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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.

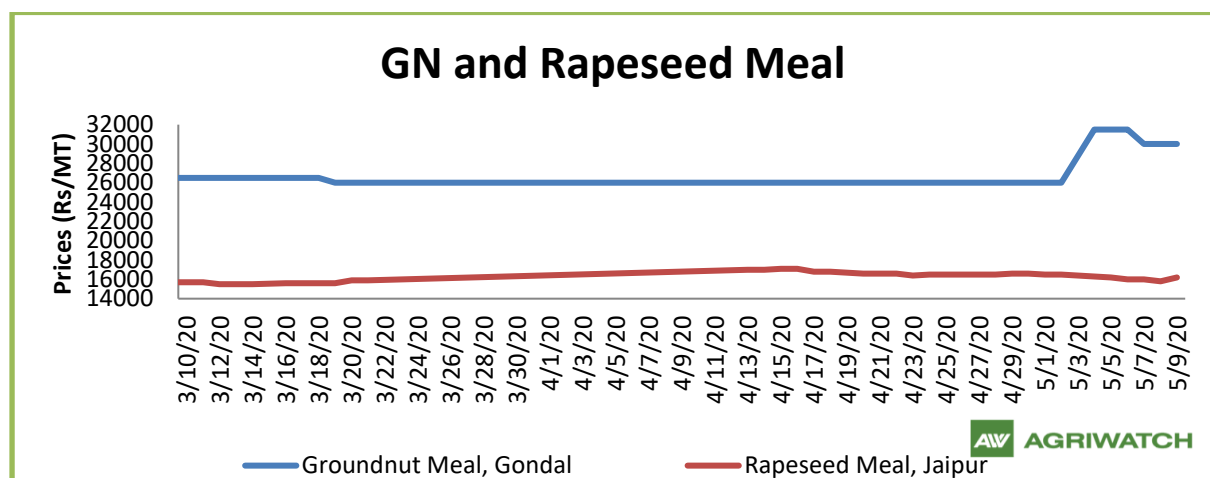
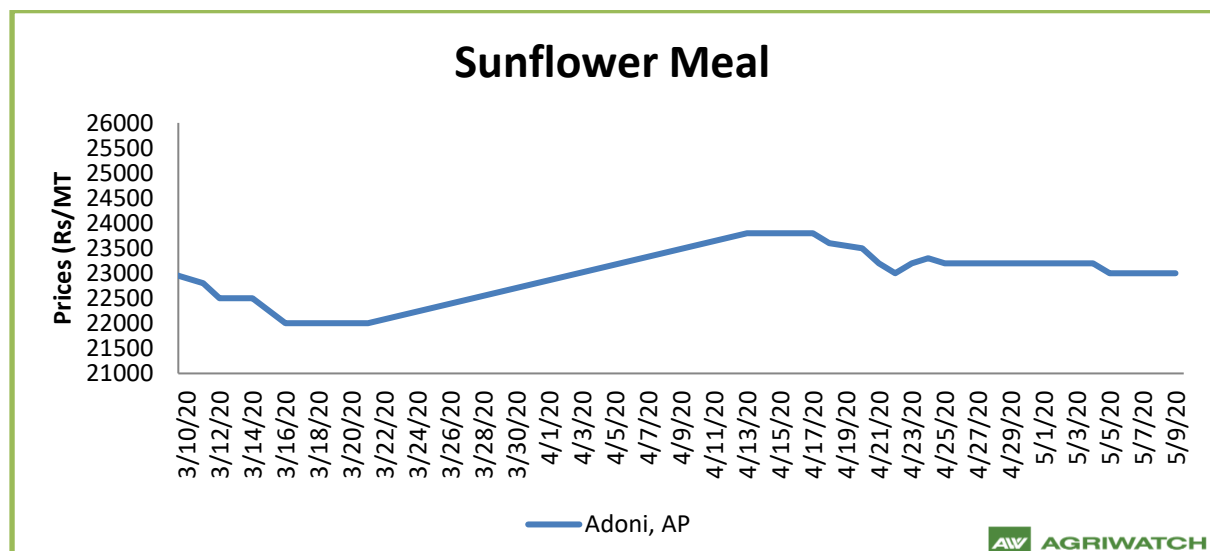
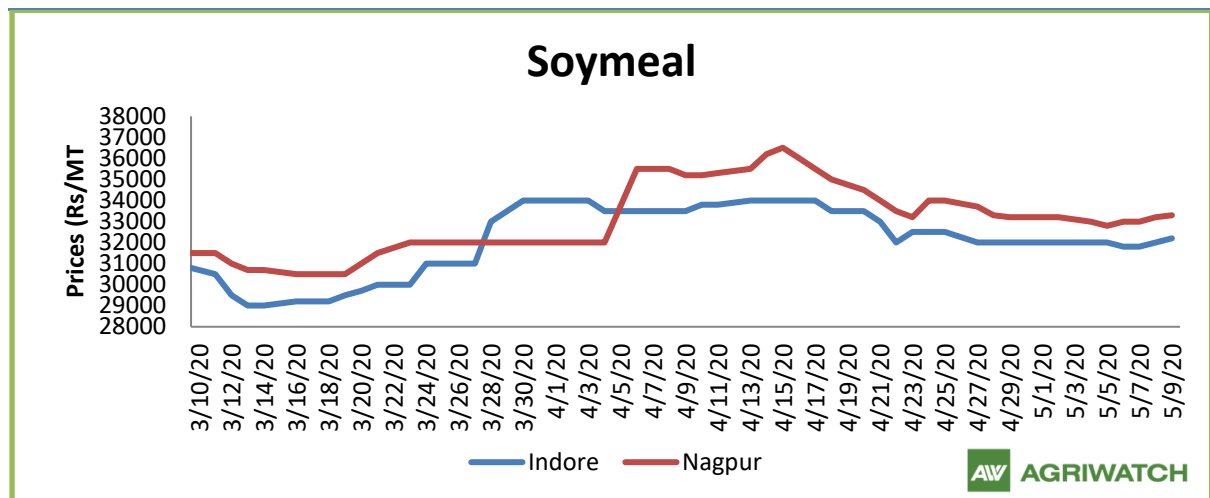
The oilseeds and meal complex is likely to feature weak tone on competitive palm oil, Brazilian soy and weak crude in the international market.

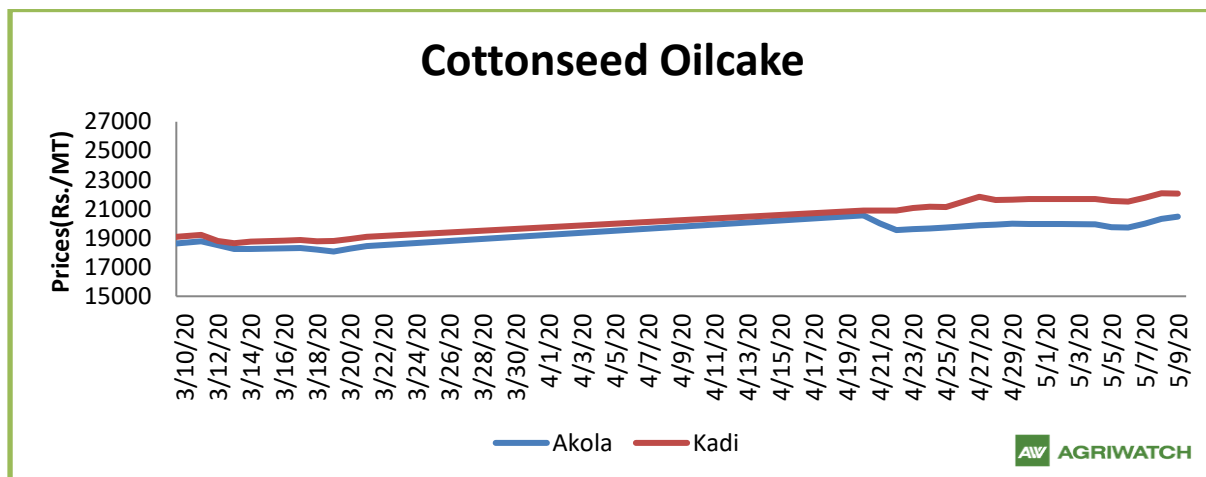
Across India, maize is likely to trade steady to range bound in near term amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers and could give support to the market.

Maize acreage in Kharif 2020-21 may turn out to be higher than that in Kharif 2019-20 as farmers in Karnataka, Rajasthan, Maharashtra, Madhya Pradesh and Telangana would prefer less labour intensive crops. Seed availability is expected to remain sufficient as transportation of agriculture related materials has become almost normal after the recent relaxations in lockdown.

All India weekly average prices of wheat increased by 0.63 percent to Rs. 1965.71 per quintal during the week ended 9th May 2020. Wheat average price were ruling at Rs 1889.90 per quintal during 02-11 May 2020. As compared to prices in the week 17-23 April 2019, the prices are higher by 3.01 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 featured steady to weak tone on slack in demand from the poultry sector which the key consumption sector.

India's poultry industry have been severely hit due to coronavirus pandemic and rumours linking poultry bird possible carrier of the virus.

The soybean trade is still not happening in market yards of Indore, Kota, Bundi and hence the solvent extractors are of Madhya Pradesh and Rajasthan are less active in the market. However, solvent extractors are active in the major soy market yards of Maharashtra including Nagpur, Akola and Latur.

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 between Rs 31,800 – 32,000/MT compared to Rs 32,000 – 32,200/MT previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 34,000 - 34,500/MT at both the centers respectively compared to Rs 31,800 - Rs 32,200/MT in Indore and Rs 32,700 Rs 33,200/MT in Kota.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted slightly higher between Rs 31,800 – 32,000/MT during the week compared to Rs 30,000 – 31,200/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 witnessed steady to firm tone on supportive buying by stockists and solvent extractors during the week under review.

However, all the key rapeseed-mustard market yards of Rajasthan are closed down in protest against the imposition of additional cess of 2% as Krishi Kalyan Cess on "Sell and Purchase" of agriculture produce last week. The traders oppose the new amendment by the state government.

This have hampered the trade in newly harvested rapeseed-mustard in Rajasthan last week, where farmers couldn't bring their produce during the period. We expect the protest to last by 17th May 2020.

Nafed is actively procuring the rapeseed-mustard at various centers in Haryana, Uttar Pradesh and Rajasthan with full swing. But Nafed couldn't intervene in Rajasthan due to the closure of market yards in the protest.

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

The National Agricultural Cooperative Marketing Federation of India, Centre's nodal agency, procured 12,312 tonnes of rapeseed mustard from Rajasthan, last week.

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 week 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 2.0 – 3.5 lakh bags in a day compared to around 2.6 – 4.0 bags a day, previous week. The supplies were 2.0 – 3.5 lakh bags a day during the corresponding period last year.

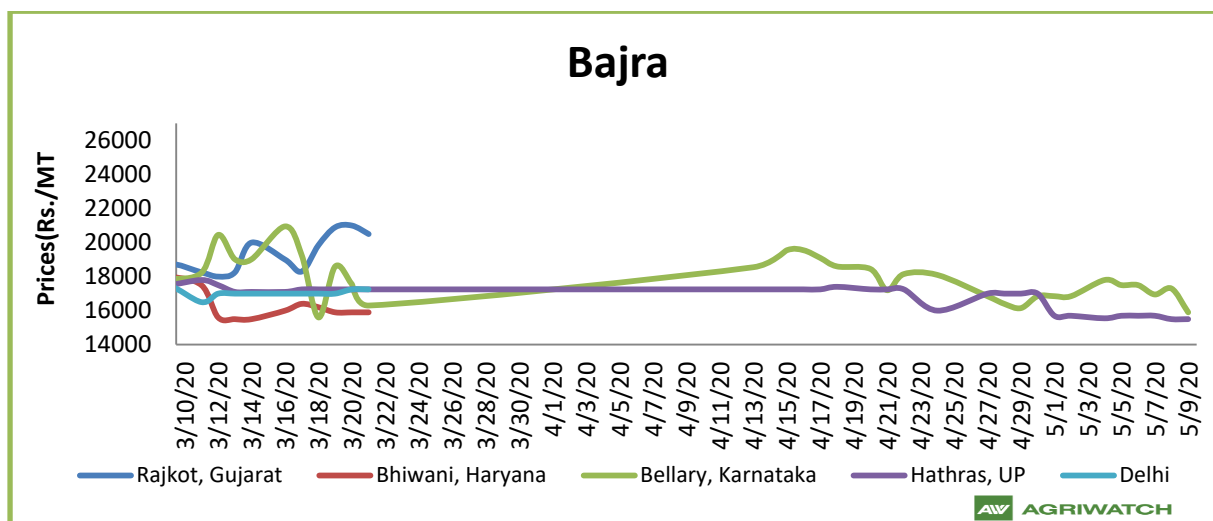
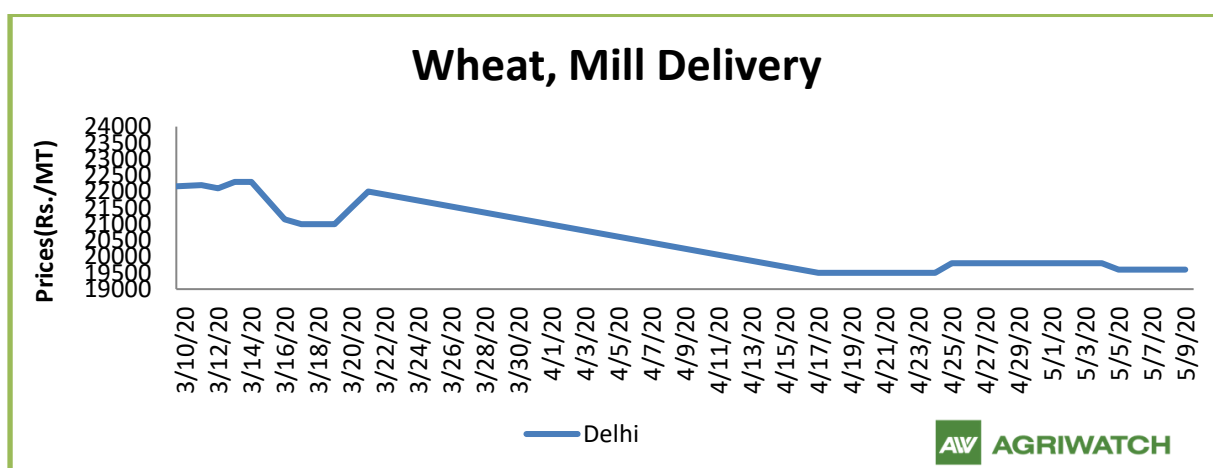
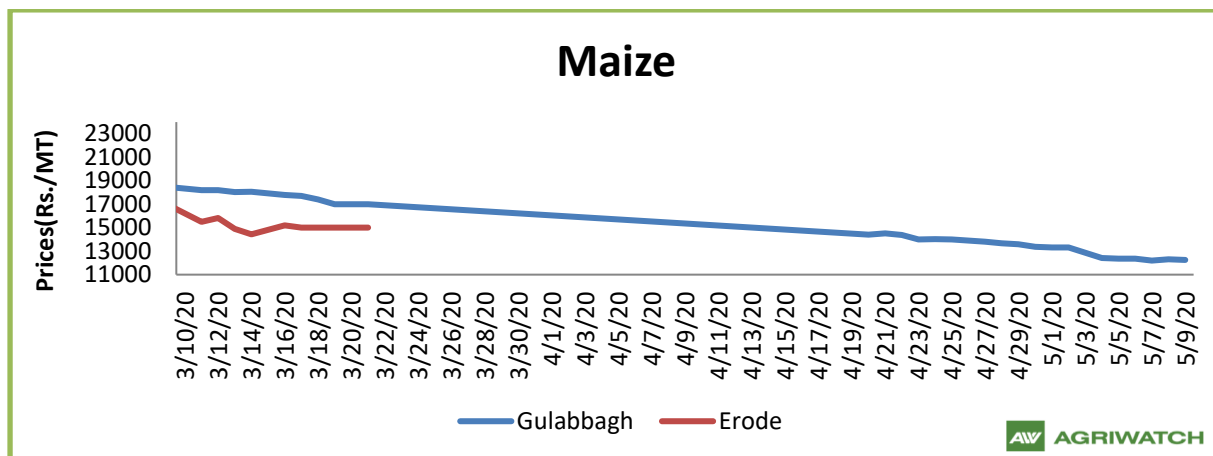
The new crop seed is quoted at around Rs 4,255 – 4,370 a quintal compared to Rs 3,810 – 3,855 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the June contract witnessed mild losses the seed is trading around 4,158/Qtl compared to 4,166/Qtl previous week.

Harvesting of rapeseed-mustard is complete in 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 MY 2020/21 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)

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As per trade sources, in Telangana, harvesting of rabi crop of maize is almost over while in Bihar, around 50-60% of maize crop has been harvested till date. However, in Karnataka, maize crop has been harvested only to the tune of 10% due to labour shortage.

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 2.95 USD/MT to 125.58 USD/MT for May'20 contract compared to previous week due to increase in demand for U.S corn amid concern over potentially crop-damaging cold weather in the U.S. Midwest. Further, price direction depends on the WASDE report, due on Tuesday, 12 May, 2020.

At 1.40 MMT (for the period 24th- 30th April, 2020) US corn exports were up 33 percent from the previous week and 28 percent from the prior 4-week average; mainly for the destinations like Mexico (393,600 MT), Colombia (236,500 MT), Japan (182,800 MT), South Korea (131,200 MT), and Taiwan (83,800 MT). Agriwatch expects that increase in export demand for U.S corn could lead to CBOT corn prices.

According to Punjab state Govt., Punjab had procured 115 lakh metric tonne of wheat in a record days in less than a month, of which over 90 LMT has been lifted. An additional 20 lakh metric tonne of wheat is expected to be procured in the coming days.

In over 22 days of staggered wheat procurement, Punjab has procured 78% of the targeted produce so far, crossing the 100 lakh metric tonne (LMT) mark. Of the estimated 135 LMT of wheat, grain markets have recorded arrival of 105.14 LMT so far, of which 104 LMT had been procured. Wheat arrival, which hovered around 6 LMT last week, fell to 4.14 LMT on Wednesday as farmers were in a hurry to sell due to uncertainty over issuance of e-passes.

The Food Corporation of India (FCI) has been able to buy half of its wheat procurement target of 40.7 million tonne by Wednesday despite a delayed start this year as Punjab has exceeded expectation by purchasing nearly 75% of its target in only 22 days.

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.

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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 mixed during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	07-May-20	01-May-20	Parity To
Indore - 45%, Jute Bag	31800	32000	Gujarat, MP
Kota - 45%, PP Bag	33000	32700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	34000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33000	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	34300	Andhra, AP, Kar ,TN
Latur	34300	34500	-
Sangli	33500	33800	Local and South
Solapur	33000	33000	Local and South
Akola – 45%, PP Bag	32000	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34000	34500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32800	32500	-

Soy DOC at Port

Centers	Port Price		
	06-May-20	05-May-20	Change
Kandla (FOR) (INR/MT)	34000	34000	Unch
Kandla (FAS) (USD/MT)	445	445	Unch
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	06-May-20	05-May-20	Change
Soybean Pellets	315	316	-1
Soybean Cake Flour	315	316	-1
Soya Meal	313	313	Unch
Soy Expellers	313	313	Unch
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)	
Centers	07-May-20	01-May-20	Change
Adoni	23000	23200	-200
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22600	22800	-200

Groundnut Meal (Rs/MT)	07-May-20	01-May-20	Change
Basis 45%, Saurashtra	28500	Closed	-
Basis 40%, Saurashtra	26000	Closed	-
GN Cake, Gondal	30000	Closed	-

Mustard DOC/Meal	07-May-20	01-May-20	Change
Jaipur (Plant delivery)	16000	16500	-500
Kandla (FOR Rs/MT)	16700	17300	-600

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	8-May-20	1-May-20	8-Apr-20	8-May-19	8-May-18
Delhi	Hybrid	1400	Closed	Closed	2000	1350
Davangere	Loose	Closed	1300	1400	NA	1150
Nizamabad	Bilty	Closed	Closed	Closed	2150	1340
Ahmedabad	Feed	1425	Closed	Closed	2060	1330
	Starch	1400	Closed	Closed	2200	1390

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

As on 08.05.2020	Argentina	Brazil	US	India
FOB	146.65	151.80	147.65	204.37
Cost and Freight	196.65	206.80	207.65	239.37

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	7-May-20	30-Apr-20	Change
Bajra	Karnataka	Hybrid	Bellary	1695	1685	10
		Hybrid	Bangalore	2250	2500	-250
Jowar	Karnataka	White	Bangalore	2800	3350	-550
		White	Bellary	1730	2099	-369
Maize	Karnataka	Yellow	Davangere	Closed	1300	-
	Andhra Pradesh	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3200	3050	150
Soy meal	Madhya Pradesh	DOC	Indore	3180	3200	-20
	Maharashtra	DOC	Sangli	3350	3380	-30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2320	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1600	1660	-60
Groundnut Meal	Gujarat	GN Cake	Gondal	3000	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2178	2169	9
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2000	1996	4
Note: Prices Rs./Qtl						

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