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Summary

Trading activities are closed in India as lock down has been imposed by the government to prevent the spread of COVID-19. Crushing of oilseeds has been re-started now however, millers are suffering from lack of labors, transportations problems and un-availability of raw materials on account of lock down. India will be lock down until 14th April 2020. However, rising confirmed cases of coronavirus are remain serious concern for India as a result lock down period may be extended for two more weeks to control the spreading of coronavirus. However, there will be a little relief in agriculture and supply chain divisions. NCDEX Soybean & RM seed April contract declined on selling pressures in this week. While, CBOT prices rose amid firm sentiments.

Farmers have completed mustard crop harvesting in India. Currently, farmers are not able to sell huge quantity in mandies due to lock down as a result storing in a local places and houses. Heavy rainfall in UP may cause the stem rot disease and leave the plant wilted which may reduce 10 to 15% yield size compared to last season. Traders expect total mustard crop size between 68 to 70 lakh tonnes on lower area and lower yield size of this season. Government has allowed to bring only new wheat crop in mandies under some restrictions as wheat crop is available in large quantities and may damage in case of storing for long time.

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 8.76% lower from 7.90 million tonnes as estimated for 2019-20. Yield size may decline 8.5% 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 46% excess rainfall during 1st March 2020 to 1st April 2020 compared to Normal rainfall which may increase moistures level of already harvested crops. 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 are seen at growth stage. Area of India is reported 0.29% lower to 6.95 million hectares compared to 6.97 million hectares in 2019-20 as mustard area have shifted to Wheat, garlic and Barley crop in some growing belt of India.

As per WASDE April report, world oilseed production for 2019/20 is projected at 577.07 million tons in Apr. month lower against 580.13 million tonnes in last month in expectation of lower crops in Brazil and Argentina. USDA estimates 597.27 million tonns of oilseeds production in 2018/19. Total oilseeds crushing is estimated slightly lower at 497.42 million tons against 497.94 million tons however it is higher from 489.35 million tonnes in previous year. Ending stocks for the world is kept lower at 116.33 million tonnes in this month against 117.37 million tons in last month estimates however lower from 129.21 million tonnes in 2018/19 on lower production.

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

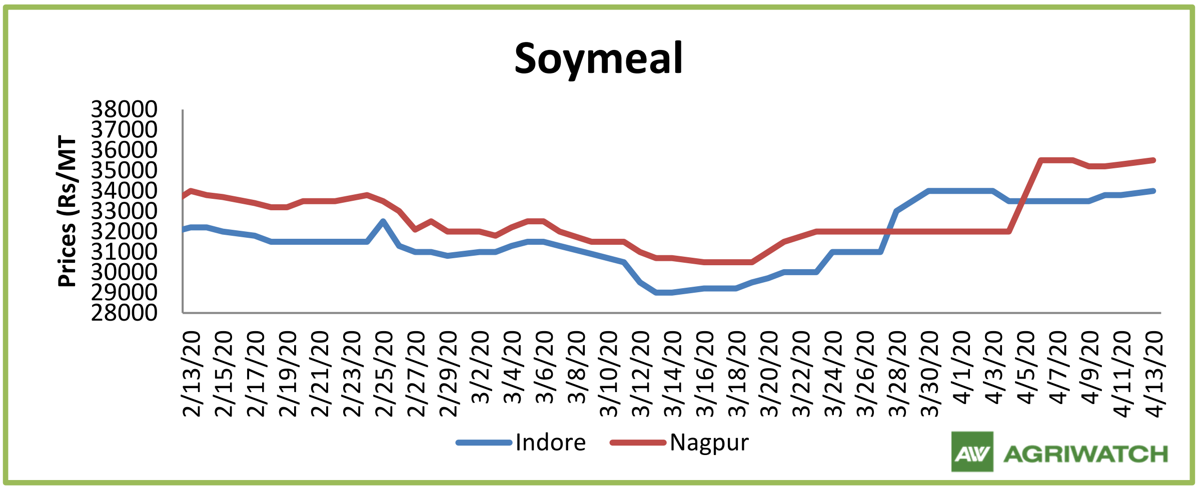
Across India, maize is likely to trade steady to weak in near term on sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments. However, no major trade activity would happen till 14th April'20 as markets 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.

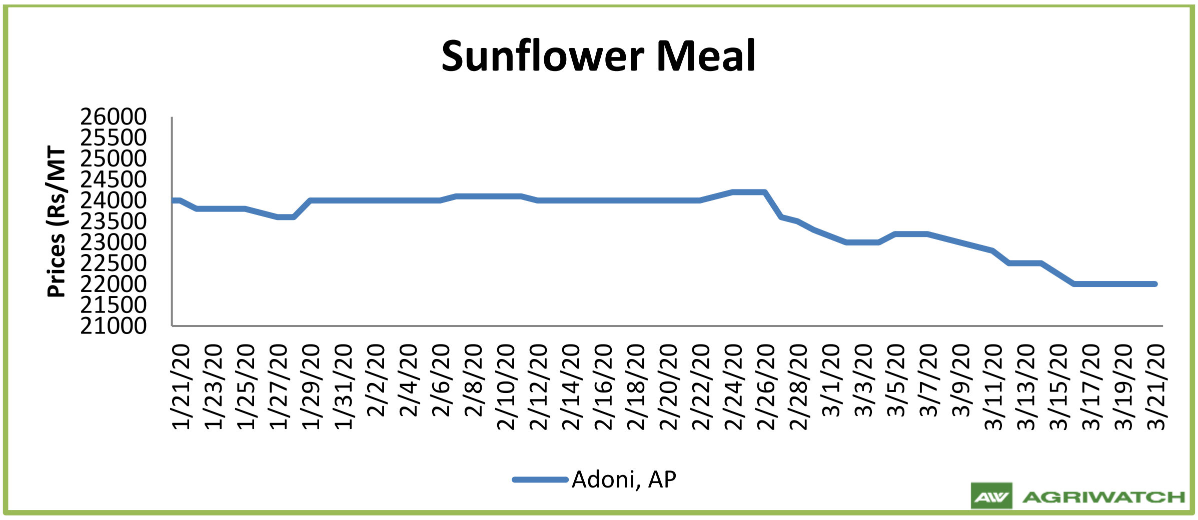
Davangere's maize market opened on 8 April after a huge gap of 18 days. Maize is locally being traded at Rs. 1450 per quintal (Bilty Price) and also, for Bengaluru and Nammakal deliveries at Rs. 1700 and Rs. 1750 per quintal respectively.

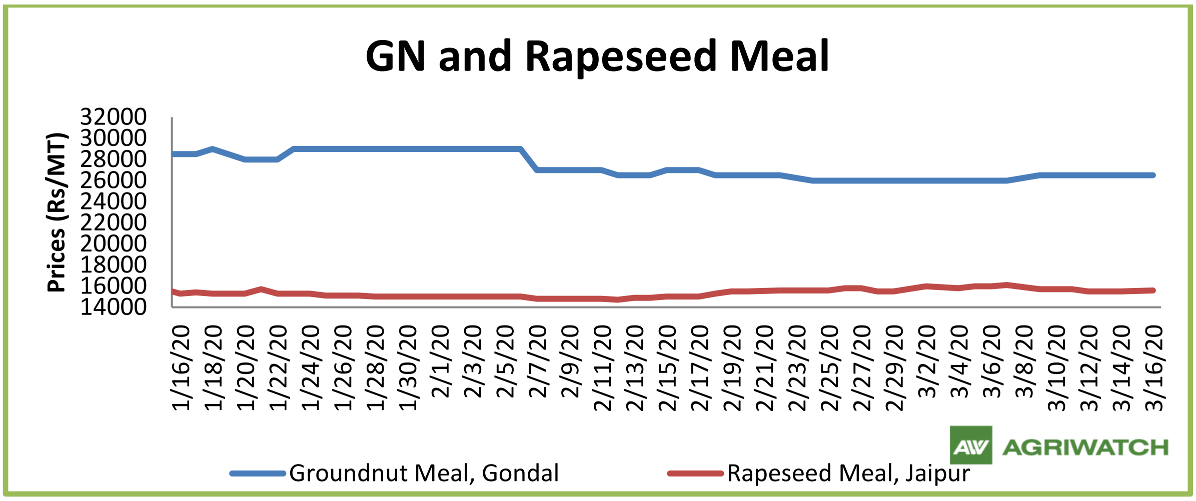
As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days.

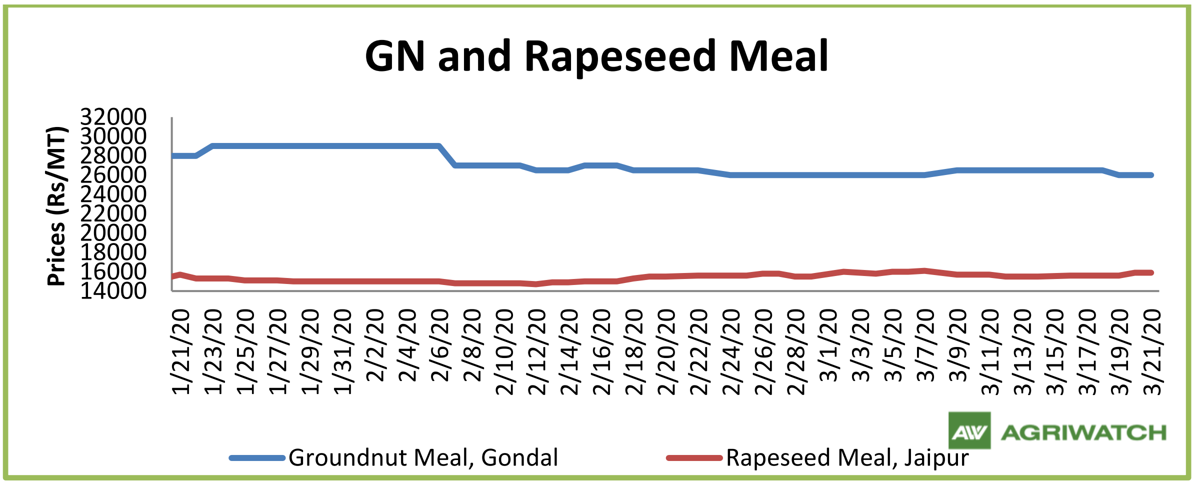
All India weekly average prices of wheat declined by 1.23 percent to Rs. 1987.15 per quintal during the week ended 11th April 2020. Wheat average price were ruling at Rs 2011.99 per quintal during 01-08 April 2020. As compared to prices in the week 09-15 April 2019, the prices are lower by 0.80 percent. 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.

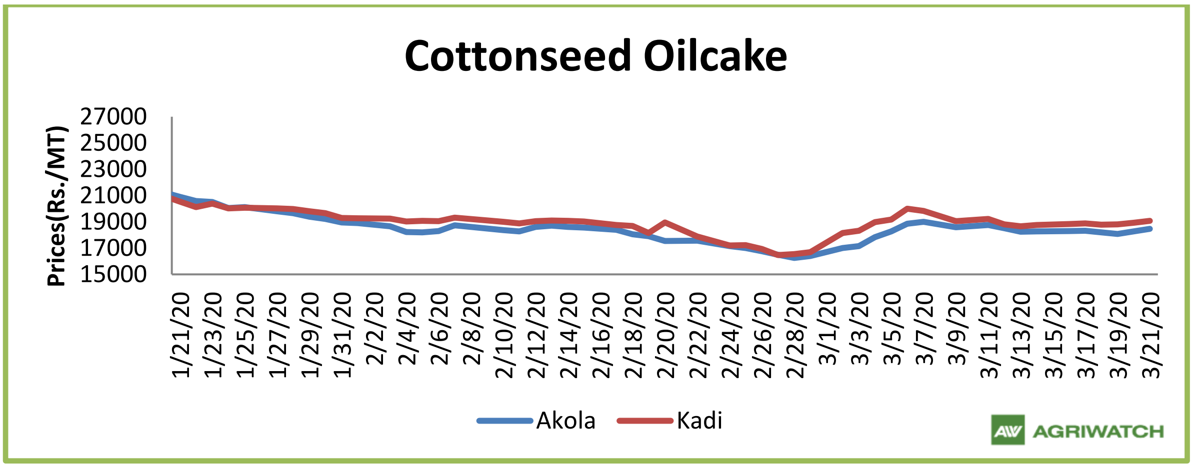
Trend – Raw Material, Feed











Source: AgriWatch

Soy meal

Mixed tone are depicted in soymeal markets in this week. Lock down in India will continue until 14th April 2020.However, lock down in the country is likely to extend for 2 weeks more to fight against COVID-19.

According to trade source, one vessel (SMART LISA) are expected to arrive at Tuticorin port for sunflower seed meal with total capacity of 29700 tons. However, vessels are stuck at port and

During the week (Mar.27 to Mar 2, 2020) US sold lower soybean cake and meal to 193,300 MT for 2019/2020 from the previous week and 23% higher from prior 4-week average. Increases primarily for Canada (54,300 MT), Guatemala (52,100 MT, including 5,000 MT switched from El Salvador and decreases of 1,000 MT), Mexico (20,700 MT), Morocco (17,000 MT), and the Dominican Republic (16,700 MT), were offset by reductions for El Salvador (5,000 MT), Colombia (2,200 MT), and Ecuador (1,300 MT). Exports of 273,100 MT were down 16 percent from the previous week, and 9 percent from the prior 4-week average. The destinations were primarily to Mexico (49,100 MT), the Philippines (44,600 MT), Canada (42,300 MT), Colombia (36,900 MT), and Ecuador (21,800 MT).

As per recent report of USDA, Soymeal production of India is kept unchanged at 6.6 million tonnes for 2019/20 in April month report however lower from 7.6 million tonnes in 2018/19 season. Domestic consumption is also placed unchanged at 5.49 million tonnes for this season like last month however higher from 5.2 million tonnes in previous year record.

As per USDA, global production of soymeal is estimated slightly lower at 238.08 million metric tonnes in April month against 238.48 million tonnes in March month however it is higher from 233.60 million tonnes in 2018-19. Exports of soymeal has been revised lower at 66.73 million metric tonnes against 66.88 million tonnes in March month and also from 67.26 million tonnes in 2018-19 on Coronavirus outbreaks in the world as poultry demand got much affected.

As per USDA, U.S. soybean meal export bids in March averaged $361/ton, higher $27 from February on supply concern in Argentina. Brazil Paranagua FOB averaged $337/ton, up $20 from February, and Argentina Up River FOB averaged higher by $18 to $348/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 $76 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 India have completed mustard seed harvesting now.

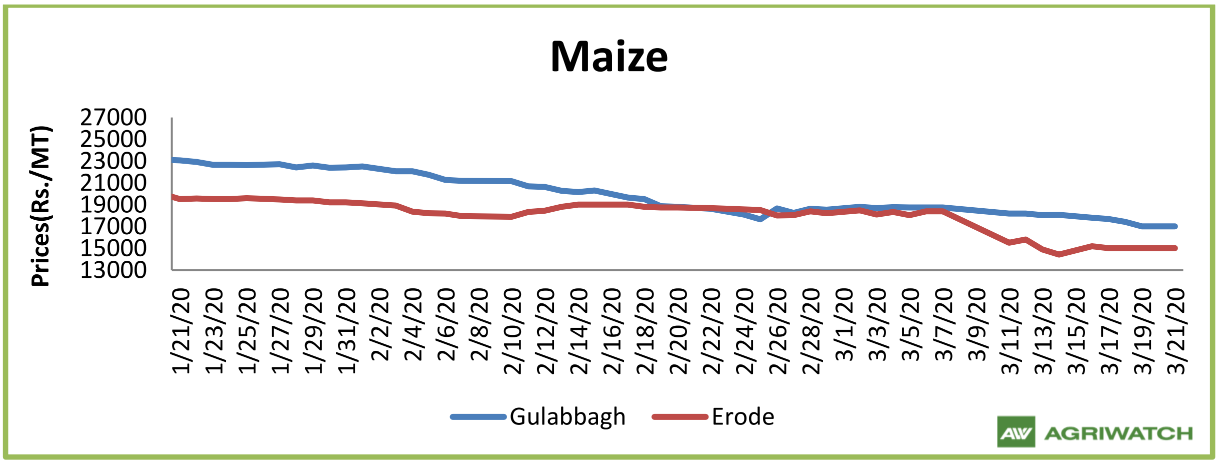
COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year.

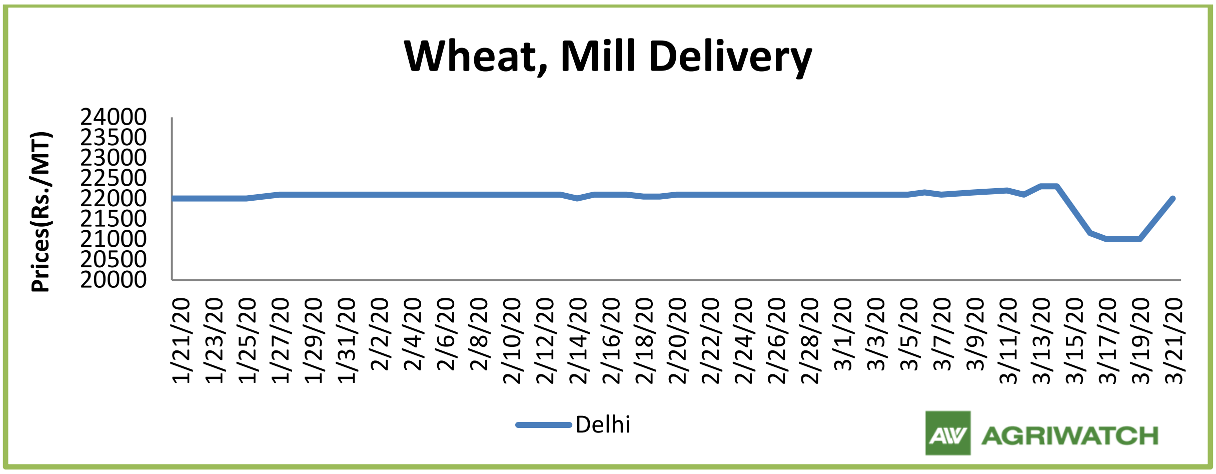
Total progressive purchase by NAFED have been 10.89 lakh tons. Total stocks after sale of mustard seed is 3.30 lakh tons. So, total sale has been 7.59 lakh tons. Stock with NCDEX is 0.03 lakh tons.

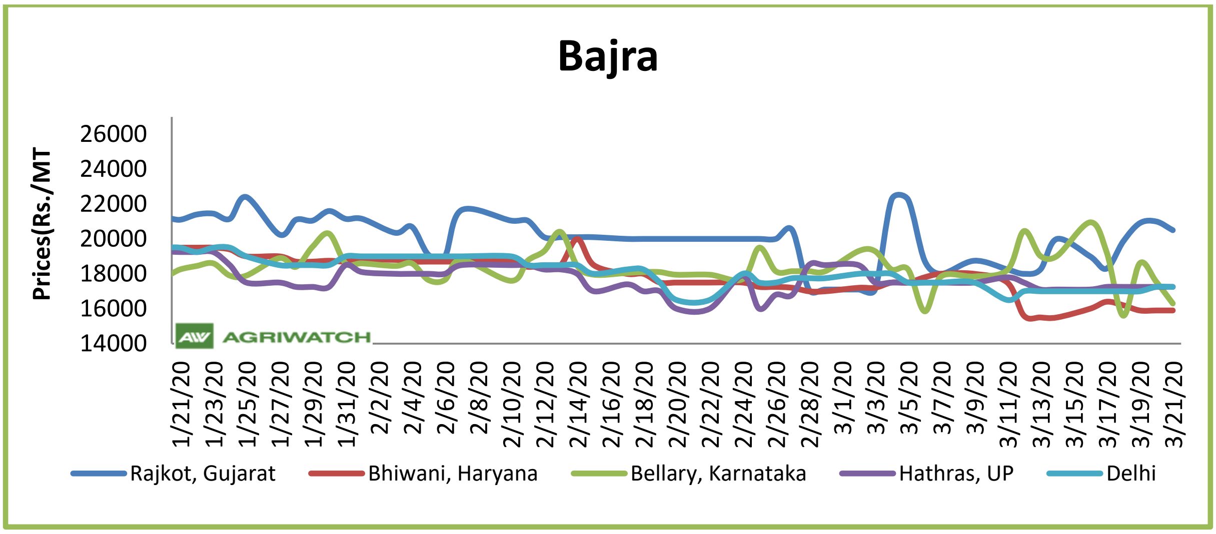
As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares 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) in April month, 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 2.19 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 0.45 lakh tonnes from 0.62 lakh tonnes in previous year.







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

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

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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.

As per trade sources, in Telangana, around 50% rabi crop of maize has been harvested as of 8th April'20. Meanwhile, in Bihar and West Bengal regions, maize crop has been harvested around at 8% each. Also, in Maharashtra and Karnataka, harvesting has barely started. As there would not be any loss due to few days of delay in harvesting; farmers are not in hurry to harvest due to lockdown.

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 rose by 0.39 USD/MT to 130.60 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

However, USDA increased its world corn ending stock estimates by 5.83 MMT to 303.17 MMT for 2019/20 compared to previous month due to decrease in domestic consumption and also increase in production estimates for 2019/20 which could weigh on global corn market.

At 1.29 MMT (for the period 27th- 2nd April, 2020) US corn exports were up 3 percent from the previous week and 31 percent from the prior 4-week average; mainly for the destinations like Japan (377,800 MT), Mexico (315,300 MT), South Korea (154,000 MT), Saudi Arabia (139,100 MT), and Taiwan (77,900 MT). Agriwatch expects that increase in demand for U.S corn could lead to CBOT corn market.

All India weekly average prices of wheat declined by 1.23 percent to Rs. 1987.15 per quintal during the week ended 11thApril 2020. Wheat average price were ruling at Rs 2011.99 per quintal during 01-08 April 2020. As compared to prices in the week 09-15 April 2019, the prices are lower by 0.80 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.

Punjab government is gearing up for wheat procurement in the state from April 15. A 30-member control room at the mandi board has been set up for coordination and providing logistic support during the wheat harvesting and marketing season amid unprecedented security and safety measures to ensure smooth operations in view of the Covid-19 clampdown. The food and agriculture departments have been asked to come out with standard operating procedures for mandis and purchase centres. The departments will scale up the number of purchase centres to 4,000 from 3,761. Farmers and labourers will be checked for influenza-like symptoms, masks would be made compulsory and multiple hand-washing arrangements shall be set up in each mandi. Haryana Government will start procurement from April 20.

There could be shortage of wheat flour in the coming days amid supply disruptions following lockdown in the country. Flour millers who process wheat to make atta, maida and suji are operating at 40 -50% of their normal capacity due to labour issue and less supplies of wheat. Though India expects a bumper wheat production this season, harvesting is being delayed following lockdown in the country. How much wheat will be harvested and how much will be officially procured from the farmers will be clear in the coming weeks after further decision is taken when the current lockdown comes to an end on 14th April.

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 30008.75) per tonne and $602.00 (Rs 45758.02) 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 $218.00, $219.00, Euro 198.25, $240.83 and $256.06 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)		
	9-Apr-20	3-Apr-20	Parity To
Indore - 45%, Jute Bag	33500	34000	Gujarat, MP
Kota - 45%, PP Bag	33500	35000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35000	35000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	35200	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	35500	32500	Andhra, AP, Kar, TN
Latur	36500	36500	-
Sangli	36000	33500	Local and South
Solapur	35300	35300	Local and South
Akola – 45%, PP Bag	34500	36300	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35500	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	33300	34800	-

Soy DOC at Port

Centers	Port Price		
	8-Apr-20	2-Apr-20	Change
Kandla (FOR) (INR/MT)	34500	Unq	-
Kandla (FAS) (USD/MT)	Unq	Unq	-

CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	**8-Apr-20**	**2-Apr-20**	**Change**
Soybean Pellets	335	361	**-26**
Soybean Cake Flour	335	361	**-26**
Soya Meal	334	354	**-20**
Soy Expellers	334	354	**-20**
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**9-Apr-20**	**3-Apr-20**	**Change**
Adoni	Closed	Closed	-
Khamgaon	Closed	Closed	-
Parli	Closed	Closed	-
Latur	Closed	Closed	-

Groundnut Meal (Rs/MT)	9-Apr-20	3-Apr-20	Change
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

Mustard DOC/Meal	9-Apr-20	3-Apr-20	Change
Jaipur (Plant delivery)	Closed	Closed	-
Kandla (FOR Rs/MT)	Closed	Closed	-

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	10-Apr-20	3-Apr-20	11-Mar-20	10-Apr-19	10-Apr-18
Delhi	Hybrid	Closed	Closed	1700	2300	1450
Davangere	Loose	1400	Closed	1350	2000	1250
Nizamabad	Bilty	Closed	Closed	Closed	NR	1340
Ahmedabad	Feed	Closed	Closed	NR	2400	1350
	Starch	Closed	Closed	NR	2380	1385

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

As on 09.04.2020	Argentina	Brazil	US	India
FOB	168.11	160.10	165.21	212.32
Cost and Freight	218.11	215.10	225.21	247.32

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	
Total	**276674**	**455374.1**	**1408042**	**1143244**	**982022**	**62035**

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	9-Apr-20	2-Apr-20	Change
Bajra	Karnataka	Hybrid	Bellary	Closed	Closed	-
		Hybrid	Bangalore	2500	Closed	-
Jowar	Karnataka	White	Bangalore	Closed	Closed	-
		White	Bellary	Closed	Closed	-
Maize	Karnataka	Yellow	Davangere	1400	Closed	-
	Andhra Pradesh	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	Closed	Closed	-
		Parmal Raw	Karnal	Closed	Closed	-
Soy meal	Madhya Pradesh	DOC	Indore	3350	Closed	-
	Maharashtra	DOC	Sangli	3600	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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