

KHARIF PRE-HARVESTING PRICE FORECASTS FOR 2015-16

GROUNDNUT PRICE IN KHARIF SEASON WILL BE INR 4600-4900 PER QUINTAL

According to data by the Department of Agriculture, initial sowing patterns of groundnut in 2015-16 kharif season have been much better. As on June 19, total sowing of groundnut crop has been on 136,000 hectares in 2015-16 against 79,000 hectares in the corresponding period in 2014-15, an increase of 72 per cent.

Gujarat, the largest groundnut-producing state in India, has witnessed initial groundnut crop sowing on 60,400 hectares marginally down from last year's 64,000 hectares. Among other states, as on June 18, 2015, groundnut sowing in Andhra Pradesh and Telangana has risen marginally to 28,800 hectares from 28,000 hectares last year, according to data by the Directorate of Oilseeds Development, Hyderabad. Sowing has also increased from 8,000 hectares last year to 19,000 hectares in Tamil Nadu. Although it is among the major groundnut producing states, Karnataka has seen a slow start in sowing at 27,000 hectares against 43,000 hectares.

Price has been the biggest contributing factor for expected higher acreage in groundnut this year and mainly cotton farmers will switch over to groundnut. On the basis of current progress of sowing, we can say the area of groundnut crop is likely to gain by 25 per cent.

Meanwhile, the Central Organization for Oil Industry & Trade has estimated kharif groundnut production at 3.57 million tonnes for 2014-15, down by 1.14 million tonnes from the previous year's 4.71 million tonnes. According to data by the Agricultural and Processed Food Products Export Development Authority, India has exported 708,386 tonnes of groundnut during 2014-15 against 509,664 tonnes in the previous year.

Kharif groundnut is expected to hit the major markets from the month of November onwards. Keeping in view of the rainfall, cropped area, stock position an econometrics price analysis of groundnut for the benefit of farmers to take suitable marketing decisions are made by the NPMI – Network Project on Market Intelligence collaborating centre, College of Agriculture, Prof. Jayashankar Telangana State Agricultural University, Rajendranagar, Hyderabad. The last thirteen years monthly modal price data of Gadwal market using time series model was analyzed. Based on the analysis and Market survey, it is forecasted that the prices to be around **INR. 4600-4900** per quintal at the time of harvesting (October and November 2015).

MAIZE PRICE PER QUINTAL WILL BE AROUND RS 1,320 – 1,390 AT THE TIME OF HARVESTING

Erratic monsoon this year will hit corn production despite higher sowing reported across growing regions in India. Corn has been sown in 7.59 million hectares as on September, 2015 as compared to 7.46 million hectares last year, as per the data from Department of Agriculture & Cooperation.

Corn production is expected to be around 20 million tonnes, lowest in last five years due to irregular rainfall across growing regions of Tamil Nadu, Telangana, Maharashtra and Madhya Pradesh. Last year, the production was 23.67 million tonnes as per fourth advance estimates of Department of Agriculture & Cooperation, Government of India. Due to lower production estimates, the price of corn is likely to remain firm.

The production is likely to be hit as yield in growing regions have fallen this year compared to last year. Erratic monsoon this year has impacted yield and quality of crop. Though the new crop would put pressure on the price in next month. The prices are likely to remain firm thereafter as production is expected to fall by around 20%.

Corn prices have fallen globally due to sustained higher ending stocks since last couple of years. “USA has seen their reserves swell to its highest in last 28 years due to which their ending stocks are also likely to remain high. But, lower domestic supply in India would support the prices going forward.

Due to lower prices of corn internationally, export of corn is not viable this year as domestic price is higher compared to international prices. We believe lower exports would support lower domestic production this year and thereby check higher prices.

To know kharif harvest prices of Maize, econometric analysis of modal prices of Maize in Badepalli market for a period of 13 years was undertaken by the Network Project on Market Intelligence (NPMI) in the Department of Agricultural Economics, College of Agriculture, Prof. Jayashankar Telangana State Agricultural University, Hyderabad. Maize price per quintal will be around **1,320 – 1,390** at the time of harvesting (October and November 2015).

Note: There are any possible deviations of the actual prices from the predicted prices in the light of tentative developments in the commodity markets such as change in international prices, export or import restrictions etc.,

“These forecasts are based on past data & different models and that actual market price may or may not turn out to be the same as forecasted”.