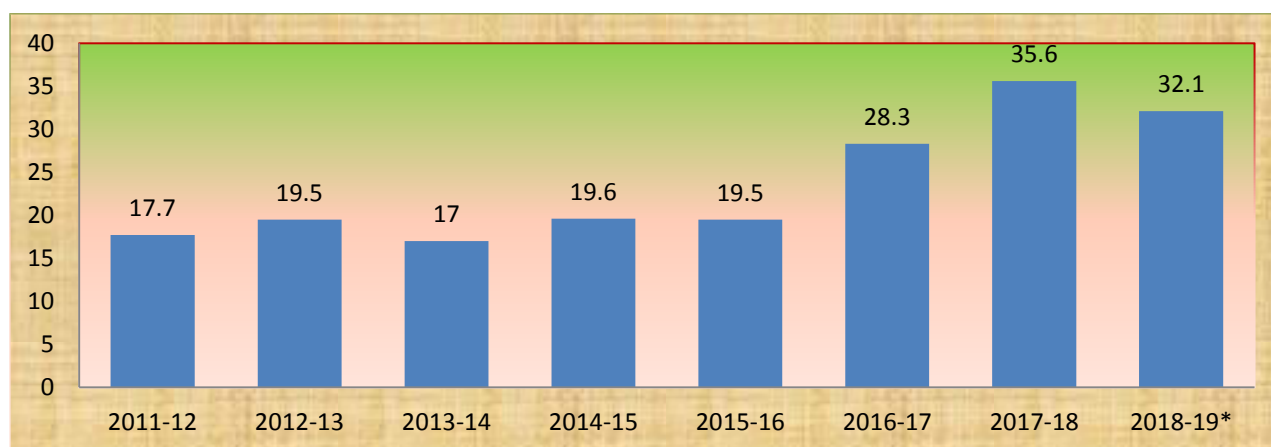


Black gram Outlook – July 2019

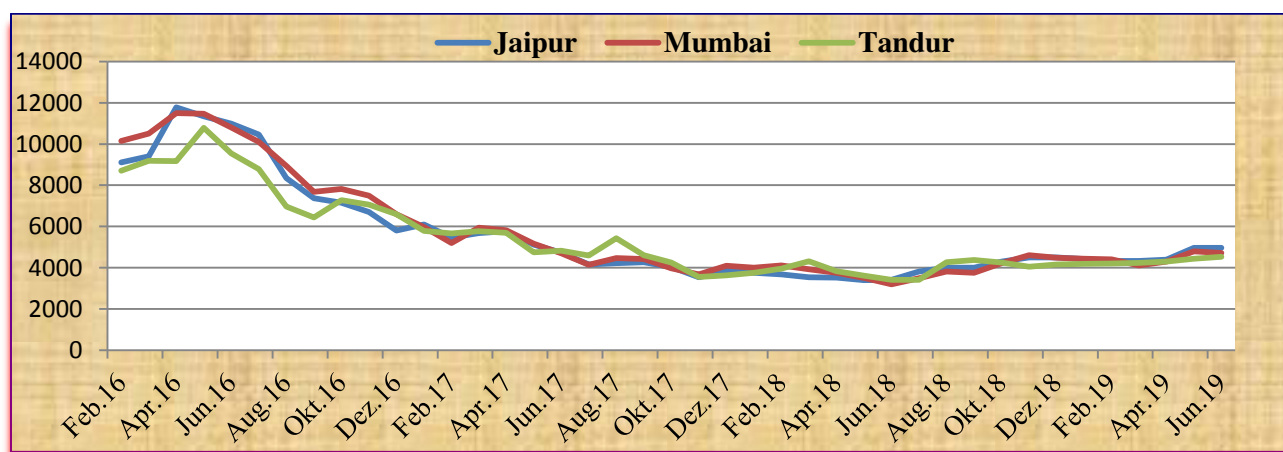
Black gram is a highly priced pulse, very rich in phosphoric acid. India currently represents the largest producer of black gram accounting for more than 70% of the global production. India is followed by Myanmar and Pakistan.

In India during kharif 2019-20, black gram area is lagging by 59% at 0.62 lakh ha as against 1.05 lakh ha last year. The states of Rajasthan (0.21 lakh ha), Uttarakhand (0.13 lakh ha) and Karnataka (0.12 lakh ha) and Andhra Pradesh (0.1 lakh ha) are the major producers of kharif black gram in India. In Telangana area coverage under black gram during kharif 2019-20 was 9929 ha and major growing districts are Sangareddy (3958 ha), Nizamabad (2642 ha), Nirmal (2162 ha), Kamareddy (701 ha), Medak (225 ha) and Adilabad (40 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. 4300-4600 per quintal.

Black gram market is likely to trade under pressure as sale from NAFED godowns continues. There is still ample stock in central pool. Govt has increased MSP for Black gram from Rs 5600 to Rs 5700. However, it would not impact price much in the short term. Higher import and availability of imported stock would remain price affecting factors for Black gram in July despite lower area coverage so far. Buyers have restricted buying due to uncertain outlook in cash market. Carryout for this season too is higher. So Black gram would continue to trade up in the July.

Black gram area is likely to decline despite higher MSP for 2019-20 crops. Farmers prefer coarse cereals to Black gram and Green gram this year. So any major decline in Black gram price is unlikely despite higher import and carryout out stock. Buyers should buy Black gram at decreased level and hold it .Import would remain restricted at 1.5 lakh MT. So at current price there is no risk in Black gram. Right now demand is weak. In the short to medium term, Black gram may trade up by Rs 250 to 400. Stockiest have started holding stock as import flow would remain restricted. Burden of old crop too is decreasing and it may push Black gram price further up from current level. Buying at dip seems good at this point of time.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Black gram is likely to trade in price range between Rs. 4300 - 4550 per quintal in the month of July 2019.