

# Forecast Report for January to March 2018

November 2017



**Centre for Indian Agricultural Marketing Intelligence**

**Maharashtra Agricultural Competitiveness Project,**

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**Disclaimer** - (The purpose of this report is to analyze the existing market situation and estimate the price trends in future. The estimates are subject to change due to changes in natural and economic factors – both domestic and international – affecting prices. There is no guarantee whatsoever that they would come true. The readers should use them with caution. If any person using these forecasts incurs any type of losses, the MACP project is in no way

### Tur Price Forecast for January to March 2018

India is the largest producer and consumer of tur in the world. The average spot prices of tur in the Akola market are lying in the range of Rs. 3800 to 4200 per quintal in APMC markets nationally. As per the Govt. of India's published crop situation report on 8<sup>th</sup> September 2017, recorded tur sowing area is 42.81 lakh hectares. Previous year it was 52.19 lakh hectares. Around 18% decrease in tur area under cultivation as on date.

Government has released first advance estimate of production for Kharif Marketing Season 2017-18, expected tur production is 39.9 lakh tones. Last year it was 47.8 lakh tones. Due to bumper production the prices are likely to fall further below MSP. As per the information given by farmers, FPO's and APMC officials the prices of tur will lie below MSP in open market.

Government of India's total tur procurement target was 6 lakh tonnes so far 12 lakh tonnes tur has procured. The market is influenced by last year's inventory, imported stocks, lying in various ports and bumper production this year. Government has opened up tur for export. The present import duty is 13% industry sources are saying this may be increased 25 to 30 %.

The minimum support price (MSP) for the year 2017-18 is Rs.5,450 per qtl.

During the last two years, the average prices of Tur in the Akola market for the months of Jan - Mar were as follows-

Year	Price (Rs. Per qtl.)
2016	8702/-
2017	4500/-

Based on the present market sentiments, the price of tur in Akola market in the months of January to March 2018 is expected in the range of **Rs. 3600 to 4200 per qtl.** This forecast will be revised monthly. Next forecast will be published in December 2017.

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### **Soybean Price Forecast for January to March 2018**

Soybean (Glycine max L.) is an important oilseed crop of the world. The processed soybean is a major source of protein. The prices of soybean are primarily determined by supply and demand factors not only in India but also in major producing and consuming countries of the world. The United States of America, Brazil, Argentina, China and India are contributed around 90% in the total production of soybean in world. Global soybean production in 2017-18 is projected 348.89 Million Tonnes (USDA- WASDE report, Nov-2017), it is around 1 percent less than previous year (351.25 MMT). Indian soybean production is estimated 10 Million Tonnes. It is 13 per cent less than previous year. (11.50 Million Tonnes).

As per the latest 'All India crop situation report' (MoA, GoI, on 22<sup>nd</sup> Sept.2017), the area under soybean for kharif 2017-18 season is 105.70 lakh hectares. Previous year it was 114.72 lakh hectares. Which is around 7.86 percent less than previous year. As per the 1st advance estimate of Govt. of India's reports the estimated production in 2017-18 is 122.17 lakh tonnes. Last year it was 137.94 lakh tonnes. It is 15.77 lakh tonnes less than previous year. In Maharashtra, the area under soybean for current season is reported 39.90 lakh hectares. Soybean production in Maharashtra is estimated 31.89 Lakh Tonnes (SOPA, Kharif report 2017), previous year it was 39.45 Lakh tonnes.

Soybean prices during the last three months in the Indore market have experienced a decline trend. The average spot prices of soybean during the month of August to October 2017 was Rs.2996 per qtl. The Minimum Support Price (MSP) for kharif season 2017-18 is Rs.3050 per qtl. During the last two years, the average prices of Soybean in Indore market for the month of January to March was as follows:-

<b>Marketing Year</b>	<b>Jan to March Prices (Rs. Per qtl.)</b>
2015-16	3793
2016-17	3039

The futures (closing) prices for Soybean as on 24<sup>th</sup> November 2017 in NCDEX is as follows:

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Delivery Month	Price (Rs. Per quintal)
20-Dec-17	2999
19-Jan-18	3058
20-Feb-18	3108
20-Mar-18	3175
20-April-18	3230

Based on the econometric analysis of past data and the present market sentiments, the average price of soybean in the market for the months of **January to March 2018** is expected to be in between **Rs.2800 to Rs.3200 per qtl.** This forecast will be revised monthly. Next forecast will be published in December 2017.

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### Maize Price Forecast for January to March 2018

Maize production in India contributed 2.6 % of the global production in the year 2016-17. This constitutes 73% during kharif season and balance during Rabi season production. The prices of Maize are influenced by quality, moisture, supply and demand conditions. The spot average prices of Maize in the Nizamabad market during last 25 days is Rs.1,400 per qtl. The maize futures prices are also hovering in the same range as per the table given below.

This year as per 4<sup>th</sup> estimate of GOI (2016-17), Maize production is 26.26 million tones in India. This is 19 % increase over previous year. As per Kharif Marketing Season 17-18, area sown is 7.96 mln hectares as compared to 8.30 mln in previous year as per information received from Ministry of Agriculture & Farmers welfare. The first estimate indicated is 18.63 Million MT for coming Kharif season. Arrivals are there in Telengana/Karnataka belt with higher moisture content.

The minimum support price (MSP) for the Kharif Marketing Season 2016-17 was Rs.1,365. The MSP for Kharif Marketing Season 2017-18 is Rs. 1425.

During the last two years, the average prices of Maize in the Nizamabad market for the months of Jan – Mar were as follows-

Year	Price (Rs. per qtl.)
2016	1478
2017	1469

The futures prices for Maize as on 20<sup>th</sup> November, 2017 in NCDEX was as follows:

Delivery Month	Price (Rs. Per quintal)
20 December 2017	1,364
19 January 2018	1,378
20 February 2018	1,385
20 March 2018	1,392

Based on the econometric analysis of past data and the present market sentiments, the average price of Maize in the months of Jan. to Mar. 2018 is expected to be in between **Rs.1300 to Rs.1500 per qtl.**

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### Onion Price Forecast for December 2016 to January 2018

Onion is an important commercial vegetable crop. The onion prices experience very high volatility due to perishable in nature. The average price of Onion during September to November 2017 was Rs. 2165 per qtl.

India is second largest producer of onion in the world after China with 20% share in the total world production (FAO, 2014). In India, Maharashtra is a largest Onion producing state with contribution of 28% followed by Karnataka (17%) and Madhya Pradesh (15%).

National Council of Applied Economic Research (NCAER, Rabi Outlook Report-March-2017) has projected the production of Onion at 22.5 million tons for the year 2016-17, which is higher by 7.2%, as compared to (20.99 million tons) for 2015-16.

As per National Horticulture Board (NHB) 3<sup>rd</sup> Advanced estimates, area under Onion is expected to be around 12.93 lakh hectares in 2016-17, as compared to 13.20 lakh hectares during the previous year. The major onion producing districts of Maharashtra are Nashik, Pune, Satara, Jalgaon, Dhule, Ahmednagar, Nagpur and Solapur.

Based on the time series analysis of past data and the present market sentiments, the expected average price of onion in Lasalgaon market for the month of December 2016 and January 2018 is expected to be in between **Rs 2000 to Rs. 3500 per qtl**. This forecast will be revised monthly. Next forecast will be published in December, 2017.

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**Tomato Price Forecast for December 2016 to January 2018**

Tomato is an important commercial and dietary vegetable crop. From commercial point of view, it is a short duration, high-yielding, remunerative crop at the same time highly perishable in nature. The average prices of Tomato in Pune market during October and November 2017 was Rs. 2320 per qtl.

India is second largest producer of tomato in the world after China with 8% share in the world production (FAO, 2014). Maharashtra rank tenth for the production of tomato (NHB, 2014-15). The major Tomato producing states are Madhya Pradesh (13%), Karnataka (12%), Andhra Pradesh (9%), Orissa (8.4%) and Gujarat (7.7%). The major Tomato producing districts of Maharashtra are Nashik, Pune, Satara, Ahmednagar, Nagpur and Sangli.

According to the 3rd Advance Estimates of National Horticultural Board (NHB), the area under tomato is estimated in India during the year 2016-17 is expected to be around 8 lakh hectares as compared to 7.7 Lakh hectares during the previous year. With reference to Tomato production, it is estimated to be 20 million tonnes in 2016-17 as against 18.7 million tonnes during previous year.

Based on the time series analysis of past data, traders survey and the present market sentiments, the expected average price of Tomato in Pune market for the months of December 2017 and January 2018 is expected to be in **between Rs.1500 to Rs. 3000 per qtl.** This forecast will be revised monthly. Next forecast will be published in December, 2017.

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**Further Information Contact**

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