE AROUND RS.3000/QUINTAL AT HARVEST

Brazil's soyabean production is expected to touch 94.5 million tonnes in 2014-15 which is up by 7.8 million tonnes over last year, while Argentina is all set for a record harvest of 57.8 million tonnes in the midst of favorable climatic conditions. These trends are going to impact the global prices. In India since soya cake is priced higher the export demand for the same has come down. Particularly in Madhya Pradesh and Maharashtra the soya stockists are preferring to trade bengalgram and redgram by clearing soya stocks in the prevailing gloomy price environment. This may affect the cropped area in 2015-16.

The Agricultural Market Intelligence Centre (AMIC) of S.V.Agricultural college, Tirupati forecasted soyabean prices at harvest using econometric analysis of modal prices of Nizamabad market coupled with the market survey. The price per quintal assuming normal area and present market sentiments would be around Rs.3000/Quintal at harvest period.

5. REDGRAM PRICES TO BE IN THE RANGE OF Rs.5,300-5,500/Q AT HARVEST

Karnataka accounts for about a fifth of redgram produced in the country. Karnataka Pradesh Redgram Growers' Association suggested that the Government to impose a duty of 30 per cent in the forthcoming budget to club cheaper imports of pulses. Currently pulses across categories are imported in to the country at zero duty. During 2014-15 the redgram production was less than normal in the country in view of the fall in the acreage. The prices are currently hovering between Rs.4800 and Rs. 5400 per quintal. Expecting normal area this year under redgram, the AMIC of S.V.Agricultural college, Tirupati has forecasted the prices of redgram taking the modal price of Tandur market with the help of econometric analysis. The results of the analysis along with the present market sentiments revealed that the prices would be in the range of **Rs.5,300 and Rs.5,500/Quintal** at harvest time (January 2016).

6. GREENGRAM PRICES LIKELY TO BE AROUND Rs.5,500- Rs.6,000/Q AT HARVEST

The important states cultivating greengram in the country are Rajasthan, Maharashtra, Karnataka, Andhra Pradesh, Gujarat, Bihar, Tamil Nadu etc. The important districts cultivating greengram in the state are Srikakulam, Vizianagaram, East Godavari, Khammam, Warangal, Guntur, West Godavari, Nellore etc. The area in 2015-16 is likely to be the same as in 2014-15. Pulses production commenced to rise since 2011-12 (17.1 million tonnes to 2012-13 (18.3 million tonnes) to 2013-14 (19.3 million tonnes.)

Under the circumstances the Agricultural Market Intelligence Centre (AMIC) functioning in the Dept. of Agricultural Economics, S.V.Agricultural College, Tirupati analysed the likely prices to prevail at harvest period of kharif greengram using econometric analysis of the modal prices of important greengram markets in Andhra Pradesh. Going by market survey and the results of forecasts the greengram prices are likely to range between Rs. 5,500-6,000 per quintal during harvest.

7. CHILLI PRICES ARE LIKELY TO BE AROUND Rs.6500-7000/Q AT HARVEST

Buoyant export demand and fall in production in Madhya Pradesh kept the prices of chillies bullish during the past 4 or 5 months. In Andhra Pradesh there would be a likely fall in production. Exports have been looking good since the start of the year 2014. In 2013-14 India exported 3,12,500 tonnes of chillies valued at Rs.2,722 crore. Andhra Pradesh and Telangana account for about 50 per cent of the total production in the country followed by Karnataka which accounts for about 10 per cent. Madhya Pradesh ranks fourth in terms of production. The analysis carried out by Agricultural Market Intelligence Centre (AMIC) to forecast the prices of chilli at harvest (February, 2016) has shown that the prices are likely to be around Rs.6,500-7,000/Q. Further changes in prices are influenced by production pattern and export demand. These results are arrived at with the help of econometric analysis of modal prices of Guntur market supported by market survey.

8. COTTON PRIES TO BE AT Rs.4000/QUINTAL AT HARVEST

In India the current production of cotton and last year's stock together stand at 46.89 million bales. Domestic consumption and exports amounted to 30.6 million bales in the country and the stocks at commencement of 2015-16 season would be 16.3 million bales, which may form 40 per cent of production. For Indian cotton the major destination is China, but this year the exports of cotton from India on the lower side, which compelled CCI to procure 65 lakh bales till, now which may increase to 80 lakh bales.

Under these circumstances Agricultural Market Intelligence Centre of S.V.Agricultural College, Tirupati has forecasted the prices at harvest of cotton in 2015 using modal prices of Warangal. Given the present market sentiments and based on the results of the forecast the price/Quintal would be around Rs. 4000/- at harvest.

9. TURMERIC PRICES TO HOVER AROUND Rs. 7,500/Q AT HARVEST

India is the world's largest production accounting for 60 per cent of the world's turmeric exports. The other major producing countries are China, Bangladesh and Myanmar. UAE is the major importer from India. Japan, Srilanka, UK, Malaysia, South Africa and Netherlands are the other countries importing from India. Indian turmeric is considered as the best quality crop in the world due to its high curcumin contents. Andhra Pradesh, Tamil Nadu, Odisha, West Bengal and Karnataka are the top producing states. Andhra and Telangana contribute roughly around 47 per cent of total production. The existing stocks stand at 40 lakh bags and expected production this year (2015) is 37-38 lakh bags. Encouraged by the prevailing prices, the area this year may go up by 10 to 20 per cent over last year and it is of interest to know the price line during harvesting period (January 2016). According to the econometric analysis of the turmeric modal prices of Nizamanad market supported by market survey and present market sentiments the prices are likely to be around Rs.7,200-7,500/quintal.