AGCON

Commodity Market Monitor

Feb 18, 2020

MAIZE/URAD/TURMERIC/COTTON

Weekly Online

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NCML Agribusiness Consultants Pvt. Ltd.

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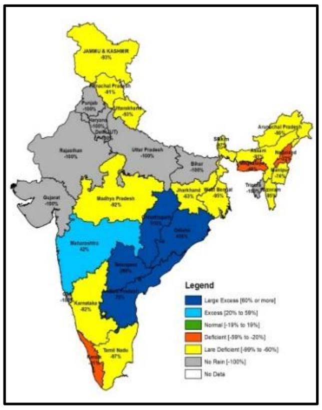
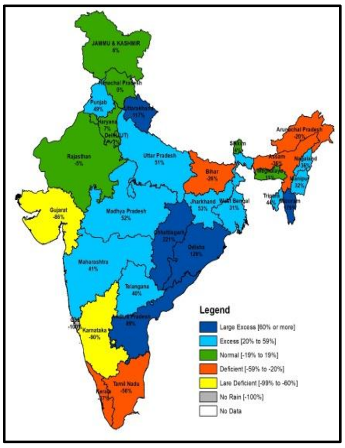
All India Weather Status

Last week all India Rainfall status: 06th February 2020 to 12th February2020.

- Kerala, Meghalaya and Nagaland states received the deficit rainfall
- Maharashtra state received the excess rainfall
- Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Mizoram, Sikkim, Tamil Nadu, Uttarakhand and West Bengal states received the large deficit rainfall
- Andhra Pradesh, Chhattisgarh, Odisha and Telangana states received the large excess rainfall
- No rainfall has observed in Bihar, Chandigarh, Goa, Gujarat, Haryana, Punjab, Rajasthan, Tripura and Uttar Pradesh states

During the week, rainfall was below Long Period Average (LPA) by 50% over the country as a whole.





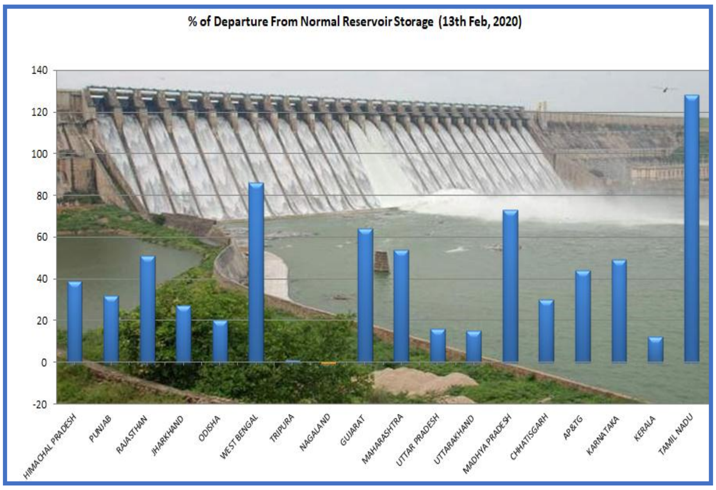
Seasonal all India Rainfall status: 1st January 2020 to 12th February 2020.

- Arunachal Pradesh, Assam , Bihar, Kerala and Tamil Nadu states received the deficit rainfall
- Jharkhand, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Punjab, Telangana, Tripura, Uttar Pradesh, and West Bengal states received the excess rainfall
- Gujarat and Karnataka states received the large deficit rainfall
- Andhra Pradesh, Chhattisgarh, Mizoram, Odisha and Uttarakhand states received the large excess rainfall
- Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Rajasthan, Sikkim states received the normal rainfall
- Goa state received the normal rainfall

For the country as a whole, cumulative rainfall during 1st January 2020 to 12th February 2020 was above Long Period Average (LPA) by 23% over the country as a whole.

Weather Forecast:

- Isolated to scattered rainfall over Bay Islands, Bihar, Jharkhand, north Odisha, West Bengal and part of northeast India.
- Weather likely to be mainly dry over rest of the country
- Thunderstorm accompanied with lightning likely at isolated places over Arunachal Pradesh
- Dense fog very likely at isolated places over coastal Odisha



All India Reservoir Status: as on 13th February 2020.

Central Water Commission is monitoring live storage status of 123 reservoirs of the country on weekly basis and is issuing weekly bulletin on every Thursday. The total live storage capacity of these 123 reservoirs is 171.090 BCM which is about 66.36% of the live storage capacity of 257.812 BCM which is estimated to have been created in the country. As per reservoir storage bulletin dated 13.02.2020, live storage available in these reservoirs is 110.46 BCM, which is 65% of total live storage capacity of these reservoirs. However, last year the live storage available in these reservoirs for the corresponding period was 70.594 BCM and the average of last 10 years live storage was 75.189 BCM. Thus, the live storage available in 123 reservoirs as per 13.02.2020 Bulletin is 156% of the live storage of corresponding period of last year and 147% of storage of average of last ten years.

Current Crop Scenario

Lentil

Acreage: Acreage of Lentil in the current week is 16.07 lakh hectares. While, 16.91 lakh hectares areas was reported in corresponding week of 2019.

Crop is 65 to 80days old and is in flowering/ pod formation to pod formation stage. However, early sown crop is in seed filling stage. Rainfall received during 1st fortnight of Feb`20 was beneficial for the crop. Incidence of sucking pest and disease has been reported by the field and same is below economic threshold level. Overall crop condition is normal.
Acreage in the current season is almost similar to 2018.

Mustard

Acreage: Acreage of Mustard in the current week is 69.51 lakh hectares. While, 69.76 lakh hectares areas was reported in corresponding week of 2019.

Crop is 85 to 115 days old and is in pod formation to pod development stage. While, early sown crop is in maturity to harvesting stage. Scanty rainfall received during 1st fortnight of Feb-20 was beneficial for the crop the late sown crop which is flowering to pod development stage. Incidence of sucking pest has been reported by the field and same is below economic threshold level. However, Crop has been affected in certain districts in Rajasthan due to locust attacks. Overall crop condition is normal.

Acreage of Mustard in the current season is almost similar to 2018.

Wheat

Acreage: Acreage of Wheat in the current week is 336.18 lakh hectares. While, 299.30 lakh hectares areas was reported in corresponding week of 2019.

Crop is 60 to 90 days old and is in tillering to booting stage. Early sown crop is in heading stage and late sown crop is in vegetative to tillering stage. Scanty rainfall received during 1st fortnight of Feb`20 was beneficial for the crop. Favourable climatic condition has helped in better yield. However, crop has been affected in certain districts of Rajasthan and Gujarat due to locust attacks. Overall crop condition is normal. Acreage of Wheat in the current season is higher than 2018. Significantly high acreage was reported in state of Madhya Pradesh, Gujarat, Rajasthan, and Maharashtra.

Corn

Acreage: Acreage of Corn in the current week is 16.98 lakh hectares. While, 14.78 lakh hectares areas was reported in corresponding week of 2019.
Crop is 35 to 85 days old and is in vegetative to silking stage. However, early sown crop is in blister to milking stage. Rainfall received during first fortnight of Feb-20 was beneficial for the crop. Crop has been adversely affected in certain pockets of Andhra Pradesh, Bihar and Telangana state due to infestation of sucking pest and fall army worm. Overall in rest of areas crop condition is normal. Acreage of Corn in the current week is higher than corresponding week of 2019. Key States are Bihar, Maharashtra, Andhra Pradesh, Telangana and Karnataka.

Gram

Acreage: Acreage of Gram in the current week is 107.21 lakh hectares. While, 96.19 lakh hectares areas was reported in corresponding week of 2019.

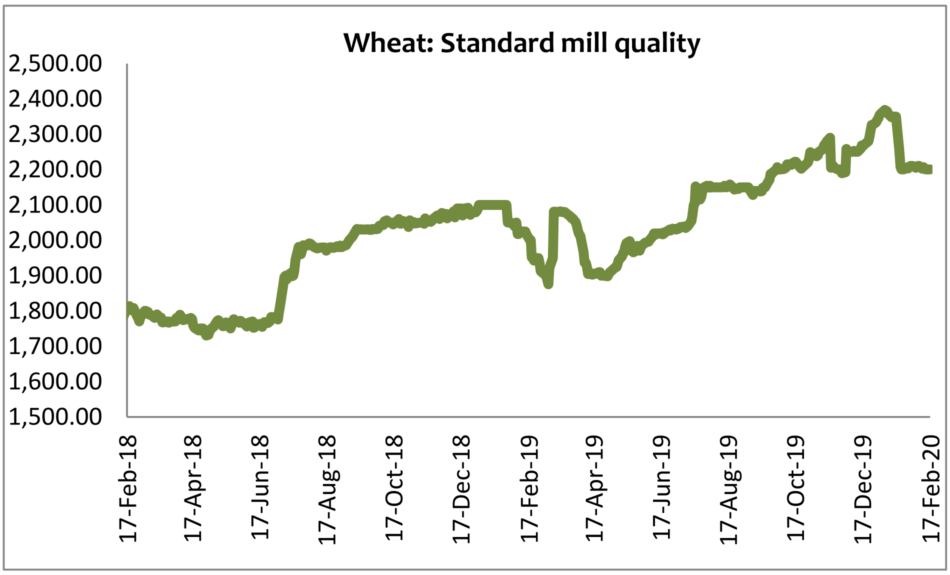
Crop is 60 to 85 days old and is in pod formation to pod development stage. However, early sown crop is in maturity to harvesting stage. Scanty rainfall received 1st during fortnight of Feb`20 was beneficial for the crop. Further, favourable climatic condition has helped for better yield. Incidence of sucking pest has been observed in the field and same is controlled using pesticides. Overall crop condition is normal. Acreage of Gram in the current season is significantly higher than 2018.

Fundamental Analysis- WHEAT

FUNDAMENTAL SUMMARY	
Price Drivers	**Impact**
Current wheat acreage increased higher at 336.18 lakh hectares	Bearish
Wheat stocks higher due to lower off-take from the central pool	Bearish
Estimation of higher production in 2019-20 season	Bearish
Decline in exports during current marketing season	Bearish
IGC forecasted 2019-20 global wheat crop higher at 762 million tonnes	Bearish
Based on Primary & Secondary Sources	

Mandi	Price in Rs/ Quintal		
Location	**2/17/2020**	**2/10/2020**	**% Change**
Delhi	2200.00	2203.00	-0.14
Indore	2175.00	2175.00	0.00
Kota	2100.00	2100.00	0.00

- As on 31st January 2020, the all India Rabi season Wheat acreage has increased to 336.18 lakh hectares as against 299.30 lakh hectares last year same period. Thus, 36.88 lakh hectares more area has been covered compared to last year. **Higher** area is reported from the state of Madhya Pradesh (19.68 lakh ha), Gujarat (5.88 lakh ha), Maharashtra (5.05 lakh ha), Rajasthan (4.90 lakh ha), West Bengal (0.74 lakh ha), Karnataka (0.41 lakh ha), Himachal Pradesh (0.40 lakh ha), Jharkhand (0.52 lakh ha), Chhattisgarh (0.16 lakh ha) and Uttarakhand (0.03 lakh ha). **Less** area is reported from Haryana (0.26 lakh ha), Jammu & Kashmir (0.22 lakh ha), Bihar (0.17 lakh ha), Punjab (0.12 lakh ha), Uttar Pradesh (0.08 lakh ha) and Assam (0.03 lakh ha).
- The food grain inventory with the government as on 01st February 2020 was at a fresh seven-year high of 57.8 million tonnes nearly 24 per cent higher on year. The government had 30.4 million tonnes of wheat in its stocks 27 per cent higher on year and rice inventory at 27.4 million tonnes up 20 per cent on year. Wheat stocks were sharply higher on year due to lower off-take from the central pool. Since April, the government has managed to sell only about 2.4 million tonnes against 6.3 million tonnes year-ago period.
- To boost private purchases, the government has reduced the base prices of rice and wheat at its weekly auction scheme–the open market sale scheme. For rice, it has reduced the price to Rs. 2,250 per quintal from Rs. 2,785 while, for wheat it cut the base price to Rs. 2,135 per quintal in January from Rs. 2,245 per quintal.
- As per NCML, bountiful rains during monsoon season have boosted the prospects of crop production in the ensuing Rabi season. Wheat production in the 2019-20 is estimated to be 109 million tonnes, 6.27 per cent higher than last year's output of 102.1 million tonnes.
- As per trade source, India has exported around 18.31 thousand tonnes in the month of December 2019. The quantity in December-2019 was exported at an average FOB of $ 286.37 per tonne and the major destinations were Bangladesh, Nepal, Somalia, UAE and Sri Lanka.
- IGC has forecasted global wheat production to be 762 million tonnes for 2019-20. According to estimate by IGC for 2018-19, global wheat production was around 733 million tonnes against 762 MMT for 2017-18. The forecast for global production is higher by 29 million tonnes compared to estimate for 2018-19.

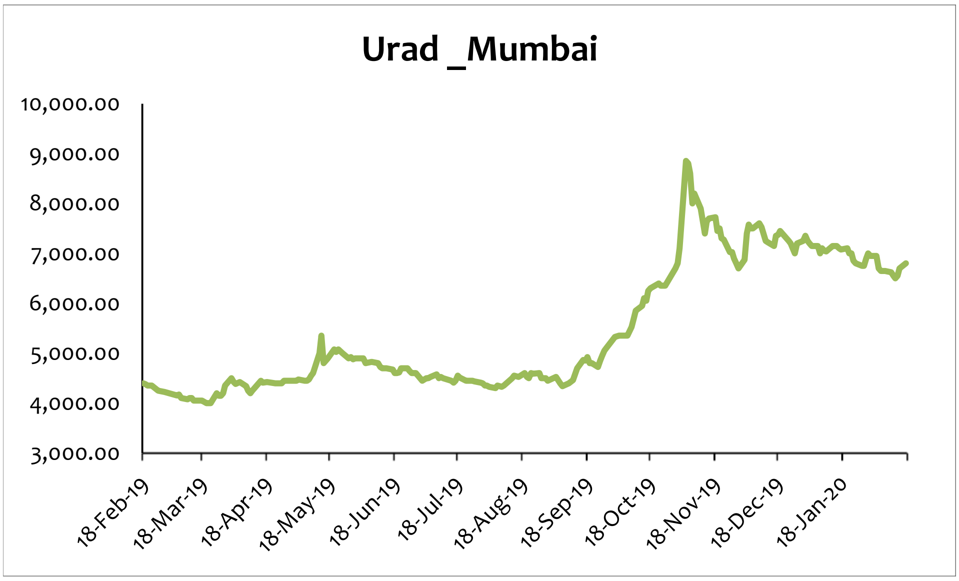


Fundamental Analysis- URAD

FUNDAMENTAL SUMMARY	
Price Drivers	**Impact**
Extension in the court order date	Bullish
Lower arrivals in the domestic mandis	Bullish
NAFED selling of old crop	Bearish
Expectation of Rabi crop arrivals	Bearish
Based on Primary & Secondary Sources	

Mandi	Price in Rs/ Quintal		
Location	**17-Feb-20**	**10-Feb-20**	**% Change**
Mumbai	6750	6600	2.3
Indore	7000	7000	0.0
Vijayawada	7500	7300	2.7

- Indian Urad prices showed firm movement last week due to good demand from millers, lower arrivals and extension in court case of pulses import till 6th March 2020. However, NAFED decision to release old stock in the open market and new Rabi crop arrival may put downward pressure to the prices.
- Jaipur court has extended the hearing on pulses imports till 6th March. Due to the extension prices has shown firm movement in the domestic market.
- Farmers are holding their crop in expectation of getting higher prices in the coming days. According to the AGMARK data, all India Urad crop arrivals in the second week of Feb is 11.95 thousand MT which is 7.50 per cent lower than the first week arrivals of 12.92 thousand MT. Lower arrivals may push the prices upward.
- However, Rabi crop arrivals are expected to come in the coming days which might hold the uptrend movement.
- NAFED have announced that they will start selling old urad stock in state of Madhya Pradesh, Rajasthan, Andhra Pradesh, Gujarat and Tamil Nadu.
- According to the trade sources, NAFED may sell around 1 lakh MT of urad in the coming days to curb down urad prices. As on 14th Feb'20 NAFED is holding 1.95 Lakh MT of urad.
- According to the Rabi sowing report as on 31st January 2020, all India Urad sowing acreage is recorded at 7.63 Lakh hectares which is 1.32 per cent higher than last year acreage of 7.53 Lakh hectares in the same time period.
- Urad total production target for 2019-20 has been pegged at 3.70 million MT which is 13.49 per cent higher than the 2018-19 production estimate of 3.26 million MT. However, according to the first advance estimates of 2019-20, urad Kharif production is 2.43 million MT against production target of 2.90 million MT. Kharif production in 2019-20 decreased due to lower sowing of 38.82 lakh hectares as compared to 39.56 lakh hectares in Kharif 2018-19 and incessant rains shrunk the crop size in key producing States such as Madhya Pradesh, Rajasthan and Maharashtra with almost 50% of crop damage expected in the major growing state of Madhya Pradesh. Urad Rabi production target in 2019-20 is 0.80 million MT which is 14.28 higher than the 2018-19 Rabi production estimate of 0.70 million MT.
- Summing up, urad prices are expected to trade range bound in the coming days amid release of stock from NAFED and new crop arrival.

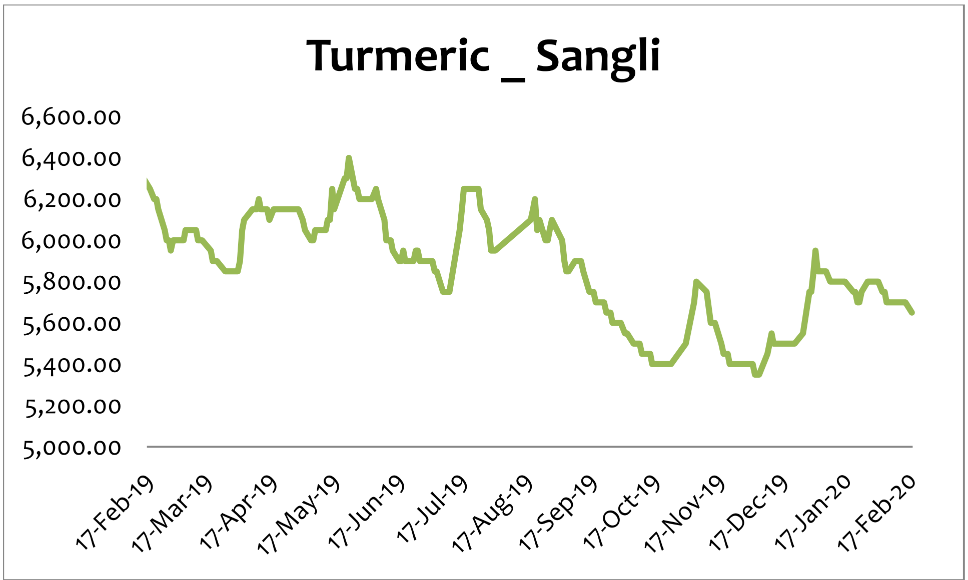


Fundamental Analysis-TURMERIC

FUNDAMENTAL SUMMARY	
Price Drivers	**Impact**
MSP fixed by AP Govt.	Neutral
Delay in MSP fixation by Telangana Govt.	Bearish
Increase in arrival, poor quality with high moisture content	Bearish
Lower area	Bullish
Losses due to floods in Maharashtra & Karnataka	Bullish
Higher stocks available from last year crop	Bearish
Iran – US Escalations & sanctions on Iraq	Bearish

Mandi	Price in Rs/ Quintal		
Location	**2/17/2020**	**2/10/2020**	% Change
Durrigala	5300	5600	-5.4
Sangli	6500	6500	0.0
Nizamabad	6800	6900	-1.4

- Turmeric prices declined during last week, due to increase in supply.
- Turmeric spot prices in Nizamabad declined by 2% and closed at Rs 5800/qt vs Rs 5900/qt a week ago.
- NCDEX March contract also traded lower and closed at Rs 5850/qt vs Rs 5904/qt last week.
- Duggirala prices remained traded in range of Rs 5300 to Rs 5475/qt for finger and for bulb in range of Rs Rs 4900 to Rs 5300/qt.
- New turmeric supply in Nizamabad increased to 11500 qt vs 10500 qt/day last week for working days and in Duggirala the arrival increased to 5250 qt/day vs 1800 qt/day last week.
- Turmeric prices are down due to lower demand and poor quality arrivals with higher moisture content and due to increase in arrivals
- Over that delay in fixation of MSP by Telangana govt. is also leading to lower prices for Turmeric.
- Turmeric area is reduced by 35% to 13,223 ha from last year in Andhra Pradesh. Except Telangana where there was slightly increase in area (+2%), turmeric area decreased in Maharashtra, Karnataka and Tamil Nadu.
- Over that the August excessive rainfall lead to losses in Maharashtra and Karnataka. As per trade estimate the losses can be around 20-25% in these states. But in Telangana which is the biggest contributor of Turmeric area and production, the crop is in good shape and yields are expected to be better and may cover loss to some extent, but overall Turmeric crop is expected to be lower than last year.
- Overall as per trade sources the production is estimated lower by 15%.
- The export has taken a hit due to Iran sanctions and now US – Iran escalations may further reduce chances of exports to Iran.
- Overall in supply and demand balance sheet the production is lower year over year, but opening stock is higher, over that the export demand is lower leading more stock availability.
- The prices are expected to remain steady at current prices as demand is coming at current prices.

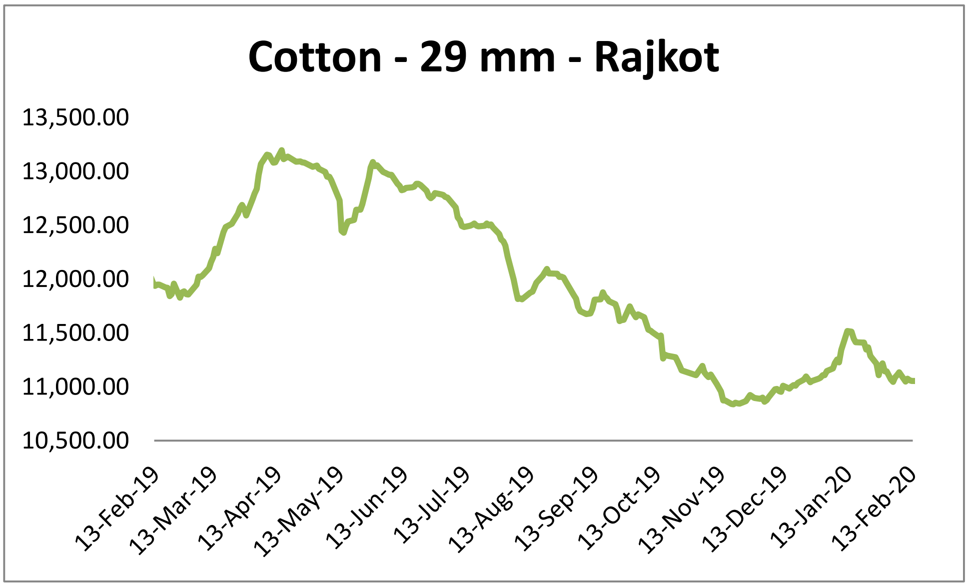


Fundamental Analysis- COTTON

FUNDAMENTAL SUMMARY	
Price Drivers	**Impact**
Higher India production estimate YOY and Higher arrivals YOY	Bearish
Higher global production outlook YOY	Bearish
Lower demand of domestic apparel and lower exports due to China lockdown because of Coronavirus	Bearish
Year over year higher procurement by CCI	Neutral
Higher selling price of cotton fixed by CCI	Bullish
Lower Pakistan production (-35%) & import demand from Bangladesh & Vietnam	Bullish

Mandi	Price in Rs/ Quintal		
Location	2/17/2020	2/10/2020	% Change
Akola	10678	10819	-1.30
Kadi	11108	11122	-0.13
Rajkot	11053	11050	0.03

- Internationally Cotlook 'A' index slightly higher at 77.20 USc/lb vs last week 76.55 USc/lb last week.
- While the US Cotton contracts future traded in range and closed at 67.41 USc/lb vs 67.75 USc/lb last week.
- CCI procured around 58 lakh bales till 12th February constituting 27% of total arrival. Procurement from Telangana stand at 32.45 lakh bales, Maharashtra 10.8 lakh bales and Gujarat 3.37 lakh bales.
- As per CAI all India cotton arrival stood at 192.89 lakh bales till 31st January, state wise Gujarat arrival stood at 44.7 lakh bales, followed by Maharashtra and Telangana at 37.6 lakh bales and 37 lakh bales resp. In North India Rajasthan arrival reached 18.7 lakh bales, Haryana 15.35 lakh bales and Punjab it reached 6.09 lakh bales.
- As per CAI around 20 lakh bales exported during the period Oct 2019 – 31st Jan 2020 and 10 lakh bales have been imported till 31st Jan 2020, further CAI also increased opening stock and closing stock by 8.5 lakh bales, but still the opening stock is lower compared to Cotton Advisory board supply and demand as Kapas has not been considered in stock.
- India started with opening stocks of 44 lakh bales in Oct 2019 with estimated production of 360 lakh bales and estimated import of 25 lakh bales total availability reaches 429 lakh bales.
- Earlier India was expected to export higher than last year at 45 to 50 lakh bales vs 44 lakh last year, because of lower production estimate in Pakistan and export expectation to China, Bangladesh and Vietnam. But now Coronavirus outbreak in China has led to suspension of exports to China for the time being and if lockdown extends than it may hit exports up to 3-5 lakh bales.



The Week That Was!

- Corona virus prompts India's top cotton trader to stop sales to China
- Govt pegs 7 per cent rise in onion output this yr; sees production fall in major fruits
- NCML releases first estimate of rabi crop, indicates record food grain production
- States asked to set up PSFs to combat price volatility

PRICE TRACKER

Commodity	Latest	Fortnight ago	Month ago	Year ago
	17-Feb-20	02-Feb-20	17-feb-20	17-Feb-19
Wheat	2335	2300	2200	2000
Chana	4078	4077	4378	4150
Rice/Paddy	2850	2900	2900	3475
Tur	5250	5100	5250	5438
Maize	2031	2250	2358	2058
Turmeric	5800	5968	6153	6443

MINIMUM SUPPORT PRICE (Rs/Qtl.)		
Commodity	**2018-19**	**2019-20**
KHARIF **NEW**		
Paddy Common	1750	**1815**
paddy grade A	1770	**1835**
Jowar Hybrid	2430	**2550**
Jowar Maldandi	2450	**2570**
Bajra	1950	**2000**
Ragi	2897	**3150**
Maize	1700	**1760**
Tur/Arhar	5675	**5800**
Moong	6975	**7050**
Urad	5600	**5700**
Groundnut	4890	**5090**
Sunflower seed	5388	**5650**
Soybean Yellow	3399	**3710**
Sesame	6249	**6485**
Niger seed	5877	**5940**
Cotton (Medium Staple)	5150	**5255**
Cotton (Long Staple)	5450	**5550**
RABINEW****		
Commodity	**2018-19**	**2019-20**
Wheat	1840	**1925**
Barley	1440	**1525**
Gram	4620	**4875**
Masoor (Lentil)	4475	**4800**
Rapeseed/Mustard	4200	**4425**
Safflower	4945	**5215**
****includes bonus of Rs 200 per quintal***		
# includes bonus of Rs 100 per quintal		

Official Production Estimates

First Advance Estimates 2019-20 **& previous years' estimates:** Fourth advance estimates 2018-19

Link for commodity-wise and market-wise prices and arrivals:

http://agmarknet.gov.in/PriceAndArrivals/CommodityWiseDailyReport2.aspx

Crop & PHMF Division Progress area coverage under Rabi crops as on 31.01.2020 Area : In lakh hectare							
Sl.no	Crop	Normal Rabi Area (DES)	Normal of corresponding week	Area sown		Difference of 2019-20 over	
				2019-20	2018-19	Normal of corresponding week	2018-19
1	**Wheat**	**305.58**	**303.69**	**336.18**	**299.6**	**32.49**	**36.88**
2	**Rice**	**42.76**	**22.7**	**28.8**	**25.31**	**6.1**	**3.49**
3	**Pulses**	**146**	**151.1**	**161.17**	**151.78**	**10.06**	**9.39**
a	Gram	93.53	95.38	107	96.19	11.83	11.02
b	Lentil	14.19	16.09	16.07	16.91	-0.02	-0.84
c	Field pea	9.45	10.33	9.64	10.46	-0.69	-0.81
d	Kulthi	2.04	4.59	5.15	5.43	0.57	-0.28
e	Urad bean	8.61	8.4	7.63	7.53	-0.77	0.1
f	Moong bean	10.1	6.51	6.19	6.1	-0.31	0.09
g	Lathyrus	4.13	3.7	3.31	3.09	-0.4	0.02
h	Other pulses	3.94	6.1	5.96	6.07	-0.14	-0.11
4	**Coarse Cereals**	**60.78**	**55.06**	**55.69**	**47.77**	**0.63**	**7.92**
a	Jowar	35.75	31.64	30.22	25.03	-1.42	5.19
b	Bajra	0.31	0.21	0.2	0.13	-0.1	0.07
c	Ragi	0.46	0.55	0.47	0.62	-0.08	-0.16
d	Maize	17.49	15.22	16.98	14.78	1.76	2.2
e	Barley	6.77	7.44	7.82	7.2	0.38	0.62
5	**Oilseed**	**78.85**	**81.36**	**80.29**	**80.36**	**-1.07**	**-0.07**
a	Rapeseed & mustard	60.48	67.73	69.51	69.76	1.78	-0.24
b	Groundnuts	7.76	5.95	4.76	4.59	-1.2	0.17
c	Safflower	1.41	0.85	0.63	0.43	-0.22	0.2
d	Sunflower	2.96	2.14	1.04	1.13	-1.1	-0.09
e	Sesamum	3.12	0.76	0.56	0.71	-0.21	-0.15
f	Linseed	2.99	3.51	3.46	3.44	-0.06	0.02
g	Other oilseed	0.14	0.42	0.34	0.3	-0.08	0.04
	Total crops	**633.98**	**613.91**	**662.13**	**604.52**	**48.21**	**57.61**

AGCON QUIZ ANSWERS OF THE PREVIOUS WEEK

1	As per the AGCON report, Rice inventory with Government as on 01st February 2020 stood at ………million tonnes.	27.4
2	What is Indian export target of sugar?	60 lakh MT
3	What is Australia Chana production in 2018-19?	2.82 Lakh MT

THESE PEOPLE ANSWERED CORRECTLY!

S.no	Name	Location	Department
1	Chetana M Iswalkar	Mumbai	CM
2	Anilkumar Parvathaneni	Gurgaon	Risk
3	Vamshikrishna g	Adilabad	S&P
4	sabyasachi subudhi	Bhubaneswar	S&P
5	Jita Behera	Aurangabad	CM
6	V Krishna	Hyderabad	CWIG
7	Vikas Kumar	Karnal	CM
8	Tanuj Goyal	Gurgaon	NFin
9	Anil solanki	Jodhpur	CM
10	Abhishek bhati	Jodhpur	S&P
11	Arjun ram	Jodhpur	S&P
12	Ranjit Singh	Boranada	S&P
13	Praveen Kumar Mundra	Ellenabad	S&P
14	Basant Vaid	Gurugram	SCM
15	Piyush kabra	Jodhpur	CM
16	Madan Gopal	Sriganganagar	CM
17	Tarun kumar	Sri Ganganagar	CM
18	Tushar Srivastava	Gurgaon	Mktyard
19	Mukesh Basetia	Kota	CM
20	K B NAGARAJA	DAVANAGERE	S&P
21	Mohit Saini	Gharaunda (Karnal)	CM
22	Javeed M	Davangere	S&P
23	Satya Narayan puri	Unjha	T&C
24	Ravindra Vaishnav	Jodhpur	S&P
25	Sai Kumar Palaparti	Hyderabad	CWIG
26	John Babu B	Bengaluru	CM
27	kalyan chakravarthy	Bengaluru	IVG
28	GIRISH	JODHPUR	S&P
29	Deepak kumar	JODHPUR	S&P

Name of the lucky winner

Arjun ram
Jodhpur
S&P
CONGRATULATIONS!

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