

Bengalgram prices to remain sluggish in the coming months

The total production of pulses in the country is set to touch 23.95 million tonnes, this year, mainly driven by a surge in production. For the second year in row the production of pulses is robust. Compared to the subdued trend seen in prices of redgram, greengram, and blackgram bengalgram prices have remained firm for a long time, which influenced the farmers to increase the area from 99.04 lakh hectares to 107.24 lakh hectares. Bengalgram is being continuously imported from Australia. Two to three lakh tones of bengalgram are expectedly to reach Indian shores. Even as India is poised to harvest a record crop of bengalgram during this rabi season, the government has increased the import duty on bengalgram to 60 per cent from the earlier 40 per cent. The move is expected to help restrict cheaper imports from Australia and Canada and stabilize prices of bengalgram, which are currently ruling below minimum support price of Rs.4400/-Q. The Ministry of Agriculture, in its second advance estimates, had pegged the bengalgram crop at an all time high of 11.10 million tonnes on a surge in acreage coupled with productivity. Through the government has taken various measures to curb cheaper imports while opening up the exports, the rise in production and carry forward stocks continue to influence the prices of bengalgram.

Under the circumstances the AMIC functioning in Institute of Agribusiness Management has forecasted the prices likely to prevail in the coming month using the modal prices of Kurnool with the help econometric models. Given the present market sentiments the prices are likely to be less than MSP in the coming months. Government intervention through procurement may address the issue to a certain extent.

Maize prices to remain below MSP (Rs. 1425/qtl) in the coming months

According to the first advance estimate, maize production in the country is seen at 18.73 million tonnes during *kharif* 2017-18, marginally lower than last season's 19.24 million tonnes. The higher carry – forward stocks is also weighing on the prices of maize. *Rabi* area is around 16.71 lakh ha compared previous *rabi* area of 16.26 lakh ha. Besides slack buying from poultry corporates Cargill, Godrej Agrovet, Suguna etc. is aggravating the scenario. Further the easy availability of maize from Bihar is also compounding situation in southern states. Rising output in consuming states as Tamil Nadu, Gujarat and Maharashtra is another reason for slack demand and subsequent fall in the prices. Under the circumstances the AMIC functioning in Institute of Agribusiness Management has forecasted the prices likely to prevail in the coming months using modal prices of Nizamabad with the help econometric models. The results say that given the market sentiments, the prices are likely to be below MSP *i.e.*, Rs.1425/ qtl in the coming months and farmers are advised to act accordingly.

Groundnut prices to remain around MSP in coming months.

Most of the oilseeds prices had trumbled below MSP levels during the current kharif season on account of higher domestic crop and increase in edible oil imports, leading farmer's woes across all states. India is one of the largest importers of edible oils, as production fails to meet domestic consumption. Of the total annual edible oil imports the bulk about 8.5 million tonnes comprises palm oil, most of which comes from Indonesia and Malaysia. The government has doubled the import duty on crude palm oil to 30 per cent from the current 15 per cent. The duty as refined palm oil has been increased to 45 per cent from the current 40 per cent. Rabi groundnut area has increased from 6.03 lakh hectares in 2016-17 to 6.04 lakh hectares in 2017-18. Overall total rabi oil seeds area is down from 84.44 lakh hectares in 2016-17 to 80.29 lakh hectares in 2017-18.

Under the circumstances the AMIC functioning in Institute of Agribusiness Management the prices likely to prevail in the coming months using modal prices of using model prices of groundnut in Kurnool market with the help econometric models. Given the present market sentiments. The groundnut prices would be around Rs. 4500 in the coming months, Farmers can takes their selling decision based on these prices.

Sunflower prices would be close to Rs.3200 to 3400 in the coming 4 months

According to the data Solvent of Extractors Association of India, Indian oils imports include palm oil, soya oil and sunflower oil and seventy per cent of country's edible oil requirements are met from imports. Annually India is importing 15 million tonnes of oils from countries which have grater area under oilseeds. Sunflower oil is imported from Ukrain, Russian, Turkey and Argentina with Ukraine having a share of 95 per cent. The health consciousness of Indian consumers helped the consumption of sunflower oil to increase by 5 times in the past one and half-a-decades.

The area under sunflower cultivation in India during rabi 2017-18 was 1.70 lakh ha against 1.69 lakh ha in 2016-17. We are importing close to 18 lakh tonnes of sunflower oil every year. The obvious reason for this trend is that sunflower seeds production in the country has declined from 2010, while its production has increased inter nationally.

Under the circumstances, the Agricultural Market Intelligence center operating at the Institute of Agribusiness Management, Acharya NG Ranga Agricultural University, S.V. Agricultural College Campus, Tirupati has analyzed the modal prices of sunflower from Kurnool market for 12 years with the help of time series model. Given the present market sentiments, the sunflower prices would be close to Rs.3200 to 3400/- in the coming 4 months (Up to June 2018).