

Hindu Business Line p.18. Date 29/7/2016

# Burgeoning chana prices surpass tur for the first time

de blames supply shortage amid rising demand; prices may cool off in October

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hat could be a first in commodity trading, prices of chana (kpea or bengal gram) are ruling higher than tur (arhar or red mung) in several markets. While depleting stocks have been driving up chana prices in recent weeks, the expectations of a better on a surge in kharif acreages resulted in a softening trend in prices of tur.

While the trade attributes the price rise to a shortfall in supplies and rising demand, pulse growers, who are sceptical, said speculation could be fuelling rally.

Adherers in key pulses markets as Indore and Delhi said that chana is ruling higher than tur for the first time in the history of

commodity trading. "Chana had never seen this kind of a price," said Pradip Kumar Jindal, President of the Pulses and Beans Importers Association in Delhi, attributing the trend to the lower domestic crop and depletion of imported stocks.

On the NCDEX, the chana contract expiring on July 20 ended 4 per cent higher at ₹9,020 a quintal, while the August contract also ended 4 per cent higher at ₹8,788 on Tuesday. Following the sharp increase in futures prices, market regulator SEBI had banned the launch of new chana contracts last month.

At Dahod in Gujarat, the modal price for tur stood at ₹7,500 a quintal on Tuesday, whereas the price of gram was at ₹8,650. In Delhi, spot chana prices were at ₹9,028 on

Tuesday, while in Indore the prices stood at ₹8,593.

The rally in chana also perked up its dal prices with chana dal (average) being quoted at ₹10,500-700, chana dal (medium) at ₹10,700-900, while chana dal (bold) was quoted at ₹11,000-11,200, in Indore.

Trade sources said adverse weather had shrunk the 2015-16 domestic chana crop to around 5.5 million tonnes from 7.33 million tonnes last year. Also depletion of imported stocks from Australia, estimated to be around 4.5 lakh tonnes, also resulted in an uptrend in prices.

Jindal said chana prices will start cooling off once imports of the new crop arrive from Australia, where the next crop that will be harvested in October is bigger in size at 13 million tonnes as against 11 million tonnes last year. "For the next two months till arrival of a fresh lot of imported chana from



Australia in September-October this year, chana prices are expected to fluctuate between ₹8,500 and ₹9,000 a quintal. However, once imported chana hits local mandis in October, chana prices may decline by ₹1,000-1,500," said Prakash Vora, a trader in Indore.

## Tur range-bound

On the other hand, tur is also ruling range-bound between ₹8,500 and ₹9,000 a quintal as the pressure of imported stock has reigned in an uptrend.

Also, the import of tur from Mozambique, which is expected to hit



the domestic market by October-November, in all likelihood is to keep prices under control. Bearish sentiment in tur will also be supported by expectations of a better crop report and surge in sowing area.

Till last Friday, tur acreage stood at 29.19 lakh hectares — up 57 per cent over last year's 18.62 lh with Karnataka, Maharashtra, Madhya Pradesh and Telangana reporting higher acreages.

"But for a recent break in rains, the acreage this year would have been much higher," said Basavara Ingin, President of Tur Growers As-

sociation in Gulbarga, the tur bowl of Karnataka. Terming the recent divergent trend in chana and tur prices as 'peculiar,' Ingin said that speculators could be driving the market.

Tur (Maharashtra) prices hit the ₹10,000-mark in April-May this year, while tur dal prices at the retail level have touched ₹210/kg in several markets.

Though the tur prices have begun to soften, consumers may see a respite with a lag. Currently, tur dal prices in the mandis are ranging between ₹13,000-14,000 a quintal in Indore.

Following the steep rise in prices of pulses and pulse seeds in April, the Centre had imposed stock limit in pulse seeds. Because of processing costs at the mill level, tur dal is normally quoted 25-30 per cent higher in the retail market.

(With inputs from Our Indore Correspondent)

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20-7-2016