



Maize



Tur



Gram



Soybean



Cotton



Onion

Cotton Prices – What is the future?

Cotton Prices in India were increasing steadily since 2008 till November 2021 when they were at around Rs. 8,000 per quintal. Then they started increasing rapidly to reach an all-time high of around Rs. 12,000 in May 2022. This rise was essentially due to the outbreak of war between Ukraine and Russia which intensified sharply in February 2022. As reported by the World Bank Report in April 2022, there were shortages of shipping containers, delays in shipments and increase in ocean freights. This affected the international trade and the entire value chain in cotton. Energy prices also increased and the cotton prices, both in India and in all the major markets in US, Brazil, China and Pakistan started spiraling upwards.

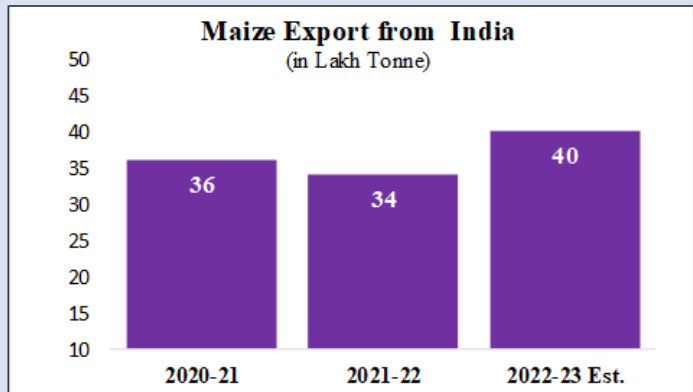
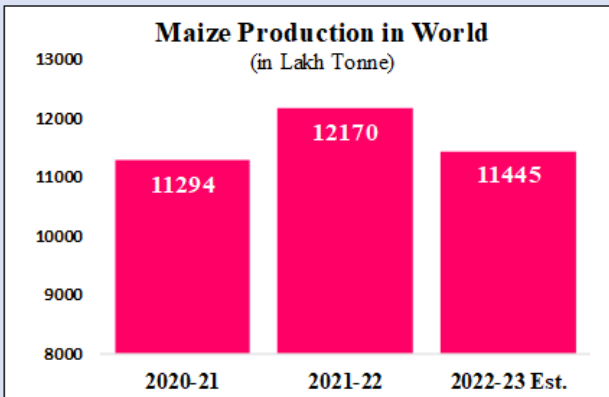
The industry later adjusted itself and the prices since June 2022 started declining. During the current month (May 2023) the prices are approximately back to the level of November 2021 level (Rs. 7,600).

What is likely to be the future for cotton prices? Naturally, the abnormal levels experienced in the past few months are not likely to continue. According to the recent report of United States Department of Agriculture (Cotton: World Markets and Trade, May 2023), the year 2023-24 begins with a stock which is higher than that in the last year by 7.4 per cent. Although the world production is likely to be slightly less, the consumption is likely to increase by 5.5 per cent, with the year-end stock remaining almost at the same level of beginning stock. As stated in the report "Stocks are projected above the 5-year average and are expected to prevent any significant rise in global cotton prices" (page 4).

As far as India is concerned, the above Report forecasts increase in production and increase in year-end stocks; which if proved true, may not

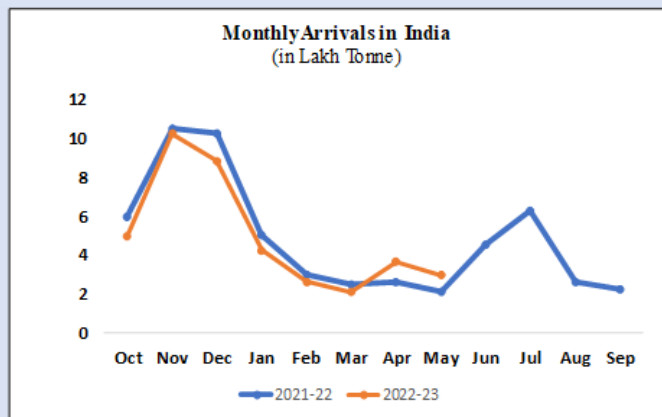
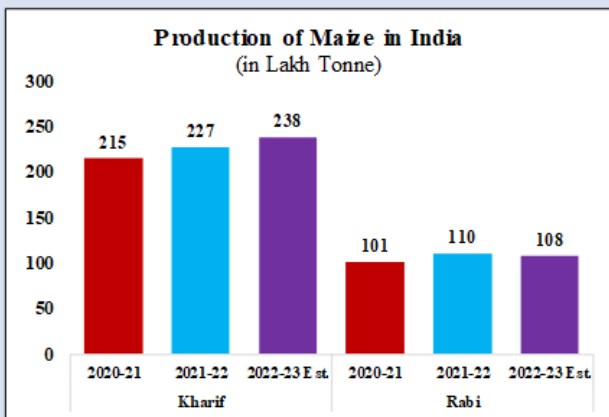
Disclaimer – The purpose of this report is to analyze the existing market situation and estimate the price trends in future. The forecasts are subject to change due to changes in international prices, Climate factors, Economic Factors and Government policies. Thus, actual market prices may be different than the forecasted prices. Hence readers are required to use caution while using these forecasts.

Maize is one of the most important cereal crops cultivated globally. In India, maize is cultivated throughout the year in most of states for various purposes including grain, feed, fodder, food and industrial products. The maize prices are determined by supply and demand factors in India.



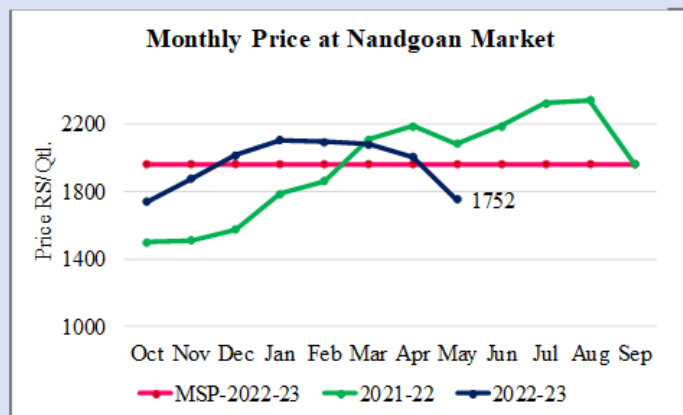
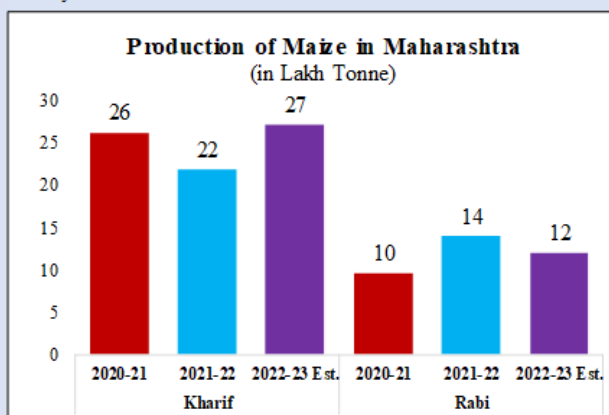
As Per USDA Maize production to decline by 6 percent below the 2021 level.

According to the USDA, Maize exports were estimated at 3.4 lakh tonnes in 2021-22, which is expected to increase by 6 lakh tonnes to 40 lakh tonnes in 2022-23.



In 2022-23, Maize Production is to be higher by around 5 percent in Kharif but due to unfavourable climatic conditions around 2.4 percent lower in Rabi compare to last year in India.

1 April to 30 April 2023, The total arrivals are increased by 40 % from same period of last year in India.



In 2022-23, Maize Production is to be higher by around 24 percent in Kharif but due to unfavourable climatic conditions around 14 percent lower in Rabi compare to last year in

The prices of maize during the last three months in Nandgoan market has experienced decreasing trend due to pressure of rabi arrival from April 2023 in the market. Current prices are lower than Minimum Support Price (MSP)

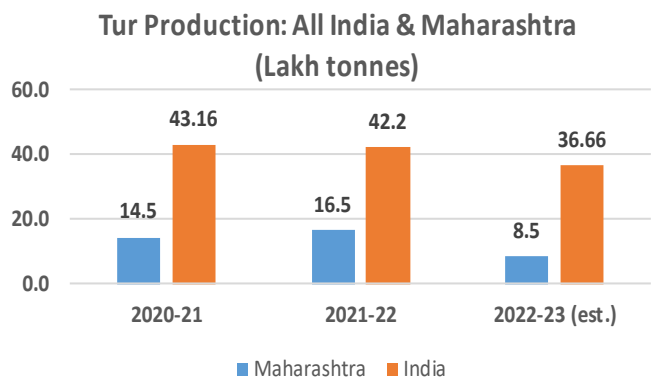
Forecast of Prices for the next Three Months

June 2023 Rs. 1700 to 2100 Qtl

July -2023 Rs. 1800 to 2200 Qtl.

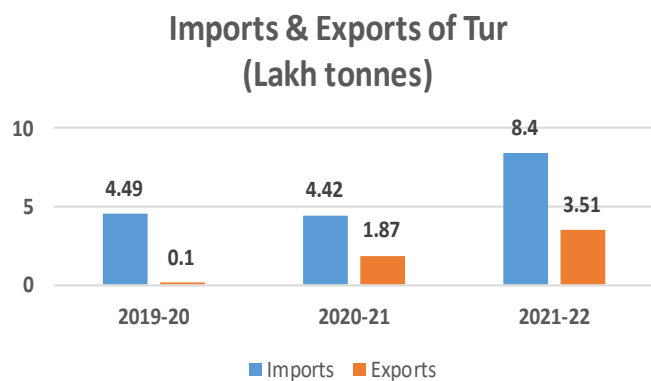
August 2023 Rs 1850 to 2250 Qtl

Tur: India is the largest producer and consumer of Tur in the world. Maharashtra, Karnataka and Uttar Pradesh account for more than 60% production of Tur in India. Tur market is influenced by last year’s inventory, imported stocks lying in various ports and current year’s production. Government has opened up Tur for export and set restrictions on pulses imports. According to a latest notification by the Directorate General of Foreign Trade (DGFT) the ‘free’ import policy of tur has been extended up to March 2024.

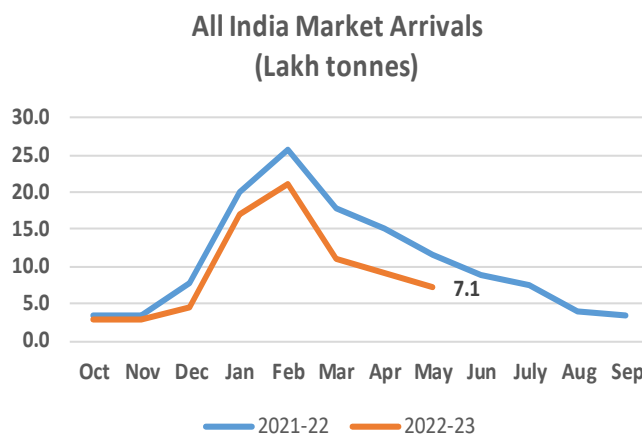


Tur is kharip crop, sown in June-July, harvested in Dec-Jan. According to the latest estimates released by Government of India, the production of Tur in 2022-23 is around 36.66 lakh tonnes, which is 13% less than the previous year.

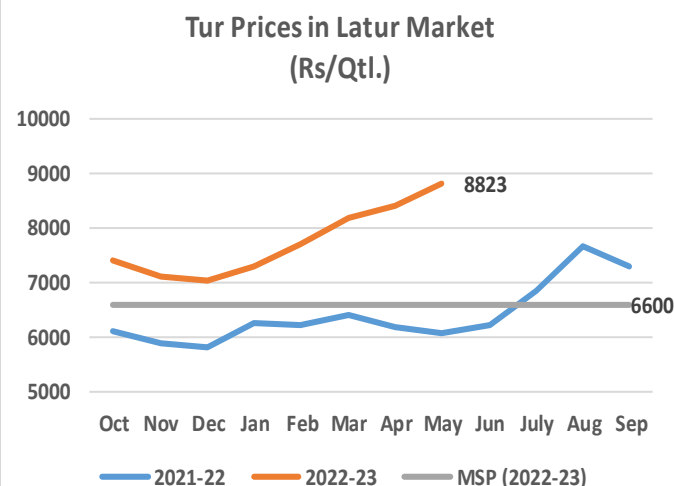
Production in Maharashtra is expected to decrease from 16.5 lakh tonnes in 2021-22 to 8.5 lakh tonnes in the Current year (2022-23).



Both Imports and Exports have increased during 2021-22 as compared to the previous year (2020-21)



The peak marketing season for Tur is between Dec and April. The arrivals in May in the current year (2022-23) are slightly lower than previous year. During May 2023 (till 24th May) they are 7.1 lakh tonnes, as compared to 11.7 lakh tonnes in the corresponding period, last year.



Since June 2022, the prices of Tur have been increasing; The prices of tur in current year are higher than the prices in the previous year.

The average prices during the last three months were:

March 2023: Rs. 8204/quintal

April 2023 : Rs. 8415/quintal

May 2023 (till 24th): Rs. 8823/quintal

The prices are above than the Minimum Support Price announced for the kharip season 2022-23 (Rs. 6,600/quintal).

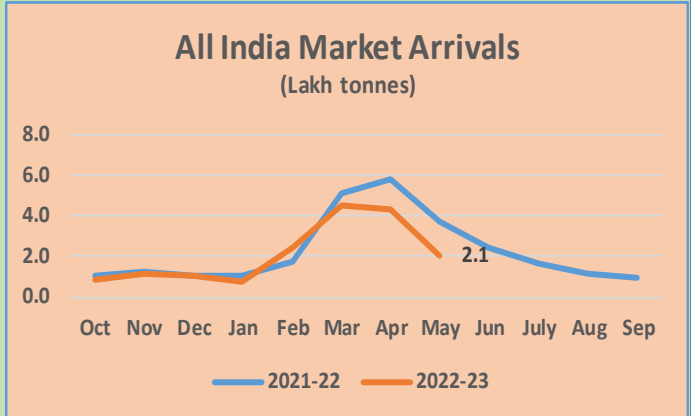
Forecast of Prices for the next Three Months

June 2023: Rs. 8,600-9,200/Quintal

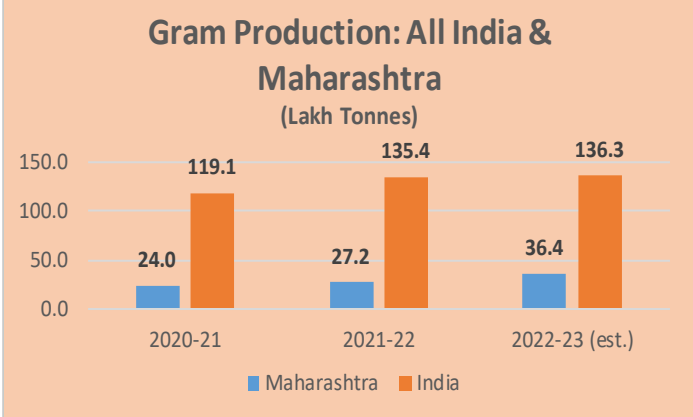
July 2023: Rs. 8,700-9,300/Quintal

August 2023: Rs. 8,800-9,400/Quintal

Gram: Gram (Harbhara) is one of the major rabi pulse crops cultivated and consumed in India. It is also known as Bengal gram. Gram is second most important pulse crop in the world which accounts for about 20% of the world pulses production. Six countries including India, Australia, Turkey, Myanmar, Pakistan and Ethiopia account for about 90% of world gram production. India is the major producing country of gram, contributing for over 70-75% of total production in the world. Gram accounts for about 40 - 50% of total pulses produced in the country. It is consumed in whole, split (Dal) and floor (Besan) forms, all over the country.

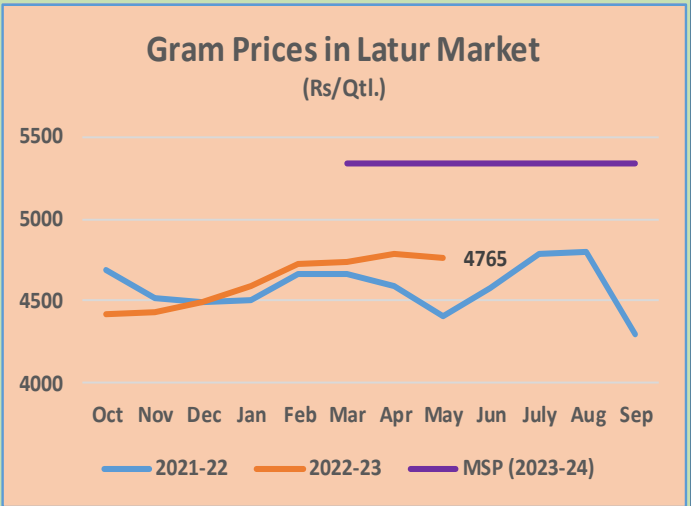


The peak marketing season for Gram is between March and May. The arrivals in May in the current year (2022-23) are slightly lower than previous year. During May 2023 (till 24th May) they were 2.1 lakh tonnes, as compared to 3.7 lakh tonnes in the corresponding period, last year.



Gram is a Rabi crop, sown in October - November, harvested in March - April. According to the latest estimates released by Government of India, the production of Gram in 2022-23 will be around 136 lakh tonnes, almost equal to the previous year.

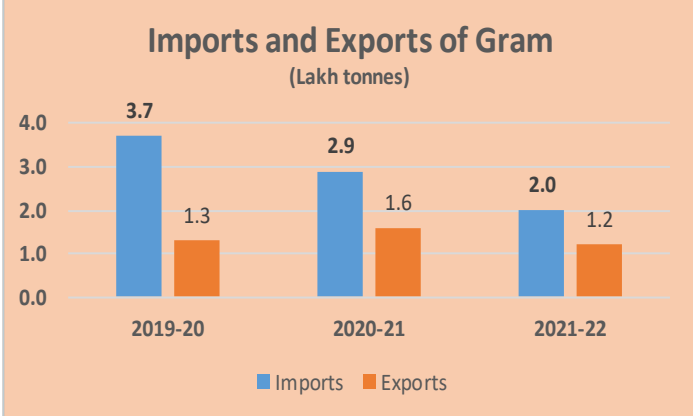
Production in Maharashtra is expected to increase from 27.2 lakh tonnes in 2021-22 to 36.4 lakh tonnes in the Current year (2022-23).



Since October 2022, the prices of Gram have been increasing; after December 2022, they are higher than the prices in the previous year.

The average prices during the last three months were:
 March 2023: Rs. 4,738/quintal
 April 2023: Rs. 4,787/quintal
 May 2023 (Till 24 May): Rs. 4,765/quintal

The prices are still below the Minimum Support Price announced for the current Rabi season (Rs. 5,335/Quintal).



Both Imports and Exports have decreased during 2021-22 as compared to the previous year (2020-21)

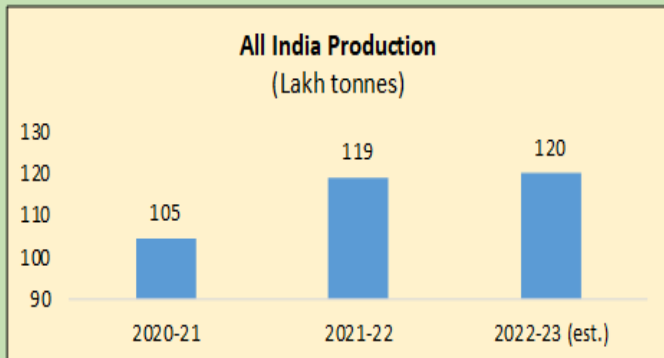
Total quantity of gram procured by NAFED in Rabi 2023 is as follow:(as on 24 May 2023)
 Maharashtra: 702027 MT
 India: 1176540 MT

Forecast of Prices for the next Three Months

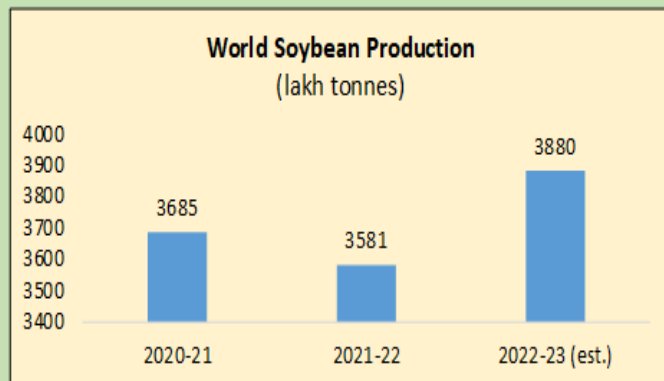
- June 2023: Rs. 4,500-5,000/Quintal
- July 2023: Rs. 4,600-5,100/Quintal
- August 2023: Rs. 4,700-5,200/Quintal

[The forecasts may change with the amount of procurement undertaken by the Government during the next three months]

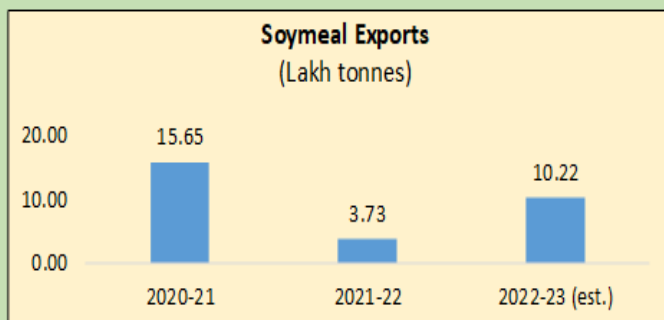
Soybean: Soybean is an important international oilseed crop and also commonly known as 'Golden bean'. The processed soybean is the major source of protein. The prices of soybean are primarily determined by supply and demand factors not only in India but also in major producing and consuming countries of the world.



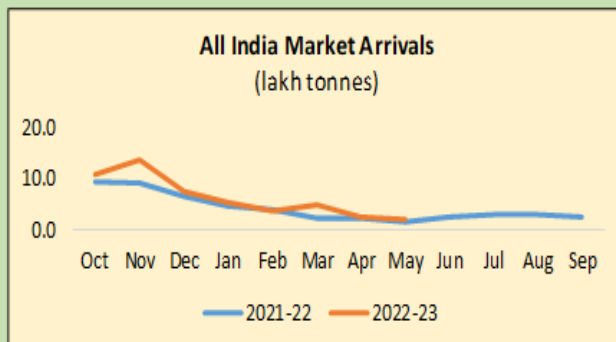
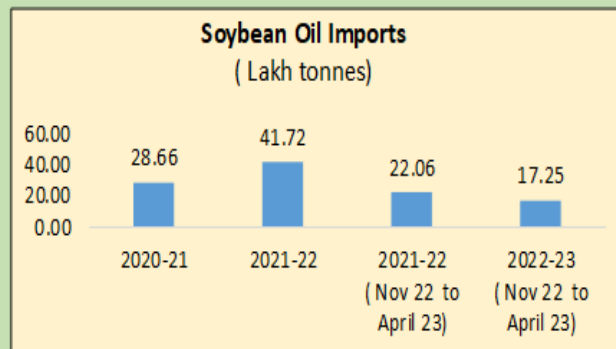
As per the USDA report, Indian soybean production is projected 120 lakh tonnes for MY 2022-23, which is marginally higher than previous year.



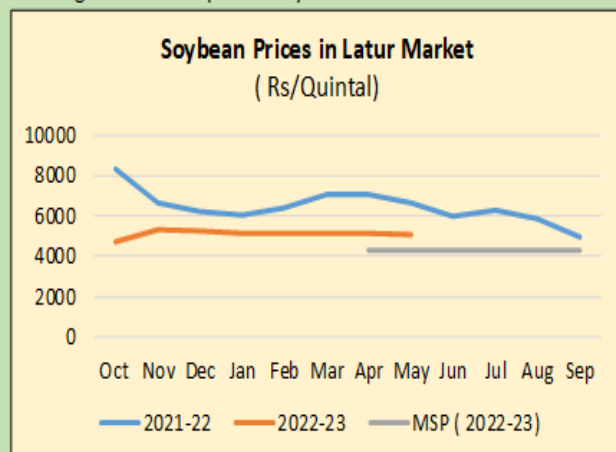
World soybean production is estimated 3880 lakh tonnes for MY 2022-23. Which is 8 percent higher than previous year (3581 lakh tonnes MY-2021-22).



India's Soyameal exports has been increased in 2022-23 than the previous year. Soymeal export during April 2023 was higher (1.77 lakh tonnes) than April 2022 0.24 lakh tonnes). In the case of soybean oil imports, India imported soybean oil 17.25 lakh tonnes during November 2022 to April 2023. (Source : SEA report, May 23).



The monthly market arrivals of soybean in the current year are higher than the previous year.



The prices of soybean in current year are lower than the previous year.

The average prices during the last three months were:

March - 2023 : Rs. 5129 /qtl.

April 2023: Rs.5152 / qtl.

May 2023 (till 26th): Rs. 5072/qtl.

The prices are still above the Minimum Support Price announced for the current kharif season 2022-23 (Rs. 4300/qtl.)

Forecast of Prices for the Next Three Months

June 2023: Rs. 4,800 to 5,200 per quintal

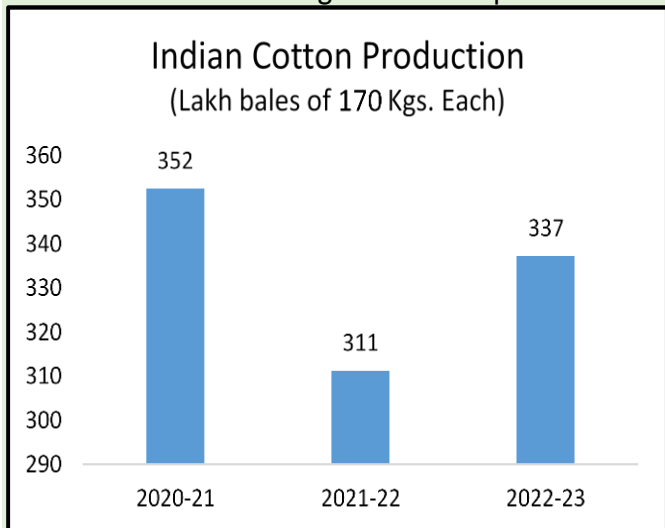
July 2023: Rs. 4,900 to Rs. 5,300 per quintal

August 2023: Rs. 4800 to Rs. 5200 per quintal

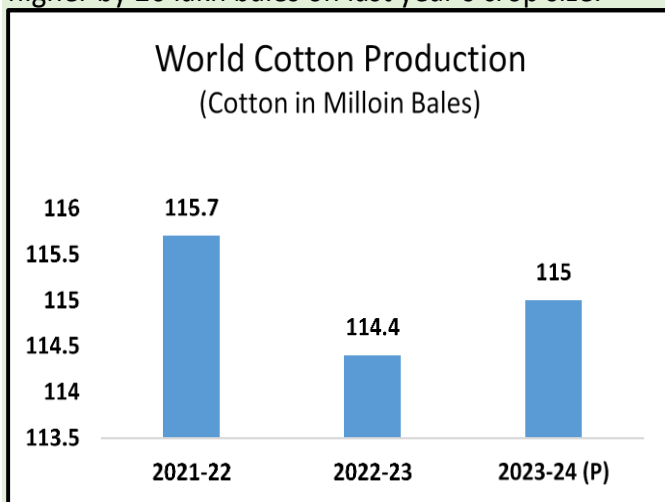
This price forecast is for FAQ grade soybean.

Cotton

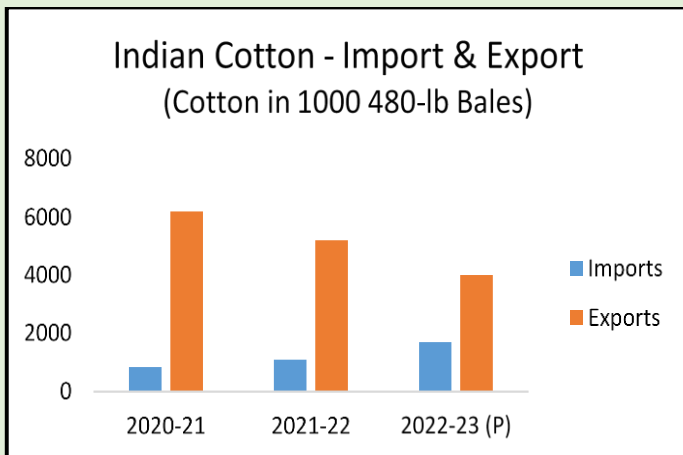
Cotton is one of the most important commercial crop cultivated in India which is known as 'White-Gold'. Globally India is the major producing country of cotton followed by China and U.S.A. It accounts around 25% of the total global cotton production.



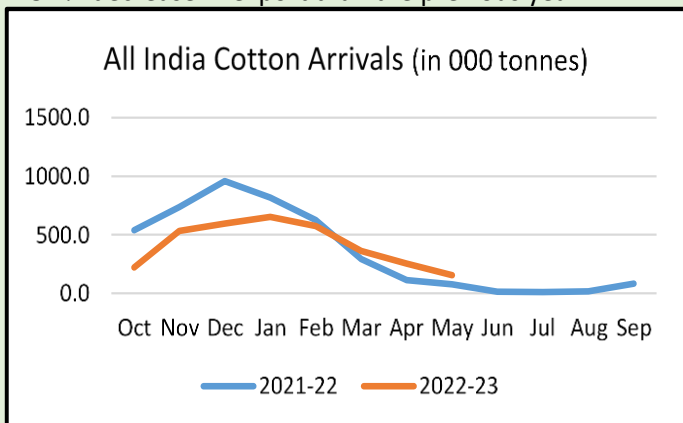
After dropping to a 14-year low production last year, India's cotton crop is projected at 337 lakh bales higher by 26 lakh bales on last year's crop size.



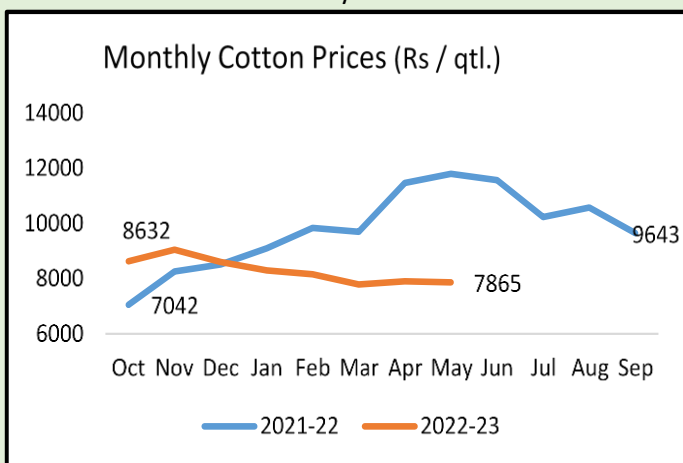
World cotton production in 2023-24 is expected to rise marginally from the year before (up 0.5 percent or 600,000 bales) to 115.0 million bales as larger expected crops in the United States and Pakistan offset projected declines in China and Turkey. (Source: USDA –Cotton Outlook)



In case of national Import & Export, 55 % increase in import and 23 % decrease in export has been estimated during the 2022-23 than the previous year. Same trend has been occurred at global level with 3.84 % increase in import and 1.81 % decrease in export than the previous year.



In the month of march market arrivals of cottons seems to be almost same as the last year.



The prices of cotton in Rajkot market is slightly decreasing since last four months.

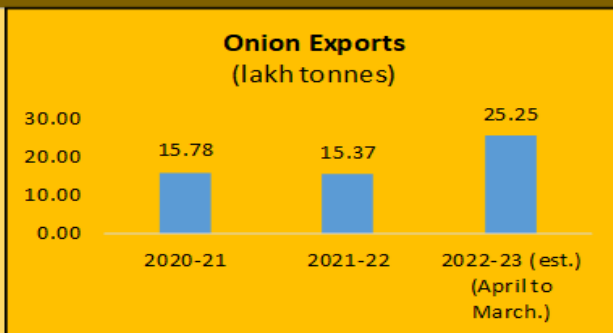
Forecast of Cotton Prices for the next Three Months

June 2023: Rs. 7,500 to 8,500 / Qtl.

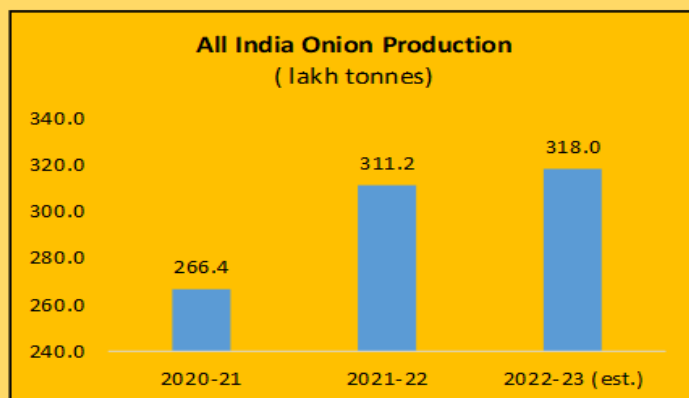
July 2023: Rs. 7,600 to 8,600 / Qtl.

August 2023: Rs. 7,500 to 8,500 / Qtl.

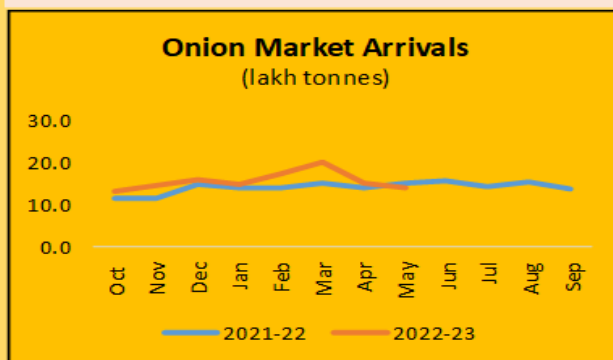
Onion: Onion (*Allium Cepa L.*) is one of the important commercial vegetable crops grown in different parts of India. Its use is increasing as the population is increasing. The onion prices experience very high volatility due to its perishability. India is the largest onion producing country in the world with 25.58% share in the total world production (FAO,2020). India produces onions both as Kharif crop and Rabi crop. The kharif and late kharif crops, which together, account for around 60 per cent of the production of onion in India, is not suitable for storage. The Kharif crop comes to the market during October – January. The Rabi crop is marketed during April – June. Maharashtra is a leading producer of onions in India with contribution of 33% followed by Karnataka (17%) and Madhya Pradesh (10%).



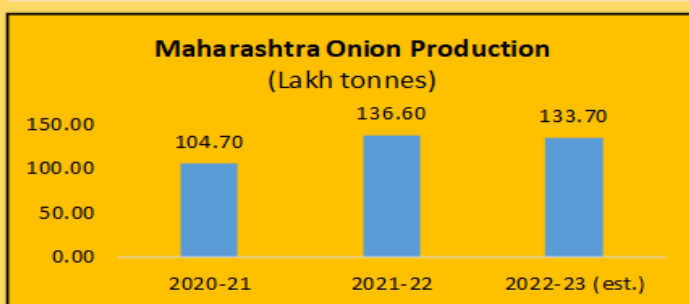
Onion exports in 2022-23 are higher than the previous year. During April 2022 to March 2023, onion exports were higher by 64% as compare to April 2021 to Feb. 2022. (Source:



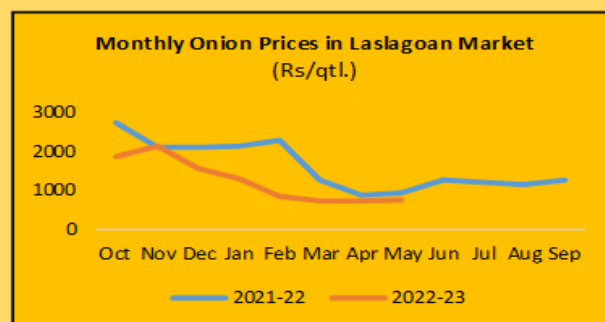
Onion production is estimated at 318 lakhs tons for MY 2022-23MY, which is higher than the previous year.



The monthly market arrivals of Onion in the current year are higher than the previous year. (source: AGMARKNET)



The onion production is estimated 133.79 lakh tonnes for 2022-23 in Maharashtra. (136.68 lakh tonnes in 2021-22) (Dept. of Horticulture, GoM).



The prices of Onion in current year are lower than the previous year due to higher production and high market arrivals. The average prices during the last three months. are as follows:

March 2023 : Rs. 743 /qtl.
 April 2023: Rs.740 / qtl.
 May 2023 (till 26th): Rs. 754/qtl.
 (source: AGMARKNET)

Forecast of Prices for the Next Three Months

June 2023: Rs. 750 to 1,150 per quintal
 July 2023 : Rs. 800 to Rs. 1,200 per quintal
 August 2023: Rs. 900 to Rs. 1,400 per quintal

The monthly prices forecast report is prepared by Market Intelligence and Risk Mitigation Cell, PIU-Agriculture, under The World Bank assisted, Hon. Balasaheb Thackeray Agribusiness & Rural Transformation (SMART) Project. The report covers six commodities i.e. Maize, Tur, Gram, Soybean, Cotton and Onion.

For further information

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