

Forecast Report for October to December 2017

July 2017



Centre for Indian Agricultural Marketing Intelligence

Maharashtra Agricultural Competitiveness Project,

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Tur Price Forecast For October to December - 2017

India is the largest producer and consumer of tur in the world. The average spot prices of tur in the Akola market are showing a downward trend in the range of Rs. 3800 to 4200 per quintal in APMC markets nationally. As per the Government of India, Ministry of Agriculture production of tur is 42.6 lakh tonnes. Last year it was 24.60 lakh tonnes.

Due to bumper production in the year 2016 the prices are likely to fall further below MSP Rs. 5050 per quintal. The arrivals in market shows downward trend in the last fortnight (May 15th onwards). As per the information given by farmers, FPO's and APMC officials the prices of tur will be lies below MSP in open market. The market is influenced by last year's inventory, imported stocks, lying in various ports and bumper production this year.

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

The following chart shows tur procurement by government agencies (as on 22 April 2017)

Institution	Procurement target (MT)	Achieved till date (22 April 2017)	Percentage completed
NAFED	4,20,000	9,19,667	219%
FCI	90,000	1,75,297	195%
SFAC/FPO	90,000	71,078	79%
Total	6,00,000	11,66,043	194%

Total government tur procurement target is 6 lakh MT so far 94% has been procured more than target.

During the last two years, the average prices of Tur in the Akola market for the months of Oct – Dec were as follows-

Year	Price (Rs. Per qtl.)
2015	9491
2016	5558

Based on the present market sentiments, the price of Tur in Akola market in the months of October to December 2017 is expected that there is no possibility of increase in prices. This forecast will be revised monthly. Next forecast will be published in August 2017.

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Soybean Price Forecast For October to December - 2017

Soybean is an important international crop. 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, i.e. USA, Brazil, Argentina, China and India. According to Ministry of Agriculture and Farmers Welfare, Government of India (3rd advance est. April 2017), the soybean production is estimated at 14.02 million tonnes in 2016-17 as compared to 8.5 million tonnes during the last year (2015-16).

The average prices during the April to June 2017 in the Indore market was Rs. 3006 per qtl. It has experienced a slightly decline trend due to low demand from local crushing industries. The rainfall during 1st June to 19th July 2017 in the major soybean growing areas in India was normal. The Minimum Support Price (MSP) for kharif season 2017-18 is Rs.3050 per qtl.

As per the USDA latest report (July 2017), the soybean production in India is estimated to be around 11.50 Million Tonnes for 2017-18. During the last two years, the average prices of Soybean in Indore market for the month of October to December was as follows:-

Year	Prices (Rs. Per qtl.)
2015	3765
2016	3057

The futures (closing) prices for Soybean as on 25th July 2017 in NCDEX is as follows:

Delivery Month	Price (Rs. Per quintal)
18-Aug-17	2,992
18-Oct-17	3,109
20-Nov-17	3,148
20-Dec-17	3,176
19-Jan-18	3,204
20-Feb-18	3,232

Based on the econometric analysis of past data, assuming normal rainfall and the present market sentiments, the average price of soybean in the market for the months of October to December 2017 is expected to be in between **Rs.3000 to Rs.3300 per qtl.** This forecast will be revised monthly. Next forecast will be published in August, 2017.

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Maize Price Forecast for October to December -2017

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 prices of Maize in the Nizamabad market during June and July months have been hovering around Rs.1,566 per qtl. The maize futures prices are following a steady increasing trend as per the table given below.

This year as per USDA (2016-17), Maize production is 26.15 million tonnes in India. As per 3rd estimates released by Government of India, (MoA &FW) the production quantities matched with this estimates.

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 October-December were as follows-

Year	Price (Rs. per qtl.)
2015	1,296
2016	1,496

The futures prices for Maize as on 25th May 2017 in NCDEX were as follows:

Delivery Month	Price (Rs. Per quintal)
18 August	1,645
13 October	1,661
20 November	1,672

Based on the econometric analysis of past data and the present market sentiments, the average price of Maize in the months of October, November and December 2017 is expected to be in between **Rs.1450 to Rs.1650 per qtl.**

This forecast will be revised monthly. Next forecast will be published in August 2017.

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Onion Price Forecast for October to December 2017

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 May to July 2017 was Rs. 500 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.

Onion exports in 2014-15 and 2015-16 were significantly lower due to an increase in the Minimum Export Price (MEP), now due to high Rabi production estimate the MEP is removed by government of India and India exports onion to Bangladesh, Malaysia, UAE and Sri-Lanka.

As per Centre for Monitoring Indian Economy, Mumbai (CMIE) estimates, area under Onion is expected to be around 11.83 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.

During the last two years, the average prices of onion in the Lasalgaon market for the months of October to December was as follows-

Year	Price (Rs. Per qtl.)
2015	2327
2016	577

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 October to December 2017 is expected to be in between **Rs 400 to Rs. 600 per qtl.** This forecast will be revised monthly. Next forecast will be published in August, 2017.

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Tomato Price Forecast For June to July 2017

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 May to July 2017 was Rs. 1250 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 2nd 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.

During the last two years, the average prices of Tomato in the Pune market for the months of August-September was as follows-

Year	Price (Rs. Per qtl.)
2015	860
2016	700929329

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 August-September, 2017 is expected to be in between **Rs.800 to Rs. 1400 per qtl.** This forecast will be revised monthly. Next forecast will be published in August, 2017.

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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 responsible for such losses).

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