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Summary

Mostly weak tone witnessed in the Oilseeds complex during the current week amid sluggish demand. Only groundnut seed prices closed on higher side followed by lower crop estimates and rising demand. New mustard crops arrivals have started to hit in the domestic market which is weighing on mustard seed prices. Beneficial rainfall at the maturity stage for Mustard crops, helped farmers to get better yield of this season as a result we expect higher mustard crop size for 2018/19 and 2019/20. Higher crop estimates will limit further gain in the market.

As per recent SEA released data, Rapeseed mustard production is likely to increase by 19% to 8.5 million tons in 2018/19 supported by good weather condition compared to previous year record. Farmers have covered higher areas under planting on account of higher seed prices. Rapeseed mustard is the main winter-sown oilseed in India. Higher production estimates may limit India to import edible oil from other countries. Good rainfall at flowering and maturity stage helped for better yield. So far, Farmers have harvested around 20 to 25% of rapeseed crop of this season and the remaining will be harvested in 3 to 4 weeks. India buys palm oil from Indonesia and Malaysia, Soy oil from Argentina and Brazil, sunflower oil from Ukraine and canola oil from Canada. SEA expects higher Rapeseed crop estimates in Rajasthan at 3.37 million tons, Madhya Pradesh at 1.01 million tons and Uttar Pradesh at 1.49 million tons for 2018/19 followed by better yield and higher acreage.

As per sources, Soybean production of India may rise by 38% to 11.48 million tons this year against 8.36 million tons in last year record as supported by better yield, favorable weather condition in the major soybean crop growing states like Madhya Pradesh, Maharashtra and Rajasthan. As per Soybean Processors' Association (SOPA) estimates, Soybean acreage rose to 10.48 million hectares compared to 10.16 million hectares in the last season. Average yield jumped by 29 per cent to 1059 kg per hectare for the current harvesting season from 823 kg per hectare in the previous season. Soybean production in Madhya Pradesh may inch up by 41% to 5.92 million tons for the current season from 4.2 million tons last year. Total yield in the state is estimated to rise by 30.5 per cent to 1094 kg per hectare for the current season from 838 kg from the previous season.

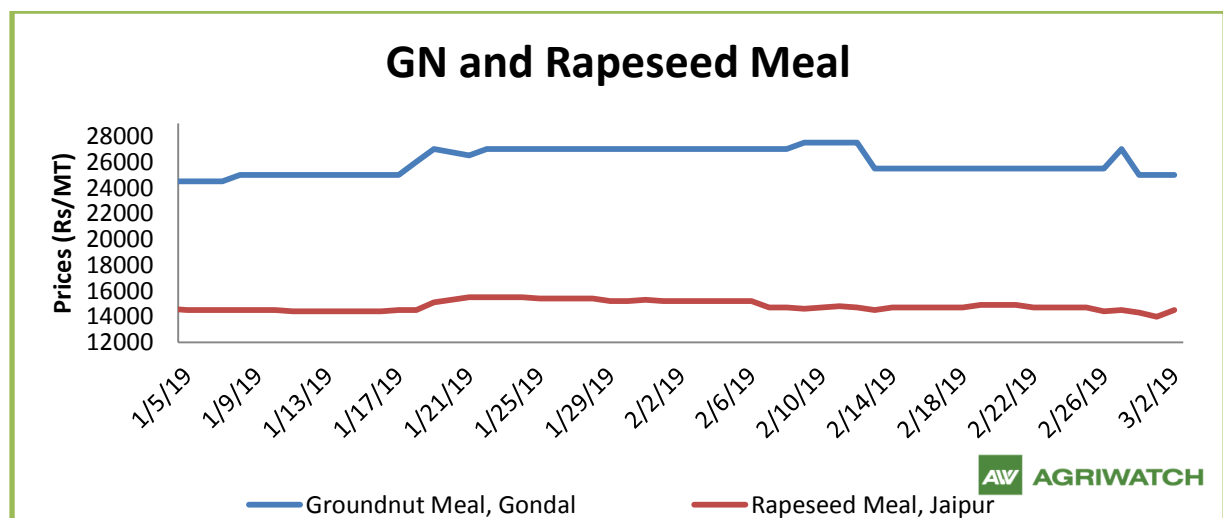
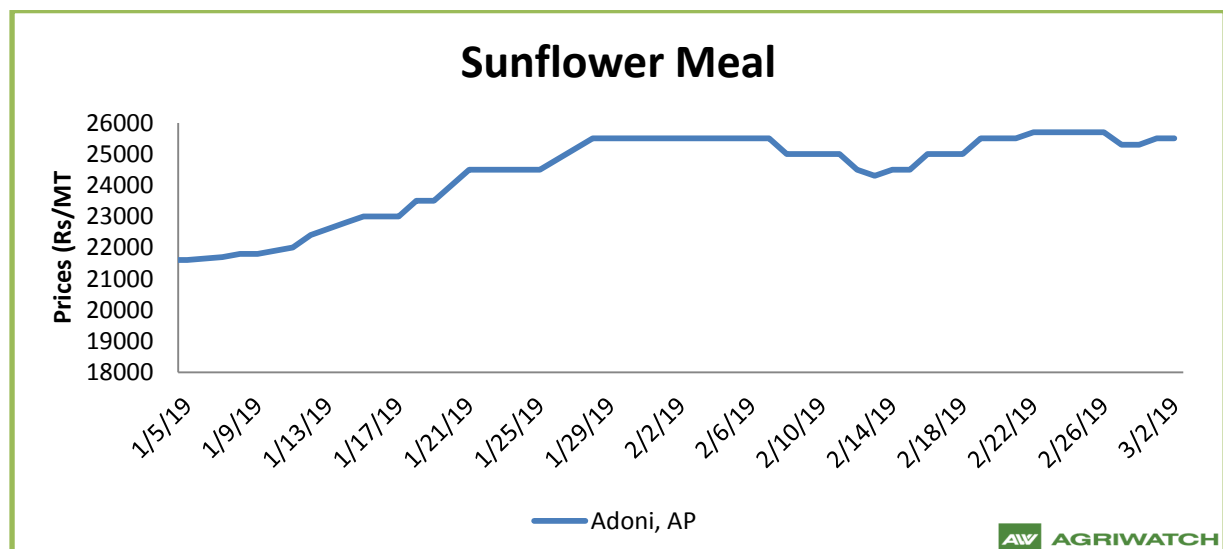
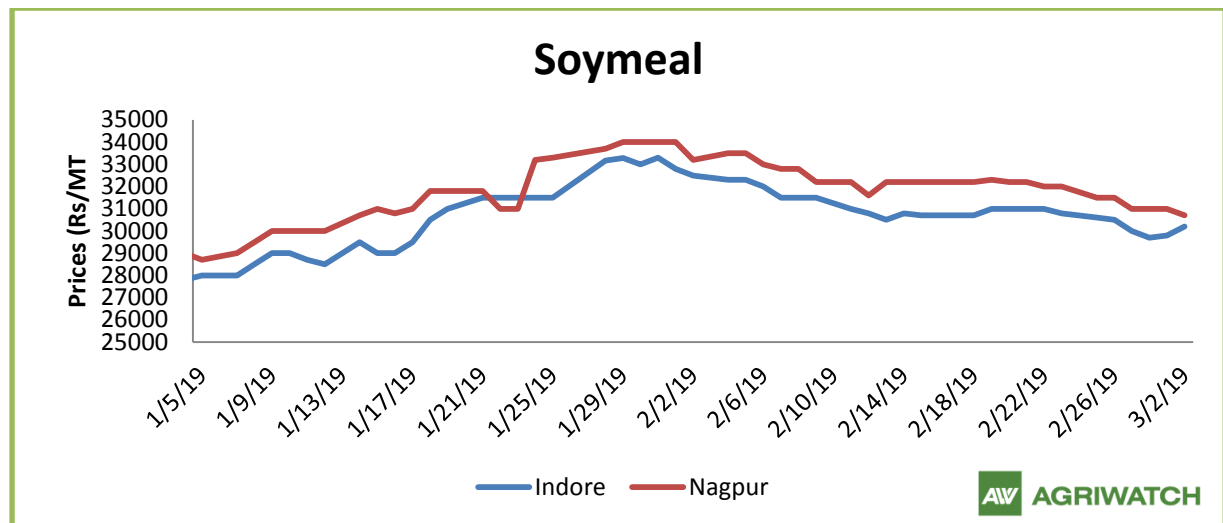
At international front, CBOT soybean future declined on heavy supplies in the market as of now. New Brazilian soybean crop started to enter in the market which may reduce U.S. soybean demand. Unseasonal rain in Argentina helped to improve standing Soy crop. Argentina is likely to grow 53 million tons of Soybean for 2018/19 season. Harvesting can be started in next month. Farmers in Brazil have harvested about 45 percent of fields as on 25th Feb 2019 for the 2018/19 season followed by good supportive weather condition in top state Mato Grosso. It is higher almost 20% against last year record at the same time period and 27% higher compared to last 5 years records. In Mato Grosso, farmers have harvested about 80% of fields. South America is harvesting its soybean crop in full pace. On the other hand, traders are waiting for the confirmation of China to buy U.S. Soybean again. There is remaining unclear picture about China and U.S. trade deal negotiation.

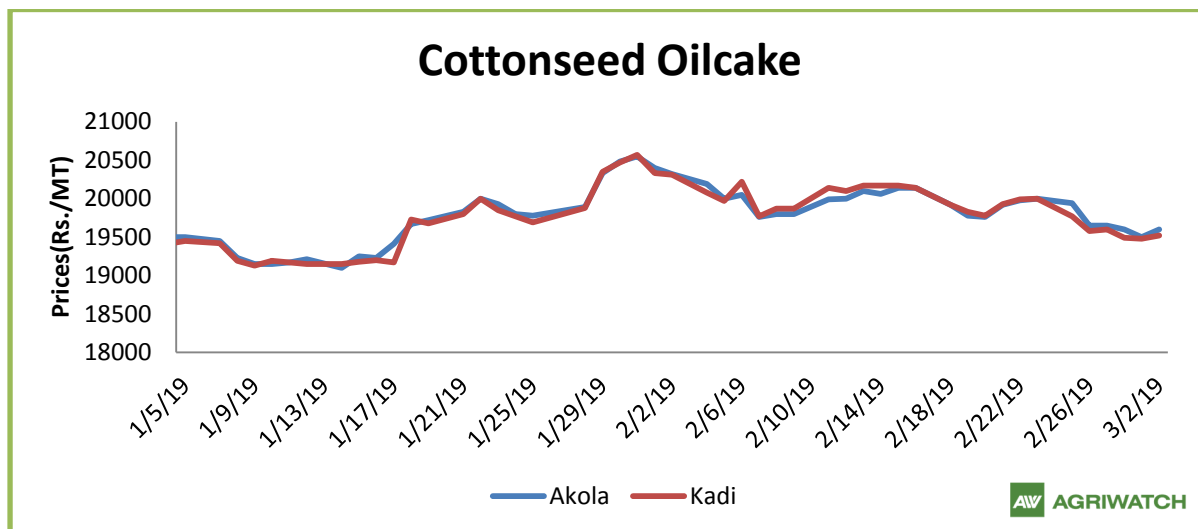
Overall soybean may trade lower side in expectation of dull local and export demand. Mustard may move steady to declining phase on less demand and higher crop estimates.

Major maize cash markets traded mixed during the week and are likely to trade mixed in the near term too. At one side, scarcity of goods amid high feed makers demand could keep firmness intact while on the other sides, expectation of new crop arrival could limit the firmness.

All India weekly average prices of wheat decreased by 5.99 percent to Rs. 2016.08 per quintal during the week ended 28th February 2019. Wheat average price were ruling at Rs 2144.46 per quintal during 16-23 February 2019. As compared to prices in the week 24-28 February 2018, the prices are firm by 14.07 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean prices declined despite lower supplies as demand was sluggish. Local crushers as well as exporters are waiting to improve soybean prices. Lower trend of Soybean market may extend on higher crop estimates and dull demand.

As per recent ministry report, Rabi Oilseeds crop sowing area in 2018/19 season stood slightly down by 0.6% to 80.40 lakh Ha. in India as compared to 80.98 Lakh Ha. in 2017-18. Currently, farmers have covered total 80.36 lakh Ha. normal area as on 22nd Feb 2019. However, Rapeseed sowing area of this year is recorded higher by 2.3% to 69.37 Lakh Ha. against 67.06 Lakh Ha. in last year.

Maharashtra may cover 36.39 lakh ha. area of Soybean crop in this year as per SOPA estimates. The estimate is down by 10% from government estimates of 40.43 lakh Ha area. Soybean production of the state may increase by 32% to 38.4 lakh tons in this year.

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The domestic soybean prices are likely to trade steady to downside in the domestic market.

International Market

According to recent USDA export sales data, U.S. sold total 2.1 million tons Soybean for 2018/19 delivery during the weeks ended Feb 21, 2019. As per Reuters, U.S. soybean crushing may stand total at 5.480 million short tons, or 182.7 million bushels. Estimates ranged from 180.6 million bushels to 183.4 million bushels, with a median of 183.1 million bushels. The figure is down from a 183.6 million-bushel crush in December 2018 but above the January 2018 crush of 174.6 million bushels.

Currently, U.S. traders are holding about 14.1 million tons of Soybean further to sell by Aug. 31, 2019 and it should cover average sales of 500,000 tons per week going forward.

As per sources, China has imported total 135,814 tons of soybeans in January 2019 higher by 95% against 69,298 tons in December 2018 due to hefty duty imposed on shipment from the United States. However, it is down from 5.82 million tons in previous year record. China imported 4.93 million tons of Brazilian soybeans in January which is almost double from previous year volume i.e. 2.07 million tons. As per USDA report, China has imported total 7.4 million tons of U.S. Soybean so far in this year which is lower from 26 million tons in last year record. African swine fever in China has also reduced the demand for Soybean there.

As per USDA report U.S. may plant less Soybean at 85 million acres against 89.2 million acres in last year as farmers are likely to shift soybean area to corn. While Reuters analyst expect at 86.1 million acres. Soybean crop in Argentina is in good condition supported by recent hot and dry weather which is helping to stabilize flooded areas. Argentina may harvest 53 million tons of Soybean in the current season. U.S. soybean supplies are expected to make a record at 910 million bushels which is just double from last year record due to higher Soybean crop estimates in South America and U.S. trade dispute with China.

South America is harvesting its soybean crop in full pace. Exports may commence in May for new crop. U.S. and Brazilian soybean export prices are very close and competitive for each. Argentina received good rainfall which may help standing soybean crops. Farmers in Brazil have harvested about 45 percent of fields as on 25th Feb 2019 for the 2018/19 season followed by good supportive weather condition in top state Mato Grosso. It is higher almost 20% against last year record at the same time period and 27% higher compared to last 5 years records. In Mato Grasso, farmers have harvested about 80% of fields.

As per Agribusiness consultancy AgRural, Brazil is likely to export soybean at 70.2 million tons in 2019 lower from its previous forecast of 73 million tons because China and U.S trade war could not affect much on Brazilian soybean demand. Even, shipment of Brazil may fall further more after resolving trade war of the countries. It says that Brazil is likely to produce Soybean crop at 116.4 million tons in 2018/19 which is lower than its previous forecast i.e. 116.5 million tons due to continue dry spell in the country. While, farmers of Brazil expect crop size at 114.6 million tons lower from 119.3 million tons in the last crop year as dryness and excessive heat in key planting regions from December 2018 affected development of the beans in the filling stage. While, INTL FC stone expects Brazil's soybean output at 113 million tons in 2019 lower from its previous estimate i.e. 112.195 million tons in February. It expects exports at 79 million tons for 2019.

As per sources, Shipment of Brazil for Soybean is likely to decline in March 2019 on account of U.S. competition, strong Brazilian currency and farmers are not releasing their holding beans stocks due to low prices and forecasts for lower output in the world's top exporter of the oilseeds. Brazil exported some 9 million tons of soybeans in March of last year and a record of 84 million tons in 2018.

Soy meal

Soymeal prices are noted continue on downside on lackluster trading activities. Exporters are absent as of now due to global news. Delay decision on trade negotiations between China and U.S. are affecting domestic Soymeal prices. South based traders are also inactive in the market.

As per sources, India may ship 25% higher Soymeal to 15 lakh tons in 2018-19 (Apr-Mar) which may support prices to rise in the long run. However, higher production estimates and supplies may curb any major gain.

As per SEA recent report, India exports total 283,850 tons of Oilmeals during January 2019 higher than 269,668 tons in previous year during the corresponding period of time. Total exports volume of Oilmeals is recorded up by 7% at 2,692,452 tons during April 2018 to January 2019 against 2,516,657 in previous year during the same period of time. Total shipment of Rapeseed meal went up at 897,537 tons in first ten months (April to January 2019) against 486,917 during the same period of time in previous year supported by major buyers like South Korea, Vietnam and Thailand. Thailand shipped 65% higher rapeseed meals to 263,280 tons in the current season .

Now, Iran is ready to buy Soybean meal from India. Iran bought total 2.8 lakh tons of Indian Soybean meal during April to January 2019 which is higher from 23000 tons in previous year record.

According to recent WASDE report, there are no changes in Soybean meal production as the higher crush is offset by a lower extraction rate. Lower supplies and increased crush are partly offset with a 25-million-bushel reduction in exports. Ending stocks are estimated down by 45 million to 910 million bushels from its earlier forecast.

Indian soymeal premium quoted higher side by \$132 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

Rapeseed - Mustard Seed

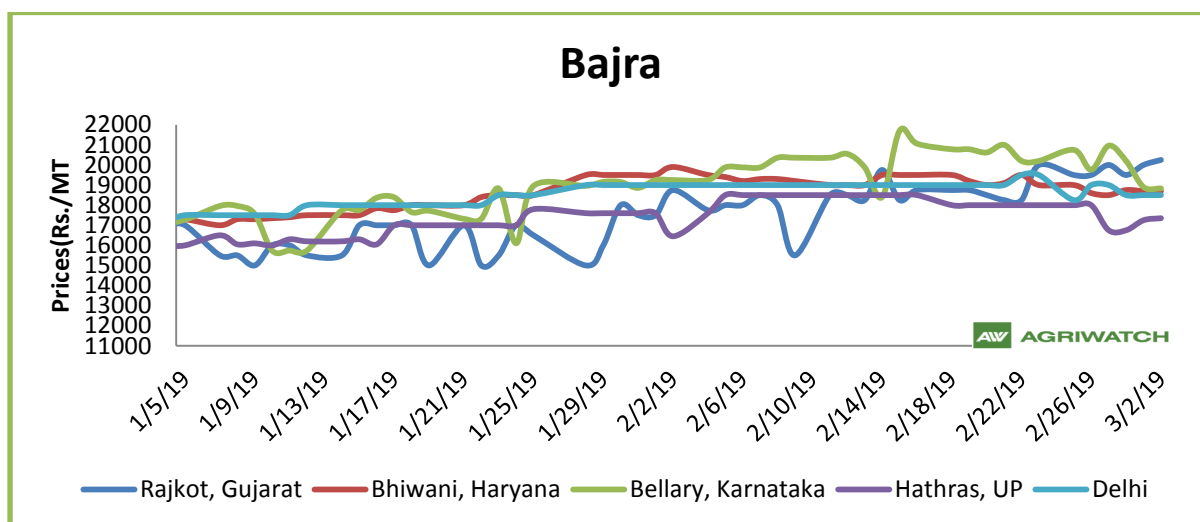
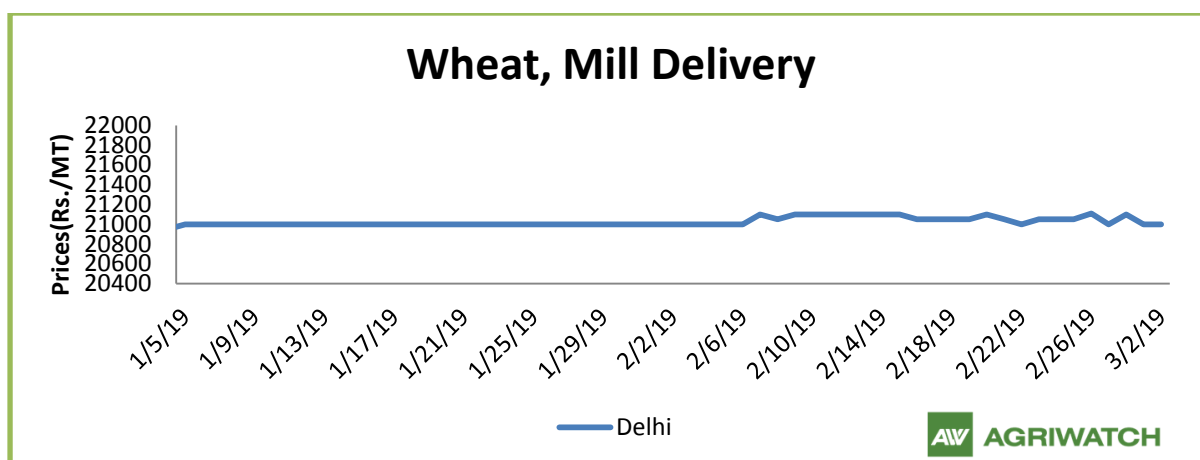
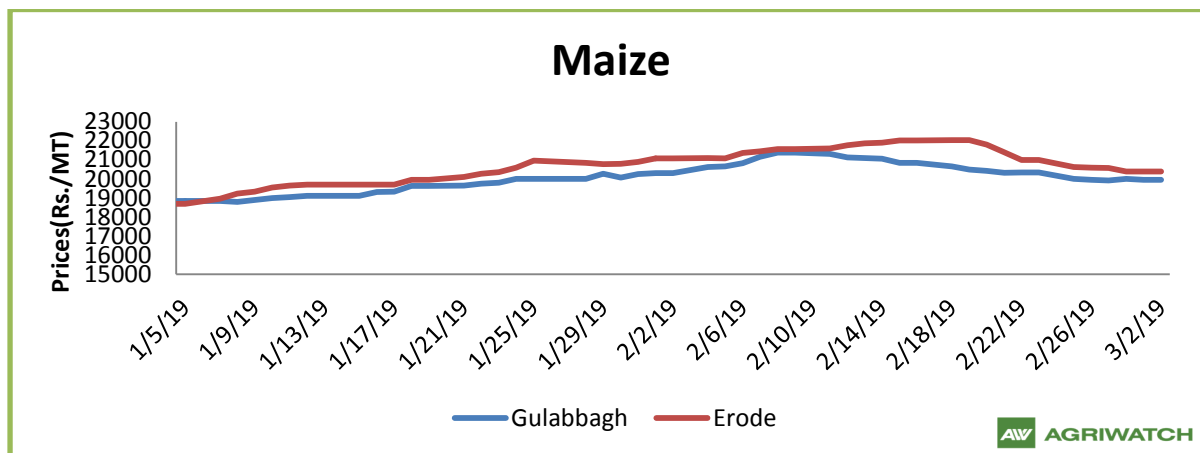
All India weekly seed supplies are continued on higher side as farmers have started to bring their new harvested crop in the market. Traders especially in Baran market are ready to buy new crop at the current market prices due to good seed quality.

The spot prices show downtrend on bulk in supplies. Mustard prices can get support at 3850/ qtl in Jaipur market as traders may increase their buying volume at this level for stock purpose. At the end of week, mustard closed lower at 4005 per quintal as against 4125 per quintal last week at the benchmark, Jaipur.

New Mustard crop has started to hit at the Baran market and was expected as the sowing was early in Rajasthan. Mustard prices in Rajasthan are quoting lower due to new higher crop arrivals. However, the demand for new crop is good at the current market prices as the quality is good. Traders are saying about bumper crop in this season. Higher crop supplies against less demand may curb any major gain in the market.

Higher crop estimate for 2018/19 and 2019/20 is affecting to Mustard prices in the domestic markets. Beneficial recent rainfall in India increased the productivity in all key states like Rajasthan, U.P., Bihar, Gujarat, Haryana and West Bengal. We expect higher Mustard crop size for 2018/19 season on improved yield and higher covering sowing area in some of the key states.

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Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)

Major maize cash markets traded mixed during the week and are likely to trade mixed in the near term too. At one side, scarcity of goods amid high feed makers demand could keep firmness intact while on the other sides, expectation of new crop arrival could limit the firmness.

In Telangana, expectation of new crop in coming days and stock released by Telangana government could limit the firmness while in Davangere region of Karnataka; maize could trade steady to slightly

weak due to sluggish demand of Tamilnadu feed makers. In Karnataka region, new crop from Haveri and Ranebennur region has just started contains moisture up to 20%.

As per trade sources, India exported 30,033 MT of maize for the month of January'19 at an average FoB of \$263.86/ MT. Indian maize is exported mainly to Nepal followed by Yemen, Qatar and Sri Lanka mainly through Raxaul followed by JNPT and Mundra port.

In India, Rabi maize has been sown in around 15.56 lakh hectares as of 22nd February, 2019 which is lower than 17.28 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.75 lakh hectare which is almost equal to 4.70 lakh hectares during corresponding period last year. Crop conditions are favourable till the time. In Karnataka, it has been sown in around 0.81 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 1.16 lakh hectares- lower than 2.08 lakh hectares during corresponding period last year. In Gujarat, maize progressive area of Rabi 2018-19 is 0.97 lakh hectares which is equal to 0.96 lakh hectares during corresponding period last year.

In Telangana, Maize sowing for the Rabi season as of 22nd February'19 reported at 1.15 lakh a hectare which is lower than 1.47 lakh hectares in the corresponding period last year. Crop is at harvesting stage. Nizambad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-20% crop is affected by fall army worm. New crop in Telangana is expected to arrive soon.

From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2100 per quintal. Meanwhile, maize is moving towards Bangalore and Namakkal at Rs. 2000 per quintal each, Chitradurga at Rs. 1900 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 1950 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 2050 per quintal.

Corn on CBOT fall by 5.32 USD/MT to 142.51 USD/MT for Mar'19 contract compared to last week.

At 0.77 MMT (for the period 15th Feb- 21st Feb, 2019) US corn exports were for the destinations like Japan (94,700 MT) and Mexico (23,500 MT). Exports of 769,100 MT were primarily to Mexico (292,200 MT), Japan (114,600 MT), Peru (95,600 MT), Colombia (88,100 MT), and South Korea (69,600 MT).

All India weekly average prices of wheat decreased by 5.99 percent to Rs. 2016.08 per quintal during the week ended 28th February 2019. Wheat average price were ruling at Rs 2144.46 per quintal during 16-23 February 2019. As compared to prices in the week 24-28 February 2018, the prices are firm by 14.07 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

As per second advance estimate, India is likely to produce 99.12 MMT of wheat compared to 99.70 MMT in previous year. The total food grain production is expected at record 281.37 MMT compared to 277.49 MMT last year. This year overall acreage is lower by around 0.15% compared to last years' acreage of 300.12 lakh hectares.

As per final sowing update, area sown until 22nd February-19 is 299.68 lakh hectares compared to 300.12 lakh hectares in the previous Rabi season. The normal area is 306.29 lakh hectares. Acreage of wheat in Madhya Pradesh is higher as farmers have shifted from chickpea. This year, as on 01st February-19, farmers have sowed 60.00 lakh hectares of wheat in Madhya Pradesh compared to 53.16 Lakh hectares last year on same date. Lower acreage was reported in Maharashtra and Gujarat due to low availability of water.

Western disturbance accompanied with other climate factors has led to an extended winter. More rains have been experienced in Rajasthan, Punjab, Haryana, Madhya Pradesh and Western Uttar

Pradesh. Reports of flattening or damage to Rabi crops have been received but the actual impact is still being assessed. However these showers are not expected to cause any extensive damage. Weather, in general, has been favorable for wheat crop and a good harvest can be expected in MY 2019-20.

India mainly imports from Australia and Russia. Wheat prices have become weak in both the countries. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$345.80 (Rs 24485) per tonne and \$333.22 (Rs 23600) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 23000 per tonne and Rs 23500 per tonne respectively.

Indian FoB quote is hovering around \$297.69 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$230.90, \$230.60, Euro 188.50, \$211.32 and \$223.86 per tonne respectively. There is little hope for recovery at export front this year. However, India is expected to import around 1-5 thousand tonnes in MY 2018-19.

Global wheat market is expected to trade steady to slightly firm due to lower production in major producing regions. EU is likely to produce around 137.7 MMT in 2018-19 compared to 151.4 MMT in 2017-18. Russia and Ukraine are likely to harvest 71.60 MMT and 25.00 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 51.3 MMT compared to last year's 47.30 MMT. Australia is likely to produce 17.3 MMT in 2018-19 compared to 21.20 MMT in 2017-18. Argentina is expecting to harvest around 19.1 MMT in 2018-19 compared to 18.5 MMT in 2017-18. Furthermore, Canada is likely to harvest around 31.80 MMT in 2018-19 compared to 30.0 MMT in 2017-18.

Outlook: Feed prices are expected to trade steady to weak as overall feed ingredients prices traded weak during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	28-Feb-19	21-Feb-19	Parity To
Indore - 45%, Jute Bag	29700	31000	Gujarat, MP
Kota - 45%, PP Bag	30700	32000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31000	32300	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31000	32200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	31700	32500	Andhra, AP, Kar ,TN

Latur	32000	32500	-
Sangli	32000	32500	Local and South
Solapur	31000	33000	Local and South
Akola – 45%, PP Bag	30700	31500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32000	32700	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	30500	31800	-

Soy DOC at Port

Centers	Port Price	
	27-Feb-19	20-Feb-19
Kandla (FOR) (INR/MT)	32200	33900
Kandla (FAS) (USD/MT)	430	435

International Soy DOC			
Argentina FOB USD/MT	27-Feb-19	20-Feb-19	Change
Soybean Pellets	324	324	Unch
Soybean Cake Flour	324	324	Unch
Soya Meal	324	325	-1
Soy Expellers	324	325	-1
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	28-Feb-19	21-Feb-19	Change
Adoni	25300	25500	-200
Khamgaon	25300	-	-
Parli	-	-	-
Latur	-	-	-

Groundnut Meal (Rs/MT)	28-Feb-19	21-Feb-19	Change
Basis 45%, Saurashtra	25100	25300	-200
Basis 40%, Saurashtra	Unq	Unq	Unq
GN Cake, Gondal	Unq	Unq	Unq

Mustard DOC/Meal	28-Feb-19	21-Feb-19	Change
Jaipur (Plant delivery)	14300	15300	-1000
Kandla (FOR Rs/MT)	15000	15650	-650

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	28-Feb-19	21-Feb-19	28-Jan-19	28-Feb-18	28-Feb-17
Delhi	Hybrid(U.P)	2200	2150	2100	1350	1580
Davangere	Loose	1900	2000	1950	1230	1500
Nizamabad	Bilty	2030	2030	1875	1320	1470
Ahmadabad	Feed	2090	2250	2050	1350	1520
	Starch	2100	2200	2000	1350	1530

FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India
FOB	162.89	162.30	181.15	302.56
Cost and Freight	212.89	217.30	241.15	337.56

Soy Meal Exports (In MT):

Month	2014	2015	2016	2017	2018	2019
Jan	364444	103934	7707	155160	105678	210166
Feb	183551	64515	1127	207977	73816	
Mar	232176	46670	430.1	107059	39209	
Apr	75884	18017	12295	124374	68264	
May	8226	14046	10400	48900	76026	
Jun	2636	2098	17930	45975	104088	
Jul	6682	928	12270	80797	63747	
Aug	2778	768	10615	87668	59643	
Sep	868	6886	12210	102212	45388	
Oct	29071	4237	31390	71425	150388	
Nov	110806	8909	97750	207630	186409	

Dec	193832	5667	241250	168865	170588	
Total	1210954	276674	455374.1	1408042	1143244	210166

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	28-Feb-19	21-Feb-19	Change
Bajra	Karnataka	Hybrid	Bellary	2020	2100	-80
		Hybrid	Bangalore	2100	2100	Unch
Jowar	Karnataka	White	Bangalore	2150	2150	Unch
		White	Bellary	1744	1934	-190
Maize	Karnataka	Yellow	Davanger e	1900	2000	-100
	Andhra Pradesh	Yellow	Nizamaba d	1930	1930	Unch
Rice	Haryana	IR8	Karnal	2850	2850	Unch
		Parmal Raw	Karnal	3200	3200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2970	3100	-130
	Maharashtra	DOC	Sangli	3200	3250	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2530	2550	-20
	Maharashtra	Ex-factory	Latur	Unq	Unq	-
Mustard	Rajasthan	Plant delivery	Jaipur	1430	1490	-60
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2550	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1949	1993	-44
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1960	1992	-32
Note: Prices Rs./Qtl						

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