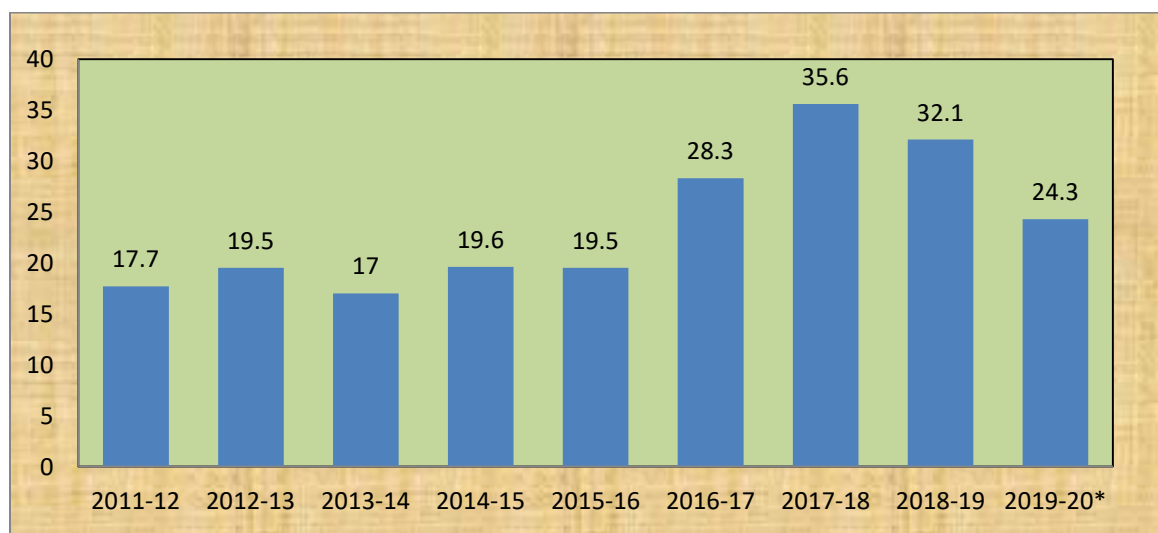


Black gram Outlook – November 2019

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.

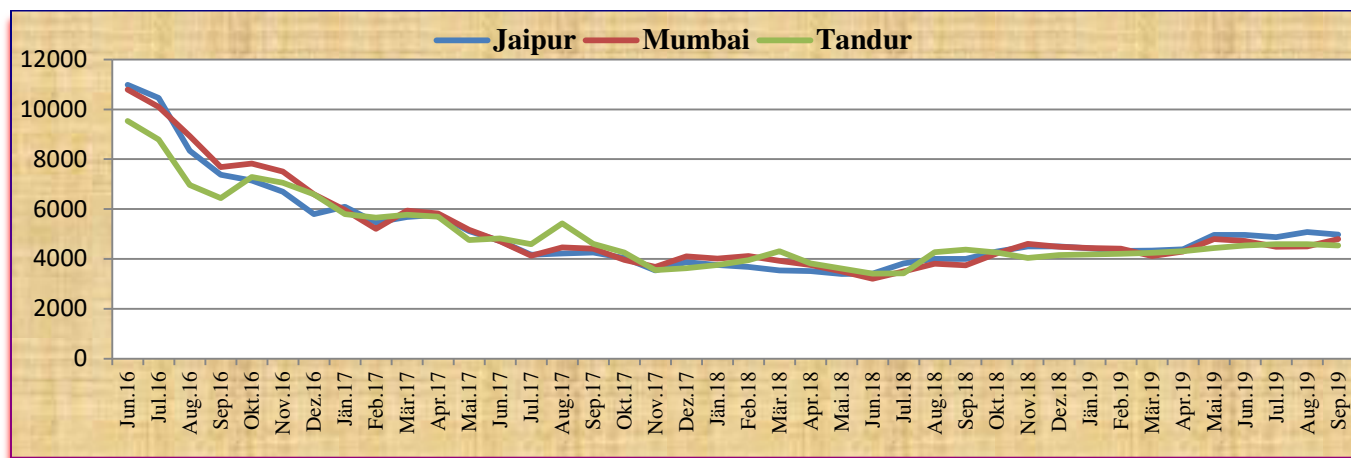
In India during kharif 2019-20, black gram area is 38.82 lakh ha as against 39.56 lakh ha in last year. The states of Madhya Pradesh (16.50 lakh ha), Uttar Pradesh (7.01 lakh ha), Rajasthan (4.60 lakh ha), Maharashtra (2.98 lakh ha), Karnataka (0.69 lakh ha) and Andhra Pradesh (0.09 lakh ha) are the major producers of black gram in India during kharif. In Telangana area coverage under black gram during kharif 2019-20 was 18725 ha and major growing districts are Sangareddy (4407 ha), Vikarabad (3245 ha), Nirmal (3686 ha), Kamareddy (3883 ha), Medak (729 ha) and Adilabad (1254 ha).



Source: Directorate of Economics and Statistics (DES), *1st Advance Estimates

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

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. 5900-6450 per quintal.



Source: www.agrimarketing.telangana.gov.in

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

Black gram cash market stockiests unwillingness to sell old stock and their active buying will continue to push black gram price up. About 15-20% of black gram crop was lost in the largest producing state Madhya Pradesh and around 30% of remaining crop quality is of inferior. And so the expected arrival is 90% lower than last year. Even in other states like Rajasthan, Uttar Pradesh and Maharashtra, quality of crop is average. All these factors have lent massive support to cash black gram market. As new rabi crop would not be available before Feb-2020, prices may continue to move up. NAFED should start selling black gram crop at this stage to curb increasing price in domestic market. Import quota must be increased from 1.5 lakh MT to 2.5 lakh MT immediately.

Black gram in Mumbai market is being traded at Rs 6400-6450, while in Chennai market it is being offered at Rs 6500-6550. The same is available in Madhya Pradesh market at Rs 6200-6300. Arrivals in all major markets are lower. So, black gram price is expected to move up further by Rs. 300-400. At this price government's procurement would decrease considerably.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Black gram is likely to trade in price range between Rs. 5550 - 5850 per quintal in the month of November 2019.