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## Summary

Subdued demand kept the oilseeds' and oilmeals' market under pressure during the week in review. This is primarily due to the nationwide lockdown amidst COVID-19 and weak global market alongside fall in crude.

Most of the key soybean markets remained closed, but trading was happening in the soy cash markets of Maharashtra.

However, rapeseed-mustard featured gains on supportive buying from stockists and millers to cover their stocks at the discount price followed by newly harvested crop supplies.

Soybean and meal remained almost flat on steady demand while rapeseed-mustard featured mild gains on continued buying support mainly from solvent extractors.

Soymeal witnessed steady to weak tone due to the subdued demand from poultry which contributes 60% of the soymeal demand.

The oilseeds and meal complex is likely to feature weak tone on competitive palm oil, Brazilian soy and weak crude in the international market.

Overall domestic maize cash markets remained steady to slightly weak during last week due to limited trade activities amid lockdown in India.

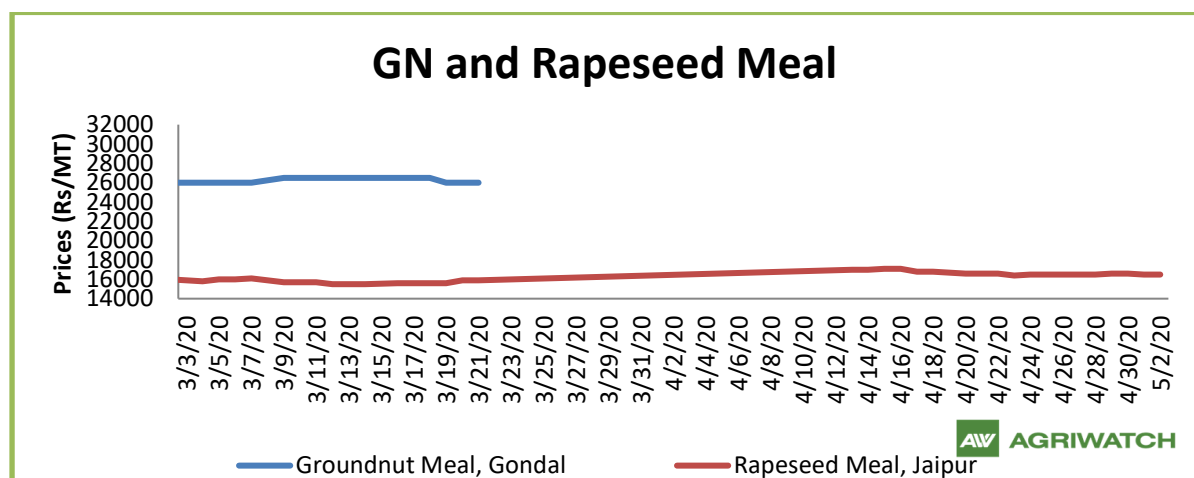
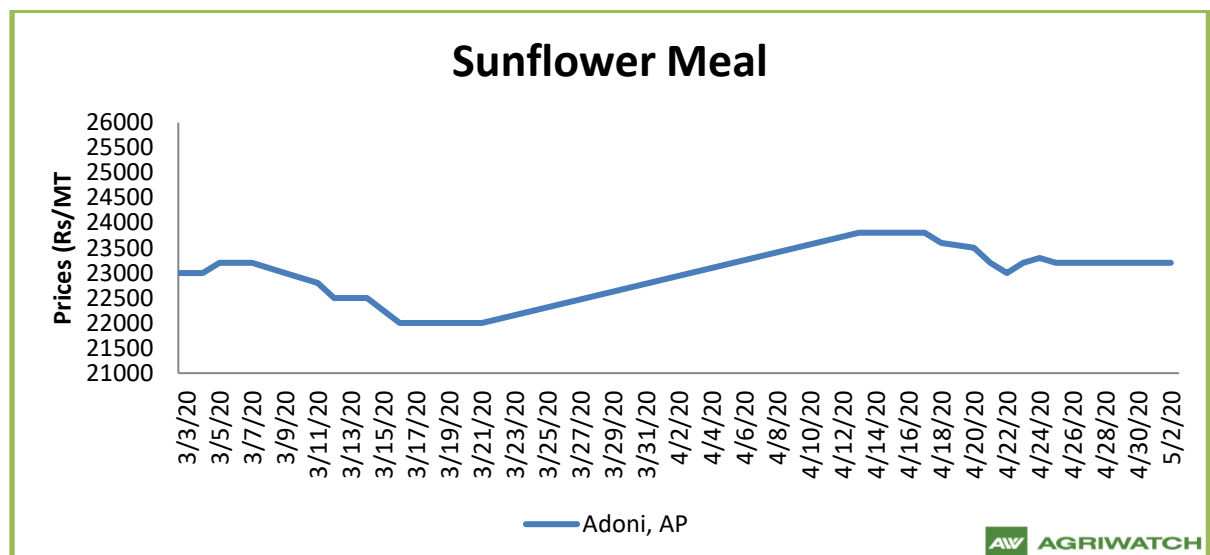
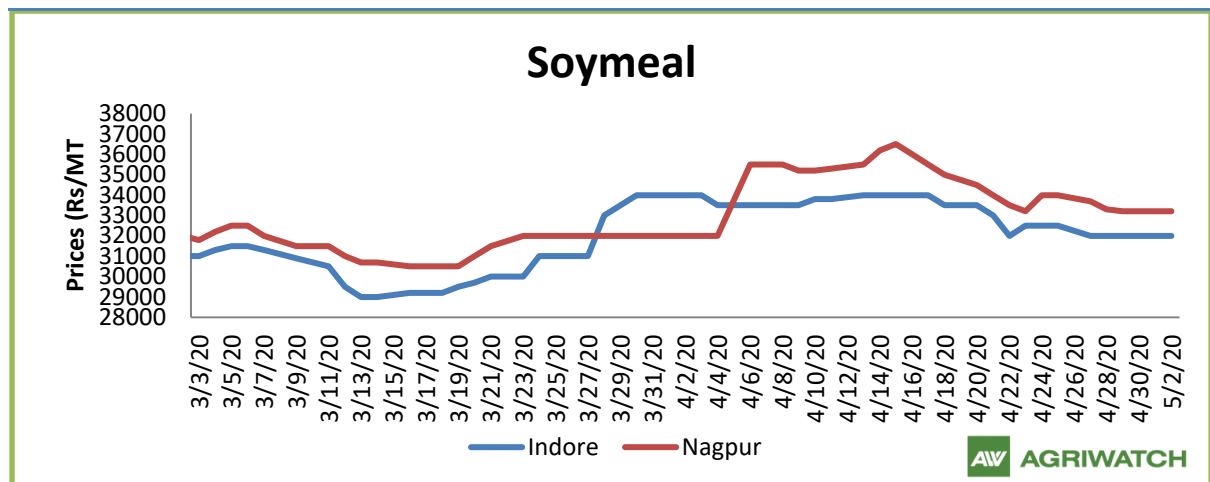
Across India, maize is likely to trade steady to weak in near term on sluggish demand from poultry feed industry in the wake of Covid-19. Besides, large size of Rabi crop is also weighing on market sentiments. In Karnataka, Bihar and M.P regions, maize markets have opened but still have very limited trade due to sluggish demand of bulk buyers.

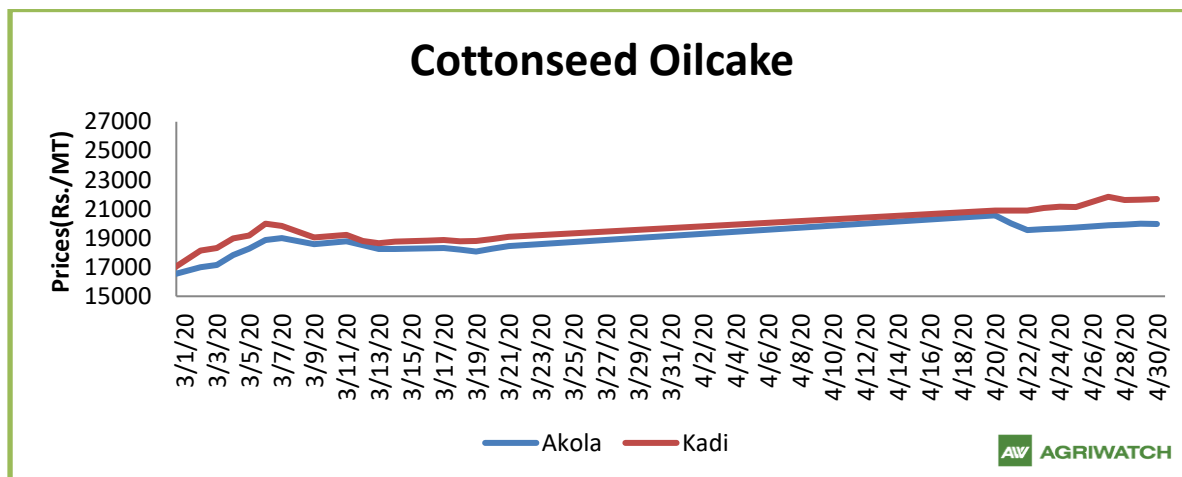
In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity. While, in Bihar, it is being traded at Rs. 1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it is likely to trade steady to slightly weak in near term on the expectation of arrival pressure.

As per trade sources, Telangana state government is procuring maize at Rs. 1760 per quintal. 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 decreased by 1.27 percent to Rs. 1992.94 per quintal during the week ended 30<sup>th</sup> April 2020. Wheat average price were ruling at Rs 2038.03 per quintal during 16-23 April 2020. As compared to prices in the week 24-30 April 2019, the prices are lower by -2.25 percent. Prices are expected to trade steady to firm as official procurement has started in Punjab and other wheat production states.

Trend – Raw Material, Feed





Source: AgriWatch

### Soy meal

The domestic soy meal prices witnessed losses on slack in demand from poultry feed industry and eventually dull trade activity in the cash soybean market, during the week under review.

India's poultry industry is reeling under stress and has severely hit due to coronavirus pandemic and rumours linking poultry bird linking possible carrier of the virus.

Poultry sector contributes 60% of the domestic soymeal demand.

India's soymeal shipments may fall to around 500,000 MT in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to subdued demand from traditional overseas buyers amid ongoing countrywide lockdown, said Soybean Processors Association of India Chairman Davish Jain.

SOPA is concerned on the falling demand from the traditional buyers like France, Japan, Iran, Korea and Nepal of soymeal of Indian origin.

Shipments of soymeal during Mar-Apr are expected to be below 50,000 tonnes and the figure may slip further if global situation does not recover, said Jain.

SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and collapse of poultry sector.

The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

With no operations, no sale and no access to funds, there is no cash flow and the industry is cash-starved and requires urgent attention of the government, Jain said.

The association has urged the Centre to increase the soymeal export incentive to 7.5% from 5.0% currently to ramp up the shipments.

The domestic soy meal prices at Indore, were quoted at Rs 32,000 – 32,200/MT compared to Rs 32,200 – 33,500/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 34,500/MT and 34,800/MT respectively compared to Rs 32,200/MT in Indore and Rs 32,600/MT in Kota.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted slightly higher between Rs 32,000 – 32,200/MT during the week compared to Rs 31,000 – 31,800/MT during the corresponding period last year.

*The soy meal prices are likely to feature range-bound movement with weak-bias on slack in demand from poultry sector, in near to medium-term.*

### **Rapeseed - Mustard Seed**

The domestic rapeseed-mustard edged-up on supportive buying by stockists and solvent extractors during the week under review.

Dull trade in soybean in key markets have lent additional support to the rapeseed-mustard.

Farmers are eager to bring their newly harvested seed to the market yards and sell their produce despite challenges due to coronavirus concerns.

Nafed is actively procuring the rapeseed-mustard at various centers in Haryana, Uttar Pradesh and Rajasthan with full swing.

Additional Chief Secretary, Agriculture and Farmers' Welfare and Cooperation, Sanjeev Kaushal said that 24097.23 metric tonnes of rapeseed-mustard was procured from 8,762 farmers on last Thursday in the 163 procurement centres of the state and progressive total of 3.50 lakh MT of rapeseed-mustard has been procured from 1,26,734 farmers in Haryana.

The all India seed supplies were reported at 2.6 – 4.0 lakh bags in a day compared to around 2.5 – 4.0 bags a day, previous week. The supplies were 4.25 – 6.65 lakh bags a day during the corresponding period last year.

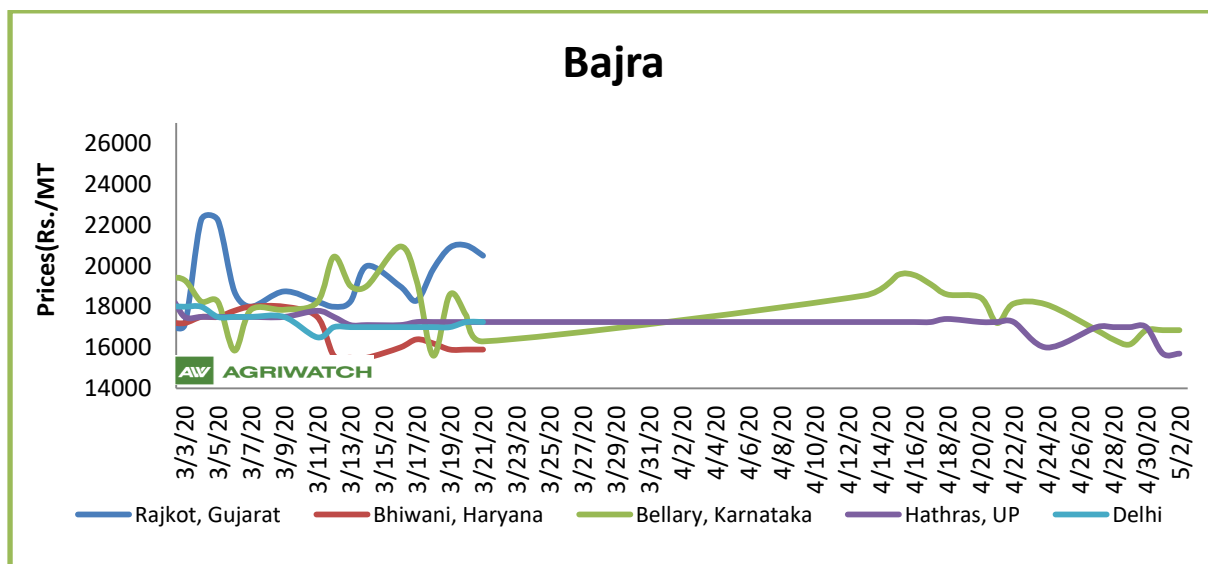
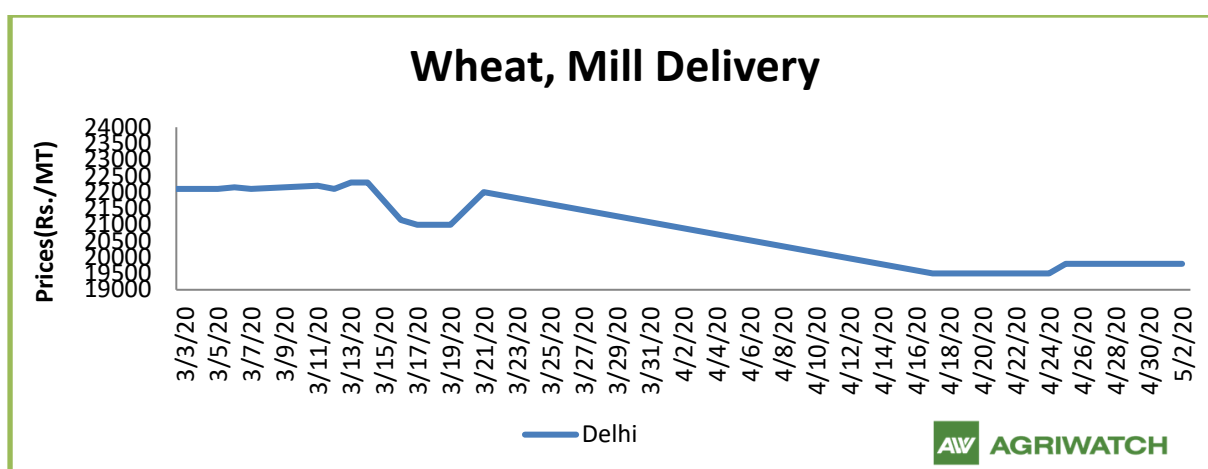
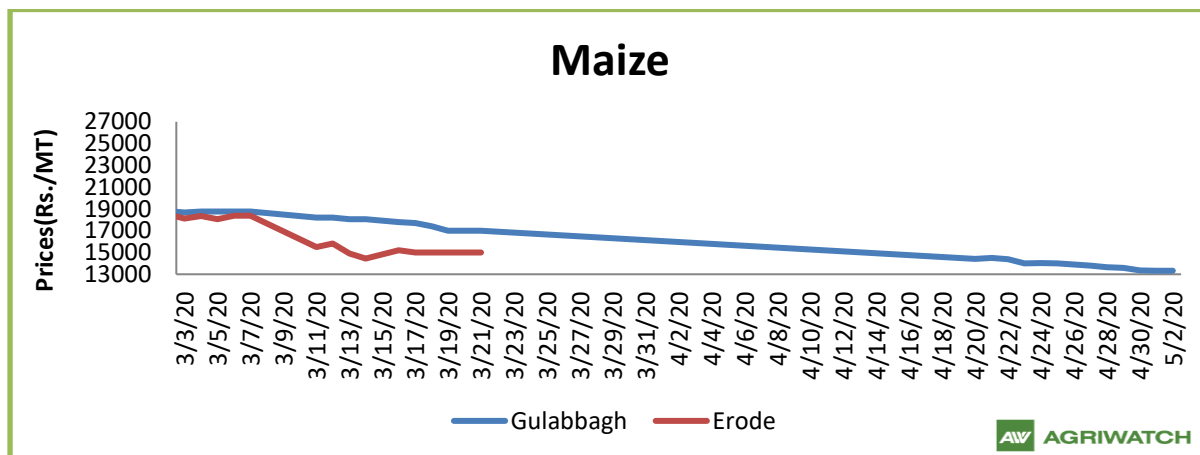
The new crop seed is quoted at around Rs 4,255 – 4,370 a quintal compared to Rs 3,865 – 3,920 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the May contract have fell and the seed is trading around 4,090/Qtl compared to 4,175/Qtl previous week.

Harvesting of rapeseed-mustard is done by all the major producing states of India.

Several rapeseed-mustard cultivators are forced to sell the newly harvested seed below MSP. The government has fixed the Minimum Support Price for rapeseed-mustard at Rs 4425/Qtl.

Agriwatch has projected India's 2019/20 rapeseed production at 7.2 million tonnes while Solvent Extractors of India has estimated the seed production at 7.7 million tonnes.



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

Overall domestic maize cash markets remained steady to slightly weak during last week due to limited trade activities amid 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 Covid-19. Besides, large size of Rabi crop is also weighing on market sentiments. In Karnataka, Bihar and M.P regions, maize markets have opened but still have very limited trade due to sluggish demand of bulk buyers.

Although it's early to say about corn acreage for this Kharif season amid COVID19 where acreage depends on seed and inputs availability; chances for maize acreage compared to corresponding period last year seems unchanged, in the Karnataka, Rajasthan, Maharashtra, Madhya Pradesh, Telangana and U.P states, on the expectation of enough seed availability; provided state government provides sufficient seeds. Also, this is less labour required crop so farmers could be interested to plant that.

In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity. While, in Bihar, it is being traded at Rs. 1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it is likely to trade steady to slightly weak in near term on the expectation of arrival pressure.

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As per trade sources, in Telangana, around 90% rabi crop of maize has been harvested while in Bihar regions, maize crop has been harvested around at 50% till date. However, in Karnataka, maize crop has been harvested only at 5% due to labour shortage.

Corn on CBOT fall by 1.68 USD/MT to 122.63 USD/MT for May'20 contract compared to previous week. Expectation of further increase in corn area on the forecast for favourable weather conditions in U.S Midwest are likely to put pressure on CBOT corn prices. However, fall in weekly U.S. ethanol stocks could support to CBOT corn prices.

At 1.05 MMT (for the period 17th- 23rd April, 2020) US corn exports were up 27 percent from the previous week but down 9 percent from the prior 4-week average; mainly for the destinations like Japan (405,000 MT), South Korea (263,200 MT, late reporting 67,300 MT), Mexico (190,100 MT), Colombia (52,500 MT), and the Dominican Republic (31,600 MT).

According to Punjab state Govt "over 2.22 lakh metric tonnes (MT) of wheat has arrived at grain markets in the district so far". Almost 32% of the crop has arrived at the markets and harvesting will be completed with next 10 days. Government agencies have procured around 2.14 lakh MT of wheat till date.

Wheat is being procured through 167 purchasing centers in the Behaich district. According to District Food Marketing Officer, 12 thousand MT of wheat has been purchased in the district. However, many purchasing centers had problems in purchase due to lack of sacks. This was due to the closure of jute mills during lock down. On which sacks have been collected from the Kotdars.

With the harvesting and purchase of rabi production, the time of sowing of kharif in May is also on the head. In such a situation, some states have started direct procurement of crops, while other states have adopted new methods to deal with this issue. While the procurement of wheat in Punjab and Haryana is on the upswing, Madhya Pradesh and Rajasthan have just kept the pace of their procurement and asked the farmers to bring their produce to small groups so that the mandis do not get crowded.

According to the Govt. the wheat procurement for the central pool has crossed 13 million tonnes with Punjab leading the chart with 6.8 MT followed by Haryana (3.0 MT) and Madhya Pradesh (2.5 MT). The government targets to procure 40 million tonnes by June.

According to the state Govt. of Punjab "The Government agencies and private traders have procured 6,67,871 MT of wheat in Punjab on the fifteen day of procurement. The Govt. agencies procured 6,56,561 MT of wheat 2,310 MT has been procured by the private agencies.

According to FCI the state wise procurement of wheat till 01.05.2020 was Punjab 74.16 LMT, Haryana 33.74, U.P 5.92 LMT and M.P 27.60 LMT and Rajasthan 1.40 LMT respectively.

According to the Punjab state govt. expresses happiness over record wheat production with the state recording 250 per cent more procurement in a short span of ten days and its arrival is on till June-mid, a total of 35.07 LMT have been procured which is twice that of last year.

The government has set a procurement target of 40.7 MMT of wheat this season. In Punjab, wheat procurement stood at 34 lakh tonnes as on Friday. In Haryana and UP, procurement stood at 22.41 LMT and 2.97 LMT on Thursday, respectively.

A glut like situation in wheat markets across Punjab has affected procurement. With no space to unload produce at the local grain market, which is packed to capacity, farmers have not been issued passes for the past two days. With late procurement, payment will get delayed, which in turn will affect the purchase of seeds and fertilisers for kharif sowing. Shortage of labour and poor transportation facility has affected procurement. As on Thursday, 7 lakh metric tonnes of wheat had arrived across the state.

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 to weak as overall feed ingredients prices traded steady to weak during last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	30-Apr-20	24-Apr-20	Parity To
Indore - 45%, Jute Bag	32000	32500	Gujarat, MP
Kota - 45%, PP Bag	32600	32700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	34000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33200	34000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	35000	Andhra, AP, Kar, TN
Latur	34500	34500	-
Sangli	33800	34500	Local and South
Solapur	33200	33900	Local and South
Akola – 45%, PP Bag	33700	33200	Andhra, Chattisgarh, Orissa, Jharkhand, WB



Hingoli	34500	34500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32400	32500	-

**Soy DOC at Port**

Centers	Port Price		
	30-Apr-20	24-Apr-20	Change
Kandla (FOR) (INR/MT)	32000	35500	<b>-3500</b>
Kandla (FAS) (USD/MT)	445	445	<b>Unch</b>
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	30-Apr-20	24-Apr-20	Change
Soybean Pellets	320	314	<b>6</b>
Soybean Cake Flour	320	314	<b>6</b>
Soya Meal	306	316	<b>-10</b>
Soy Expellers	306	316	<b>-10</b>
Sunflower (DOC) Rates			
Centers	Ex-factory rates (Rs/ton)		
	30-Apr-20	24-Apr-20	Change
Adoni	23200	23300	<b>-100</b>
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22800	22700	<b>100</b>

Groundnut Meal (Rs/MT)	30-Apr-20	24-Apr-20	Change
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

Mustard DOC/Meal	30-Apr-20	24-Apr-20	Change
Jaipur (Plant delivery)	16600	16500	<b>100</b>
Kandla (FOR Rs/MT)	17300	17000	<b>300</b>

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

Market	Grade	1-May-20	24-Apr-20	1-Apr-20	1-May-19	1-May-18
Delhi	Hybrid	Closed	Closed	Closed	2200	1410
Davangere	Loose	1300	1300	Closed	NA	1150
Nizamabad	Bilty	Closed	Closed	Closed	2170	1340
Ahmedabad	Feed	Closed	Closed	Closed	2150	1340
	Starch	Closed	Closed	Closed	2100	1400

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

As on 01.05.2020	Argentina	Brazil	US	India
FOB	146.26	150.60	135.97	201.04
Cost and Freight	196.26	205.60	195.97	236.04

**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	30-Apr-20	23-Apr-20	Change
Bajra	Karnataka	Hybrid	Bellary	1685	1810	-125
		Hybrid	Bangalore	2500	2500	Unch
Jowar	Karnataka	White	Bangalore	3350	3550	-200
		White	Bellary	2099	1940	159

Maize	Karnataka	Yellow	Davanger e	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3050	3050	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3200	3250	-50
	Maharashtra	DOC	Sangli	3380	3400	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2320	2320	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1660	1640	20
Groundnut Meal	Gujarat	GN Cake	Gondal	Closed	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2169	2108	61
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1996	1962	34
Note: Prices Rs./Qtl						

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