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Summary

Soybean prices traded in steady to firm zone in Nagpur market supported by firmness in soy oil market. While mustard seed prices at various trading centers traded in weak tone amid rising pace of arrivals. New crop arrivals of Mustard seed has been started in Rajasthan state now. Mustard prices were hovering higher side before 13th April 2020 due to complete lock down in India. The government has allowed now to open mandies for mustard new crop trading as a result farmers can bring their new harvested crop in full speed which may curb any major rise in mustard seed prices. Crushing may decline in lack of manpower, raw materials and transportation issues on account of lock down in India. Mandies in UP and MP may also open soon for trading. NCDEX soybean and RM seed future contract traded lower side on selling pressures in this week. CBOT closed on weak sentiments in global markets.

To avoid sever impact of COVID-19, government has extended lock down period until 3rd May 2020. Therefore no major trading activities are happening at trading centres. Under Coronavirus epidemic, total 24.14 lakh cases has been confirmed so far in the world including 1.65 lakh death numbers and 6.29 lakh recovered cases. In India, total confirmed cases are 17,615 under coronavirus impacts including 559 death cases and 2854 recovered cases so far.

Farmers have completed mustard crop harvesting in India. Currently, farmers have started selling mustard seed at few trading centers. As per sources, total 7.25 lakh tons arrivals of Mustard seed have been reported in March month 2020 consisting 3.25 lakh tones in Rajasthan, 1.40 lakh tons in UP, 35 thousand tons in Gujarat, 35 thousand tons in Punjab & Haryana, and 70 thousand tons in MP and 1.25 lakh tons in East India and other states. There is no selling by Nafed. It expects total 76 lakh tons of mustard crop size for this season including 32 lakh tons in Rajasthan, 13 lakh tons in UP, 10 lakh tones in Haryana, and 6.50 lakh tons in MP and 3 lakh tones in Gujarat,11.50 lakh tons in combined states i.e. Bengal, East India and other states of India.

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.

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.

There will be no major trading activities due to lock down condition in India. While, Mustard prices may hover steady to weak zone amid good supplies.

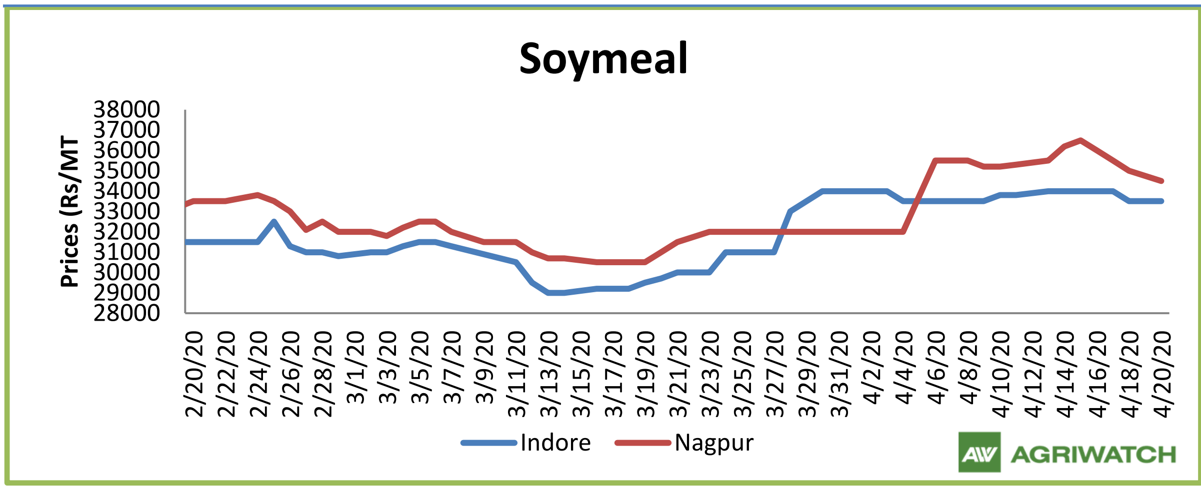
Domestic sentiments for maize remained same during last week due to lockdown in India.
Across India, maize is likely to trade steady to weak in near term on sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments.

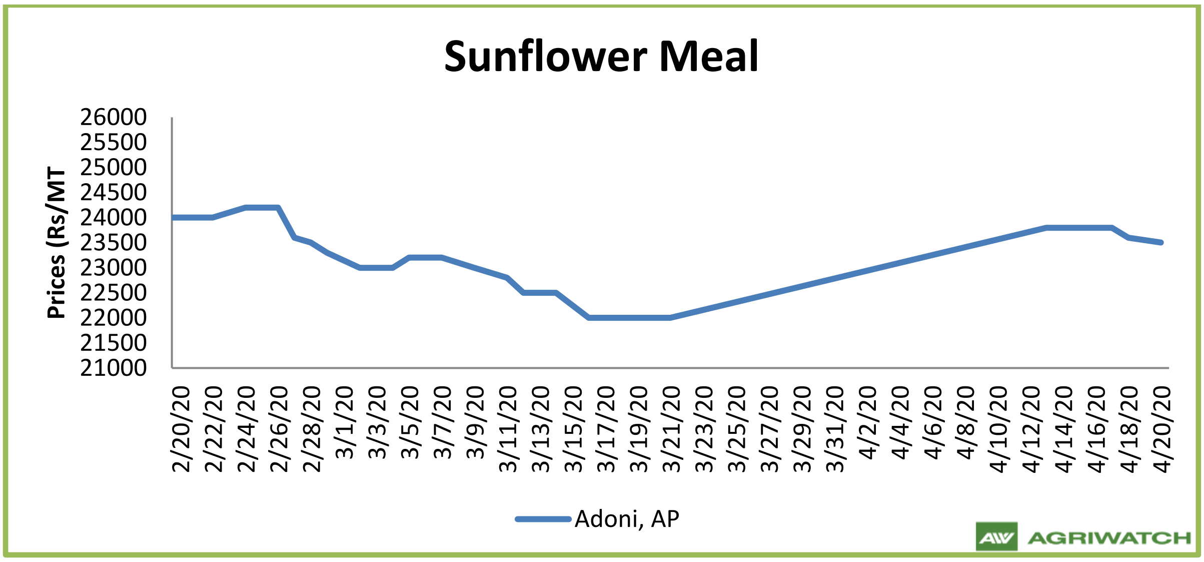
In Davangere, maize is being traded at Rs. 1350 per quintal (Bilty Price) and also being delivered to Bengaluru at Rs. 1600 per quintal and Nammakal at Rs. 1650 per quintal respectively.

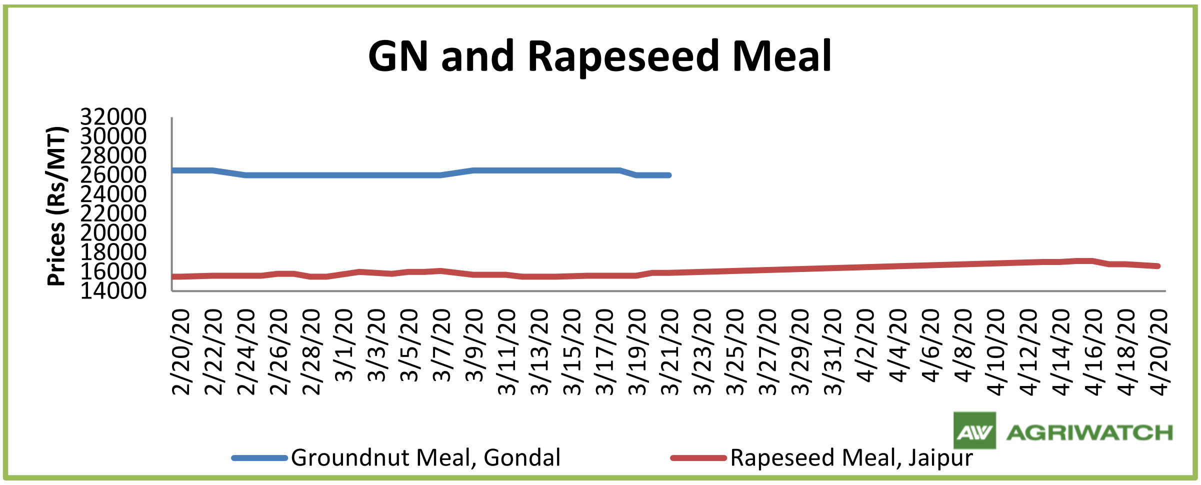
As per trade sources, around 1 lakh MT of maize has been procured by Telangana state government till date. Earlier State Government announced that it will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal, directly from farmers through village procurement centers over a period of 45 days.

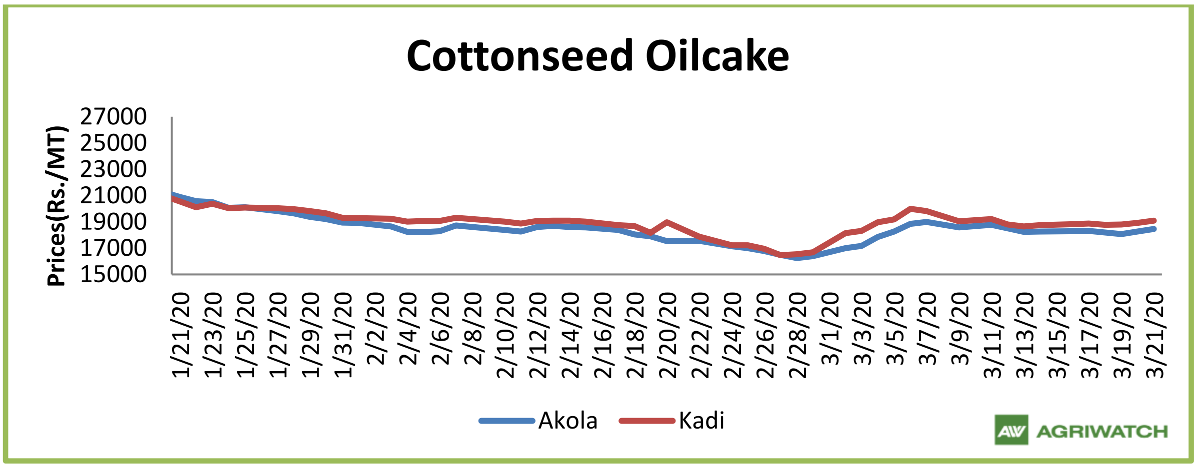
All India weekly average prices of wheat increased by 1.27 percent to Rs. 2012.39 per quintal during the week ended 23rd April 2020. Wheat average price were ruling at Rs 1987.15 per quintal during 09-15 April 2020. As compared to prices in the week 16-23 April 2019, the prices are higher by 0.71 percent. Prices are expected to trade steady to firm as official procurement has started in Punjab and will start in other states by next week.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

Steady to firm tone are depicted in soymeal markets supported by firmness in global markets. Lock down in India has been extended until 3rd May 2020 to avoid sever impact of 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 ports due to lock down in India.

During the week (Apr.3 to April 9, 2020) US sold lower 18% lower soybean cake and meal to 158,700 MT for 2019/2020 against the previous week and 2% lower from prior 4-week average. Increases primarily for Ecuador (33,200 MT, including 3,000 MT switched from unknown destinations), Morocco (30,900 MT), unknown destinations (27,000 MT), Canada (23,800 MT), and Colombia (8,900 MT), were offset by reductions for Mexico (7,000 MT), the French West Indies (5,700 MT), Nicaragua (1,400 MT), and Nepal (1,000 MT). Exports of 194,900 MT were down 29 percent from the previous week and 31 percent from the prior 4-week average. The destinations were primarily to Vietnam (44,700 MT), Canada (33,600 MT), Mexico (22,900 MT), Colombia (18,700 MT), and Morocco (17,900 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 $89 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

Mustard seed prices at Jaipur market traded higher side on good demand of millers. Government has allowed farmers to sell new harvested mustard crop in mandies. Heavy rainfall in March month has delayed harvesting of mustard seed of this season. Excess rainfall has also damaged seed quality at some extent. Heavy supplies in coming days may put pressures on mustard seed prices. NAFED is ready now to procure new mustard crops when lock down will open in India.

Total progressive purchase of last season by NAFED have been reported at 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.

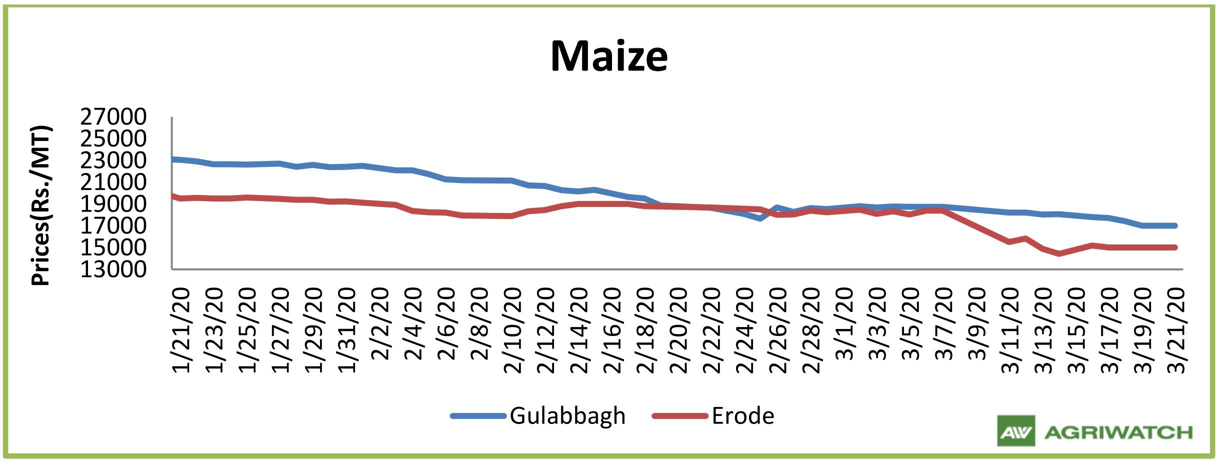
Agriwatch expects 7.21 million tonnes of Mustard crop for 2021-20 which 8.76% lower from 7.90 million tonnes as estimated for 2019-20. Yield size may decline 8.5% to 1036.88 Kg/Hac. against 1133 Kg/Hac in 2019-20 due to non-seasonal rainfall in Jan 2020 and March 2020. India received 46% excess rainfall 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.

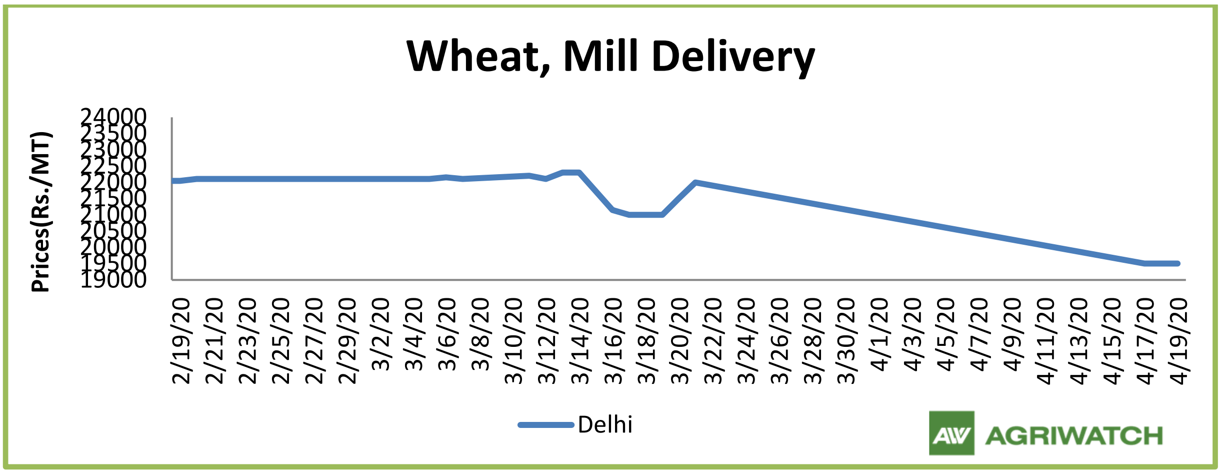
COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year.

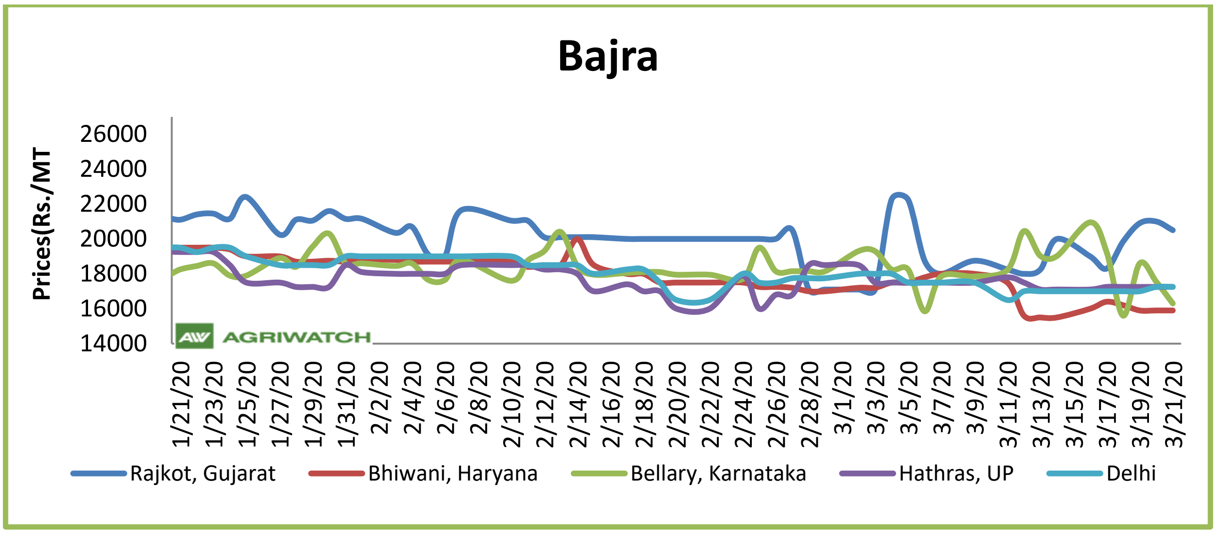
As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares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

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.

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As per trade sources, in Telangana, around 75% rabi crop of maize has been harvested as of 16th 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 fall by 3.74 USD/MT to 126.86 USD/MT for May'20 contract compared to previous week due to decrease in demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

U.S corn exports reached 20.82 MMT in the 2019-20 marketing year. At 1.22 MMT (for the period 3rd-9th April, 2020) US corn exports were down 5 percent from the previous week but up 12 percent from the prior 4-week average; mainly for the destinations like Mexico (348,800 MT), Japan (262,100 MT), South Korea (254,200 MT), Colombia (175,100 MT), and the Dominican Republic (61,200 MT). Agriwatch expects that CBOT corn market could trade down in near term.

All India weekly average prices of wheat increased by 1.27 percent to Rs. 2012.39 per quintal during the week ended 23rd April 2020. Wheat average price were ruling at Rs 1987.15 per quintal during 09-15 April 2020. As compared to prices in the week 16-23 April 2019, the prices are higher by 0.71 percent. Prices are expected to trade steady to firm as official procurement has started in Punjab and will start in other states by next week.

Punjab has started the exercise of procuring 130 lakh tonnes of wheat in the coming two months. To limit crowding and ensure social distancing, the government is inviting a limited number of farmers through coupons, with permission to sell up to 50 quintals of wheat at their closest grain market. On the first day, only 6,290 coupons were issued in the entire state, followed by 17,995 coupons for Thursday and 41,337 coupons for Friday. The number of coupons will go up to 70,000 per day, depending on space in the markets and pace of harvest arrival. Each coupon allows sale of 50 quintals. The procurement agencies have been asked by the state government to ensure payment to farmers within 48 hours of procurement of their crop.

The MP government is targeting a procurement of 10 MMT of wheat but wants to make arrangements for 11.5 MMT as this year more inflows are expected with private trading adversely affected by the lockdown. The shortage of labour at procurement centres and the shortage of HDPE bags used in the process will be two concerns in the procurement process.

Harvesting of wheat is gathering momentum in Bihar and it is expected to be completed in the next 10 days. The major wheat producing districts of Bihar are Patna, Nalanda, Bhojpur, Buxar, Rohtas, Muzaffarpur and Sitamarhi.

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 $406.00 (Rs 31071.18) per tonne and $595.00 (Rs 45535.35) 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 $231.00, $228.00, Euro 197.00, $232.90 and $249.86 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 steady during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	16-Apr-20	9-Apr-20	Parity To
Indore - 45%, Jute Bag	34000	33500	Gujarat, MP
Kota - 45%, PP Bag	34000	33500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35500	35000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	36000	35200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36800	35500	Andhra, AP, Kar, TN
Latur	36500	36500	-
Sangli	36500	36000	Local and South
Solapur	35800	35300	Local and South
Akola – 45%, PP Bag	36500	34500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	36800	35500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	33800	33300	-

Soy DOC at Port

Centers	Port Price		
	15-Apr-20	8-Apr-20	Change
Kandla (FOR) (INR/MT)	Unq	34500	-
Kandla (FAS) (USD/MT)	Unq	Unq	-
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	**15-Apr-20**	**8-Apr-20**	**Change**
Soybean Pellets	326	335	**-9**
Soybean Cake Flour	326	335	**-9**
Soya Meal	322	334	**-12**
Soy Expellers	322	334	**-12**
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**16-Apr-20**	**9-Apr-20**	**Change**
Adoni	23800	22000	**1800**
Khamgaon	Unq	-	**-**
Parli	Unq	-	**-**
Latur	23400	21500	**1900**

Groundnut Meal (Rs/MT)	16-Apr-20	9-Apr-20	Change
Basis 45%, Saurashtra	Closed	Closed	**-**
Basis 40%, Saurashtra	Closed	Closed	**-**
GN Cake, Gondal	Closed	Closed	**-**

Mustard DOC/Meal	16-Apr-20	9-Apr-20	Change
Jaipur (Plant delivery)	17100	15900	**1200**
Kandla (FOR Rs/MT)	17100	16500	**600**

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	17-Apr-20	10-Apr-20	17-Mar-20	17-Apr-19	17-Apr-18
Delhi	Hybrid	Closed	Closed	1700	NR	1450
Davangere	Loose	1300	1400	1100	NR	1150
Nizamabad	Bilty	Closed	Closed	1800	2100	1320
Ahmedabad	Feed	Closed	Closed	NR	NR	1360
	Starch	Closed	Closed	NR	NR	1400

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

As on 09.04.2020	Argentina	Brazil	US	India
FOB	151.48	155.00	153.69	198.63
Cost and Freight	201.48	210.00	213.69	233.63

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	16-Apr-20	9-Apr-20	Change
Bajra	Karnataka	Hybrid	Bellary	1955	Closed	-
		Hybrid	Bangalore	Closed	2500	-
Jowar	Karnataka	White	Bangalore	3250	Closed	-
		White	Bellary	1845	Closed	-
Maize	Karnataka	Yellow	Davangere	1350	1400	-50
	Andhra Pradesh	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	3000	Closed	-
		Parmal Raw	Karnal	3050	Closed	-
Soy meal	Madhya Pradesh	DOC	Indore	3350	3350	Unch
	Maharashtra	DOC	Sangli	3500	3600	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2350	Closed	-
Mustard	Rajasthan	Plant delivery	Jaipur	1660	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						