Panel Discussion on Market Trend in Desi & Kabuli Chickpeas on 9th January 2024 at Mahabalipuram

Participants:

1) Mr. Dilip Mohanty, Sr. Vice President – Reliance Retail Ltd
2) Mr. Sohil Tanna, Director – Agrocorp India
3) Mr. Ankush Jain, Business Head Pulses – Olam Agri
4) Mr. Deepak Pareek, Founder – HNYB Tech Incubation Pvt. Ltd.

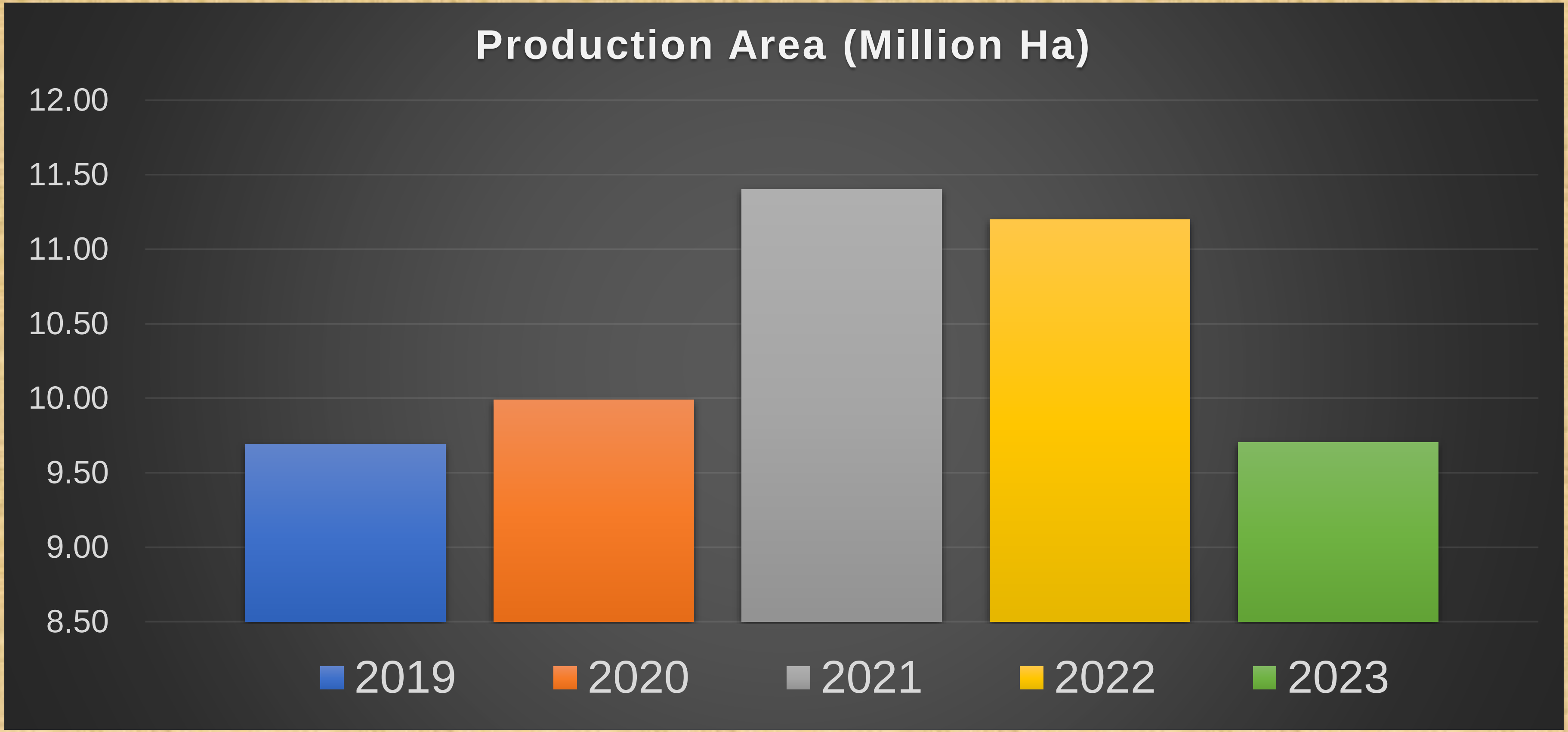
Moderator:

Mr. Lalit Bangar – Global Agri & Pulses Specialist

Overview of Chickpeas (Chana & Kabuli)

Chana Sowing Trend in India

Particulars	2019	2020	2021	2022	2023	Diff YoY
Production Area (Million Ha)	9.69	9.99	11.4	10.58	9.7	-8.27%



State-wise Sowing Acreage – Comparison

States	Area Sown (Lakh hectare) 22-23	Area Sown (Lakh hectare) 23-24	Difference %
Raj	21.44	19.33	-10%
MP	20.81	23.17	11%
Kar	11.84	9.43	-20%
UP	6.20	6.82	10%
Mah.	25.87	22.03	-15%
AP	3.41	2.25	-34%
Cha	3.43	3.20	-7%
Guj	7.49	5.91	-21%
Tel	1.23	0.95	-22%
Others	4.08	3.97	-3%
Total	**105.80**	**97.05**	**-8%**

Overall sowing is down by 8%

Key States Crop Scenario

Karnataka

- Crop is only 40 % because of monsoon deficit.
- Cold is very less, yield is impacted
- Area shifted to Groundnut and Jawar.

Maharashtra

- 100% sowing
- Crop is delayed by 20-25 days because of resowing
- Soil moisture and Cold looks appropriate
- Looks to be a good harvest.
- Staggered arrival expected

Gujarat

- Crop sowing 15-20% less
- Area shifted to Jeera
- Moisture scarcity / barren land
- Staggered sowing

MP

Madhya Pradesh

- Area shifted to Lentils / Kabuli / Khesari
- Crop looks good, the cold temp is not adequate
- Crop size same as last year

Rajasthan

Madha Pradesh

- Sowing is same as last year
- Need another rain by 10th Jan
- Crop same as last year

UP

- Crop 20% less
- Area shifted to Lentils and Yellow Peas
- Very less cold and crop will mature 20 days early.

Area, Productivity & Production Chart

Year	Area (Million Ha)	Yield (MT / Ha)	Production (MMT)
2016	9.95	0.943	9.4
2017	10.76	1.06	11.38
2018	9.66	1.03	9.94
2019	10.72	1.03	11.08
2020	11.2	1.064	11.91
2021	11.49	1.18	13.54
2022	11.02	1.095	12.26
2023*	10	1.095	10.95

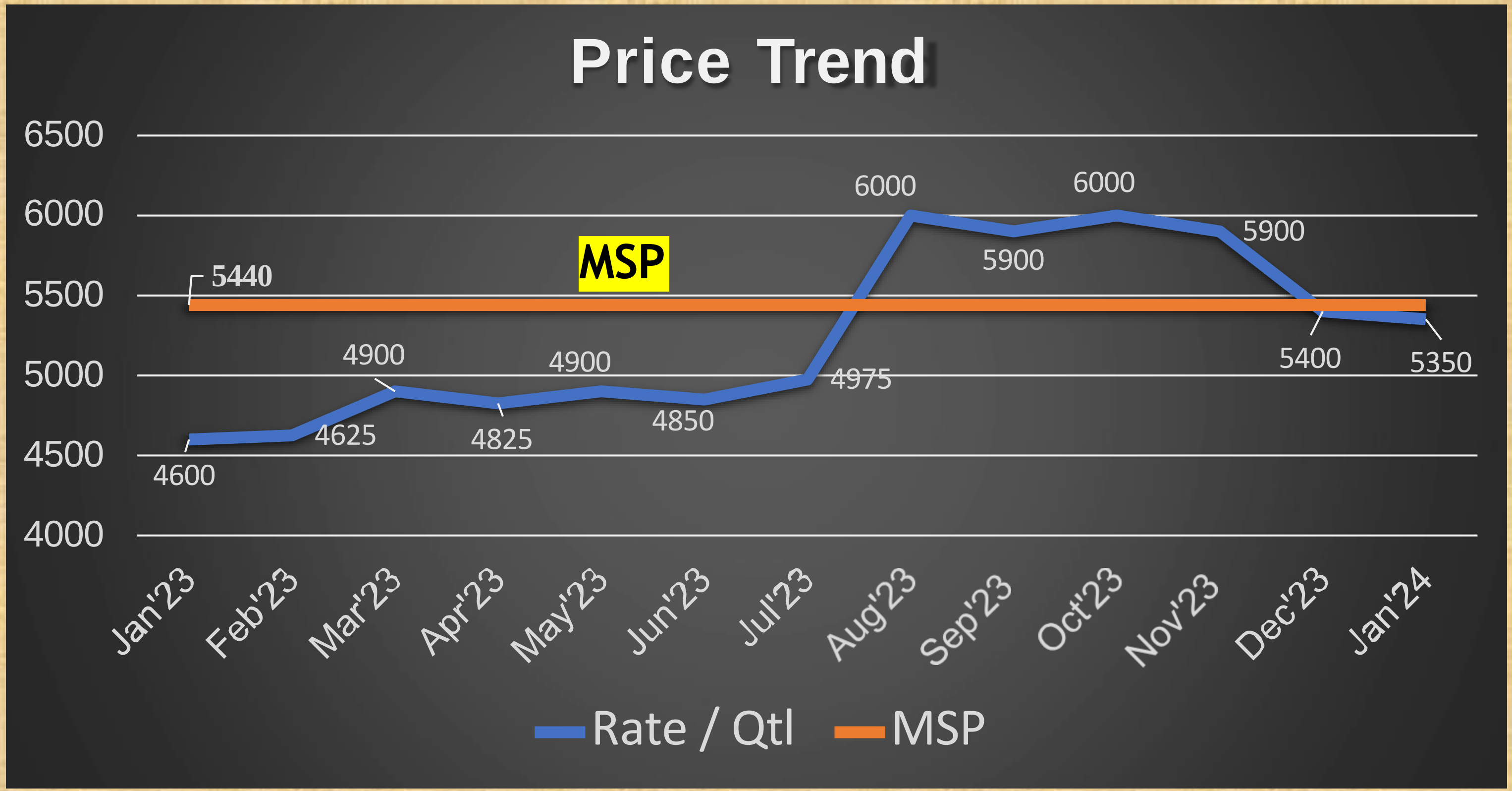
As per estimate the crop is down 10% compared to last year

*** Estimates**

Price trend last 12 months- Gujarat

Month	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24
Rs / Qtl	4600	4625	4900	4825	4900	4850	4975	6000	5900	6000	5900	5400	5350

Today's Mandi Price is Rs 5200 / Qtl



Current Indian Stock Position

(Lakh Tonnes)

NAFED Stock 26/12	PSS	PSF	Total
MP	4.25	1.2	5.45
Maharashtra	1.65	2	3.65
Gujarat	2.15	-	2.15
AP/Tel	1.01	-	1.01
Others	0.15	0.4	0.55
Rajasthan	0.3	-	0.3
Karnataka	0.03	-	0.03
Total	**9.54**	**3.6**	**13.14**

(Lakh Tonnes)

Date	Govt.	Private Sector	Total
1st Jan'22	22	9	31
1st Jan'23	18	8	26
1st Jan'24	13.14	6	19.14

Consumption is approx. 8 lac MT / month
The current stock will not be sufficient to cater to our 2 months requirement

The carry over stock is down ~ 26%

Supply and Demand (Trade Estimate)

(Qty in Lakh Tonnes)

Chana Estimated Supply and Demand (2024-25)			
Particulars	**2023-24**	**2024-25**	**% Change**
Opening stock	17.4	11.2	-36
Production	94.0	87.0	-8
Imports	1.5	2	33
Total supply	**112.9**	**100.2**	**-12**
Exports	1.3	1.5	0
Consumption	100	96.25	-4
Total usage	**101.3**	**98.0**	**-4**
Ending stock	11.6	2.2	-84

Supply matches the consumption requirement without any significant carry-over stock

Bharat Chana Dal in Retail

(Rate: Rupees per KG)

	Bharat Chana dal	Loose Chana dal
MAP with Tax	54-55	68
MRP	60	75
GM %	8%	9%

Particulars	Price(Rs/Kg)
Bulk	68
Packing	5
GST	3.6
Total	**76.6**

	Share		
	Oct	Nov	Dec
Bharat Chana dal	2%	43%	66%
Chana dal [Loose]	98%	57%	34%

Bharat Chana dal is much cheaper, and the share is increasing MOM

Factors Affecting New Crop Chana Prices

1. Weather pattern during next 2 months.

2. Govt decision of Import duty reduction of chana.

3. Distribution of Bharat Chana dal in Retail market.

4. Yellow peas import date extension after 31st March' 24.

5. Govt Procurement strategy for the new crop cargo.

Expected Arrival & Price Outlook

Arrival flow	Dates
Karnataka	7th Jan'24
Maharastra	10th Feb'24
Gujarat	20th Feb'24
Madhya Pradesh	1st March'24
Rajasthan	1st April'24

Why Markets Got Depressed despite low stocks?

1. Bharat Dal Distribution
2. Yellow Peas Import
3. Winter Vegetable Season

How we see the market here onwards?

1. Present Mkt is Rs. 52/- Ex-Mandi
2. Mkt will recover before the arrival pressure 5-6%
3. 1st Week of March mkt may go down to same level.
   Ex Mandi- Rs. 51-52/-

Kabuli – State-wise Production

(Quantity in lakh Tonnes)

States	2022-23	2023-24*
MP	2.25	2.8
Maha	0.7	1
AP	0.4	0.6
Guj / Ktk	0.25	0.5
Total	**3.6**	**4.9**

*New crop production is projected to be 27% higher than the previous year

Kabuli Contd.

Quantity in Lakh Tonnes

Kabuli SND LMT				
Particulars	**2022**	**2023**	**2024***	**Diff YoY**
Opening Stock	0.3	0.2	0.1	-50%
Trade Est. production	4.2	3.6	4.9	36%
Imports	0.2	0.6	0.5	-16%
Total Supply	4.7	4.4	5.5	25%
Consumption	3.5	3	3.8	27%
Exports	1	1.3	1.5	15%
Ending stocks	**0.2**	**0.1**	**0.2**	**100%**

Mexico crop has doubled during this season and hence, India and Mexico's final output will decide the expected price movement

Price Trend: 2022-23 vs Expected 2023-24

				Quantity in Lakh Tonnes	
	2022-23			2023-24**	
Variety	Opening	Peak Price	Present Price	Opening	Lowest
42/44	125	169	155	140	120
58/60	110	155	139	125	105/107

*Price: Rs/Kg
**Expected

Facts about Kabuli

1. Kabuli sowing has doubled in many areas, over all 50% rise
2. Crop will be 30-35% more compared to last year (El Nino and Poor Weather)
3. Expect Bold to be 3.0 Lacs and Bitki to be 2.0 Lacs
4. It is a HORECA product. Bitki is mostly consumed in UP and Bihar.
5. Since prices are moving up, HORECA moves from big to small size
6. April/May – Prices will remain firm (Pipelines are empty) and expect good export demand
7. Mexico crop is doubled this year, final yield and crop number in India and Mexico will decide the price direction

Global Trade Flow

EXPORTS

Origin	Destination	Exports ('000 Tonnes)			
		2020	2021	2022	2023
Australia	Pakistan	132	322	258	275
	Bangladesh	176	343	220	135
	UAE	42	65	27	68
	Nepal	30	40	38	39
	India	8	4	1	3
	Others	35	59	54	59
	Total	**424**	**832**	**598**	**579**
Tanzania	India	101	129	67	126
	Pakistan	4	5	72	4
	Bangaldesh	1	-	8	-
	UAE	2	1	15	-
	Others	0	0	3	-
	Total	**108**	**135**	**166**	**130**

IMPORTS

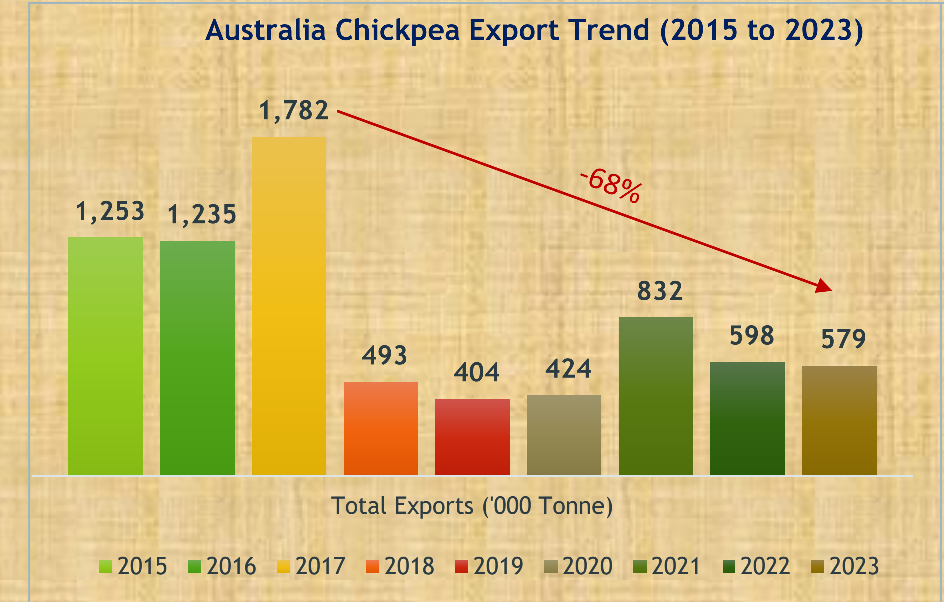
Country	Origin	Imports ('000 Tonnes)			
		2020	2021	2022	2023
Pakistan	Australia	141	378	276	304
	Tanzania	4	5	72	-
	Ethiopia	4	9	5	5
	Others	324	233	61	61
	Total	**473**	**625**	**414**	**370**
Bangladesh	Australia	176	339	220	135
	India	18	0	12	124
	Tanzania	1	-	8	-
	Others	1	0	0	-
	Total	**196**	**339**	**241**	**259**
India	Tanzania	124	130	88	126
	Australia	0	0	-	-
	Others	16	18	-	2
	Total	**140**	**148**	**88**	**128**

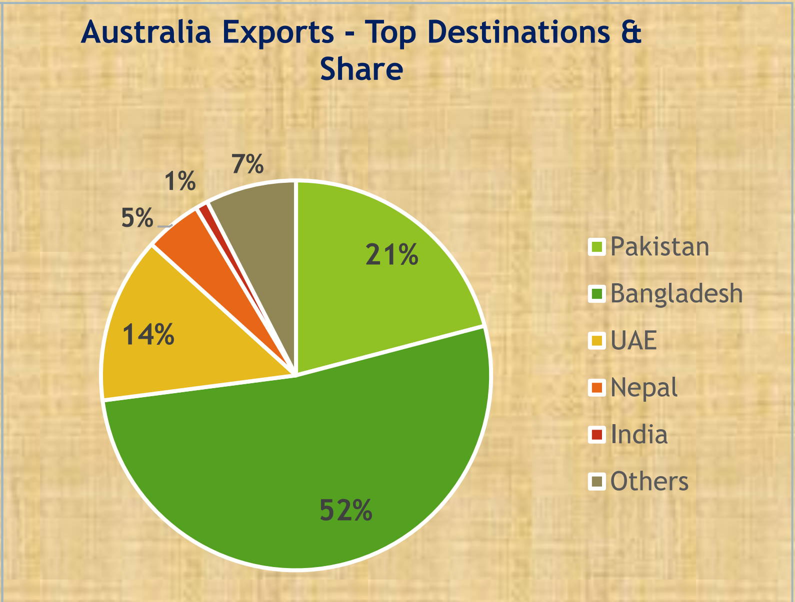
- Australia – Low Export Surplus
- Tanzania – Good Production, High Import Demand from key markets & Higher Exports
- Pakistan – Reduced Demand, High Inflation
- Bangladesh – High Import Demand amid increased consumption & low domestic production
- India – Low domestic production, High Import Demand

Australia Chickpea S&D

Australia Chickpea Supply & Demand Estimate

Description	2018	2019	2020	2021	2022	2023 E
Production (MTs)	0.31	0.41	0.88	0.73	0.54	0.36
Carry-in (MTs)	0.26	0.05	0.02	0.04	0.14	0.02
Total Supply (MTs)	**0.57**	**0.46**	**0.90**	**0.77**	**0.68**	**0.38**
Export (MTs)	0.49	0.40	0.83	0.60	0.62	**0.32**
Total Usage (MTs)	**0.52**	**0.44**	**0.86**	**0.63**	**0.66**	**0.36**
Ending Stock	**0.05**	**0.02**	**0.04**	**0.14**	**0.02**	**0.02**





Australia is the largest exporter of Chickpeas, producing about one third of global exports over past 10 years.

- Australia produced more than 2 million tonnes chickpea in 2017 which has reduced to 0.53 million tonnes in 2023
- Till 2017, India was the top importer of Australian Chickpeas with over 60% share
- Post introduction of tariffs by India, overall exports from Australia declined significantly
- Australia registered around 68% decline in exports from 2017 to 2023
- Australia's biggest markets are now Bangladesh (52%), Pakistan (21%), and UAE (14%)
- However, Tanzania and India are major competitors of Australia for Pakistan and Bangladesh respectively

Key Highlights 2024

- Chickpea S&D is expected to be tight this year amid short supply and high demand
- Australia chickpea production is expected to be lower this year due to impact of El-Nino and hence, lower export surplus
- However, amid high pigeon pea prices in India, farmers in Tanzania may give higher acreages to Pigeon Pea against Chickpea
- India’s chickpea crop production is at risk due to unfavourable weather conditions due to El-Nino
- India’s chickpea imports have increased to more than 0.15 million tonne this year amid high imports from Tanzania
- India is expected to import more chickpeas during this year due to lower production expectations against higher demand
- Import demand from Bangladesh is expected to be higher amid increased consumption, inadequate domestic production, and opening of pea imports by India

Thank You