

# Forecast Report For October to December 2018



**July 2018**



**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 responsible for such losses).

### Tur Price Forecast for October to December 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. Government has released third advance estimates of production for Kharif Marketing Season 2017-18, projected Tur production at 41.80 lakh tonne's against 47.80 lakh tonne's a year ago. Due to higher production in this year the prices are likely to fall further below MSP.

Government of India's total Tur procurement (As on 15<sup>th</sup> May 2018) is 8,57,879 MT. The market is influenced by last year's inventory, imported stocks and this year's production. Government has opened up Tur for export. The government set restrictions on pulses imports in August 2017. The government has also introduced a quota system only for millers and refiners. The free import of Tur, restricted by imposing a quota of 2 million tonnes (up to 2020) according to a notification by the Directorate General of Foreign Trade (DGFT). The current import duty 10% is not having any impact on the domestic rates, which are continuing to rule below the MSP.

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

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.)
2016	5486
2017	3786

Based on the present market sentiments, in the year 2018-19 supply is forecast at 40 lakh tonnes (As against 42 lakh tonnes last year). At this level, the prices of Tur in **October to December 2018** is likely to be in the range of **Rs. 3900 to 4300 per Qtl.**

This forecast will be revised monthly. Next forecast will be published in August 2018.

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## Soybean Price Forecast for October to December 2018

Soybean is a globally important oilseed crop. The USA, Brazil, Argentina, China and India are the leading soybean producing countries and contribute around 90 percent of the total global production of soybean. 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.

As per the USDA latest report (July 2018), the global soybean production is projected higher for marketing season 2018-19, at 359 Million tonnes as compared to 336.7 Million Tonnes during previous year. The soybean production in India is projected at 10.80 Million Tonnes as compared to 8.3 Million tonnes during previous year (2017-18). According to All India crop situation report, GoI, dated on 27th, July 2018, the sowing of soybean in India was at 101.53 lakh Ha.

The average prices of soybean during the April to June 2018 in the Indore market was Rs. 3711 per qtl. The Minimum Support Price (MSP) for 2018-19 is Rs. 3399 per qtl. The rainfall during 1st June to 18th July. 2018 in the major soybean growing areas in India was above normal by 14 %.

During the last two years, the average prices of Soybean in Indore market for the month of October to December was as follows:-

Year	Price (Rs. Per qtl.)
2016	3056
2017	2935

The futures (closing) prices for Soybean in Indore market as on 24th July 2018 in NCDEX is as follows:

Delivery Month	Price (Rs. Per quintal)
October 2018	3,352
November 2018	3,328
December 2018	3,378
January 2019	3,405
February 2019	3,424

Based on the econometric analysis of past data, assuming normal rainfall and the present market sentiments, the average price of soybean in the Indore market for the months of **October to December 2018** is expected to be in between **Rs.3000 to Rs.3400 per qtl.** This forecast will be revised monthly. Next forecast will be published in August, 2018.

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## Cotton Price Forecast for October to December 2018

Cotton is a globally important crops. India is a largest cotton producing country in the world, followed by China, USA, Brazil and Pakistan and contribute around 75 percent of the global cotton production. In 2017-18, India and China contributed the largest share (23 percent each) in the total cotton production in the world, followed by USA (17 percent), Brazil (7 percent) and Pakistan (7 percent). India is the second largest exporter of cotton in the world after USA.

As per the All India crop situation report, GoI, dated on 27th, July 2018, the sowing of cotton in India was at 102.51 lakh Ha. the Indian cotton production is projected for marketing year 2018-19, at 368 Lakh Bales (170 kg/Bales) as compared to 365 Lakh Bales, during previous year (2017-18),( USDA, WASDE, July, 2018),

The average price of Cotton during the month of April to June 2018 in the Rajkot market was Rs. 5230 per qtl. The Minimum Support Price (MSP) for 2018-19, of medium staple cotton is Rs 5130 per qtl, and long staple cotton, it is Rs.5450/ctl. The rainfall during 1st June to 18th July. 2018 in the major soybean growing areas in India was above normal by 20 %.

During the last two years, the average prices of Cotton in Rajkot market for the month of October to December was as follows:-

Year	Prices (Rs. Per qtl.)
2016	5084
2017	4685

The futures (closing) prices for Cotton as on 24th July 2018 in MCX is as follows:

Delivery Month	Prices (Rs. Per Bales)
October 2018	23,400
November 2018	23,010
December 2018	22,900

Based on the econometric analysis of past data, assuming normal rainfall and the present market sentiments, the average price of cotton in the Rajkot market for the months of **October to December 2018** is expected to be in between **Rs.4800 to Rs.5200 per qtl**. This forecast will be revised monthly. Next forecast will be published in August, 2018.

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## Maize Price Forecast for October to December 2018

Maize production in India 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 one month is Rs.1,150 per qtl. The maize futures prices shows decreasing trend.

This year as per 4<sup>th</sup> estimate of GOI (2017-18), Maize production is 26.80 million tones in India. This is 19 % increase over previous year. The minimum support price (MSP) for the Kharif Marketing Season 2017-18 was Rs.1,425. Per qtl.

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.)
2016	1496/-
2017	1360/-

The futures prices for Maize as on 27 July 2018 in NCDEX is as follows:

Delivery Month	Price (Rs. Per quintal)
20 August 2018	1280
19 September 2018	1316
16 October 2018	1352
20 November 2018	1388

Based on the econometric analysis of past data and the present market sentiments, the average price of Maize in the months of **October to December 2018** is expected to be in between **Rs.1300 to Rs.1600 per qtl.** Next revised forecast will published in the month of August 2018.

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## **Onion Price Forecast for August 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 in Lasalgaon market during July 2018 was Rs. 1180 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%).

As per National Horticulture Board (NHB) 2nd Advanced estimates, area under Onion is expected to be around 13.15 lakh hectares in 2017-18, as compared to 13.06 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 **August 2018** is expected to be in between **Rs 1000 to Rs. 1300 per qtl**. This forecast will be publish for next monthly.

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## **Tomato Price Forecast for August 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 July 2018 was Rs. 970 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 2017-18 is expected to be around 7.84 lakh hectares as compared to 7.97 Lakh hectares during the previous year. With reference to Tomato production, it is estimated to be 22 million tonnes in 2017-18 as against 20.7 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 **August 2018** is expected to be in between **Rs.700 to Rs. 1000 per qtl**. This forecast will be publish on monthly basis.

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### **Further Information Contact**

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