

BLACK GRAM OUTLOOK REPORT – January to December 2020

Black gram is scientifically known as *Phasiolus mungo* and commonly called as Urad in India. India is its primary origin and is mainly cultivated in Asian countries including Pakistan, Myanmar and parts of Southern Asia. About 70 per cent of the world's Black gram production comes from India. India is the world's largest producer as well as consumer of Black gram. It produces about 21.5 lakh tonnes of Urad annually from about 4 million hectares of area, with an average productivity of 546 Kg per hectare in 2020-21. Black gram area accounts for about 19 per cent of India's total pulse acreage which contributes 23 per cent of total pulse production.

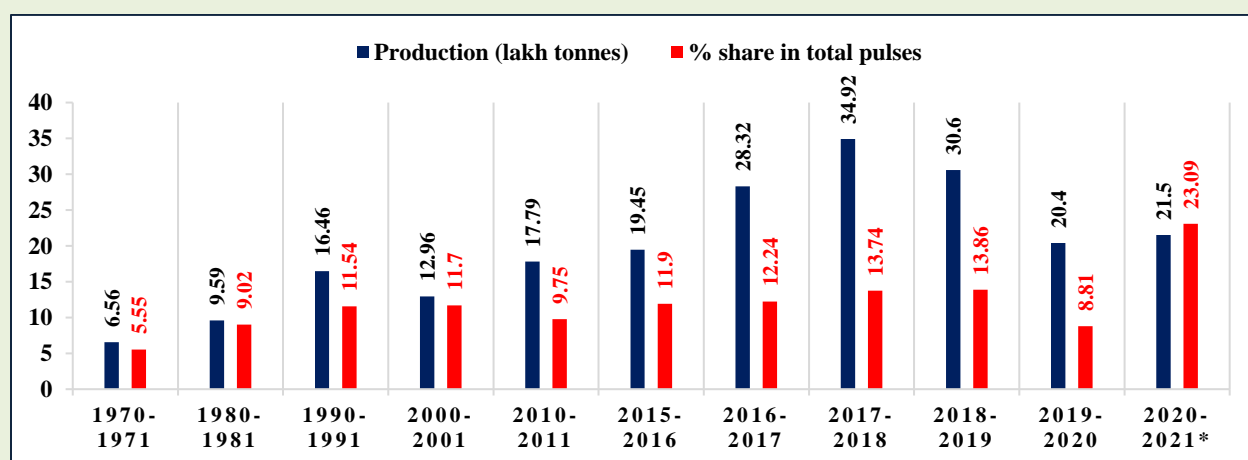
Table 1: Balance sheet of Black gram (in lakh tonnes)

| Marketing Year (March to February) | 2019-20 | 2020-21* |
|------------------------------------|--------------|--------------|
| Opening stocks | 8.75 | 2.14 |
| Production | 19.39 | 24.19 |
| Imports | 3.95 | 3.50 |
| Total Supply | 32.09 | 29.83 |
| Exports | 1.72 | 0.5 |
| Consumption | 27.5 | 27.5 |
| Ending stocks | 2.14 | 1.83 |

Source: Agriwatch * Advance Estimates

As per some private sources, the data collected is compiled in Table 1. In the marketing year 2020-21, the consumption of Black gram was 27.5 lakh tonnes against the production of 24.19 lakh tonnes with the rest of the demand-supply gap was covered by importing around 3.50 lakh tonnes along with the opening stocks 2.14 lakh tonnes.

Figure 1: Per cent share of Black gram production in total pulses production in India



Source: Indiastat, 2020 * Provisional

The highest share of contribution to total pulse production was seen in 2020-21 with 23.09 per cent. The production has been decreasing since 2017-18 from 34.92 lakh tonnes to 21.5 lakh tonnes in 2020-21. The production of pulses has risen from 1970-71 to 2017-18, primarily due to the governments' effort to strengthen seed production and distribution, and the continuous increase of MSP. But this spurt in pulse production is not enough to meet the demand as the import of pulses has also risen. The reason behind the decline in pulse production is that the improved irrigation facilities, which allows to grow-intensive crops such as rice and wheat. So, the government is incentivizing MSP of Black gram which increased from Rs. 4350 in 2014-15 to Rs. 6000 in 2020-21.

Table 2: Procurement of Black gram under Price Support Scheme (PSS)

| Commodity /year | Support price (Rs per quintal for FAQ) | Quantity procured in tonnes | Value in million | Major states of procurement |
|-----------------|--|-----------------------------|------------------|---|
| 2017-18 | 5400 (Kharif) and 5000 (Rabi) | 292414 | 157274 | Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, West Bengal, Uttar Pradesh and Telangana |
| 2018-19 | 5700 (Kharif) and 5400 (Rabi) | 560981 | 312411 | Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and Telangana |
| 2019-20* | 5700 (Kharif) and 5600 (Rabi) | 18284.4 | 10239 | Andhra Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu and Telangana |

Source: Department of Agriculture, Cooperation & Farmers Welfare

* As on 07.01.2020

'FAQ: Fair and Average Quality

Table 3: Area, production and yield of Black gram before and after bifurcation of Andhra Pradesh

| Before Bifurcation | | After Bifurcation | | | |
|------------------------------------|-------|-------------------|-------|-----------------|-------|
| 2010-11 | | 2015-16 | | 2020-21 | |
| AP | India | AP | India | AP | India |
| Area (in '000 Ha) | | | | | |
| 464 (14.20%) | 3267 | 455 (12.56%) | 3624 | 382 (8.67%) | 4404 |
| Production (in '000 tonnes) | | | | | |
| 253 (14.22%) | 1,779 | 411 (21.12%) | 1,945 | 343 (15.95%) | 2150 |
| Yield in Kg/Hectare | | | | | |
| 546 | 545 | 902 | 537 | 842 | 546 |

Source: agricoop.nic.in

The contribution of Black gram acreage in Andhra Pradesh before bifurcation was 14 per cent to total Black gram production of India and after bifurcation, it was 12.56 per cent which further decreased to 8.67 per cent in 2020-21. The productivity has increased from 546 kg/ha to 902kg/ha after the bifurcation so there was an increase in the production though there was a decline in the area cultivated.

Table 4: Major Black gram producing districts in Andhra Pradesh (2019-20)

| District | Area ('000 hectares) | Position | Production ('000 tonnes) | Position | Yield (Kg/ha) | Position |
|------------------------|----------------------|----------|--------------------------|----------|---------------|----------|
| Krishna | 128 | 1 | 178 | 1 | 1396 | 1 |
| Guntur | 33 | 3 | 41 | 2 | 1267 | 3 |
| Kurnool | 19 | 4 | 25 | 3 | 1271 | 2 |
| Srikakulam | 41 | 2 | 20 | 4 | 479 | 12 |
| Other districts | 82 | | 65 | | - | |
| Andhra Pradesh | 303 | | 329 | | 1086 | |

Source: apagrisnet.gov.in

Krishna district is the highest in acreage and production as the farmers in the region practice paddy followed by Black gram and its soil is best suited for Black gram cultivation.

Table 5: Month-wise average prices of Urad in Andhra Pradesh in 2020

| Month | Prices |
|------------------|--------|
| January | 7006 |
| February | 6919 |
| March | 6235 |
| April | 6400 |
| May | 6700 |
| June | 6500 |
| July | 6200 |
| August | 6375 |
| September | 7400 |
| October | 7250 |
| November | 7947 |
| December | 7665 |

Source: Agriwatch, 2020

In March 2020 prices have declined with the commencement of sale by NAFED. In June 2020, the Directorate General of Foreign Trade (DGFT) has decreased the timeline for the 4 lakh

MT Urad import quota from 31st March 2021 to 31st August 2020. As the time frame for import has been reduced, the DGFT issued a license. It impacted the market sentiments and the cash market traded down by Rs. 300 to 500. In October 2020, taking a call on the unexpectedly firm cash market and delayed arrivals from the new crop, the government has allowed 1.5 lakh Mt Urad import with immediate effect. Apart from this demand for daal at a higher level got disrupted. So, a downward correction is expected in the Urad cash market.

In December 2020, a slight downward correction was seen in the Urad market during the month under review as the government has allowed 1.5 lakh Mt Urad import. New arrival from rabi crop has increased in Andhra Pradesh. So, the Urad market had come down. It has decreased by 3.43 % to Rs. 7283 in December against Rs. 7542 from November. In December, average prices in key markets including Mumbai were down by 3.53 per cent to Rs. 7238 and in Chennai, it was 3 per cent down to Rs. 7200. Prices may stay steady to slightly weak in February and March 2021 due to new arrivals from rabi crop, higher area coverage and good crop condition and release started from the central pool.

Under these circumstances, the AMIC, ANGRAU forecasts price around Rs. 6800-7100 for blackgram in coming months based on quality standards.
