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Summary

The domestic soybean witnessed weak tone on dull crushers demand attributed to the slack in soymeal demand.

However, rapeseed-mustard posted gains at the current prices on active buying by the crushers and stockists to cover their stock.

However, the soymeal featured steady to mostly weak sentiments due to the fall in the demand from poultry sector.

In a recent development, all the cash market yards of Rajasthan opened after they remained closed for over 10 days in a protest against the announcement of the new cess.

Besides, once again the soybean arrivals have started in the mandis of Rajasthan since 19th of May'20 where no supplies were reported till then after countrywide COVID-19 lockdown. However, thin trade in soybean happened across the soybean markets.

The benchmark soybean market, Indore still remained closed on COVID-19 concerns as market yard comes under containment zone.

Soybean is likely to remain under pressure with ongoing weak demand in poultry. The poultry demand is expected to improve with the ease in lockdown and with the improving situation in COVID-19, currently the COVID cases are rapidly increasing in India.

However, rapeseed-mustard prices will feature steady to firm tone on good buying support from solvent extractors and stockists, in near-term.

Weak demand from poultry sector will continue to weigh on the soymeal prices in near-term.

Overall maize cash markets traded firm compared to previous week due to fresh stockists demand. However, it is likely to trade steady to range bound in near term amid limited demand and arrival.

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 relaxations in lockdown. Expectation of good monsoon amid proposed increase in MSP are all good motivating factors for farmers to grow more maize for this Kharif season.

In Bihar, despite arrival disturbance due to rain amid fresh stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk demand is still missing. It is expected that maize could trade steady to range bound in near term amid limited demand and arrivals.

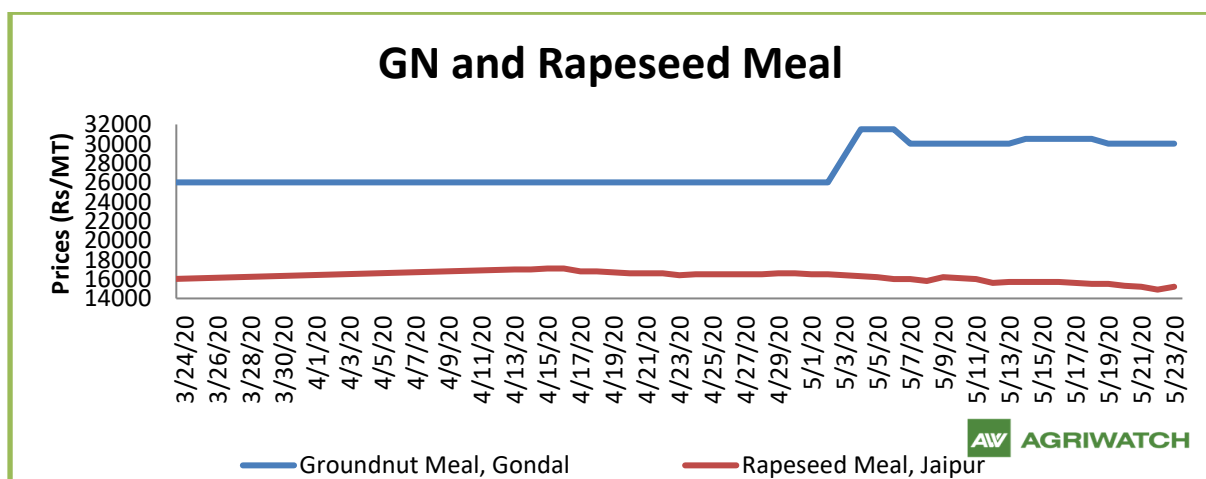
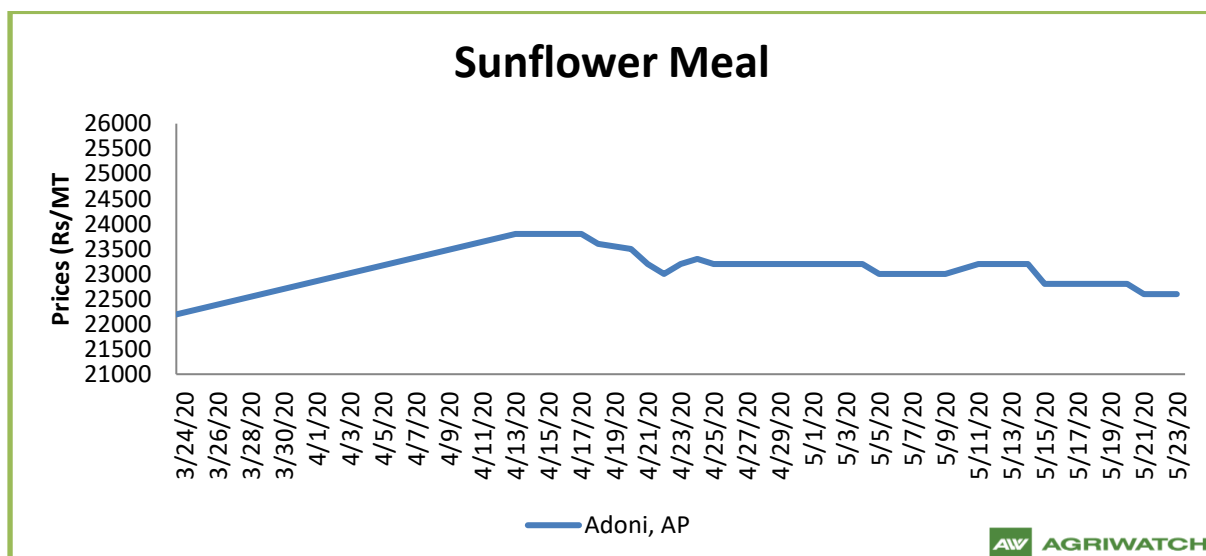
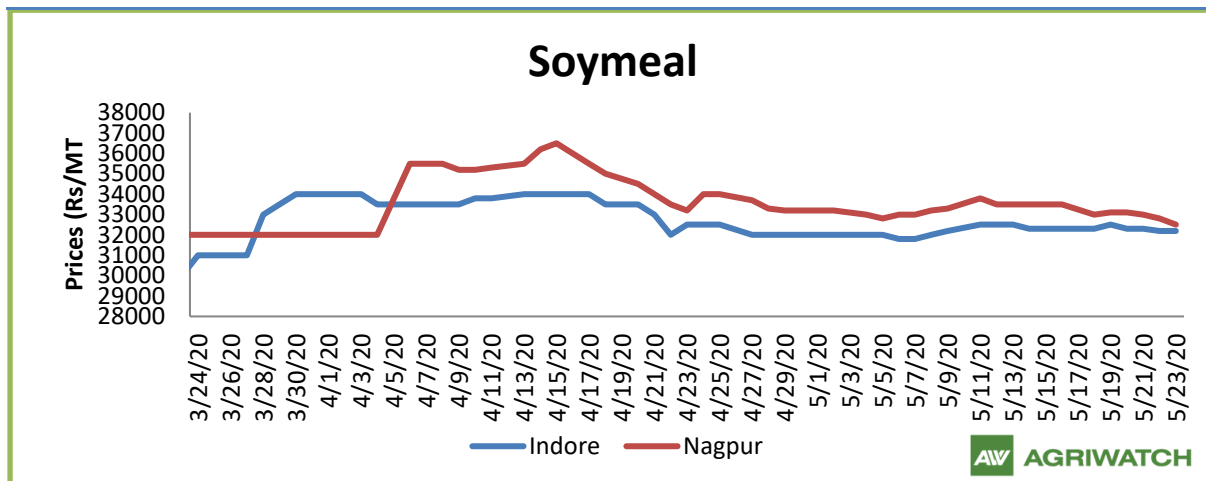
Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1500 per quintal and Rs. 1600 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. As per trade sources, each maize grower in the Karnataka state is getting a cash relief of ₹5,000 to compensate the impact of low maize prices.

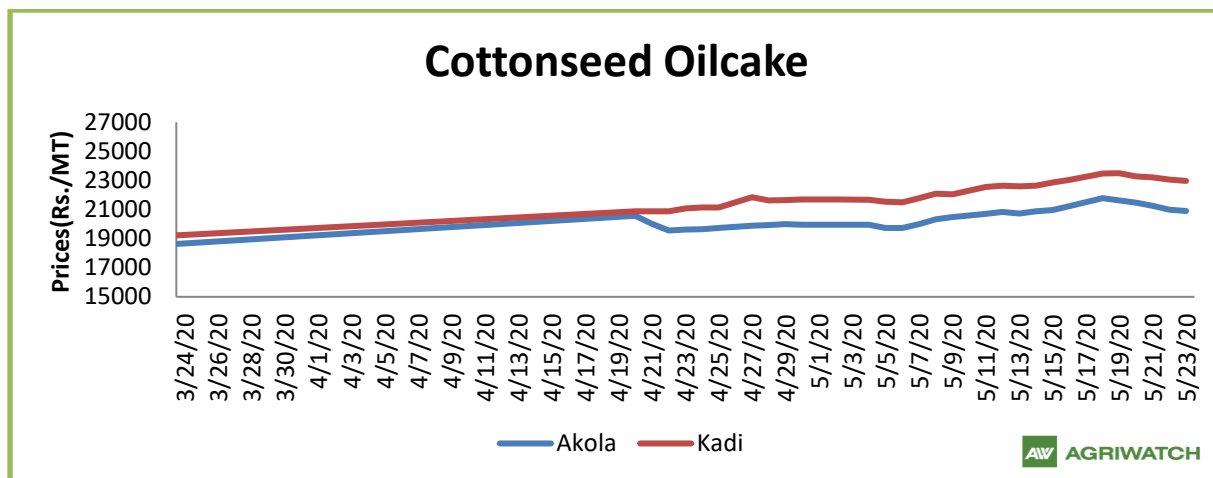
All India weekly average prices of wheat decrease by 0.23 percent to Rs. 1975.00 per quintal during the week ended 25th May 2020. Wheat average price were ruling at Rs 1952.85 per quintal during 11-18 May 2020. Prices are expected to trade steady to firm as official procurement is going in Punjab and other wheat production states.

NCDEX Cotton seed oil cake futures ended with a weaker note in the past week contrary to the spot prices. As there was improvement in the demand in summers due to which spot prices got support from

the previous week. The NCDEX spot prices in Kadi and Akola stood at slightly higher Rs. 2323/q and Rs.2137/q respectively. While cotton seed oilcake futures market was slightly down on the account of weaker market in Cotton and kapas. The selling pressure has increased as the prices fall by around 5% with in 5 days. NCDEX Cocudakl is now getting support at 1926 and below same could see a test of 1874 levels, and first resistance is now likely to be seen at 2046.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

Soymeal mostly witnessed steady to weak tone lead to the poor demand from poultry sector and weak overseas export sales.

Need based buying is featured in the cash market and there is very limited soy meal export demand of Indian origin.

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 60% in April from a year earlier, as higher government-set oilseed MSP made the shipments uncompetitive.

India exported 102,001 tonnes of oilmeal in April 2020, 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 soy meal 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 soy meal 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 soy meal by South America.

Soybean trade is still not happening in market yards of Indore, but it has started in Kota, Bundi, Baran and Jhalawar during the week in review.

India's soy meal 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.

The domestic soy meal prices at Indore, were quoted flat between Rs 32,300 – 32,500/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 33,300 – 35,000/MT and Rs. 33,800-34,000/MT respectively compared to Rs 32,300 – 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 32,300 – 32,500/MT during the week compared to Rs 31,500 – 32,200/MT during the corresponding period last year.

The soy meal prices are likely to feature range-bound movement between Rs. 32,300 – 33,800/MT on slack in demand from poultry sector, in near to medium-term.

Rapeseed - Mustard Seed

The rapeseed-mustard extended gains mainly on active buying in the cash market during the week under review.

The solvent extractors and stockists are covering their newly harvested rapeseed-mustard stock for future, at the current prices.

All the market yards of Rajasthan which remained closed for over 10 days in protest against the announcement of the new mandi cess, opened once again and the oilseeds' supplies resumed with greater volume.

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.

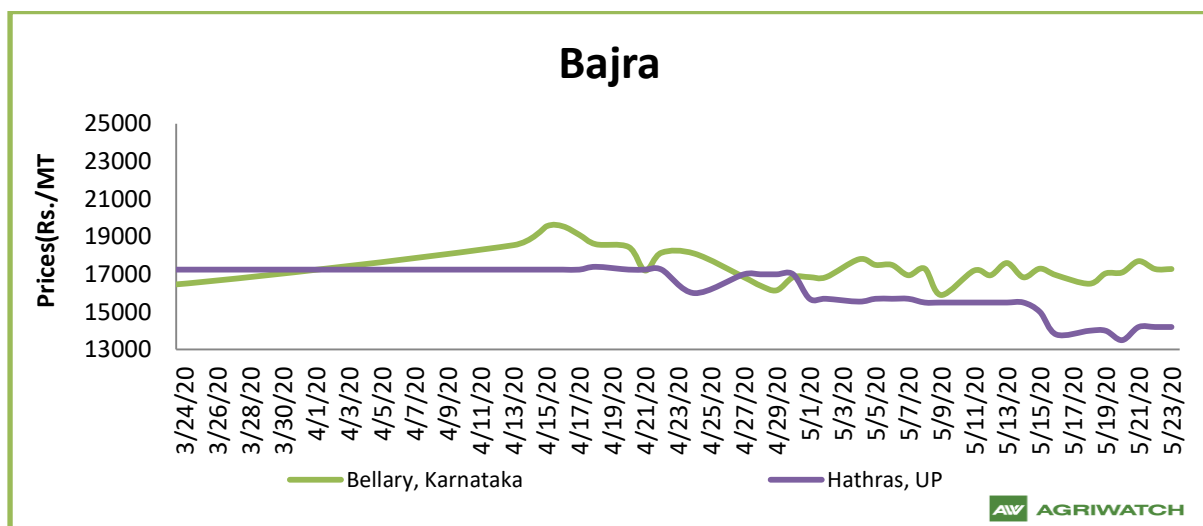
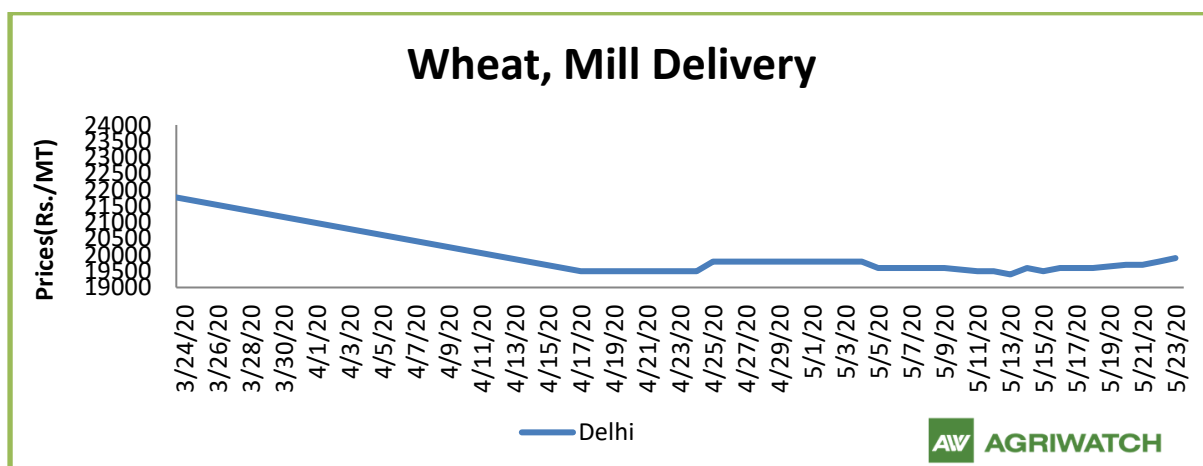
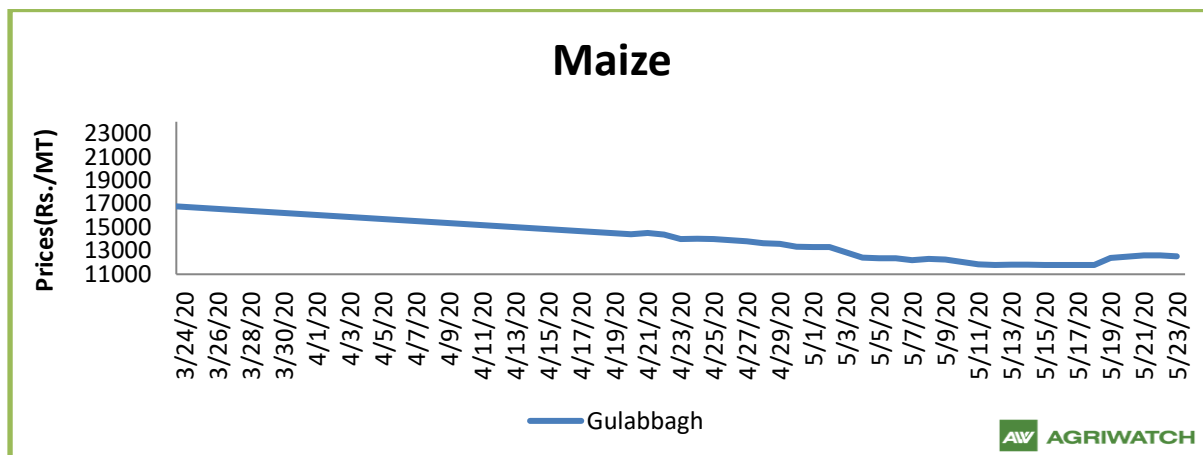
The all India seed supplies improved with resumption of Rajasthan mandis and were reported at 2.5 – 3.25 lakh bags in a day compared to around 1.30 – 1.70 bags a day, previous week. The supplies were 2.50 – 2.70 lakh bags a day during the corresponding period last year.

The new crop seed is quoted at around Rs 4,445 – 4,555 a quintal compared to Rs 3,950 – 4,000 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the June contract edged-up and closed at 4,358/Qtl compared to 4,210/Qtl previous week.

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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amid proposed increase in MSP are all good motivating factors for farmers to grow more maize for this Kharif season.

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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 10-15% 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 fall by 0.49 USD/MT to 125.19 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Further, price direction also depends on the demand for U.S corn.

At 1.26 MMT (for the period 8th- 14th May, 2020) US corn exports were down 4 percent from the previous week but up 10 percent from the prior 4-week average; mainly for the destinations like Mexico (362,900 MT), Japan (263,800 MT), China (129,600 MT), South Korea (122,000 MT), and Colombia (115,100 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 17 May 2020 stand at 80%, up 36 percentage points from same time last year and up 9 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

According to FCI 313.26 LMT Wheat has been procured so far, in which Punjab has procured 124.31 LMT followed by M.P 94.54 LMT, Haryana 68.42 LMT and U.P 17.01 LMT, as on May 20.

According to Govt. the wheat procurement season in this Rabi season till May 31 in Punjab. 125 lakh MT wheat was procured in Punjab till Thursday evening though the initially the target was of 135 lakh MT wheat coming in the mandis.

In Amritsar merely 1,450 tonnes of wheat arriving at grain markets in the district on Friday, almost 89 per cent of wheat as compared to the previous season has been procured so far. 56 grain markets and nine temporary procurement centres in the district have procured a total of 6,07,692 tonnes of wheat so far.

According to FCI, only 17.71 lakh tonnes of wheat has been procured at the support price in the current rabi from Uttar Pradesh, the largest wheat producing state, which is only 32.2% of the target 55 lakh tonnes. In the last Rabi, 37 lakh tonnes of wheat were purchased in the state, whereas last year also the target of procurement was fixed at 55 lakh tonnes. The current Rabi is estimated to produce 363 lakh tonnes of wheat in the state and the procurement of wheat started in the state.

According to Haryana Govt. the state government has procured over 71 lakh metric tonne (MT) of wheat. It's being procured at an MSP of ₹1,925 per quintal.

The wheat procurement in Champawat district will run till 31 May. These purchasing centers will be closed on June 1. So far, 1639 quintals and 50 kg have been procured in various centers of the district.

Due to the ongoing lockdown under the Corona epidemic, this time wheat procurement started from April 15 instead of April 1.

According to the Govt. this season Indian wheat harvest has been severely interrupted by the national COVID-19 lockdown. As the harvest winds down across most states, the Govt. has increased its production forecast by almost one million tonnes to a record 107.2 million tonnes for the 2019-20 marketing year.

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 more than half of its wheat procurement target of 40.7 million tonne by last week despite a delayed start this year as Punjab has exceeded expectation by purchasing nearly 82% of its target in only 22 days.

All India weekly average prices of wheat decrease by 0.23 percent to Rs. 1975.00 per quintal during the week ended 25th May 2020. Wheat average price were ruling at Rs 1952.85 per quintal during 11-18 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.NA 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 weak during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	21-May-20	15-May-20	Parity To
Indore - 45%, Jute Bag	32300	32300	Gujarat, MP
Kota - 45%, PP Bag	33000	33000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33600	33700	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33000	33500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	34000	Andhra, AP, Kar, TN
Latur	33300	33500	-
Sangli	32500	33500	Local and South

Solapur	32300	32300	Local and South
Akola – 45%, PP Bag	33200	32300	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	33500	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32800	32800	-

Soy DOC at Port

Centers	Port Price		
	21-May-20	15-May-20	Change
Kandla (FOR) (INR/MT)	34250	34750	-500
Kandla (FAS) (USD/MT)	440	443	-3
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	21-May-20	15-May-20	Change
Soybean Pellets	316	320	-4
Soybean Cake Flour	316	320	-4
Soya Meal	317	320	-3
Soy Expellers	317	320	-3
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	21-May-20	15-May-20	Change
Adoni	22600	22800	-200
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22000	22000	Unch

Groundnut Meal (Rs/MT)	21-May-20	15-May-20	Change
Basis 45%, Saurashtra	28500	29000	-500
Basis 40%, Saurashtra	26000	26500	-500
GN Cake, Gondal	30000	30500	-500

Mustard DOC/Meal	21-May-20	15-May-20	Change
Jaipur (Plant delivery)	15200	15700	-500
Kandla (FOR Rs/MT)	15700	16500	-800

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	22-May-20	15-May-20	22-Apr-20	22-May-19	22-May-18
Delhi	Hybrid	1400	1360	Closed	2050	1310
Davangere	Loose	1350	1300	1300	NA	1250
Nizamabad	Bilty	Closed	Closed	Closed	2150	1350
Ahmedabad	Feed	1450	1400	Closed	2160	1380
	Starch	1450	1300	Closed	2200	1415

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

As on 22.05.2020	Argentina	Brazil	US	India
FOB	142.81	152.70	151.08	200.27
Cost and Freight	192.81	207.70	211.08	235.27

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	21-May-20	14-May-20	Change
Bajra	Karnataka	Hybrid	Bellary	1770	1684	86
		Hybrid	Bangalore	2300	2300	Unch
Jowar	Karnataka	White	Bangalore	2700	2900	-200
		White	Bellary	1775	1810	-35
Maize	Karnataka	Yellow	Davangere	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	3300	3300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3230	3230	Unch
	Maharashtra	DOC	Sangli	3250	3350	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2260	2320	-60
Mustard	Rajasthan	Plant delivery	Jaipur	1520	1570	-50
Groundnut Meal	Gujarat	GN Cake	Gondal	3000	3050	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2321	2263	58
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2125	2088	37
Note: Prices Rs./Qtl						

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