

Contents:

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Annexure– Prices**

Summary

Firmness in oilseeds complex are continued in Dec mid-month ahead of strong millers and traders demand against lower supplies. Big plants like ITC, Olam, Cargil are buying soybean for the stock purpose. While, Ruchi soya, Dhenuka are actively buying for crushing to fulfill regular requirements. Traders in Maharashtra and Rajasthan have booked soybean consignment which will be delivered in Jan month majorly from Benin & Ethiopia. Traders are expected to import about 2 to 2.5 lakh tonnes of soybean. Lower crop estimates of this season and strong demand of planters and millers will support soybean prices to increase in coming days. Farmers expect Soybean price hike upto Rs. 5000 per quintal. Traders expect remain bullish trend in soybean complex until the arrivals of the new oilseed crops of mustard in March 2020 which may affect overall edible oil segment and ease prices. NCDEX future prices of Soybean and Mustard increased after buying activities of speculators. CBOT prices rose after fresh export demand and positive sign for trade deal between U.S. and China.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 1.3 lakh hectares to 71.79 lakh hectares as on 20th Dec. 2019 against 73.08 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 63.92 lakh hectares lower by 1.4 lakh hac. against 65.32 lakh hectares in last year. Total covering area of groundnut stood at 3.35 lakh hectares higher against 2.90 lakh hectares in last year. Safflower has been planted on 0.41 lakh hectares higher from last year record i.e.0.32 lakh hectares. Sunflower has been planted on 0.77 lakh hectares lower against 0.95 lakh hectares last year. Sesame has been planted on 0.35 lakh hectares unchanged from last year. Linseed has been planted on 2.71 lakh hectares lower against 2.99 lakh hectares in last year.

As per Skymet, India may get lower Soybean crop of this season and expect total 12.15 million tonnes lower by 12% against last year record on account of heavy rains during post monsoon season. Rainfall have damaged the soybean crop mainly in MP state when the crop was at flowering to pod formation. The poor pod formation could not produce good quality of seeds. Yield suffered around 50 to 70% crop loss in Indore, Ujjain, Neemuch, Mandsaur, Jhabua, which are major districts of MP. Few of districts like Sehore, Dewas, Ashok Nagar, Guna, Dhar, Vidisha and Rajgarh have suffered yield losses to the tune of 30-50 per cent. While other districts have suffered around 10 to 20 % yield damage. Maharashtra has also suffered major Soybean crop loss due to heavy rainfall.

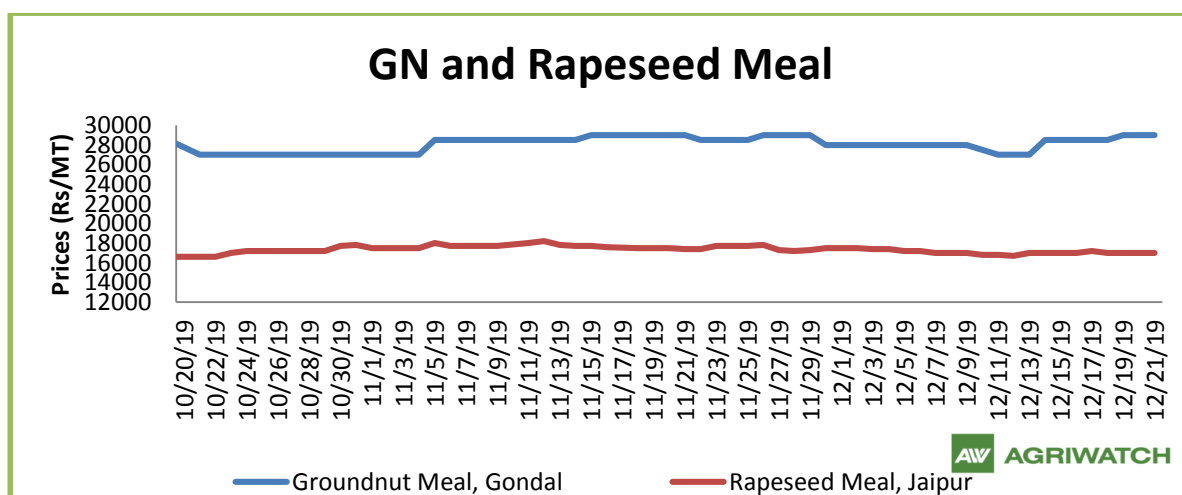
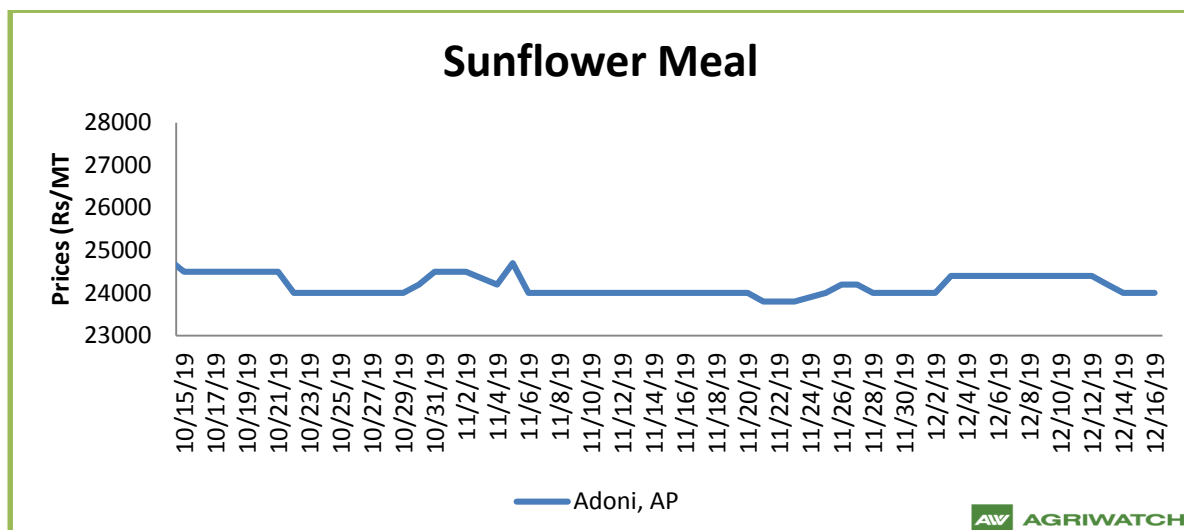
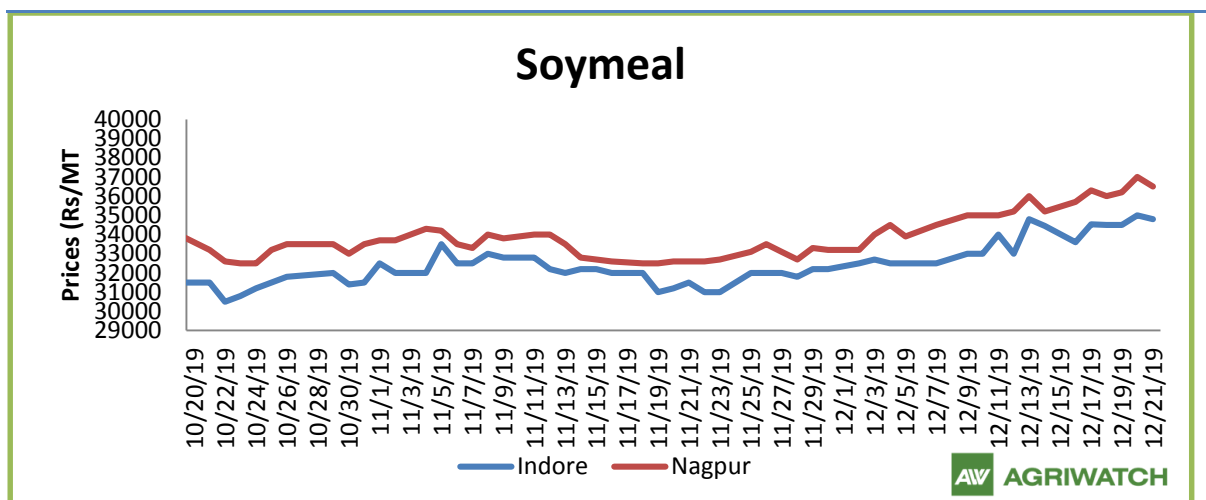
As per SOPA, India may harvest 17.7% lower Soybean crop to 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018 on account of heavy rainfall at maturity period of time. The major growing Soybean states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30% to 0.86 lakh tonnes, 7.1% to 2.69 lakh tonnes, 31.1% to 40.10 lakh tonnes respectively against last year record. However, Farmer may get 5.7% higher Soybean to 36.29 lakh tonnes in Maharashtra in the current season.

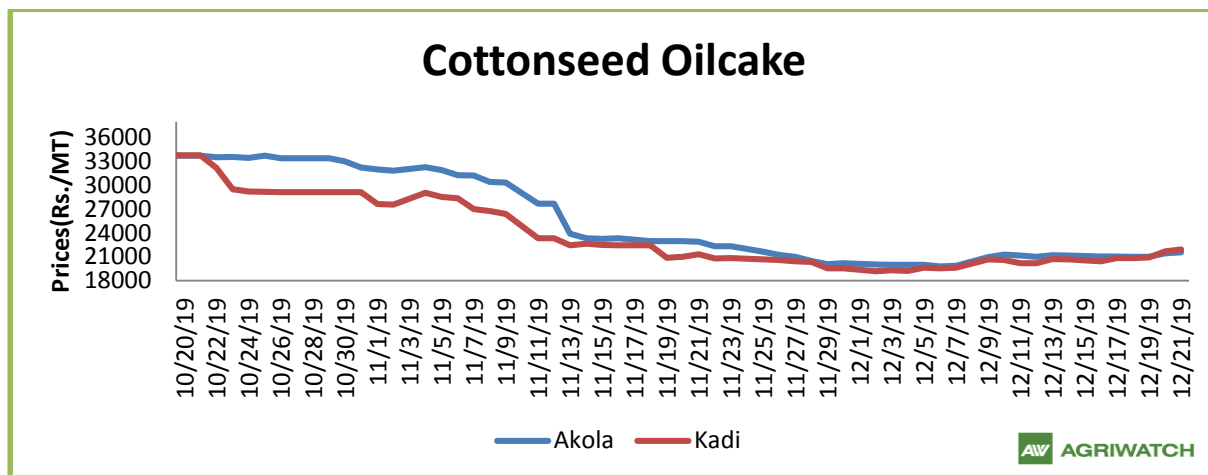
Soybean and RM seed complex may trade in steady to firm zone after less supplies.

Overall maize cash markets traded steady to firm during the week amid feed makers demand compared to last week and is likely to trade steady to slightly firm in near term too on the expectation of increase in demand.

All India weekly average prices of wheat increased by 1.17 percent to Rs. 2219.24 per quintal during the week ended 21st December 2019. Wheat average price were ruling at Rs 2193.61 per quintal during 09-16 December 2019. As compared to prices in the week 16-23 December 2018, the prices are lower by 0.20 percent. Prices are expected to remain steady to firm in coming days amid good demand from the flour millers and stockists.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean prices are continued on higher side during this week after steady to weak supplies at various trading centers. Arrivals are likely to decline further in market as farmers and traders may hold their crops in expectation of more price hike. Soybean prices may trade in steady to firm tone after good buying activities. Lower crop estimates of this season and less arrivals against demand may support prices in next week. However, soybean import activities in Jan month may curb any major hike in prices.

Nafed has procured total 10675.16 MT so far including 10648.85 MT in Telangana states, 4.41 MT in Maharashtra VCMF and 26.31 MT in MAHAFFPC.

Soybean Crop harvesting of Kharif season is now completed. Continuous heavy rainfall received during monsoon season has severely damaged the crop in Rajasthan and Madhya Pradesh. Incidence of sucking pest and yellow mosaic virus has been observed in the field. Overall crop condition is below normal and yield is expected to be below normal. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per SOPA recent released data, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and 1.54 lakh tonnes for carry forward in next year. Imports of India are likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record.

As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tones compared to 10.46 lakh tonnes in previous year.

As per the First Advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 135.05 lakh tonnes as compared to 137.86 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

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

International Market

CBOT Soybean future prices rose amid higher exports sales data of USDA and positive sign for trade deal between U.S. and China.

As per NOPA recent data, NOPA members have crushed total 164.90 million bushels of Soybeans in November 2019 which is lower from 175.39 million bushels in October 2019. It is also lower from 166.95 million bushels in November 2018. Crushing is below than the average trade estimate of 172.032 million bushels, based on data gathered by Reuters from 10 analysts. It was also below all trade estimates that ranged from 168.6 million to 178.028 million bushels, with a median of 170.5 million. Soybean oil stocks rose to 1.448 billion pounds at the end of November against 1.423 billion pounds in October month however lower from 1.484 billion pounds at the end of November 2018. Soymeal exports has been reported higher in November 2019 at 868,769 tons lower from 894,817 tons in November 2019 and 901,449 tons exported in November 2018.

As per sources, Argentina may grow higher soybean crop at 53.6 million tons in 2019/20 supported by stable weather condition. USDA kept unchanged production estimates i.e. 53 million tons in December month report. Farmers in country may plant total 18.2 million hectares in this season higher from 17.7 million hectares in last year record. As per ministry report, Argentina has covered 64% soybean planting area as on 12th Dec 2019 which is slightly lower from 66% in last year record and also below from the five years average of 67%.

During the week (Dec.6-Dec 12, 2019) U.S. sold total 1,430,600 MT for 2019/2020 which is higher by 36 percent from the previous week and 18 percent from the prior 4-week average. Increases were primarily for China (689,600 MT, including 136,000 MT switched from unknown destinations and decreases of 300 MT), unknown destinations (180,800 MT, including 66,000 MT switched from China), Spain (131,200 MT, including 120,000 MT switched from unknown destinations), Taiwan (94,100 MT, including decreases of 300 MT), and South Korea (58,000 MT, including 63,000 MT switched from unknown destinations and decreases of 5,000 MT). For 2020/2021, total net sales of 36,300 MT were for Japan. Exports of 1,405,800 MT were down 3 percent from the previous week and 18 percent from the prior 4-week average. The destinations were primarily to China (826,600 MT), Spain (131,200 MT), Mexico (120,600 MT), Pakistan (65,200 MT), and South Korea (59,100 MT).

As per sources, European Union bought total 6.3 million tonnes of Soybean till Dec 15, 2019 (season started on July 1) which is unchanged in last year record in Dec.9. EU soymeal imports had reached higher by 12% to 8.7 million tonnes, the year-earlier period, while palm oil imports stood down by 18% to 2.5 million tonnes.

As per sources, Farmers in Brazil have planted total 93% of soybean area as on 5th Dec. 2019 of this season lower against 96% in previous year record. However, it is 6% higher from last week record supported by good rainfall. As per USDA, the soybean planted area is likely to increase by 2% to 37

million hectares for 2019-20 against last year record and soybean production is forecast higher by 5% to 123 million T in normal weather condition as compared to last year. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million ha. and the production at 120.7 million tonnes in the current season.

As per Conab, Brazil may harvest higher Soybean crop at 121.09 million tonnes in 2019/20 against 115.03 million tonnes in last year and 120.86 million tonnes in Nov. month estimates. Soybean area in Brazil is likely to stand higher at 36.79 million Ha. in 2019/20 against 36.71 million ha. in Nov. month estimates and 35.87 million ha. in 2018/19 season. Brazil may export total 72 Million tonnes in 2019/20 higher from 70 million tonnes in 2018/2019 however the projected figure is lower from 83.257 million tonnes in 2017/2018.

USDA reduced soybean yield estimate of US due to weak crop condition in US in its Nov review. Soybean stocks estimate fell due to lowering of soybean crop in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean crop was below was reported at 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

Soybean harvest is expected to be completed in US Midwest on dry conditions in next week. Harvesting will be completed in normal time as dry conditions helped fast harvest. USDA forecast soybean crop in US at 96 MMT in Nov review.

China has opened soy meal market for imports from Argentina and Ukraine, in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020. China has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices. China has also allowed to import rapeseed meal from Ukraine. It is likely to give permission to import rice bran and palm meal from Thailand.

As per sources, China has bought total 8.28 million tonnes of U.S. soybean in November 2019 which is significantly higher by 54% against last year record i.e. 5.38 million tonnes. The export volume is also higher by 34% from October month record i.e. 6.18 million tonnes. Soybean demand of China was lower due to outbreak of African swine fever and trade war with U.S.

As per source, Argentina may increase soybean acreage by 100,000 hectares in expectation of shift of corn area to soybeans. Farmers are expecting a rise of export taxes of corn after new elected administration in power on December 10th 2019. So far, farmers have finished 1.7% lower soybean planted area to 39% as compared to previous year. However, it is higher by 7.7% from last week record. In southern Argentina 15-30% area have been planted so far while, soybean planting has not yet started in far northern Argentina.

As per Agro consult, Brazil is likely to ship to China between 54 million tons to 59 million tons in 2019/20 lower against 60 million tons in last year. Total shipment of the country may stand between 76.5 million tons to 78 million tons depend on trade war settlement between U.S. and China. Brazil may produce total 124 million tons of soybean in this year higher from 118 million tons in last year.

As per Abiove, Brazil is likely to produce total 122.8 million tons in 2020 higher from 117.8 million tonnes in 2019. The country may export total 75 million tonnes lower from 83.26 million tonnes in 2019. Soy processing is forecast at 44 million tonnes higher against 42.9 million tonnes in 2019. Soy crushing may increase in 2020 due to higher biodiesel mix in diesel. However, soy planting area is still lagging behind last year record.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly lower to 96.61 million tons in December unchanged from previous month. Exports of U.S are unchanged at

48.30 million tonnes in this month. U.S crushing is also unchanged at 57.28 million tonnes in Dec. month. Ending stocks of the country is expected at 12.92 million tonnes in Dec. month review.

As per WASDE report, world oilseed production for 2019/20 is projected at 574.6 million tons in Dec month, up 3.3 million tons from November due to higher sunflower seed, peanut, and soybean production offsetting lower rapeseed and cottonseed production. Sunflower seed production rises 2.3 million tons on larger crops in Russia and Ukraine. Soybean production is up nearly 1.0 million tons reflecting higher area and yield reported by China's National Bureau of Statistics. In response, oilseed crush is raised nearly 2.0 million tons to 496.5 million. Oilseed ending stocks also grew 1.6 million tons mainly on higher soybean stocks in Brazil offsetting declines in Bolivia and Vietnam.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged \$357/ton, down \$1 from October. Brazil Paranagua FOB averaged \$369/ton, down \$3 from October. Argentina Up River FOB averaged \$320/ton, up \$11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and unchanged from previous month record. Exports of soybean in 2019-20 is expected to 76 million tonnes higher from 74.94 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 MMT on higher-than-expected area. 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. Total imports of China are estimated at 8.5 million tonnes for 2019/20 season unchanged Nov. month. While crushing is forecasted at 8.4 million tonnes lower from 8.5 million tonnes in 2018/19.

As per IGC (International Grain Council), Global soybean output may decline by 18 million tonne to 341 million tonnes due to slight shortfall in U.S Soybean output for this season and lower planting area so far in Brazil.

As per sources, Ukraine may export lower soybean by 19.8% to 2 million tonnes in 2019/20 against previous year record. While, it may export higher sunoil by 0.8% to 6.1 million tonnes in 2019/20 from last year record. The country may export 16.7% higher Rapeseed to 2.86 million tonnes in 2019/20 against 2018/19 season.

Soy meal

Soymeal prices are continued on higher side after strong south based traders demand. Higher soybean prices of this season have led soymeal products to be more costly. As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes in November 2019 lower against 3.26 lakh tonnes in previous year during the corresponding period of time. Higher soybean meal prices has affected poultry sector demand. DOC buyers may switch to other alternative meal products due to higher soymeal prevailing prices.

According to trade source, one vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of castorseed meal with total capacity of 13,000 tons. One vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of rapeseed meal with total capacity of 13,000 tons. One vessel (PHC MARITIME) at berth for discharge at Tuticorin port for import of sunflower cake with total capacity of 7,700 tons.

During the week (Dec.6-Dec 12, 2019) US sold 36% higher soybean cake and meal to 1,430,600 MT for 2019/2020 from the previous week and 53% from the prior 4-week average. Increases were primarily for China (689,600 MT, including 136,000 MT switched from unknown destinations and decreases of 300 MT), unknown destinations (180,800 MT, including 66,000 MT switched from China), Spain (131,200 MT, including 120,000 MT switched from unknown destinations), Taiwan (94,100 MT, including decreases of 300 MT), and South Korea (58,000 MT, including 63,000 MT switched from unknown destinations and decreases of 5,000 MT). For 2020/2021, total net sales of 36,300 MT were for Japan. Exports of 1,405,800 MT were down 3 percent from the previous week and 18 percent from the prior 4-week average. The destinations were primarily to China (826,600 MT), Spain (131,200 MT), Mexico (120,600 MT), Pakistan (65,200 MT), and South Korea (59,100 MT).

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export Sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent report of USDA, India may produce lower Soymeal to 6.4 million tonnes in 2019/20 compared to 7.6 million tonnes in 2018/19 season. The estimate is unchanged from Nov. month estimates. Domestic consumption is forecast at 5.35 million tonnes for this season higher from 5.2 million tonnes in previous year record however it is unchanged from previous month record.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged \$357/ton, down \$1 from October. Brazil Paranagua averaged \$369/ton, down \$3 from October. Argentina Up River FOB averaged \$320/ton, up \$11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

As per recent SEA report, India shipped Oilmeals lower by 64% to 126,128 tons in November 2019 against 353,405 tons in September 2018. The overall export of oilmeals during April-Nov. 2019 is reported at 1,652,599 tons compared to 2,086,321 tons in April-Nov.2018 i.e. down by 21%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased to 431,692 against 275,281 tons.

During April-November 2019, Vietnam imported 212,546 tons of oilmeals (compared to 384,814 tons); consisting of 3782 tons of soybean meal, 134,412 tons of rapeseed meal and 74,352 tons of De-oiled Rice Bran Extraction. South Korea imported 678,171 tons of oilmeals (compared to 566,657 tons); consisting 29,451 tons of soybean meal, 294,964 tons of rapeseed meal and 353,756 tons of castor seed meal. Thailand imported 168,426 tons of oilmeals (compared to 217,143 tons) consisting 148,309 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2536 tons of soybean meal.

During April-November 2019, the export from Kandla is reported at 655,910 tons lower (40%), followed by Mundra handled 509,578 tons (31%), and Mumbai including JNPT handled 114,035 tons (7%) and Kolkata handled 100,315 tons (7%) and Others Ports handled 272,761 tons (17%).

Indian Soymeal premium quoted higher side by \$108 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 are remain at higher side at most its trading centers after strong crushers demand against steady to weak pace of arrivals. At the end of week, mustard closed higher at 4705 per quintal as compared to 4640 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 63.92 lakh hac. of Mustard area as on 20th Dec. 2019 which is lower by 1.4 lakh hac. against 65.32 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 23.82 lakh hac. lower against 23.15 lakh hac. followed by 12.06 lakh in Uttar Pradesh, 6.94 lakh hac. in MP, 4.60 lakh hac. in West Bengal, 1.69 lakh hac. in Gujarat states.

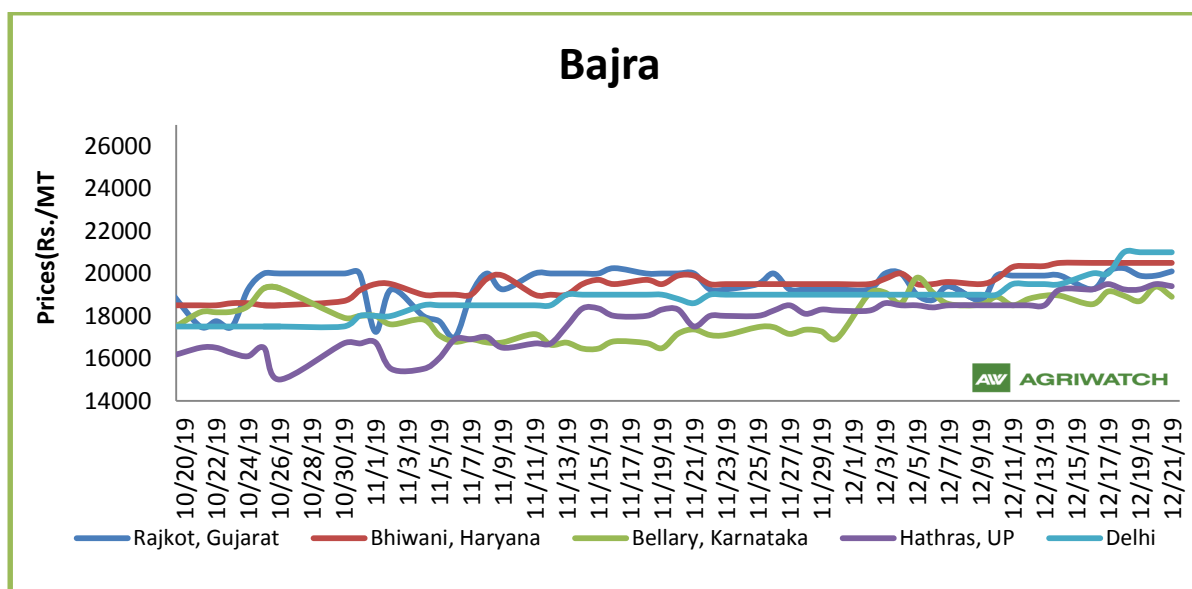
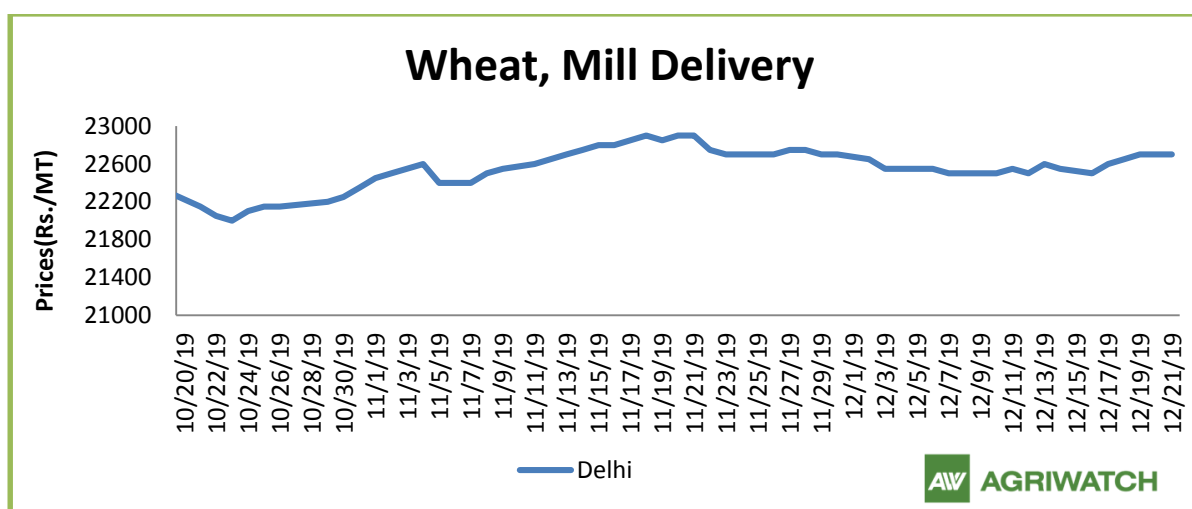
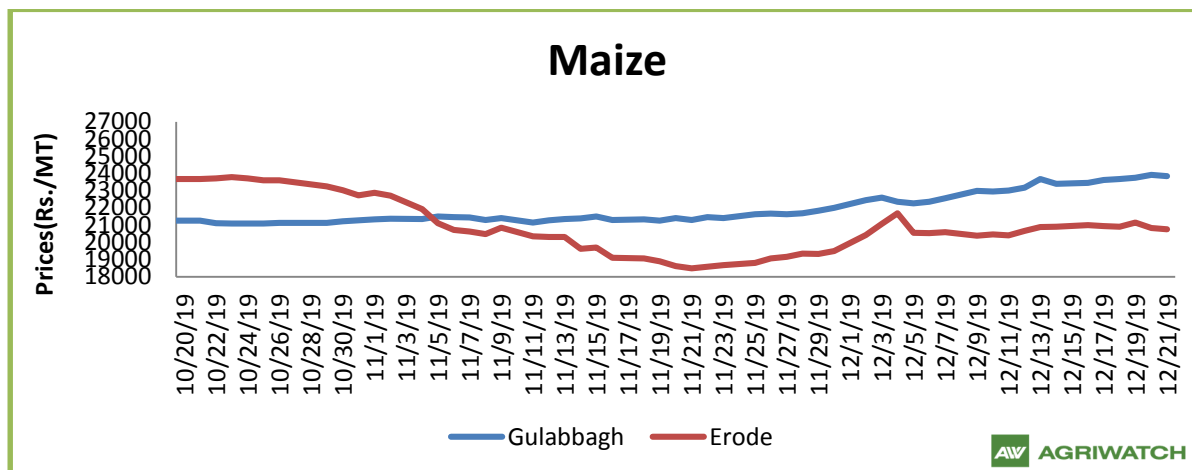
High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers had waited water to dry up the sowing low lying land. The government expects Mustard seed production at 8.24 MT for 2019-20 lower than last year record. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20.

According to United States Department of Agriculture (USDA) December estimates, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year. Domestic consumption lowered to 27 lakh tonnes from 27.30 lakh tonnes in previous year record. Ending stocks have been lowered to 1.44 lakh tonnes from 1.43 lakh tonnes in last year record. India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19.

As on 16thOct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19, and 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, and Chandigarh & Ahmedabad. It may sell total 1938.67 MT in Lucknow, 1.20 lakh tonnes in Indore, 4.35 lakh tonnes in Jaipur, 1.45 lakh tonnes in Chandigarh, 45541.18 MT in Ahmedabad during Nov. Month to Jan 2020.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

As per Fourth advanced estimates of government, it estimates Mustard seed output at 93.9 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.



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

Overall maize cash markets traded steady to firm during the week amid feed makers demand compared to last week and is likely to trade steady to slightly firm in near term too on the expectation of increase in demand.

In Davangere region of Karnataka, maize arrivals are still containing moisture 17-19% due to cold weather and fungus 3-4%. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. In Kurnool and Khammam districts of A.P, grain size is small to medium and damaged grain up to 7%. Sources revealed that in Nandikotkur region of Kurnool district, around 1,20,000 MT of maize has been stocked. Out of which around 30,000 MT has been released.

As per trade sources, Vessel (INCE FORTUNE) with 53,120.00 tonnes of corn was expected to arrive at Kandla port on 21 December, 2019.

As per media report, MMTC has issued an international tender to import up to 50,000 MT of Non-GMO corn for the shipment latest by 22nd Jan 2020 which would be at buyer's option. Around 25,000 MT (+/- 10%) is sought for shipment at the Vishakhapatnam port and 25,000 MT (+/- 5%) at the Kakinada port. The tender closed on 2nd January 2020 with offers having to remain valid up to 1730 hrs. IST on 9th Jan 2020.

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,250-2300 per quintal while it is being bought by local starch feed makers at Rs. 1925 per quintal. It is moving towards Namakkal at Rs. 2150 per quintal while Bangalore at Rs. 2100 per quintal; sourced from Davangere. Maize which is medium in size and fungus affected, being delivered to Tamilnadu at Rs. 2050 per quintal; sourced from Hassan and Mysore.

In India, maize has been sown in around 11.06 lakh hectares as of 20th Dec'19 for Rabi season 2019-20 which is lower than 11.41 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 3.53 lakh hectare which is lower than 4.11 lakh hectare while in Tamilnadu, it has been sown in around 1.42 lakh hectare which is lower than 1.88 lakh hectare during corresponding period last year. However, in Maharashtra, it has been sown in around 1.08 lakh hectare which is higher than 0.84 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.15 lakh hectare which is higher than 0.80 lakh hectare during corresponding period last year.

Corn on CBOT fall by 0.10 USD/MT to 152.65 USD/MT for March'20 contract compared to previous week. However, it is likely to trade firm on the expectation of increase in domestic demand in U.S. Besides, reduced area under corn in Argentina amid increased export tax from 7% to 12% likely to keep market at higher side. At 0.72 MMT (for the period 06th December- 12th December, 2019) US corn exports were up 36 percent from the previous week and 23 percent from the prior 4-week average.

All India weekly average prices of wheat increased by 1.17 percent to Rs. 2219.24 per quintal during the week ended 21st December 2019. Wheat average price were ruling at Rs 2193.61 per quintal during 09-16 December 2019. As compared to prices in the week 16-23 December 2018, the prices are lower by 0.20 percent. Prices are expected to remain steady to firm in coming days amid good demand from the flour millers and stockists.

As per market sources, wheat stock in central pool as on 1st December'19 stood at 351.75 lakh tonnes down by 5.89% compared to last month. This quantity is higher by around 14.84% 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.

As per latest update, area sown until 20th December-19 is 277.91 lakh hectares compared to 250.02 lakh hectare in the previous Rabi season. The normal area is 305.58 lakh hectares. Acreage under wheat has increased in the states of Madhya Pradesh, Gujarat, Maharashtra and Rajasthan till date.

Wheat WPI has increased from 160.6.3 in October -2019 to 164.4 in November-2019. Monthly wheat inflation has increased by 2.37 percent in November-2019 compared to previous month.

According to FCI, wheat stocks in the central pool as on 1st December 2019, is reported at 351 lakh metric tonnes. Stocks have increased amid less demand in the domestic market. This year farmers in Madhya Pradesh, Gujarat and Maharashtra are shifting from chana towards wheat following higher soil moisture and water availability leading to higher acreage till date. Storage will become an issue for the government following higher stocks currently and another year of expected bumper production. Weather in the coming days will determine the actual output of wheat.

As per trade source, India has exported around 21.40 thousand tonnes in the month of November-2019. The quantity in November-2019 was exported at an average FOB of \$ 298.15 per tonne and the major destinations were Bangladesh, Nepal, Jordan, UAE and Sri Lanka. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

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 \$382.20 (Rs 27193.53) per tonne and \$532.00 (Rs 37851.80) 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 24500-25000 per tonne. Therefore, as of now, there is no parity for wheat imports.

Indian FoB quote is hovering around \$320.11 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$212.00, \$212.00, Euro 185.50, \$245.10 and \$234.50 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 154.9 MMT in 2019-20 compared to 137.8 MMT in 2018-19. Russia and Ukraine are likely to harvest 74.5 MMT and 29.00 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 17.00 MMT in 2019-20 compared to 17.30 MMT in 2017-18. Argentina is expecting to harvest around 19.0 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.60 MMT in 2019-20 compared to 32.20 MMT in 2018-19.

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

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	19-Dec-19	12-Dec-19	Parity To
Indore - 45%, Jute Bag	34500	33000	Gujarat, MP
Kota - 45%, PP Bag	35200	33800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	37000	35500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	36200	35200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36500	35500	Andhra, AP, Kar, TN

Latur	37500	36500	-
Sangli	36300	35500	Local and South
Solapur	36000	35300	Local and South
Akola – 45%, PP Bag	35000	33800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	37000	35500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	35000	33600	-

Soy DOC at Port

Centers	Port Price		
	18-Dec-19	11-Dec-19	Change
Kandla (FOR) (INR/MT)	34000	Unq	Unq
Kandla (FAS) (USD/MT)	Unq	Unq	Unq
CNF Indonesia – Yellow SBM (USD/MT)	495	Unq	Unq

International Soy DOC			
Argentina FOB USD/MT	18-Dec-19	11-Dec-19	Change
Soybean Pellets	334	326	8
Soybean Cake Flour	334	326	8
Soya Meal	339	326	8
Soy Expellers	339	326	8
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	19-Dec-19	12-Dec-19	Change
Adoni	Unq	24400	Unq
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	24000	Unq	Unq

Groundnut Meal (Rs/MT)	19-Dec-19	12-Dec-19	Change
Basis 45%, Saurashtra	28500	27200	1300
Basis 40%, Saurashtra	26500	25000	1500
GN Cake, Gondal	29000	27000	2000

Mustard DOC/Meal	19-Dec-19	12-Dec-19	Change
Jaipur (Plant delivery)	17000	16700	300
Kandla (FOR Rs/MT)	17300	17200	100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	20-Dec-19	13-Dec-19	20-Nov-19	20-Dec-18	20-Dec-17
Delhi	Hybrid	2250	2200	2025	1850	1325
Davangere	Loose	1950	1950	1700	1725	1270
Nizamabad	Bilty	2050	2025	2050	1570	1360
Ahmedabad	Feed	NR	2100	2000	1900	1350
	Starch	NR	2100	1800	1925	1360

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

As on 20.12.2019	Argentina	Brazil	US	India
FOB	177.76	170.8	174.21	305.00
Cost and Freight	227.76	225.8	234.21	340.00

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	95450
Sep	868	6886	12210	102212	45388	35268
Oct	29071	4237	31390	71425	150388	63800
Nov	110806	8909	97750	207630	186409	9574
Dec	193832	5667	241250	168865	170588	
Total	1210954	276674	455374.1	1408042	1143244	849948

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	19-Dec-19	12-Dec-19	Change
Bajra	Karnataka	Hybrid	Bellary	1870	1880	-10
		Hybrid	Bangalore	2600	2600	Unch
Jowar	Karnataka	White	Bangalore	3500	3500	Unch
		White	Bellary	2500	1780	720
Maize	Karnataka	Yellow	Davangere	1950	1950	Unch
	Andhra Pradesh	Yellow	Nizamabad	1950	1900	50
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3400	3400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3450	3300	150
	Maharashtra	DOC	Sangli	3630	3550	80
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	NA	2440	-
Mustard	Rajasthan	Plant delivery	Jaipur	1700	1670	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2900	2700	200
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2093	2022	71
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2100	2102	-2
Note: Prices Rs./Qtl						

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.