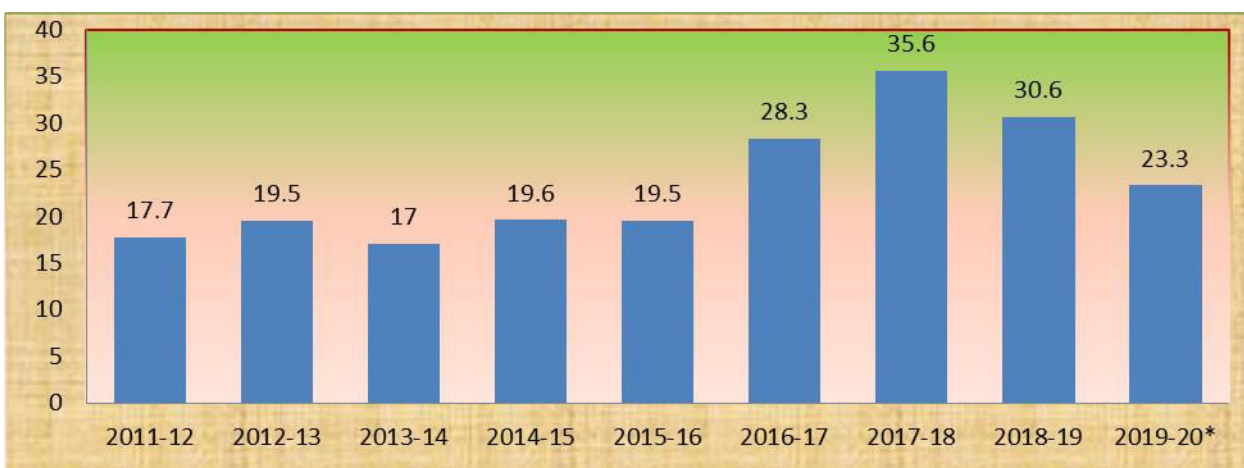


## Black gram Outlook – July 2020

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 black gram production.

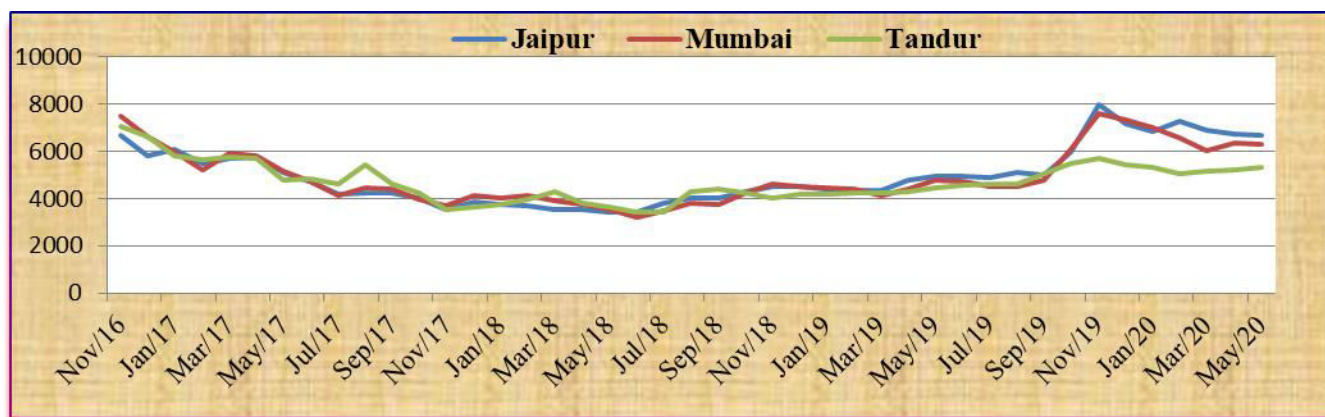
In India during kharif 2020-21, black gram area is up by 387% at 8.77 lakh ha (21.67 lakh acres) as against 1.88 lakh ha (4.65 lakh acres) last year. The major kharif growing states are Madhya Pradesh 4.45 lakh ha (11.00 lakh acres), Maharashtra 1.79 lakh ha (4.43 lakh acres), Rajasthan 0.71 lakh ha (1.74 lakh acres), Karnataka 0.58 lakh ha (1.43 lakh acres), Telangana 0.11 lakh ha (0.26 lakh acres) and Andhra Pradesh 0.04 lakh ha (0.10 lakh acres). In Telangana area coverage under black gram during kharif 2020-21 was 10723 ha (26499 acres) and major growing districts are Kamareddy 3603 ha (8904 acres), Sangareddy 2823 ha (6978 acres), Vikarabad 2117 ha (5232 acres), Nirmal 1183 ha (2925 acres), Medak 332 ha (822 acres) and Nizamabad 79 ha (197 acres).



Source: Directorate of Economics and Statistics (DES), \*3<sup>rd</sup> 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. 4000-5000 since last one year. Currently black gram in major markets is being traded at a normal price of around Rs. 5759-6350 per quintal.



Source: [www.agrimarketing.telangana.gov.in](http://www.agrimarketing.telangana.gov.in)

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

Black gram cash market stayed steady to slightly weak as demand at higher level got disrupted amid increasing possibility of higher import in coming months. Around 25,000 MT is also lying at various ports. Government has fixed import quota of black gram at 4 lakh MT for 2020-21 and higher volume is expected in July and August as it has changed import time line from Mar-2021 to Aug-2020 now. So, higher volume in next two months and increasing kharif black gram area may drag down black gram prices in coming weeks.

Even stockiest may prefer to offload stock in July and August. New crop would hit market by the end of August. So overall, sentiments seem weak in July-Aug. Demand is normal and south Indian millers are waiting for bulk import. Traders are buying black gram in Chennai for Delhi market at Rs 6350. Current uptrend is unlikely to sustain and cash market is expected to decline near MSP level of Rs 5700-5800.

NAFED has started intervening in the market with govt.'s consent as it has around 1.74 lakh MT old stocks. Import would increase supply into the market and price is bound to decrease in coming days. Even kharif area is expected to increase by 10% this year due to higher MSP. Sowing has already begun and kharif area is running higher by 70 % right now. Early start of monsoon rains are beneficial for kharif sowing and early arrival is expected this year.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Black gram is likely to trade in price range between Rs. 5800 - 6100 per quintal in the month of July 2020.