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Summary

Weak trends are witnessed at most of the Soybean trading centers during the week due to declined demand from the local crushers and south based traders. Supplies are decreased at major trading center as farmers and traders holding the stocks in expectation of further rise in Soybean prices. RM seed prices showed weak trends due to poor demand in the market. NCDEX future prices of Soybean and RM seeds declined sharply by the end of the week with profit bookings at the current prevailing price. RM Seed and Soybean market is mainly being driven by crop arrivals and local crushers & stockiest demand. CBOT soybean futures narrowed lower side due to improved crop condition by the end of the week.

As per Ministry data, the total area under Oilseeds is 173.34 lakh hectares against 173.55 lakh hectares in the previous year. There is a drop-in sowing of groundnuts to 37.51 lakh hectares against 39.68 lakh hectares last year. soybean is 112.71 lakh hectares against 111.79 lakh hectares last year, castor has been planted on 7.64 lakh hectares against 6.46 lakh hectares last year. Sunflower has been planted on 0.99 lakh hectares against 1.08 lakh hectares last year. Sesame has been planted on 13.12 lakh hectares against 13.69 lakh hectares last year, Nigerseed has been planted on 1.39 lakh ha against 0.84 lakh ha last year.

As per USDA recent release estimates, soybean production for marketing year 2019/20 (Oct.-Sept.) is revised lower to 10.5 million metric tons (MMT) on 11.2 million hectares. The national average yield will settle below last year's level due to concerns over prevailing weather conditions. During the period of heavy rainfall in the second week of August, short-duration cultivars were in their reproductive stage (full flowering and pod development) and susceptible to both biotic and abiotic stress. Late planted and long-duration soybean cultivars may benefit from recent heavy rainfall activity, if excessive rains do not continue. The proportion of late-planted soybeans may be slightly higher than usual due to the late monsoon and extended planting window through July.

CBOT Soybean future contract narrowed lower by the end of the week. As per USDA soybean weekly crop progress as on Tuesday, 56% of the crop is good to excellent, up from 55% a week ago. AS per WASDE latest report, U.S. oilseed production for 2019/20 is projected at 111.5 million tons, down by 4.5 million tonnes from last month mainly due to a lower soybean production forecast.

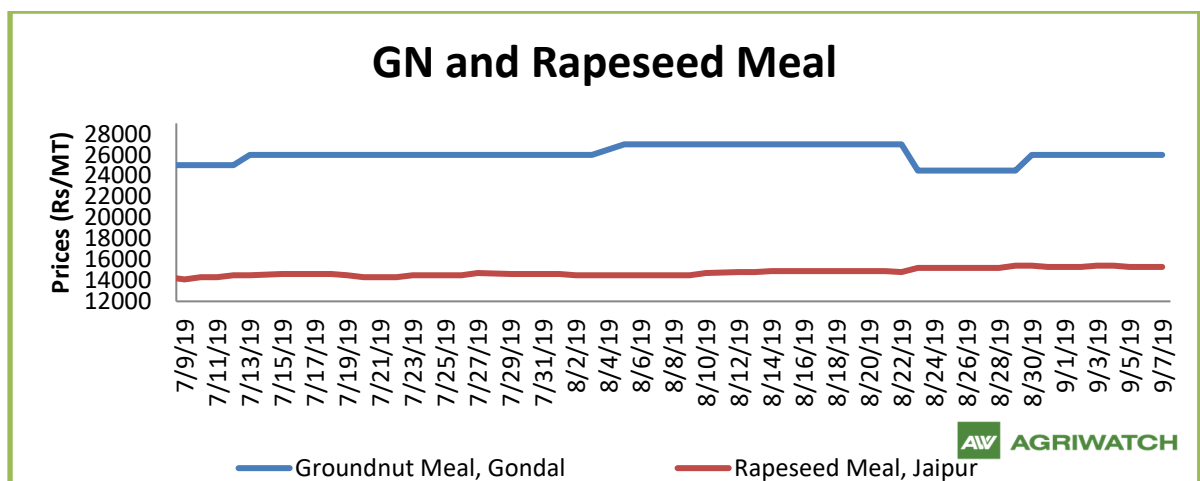
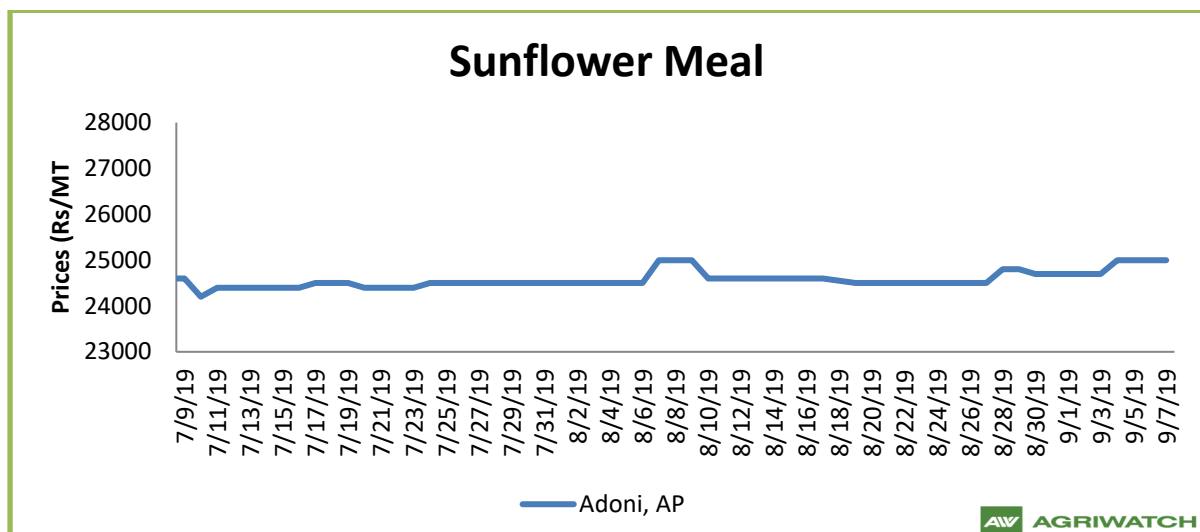
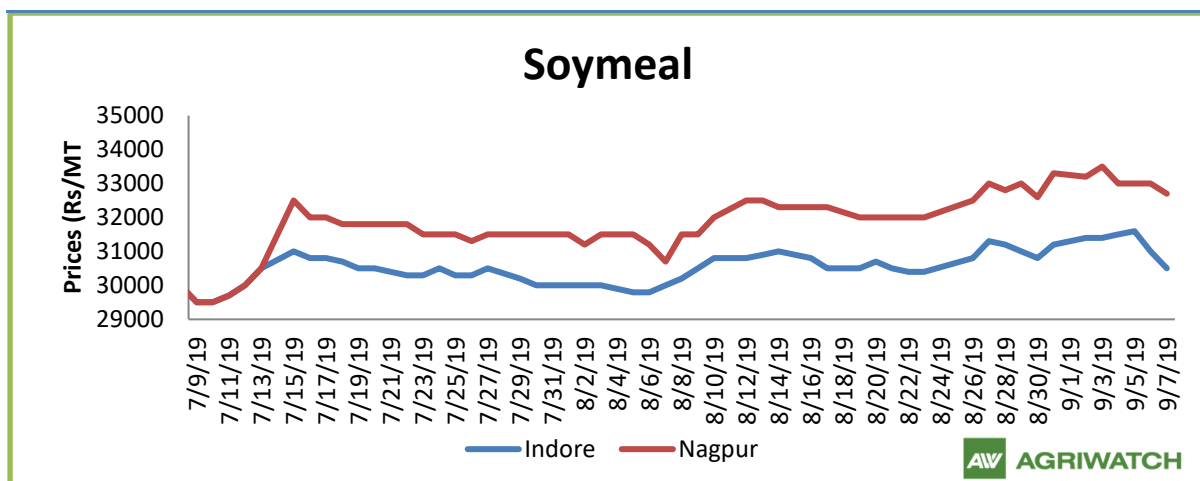
As per Commodity brokerage INTL FC Stone late Wednesday raised its forecast of the US 2019 soybean yield to 48.3 bushels per acre, from its Aug. 1 figure of 47.2. The US soybean production at 3.661 billion bushels, down from 3.743 billion previously, reflecting a smaller harvested acreage figure from last month. With lower production partly offset by higher beginning stocks, soybean supplies for 2019/20 are projected at 4.77 billion bushels, down by 3 percent from last month. U.S. soybean exports are reduced 100 million bushels to 1.78 billion bushels reflecting reduced global import demand, mainly for China. Lower sowing area, decreased global production estimates, may support CBOT prices to rise in coming days.

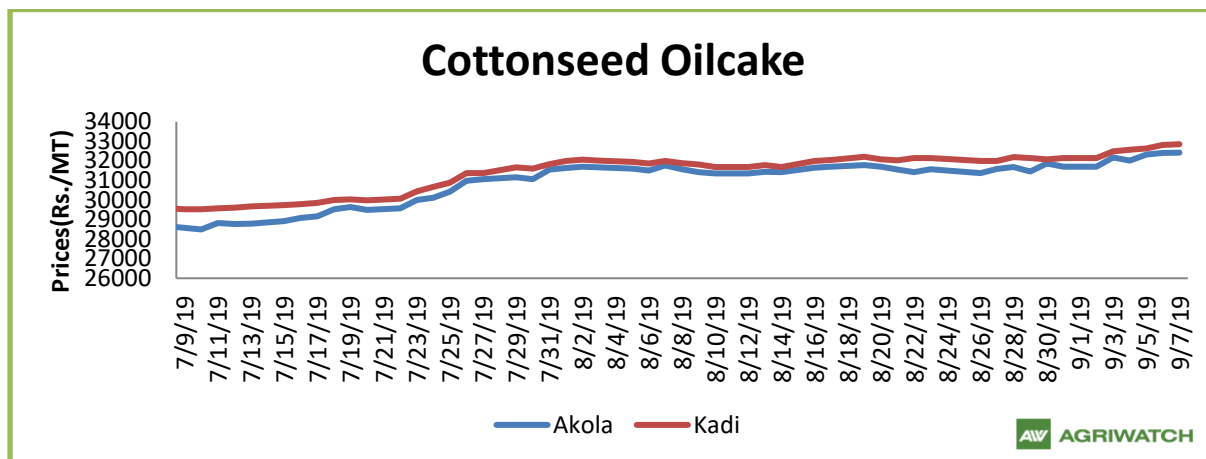
Oilseeds complex may trade in steady to weak tone in the coming days.

Maize cash markets traded steady to range bound during the week and is expected to trade steady to range bound for the week amid limited demand of feed makers.

All India weekly average prices of wheat increased by 2.22 percent to Rs. 2126.53 per quintal during the week ended 08th September 2019. Wheat average price were ruling at Rs 2080.43 per quintal during 24-31 August 2019. As compared to prices in the week 01-08 September 2018, the prices are firm by 2.40 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and likely increase in demand in domestic market.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Weak trends are witnessed at most of the soybean trading center due to decreased demand from the local crushers and south based traders. Farmers and traders holding the stocks in expectation of further rise in soybean prices. Soybean prices may come under pressure once the supplies will increase in the market.

As per the sources, India's soybean output is seen rising this year, on increase in acreage and copious rains in the key growing regions of Madhya Pradesh, Rajasthan. Soybean production will be higher this year and we expect it to be at least around 14 million tonnes. Farmers in MP and Rajasthan have planted more area while the area has shrunk in Maharashtra. However, last week, SOPA maintained that there was no widespread or excessive damage to the crop from excess rains. The harvesting of the early maturing varieties will begin by September 20-25 and full-scale harvesting will be from October 15.

Announcement of a higher minimum support price (MSP) for MY 2019/20 likely encouraged additional oilseed planting during an extended planting window in anticipation of higher returns, stable yields, and relatively lower crop maintenance compared to cotton. The GOIs MSP announcement claims that farmers receive 1.5 times the production cost of planting a crop.

As per USDA, the latest planting report indicates that kharif groundnut were planted on 3.5 million hectares compared to 3.6 million hectares planted last season. Post estimates that both winter and summer planting of groundnuts will likely be normal. During the current season, an additional 85,000 hectares came from Gujarat, Maharashtra, Tamil Nadu, and Madhya Pradesh, but 42 percent of the net decline reported from Andhra Pradesh, Karnataka, Rajasthan, Odisha, and other states.

As per the sources, recovery of monsoon this season in August has pulled down the prices of agricultural commodities during the past three days on expectations of a recovery in kharif output and favorable climatic condition for the rabi harvest for 2020. Although crop damages have been reported in few areas due to excess rain, which is minimal. However, for rabi crops, including mustard seed, good rain in September (as forecast by weather agencies), would provide better soil moisture for sowing. Besides, there are huge procured stocks of mustard seed with government, and the prices Mustard will remain under pressure

As per Fourth Advance Estimates for 2018-19, total food grain production in the country is estimated at 284.95 million tonnes which is nearly steady compared with 285.01 million tonnes of production for 2017-18, while it is higher by 19.20 million tonnes than the previous five years' (2013-14 to 2017-18)

average production of food grain. Total Oilseeds production in the country during 2018-19 is estimated at 32.26 million tonnes which is higher than the production of 31.46 million tonnes during 2017-18.

The domestic soybean prices are likely to trade in steady to weak tone in coming days.

International Market

As per USDA soybean weekly crop progress as on Tuesday, 56% of the crop is good to excellent, up from 55% a week ago.

As per the sources, Ukraine has exported 1.8 million tonnes of oilseeds since the start of the current MY 2019-20 against 1.2 million tonnes of oilseeds over the same period of the last marketing year.

As per the sources, China's customs said on Thursday that it has allowed imports of soybean meal, rapeseed meal, sunflower meal and sugar beet pulp from Russia. Exporters of these animal feed ingredients must be inspected and approved by Russian authorities and also registered with the Chinese regulator. The trade move came after China approved more soybean, wheat and barley imports from Russia, as a festering Sino-U.S. trade war curbed American agricultural shipments.

As per the sources, the area planted with soybeans in Brazil for 2019/2020 season, which starts this month, will grow by 1.1% to 36.3 million ha, the smallest increase in 13 years, as a global trade war and swine fever in China cloud the outlook for farmers.

Brazilian soybean exports fell by 23% to 7.82 million tonnes in July month and down by 11.4% in the first eight months of the year, compared to the same period of 2018. Due to China's demand for soya, which is used to make animal feed, has fallen as the spread of African swine fever has wiped out millions of hogs in the Asian country.

As per the sources, the soybean cultivation is expected to increase in Argentina because it requires more investment in fertilizers and new seeds each season, which is around 70% more than soya. Estimated farmers would likely to cut the area intended for corn this season by 200,000 hectares. Soybeans would take that area to reach 17.7 million hectares.

As per the sources, Germany's rapeseed harvest will fall 21.9% on the year to about 2.9 million tonnes. A sharp drop had been generally expected because of a big reduction in rapeseed plantings following dry weather in autumn 2018.

China's July soybean imports from the United States jumped three-fold from the previous year and Brazil at 6.42 million tonnes, down 8.9% from last year's 7.04 million tonnes but up 16.8% from 5.498 million tonnes in June. China, brought 911,888 tonnes of oilseed from the United States up from last year's 308,127 tonnes. The figures were also up 48.3% from 614,805 tonnes in June. China's total soybean imports rose in July from the same month last year.

As per the sources, (23-Aug-29-Aug-2019) US sold 69,400 MT for 2018-19, resulting in increases for Indonesia (131,200 MT, including 123,000 MT switched from unknown destinations), Pakistan (59,500 MT, including 65,000 MT switched from unknown destinations and decreases of 5,500 MT), Mexico (47,500 MT, including decreases of 1,300 MT), Colombia (38,600 MT, including 35,400 MT switched from unknown destinations), and Taiwan (35,800 MT, including decreases of 300 MT), were partially offset by reductions for unknown destinations (312,400 MT) and the Philippines (10,000 MT). For 2019/2020, net sales of 788,400 MT primarily for unknown destinations (409,000 MT), Mexico (102,000 MT), Egypt (72,000 MT), Vietnam (69,300 MT), and Bangladesh (57,000 MT), were partially offset by

reductions for Malaysia (4,400 MT) and Peru (2,300 MT). Exports of 1,196,500 MT were up 37 percent from the previous week and 18 percent from the prior 4-week average. The destinations were primarily to China (780,400 MT), Indonesia (147,900 MT), Mexico (72,400 MT), Pakistan (59,500 MT), and Colombia (38,600 MT).

AS per WASDE latest report, U.S. oilseed production for 2019/20 is projected at 111.5 million tons, down by 4.5 million tonnes from last month mainly due to a lower soybean production forecast. Soybean production is forecast at 3.68 billion bushels, down by 165 million bushels on lower harvested area. Harvested area is forecast at 75.9 million acres, down by 3.4 million acres from the NASS June Acreage Report led by reductions for Ohio and South Dakota. With lower production partly offset by higher beginning stocks, soybean supplies for 2019/20 are projected at 4.77 billion bushels, down by 3 percent from last month. U.S. soybean exports are reduced 100 million bushels to 1.78 billion bushels reflecting reduced global import demand, mainly for China

As per WASDE latest report, this month's 2019/20 global oilseed supply and demand forecasts include lower production, trade, and stocks compared to last month. Lower soybean, rapeseed, and peanut production are partly offset by higher sunflower seed output. Rapeseed production is lowered for the EU mainly on a lower area and yield for France. India's soybean and peanut harvested area is reduced due to slow planting progress to date. Ukraine's sunflower seed production is forecast higher, as timely rainfall in late July and early August boosted yield prospects. Global 2019/20 oilseed exports are reduced by 3.0 million tons mainly on a 2-million-ton reduction to soybean trade. China's soybean imports are lowered by 2 million tons to 85 million reflecting lower soybean meal crush in 2019/20. With crush also lowered in 2018/19, China's protein meal consumption growth is forecasted flat in 2019/20. Global 2019/20 soybean ending stocks are lower relative to last month due to lower stocks in the United States and China.

As per the sources, China's largest grain, oilseeds and food company, COFCO International plans to increase investment in Brazilian soybean production, which would buy 5% more soybeans each year from Brazil over the next five years and would finance the expansion of more than 60 million acres of soybean production in Brazil. COFCO last year exported from Brazil to China more than 13 million metric tons of grain and soybeans.

As per the sources, Brazil could see record soya harvests in the 2019-20 season dependent on good weather, and is expected to expand the soybean planted area by 2% to 36.8 million hectares in the upcoming season. That could result in production of 125 million to 126 million tonnes of the oilseeds, compared with 116.76 million tonnes during this year's harvest, which was affected by drought. It would also allow Brazil to overtake the United States as the world's top soya producer. Brazil to export 78 million tonnes of soya during the 2019-20 cycle, compared with 71.7 million tonnes in the 2018-19 harvest.

As per USDA forecast, overall oilseed production of Russia in 2019-20 at 18.8 million tonnes, which will be roughly the same amount produced in 2018-19. Exports of oilseeds in 2019-20 will reach an all-time high of 1.7 million tonnes, 7.3% higher than 2018-19. The major drivers of this growth will be exports of rapeseeds and soybean to China and an active supply of rapeseeds to Belarus that started in 2018-19.

As per USDA, the Chinese soybean production estimated for 2019-20 is 16.8 million MT up by 5.7% from 2018-19, due to the increased government subsidies, acreage expansion and slightly higher expected yield. However, China imported 42.4 million MT of soybeans during the first 7 months of 2018-

19, down by 8.2 million MT compared to same period last year. Imports are estimated to be down from 84 million MT in 2018-19 to 83 million MT in 2019-20.

Soy meal

Mixed trends are featured in Soymeal complex due to mixed sentiments in the market. Weak trends are featured in International markets Lower overseas demand and ample stocks availability in the market are affecting the sentiments.

As per the Solvent Extractors' Association of India the export of oilmeals during August 2019 is provisionally reported at 98,871 tons compared to 359,752 tons in August, 2018 i.e. down by 73%. The overall export of oilmeals during April-Aug., 2019 is reported at 1,016,682 tons compared to 1,326,626 tons in April-Aug., 2018 i.e. down by 23%. This is mainly due to higher price of domestic produce soybean meal. This make the domestic oilmeal expensive in international market compare to other origins. The export of castor seed meal has increased to 247,820(188,040) tons, mainly exported to South Korea.

During April-August 2019 Vietnam imported 147,869 tons of oilmeals (compared to 265,699 tons); consisting of 2,411 tons of soybean meal, 88,087 tons of rapeseed meal and 53,929 tons of De-oiled Rice Bran Extraction. South Korea imported 398,048 tons of oilmeals (compared to 431,084 tons); consisting 18,367 tons of soybean meal, 184,512 tons of rapeseed meal and 195,169 tons of castor seed meal. Thailand imported 118,178 tons of oilmeals (compared to 135,229 tons) consisting 97,229 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 3,368 tons of soybean meal.

The export from Kandla is reported at 399,127 tons (39%), followed by Mundra handled 322,915 tons (32%), and Mumbai including JNPT handled 77,981 tons (8%) and Kolkata handled 78,073 tons (8%) and Others Ports handled 138,586 tons (14%).

As per USDA release data, soybean meal exports slid in the last four months and are likely to stay subdued through September 2019 due to poor overseas demand and uncompetitive pricing. However, Indian soymeal may appeal to those who are willing to pay a more for the non-genetically modified tag and shorter transit time. The export basket will include 2 MMT of soymeal, a little less than 1 MMT of rapeseed meal, and some quantity of groundnut meal. During the first 10 months of MY 2018/19, total oil meal exports (including surface transport) have risen eight percent to 2.3 MMT.

As per USDA, The July 2019 FOB quote for India soybean meal is \$440/MT as against \$330/MT (average) quoted by international suppliers in the United States and Brazil. Between the two, U.S. soymeal is selling at an eight percent premium. Estimated soymeal exports to reach 1.7 MMT, which is 0.2 MMT less than originally forecast in April 2019. Poor soybean export sales will weigh on total oilmeal exports and therefore estimate has revised down total oilmeal exports for MY 2018/19 to 2.6 MMT against its April 2019 annual forecast of 2.9 MMT.

During the week (Aug 23 -Aug 29, 2019) US sold 68,500 MT for 2018-19, resulting in increases for Japan (25,200 MT), Mexico (15,800 MT, including decreases of 4,900 MT), Canada (9,700 MT, including decreases of 2,100 MT), Honduras (8,900 MT, including 8,600 MT switched from Guatemala and decreases of 700 MT), and Belgium (6,400 MT), were partially offset by reductions for Guatemala (9,200 MT), the Dominican Republic (2,000 MT), and Jamaica (1,000 MT). For 2019/2020, net sales of 158,600 MT were primarily for Mexico (49,600 MT), Ecuador (30,000 MT), the Dominican Republic (28,000 MT), Colombia (22,500 MT), and Honduras (15,200 MT). Exports of 261,900 MT were down 11 percent from the previous week, but up 26 percent from the prior 4-week average. The destinations were primarily to the Philippines (70,000 MT), Mexico (45,900 MT), Colombia (21,800 MT), Peru (20,100 MT), and Israel (19,600 MT).

As per recent WASDE report, Soybean meal production of India is estimated remain at 7.6 million tons for 2019/20 compared to previous year record. It is higher from 6.16 million tons in 2017/18 season. India may export 1.85 million tons Soymeal in 2019/20 same as in previous year. Domestic consumption of the country may stand at 5.75 million tons higher from 5.60 million tons in 2018/19.

During Indian Soymeal premium quoted higher side by \$124 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

RM seed prices showed weak trends due to poor demand in the market. Average mustard seed prices can get support at 4080/qrtl in Jaipur market. At the end of week, mustard closed lower at 4155 per quintal against 4185 per quintal last week at the benchmark, Jaipur.

As per Mustard Oil Producers Association of India mills crushed 575,000 tn mustard seed in August, up 15% on year, around 10% higher than 525,000 tn mustard crushed in July. A rise in demand for mustard meal from exporters and a pick-up in purchases by oil millers led to higher crushing. Farmers brought 515,000 tn mustard to markets in August, lower than 685,000 tn in the year-ago period. In Rajasthan, the top producer, total supply of mustard seed was 190,000 tn in August, in Uttar Pradesh 85,000 tn, and in Madhya Pradesh 60,000 tn. Stock with farmers, processors, stockists and state-run agencies were at 3.8 mln tn in August, compared with 2.6 mln tn in the yearago period. The association has estimated mustard output in the country at 8.1 mln tn in 2018-19, up from 7.1 mln tn in the previous year. However, this is lower than 9.3 mln tn, which is what the farm ministry forecast in its fourth advance estimate.

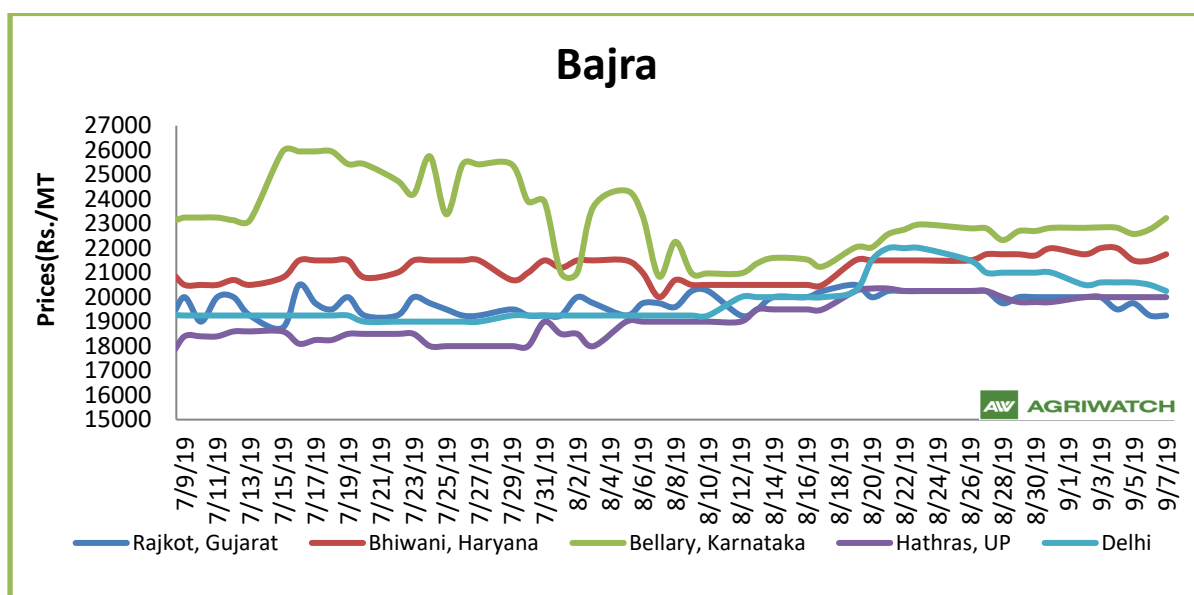
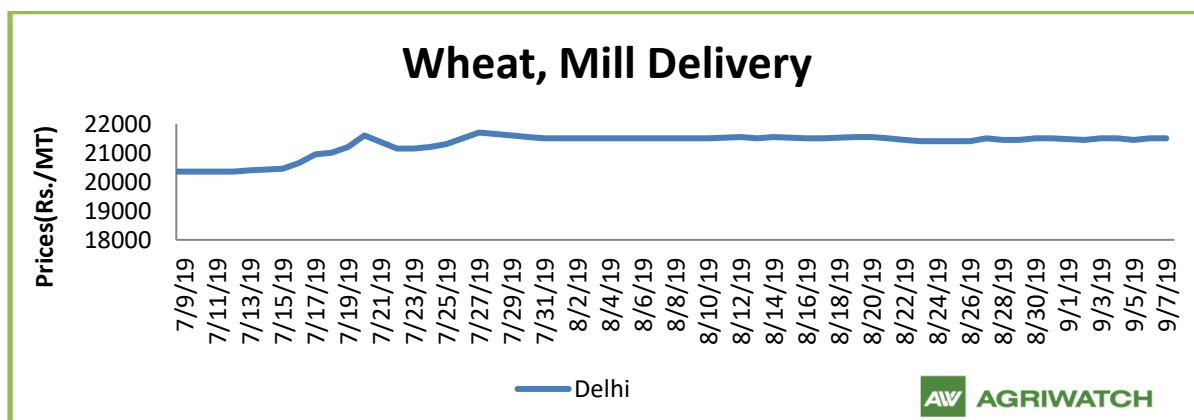
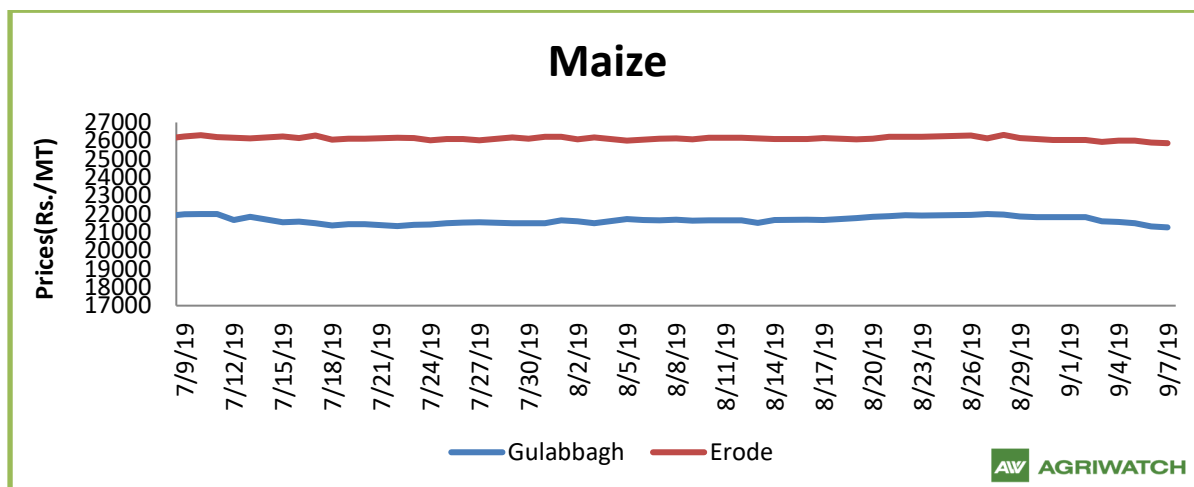
Rapeseed meal exports grew this year due to improved demand from South Korea, Thailand, and Vietnam. Post expects that by September 2019, India will be able to sell a little less than 1 MMT. Currently, it is quoted at \$220/MT (July, FOB Indian port) and is very competitive compared to \$225/MT (July, FOB Hamburg) quoted by international suppliers.

As per Fourth advanced estimates of government, It estimates Mustard seed output at 9.39 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

Agriwatch estimated rapeseed crop at 7.1 MMT in MY 2018-19. However, new rapeseed crop for 2019-20 is estimated at 7.9 MMT above last year due to higher rapeseed sown area and yields. This will lead to lower rapeseed prices in future thereby adversely affecting rapeseed oil prices. New rapeseed crop harvest has peaked. SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keeps its forecast at 8.7 MT for this season. According to NBHC (National Bulk Handling Corporation) Rabi crop recent report, crop size of Mustard seed is likely to go up by 0.30% than last estimate to 8.72 million metric tonne. The figure is also higher by 4.78% over last year record due to favorable weather condition resulting in higher yields in major producing states.

SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keep its forecast at 8.7 MT for this season. In the second advanced estimates, ministry expects higher Indian Rapeseed & Mustard crop (Rabi) at 83.97 lakh tonnes for 2018/19 season against 75.40 lakh tonnes in 2017/18. Normal rainfall at the maturity stage of crop improved yield of crop. The estimates are higher than 2016/17 crop size i.e. 79.17 lakh tonnes.

MOPA expects mustard crop output at 8.1 million tonnes in 2018/19 which is lower than farm ministry's second advance estimates of 8.4 million tonnes. Farm ministry quoted higher mustard acreage at 6.58 million hac. due to higher minimum support price, better realizations.



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

Maize cash markets traded steady to range bound during the week and is expected to trade steady to range bound for the week amid limited demand of feed makers.

In India, maize has been sown in around 79.64 lakh hectares as of 06th Sep'19 which is higher than 77.73 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.45 lakh hectares which is higher than 13.60 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.84 lakh hectares which is higher than 8.71 lakh hectares covered during corresponding period last year. In Karnataka, it has been sown in 11.55 lakh hectare which is slightly lower than 11.41 lakh hectare covered during corresponding period last year. However, In A.P, maize has been sown in around 0.85 lakh hectares as of 04th September'19 which is lower than 0.95 lakh hectare covered during corresponding period last year. Maize sown area is 90.5% to season normal and at vegetative to flowering stage. Fall army worm intensity is low (5% to 10%) in Srikakulam, Ananthapuramu and Kurnool districts. In Telangana, it has been sown in 3.79 lakh hectare as of 04th September'19 which is lower than 4.60 lakh hectare covered during corresponding period last year. Maize sown area is 76% to season normal and its sowing is almost completed. Maize crops are at tasselling to cob formation stage. Fall army worm is below ETL level in Mahboobnagar, Gadwal, Janagoan and Khammam districts.

As per trade sources, in mahboobnagar district of Telangana, total yield could be affected around 20-25% due to pest and untimely rainfall while in janagoan district, crop yield could be affected around 5-10%. In hubli-dharwad, and belgaum districts of Karnataka, total crop loss, due to heavy rainfall, could be around 15 to 20%. In shimoga, bagalkot and bijapur districts; crop loss could be around 5 % in each districts while in chikmagalur district; crop loss could be around 2%. Meanwhile, in Sangli region of Maharashtra, around 15% crop loss could be due to flood while in Aurangabad, around 5-10% yield could be affected due to dry spell.

From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2,550 per quintal. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.2,000 per quintal. Maize is moving towards Haryana at Rs. 2,350-2400 per quintal, U.P at Rs. 2250-2300 per quintal; sourced from Naugachia region of Bihar.

Corn on CBOT fell by 5.22 USD/MT to 136.41 USD/MT for September'19 contract compared to previous week due to low export demand for U.S corn.

At 0.38 MMT (for the period 23rd- 29th August, 2019) US corn exports were down 38 percent from the previous week and 40 percent from the prior 4-week average. The destinations were primarily to Mexico (237,900 MT, including 31,500 MT late reporting), Japan (49,000 MT), Costa Rica (30,500 MT), Colombia (19,000 MT), and Jamaica (14,100 MT).

In U.S, Corn has been dough 81% as of 01st September, 2019 which is lower by 14% compared to last year and 12% from last 5 year average period. It has dented 41% as of 01st September, 2019 which is lower by 32% compared to last year and 22% from last 5 year average period. Corn has matured 6% as of 01st September, 2019. However, 58% crop of Corn is in good to excellent condition which is 1% higher than previous week.

All India weekly average prices of wheat increased by 2.22 percent to Rs. 2126.53 per quintal during the week ended 08th September 2019. Wheat average price were ruling at Rs 2080.43 per quintal during 24-31 August 2019. As compared to prices in the week 01-08 September 2018, the prices are firm by 2.40 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and likely increase in demand in domestic market.

Wheat production in Punjab has remained on higher side in past years. However this high production may have led to over exploitation of ground water. Of the total 138 blocks in Punjab around 109 have been marked as over exploited in terms of underground water and the remaining are in safe zone. The number of tube wells have increased from 2.8 lakhs to 14.5 lakhs since 1980s. The rigid cropping pattern of wheat-paddy has also aggravated the problem. In future wheat-paddy cropping pattern may be discouraged to stop over exploitation of ground water.

As per latest update, demand for loose and unbranded wheat has reduced as consumers in urban as well as semi-urban areas are shifting to packed and branded wheat. Furthermore, easier availability of packed wheat and increase in income are also playing a vital role. Around 70 percent of millers are small/medium wheat mills and rest are large wheat millers. Therefore, small/medium millers are facing heat due to fall in demand as they are already operating on thin margins.

Wheat off take from central pool remained on lower side in August'19. Government sold 1.94% of the total quantity offered in August'19 against 4.76% during the same month last year. Millers/traders have bought as much quantity as they could during arrival season due to higher reserve price. This was the main reason for lower sale through OMSS. Stock with millers/traders has diminished and sales through OMSS is likely to witness an increasing trend in upcoming weeks.

India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$338.80 (Rs 24291.96) per tonne and \$445.34 (Rs 31930.88) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23000-23500 per tonne. Therefore, as of now, there is no parity for wheat imports.

Indian FoB quote is hovering around \$300.71 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$182.50, \$182.70, Euro 164.00, \$197.70 and \$198.99 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 weak due to ample availability in global market. EU is likely to produce around 148.7 MMT in 2019-20 compared to 137.8 MMT in 2018-19. Russia and Ukraine are likely to harvest 75.70 MMT and 28.00 MMT of wheat in 2019-20 respectively. Production in US is likely to be around 52.30 MMT compared to last year's 51.30 MMT. Australia is likely to produce 21.20 MMT in 2019-20 compared to 17.30 MMT in 2017-18. Argentina is expecting to harvest around 19.7 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.00 MMT in 2019-20 compared to 31.80 MMT in 2018-19.

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

Annexure

Oil Meal Prices at Key Spot Markets: Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	06-Sep-19	31-Aug-19	Parity To
Indore - 45%, Jute Bag	31000	31200	Gujarat, MP
Kota - 45%, PP Bag	32200	32400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	34000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33000	33300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	33800	Andhra, AP, Kar ,TN

Latur	33300	34300	-
Sangli	33200	33000	Local and South
Solapur	32700	33400	Local and South
Akola – 45%, PP Bag	32300	31800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	33800	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32000	32200	-

Soy DOC at Port

Centers	Port Price		
	05-Sep-19	30-Aug-19	Change
Kandla (FOR) (INR/MT)	33500	32700	800
Kandla (FAS) (USD/MT)	445	440	5
CNF Indonesia – Yellow SBM (USD/MT)	460	455	5

International Soy DOC			
Argentina FOB USD/MT	05-Sep-19	30-Aug-19	Change
Soybean Pellets	298	300	-2
Soybean Cake Flour	298	300	-2
Soya Meal	297	297	Unch
Soy Expellers	297	297	Unch
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	06-Sep-19	31-Aug-19	Change
Adoni	25000	24700	300
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	Unq	Unq	Unq

Groundnut Meal (Rs/MT)	06-Sep-19	31-Aug-19	Change
Basis 45%, Saurashtra	28000	28000	Unch
Basis 40%, Saurashtra	26000	26000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC/Meal	06-Sep-19	31-Aug-19	Change
Jaipur (Plant delivery)	15300	15300	Unch
Kandla (FOR Rs/MT)	15600	15600	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	5-Sep-19	29-Aug-19	5-Aug-19	5-Sep-18	5-Sep-17
Delhi	Hybrid	2150	2180	2150	1350	1325
Davangere	Bilty	2400	2400	Closed	1500	1600
Nizamabad	Bilty	2400	2425	2425	1380	NA
Ahmedabad	Feed	2300	2250	2300	NR	1450
	Starch	2250	2320	2300	NR	1460

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

	Argentina	Brazil	US	India
FOB	142.03	152.7	157.0	314.07
Cost and Freight	192.03	207.7	217.0	349.07

Soy Meal Exports (In MT):

Month	2014	2015	2016	2017	2018	2019
Jan	364444	103934	7707	155160	105678	86378
Feb	183551	64515	1127	207977	73816	132375
Mar	232176	46670	430.1	107059	39209	193920
Apr	75884	18017	12295	124374	68264	40829
May	8226	14046	10400	48900	76026	53272
Jun	2636	2098	17930	45975	104088	62524
Jul	6682	928	12270	80797	63747	76558
Aug	2778	768	10615	87668	59643	32226
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	678082

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	6-Sep-19	23-Aug-19	Change
Bajra	Karnataka	Hybrid	Bellary	2277	2283	-6
		Hybrid	Bangalore	2800	2800	Unch
Jowar	Karnataka	White	Bangalore	2800	2800	Unch
		White	Bellary	2265	2580	-315
Maize	Karnataka	Yellow	Davanger e	2400	2400	Unch
	Andhra Pradesh	Yellow	Nizamaba d	2400	2425	-25
Rice	Haryana	IR8	Karnal	3050	3050	Unch
		Parmal Raw	Karnal	3200	3100	100
Soy meal	Madhya Pradesh	DOC	Indore	3100	3080	20
	Maharashtra	DOC	Sangli	3320	3300	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2500	2480	20
Mustard	Rajasthan	Plant delivery	Jaipur	1530	1540	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2600	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3281	3208	73
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3241	3186	55
Note: Prices Rs./Qtl						

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