



CHICKPEAS AND LENTILS WEBINAR

CHANA OUTLOOK 2021

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AREA

(Area: Thd Ha)

States	A	B	C	C-B	C-B
	2018-19	2019-20	2020-21	Change	% Change
Madhya Pradesh	3432	2738	2575	-163	-6%
Maharashtra	1314	2179	2453	274	13%
Rajasthan	1502	2138	2124	-14	-1%
Gujarat	174	378	819	441	117%
Others	3197	3297	3229	-68	-2%
Total	9619	10731	11200	469	4%

- Area covered under Chana is higher by 4% over last year.
- In M.P states, there is a shift towards wheat & other local crops from Chana.
- In MH, the acreage of Chana has increased due to crop rotation & inadequate water to irrigate wheat.

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- In Raj, the trade estimate of acreage is much lower than Govt. number.
- In Guj, area is definitely higher but Govt numbers seems to be too optimistic.
- Govt. has hiked MSP to Rs. 5100 per Qtl from Rs. 4875 per Qtl.

PRODUCTION

(Area: Thd Ha)

States	Area		Area Change %	Yield	Production compare with Last Year
	2019-20	2020-21			
Madhya Pradesh	2738	2575	-6%	Poor Yields.	20-30 % Down
Maharashtra	2179	2453	13%	Below Avg.	0 % - 05% Up
Rajasthan	2138	2124	-1%	Poor Yields.	30- 40% Down
Gujarat	378	819	117%	Above Avg.	100 % Up
Others	3297	3229	-2%	Average	10-20 % Down
All India	10731	11200	4%	Below Avg.	8-13 % Down

- In M.P, lower area coupled with poor yield resulted in lower production
- In MH, higher area could not be capitalize into big production number due to poor yields.
- In Raj. production decline due to Lower area and below average yield.

*Rajasthan areas seems to be lower by 300-400 Thd Hac.

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- In Guj, production has jumped due to higher area and above average yield.
- All India area more or less same, but 3 out of 5 majors states reported poor yields, So overall production is decline by 8-13% over last year.

*Rajasthan areas seems to be lower by 300-400 Thd Hac.

NAFED PROCUREMENT

State	Target	Procured	% Achieved
Andhra Pradesh	1,39,900	5,481.3	3.9%
Telangana	51,325	15,100.9	29.42%
Maharashtra	6,17,000	85,474.95	13.8%
Madhya Pradesh	14,50,000	35,723.76	2.46%
Karnataka	1,67,000	18,720.86	11.2%
Gujarat	2,80,000	84,961	30.34%
Total	27,05,225	2,48,890	9.2%

As of 14th April

No big purchases by NAFED this year as open market prices of Chana is higher than MSP. Secondly Business in the local market is badly affected by the new wave of COVID -19.

SUPPLY & DEMAND SCENARIO

Particular	Changes
Opening Stock	20% Lower than LY
Production	8-13 % Lower than LY
Imports	Negligible change
Total Supply	12-15% Lower than LY
*Consumption	2-3% lower than LY
Exports	Negligible change
End Stock	40-50 % Lower than LY

- Total Supply lower by 12-15 % over last year
- This Year, Chana Stock decline by 40-50% .
- Imports expected almost same - High import duty of 60% from non LDC.

*Consumption will depend upon lingering consider of COVID-19 and Govt. import policy of Chana and yellow peas.

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- Consumption has slightly declined due to 2nd Covid WAVE & no free distribution of chana by Govt like Last Year.
- This year end Stock is set to decline by 40-50% over year.

*Consumption will depend upon lingering consider of COVID-19 and Govt. import policy of Chana and yellow peas.

KEY FACTORS FOR CHANA PRICE

BULLISH FACTORS

- ↑ Year on year decline in production due to unfavorable weather despite of rise in acreage.
- ↑ Low opening stock.
- ↑ NAFED is carrying comparatively very low stocks.
- ↑ Disparity in Chana imports mainly due to higher import duty of 60%.
- ↑ Yellow Peas imports has stopped which is cheaper substitute of Chana.
- ↑ Most other pulses (though not direct substitutes) like **Pigeon Peas, Red Lentils, Black Matpe** have tight supplies.
- ↑ The Govt policies would be more favoring farmers.

BEARISH FACTORS

- ↓ Surge in COVID 19 cases is enforcing renewed lockdowns. Closure of Hotels, Caterings and restaurants curtailing Chana consumption in Commercial sector.
- ↓ Farmers may liquidated their pending stock after lockdown is over, but we don't expect large supply.
- ↓ Govt may reduce Import Duty of Chana.
- ↓ Govt. may change Import Policy of Yellow Peas like MIP, Quota issuance, duty reduction etc
- ↓ Govt. may allow additional import quota of other pulses (Though not a direct substitute) .



PRICE OUTLOOK

This year Chana prices are likely remain firm and substantial uptrend on tight supplies.

However, only major setback can come from the Govt. If they Change its import duty and import quota.

THANK YOU !



If you think we can add value to your business

:: Contact us ::
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