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## Summary

There is no major trading activities due to do lock down in India to prevent from spreading COVID-19. As on 6<sup>th</sup> April 2020, total 4314 cases of coronavirus have been identified in India including 118 death cases and 328 recovered cases. Crushing of oilseeds is likely to re-start to fulfill the regular demand of domestic users. However, millers can face big challenges like labors problem, transportation issues, less stocks availabilities due to lock down in India. Harvesting of mustard crop has been almost finished in Rajasthan state however farmers are not able to bring in the mandies with full speed. Time period for lock down has been decided until 14<sup>th</sup> April 2020. NCDEX Soybean & RM seed April contract declined on selling pressures in this week. CBOT prices increased due to supply concern of Soybean.

As per the Mustard Oil Producers Association of India, India crushed 500,000 tonnes of oilseeds in February 2020 which is higher by 33.3% against previous year record after higher arrivals and robust demand of mustard meal exporters. Total crushing is also higher by 25% against Jan month record. In Feb month, around 200,000 tonnes of new mustard crop had hit the market including 60,000 tonnes of old crop. During Mar-Feb, total mustard seed supply was at 7.05 million tonnes. Arrivals in Rajasthan were reported at 2.55 million tonnes. While in UP, it was registered at 1.25 million tonnes and a combined 825,000 tonnes in Madhya Pradesh and Chhattisgarh. Total available stocks with processors, stockiest and state-run agencies stood at 200,000 tons as on February 28, 2020. 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

Agriwatch expects 7.21 million tonnes of Mustard crop for 2021-20 which is 8.73% lower from 7.90 million tonnes as estimated for 2019-20. Yield size may decline 8.4% to 1036.88 Kg/Hac. against 1133 Kg/Hac in 2019-20 due to non-seasonal rainfall in Jan 2020 and March 2020. India received 31% excess rainfall during 1<sup>st</sup> March 2020 to 5<sup>th</sup> April 2020 compared to Normal rainfall which may damage seed quality and also delay harvesting of this season. Heavy Rainfall and hailstorm in early Jan month 2020 have affected standing mustard crops in Rajasthan, Western Uttar Pradesh and Southern Haryana states of India as a result the stem rot and white rust disease were seen at growth stage. Area of India is reported 0.29% lower to 6.95 million hectares in this season as compared to 6.97 million hectares in last season as mustard area have shifted to Wheat, Garlic and Barley crops in few growing belts of India.

Recent rainfall may cause 15 to 20% total crop loss in UP. In Bundelkhand, trader expect 15% crop loss on account of heavy rainfall and hailstorm. Heavy rainfall may cause the stem rot disease and leave the plant wilted which may reduce 10 to 15% yield size compared to last season. Uttar Pradesh received 380% higher rainfall from 1<sup>st</sup> March 2020 to 5<sup>th</sup> April 2020 against normal rainfall.

Sopa has revised Soybean Kharif production for 2019 from 89.94 lakh tonnes to 93.06 lakh tonnes after its recent field survey in Maharashtra, Madhya Pradesh and Rajasthan states. The revision is only for Maharashtra from 36.295 lakh tonne to 39.416 lakh tonne as sowing area stood higher side at 37.36 lakh ha. in 2019 against 36.39 lakh ha. in 2018. India may harvest 14.85 per cent lower Soybean crop at 93.06 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. Sopa has increased soymeal consumption at 50 lakh tones higher from 47.5 lakh tonnes from its earlier estimates.

There will be no major trading activities due to lock down condition in India.

Domestic sentiments for maize remained same during last week due to lockdown in India.

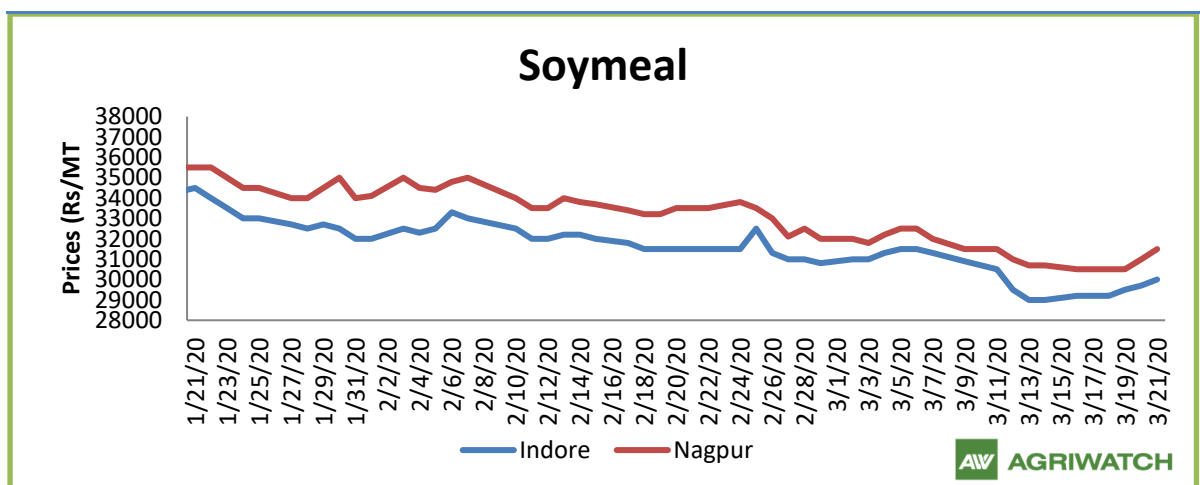
Across India, maize is likely to trade steady to weak in near term too on sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments. However, no major trade activity would happen till 14th April'20 as markets are closed due to lockdown in India to fight the spread of Covid-19; huge arrivals of new crop are expected after that which could also weigh on market sentiments.

As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days. In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.

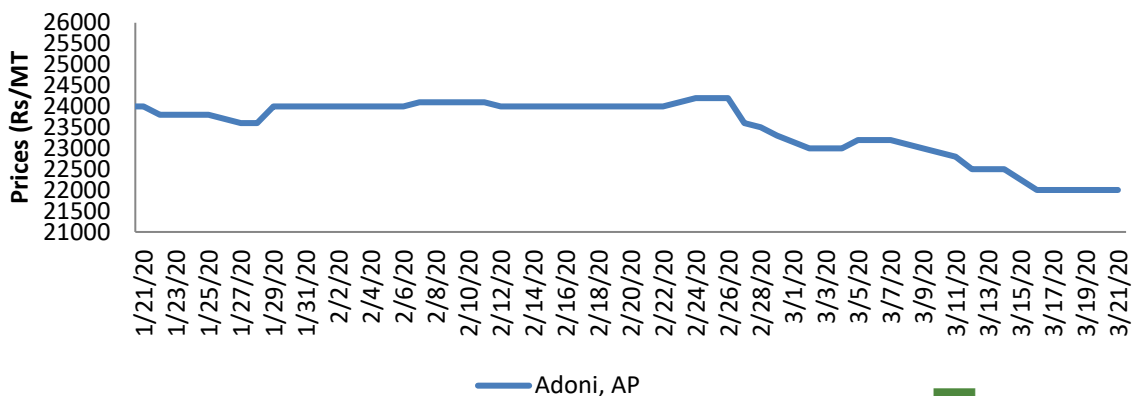
In Nizamabad, maize is likely to trade steady to weak in near term due to sluggish poultry feed makers' demand on the fear of corona virus. Early new crop arrivals have started in the market, containing moisture up to 18%. In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.

All India weekly average of wheat prices increased slightly by 0.12 percent to Rs. 2011.99 per quintal during the week ended 8<sup>th</sup> April 2020. Wheat average price were ruling at Rs 2009.51 per quintal during 24-31 March 2020. As compared to prices in the week 01-08 April 2019, the prices are lower by 1.63 percent. Prices are expected to trade steady to weak amid lock down in the country. As per the latest update, wheat markets remain closed following lock down in the country amid spread of Covid -19.

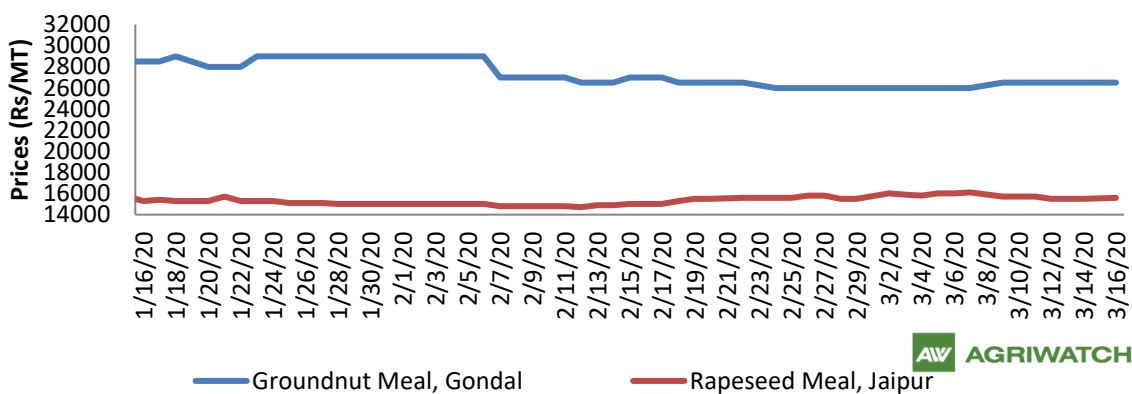
#### Trend – Raw Material, Feed



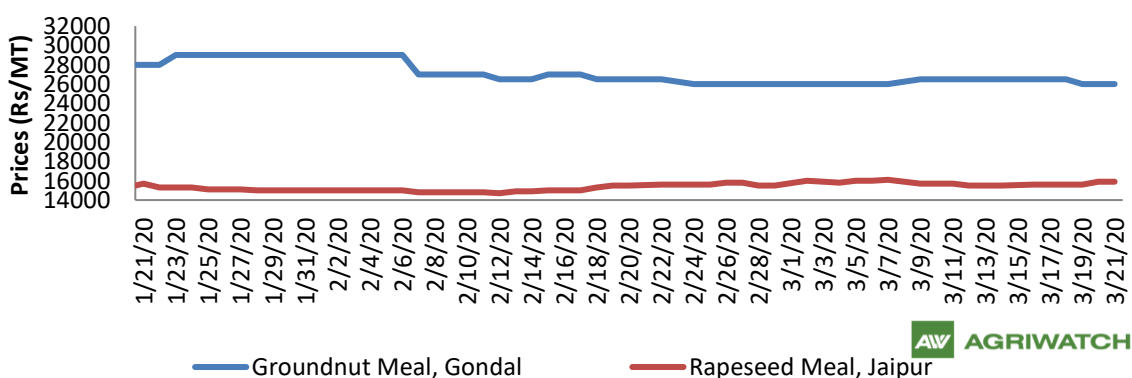
### Sunflower Meal

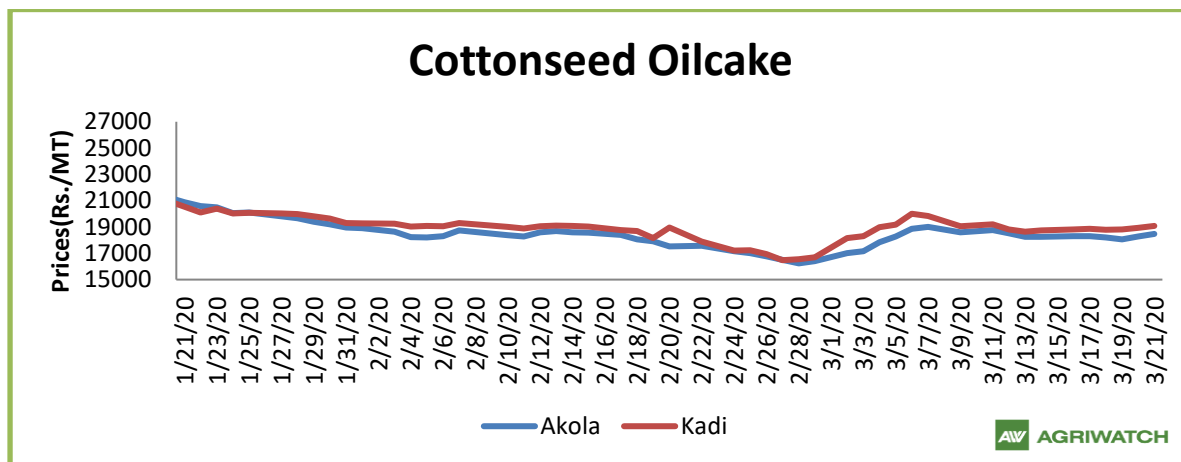


### GN and Rapeseed Meal



### GN and Rapeseed Meal





Source: AgriWatch

### Soy meal

Soymeal prices showed firmness in the markets. However, there is limited trading activities on account of lock down in India.

According to trade source, one vessel (DODO) and one vessel (TROGIR) are expected to arrive at Tuticorin port for sunflower oil meal with total capacity of 31253 tons and 33000 tons respectively.

During the week (Mar.20 to Mar 26, 2020) US sold lower soybean cake and meal to 125,200 MT for 2019/2020 from the previous week and 39% lower from prior 4-week average. Increases primarily for the United Kingdom (29,400 MT, switched from unknown destinations), Mexico (25,300 MT, including decreases of 100 MT), New Zealand (25,000 MT), Canada (22,600 MT), and Guatemala (11,200 MT, including decreases of 10,700 MT), were offset by reductions primarily for unknown destinations (30,000 MT), Nepal (5,000 MT), Honduras (4,700 MT), and Chile (4,500 MT). For 2020/2021, net sales reductions of 15,900 MT were for Guatemala (15,400 MT) and El Salvador (500 MT). Exports of 324,900 MT were up 12 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (66,200 MT), the Philippines (50,500 MT), Morocco (42,300 MT), the United Kingdom (29,400 MT), and Canada (25,900 MT).

As per recent report of USDA of March month, India may produce higher Soymeal to 6.6 million tonnes in 2019/20 compared to 6.4 million tonnes in Feb month estimates however it is lower from 7.6 million tonnes in 2018-19 season. Domestic consumption is forecast at 5.49 million tonnes for this season higher from 5.35 million tonnes in last month estimates and also from 5.28 million tonnes in last season.

As per USDA, global production of soymeal is estimated at 238.49 million metric tonnes lower against last month estimates however it is higher as compared to last year record i.e. 233.33 million metric tonnes. Exports of soymeal may stand lower at 66.89 million metric tonnes against 67.80 million metric tonnes in Feb month estimates and 67.24 million metric tonnes from last year record.

As per USDA, U.S. soybean meal export bids in February averaged \$334/ton, down \$6 from January. Brazil Paranagua FOB averaged \$317/ton, down \$4 from January, and Argentina Up River FOB averaged lower by \$7 to \$330/ton.

As per recent SEA report, India shipped Oilmeals lower by 74% to 76,017 tons in February 2020 against 294,510 tons in February 2019. India shipped total 20,309 tons of soymeal, 40,585 tons of Rapeseed meal, 3500 tons of Rice Bran Ext., 11,623 tons of castor seed meal in Feb 2020. The overall export of oilmeals during April-Feb. 2020 is reported 25% lower to 2,200,690 tons compared to 2,941,971 tons in April-Feb.2019 on account of 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 50% to 505,194 against 359,351 tons in Apr-to Feb 2020 compared to last season.

During April-February 2020, Vietnam imported 276,655 tons of oilmeals (compared to 592,697 tons); consisting of 6,417 tons of soybean meal, 167,643 tons of rapeseed meal and 102,595 tons of De-oiled Rice Bran Extraction. South Korea imported 809,733 tons of oilmeals (compared to 699,334 tons); consisting 51,098 tons of soybean meal, 365,243 tons of rapeseed meal and 393,392 tons of castor seed meal. Thailand imported 218,320 tons of oilmeals (compared to 298,400 tons) consisting 197,798 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2905 tons of soybean meal.

During April-February 2020, the export from Kandla is reported at 754,590 tons (34%), followed by Mundra handled 703,303 tons (32%), and Mumbai including JNPT handled 172,169 tons (8%) and Kolkata handled 131,269 tons (6%) and Others Ports handled 439,359 tons (20%).

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.

Indian Soymeal premium quoted higher side by \$52 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**

No major trading activities are happening due to lock down in India. Famers in Rajasthan have completed harvesting now. While, 50% harvesting has been completed in UP state as harvesting was delayed due to rainfall in the last week.

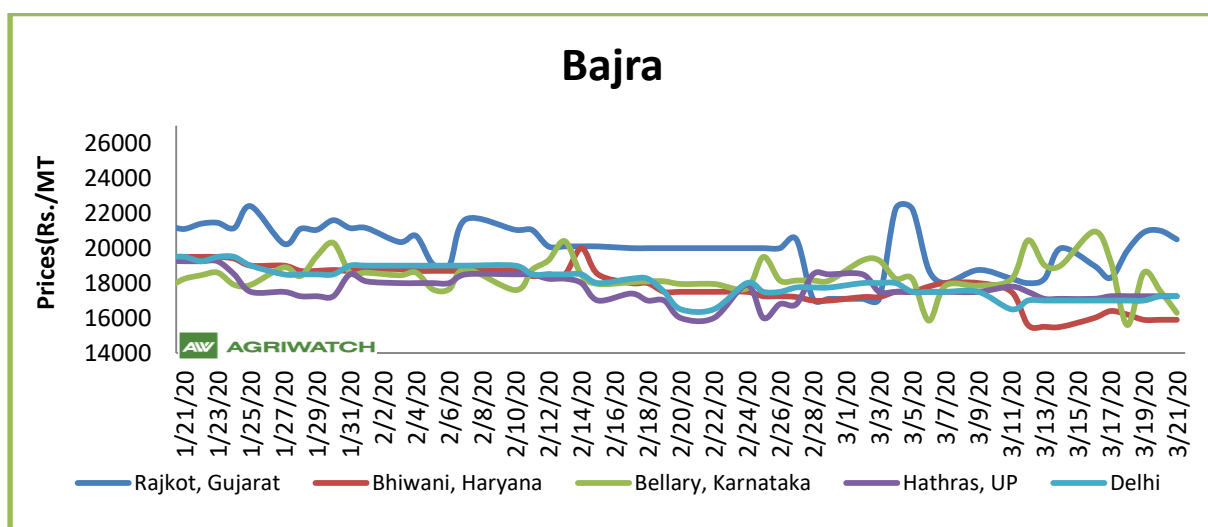
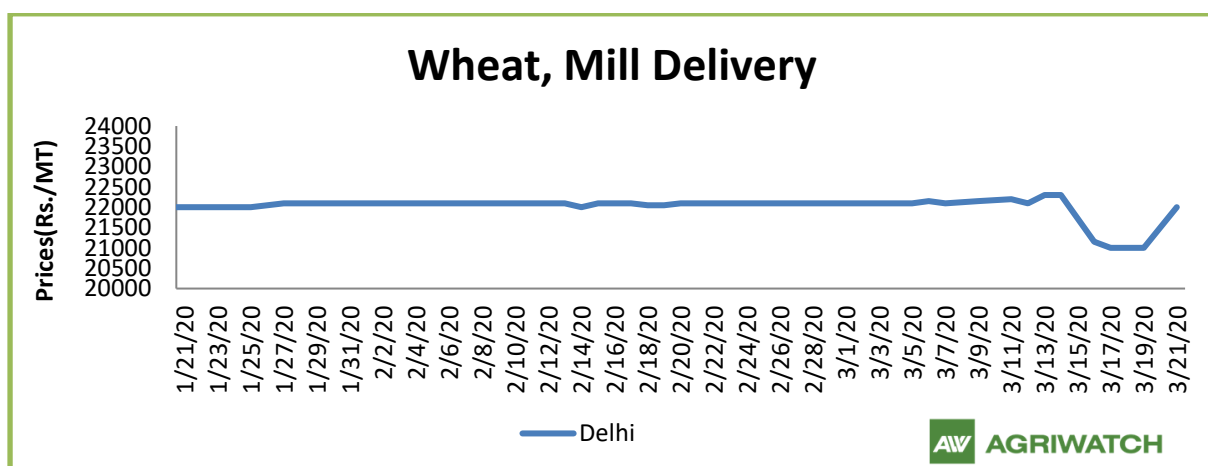
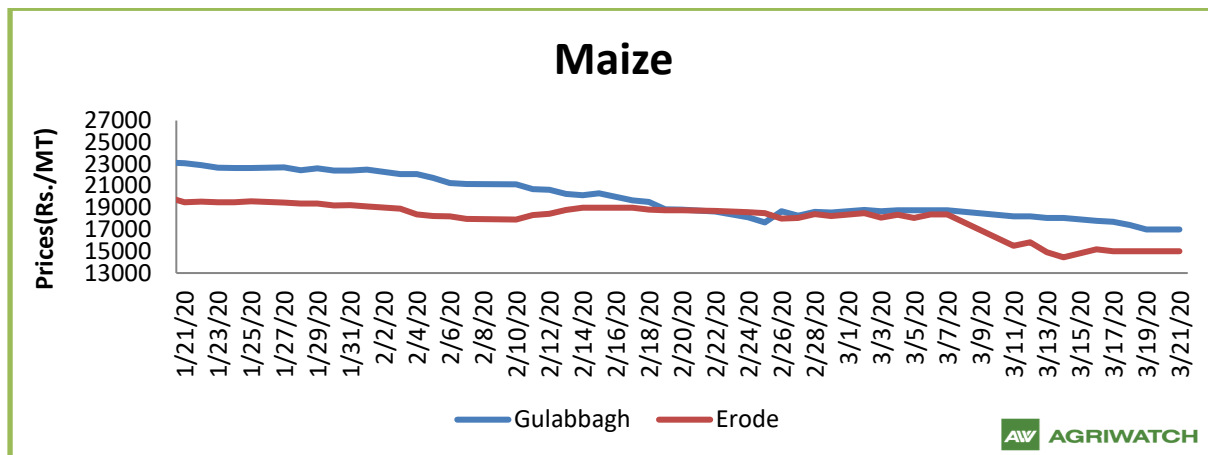
COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares lower by 0.24 lakh hac. against 69.76 lakh hectares in last year. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. Farmers have covered total mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.81 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat. Sunflower has been planted on 1.04 lakh hectares lower against 1.13 lakh hectares in last year. Sesame has been planted on 0.56 lakh hectares lower from last year i.e.0.71 lakh hac. However, total covering area of groundnut stood at 4.76 lakh hectares higher against 4.59 lakh hectares in last year. Safflower has been planted on 0.63 lakh hectares higher from last year record i.e.0.43 lakh hectares. Linseed has been planted on 3.46 lakh hectares higher against 3.44 lakh hectares in last year.

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) March estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. It is unchanged from last

month estimates. Ending stocks of mustard seed have been lowered to 1.69 lakh tonnes from 4.69 lakh tonnes in last year record. India's 2019-20 Rapeseed oil production is revised higher at 26.60 lakh tonnes higher from previous year record i.e. 26.22 lakh tonnes. While, mustard oil import estimates are placed lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.



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



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As per 3rd advanced estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 4.22 MT/ hectare.

Corn on CBOT fall by 6.00 USD/MT to 130.21 USD/MT for May'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

At 1.26 MMT (for the period 20th- 26th March, 2020) US corn exports were up 49 percent from the previous week and 42 percent from the prior 4-week average; mainly for the destinations like Japan (478,700 MT), Mexico (299,200 MT), Colombia (202,500 MT), South Korea (129,500 MT), and Costa Rica (33,100 MT).

USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres which could weigh on market sentiments.

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The Indian Council of Agricultural Research has advised wheat farmers to postpone their harvest to April 20 in the wake of the Covid-19 outbreak. The temperature in most wheat growing areas is still below long-term average and therefore, farmers can delay wheat harvesting till April 20 without incurring any significant loss. The official procurement of wheat begins in the northern states by first week of April. In view of the delayed procurement of wheat due to the ongoing lockdown, the state government has urged the Central Government's to provide incentive ranging from Rs 50 to Rs 125 per quintal to the farmers.

The distribution of free wheat grain under the PDS is of not much use to the consumers as they are unable to convert wheat into flour amid lock down. Flour mills are shut across the country amid lock down. To ensure enough food to the poor during the lockdown, the government last week started distributing free 5 kg of rice or wheat per person and 1 kg pulse per household under the Pradhan Mantri Garib Kalyan Yojana (PMGKY) to over 81 crore PDS beneficiaries. This is over and above the monthly quota of 5 kg grains per person being given at subsidised rate of Rs.2kg for wheat and Rs.3kg for rice.

As per Govt. sources the second crop forecast of India is projected to produce a record 106.2 MMT of wheat crop in 2019-20 because of favourable weather conditions and improved crop yields.

As per trade source, India has exported around 11.15 thousand tonnes in the month of February-2020. The quantity in February-2020 was exported at an average FOB of \$ 312.07 per tonne and the major



destinations were Nepal, Bangladesh, Somalia, 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 \$394.80 (Rs 29981.1) per tonne and \$602.00 (Rs 45715.88) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23000 -23500 per tonne. Therefore, as of now, there is no parity for wheat imports.

Indian FoB quote is hovering around \$242.42 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$218.50, \$219.00, Euro 190.25, \$243.68 and \$250.80 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 156.0 MMT in 2019-20 compared to 137.7 MMT in 2018-19. Russia and Ukraine are likely to harvest 73.6 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 15.20 MMT in 2019-20 compared to 17.30 MMT in 2017-18. Argentina is expecting to harvest around 19.8 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.30 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 unchanged during last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	3-Apr-20	26-Mar-20	Parity To
Indore - 45%, Jute Bag	34000	31000	Gujarat, MP
Kota - 45%, PP Bag	35000	31500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35000	33500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32000	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32500	32500	Andhra, AP, Kar, TN
Latur	36500	34500	-
Sangli	33500	33500	Local and South
Solapur	35300	34000	Local and South
Akola – 45%, PP Bag	36300	33000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB

Bundi	34800	31300	-
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**Soy DOC at Port**

Centers	Port Price		
	1-Apr-20	25-Mar-20	Change
Kandla (FOR) (INR/MT)	Unq	Unq	-
Kandla (FAS) (USD/MT)	Unq	Unq	-
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	1-Apr-20	25-Mar-20	Change
Soybean Pellets	365	365	Unch
Soybean Cake Flour	365	365	Unch
Soya Meal	354	357	-3
Soy Expellers	354	357	-3
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	3-Apr-20	26-Mar-20	Change
Adoni	Closed	Closed	-
Khamgaon	Closed	Closed	-
Parli	Closed	Closed	-
Latur	Closed	Closed	-

Groundnut Meal (Rs/MT)	3-Apr-20	26-Mar-20	Change
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

Mustard DOC/Meal	3-Apr-20	26-Mar-20	Change
Jaipur (Plant delivery)	Closed	Closed	-
Kandla (FOR Rs/MT)	Closed	Closed	-

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	3-Apr-20	27-Mar-20	5-Mar-20	3-Apr-19	3-Apr-18
Delhi	Hybrid	Closed	Closed	1825	2250	1400
Davangere	Loose	Closed	Closed	1700	2000	1250
Nizamabad	Bilty	Closed	Closed	1800	2000	1340
Ahmedabad	Feed	Closed	Closed	1800	2300	1325
	Starch	Closed	Closed	1700	2300	1375

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

As on 03.04.2020	Argentina	Brazil	US	India
FOB	172.64	160.80	165.13	242.95
Cost and Freight	222.64	215.80	225.13	277.95

**Soy Meal Exports (In MT):**

Month	2015	2016	2017	2018	2019	2020
Jan	103934	7707	155160	105678	86378	41726
Feb	64515	1127	207977	73816	132375	20309
Mar	46670	430.1	107059	39209	193920	
Apr	18017	12295	124374	68264	40829	
May	14046	10400	48900	76026	53272	
Jun	2098	17930	45975	104088	62524	
Jul	928	12270	80797	63747	76558	
Aug	768	10615	87668	59643	95450	
Sep	6886	12210	102212	45388	35268	
Oct	4237	31390	71425	150388	63800	
Nov	8909	97750	207630	186409	69415	
Dec	5667	241250	168865	170588	72233	
<b>Total</b>	<b>276674</b>	<b>455374.1</b>	<b>1408042</b>	<b>1143244</b>	<b>982022</b>	<b>62035</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	2-Apr-20	26-Mar-20	Change
Bajra	Karnataka	Hybrid	Bellary	Closed	Closed	-
		Hybrid	Bangalore	Closed	Closed	-
Jowar	Karnataka	White	Bangalore	Closed	Closed	-
		White	Bellary	Closed	Closed	-
Maize	Karnataka	Yellow	Davanger e	Closed	Closed	-
	Andhra Pradesh	Yellow	Nizamaba d	Closed	Closed	-
Rice	Haryana	IR8	Karnal	Closed	Closed	-
		Parmal Raw	Karnal	Closed	Closed	-
Soy meal	Madhya Pradesh	DOC	Indore	Closed	Closed	-
	Maharashtra	DOC	Sangli	Closed	Closed	-
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	Closed	Closed	-
Mustard	Rajasthan	Plant delivery	Jaipur	Closed	Closed	-
Groundnut Meal	Gujarat	GN Cake	Gondal	Closed	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	Closed	Closed	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	Closed	Closed	-
Note: Prices Rs./Qtl						

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