

Weekly update on Pulses segment

Pulses Price Trend(INR/Qtl)							
Commodity	Market	27-Feb-17	1 Week	1 Month	3 Month	6 Month	1 Year
Chana Desi	Indore	4,400	-11.1%	-28.5%	-49.4%	-32.8%	5.0%
Chana Desi	Bikaner	4,850	-7.6%	-19.8%	-44.3%	-24.2%	11.5%
Yellow Peas	Mumbai	2,306	-2.7%	-5.9%	-0.2%	-11.3%	-11.5%
Tur (Pigeon Pea)	Mumbai	4,100	-1.2%	-8.9%	-29.9%	-29.3%	-43.4%
Masoor (Bold)	Mumbai	3,900	-4.9%	-13.3%	-23.5%	-30.4%	-13.3%
Urad FAQ	Mumbai	5,000	-2.9%	-14.5%	-33.3%	-43.2%	-50.5%
Moong	Mumbai	5,500	0.0%	23.6%	14.6%	19.6%	-23.6%

Prices of all the pulses were beaten down this week on the back of improving supply prospects in India. Higher prices of pulses coupled with favourable weather conditions prompted farmers to allot higher acreage in this rabi season. Weather has remained favourable so far and the crop is stated to be in very good condition. Optimum temperatures with occasional rains during the growing season will boost yield in pulses this year. The latest sowing numbers by Ministry of Agriculture for each Rabi pulse is appended below-

Lentil sowing progress as on 3rd Feb 17 (Lakh Ha)				
State	Season Normal	2016-17	2015-16	% Devtn
Madhya Pradesh	5.85	5.86	5.48	6.9%
Uttar Pradesh	5.08	6.63	4.53	46.4%
West Bengal	0.62	1.13	0.85	32.9%
Bihar	0.18	2.13	2.16	-1.4%
Others	3.06	0.90	0.70	28.6%
<b>Total</b>	<b>14.79</b>	<b>16.65</b>	<b>13.72</b>	<b>21.4%</b>

Pea sowing progress as on 3rd Feb 17 (Lakh Ha)				
State	Season Normal	2016-17	2015-16	% Devtn
Uttar Pradesh	3.41	4.62	3.43	34.7%
Madhya Pradesh	2.87	4.87	4.58	6.3%
Bihar	0.19	0.32	0.33	-3.0%
West Bengal	0.13	0.14	0.15	-6.7%
Chhattisgarh	0.45	0.54	0.47	13.8%
Others	2.1	0.77	0.63	22.2%
<b>Total</b>	<b>9.15</b>	<b>11.26</b>	<b>9.59</b>	<b>17.4%</b>

Urad sowing progress as on 3rd Feb 17 (Lakh Ha)				
State	Season Normal	2016-17	2015-16	% Devtn
Andhra Pradesh	3.46	4.04	3.91	3.3%
Tamil Nadu	2.59	2.21	1.91	15.7%
Karnataka	0.08	0.04	0.08	-50.0%
Chhattisgarh	0.06	0.13	0.10	35.8%
Odisha	0.05	2.05	1.85	10.8%
Others	0.95	0.27	0.19	42.1%
<b>Total</b>	<b>7.19</b>	<b>8.74</b>	<b>8.04</b>	<b>8.8%</b>

Moong sowing progress as on 3rd Feb 17 (Lakh Ha)				
State	Season Normal	2016-17	2015-16	% Devtn
Odisha	1.60	4.50	3.35	34.2%
Tamil Nadu	1.33	0.68	0.88	-22.7%
Andhra Pradesh	1.23	0.80	1.50	-46.7%
West Bengal	0.17	0.02	0.02	15.0%
Telangana	0.14	0.17	0.17	0.0%
Karnataka	0.08	0.03	0.04	-25.0%
Chhattisgarh	0.07	0.21	0.23	-8.3%
<b>Total</b>	<b>4.61</b>	<b>6.41</b>	<b>6.19</b>	<b>3.5%</b>

Gram sowing progress as on 3rd Feb 17 (Lakh Ha)				
State	Season Normal	2016-17	2015-16	% Devtn
Madhya Pradesh	30.6	32.52	30.17	7.8%
Rajasthan	15.3	17.51	12.38	41.4%
Maharashtra	13.7	18.68	14.40	29.7%
Karnataka	9.2	10.81	15.45	-30.0%
Uttar Pradesh	5.8	6.43	4.00	60.8%
Andhra Pradesh	4.7	3.88	4.70	-17.4%
Chhattisgarh	2.6	3.68	3.51	4.7%
Gujarat	2.0	1.70	1.17	45.3%
Telangana	1.0	1.39	1.17	18.8%
<b>Total</b>	<b>86.84</b>	<b>99.01</b>	<b>89.44</b>	<b>10.7%</b>

Chana prices have continued to slip lower on higher supply prospects amidst slowing demand. Buyers in the market have slowed down their purchases fearing further downfall to prices. The slowdown in their buying is also due to huge impending new crop. The standing crop is in good condition and harvesting in the major producing states will begin post the festival of Holi. The rising day time temperature is a concerning factor and will affect the yields for the late sown crops especially in Uttar Pradesh. This could impact the final production number marginally. However, the crop is likely to be around 60-65 lakh tons as against 50 lakh tons last year.

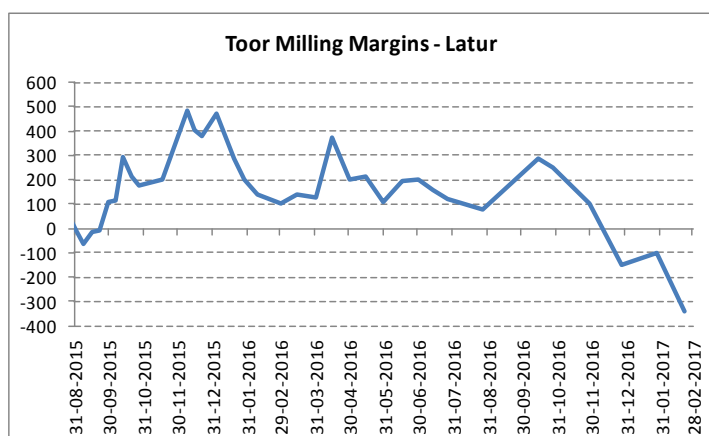
Unlike other crop Chana production will be far from its all time high crop of 82 lakh tons in 2010-11 (Ministry of Agriculture).

The rise in production will ensure increased availability throughout the year and hence lower dependency on imports. Arrivals are expected to gather pace post mid March which will further dent prices. However, there could one factor which could support prices is farmers resistance to sell at lower levels. Considering that farmers have seen prices as much as Rs 120 per kg last year, may slow down their selling as prices have now fallen to Rs 50 per kg in the Delhi market. The minimum support price of Chana for this season is Rs 4000 per quintal including a bonus of Rs 200 per quintal.

Although import dependency will be lower this year versus the previous year, we will continue to import Chana from Australia in the coming season. And supply in Australia is not a constraint with a record production in the year 2016-17.

Among the other major Rabi crops grown are **Peas and Lentils**, production of both these crops is expected to be at record levels. Acreage expansion in all the major growing regions coupled with favourable weather conditions throughout the cropping season has boosted production prospects. Last year, only 30% of the area in Bundelkhand was sown as lack of rains resulted in farmers keeping away from sowing. After many years of drought, good monsoon improved the water availability in this region this year, improving the soil moisture levels. As Chana seed was relatively much more expensive, farmers in this region have allotted higher acreage to peas and lentils. The crop is in good condition and the number of pods is also higher. Indian Production for both these crops is expected to be a record this year. This will ensure improved supply of the desi variety in the market and hence reduce India's dependency on imports. This comes at a time when production in Canada is also at record levels. It will be interesting to see how the sellers approach the Indian markets in the coming times. The crop is in harvesting stage and arrivals of the new crop has begun in parts of Madhya Pradesh and is expected to gather pace across all the major centres post the festival of Holi.

**Tur** prices have remained in focus for trading below the minimum support price in this season. Record production resulted in ample availability in the market at a time when demand remained dry. Post the festive season, demand tends to slow down. But this period was stretched as demonetization reduced the cash flow in the market and hence impacted market till the money supply normalized over the span of one month. The other crucial factor was the cheap availability of vegetables this season. As result of which millers were unable to sell their dals. Their milling margins have remained negative which provides no incentive for the millers to produce more dal.



Harvesting in Madhya Pradesh has begun and the crop will start arriving by March while in Uttar Pradesh the harvesting will begin post mid March. The government is procuring for creating buffer stocks but it is very small in number considering the total production. However, considering that prices are at lowest levels of the season and pipelines being dry could attract miller's interest in the market. Hence, we expect a bounce in prices in the short term.

**Urad** mirrored the sentiment of other pulses. This is due to the ample availability of from the Kharif season and upcoming harvest from the rabi season as well the peak import season from Myanmar. Crop in Myanmar is expected to be higher this season by nearly 30%. Prices in the sourcing nation will also be under pressure owing to bountiful supply. Hand to mouth import demand will emanate from the millers and is expected to

gather pace from March. This could keep the prices under pressure. **Moong** prices have remained under pressure in the recent times. So far the government agencies were procuring moong from the various markets of Rajasthan. However, it has stopped purchasing moong and urad in the recent times. As a result of which, the additional surplus in the market has weighed on the prices. However, going forward we believe that demand is likely to improve as prices of vegetables will rise with winters drawing and end. We see limited downside in moong in the coming times.

### Imports

We have seen robust imports of Chana in the recent times at the Mumbai port. Two vessels arrived from Canada this month. And one more vessel is expected to arrive in the month of March. We expect that in the coming times, imports from Myanmar for Tur and Urad will rise and continue to remain robust for the next two months or so.

### International Market Update

International field pea markets are trading on an uncertain note against conflicting news about whether India will grant Canada another extension, allowing it to ship pulses to the country without fumigating them with methyl bromide. That had an immediate impact on trading interest for field peas and lentils from Canada and other countries which do not allow the use of methyl bromide. This was reflected in a drop in both grower bid levels and export asking prices for Canadian lentils and field peas.

### Crop Arrivals

The table provides information about the arrivals in the major centres-

Arrivals at various centres during peak arrival season				
Crop	State	Centres	Arrivals	
			This week	Previous Week
Chana	Karnataka	Gulbargha		
		Raichur		
		Yadgir		
	Maharashtra	Latur		
		Akola		
		Amravati		
	Madhya Pradesh	Indore		
		Ganjbasaoda		
		Kareli		
		Guna		
		Sagar		
		Khategaon		
		Pipariya		
	Rajasthan	Bikaner		
		Merta		
Sri Ganganagar				
Delhi	Delhi			

Similarly, other crops will be covered. As the main arrival period is over, we will be providing arrivals for the big centres only.

**Prices**

Commodity	Centre	Variety	Prices		
			Today	Last Week	
<b>Chana</b>	Mumbai	Australian			
	Kolkata	Australian			
		Delhi	Rajasthan Line Madhya Pradesh Line		
		Indore	Kantewala		
		Latur	Annagiri		
		Amravati	Desi		
		Bikaner	Desi		
		Kota	Desi		
	<b>Lentil</b>	Mumbai	Canadian		
		Mumbai	Australian		
Kolkata		Canadian			
		Sujalpur	Desi-/medium		
		Ganjbasoda	Desi- bold		
		Ashoknagar	Desi-bold		
		Jeerapur	Desi- barik /premium		
		Lalitpur	Desi		
		Jhansi	Desi		

Similarly other crops will be covered with their benchmark markets.

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