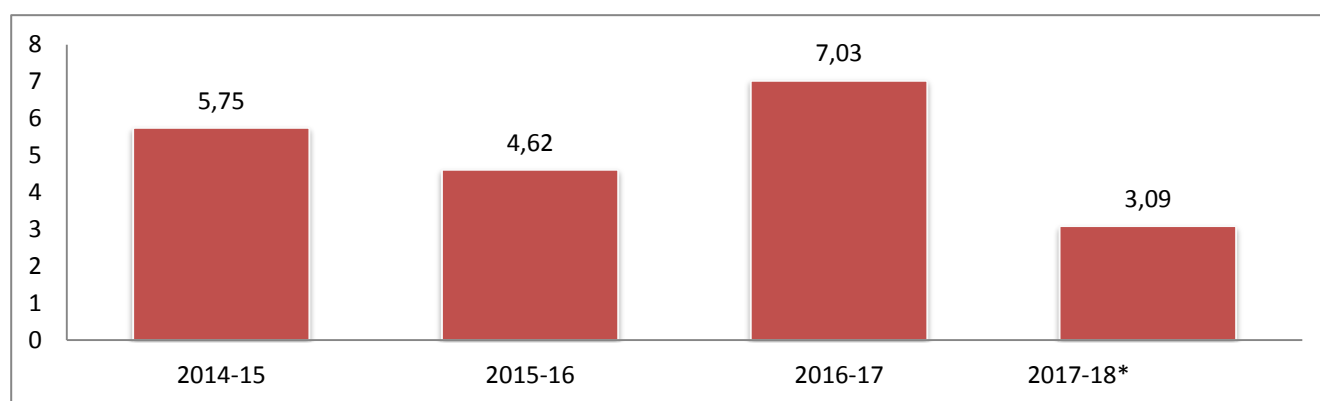


Redgram Outlook – March 2018

Government of India has revised redgram production estimate slightly up from 3.99 million metric tonnes to 4.02 million metric tonnes in second advance estimate released on 27.02.2018 against set target of 4.25 million metric tonnes for 2017-18. The import of redgram during 2017-18 till November 2017 was observed to be 3.09 lakh tonnes (Fig 1). The government has allocated Rs 200 crores for both PSS (Price Support Scheme) and Market Intervention Scheme (MIS) during financial year 2018-19. The Cabinet Committee on Economic Affairs (CCEA) has doubled the credit limit for NAFED to procure pulses and oilseeds. Currently market prices for many pulses are ruling below MSP. The provision of government guarantee would be helpful for protecting the farmers from distress sales in arrival season.



Source: Department of Commerce, *Till November'17

Figure 1: India's imports of redgram in lakh tonnes

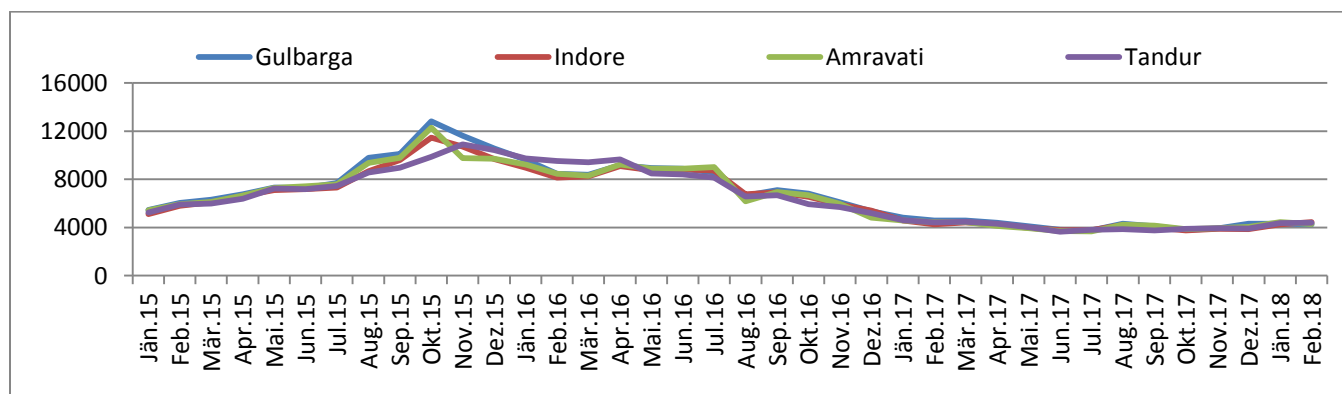


Figure 2: Average monthly prices of redgram in major markets of India (Rs/q)

The price fall happened in 2016-17 has been persistently maintained in the current season also in all major redgram markets of the country that are highly integrated (Fig 2). The prices which were above Rs. 5000 per quintal during January 2015 have risen to more than Rs. 12000 per quintal in October 2015 and then started declining. The current prices are moving around Rs. 4300 per quintal while, the MSP is Rs. 5450.

Table 1: Average monthly prices of Redgram in major markets of India (Rs/q)

Month-Year	Gulbarga	Indore	Amravati	Tandur
Jan-15	5471	5119	5422	5250
Feb-15	6035	5813	5926	5900
Mar-15	6316	6088	6132	6000
Apr-15	6765	6632	6642	6400
May-15	7321	7105	7283	7232
Jun-15	7282	7184	7415	7181
Jul-15	7682	7328	7586	7453
Aug-15	9790	8684	9374	8566
Sep-15	10111	9614	9779	8972
Oct-15	12829	11453	12290	9863
Nov-15	11623	10708	9767	10891
Dec-15	10567	9678	9710	10425
Jan-16	9638	8959	9224	9745
Feb-16	8473	8142	8450	9514
Mar-16	8387	8238	8309	9418
Apr-16	9186	9095	9226	9658
May-16	8927	8757	8895	8495
Jun-16	8874	8821	8881	8403
Jul-16	8553	8723	9013	8129
Aug-16	6645	6767	6188	6586
Sep-16	7113	6924	6956	6670
Oct-16	6822	6536	6679	5926
Nov-16	6100	5921	5953	5698
Dec-16	5340	5396	4832	5185
Jan-17	4822	4574	4580	4606
Feb-17	4583	4275	4442	4427
Mar-17	4580	4418	4441	4465
Apr-17	4397	4253	4142	4321
May-17	4115	3976	3950	4030
Jun-17	3805	3789	3710	3641
Jul-17	3757	3784	3684	3801
Aug-17	4325	4205	4246	3875
Sep-17	4112	4010	4153	3756
Oct-17	3821	3770	3876	3889
Nov-17	3907	3884	3941	3951
Dec-17	4316	3875	4045	3915
Jan-18	4321	4258	4458	4356
Feb-18	4250	4450	4300	4390

Source: www.agriwatch.com, agrimarketing.telangana.gov.in

In Telangana State redgram was cultivated in an area of 2.84 lakh hectares in 2017-18 as against 4.85 lakh hectares in 2016-17. The major redgram growing districts in Telangana are Mahabubnagar, Medak, Nalgonda and Warangal. Even under normal rainfall the area under the crop has decreased in kharif 2017-18, because of sharp fall in its price during previous season.

The major markets for this crop in Telangana are Badepalli, Devarakadra, Gadwal, Mahabubnagar, Narayanpet, Sadasivpet, Zaheerabad, Suryapet, Tandur and Warangal. The major markets in neighboring states are Kadiri, Narsaraopet, Tiruvuru, Kurnool, Yeminiganur and Ongole in Andhra Pradesh, Gulbarga, Sedam, Yadgiri, Bidhar, Bijapura, Bellary and Bagalkote in Karnataka, and Akola, Latur, Jalgaon and Nagpur in Maharashtra.

Table 2: Prices and arrivals of Redgram in Tandur market during February 2018

Date	Arrival (Tonnes)	Minimum price Rs/quintal	Maximum price Rs/quintal	Model price Rs/quintal
1	172.8	4013	4513	4311
2	238.5	3851	4606	4325
3	192.1	3807	4612	4365
6	254.4	4000	4529	4409
7	239.1	4221	4570	4275
8	211.7	4229	4612	4439
9	168.6	4021	4566	4385
10	123.3	4140	4555	4275
12	121.9	4146	4509	4369
16	158.5	4159	4526	4309
17	132.9	4175	4565	4313
19	179.8	3875	4542	4444
20	158.8	3851	4580	4475
21	100.1	3856	4518	4301
22	178.2	4000	4500	4150
23	126.7	4123	4419	4211
24	105.5	3758	4386	4176
27	96.0	3841	4276	4011

Source: agrimarketing.telangana.gov.in

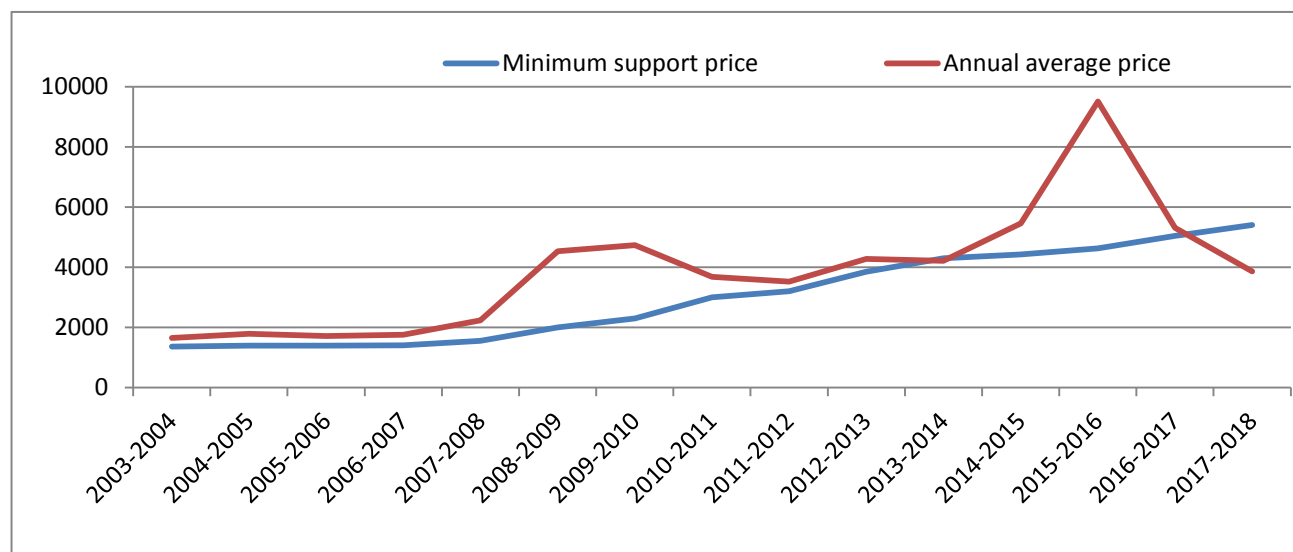


Figure 3: Minimum support price (vs) annual average market price of Redgram in Telangana state (Rs/q)

It is clear from Figure 3 that the annual average market (Tandur) price of Redgram in Telangana state has fallen below MSP from 2016-17 onwards. The Telangana State Cooperative Marketing Federation (MARKFED) and the Hyderabad Agricultural Cooperative Association (HACA) have purchased 23.26 lakh quintals of redgram worth Rs. 1,268.11 crores since the arrivals at yards started on December 27, 2017. But, only Rs. 226.53 crores (Rs. 47.92 crores to MARKFED and Rs. 178.61 crores) was released to farmers. The State government had given bank guarantee for Rs. 600 crores to MARKFED and HACA to borrow loans of Rs. 300 crores each and make payments to redgram farmers.

The problem of redgram growers in Telangana was not confined to delayed payments by procurement agencies alone as the production was at least three times more than the permission given by Centre to purchase at MSP. Redgram production is estimated as 40 lakh quintals from the cultivation of the crop in over 2.51 lakh hectares, while the Centre permitted procurement at the MSP of Rs. 5,450 a quintal for only 7.35 lakh quintals.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Redgram is likely to trade in price range between Rs. 4000-4300 per quintal in the month of March 2018.