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Summary

Mixed trend are seen in Soybean complex amid mixed pace of arrivals during this week. Traders and farmers are seemed to book their profit at the current price level in few trading centers. ITC is engaged in buying and selling activities in MP market. RM seeds prices declined amid good pace of arrivals as farmers and traders are releasing their stocks at the current price level. NCDEX future prices of Soybean and Mustard declined on profit booking phase of the market. CBOT prices are continued on higher side on firm sentiments.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.8 lakh hectares to 77.68 lakh hectares as on 10th Jan 2020 against 78.43 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 68.12 lakh hectares lower by 0.80 lakh hac. against 68.88 lakh hectares in last year. Total covering area of groundnut stood at 4.18 lakh hectares higher against 3.99 lakh hectares in last year. Safflower has been planted on 0.51 lakh hectares higher from last year record i.e.0.38 lakh hectares. Sunflower has been planted on 0.91 lakh hectares lower against 1.04 lakh hectares last year. Sesame has been planted on 0.42 lakh hectares lower from last year. Linseed has been planted on 3.20 lakh hectares lower against 3.34 lakh hectares in last year.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaur, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

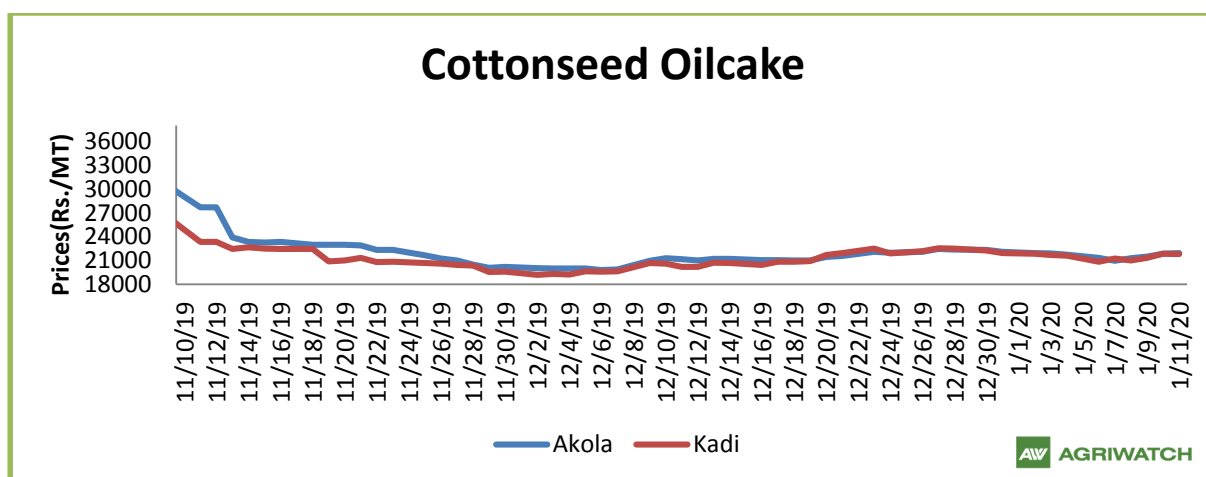
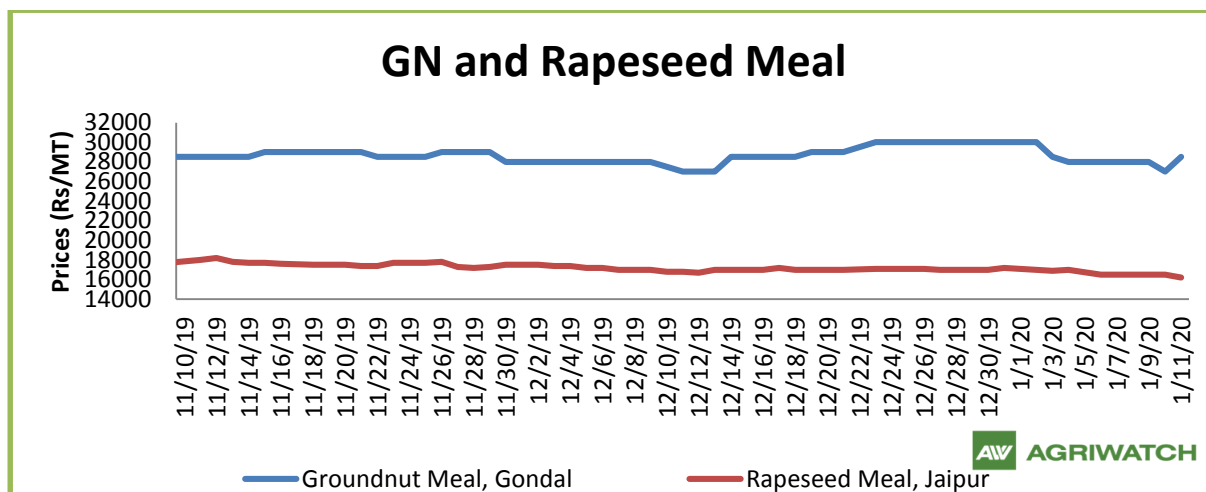
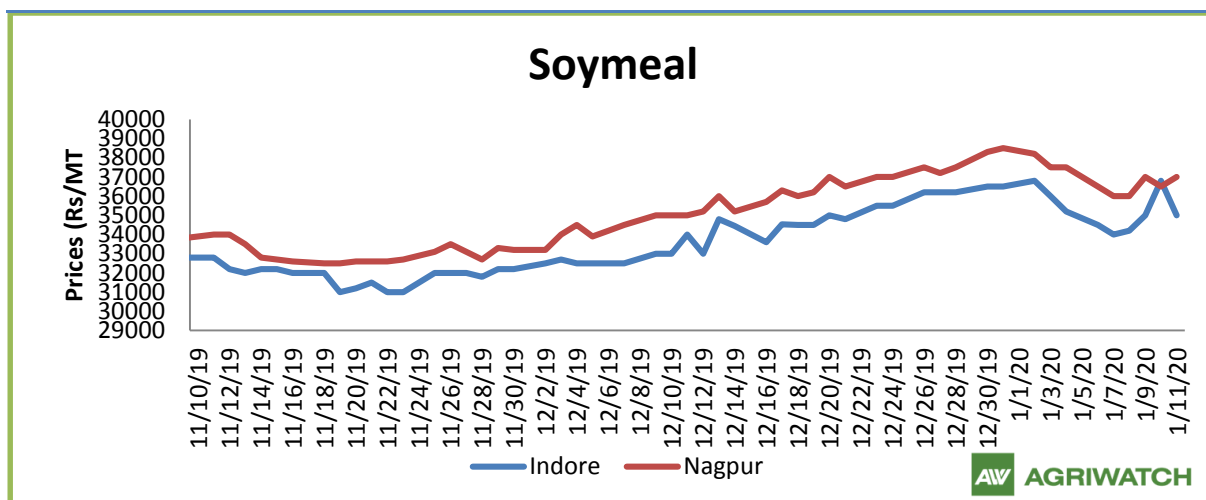
As per WASDE January report, world oilseed production for 2019/20 is projected at 574.63 million tons in Jan month, unchanged with higher soybean sunflowerseed crops offsetting declines for palm kernel, cotton seed and rapeseed. Total oilseeds crushing has been increased at 190,000 tons to 496.69 million tons due to higher crushing estimates in China and Mexico. Ending stocks for the world is kept 1 million tons higher at 112.32 million tonnes against 111.57 million tons in previous year due to higher sunflower seed crop in Russia and reductions in feed, seed and waste consumption for soybeans in Brazil.

Soybean prices may trade in steady to firm tone on improved demand however RMseed prices may decline on weak demand of crushers.

Overall maize cash markets traded steady to range bound during the week compared to last week and is likely to trade steady to range bound in near term too amid regular feed makers demand.

All India weekly average prices of wheat increased by 3.10 percent to Rs. 2380.46 per quintal during the week ended 11th January 2020. Wheat average price were ruling at Rs 2308.81 per quintal during 01-07 January 2020. As compared to prices in the week 08-15 January 2019, the prices are higher by 11.11 percent. Prices are expected to continue steady to firm tone in coming days amid good demand in the domestic market.

Trend – Raw Material, Feed



Source: AgriWatch

Soybean

Soybean prices showed mixed trend in this week amid mixed sentiments in the markets. Soybean prices may trade in steady to firm tone as demand is likely to improve due to good demand soyoil in coming days. Soybean import activities in Jan month will curb any major hike.

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, 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 tonnes 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 futures prices closed higher side amid improved exports prospectus to China. Chinese trade delegation may travel to Washington on Jan. 13 for the signing of the US-China Phase 1 trade deal which can support US soybean sales to China.

As per recent report of Conab, Brazil may grow 6.3% higher soybean to 122 million tonnes in 2019-20 compared to previous year record as farmers have increased acreage for soybean after supportive weather condition. Sowing is almost finished in Brazil.

During the week (Dec.27-2019,2 Jan 2020) US sold 8% higher soybeans to 355,500 MT for 2019/2020 from the previous week however 59% from the prior 4-week average. Increases were primarily for Indonesia (78,600 MT, including 68,000 MT switched from unknown destinations and decreases of 100 MT), Germany (75,800 MT), China (74,700 MT, including 66,000 MT switched from unknown destinations), the Netherlands (67,200 MT, including 60,000 MT switched from unknown destinations), and South Korea (58,700 MT, including 55,000 MT switched from unknown destinations), were offset by reductions for unknown destinations (73,000 MT), Taiwan (500 MT), Pakistan (400 MT), and Malaysia (200 MT). For 2020/2021, total net sales of 3,400 MT were for Japan. Exports of 1,118,800 MT were up 4 percent from the previous week, but down 8 percent from the prior 4-week average. The destinations were primarily to China (353,800 MT), Egypt (128,500 MT), Mexico (102,500 MT), Indonesia (98,100 MT), and Germany (75,800 MT).

As per source, China purchased total 9.4 million tonnes of US soybean ending January 2,2020 and 9.7 million tons to the rest of world. It exported total 474,000 tons in previous year in the corresponding period of time including 12.7 million tons in rest of the world and outstanding sales to China were 3 million tons and 12.5 million to the rest of the world. U.S. soybean export commitments (outstanding sales plus accumulated exports) to China totaled 11.2 million tons compared to 3.5 million a year ago. Total commitments to the world were 29.8 million tons, compared to 30.4 million for the same period last year.

As per sources, European Union bought total 6.6 million tonnes of Soybean till Dec 22, 2019 (season started on July 1) which is lower by 2% from last year record in Dec.16. EU soymeal imports had reached higher by 15% to 9.3 million tonnes, the year-earlier period, while palm oil imports stood down by 19% to 2.6 million tonnes.

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 lower in November 2019 at 868,769 tons 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 January month report and lower from previous year record. 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%.

As per USDA, the soybean planted area in Brazil 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 hac.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.

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 Ukrain. It is likely to give permission to import rice bran and palm meal from Thailand.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly higher to 96.84 million tons in January against 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 Jan. month. Ending stocks of the country is expected lower at 12.91 million tonnes in Jan. month review against 12.92 million tonnes in Dec. Month estimates.

As per USDA, U.S. Gulf FOB soybean export bids in December averaged \$363/ton, higher \$6 from November. Brazil Paranagua FOB averaged \$369/ton unchanged from November. Argentina Up River FOB averaged \$367/ton, up \$14.

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 tones 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 from Dec. month. While crushing is forecasted higher at 8.50 million tonnes against 8.45 million tonnes in Dec. month estimates.

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.

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 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.

Soy meal

Soymeal prices declined after less south based traders demand. Declining prices of soybean and soyoil are also affecting soymeal prices. Total Oilmeals exports declined on account of disparity in export of oilmeals, specifically soyabean meal because of the higher minimum support price (MSP) of beans which makes the domestic soyabean meal expensive in international market in comparison.

During the week (Dec.27,2019 to 2 Jan, 2020) US sold 22% lower soybean cake and meal to 74,200 MT for 2019/2020 from the previous week and 47% lower from the prior 4-week average. Increases primarily for Ecuador (35,500 MT), Canada (7,400 MT, including decreases of 1,800 MT), unknown destinations (6,000 MT), Honduras (4,600 MT), and the Philippines (4,100 MT), were offset by reductions for Guatemala (900 MT) and Japan (200 MT). Exports of 148,100 MT were primarily to the Dominican Republic (35,600 MT), Mexico (35,100 MT), Canada (23,100 MT), Colombia (13,000 MT), and Guatemala (12,400 MT).

As per USDA, U.S. soybean meal export bids in December averaged \$344/ton, up \$5 from November. Brazil Paranagua FOB averaged \$326/ton, up \$7 from November, and Argentina Up River FOB averaged \$331/ton, up \$12. The U.S. and Brazil FOB soybean price spread has narrowed as Brazil's FOB soybean price averaged 2 percent above U.S. prices, slightly less than 3 percent last month.

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.

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 recent SEA report, India shipped Oilmeals lower by 79% to 67,562 tons in December 2019 against 324,927 tons in December 2018. The overall export of oilmeals during April-Dec. 2019 is reported at 1,802,434 tons compared to 2,411,248 tons in April-Dec.2018 i.e. down by 25%. 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 by 60% to 469,248 against 292,511 tons.

During April-December 2019, Vietnam imported 228,553 tons of oilmeals (compared to 473,010 tons); consisting of 5316 tons of soybean meal, 144,570 tons of rapeseed meal and 78,667 tons of De-oiled Rice Bran Extraction. South Korea imported 709,312 tons of oilmeals (compared to 578,443 tons);

consisting 37,616 tons of soybean meal, 294,758 tons of rapeseed meal and 376,938 tons of castor seed meal. Thailand imported 176,555 tons of oilmeals (compared to 258,400 tons) consisting 155,959 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 3015 tons of soybean meal.

During April-December 2019, the export from Kandla is reported at 656,067 tons lower (36%), followed by Mundra handled 588,547 tons (33%), and Mumbai including JNPT handled 130,267 tons (7%) and Kolkata handled 105,786 tons (6%) and Others Ports handled 321,767 tons (18%).

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 closed lower side on weak demand of crushers due to higher price level. Arrivals are in mixed pace in the market. At the end of week, mustard closed at 4700 per quintal as compared to 4905 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 68.12 lakh hac. of Mustard area as on 10th Jan. 2020 which is lower by 0.76 lakh hac. against 68.88 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 25.04 lakh hac. higher against 24.78 lakh hac. followed by 12.24 lakh in Uttar Pradesh, 7.03 lakh hac. in MP, 5.45 lakh hac. in West Bengal, 1.72 lakh hac. in Gujarat, 5.62 lakh hac. in Haryana, 2.43 lakh hac in Jharkhand.

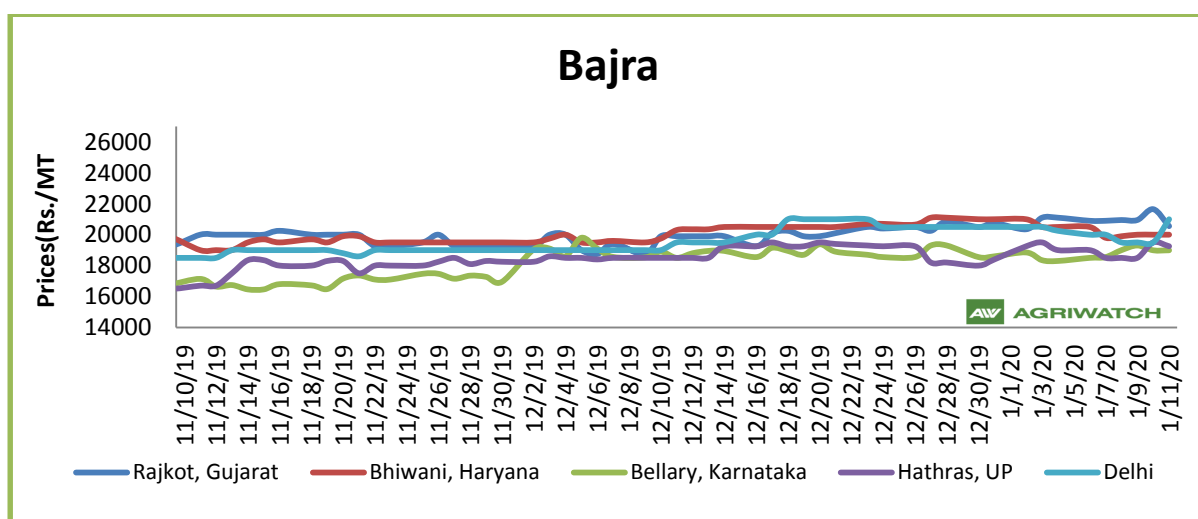
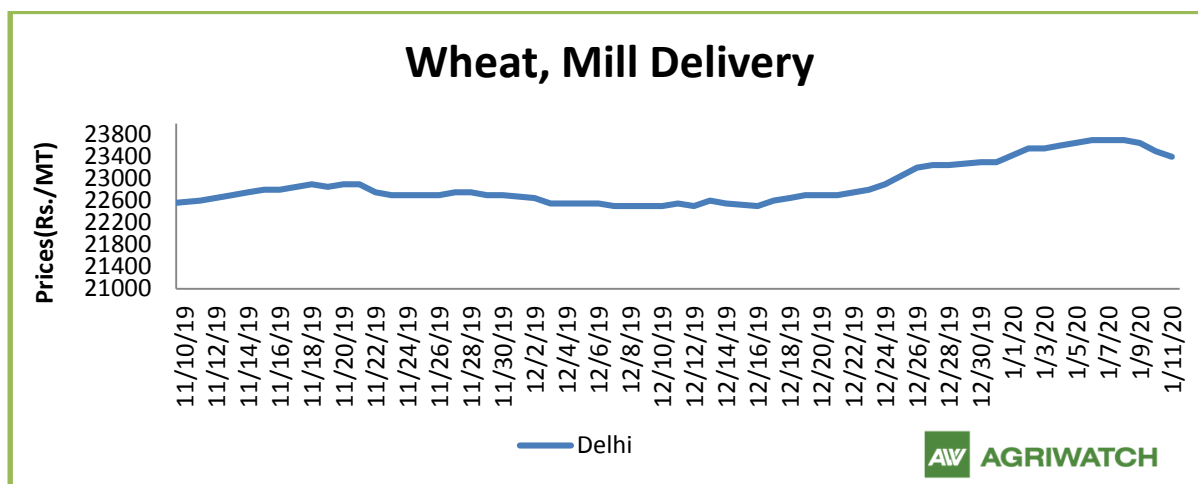
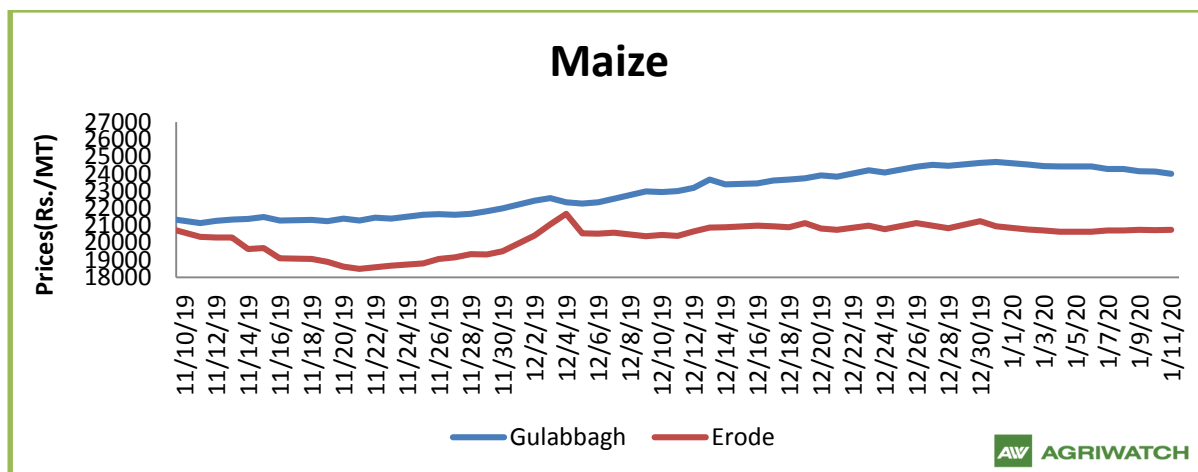
High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers had waited water to dry up the sowing low lying land. The government 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 range bound during the week compared to last week and is likely to trade steady to range bound in near term too amid regular feed makers demand.

In Davangere region of Karnataka, maize arrivals are still containing moisture 18% due to cold weather and fungus 3-4%. Despite the fresh arrival in Tamilnadu, maize is likely to trade steady due to local stockists demand. In Nizamabad, maize arrivals are containing fungus 5% and damaged grains around 5-7%. Maize is likely to trade steady to range bound in the near term. 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) at berth with 53,120.00 tonnes of corn has discharged at Kandla port on 23 December, 2019.

As per media report, MMTC has revised its import tender volume for Non- GMO yellow corn from 50,000 MT to 1,75,000 MT for the shipment latest by 10th Feb 2020. Three consignment of 50,000 MT (+/- 5%) each is sought for shipment at the Visakhapatnam, Tuticorin and Mangalore port and 25,000 MT (+/- 5%) at the Mumbai port. MMTC has also postponed the deadline for offer submissions in the tender to 14th Jan 2020 from 7th Jan 2020. Offer will remain valid up to 20th Jan 2020.

From the trade point of view, Maize is moving towards Hyderabad at Rs. 2,250 per quintal while it is being bought by local starch feed makers at Rs. 1900 per quintal. In Davangere, Local stockists are buying maize at Rs. 2000 per quintal (Godown Delivery).

In India, maize has been sown in around 14.52 lakh hectares as of 10th Jan'19 for Rabi season 2019-20 which is higher than 13.54 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.79 lakh hectare which is higher than 1.01 lakh hectare during corresponding period last year while in Gujarat, it has been sown in around 1.30 lakh hectare which is higher than 0.96 lakh hectare during corresponding period last year. In Bihar, it has been sown in around 4.57 lakh hectare which is same than corresponding period last year. However, in Tamilnadu, it has been sown in around 1.42 lakh hectare which is lower than 1.97 lakh hectare during corresponding period last year.

Corn on CBOT fall by 0.30 USD/MT to 151.86 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. At 0.51 MMT (for the period 27th December- 02nd January, 2020) US corn exports were up 15 percent from the previous week and 1 percent from the prior 4-week average. Corn ending stock estimates for U.S also decreased by 0.46 MMT to 48.07 MMT for 2019/20 due to increase in consumption estimates which could also lead to corn prices at CBOT market.

All India weekly average prices of wheat increased by 3.10 percent to Rs. 2380.46 per quintal during the week ended 11th January 2020. Wheat average price were ruling at Rs 2308.81 per quintal during 01-07 January 2020. As compared to prices in the week 08-15 January 2019, the prices are higher by 11.11 percent. Prices are expected to continue steady to firm tone in coming days amid good demand in the domestic market.

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 10th January-20 is 326.46 lakh hectares compared to 293.81 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, Haryana, Maharashtra, Rajasthan and Uttar Pradesh till date.

Wheat WPI has increased from 160.6 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.

The Food Ministry of India has decided to hike the wheat base price to Rs. 2245/100 kg during January –March quarter from the current base price of Rs.2190/100 kg. The government started offering wheat at a base price of 2080 rupees per 100 kg in Apr-Jun and subsequently, raised it by 55 rupees every quarter. This year's base price under the auction includes a 50% interest rate and warehouse charges. In non-wheat producing states, the rail freight from Ludhiana is added to the base price.

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 \$385.00 (Rs 27377.35) per tonne and \$534.80 (Rs 38029.63) 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 25500-26000 per tonne. Therefore, as of now, there is no parity for wheat imports.

Indian FoB quote is hovering around \$339.61 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$218.50, \$212.50, Euro 191.25, \$257.00 and \$243.88 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 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)		
	9-Jan-20	2-Jan-20	Parity To
Indore - 45%, Jute Bag	35000	36800	Gujarat, MP
Kota - 45%, PP Bag	36700	38000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	36800	38500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	37000	38200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	37000	38500	Andhra, AP, Kar, TN

Latur	37500	39000	-
Sangli	36500	37800	Local and South
Solapur	35800	37000	Local and South
Akola – 45%, PP Bag	36500	37200	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	37000	38500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	36500	37800	-

Soy DOC at Port

Centers	Port Price		
	8-Jan-20	31-Dec-19	Change
Kandla (FOR) (INR/MT)	Unq	Unq	Unq
Kandla (FAS) (USD/MT)	Unq	Unq	Unq
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	Unq

International Soy DOC			
Argentina FOB USD/MT	8-Jan-20	31-Dec-19	Change
Soybean Pellets	334	334	Unch
Soybean Cake Flour	334	334	Unch
Soya Meal	334	328	6
Soy Expellers	334	328	6
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	9-Jan-20	2-Jan-20	Change
Adoni	Unq	Unq	Unq
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	24000	24000	Unch

Groundnut Meal (Rs/MT)	9-Jan-20	2-Jan-20	Change
Basis 45%, Saurashtra	29000	31000	-2000
Basis 40%, Saurashtra	27000	29000	-2000
GN Cake, Gondal	28000	30000	-2000

Mustard DOC/Meal	9-Jan-20	2-Jan-20	Change
Jaipur (Plant delivery)	16500	17000	-500
Kandla (FOR Rs/MT)	16500	17400	-900

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	10-Jan-20	3-Jan-20	10-Dec-19	10-Jan-19	10-Jan-18
Delhi	Hybrid	2200	2250	2150	1750	1325
Davangere	Loose	1950	1960	1950	1550	1230
Nizamabad	Bilty	2050	2025	1975	1800	1340
Ahmedabad	Feed	NR	NR	NR	2000	1310
	Starch	NR	NR	NR	2000	1340

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

As on 10.01.2020	Argentina	Brazil	US	India
FOB	183.37	170.00	174.90	305.51
Cost and Freight	233.37	225.00	234.90	340.51

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	9-Jan-20	2-Jan-20	Change
Bajra	Karnataka	Hybrid	Bellary	1930	1885	45
		Hybrid	Bangalore	2350	2350	Unch
Jowar	Karnataka	White	Bangalore	3500	3500	Unch
		White	Bellary	2580	2335	245
Maize	Karnataka	Yellow	Davangere	1950	1960	-10
	Andhra Pradesh	Yellow	Nizamabad	1950	1950	Unch
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3400	3400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3500	3680	-180
	Maharashtra	DOC	Sangli	3650	3780	-130
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	0	0	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1650	1700	-50
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	3000	-200
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2134	2184	-50
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2149	2193	-44
Note: Prices Rs./Qtl						

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