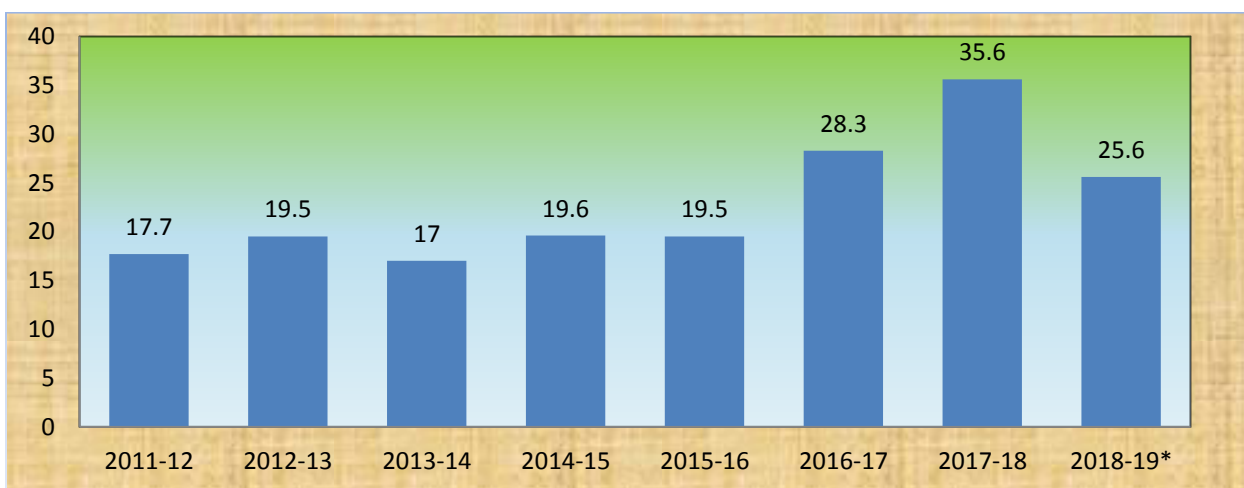


Black gram Outlook – September 2019

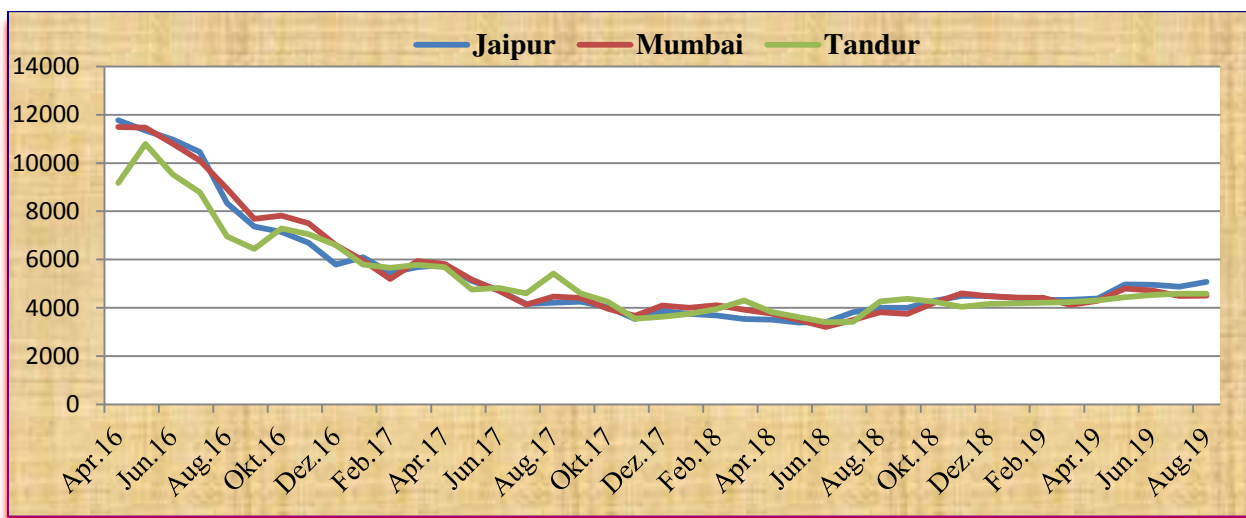
Black gram is a highly priced pulse, very rich in phosphoric acid. India currently represents the largest producer of black gram accounting for more than 70% of the global production. India is followed by Myanmar and Pakistan.

In India during kharif 2019-20, area covered under black gram is 37.52 lakh ha as against 38.18 lakh ha in last year. The states of Madhya Pradesh (16.50 lakh ha), Uttar Pradesh (7.01 lakh ha), Rajasthan (4.56 lakh ha), Maharashtra (2.87 lakh ha), Karnataka (0.687 lakh ha) and Andhra Pradesh (0.11 lakh ha) are the major producers of black gram in India during Kharif. In Telangana area coverage under black gram during kharif 2019-20 is 22738 ha and major growing districts are Sangareddy (8402 ha), Vikarabad (3345 ha), Nirmal (3686 ha), Kamareddy (3883 ha), Medak (729 ha) and Adilabad (1254 ha).



Source: Directorate of Economics and Statistics (DES), *4th 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. 4450-4850 per quintal.

The loss due to floods and unfavourable weather in major growing regions has pressurized black gram cash market once again. Besides, private trades are releasing old stock. New crop is hardly one month away from now due to delayed sowing by 20-25 days. Import remains restricted so any major decline is unlikely. Government would procure black gram at Rs 5700. So, it expected that market will stay steady to slightly weak this week. Besides, NAFED has started auction in Madhya Pradesh, Rajasthan and Uttar Pradesh. It would restrict market to move further up. Demand–supply gap is expected to be slightly tight. It may keep market well supported at current level in the medium term. At present black gram is being traded in Mumbai at Rs 4500 and Chennai at Rs 4800 per qtl. Cash market may decrease by Rs 100 more this week too. New Black gram from Gujarat and Maharashtra would hit market from mid September.

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 last year 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 September 2019.