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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.

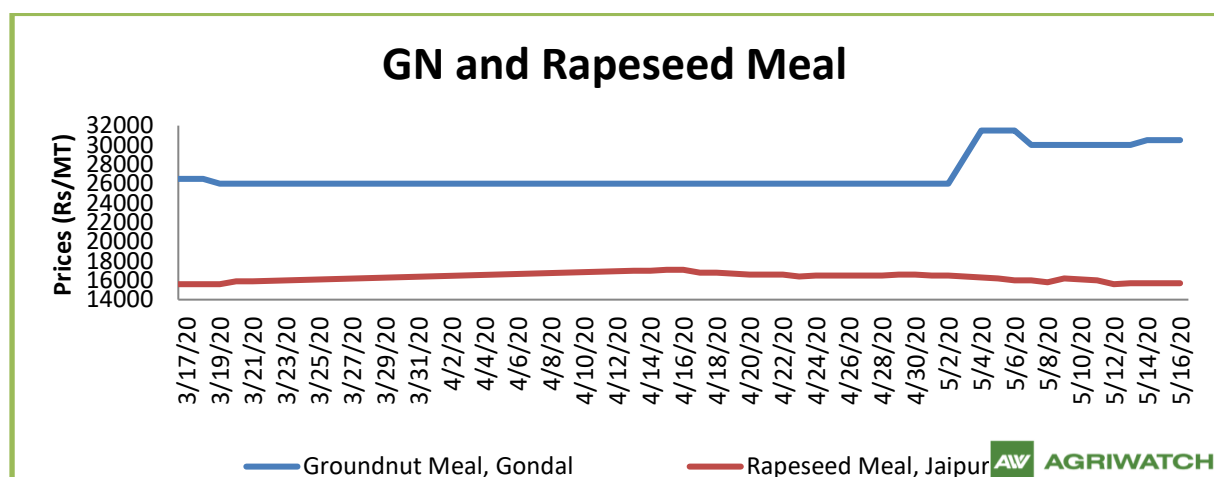
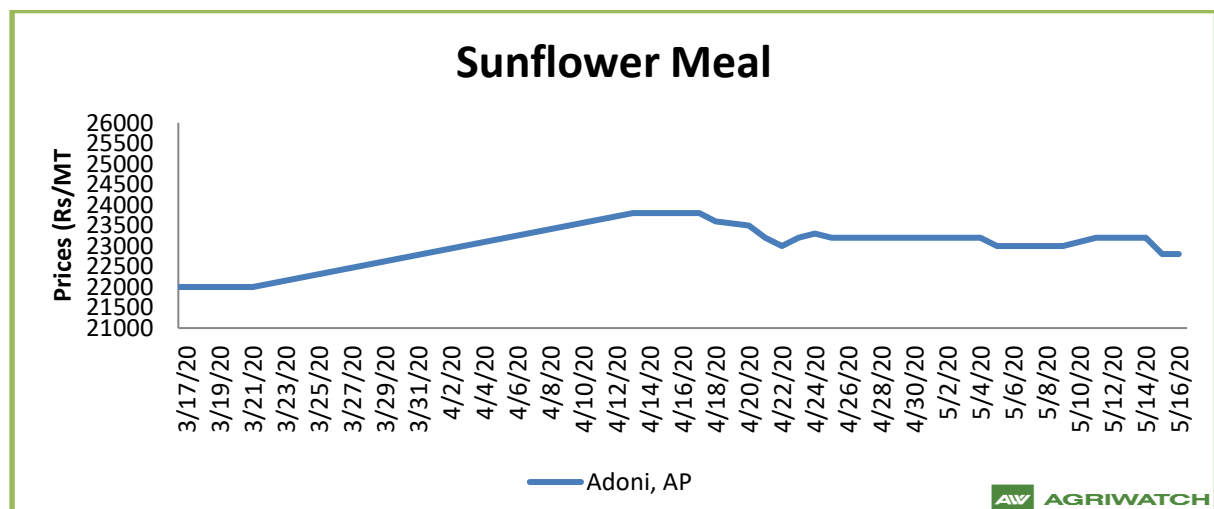
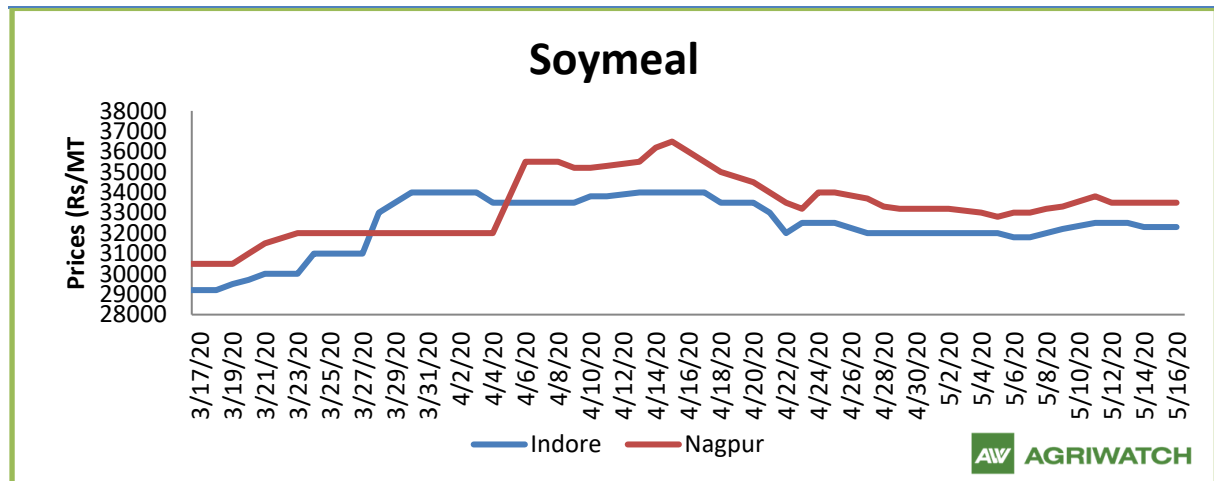
Across India, maize is likely to trade steady to range bound in near term amid arrival pressure. Any further fall is a good buying opportunity for stockists and importers and could give support to the market.

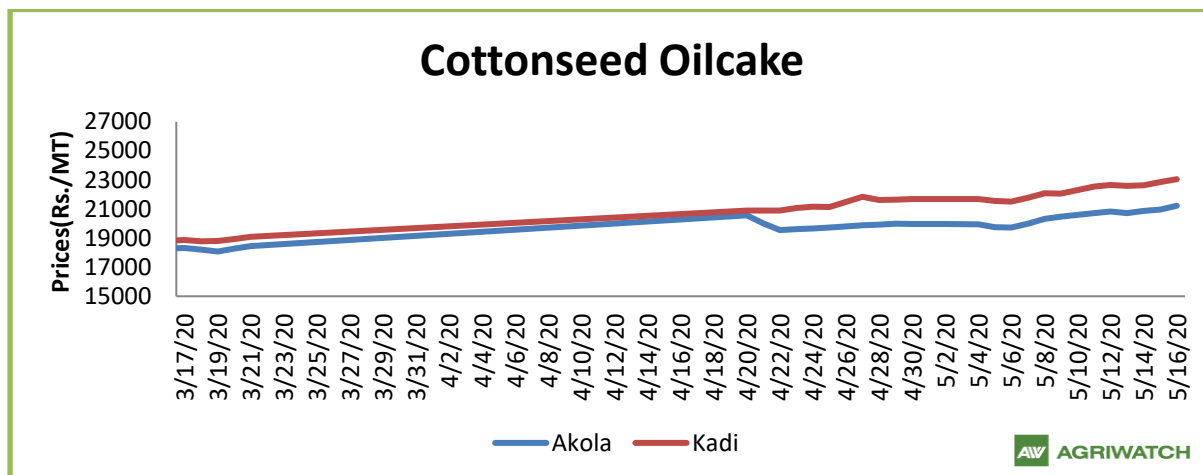
In Bihar, despite the demand of South and Nepal feed makers; maize is being traded lower at Rs. 1150 per quintal (Bilty Price) as bulk demand is still missing amid arrival pressure. However, it is a good buying point for stockists and importers which could give support to the market. Meanwhile, it is moving towards Bengaluru and Tamil Nadu at Rs. 1450 per quintal each (Delivered Price); sourced from Davangere region of Karnataka.

All India weekly average prices of wheat decrease by 0.70 percent to Rs. 1952.00 per quintal during the week ended 18th May 2020. Wheat average price were ruling at Rs 1965.71 per quintal during 02-09 May 2020. Prices are expected to trade steady to firm as official procurement is going in Punjab and other wheat production states.

NCDEX Cotton seed oil cake futures and spot prices took firm note in this week. Also, there was firm tone in cotton and Kapas during the week. The prices have crossed 1990 levels and reached around 2090 increasing the chances of buying. The NCDEX spot prices in Kadi and Akola stood at slightly higher Rs. 2254/q and Rs.2077/q respectively because of continuous disruption in supply against the demand due to extended lockdown period. NCDEX Cocudakl is getting support at 2050 and below same could see a test of 1930 levels, and first resistance is now likely to be seen at 2150.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

The domestic soymeal prices remained almost flat on steady buying, during the week under review. No aggressive buying reported due to the fall in demand from the poultry sector which is 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.

India's oilmeal shipments fell by 54% to 177,003 tonnes in March'20 from a year earlier, as soymeal exports declined due to higher domestic prices, provisional data released by SEA reported the figures.

Country's oilmeal exports during the 2019-20 fiscal year beginning April declined 27% to 2.43 million tonnes, said the Solvent Extractors' Association of India.

In the SEA- Globoil second Webinar on Demand – supply situation of oilmeals and future outlook Dr, Davish Jain and Dr. BV Mehta said raised concern on the oversupply of the soymeal in the remaining marketing season.

Mr. Balram Singh Yadav, MD Godrej Agrovet Ltd. said that if the COVID situation improves the poultry demand can bounce back to 60-65% by July'20.

In the discussion Dr. BV Mehta said, with currently 4 Mn T of soybean in hand translating into the availability of 3-3.2 Mn T of soymeal could be challenging for the meal price in marketing year (Oct-Sep).

Exports in oilmeals of Indian origin is already a challenge with competitive price offered in soymeal by South America.

Soybean trade is still not happening in market yards of Indore, Kota, Bundi, Baran and Jhalawar hence the solvent extractors of Madhya Pradesh and Rajasthan are less active in the market. However, they 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 332,000 – 32,500/MT compared to Rs 31,800 – 32,000/MT previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 33,700 – 35,000/MT and Rs. 34,000-34,500/MT respectively compared to Rs 32,000 - Rs 32,500/MT in Indore and Rs 33,000-33,200/MT in Kota.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted slightly higher between Rs 32,000 - Rs 32,500/MT during the week compared to Rs 31,200 – 31,500/MT during the corresponding period last year.

The soy meal prices are likely to feature range-bound movement between Rs. 31500 – 33,000/MT 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.

The solvent extractors and stockists are covering their rapeseed-mustard stock in the mandis which are operational, for future at the current prices.

Again, all the key rapeseed-mustard market yards of Rajasthan are closed down in continued 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.

The situation continues to hamper the trade in newly harvested rapeseed-mustard in Rajasthan, where farmers couldn't bring their produce for the second week too.

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

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

Additional Chief Secretary, Agriculture and Farmers' Welfare and Cooperation, Sanjeev Kaushal has reported that a progressive total of 7.37 lakh MT of rapeseed-mustard has been procured from 2,63,809 farmers, in Haryana last week.

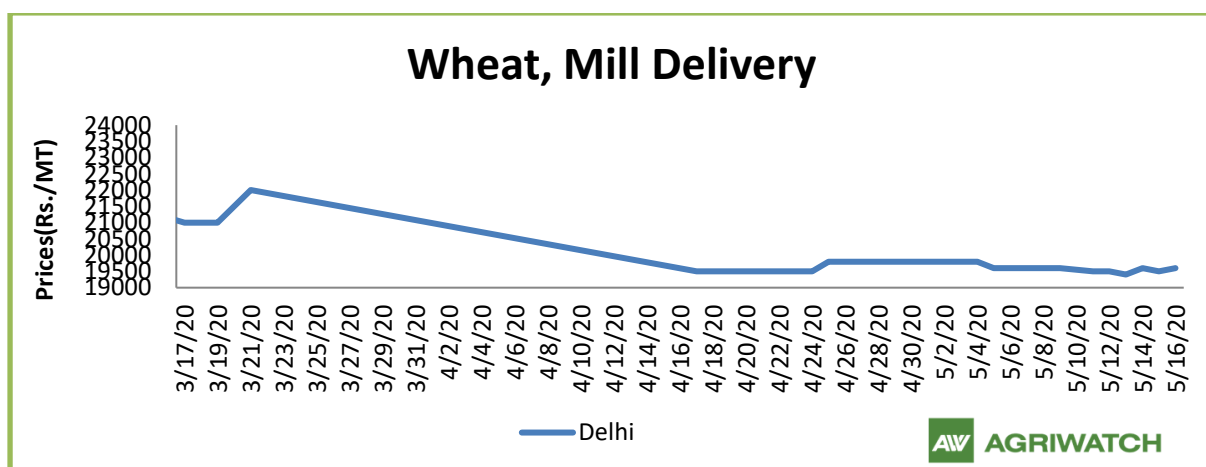
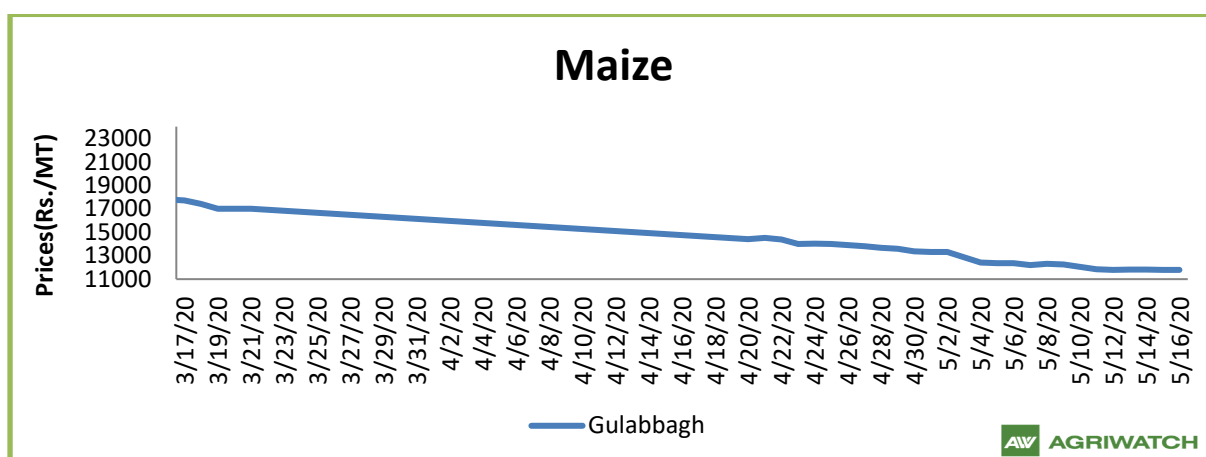
The all India seed supplies were reported at 1.30 – 1.70 lakh bags in a day compared to around 2.0 – 3.5 bags a day, previous week. The supplies were 2.25 – 2.60 lakh bags a day during the corresponding period last year.

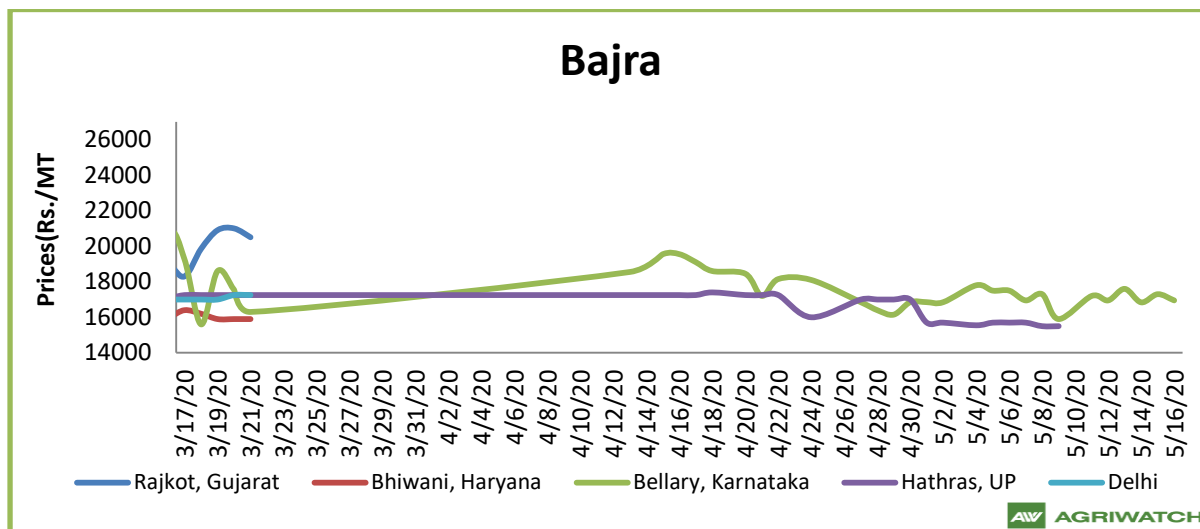
The new crop seed is quoted at around Rs 4,400 – 4,485 a quintal compared to Rs 3,860 – 3,955 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the June contract witnessed edged-up and closed at 4,210/Qtl compared to 4,158/Qtl previous week.

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)

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.

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As per media news, the five cattle feed manufacturing plants of the Karnataka Cooperative Milk Producers' Federation Ltd. has started purchase of the produce at Rs.1,760 per quintal from 12th May'2020. The maximum quantity of purchase has been capped at 50 quintals from each farmer.

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.

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 10-15% 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 was unchanged at 125.68 USD/MT for July'20 contract compared to previous week. Further, price direction depends on the demand for U.S corn.

At 1.40 MMT (for the period 1st- 7th May, 2020) US corn exports were down 6 percent from the previous week but up 16 percent from the prior 4-week average; mainly for the destinations like Mexico (386,900 MT), Japan (304,300 MT), Costa Rica (99,100 MT), South Korea (80,600 MT), and Tunisia (63,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, corn plantings as on 10 May 2020 stand at 67%, up 39 percentage points from same time last year and up 11 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

Haryana government on Friday allowed procurement of wheat from other states through "Meri Fasal-Mera Beyora" portal, a decision taken after pressure from Arthiyas (procurement agents). The farmers from other states will be able to register on the portal from May 17. Haryana government has set a target of 10 lakh MT wheat purchase from other states and would not buy more than 360 quintal wheat from a single farmer.

According to Punjab state Govt. 92% of expected arrival of 135 lakh tonnes of wheat had been procured in Punjab. 122.02 lakh tonnes had arrived in mandis in which, 121.85 lakh tonnes had been purchased in a month despite staggered movement of wheat amid the coronavirus pandemic. More than 95 per cent wheat had been procured in 15 of the 22 Punjab districts

Despite the closure of all 247 Agriculture produce marketing committee due to ongoing strike in Rajasthan, the state continues to purchase wheat. The FCI has procured 1,42,044 metric tonnes of wheat were procured by state govt agencies, while 5,66,466 metric tonnes were procured by FCI.

In Punjab nearly 33 per cent of the total wheat crop procured by different state and Central government procurement agencies has not been lifted from different grain markets of the district. The slow lifting process resulted in trouble for arthiyas and labourers at grain markets as the area received substantial rain in the morning on Thursday.

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.

All India weekly average prices of wheat decrease by 0.70 percent to Rs. 1952.00 per quintal during the week ended 18th May 2020. Wheat average price were ruling at Rs 1965.71 per quintal during 02-09 May 2020. Prices are expected to trade steady to firm as official procurement is going in Punjab and other wheat production states.

Global wheat market is expected to trade steady to weak due to ample availability in global market. EU is likely to produce around 156.00 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)		
	14-May-20	08-May-20	Parity To
Indore - 45%, Jute Bag	32300	32000	Gujarat, MP
Kota - 45%, PP Bag	33000	33200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	34000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33500	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34000	Andhra, AP, Kar ,TN
Latur	33700	34300	-
Sangli	33500	33500	Local and South
Solapur	32300	33000	Local and South
Akola – 45%, PP Bag	32200	32000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	33500	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	32800	33000	-

Soy DOC at Port

Centers	Port Price		
	14-May-20	08-May-20	Change
Kandla (FOR) (INR/MT)	34750	34000	750
Kandla (FAS) (USD/MT)	443	445	-2
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	14-May-20	08-May-20	Change
Soybean Pellets	321	320	1
Soybean Cake Flour	321	320	1
Soya Meal	323	321	2
Soy Expellers	323	321	2
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		

Centers	14-May-20	08-May-20	Change
Adoni	23200	23000	200
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22800	22600	200

Groundnut Meal (Rs/MT)	14-May-20	08-May-20	Change
Basis 45%, Saurashtra	29000	28500	500
Basis 40%, Saurashtra	26500	26000	500
GN Cake, Gondal	30500	30000	500

Mustard DOC/Meal	14-May-20	08-May-20	Change
Jaipur (Plant delivery)	15700	15800	-100
Kandla (FOR Rs/MT)	16500	16500	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	15-May-20	8-May-20	15-Apr-20	15-May-19	15-May-18
Delhi	Hybrid	1360	1400	Closed	2050	1320
Davangere	Loose	1300	Closed	1400	NA	NA
Nizamabad	Bilty	Closed	Closed	Closed	2150	NA
Ahmedabad	Feed	1400	NR	Closed	2200	1340
	Starch	1300	NR	Closed	2160	1380

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

As on 16.05.2020	Argentina	Brazil	US	India
FOB	147.34	151.00	152.59	200.34
Cost and Freight	197.34	206.00	212.59	235.34

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	14-May-20	7-May-20	Change
Bajra	Karnataka	Hybrid	Bellary	1684	1695	-11
		Hybrid	Bangalore	2300	2250	50
Jowar	Karnataka	White	Bangalore	2900	2800	100
		White	Bellary	1810	1730	80
Maize	Karnataka	Yellow	Davanger e	1300	Closed	-
	Andhra Pradesh	Yellow	Nizamaba d	Closed	Closed	-
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3300	3200	100
Soy meal	Madhya Pradesh	DOC	Indore	3230	3180	50
	Maharashtra	DOC	Sangli	3350	3350	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2320	2300	20
Mustard	Rajasthan	Plant delivery	Jaipur	1570	1600	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	3050	3000	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2263	2178	85
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2088	2000	88
Note: Prices Rs./Qtl						

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