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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 steady to weak compared to previous week due to dull feed makers' demand. However, it is likely to trade steady to range bound in near term amid limited demand and arrival.

In Bihar, despite decrease in arrival amid stockists demand; maize is being traded at Rs. 1250 per quintal (Bilty Price) as bulk feed makers 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. 1450 per quintal and Rs. 1520 per quintal (Delivered Price) respectively; sourced from Davangere region of Karnataka. Maize is likely to trade steady amid arrival pressure. 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.

As per AP markfed, from the current rabi crop, 2,75,405 MT of maize has been procured by A.P government as of 25th May,2020. The procurement is still ongoing.

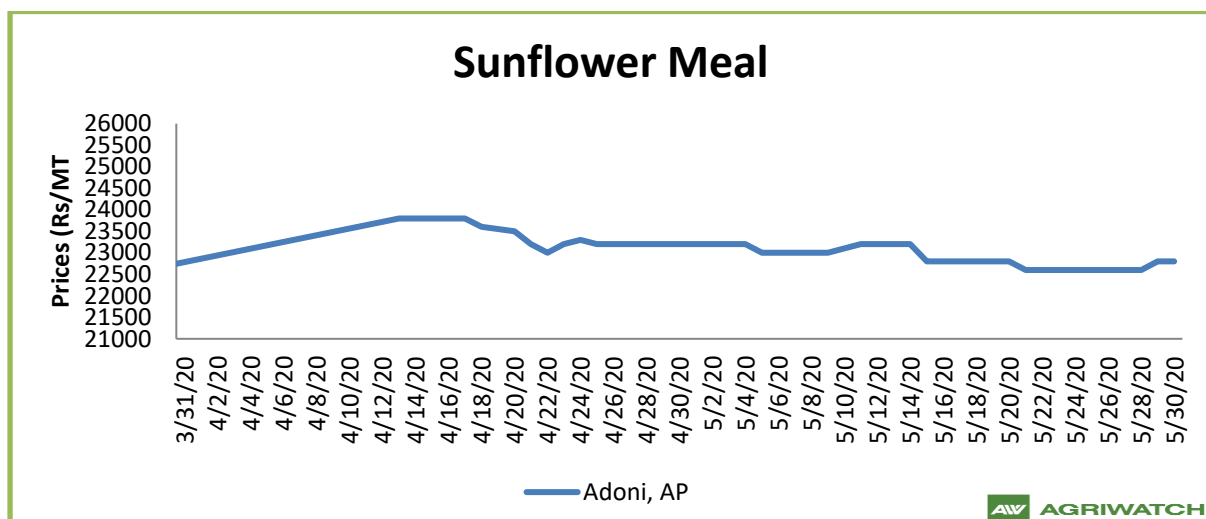
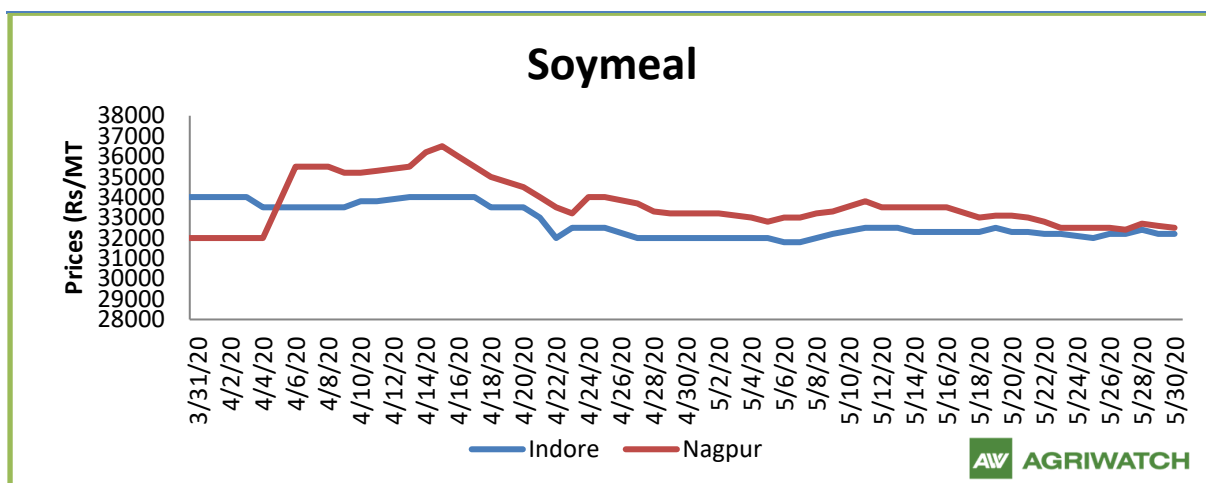
Maize acreage in Kharif 2020-21 may turn out to be higher than that in Kharif 2019-20 as farmers in Karnataka, Rajasthan, Maharashtra and Madhya Pradesh would prefer less labour intensive crops. Seed availability is expected to remain sufficient as transportation of agriculture related materials has become almost normal after the relaxations in lockdown. Expectation of good monsoon amid proposed increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21; are all good motivating factors for farmers to grow more maize for this Kharif season. However, in Telangana, maize area likely to shift towards more remunerative and high yield crops like pulses.

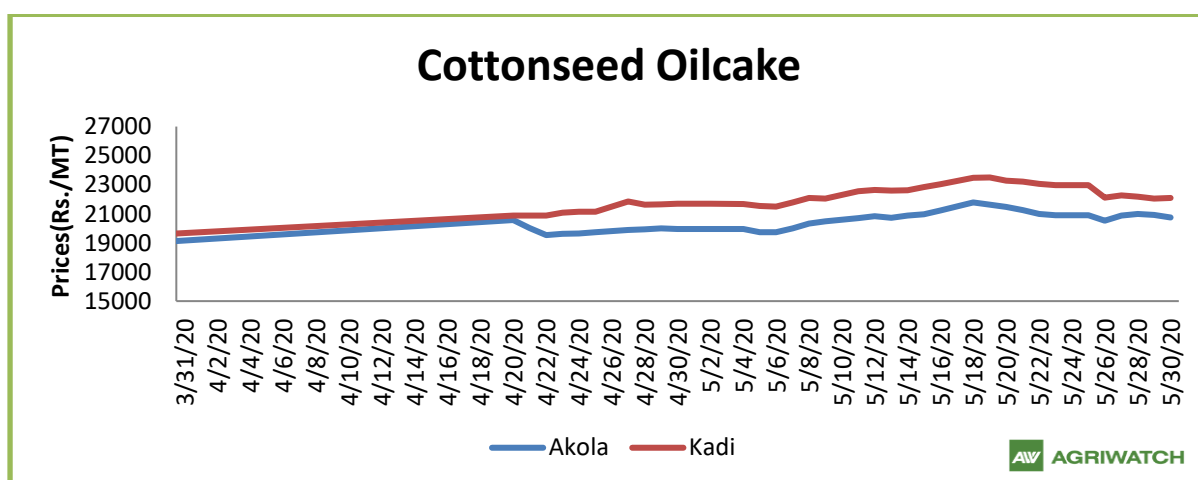
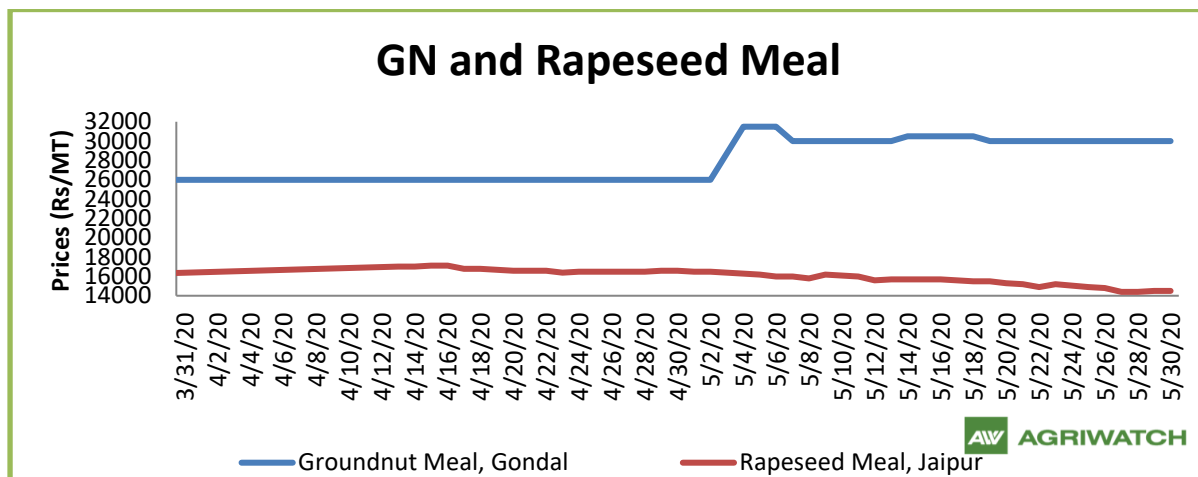
All India weekly average prices of wheat increase by 0.83 percent to Rs. 1975.83 per quintal during the week ended 30th May 2020. Wheat average price were ruling at Rs 1972.50 per quintal during 18-23

May 2020. Prices are expected to trade steady to firm as official procurement is going in Punjab and other wheat production states.

A fall in cotton seed oilcake spot prices is reported by 2-3% during the past week around Rs. 2244/q in Kadi and Rs. 2093/q in Akola as same downtrend was followed in kapas as well as in cotton. In the recent past few days during the lockdown, prices seen supported due to supply shortages as many cotton seed crushing units were closed. Local textile mills and ginners were in distress. Many mills were closed up till now due to the building up of inventory while some mills were working partially. As the end of lockdown phase 4 has been announced, it is expected that the prices might rise in the coming week due to the increase in demand. Also, the export demand has taken a positive shape due to cheaper Indian cotton prices in the world.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

Soymeal remained under pressure in conjunction with soybean on continued weak overseas and domestic demand mainly from poultry sector.

Ease in COVID-19 lockdown across India have raised the hope that it could boost the poultry consumption which will subsequently improve the demand in domestic soymeal.

No major developments happened in the meal market during the week under review.

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

Currently, 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 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.

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.

The domestic soymeal prices at Indore, fell and was quoted between Rs 32,000 – 32,400/MT compared to Rs 32,300 – 32,500/MT previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 32,500 – 33,000/MT and Rs. 33,000-34,000/MT respectively compared to Rs 32,000 – 32,400/MT in Indore and Rs 32,500-33,000/MT in Kota.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted slightly lower between Rs 32,000 – 32,400/MT during the week compared to Rs 32,300 – 32,500/MT during the corresponding period last year.

The soy meal prices are likely to feature range-bound movement between Rs. 32,000 – 33,800/MT on slack in demand from poultry sector, in near to medium-term.

Rapeseed - Mustard Seed

The rapeseed-mustard rallied on strong and continued buying support in the cash market during the week under review.

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

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

As on 25 May 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 6,47,698.43 metric tonnes with a total value of Rs. 2,86,607 Lakh and the total number progressive number of farmers benefited from the scheme stands at 2,55,914.

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

The all India seed supplies further improved with easing of lockdown and resumption of Rajasthan mandis and it is reported between 2.75 – 3.50 lakh bags in a day compared to around 2.5 – 3.25 bags

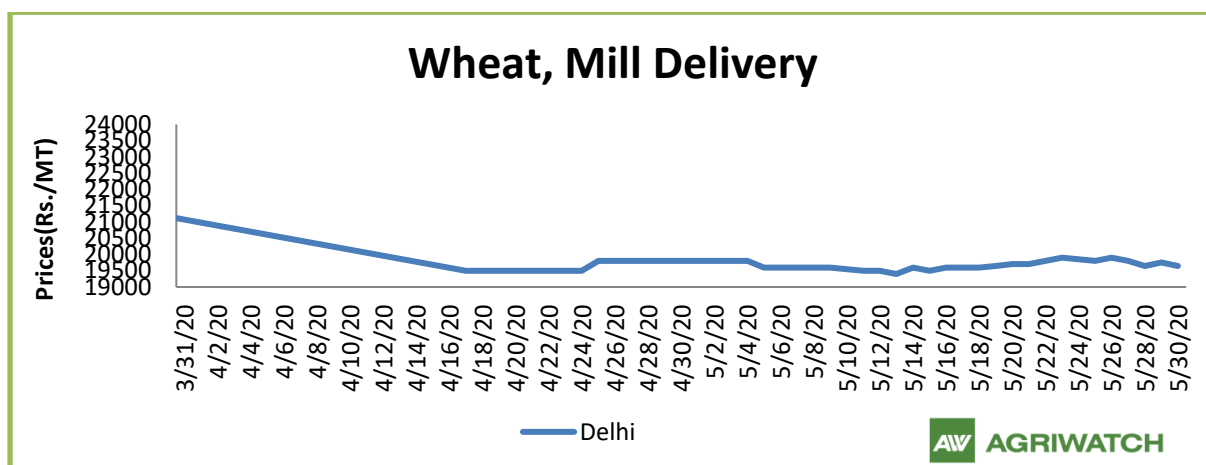
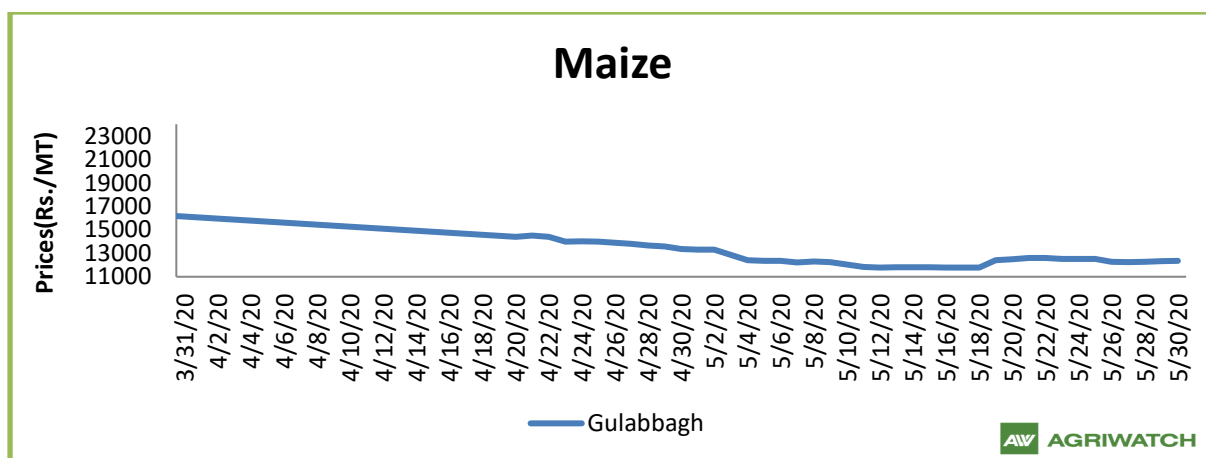
a day, previous week. The supplies were 2.0 – 2.60 lakh bags a day during the corresponding period last year.

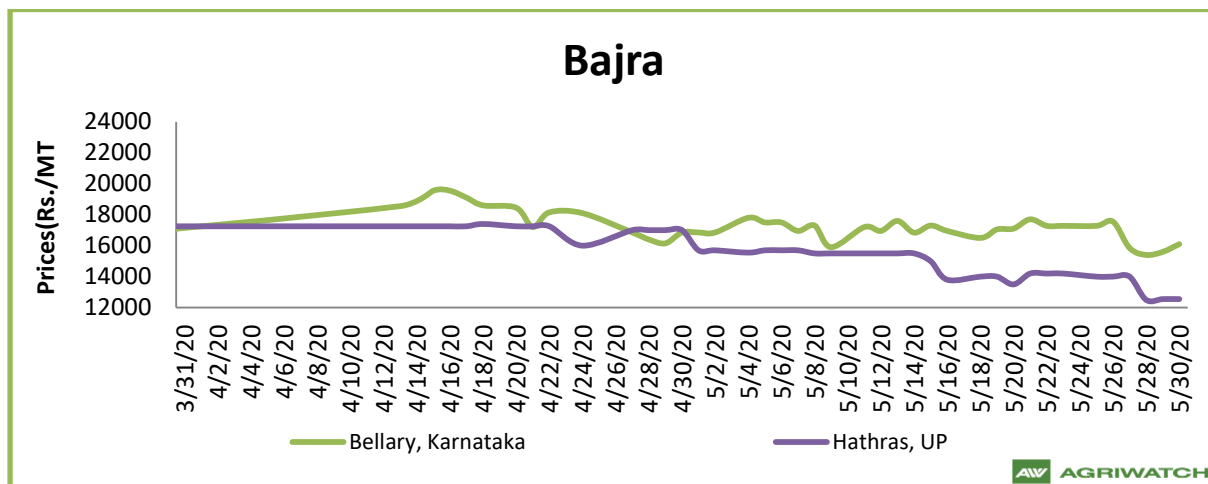
The new crop seed is quoted at around Rs 4,565 – 4,705 a quintal compared to Rs 4,025 – 4,125 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the June contract edged-up and closed at 4,558/Qtl compared to 4,495/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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As per trade sources, in Telangana, harvesting of rabi crop of maize has completed while in Bihar regions, maize crop has been harvested around at 60% and in Karnataka, maize crop has been harvested at 50% till date.

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 3.05 USD/MT to 128.24 USD/MT for July'20 contract compared to previous week due to increase in demand for U.S corn for ethanol amid forecasts for hot and dry weather in western corn belt. Further, price direction depend on the demand for U.S corn.

At 1.06 MMT (for the period 15th- 21st May, 2020) US corn exports were down 16 percent from the previous week and from the prior 4-week average; mainly for the destinations like Mexico (321,200 MT), Japan (260,000 MT), Colombia (142,300 MT), Israel (110,700 MT), and Honduras (33,500 MT).

Agriwatch expects that expectation of decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, corn plantings as on 24 May 2020 stand at 88%, up 33 percentage points from same time last year and up 6 percentage points from 5 year average. Rapid U.S planting progress likely to put pressure on CBOT corn prices.

Between 15 April and 24 May, UP procured 20.39 lakh metric tonnes (LMT) of wheat, just 5.6 per cent of the total estimated production of 363 LMT. This is also only about 37 per cent of the procurement target of 55 LMT set for the state by the central government. This target in itself was only about 15 per cent of the total estimated production. Compare this to neighbouring Madhya Pradesh, which has procured 113.38 LMT until 24 May, greater than its procurement target of 100 LMT. Last year, UP had the same target — 55 LMT — but only procured 37 LMT of wheat.

As per the third advance estimate released by the Union Agriculture Ministry the country has once again achieved a milestone in wheat production in crop year 2019-20. As per the estimate for the current season, the country has produced a record 107.20 million tonnes (MT) so far. This is around 4MT higher than last season's production of 103.6 MT.

According to the state Govt. of Madhya Pradesh the farmers of those districts where wheat procurement has been delayed due to Corona crisis, need not worry, as procurement will continue till May 31 there.

The government's wheat procurement in 2020-21 (May 24, 2020) marketing year has surpassed the last year's 34.13 million tonnes, despite all the hurdles in the wake of the COVID-19 outbreak, official data showed on Monday. "Procurement of wheat by the government agencies surpassed last year's figures of 341.31Lakh Metric Tonnes (LMT) to touch 341.56LMT on 24.05.2020, surmounting all impediments created due to the spread of COVID-19 virus and the country wide lockdown"

According to FCI 354.08 LMT Wheat has been procured so far, in which Punjab has procured 126.68 LMT followed by M.P 119.43 LMT, Haryana 72.41 LMT and U.P 22.20 LMT, as on May 29.

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 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 increase by 0.83 percent to Rs. 1975.83 per quintal during the week ended 30th May 2020. Wheat average price were ruling at Rs 1972.50 per quintal during 18-23 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 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)		
	28-May-20	22-May-20	Parity To
Indore - 45%, Jute Bag	32400	32200	Gujarat, MP
Kota - 45%, PP Bag	33000	32700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33800	33300	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32700	32800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33200	34000	Andhra, AP, Kar, TN
Latur	33000	33000	-
Sangli	32800	33000	Local and South
Solapur	32300	32000	Local and South
Akola – 45%, PP Bag	32000	31700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	33000	33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	32800	32500	-

Soy DOC at Port

Centers	Port Price		
	28-May-20	22-May-20	Change
Kandla (FOR) (INR/MT)	33800	34250	-450
Kandla (FAS) (USD/MT)	445	440	5
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	28-May-20	22-May-20	Change
Soybean Pellets	314	317	-3
Soybean Cake Flour	314	317	-3
Soya Meal	313	317	-4
Soy Expellers	313	317	-4
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	28-May-20	22-May-20	Change
Adoni	22600	22600	Unch
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22000	22000	Unch

Groundnut Meal (Rs/MT)	28-May-20	22-May-20	Change
Basis 45%, Saurashtra	28500	28500	Unch
Basis 40%, Saurashtra	26000	26000	Unch
GN Cake, Gondal	30000	30000	Unch

Mustard DOC/Meal	28-May-20	22-May-20	Change
Jaipur (Plant delivery)	14400	14900	-500
Kandla (FOR Rs/MT)	15000	15400	-400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	29-May-20	22-May-20	29-Apr-20	29-May-19	29-May-18
Delhi	Hybrid	1340	1400	Closed	2000	1320
Davangere	Loose	1300	1350	1300	NA	1250
Nizamabad	Bilty	NA	Closed	Closed	2150	1350
Ahmedabad	Feed	1400	1450	Closed	2150	1420
	Starch	1380	1450	Closed	2150	1400

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

As on 29.05.2020	Argentina	Brazil	US	India
FOB	142.62	157.10	156.50	198.28
Cost and Freight	192.62	212.10	216.50	233.28

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	28-May-20	21-May-20	Change
Bajra	Karnataka	Hybrid	Bellary	1540	1770	-230
		Hybrid	Bangalore	2300	2300	Unch
Jowar	Karnataka	White	Bangalore	2700	2700	Unch
		White	Bellary	1720	1775	-55
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	3240	3230	10
	Maharashtra	DOC	Sangli	3280	3250	30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2260	2260	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1440	1520	-80
Groundnut Meal	Gujarat	GN Cake	Gondal	3000	3000	Unch

Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2219	2321	-102
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2100	2125	-25
Note: Prices Rs./Qtl						

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