

GROUNDNUT PRICES LIKELY TO BE AROUND Rs. 4800/q AT HARVEST

India is the second largest producer of groundnut in the world. On the global front, China leads in production, making up some 42 per cent of overall production. India (12 per cent) and the US (8 per cent) follow it. Although India and China are the world's largest producers of groundnut, they account for a small part of international trade, because most of their production is consumed domestically. Major producers / exporters of groundnut are the US, Argentina, Sudan, Senegal and Brazil, while the major importers are EU, Canada and Japan. For this year 2016-17, groundnut in shell production target is around 80 per cent for kharif season and rest for rabi season. Gujarat has been record groundnut sowing, on over 16.4 lakh hectares and production is expected to be one of the highest in three years around 26 lakh tonnes. To help the farmers in taking sowing decisions in 2017 kharif, the Agricultural Market Intelligence Centre of S. V. Agricultural college, Tirupati has forecasted groundnut prices at harvest using econometric analysis of modal prices of Kurnool market. Coupled with market survey and considering the present market sentiments, the kharif harvest prices (2017) are likely to be ranging between Rs .4,600 to 5,000/Qunital.

SUNFLOWER PRICES ARE EXPECTED TO BE LESS THAN MSP AT KHARIF

HARVEST

Nearly 70 per cent of domestic oil requirement is met through imports. According to Solvent Extractors Association of India the major imported oils are palm oil, soya oil and sunflower oil. Annually India is importing 15 million metric tones of oil. Palm oil and sunflower oil are imported in raw form. Russia, turkey and Argentina are also exporting sunflower oil. But India imports 95% of its sunflower oil requirement from Ukraine. In 2015-16 India imported 1.5 million tones of sunflower oil from Ukraine. Assuming normal area in kharif 2017-18, the prices that are likely to prevail at harvest are forecasted using modal prices of sunflower in Kurnool market. It was also supported by market survey. This effort has resulted in arriving at the prices at harvest which are likely to move around Rs.3000/Qunital.

GREENGRAM PRICES TO BE AROUND MSP AT HARVEST

India's growing population and increasing preference for healthy food means ever-rising demand for protein foods like pulses, more so for the vegetarian population. Close to 90 per cent of the area under pulses cultivation depends upon the monsoon. The result: India's pulses productivity is less than half of that in Canada, one of the top pulses exporters.

In an encouraging sign of rise in pulses production, the country has seen a gradual rise in the growth rate of pulses output at 2.61 per cent during the last four decades, which has surpassed the growth rate of rice, wheat and all cereals together.

Following the Government's move to incentivise pulses production through a sharp increase in support prices and the high market prices that prevailed during the planting season of 2016-17, farmers across the country have planted pulses such as greengram and redgram on about 142 lakh ha about 33 per cent more than last year. As a result, production of pulses is expected to rise around 20 million tonne. Retail prices of pulses had shot up since the early part of 2016, following a reduced domestic crop, which stood at 17.15 million tonn in 2015-16

Anticipating normal monsoon the gram price forecasts for greengram at the time of harvest *i.e.*, September & October, 2017 have been estimated using the modal prices of Tandur market. The forecasts along with the present market sentiments showed the prices per quintal of greengram would be around Rs. 4800 to 5200/- at kharif harvest period.

MAIZE PRICES LIKELY TO HOVER AROUND Rs.1400/-Q

World maize production in 2016-17 was seen at a record 1.03 billion tonne, up from a previous projection of 1.017 billion tonne and the prior season's 969 million tonne. The US, the world's top maize producer, was projected to harvest a crop of 379 million tonne. India is set to produce 19.1 million tonne of maize in 2016-17 as against 15.2 million tonne last year. This is mainly because the area under kharif maize (2016-17) saw a jump to 84.26 lakh ha. There is a bearish trend in the global maize market due to over production in key maize growing countries led by US.

Given the global scenario which hints a surplus production this year and assuming the normal kharif maize area, the Agricultural Market Intelligence Centre of S. V. Agricultural College, Tirupati has forecasted the prices of maize at kharif harvest period of 2017-18, using the modal prices of Nizamabad market. The results of the analysis and the present market sentiments together showed that the price per quintal of maize in October, 2017 would be around Rs. 1350 to 1450/-.

REDGRAM PRICES CLOSE TO MSP AT HARVEST

Prices of pulses have fallen far below the Minimum Support Price (MSP) levels this season, and it looks that this may be a repeat of what happened to bengalgram in 2013-14. A glut in bengalgram production led to a fall in prices leading to heavy losses for farmers who stayed away from cultivating it the next season leading to deficient supplies and high prices. It looks like pulses may play out the same story as there has been an increase in domestic production and imports. For 2016-17, there is a massive rebound in pulse production and the country is harvesting record crops. While kharif output is estimated at 87 lakh tonne, the largest estimate from the Ministry of Agriculture for rabi pulses suggest a harvest of 134 lakh tonne, taking the annual total to 221 lakh tonnes. In other words we have as much as 57 lakh tonne of incremental production this year. At the same time imports are continuing with out any marked -let up. The projected import for the whole of financial year 2016-17 is well set to cross the 50 lakh tonne mark. Pulse prices are most likely to continue to remain soft in the coming months. Prices of redgram have fallen below the MSP. NAFED has started procurement in three states to protect the interests of the farmers. With NAFED entering the market for procurement prices are likely to firm up in the coming months and may rule above MSP.

Expecting normal monsoon in 2016-17, the Agricultural Market Intelligence Centre of S. V. Agricultural College, Tirupati has forecasted the prices of redgram at the time of harvest i.e. January 2018, using the modal prices of Tandur Market. The results of the analysis and given the present market sentiments the prices per quintal of redgram will hover around Rs. 4500 to 5000/-. Hence farmers can take their sowing decision.

COTTON PRICES TO BE AROUND Rs.4800/- qtl AT HARVEST

Higher estimates of consumption and tight supply is to keep cotton prices firm for the next few weeks, even as farmers continue to hold close to 40 per cent of the total crop of 34 lakh bales. Kapas prices have remained firm in the range of Rs.5, 900 -6000/ctl, over the past few weeks due to lower than expected arrivals of crop and higher estimates of consumption. According to trade sources, so far about 208-210 lakh bales or about 61 per cent of the total crop has arrived. On consumption front, the Cotton Association of India has estimated for the ongoing year (October to September 2016-17) at 295 lakh bales higher than last year's 290 lakh bales. Prices are likely to remain firm in near future as demand from yarn makers, millers, and export is likely to be higher this year. Currently cotton mills and ginners from Gujarat, Maharashtra, Andhra Pradesh, Punjab and Karnataka have been purchasing cotton. According to the trade sources cotton prices would remain firm as crop output is likely to be less in Pakistan, Bangladesh and China.

Given this State of affairs, and assuming normal area in kharif 2017-18, an attempt is made to forecast the prices of cotton at harvest period. Towards this end, the modal prices of Warangal were made use of. The results of the analysis in addition to the market survey indicated that the price / Quintal would be around Rs. 4600 to 5000/- at harvest.

CHILLI PRICES ARE LIKELY TO BE AROUND RS. 6000/- QTL

Spurred by the sharp rise in prices, the chillies growers of Andhra Pradesh, the major chilli state planted in higher area during 2016-17. The trade sources indicated that the area is up by 80 per cent. In Andhra Pradesh, chilli sown area was 32275 hectares during 2016-17 as against normal area of 24711 hectares. In Telangana, chilli sown area was 13877 hectares, as against normal area of 19767 hectares. In Karnataka compared to last grown area of 3743 hectares, the current year area was 1806 hectares. Arrivals from Madhya Pradesh that reached the market in November were below expectations. The viral attack that damaged the crop last year continued to play havoc this year too. But there was 200 per cent increase in sowing area but crop output was near normal. Madhya Pradesh produces around 1 lakh tonnes.

According to trade sources, since the commencement of harvest season of 2016-17, nearly 28-30 lakh bags (each bag 35-40 Kg) have been brought to cold storage units in Guntur. The local cold storage capacity since is 65 lakh bags, another 30 lakh bags are likely to be brought in for cold storage in the coming months. Though the production has increased this year coupled with the increased quantities in cold storage units, good rains are likely to help maintain the area sown in 2016-17 in the coming Kharif 2017-18 also.

Under the circumstances, the Agricultural Market Intelligence Centre of S. V. Agricultural College, Tirupati has forecasted the prices of chilli harvest period using the modal prices of Guntur market. The results of the analysis indicated that the prices would be ranging between Rs.5800 to 6200/- qtl in January, 2018.

TURMERIC PRICES TO RULE AROUND Rs. 5800/- Q AT HARVEST

About 60 per cent of India's total turmeric production comes from Andhra Pradesh. Given the expectations of bumper production this year, prices may be volatile. Demand remains lack luster, with only few up countries orders. The turmeric crop in Maharashtra is set for harvest and arrivals are expected to flood the markets in the state in the next few weeks. Turmeric production in the current season is estimated to be higher than last year due to increased acreage and favourable weather conditions during most of the growing stage. Normal area is expected under turmeric this year.

Under the circumstances, the Agricultural Market Intelligence Centre of S. V. Agricultural College, Tirupati has forecasted the prices of turmeric harvest period using the modal prices of Nizamabad market. The results of the analysis indicated that the prices would be at range of Rs.5500/- to 6000/- Q in January, 2018.