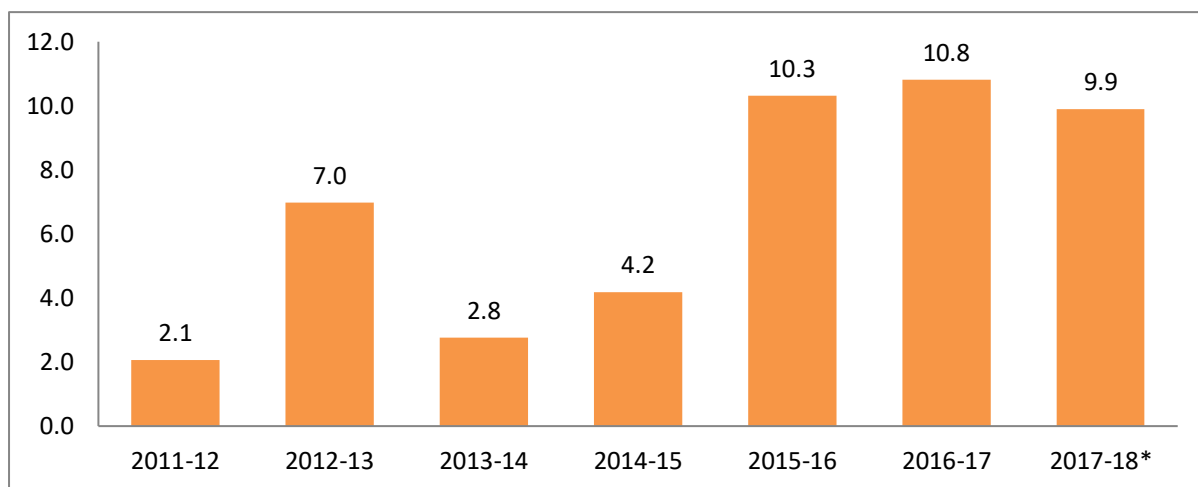


Bengalgram Outlook – May 2018

Bengalgram futures made a fresh low this season on concern of higher stocks in the country due to record production in last two seasons coupled with huge imports volume. The most active May delivery contracts on National Commodities and Derivative Exchange (NCDEX), was down by more than 8.5% or Rs. 329 per quintal in two weeks to currently trade at fresh low after its relaunch last year. The current price of bengalgram on NCDEX was last seen in July 2013.

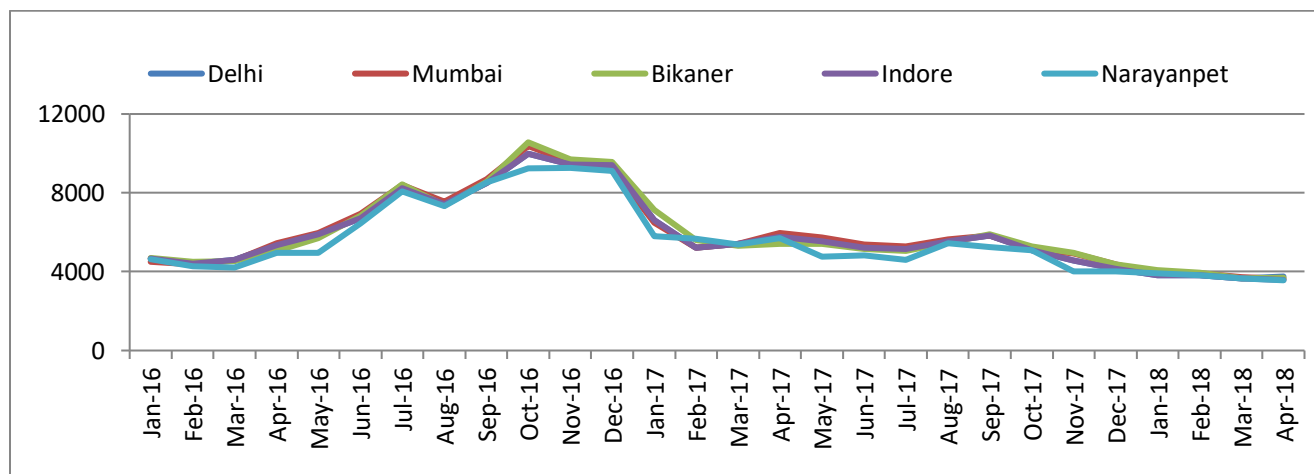
Moreover, bengalgram futures on NCDEX plunged more than 44% in 7 months from Rs. 6288 per quintal in September 2017 to Rs. 3521 per quintal levels in April 2018 despite efforts by the government to improve bengalgram price. Earlier to improve the domestic production and lowering the dependence of imports of bengalgram, government has increased its Minimum Support Price (MSP) to Rs. 4,400 per 100 kg.

Bengalgram production in 2017-18 is expected to increase to 11.10 million tonnes from 9.38 lakh tonnes last year. India has imported about 9.9 lakh tonnes of bengalgram till February 2018 (Figure 1).



Source: Department of Commerce, *Till February'18

Figure 1: India's imports of bengalgram in lakh tonnes



Source: www.agriwatch.com, agrimarketing.telangana.gov.in

Figure 2: Average monthly prices of bengalgram in major markets of India (Rs/q)

All major markets of bengalgram in the country were found to be integrated as indicated by the price movement in Figure 2. The prices which were about Rs. 5000 per quintal during April 2016 have risen to more than Rs. 9000 per quintal in October 2016 and then started declining. Currently, bengalgram is being traded in all major markets of country at around Rs. 3600 per quintal while, the MSP is Rs. 4400.

In Telangana state, rabi 2017-18 acreage covered under bengalgram was about 0.95 lakh ha. The major districts producing this crop in Telangana are Kama Reddy (19,653 ha), Nirmal (18,364 ha), Gadwal (12,434 ha), Adilabad (10,842 ha) and Nizamabad (9,812 ha). The major markets for this crop in Telangana are Narayanpet, Adilabad, Kuber, Bainsa, Nizamabad, Sadasivpet, Zaheerabad, Parigi and Tandur. In Adilabad and Kuber markets, the Government has procured at MSP.

Table 1: Prices and arrivals of bengalgram in Narayanpet market during March 2018

Date	Arrival (Tonnes)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Model price (Rs/quintal)
2	2.4	3100	3668	3384
19	1.6	3536	3556	3546
23	1.6	3409	3589	3499
25	2.7	3309	3579	3444
26	0.4	3469	3469	3469
27	3.6	3459	3521	3490
28	1.1	3495	3559	3527

Source: agrimarketing.telangana.gov.in

Earlier, in the season (December 2017), government withdrew customs duty exemption on bengalgram and imposed 30% duty to restrict cheap imports. This increase was not found sufficient to plug imports, so government again hiked import duty to 40% in February 2018 and then to 60% in March 2018. Due to this rise in import duty, bengalgram imports into the country slowed down since December last year. Also to support domestic prices of bengalgram, in various states government is procuring at MSP as market prices are much below the MSP.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Bengalgram is likely to trade in price range between Rs. 3500 - 3700 per quintal in the month of May 2018.