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Summary

Mixed trends are witnessed in Oilseeds complex during the week on mixed sentiments in the market. Supplies are higher at major trading centers supported by dry weather conditions in this week. Soybean price rose in Nagpur mandi due to strong demand from local traders and crushers. Continuous rainfall for first and second week of September resulted damages of Soybean crops in Madhya Pradesh which may support soybean prices to rise in short term. Good exports demand from U.S. and China may also push soybean prices on higher side. RM seed prices showed mixed trend amid mixed sentiments in the market. Nafed has started to dispose Mustard seed mainly in Haryana and Rajasthan markets which may weigh on prices in short term. NCDEX future prices of Soybean increased significantly by the end of the week after speculators buying activity. While, RM Seed future prices declined amid selling pressures. CBOT Soybean future closed higher side at the end of week after positive sign of progress in U.S China trade talks.

As per IMD, India is likely to get 20% and 99% above-average rains in the weeks of Sept. 26 and Oct. 3, respectively. Rainfall may extend up to first week of October as well. Excess rainfall will be fruitful for Rabi crop sowing crops like rapeseed, groundnut etc. The IMD defines average, or normal, rainfall as between 96% and 104% of a 50-year average of 89 centimetres for the entire four-month monsoon season beginning June. As per government data, water levels in India's main reservoirs were reported at 85% of their storage capacity as on Sept. 19 higher against 74% in previous year. The average for the past 10 years is 70%.

As per source, Soybean crops are already grown for 45 to 70 days and are in flowering to beginning of seed stage. Those early varieties of crops are already in development stage however 10 to 15% got damaged due to continuous spell of heavy rainfall majorly in some districts of MP and Rajasthan. The progress of crops is below normal to normal in India. In 2019, Soybean growers have increased area as compared to previous year record. As per traders, total 10 to 15% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. While, growing soybean crops at developing stage are better in other states of India. In Maharashtra, crops are in very good condition and expecting higher yield size for this year. Late sowing varieties are developing better than early sowing varieties of soybean.

As per Ministry data, the total area under Oilseeds is 178.04 lakh hectares against 178.17 lakh hectares in the previous year. There is a slight drop-in sowing of groundnuts to 39 lakh hectares against 40.08 lakh hectares last year. Soybean sowing area stood at 113.45 lakh hectares against 112.62 lakh hectares last year, castor has been planted on 9.09 lakh hectares against 8.60 lakh hectares last year. Sunflower has been planted on 1.03 lakh hectares against 1.11 lakh hectares last year. Sesame has been planted on 13.63 lakh hectares against 14.07 lakh hectares last year, Nigerseed has been planted on 1.84 lakh ha against 1.69 lakh ha last year.

As per USDA, U.S. oilseed production for 2019/20 is projected at 110.2 million tons, down 1.3 million from last month with lower soybean and cottonseed production partly offset by a higher peanut forecast. Soybean production is projected at 3.6 billion bushels, down 47 million on a lower yield forecast of 47.9 bushels per acre. Soybean supplies are reduced 2 percent on lower production and beginning stocks. With soybean crush and exports unchanged, ending stocks are projected at 640 million bushels, down 115 million from last month. Lower production estimate and high export demand may support the CBOT prices to rise in the coming days.

Oilseeds complex may trade in mixed trend in the coming days.

Overall maize cash markets traded mixed during the week and is expected to trade steady to slightly weak on the expectation of new crop arrival.

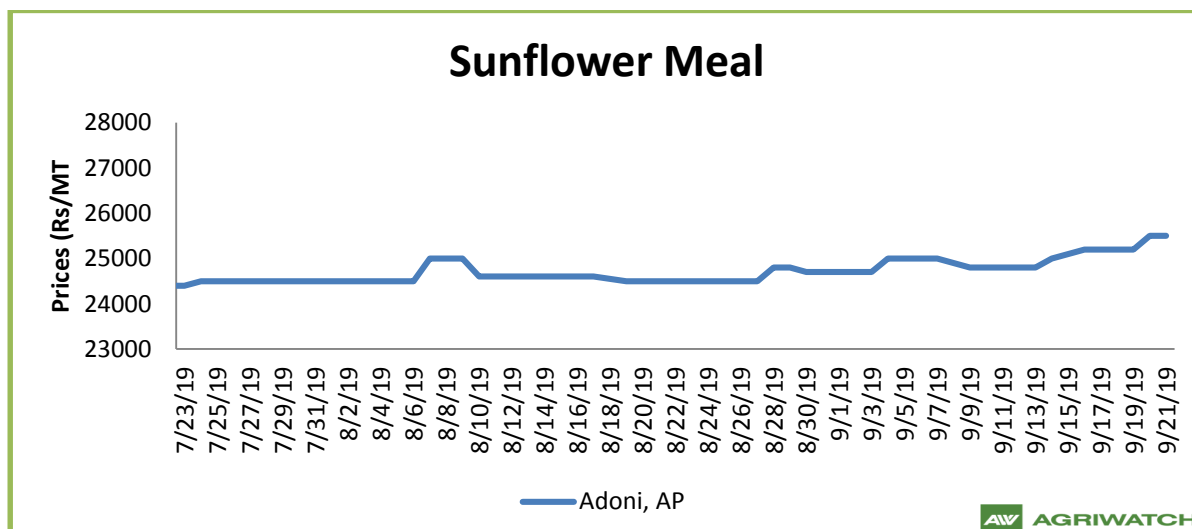
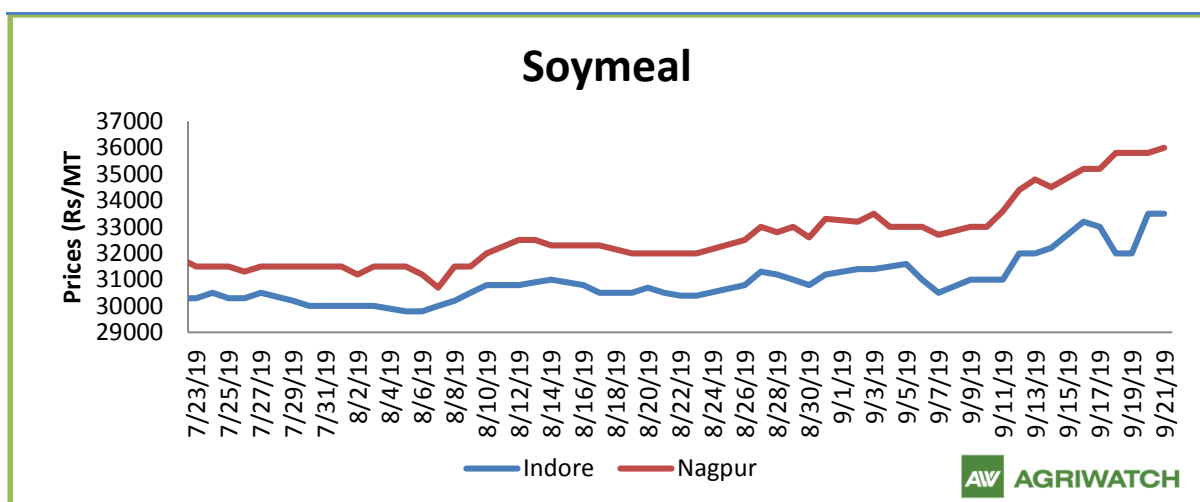
In Nizamabad, new crop arrivals which are lower in quantity and contains moisture 17-22%; being traded in a range of Rs. 1500-2000 per quintal (loose price). While, in Mysore and Hassan districts of

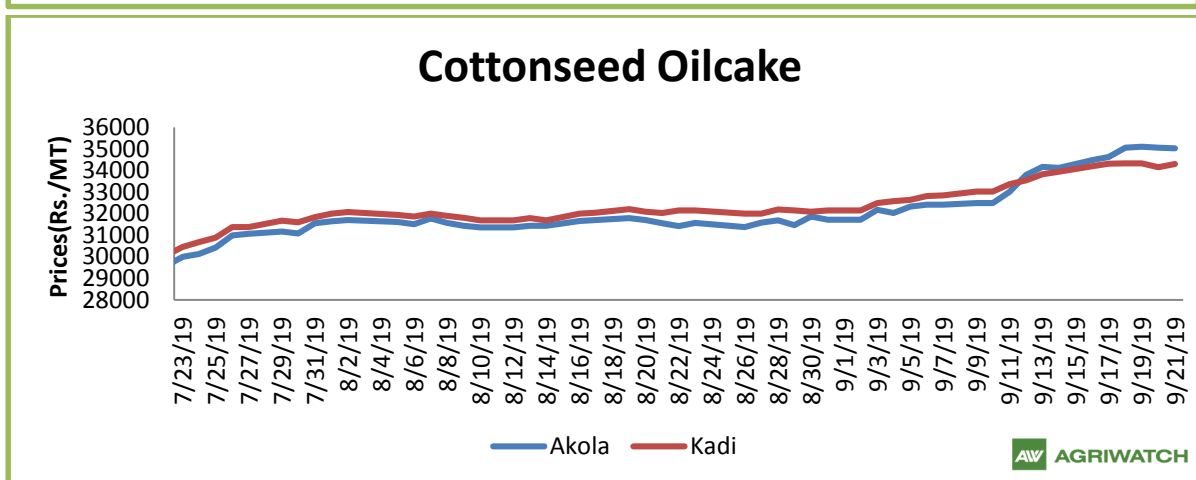
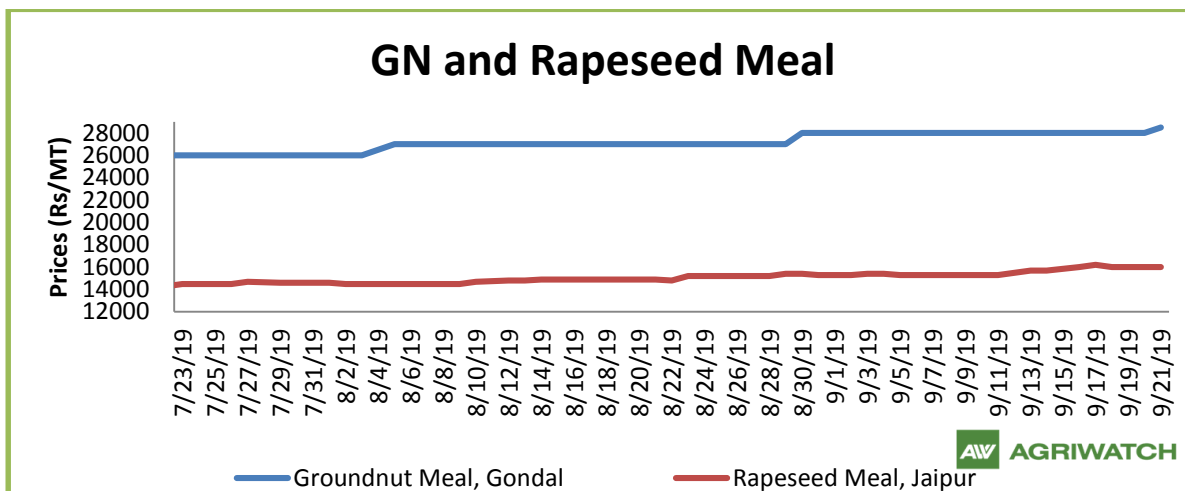
Karnataka, new crop contains moisture up to 25% and being delivered to Tamilnadu at Rs. 1800-1900 per quintal.

As per trade sources, Vessel (OCEAN CROWN) at berth with 49,999.00 tonnes of corn for discharge at Tuticorin port; expected to complete on 25th September, 2019.

All India weekly average prices of wheat decreased by 0.18 percent to Rs. 2125.93 per quintal during the week ended 23rd September 2019. Wheat average price were ruling at Rs2129.75 per quintal during 09-15 September 2019. As compared to prices in the week 16-23 September 2018, the prices are firm by 4.70 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

Mixed trends are depicted in Soybean complex by the end of the week due to mixed sentiments amongst traders. Farmers and traders are releasing their stocks at the current market prices. Soybean prices may increase further on good demand.

Soybean production will be higher this year and we expect it to be at least around 109 lakh 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.

As per state agriculture department of Gujarat, groundnut yield is likely to increase up to 1800kg/ha due to good rainfall compared to last year 1085kg/ha due to scanty rains. Sowing and rainfall pattern of 2019-20 is similar to 2016-17 and 2017-18, the estimated production could reach 28-30 lakh tonnes in the current year with favorable weather conditions. Higher prices at the end of the season last year and government procurement at the MSP promoted more farmers to cultivate groundnut this year.

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 10.9 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 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 firm tone in coming days.

International Market

As per USDA recent released report, U.S. oilseed production for 2019/20 is forecasted lower at 110.2 million tons from last month with lower soybean and cottonseed production partly offset by a higher peanut forecast. U.S may get soybean yield at 47.9 bushels per acres in 2019/20 which is lower than the projection of 48.5 bushels per acres in August however it is above from 47.2 bushels per acres as projected by Reuter analyst poll. USDA reported lower production estimate at 3.63 billion bushels from 3.68 billion in August month. Soybean supplies are projected lower by 2 percent followed by less production and beginning stocks estimates. With soybean crush and exports unchanged, ending stocks are projected at 640 million bushels, down 115 million from last month.

As per NOPA recent data, NOPA members have crushed total 168.08 million bushels of Soybeans in August 2019 which is slight lower than 168.09 million bushels in July 2019 however it is above than 158.88 million bushels in previous year record. Soybean oil stocks declined slightly more than expected in August 2019 to a 21-month low of 1.401 billion pounds lower against 1.467 billion pounds at the end of July 2019 and 1.623 billion pounds at the end of August 2018. Soymeal exports has been reported down in August 2019 to 699,212 tons from a six-month high of 879,319 tons in July 2019 and 761,899 tons exported in August 2018.

As per the sources, China will exempt additional tariffs on some agricultural products (Soybean and pork) from US. China's official said on Friday, in the latest sign of easing Sino-US tensions before a new round of talks aimed at curbing a bruising trade war. China supports relevant enterprises buying certain amounts of soybeans, pork and other agricultural products from Friday in accordance with market principles and WTO rules. Customs Tariff Commission of China's State Council would exclude additional tariffs on those items.

The U.S. season-average soybean price for 2019/20 is forecast at \$8.50 per bushel, up 10 cents. The soybean meal price is projected at \$305 per short ton, up \$5.00. The soybean oil price forecast is unchanged at 29.5 cents per pound.

As per WASDE report, changes for 2018/19 include higher U.S. soybean exports, higher crush, and lower ending stocks. Exports are increased 45 million bushels based on official trade data through July and indications from August export inspections, which were record high for the month. With crush raised 20 million bushels, ending stocks for 2018/19 are projected at 1.0 billion bushels, down 65 million.

As per WASDE report, this month's 2019/20 global oilseed outlook includes lower production, increased trade, and reduced stocks relative to last month. Global rapeseed production is at a 3-year low, mainly reflecting lower production for the EU on both area and yield. Australia's production is also WASDE-592-3 lowered this month due to dry weather conditions in New South Wales and Queensland. Soybean production is down slightly this month as lower U.S. production is mostly offset by higher output for India, Canada, and China.

Major global oilseed export changes for 2019/20 include higher rapeseed and soybean exports for Canada. For 2018/19, soybean exports for Brazil are lowered based on lower than-expected shipments during the past few months. However, higher-than-expected exports by Argentina and the United States, particularly to China, are offsetting. Global soybean ending stocks for 2019/20 are lower as reduced stocks for Argentina and the United States are partly offset by higher stocks for Brazil, Iran, and India.

As per USDA, During the week (Sep 6 -Sept-12, 2019) Net sales of US for the 2019/2020 marketing year, which began September 1, totaled 1,728,100 MT. Increases were reported China (593,200 MT), unknown destinations (427,400 MT), Mexico (194,800 MT, including decreases of 100 MT), Egypt (129,100 MT, including 57,500 MT switched from unknown destinations and and decreases of 13,400 MT), and Spain (71,900 MT, including 63,000 MT switched from unknown destinations). Exports of 701,900 MT were primarily to China (204,200 MT), Taiwan (146,700 MT), Spain (71,900 MT), Japan (67,600 MT), and Germany (56,400 MT).

As per the sources, EU's production down by almost 3 million tonnes and industrial demand remaining robust despite the lower availabilities, EU imports will reach a record level of 6.1 million tonnes this year, with record flows from Ukraine and Canada.

As per the latest update from USDA, China soybean production is estimated at 17.1 MMT on higher-than-expected area. Most industry sources forecast the crop at 17 MMT or above. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected.

Soybean imports for 2019/20 (Oct. to Sep.) are forecast to be the lowest in five years; significant declines in swine inventories have lowered feed demand and domestic crush margins. Although FAS Beijing projects demand falling year-over-year, some Chinese sources believe imports will be higher in 2019/20. From October 2018 to July 2019, imports were down over fifteen percent from the previous year, and the quantity of U.S. soybeans was less than a quarter of the previous year level.

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.

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

Firm trends are featured in Soy meal complex after strong South based traders demand in this week. Recent rise international as well as in domestic Soybean markets may lead a support to increase soy meal prices further.

During the week (Sep 6 -12, 2019) US sold 93,700 MT for 2018/2019, resulting in increases for the El Salvador (17,100 MT, including 700 MT switched from Guatemala), Colombia (15,500 MT), Mexico (12,800 MT), Uruguay (11,500 MT), and Vietnam (9,500 MT), were partially offset by reductions for the French West Indies (6,200 MT), the Dominican Republic (4,200 MT), Nicaragua (3,000 MT), and Qatar (1,000 MT). For 2019/2020, net sales of 342,100 MT were primarily for Mexico (203,600 MT), the Philippines (40,000 MT), the Dominican Republic (26,700 MT), Costa Rica (25,900 MT), and Canada (12,800 MT). Exports of 195,900 MT were up 41 percent from the previous week, but down 2 percent from the prior 4-week average. The destinations were primarily to Mexico (38,400 MT), Ecuador (32,000 MT), Venezuela (30,000 MT), the Dominican Republic (21,500 MT), and Canada (21,300 MT).

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 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 \$158 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 mixed trend amid mixed sentiments in the market. At the end of week, mustard closed steady at 4195 per quintal like in last week at the benchmark, Jaipur. Nafed has started to sale mustard seed in Rajasthan and Haryana markets which may put pressures on RM seed prices in short run. So far, Nafed has disposed total 5060 MT followed by 2960 MT in Haryana markets and 2100 MT in Rajasthan markets.

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.

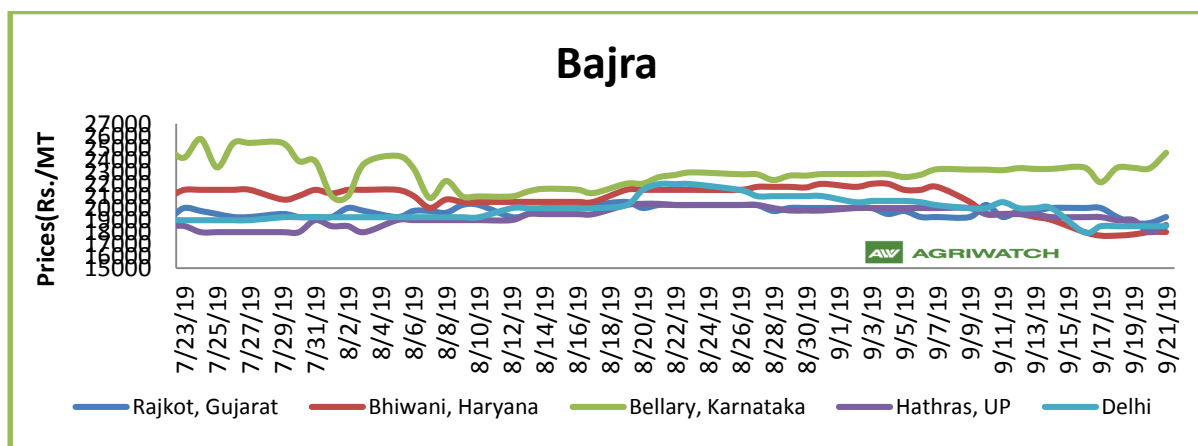
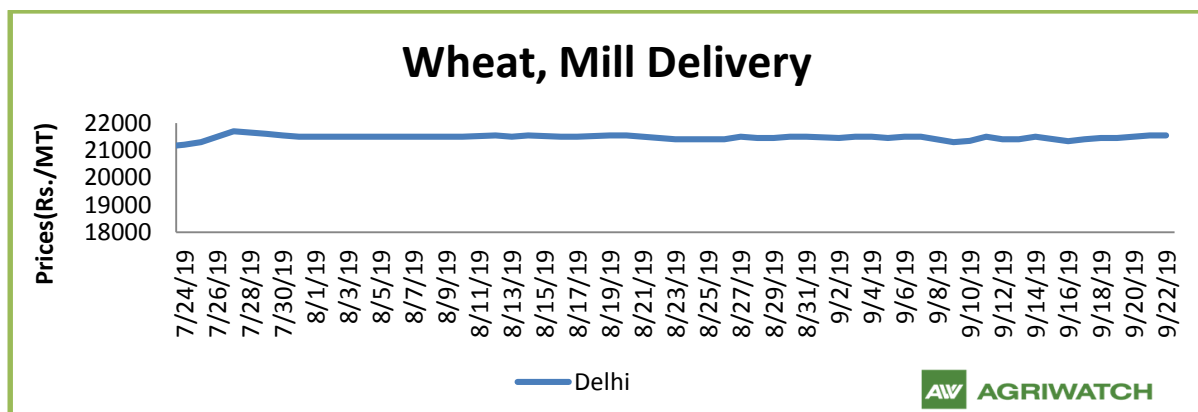
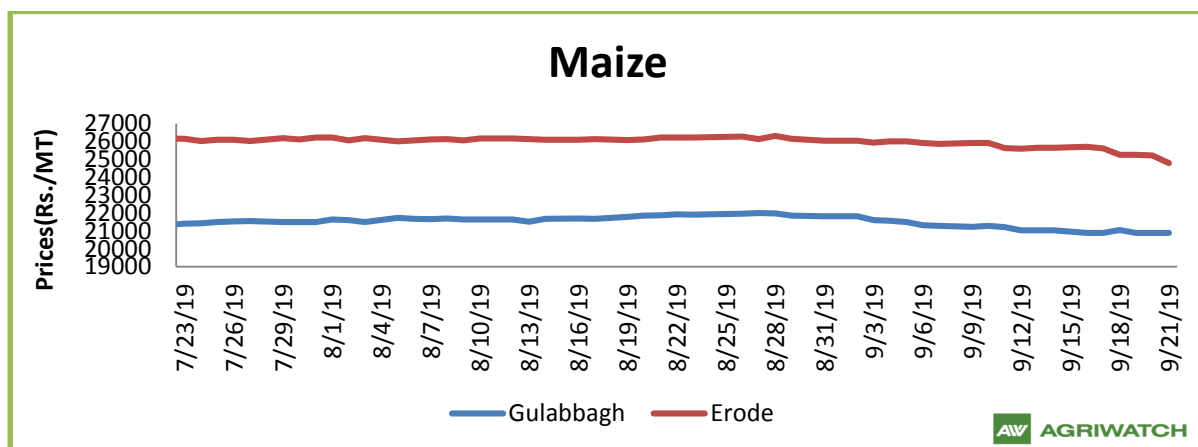
Rapeseed meal exports grew this year due to improved demand from South Korea, Thailand, and Vietnam. Post expects that by September 2019, India will be able to sell a little less than 1 MMT. Currently, it is quoted at \$220/MT (July, FOB Indian port) and is very competitive compared to \$225/MT (July,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

Overall maize cash markets traded mixed during the week and is expected to trade steady to slightly weak on the expectation of new crop arrival.

In Nizamabad, new crop arrivals which are lower in quantity and contains moisture 17-22%; being traded in a range of Rs. 1500-2000 per quintal (loose price). While, in Mysore and Hassan districts of Karnataka, new crop contains moisture up to 25% and being delivered to Tamilnadu at Rs. 1800-1900 per quintal.

As per trade sources, Vessel (OCEAN CROWN) at berth with 49,999.00 tonnes of corn for discharge at Tuticorin port; expected to complete on 25th September, 2019.

In India, maize has been sown in around 80.72 lakh hectares as of 20th Sep'19 which is higher than 78.61 lakh hectare covered during corresponding period last year. In M.P, maize has been sown in around 15.42 lakh hectares which is higher than 13.61 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 11.94 lakh hectare which is slightly lower than 11.60 lakh hectare covered during corresponding period last year. However, In A.P, maize has been sown in around 0.89 lakh hectares as of 18th September'19 which is lower than 0.98 lakh hectare covered during corresponding period last year. Maize sown area is 93.8% to season normal and at flowering to cob formation stage. In Anantapuram, Krishna and Kurnool and West Godavari districts, around 0.13 lakh hectare area is affected by Fall army worm and Stem borer; out of which 0.09 lakh hectare area is treated. In Telangana, it has been sown in 3.92 lakh hectare as of 18th September'19 which is lower than 4.62 lakh hectare covered during corresponding period last year. Maize sown area is 78% to season normal and its sowing is almost completed. Maize crops are at tasselling to cob formation stage. Fall army warm and Locust is below ETL level in Mahboobnagar, Gadwal, Janagoan, Siddipet, Medak 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. 2,450 per quintal. In Gulabghat, maize (bilty) is trading at Rs. 2100 per quintal. In Naugachia region of Bihar, new crop contains moisture up to 16% and is small in size and being delivered for the cattle feed purpose to Rajasthan at Rs.2250 per quintal, Varanasi (U.P) at Rs. 2150 per quintal and Gujarat at Rs. 2250 per quintal. While, old crop is moving towards U.P at Rs. 2250-2300 per quintal, Haryana and Rajasthan at Rs. 2350-2400 per quintal.

Corn on CBOT rose by 2.17 USD/MT to 146.75 USD/MT for December'19 contract compared to previous week due to increase in demand for U.S corn. Further, price direction depends on the demand for U.S corn. At 0.46 MMT (for the period 6th- 12th September, 2019) US corn exports were up 10.93 percent from the previous week. In U.S, 55% crop of Corn is in good to excellent condition which is same compared to last week.

All India weekly average prices of wheat decreased by 0.18 percent to Rs. 2125.93 per quintal during the week ended 23rd September 2019. Wheat average price were ruling at Rs2129.75 per quintal during 09-15 September 2019. As compared to prices in the week 16-23 September 2018, the prices are firm by 4.70 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 WPI has increased from 153.4 in July-2019 to 156.5 in August-2019. Monthly wheat inflation has increased by 2.02 percent in August-2019 compared to previous month. As compared to August-2018 wheat WPI has increased by around 5.32 percent. Wheat WPI is expected to stay steady to firm in coming month.

Indian Agricultural Research Institute (IARI) has introduced another variety for upcoming Rabi season known as HD-3226, which is likely to have a weighted average yield of 5.75 tonnes per hectare. The variety is likely to have more protein as well as gluten content compared to HD-2967 and HD-3086. The combined acreage of HD-2967 and HD-3086 is roughly 40 percent of India's total wheat acreage.

As per trade source, India has exported around 17.02 thousand tonnes in the month of August-2019. The quantity in August-2019 was exported at an average FOB of \$ 314.51 per tonne and the major destinations were Nepal, Somalia, Sri Lanka and Reunion. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per market sources, wheat stock in central pool as on 1st September'19 stood at 414.90 lakh tonnes down by 4.81% compared to last month. This quantity is higher by around 7.74% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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 \$336.00 (Rs 23825.76) per tonne and \$435.96 (Rs 30913.92) 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 23500-2400 per tonne. Therefore, as of now, there is no parity for wheat imports.

Indian FoB quote is hovering around \$303.84 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$182.00, \$182.40, Euro 165.95, \$215.47 and \$207.43 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)		
	21-Sep-19	14-Sep-19	Parity To
Indore - 45%, Jute Bag	33500	32200	Gujarat, MP
Kota - 45%, PP Bag	35500	34500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	36200	35500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	36000	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36700	35000	Andhra, AP, Kar, TN
Latur	36200	34800	-
Sangli	36000	34800	Local and South
Solapur	35500	34500	Local and South
Akola – 45%, PP Bag	34700	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	36500	35000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	34800	34300	-

Soy DOC at Port

Centers	Port Price		
	20-Sep-19	13-Sep-19	Change
Kandla (FOR) (INR/MT)	35800	Unq	Unq
Kandla (FAS) (USD/MT)	435	Unq	Unq
CNF Indonesia – Yellow SBM (USD/MT)	450	Unq	Unq

International Soy DOC			
Argentina FOB USD/MT	20-Sep-19	13-Sep-19	Change
Soybean Pellets	295	304	-9
Soybean Cake Flour	295	304	-9
Soya Meal	295	302	-7
Soy Expellers	295	302	-7
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		

Centers	21-Sep-19	14-Sep-19	Change
Adoni	25500	25000	500
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	Unq	Unq	Unq

Groundnut Meal (Rs/MT)	21-Sep-19	14-Sep-19	Change
Basis 45%, Saurashtra	28000	28000	Unch
Basis 40%, Saurashtra	26000	26000	Unch
GN Cake, Gondal	28500	28000	500

Mustard DOC/Meal	21-Sep-19	14-Sep-19	Change
Jaipur (Plant delivery)	16000	15700	300
Kandla (FOR Rs/MT)	16200	16000	200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	19-Sep-19	12-Sep-19	19-Aug-19	19-Sep-18	19-Sep-17
Delhi	Hybrid	2100	2125	2150	1400	1300
Davangere	Bilty	2300	2400	2400	1500	1450
Nizamabad	Bilty	2300	Closed	2450	1400	NA
Ahmedabad	Feed	2300	2270	2300	1600	1430
	Starch	2325	2275	2300	1550	1380

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

	Argentina	Brazil	US	India
FOB	150.49	158.60	160.68	325.81
Cost and Freight	200.49	213.60	220.68	360.81

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	20-Sep-19	13-Sep-19	Change
Bajra	Karnataka	Hybrid	Bellary	2308	2326	-18
		Hybrid	Bangalore	2800	2800	Unch
Jowar	Karnataka	White	Bangalore	3100	2800	300
		White	Bellary	2496	2587	-91
Maize	Karnataka	Yellow	Davangere	2333	2400	-67
	Andhra Pradesh	Yellow	Nizamabad	2310	2350	-40
Rice	Haryana	IR8	Karnal	3050	3050	Unch
		Parmal Raw	Karnal	3400	3400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3350	3200	150
	Maharashtra	DOC	Sangli	3580	3480	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2550	2480	70
Mustard	Rajasthan	Plant delivery	Jaipur	1600	1570	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2800	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3415	3383	32
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3506	3417	89
Note: Prices Rs./Qtl						

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