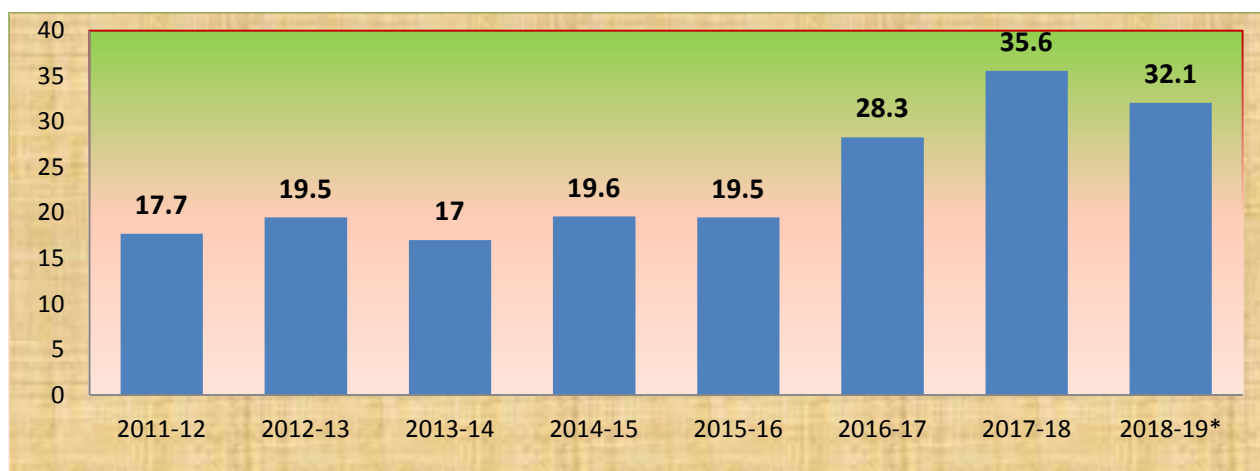


Black gram Outlook – August 2019

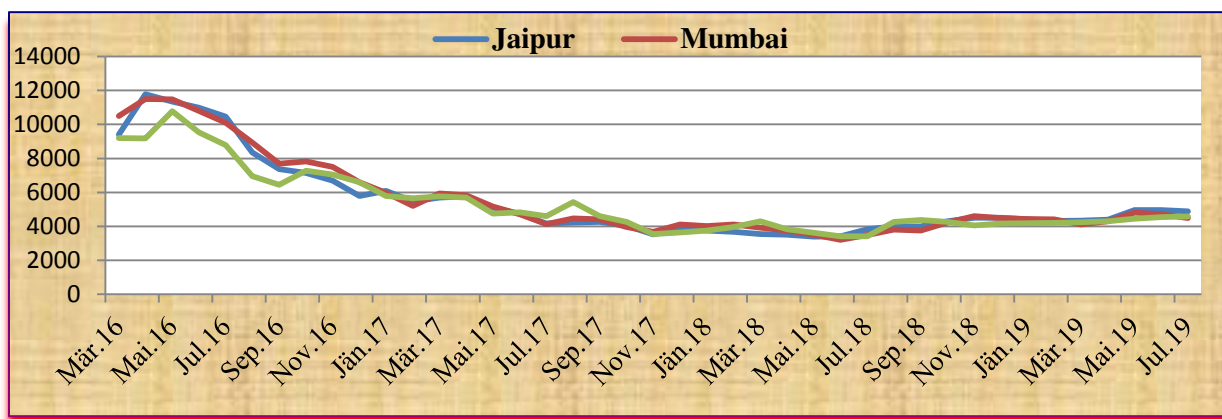
Black gram is a highly priced pulse, very rich in phosphoric acid. India currently represents the largest producer of black gram accounting for more than 70% of the global production. India is followed by Myanmar and Pakistan.

In India during kharif 2019-20, black gram area is lagging by 5.37% at 30.27 lakh ha as against 31.99 lakh ha last year. The states of Madhya Pradesh (13.98 lakh ha), Uttar Pradesh (5.35 lakh ha), Rajasthan (4.56 lakh ha), Maharashtra (2.59 lakh ha), Karnataka (0.66 lakh ha) and Andhra Pradesh (0.04 lakh ha) are the major producers of black gram in India during Kharif. In Telangana area coverage under black gram during kharif 2019-20 was 21296 ha and major growing districts are Sangareddy (8373 ha), Vikarabad (3245 ha), Nirmal (2342 ha), Kamareddy (3835 ha), Medak (550 ha) and Adilabad (1243 ha).



Source: Directorate of Economics and Statistics (DES), *3rd Advance Estimates

Figure 1: Production of black gram in India (in lakh tonnes)



Source: www.agrimarketing.telangana.gov.in

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

It is clear from Figure 2 that all major markets of black gram in the country were found to be highly integrated with regard to price movement. The black gram prices which were above Rs. 11000 per quintal in April 2016 observed continuous decline and fluctuating around Rs. 4000 since last one year. Currently black gram in major markets is being traded at a lower price of around Rs. 4350-4650 per quintal.

The improvement in sown area under black gram, higher stock (3.32 lakh MT) with NAFED and its continuous release with improving rainfall status have pressurized black gram market once again. Crop condition in Madhya Pradesh, Rajasthan, Maharashtra, Gujarat and Uttar Pradesh is very good so far. Under emerging scenario, stockiest would prefer to release old stock too amid continuous import by millers. All these factors are restrictive to black gram cash market in coming weeks. Demand remains weak despite festive season. In Mumbai market black gram is being traded at Rs.4450-4500 and in Chennai market it is being traded at Rs 4550-4650. So, black gram may trade down further.

Black gram production is likely to increase by 1.3% from 24.58 to 24.90 lakh tonnes in new season (2019-20). Import is expected to decrease to 1.5 lakh tonnes due to quantitative restriction. Total supply would decrease slightly from 36.55 to 35.15 lakh tonnes in 2019-20. Export would decrease from 0.3 to 0.2 lakh tonnes due to disparity. Consumption would increase from 27.5 to 28 lakh tonnes in 2019-20. So, carryout would decrease slightly from 8.75 to 6.95 lakh tonnes. As carryout is higher, supply side is expected to be at comfortable level this year too. So, any unexpected spike is unlikely under prevailing condition.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Black gram is likely to trade in price range between Rs. 4300 - 4500 per quintal in the month of August 2019.