

Forecast Report for October to December 2017

September 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 responsible for such losses).

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 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 8th 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 10% 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 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 October 2017.

Soybean Price Forecast for October to December - 2017

Soybean is commonly known as 'Golden bean'. The processed soybean is the largest source of protein. It is an important global 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. The United States, Brazil, Argentina, China and India are contributed around 90% in the total production of soybean in world.

According to All India crop situation report (MoA, GoI,) as on 22nd Sept.2017, soybean has been sown in 105.70 lakh hectare, as compared to 114.72 lakh hectare during previous year (2016-17). It is around 7.86 percent less than previous year. About 38.39 lakh hectare area coverage under soybean has been reported during kharif season 2017-18 in Maharashtra.

The global production of soybean is estimated 348.44 million tonnes for 2017-18. It is 0.85 % less than previous year. But the total supply of soybean in the world is estimated 4.41 % higher than previous year due to higher ending stocks in 2016-17. (USDA, WASDE, Sept.2017). The soybean production in India is estimated to be around 10 Million Tonnes. It is 13 per cent less than previous year. (11.50 Million Tonnes, USDA, 2016-17).

The production of soybean in India is estimated 122. 17 lakh tonnes for 2017-18 as compared to 137.94 lakh tonnes during previous year (2016-17) (MoA ,GoI, 1st Adv. Estimate). It is a decrease of 15.77 lakh tonnes less than previous year. The prices during the last three months in the Indore market have experienced an increasing trend. The average spot price of soybean in the month of June 2017 was Rs.2923 per qtl. It has increased to Rs. 3048 per qtl in the month of August 2017. Overall it is increased by 4 percent due to declined sowing area under soybean.

The Minimum Support Price (MSP) for kharif season 2017-18 is Rs.3050 per qtl. The rainfall during 1st June to 20th September 2017 in the major soybean growing areas in India was around 11% less than normal. 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 22nd September 2017 in NCDEX is as follows:

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Delivery Month	Price (Rs. Per quintal)
18-Oct-17	3133
20-Nov-17	3156
20-Dec-17	3207
19-Jan-18	3265
20-Feb-18	3323

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 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 October 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 average prices of Maize in the Nizamabad market during last 25 days is Rs.1,484 per qtl. The maize futures prices are also hovering in the same range as per the table given below.

This year as per 4th 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 hectres 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 likely to begin shortly from Telengana/Karnataka belt.

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 September, 2017 in NCDEX was as follows:

Delivery Month	Price (Rs. Per quintal)
October 13	1,457
November 20	1,467
December 20	1,482

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 October, 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 July to September 2017 was Rs. 1400 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	2220
2016	715

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 900 to Rs. 1200 per qtl.** This forecast will be revised monthly. Next forecast will be published in October, 2017.

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Tomato Price Forecast for October-November, 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 August and September 2017 was Rs. 1935 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.

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

Year	Price (Rs. Per qtl.)
2015	1985
2016	800929329

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 October-November, 2017 is expected to be in between **Rs.400 to Rs. 800 per qtl**. This forecast will be revised monthly. Next forecast will be published in October, 2017.

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For Further Information Contact

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