Contents:

Summary

Overall maize cash markets traded steady to slightly firm compared to previous week due to stockists demand and is likely to trade steady to slightly firm in near term too on the expectation of increase in stockists demand.

In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. It is expected that maize could trade steady to slightly firm in near term on the expectation of increase in stockists demand. Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1600 per quintal (Delivered Price) each; sourced from Davangere region of Karnataka. Meanwhile, in Nizamabad, maize is being traded at Rs. 1400 per quintal (Bilty Price). It is likely to trade steady to range bound in near term amid limited demand and low arrivals.

Maize acreage in Kharif 2020-21 may turn out to be more or less same than that in Kharif 2019-20 as one side, farmers would prefer less labour intensive crops. Expectation of good monsoon amid increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21 and reward offering by Haryana government from water guzzling paddy crops to maize; are all good motivating factors for farmers to grow more maize for this Kharif season. However, on the other side, low prevailing market prices could be a major factor to shift towards more remunerative and high yield crops like pulses.

In India, maize has been sown in 10.43 lakh hectares as of 19th Jun'20 which is higher than 5.25 lakh hectares compared to corresponding period last year. In Telangana, maize has been sown in 7656 acres as of 17th Jun'20 which is higher than 4623 acres compared to corresponding period last year. In A.P, maize has been sown in 1534 hectares as of 17th Jun'20; higher than 1497 hectares compared to corresponding period last year.

As per AP markfed, from the current rabi crop, 3,80,933 MT of maize has been procured by A.P government as of 17th June,2020.

All India weekly average prices of wheat increased by 0.66 percent to Rs. 2065.24 per quintal during the week ended 23rd June 2020. Wheat average price were ruling at Rs 1949.16 per quintal during 16-22 June 2020. Prices are expected to trade steady to firm as official procurement is completed.

Cotton seed oilcake spot prices were down during the week. The average prices stood down by around 2% in Kadi and Akola. The prices slipped down due to the muted demand in the market due to the onset of monsoon in India. But the prices might improve in few days as low crush for cotton seed resulted in lower availability of cotton seed oilcake thereby providing lateral support for prices.

The domestic soybean and rapeseed-mustard posted gains on crushers/millers demand.

However, soymeal continued downward trend on weak overseas and domestic demand, during the week under review.

Land preparation and planting for soybean in the key growing states have commenced after these states have received adequate monsoonal and pre-monsoonal rains.

We expect India's area under soybean cultivation will increase this season as it is a less labour intensive crop and higher MSP, but poor demand for soymeal of Indian origin and lower than expected returns to farmers in soybean could limit the gains in the planted area.

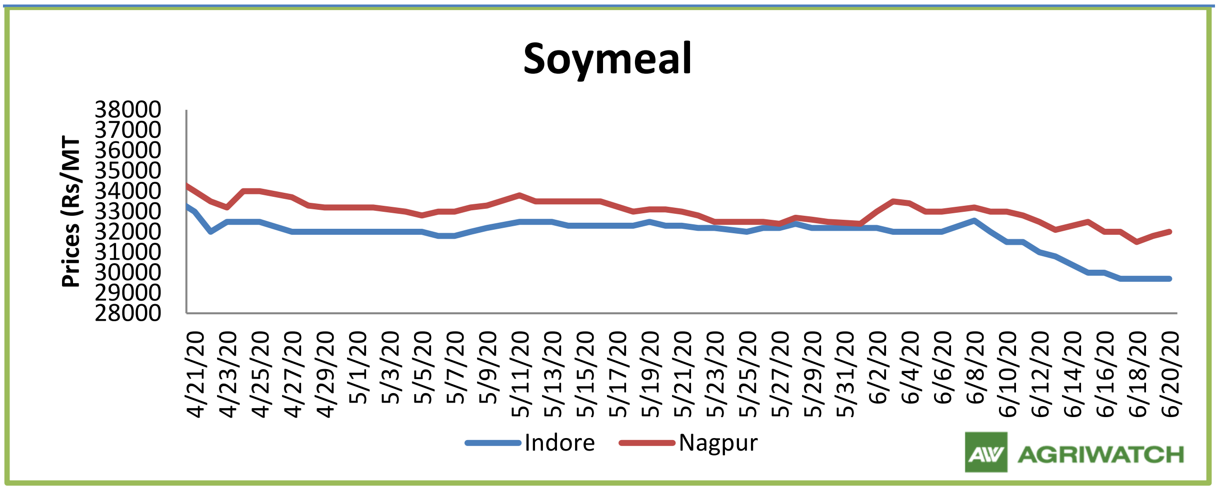
The Kharif oilseeds planting is expected to be normal this year with normal forecast of the seasonal rains and the area under groundnut cultivation is expected to rise on better realization to farmers last season.

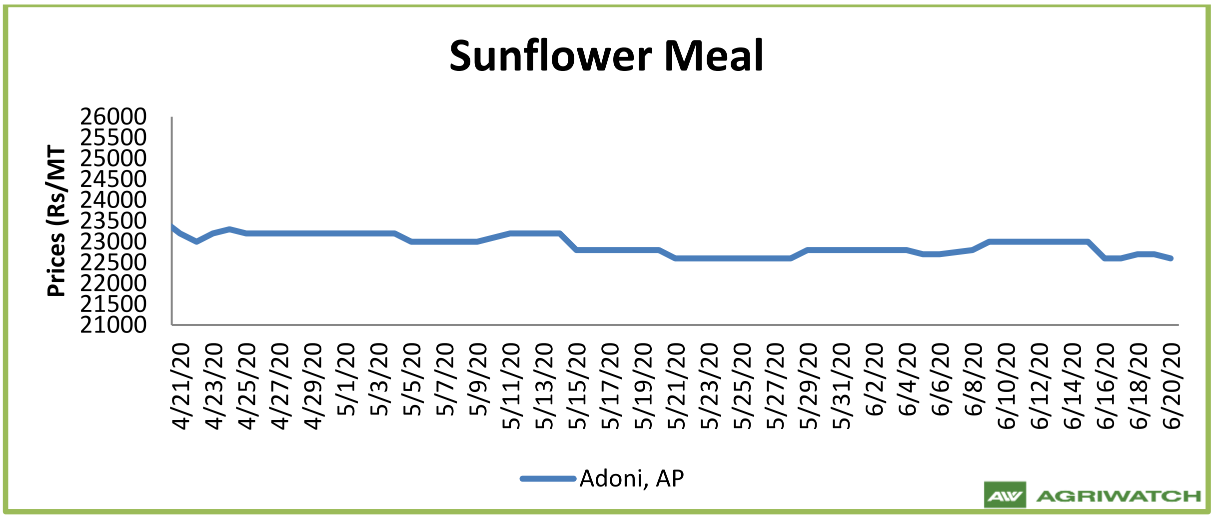
Soybean is likely to remain under pressure with ongoing weak demand in soymeal. The poultry demand is expected to improve with the relaxation in lockdown, currently the COVID cases are rapidly increasing in India.

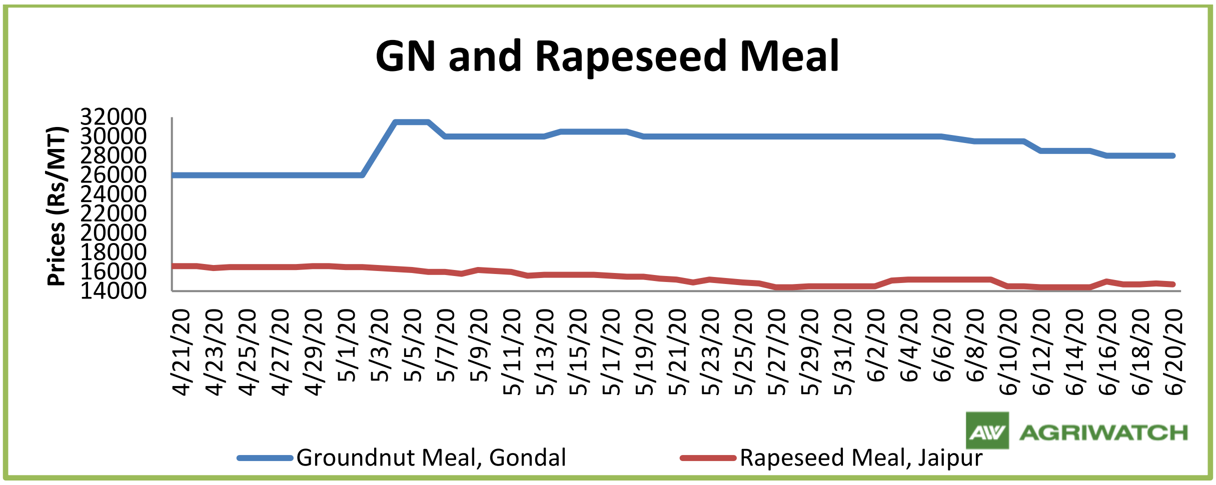
Besides, the gains in rapeseed-mustard prices could be limited as stockists and millers are almost done with covering their stock.

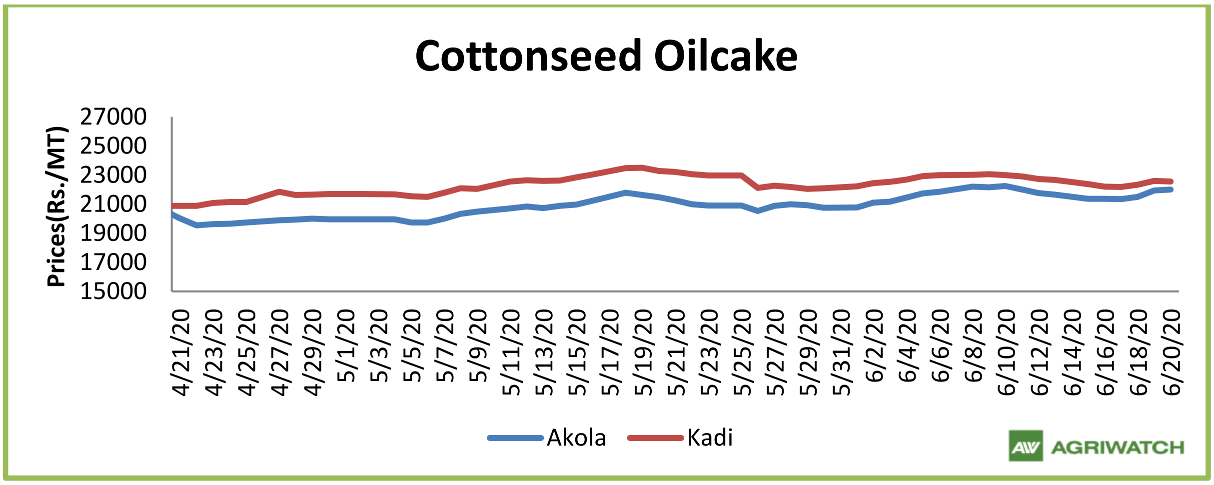
Weak demand from poultry sector will continue to weigh on the soymeal and soybean prices in near-term.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

Soymeal rebound on hope of fresh demand after countywide relaxation in lockdown, during the week under review. However, limited buying is featured due to the fall in demand from the poultry sector.

Overall the sentiments in soymeal remain almost same as previous week.

There is a weak demand from the poultry and feed manufactures due to the decline in poultry or consumption of animal protein since last couple of months.

Currently, India's poultry industry continues to reel under pressure as it has been severely hit due to coronavirus pandemic and rumours linking poultry bird possible carrier of the virus.

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

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

We feel the manufacturing of feed will negatively affect in Tamil Nadu, as the state have re-imposed the COVID-19 lockdown. There are several feed manufacturers in Tamil Nadu.

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.

Again, oversupply scenario of soymeal remains the pressurizing factor meal, this is view of higher soybean stock for the remaining of the marketing season.

There is bullish domestic soymeal supply scenario 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 demand in oilmeals of Indian origin continues to be thin as competitive price offered in soymeal by South America.

The domestic soymeal prices at Indore, fell and was quoted between Rs 29,700 – 31,000/MT compared to Rs 31,500 – 32,550/MT previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 32,600 – 33,000/MT and Rs. 32,600 - 33500/MT respectively compared to Rs 29,700 – 31,000/MT in Indore and Rs 30,700-32,000/MT in Kota.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 29,700 – 31,000/MT during the week compared to Rs 30,800 – 31,300/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 29,500 – 30,500/MT on slack in demand from poultry sector, in near to medium-term.

Rapeseed - Mustard Seed

The rapeseed-mustard continued upward movement, though gains were meager, on strong buying support in the major cash market yards during the week under review.

The seed prices rallied in last two months after oilseed crushers and the stockists started covering newly harvested rapeseed-mustard stock for future, at the current prices.

Nafed continues to procure the rapeseed-mustard actively from various centers in Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh.

As on 19 Jun 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 766802.78 metric tonnes with a total value of Rs. 339310.23 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,02,927.

Crushing of rapeseed-mustard by oilseeds crushers in India rose 6.7% on year to 800,000 tonnes in May, said Mustard Oil Producers Association of India. Rapeseed-mustard crushing stood at 750,000 tonnes during the same period last year.

RM seed prices almost remained flat, showed some recovery by 0.2% to Rs 4765 – 4930 from Rs 4670 – 4785 previous week in Jaipur.

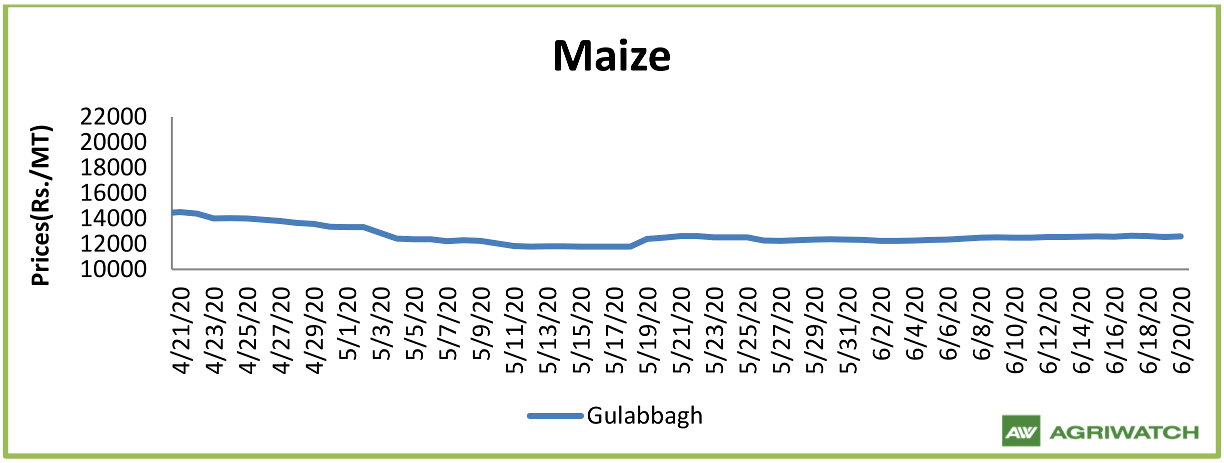
The all India rapeseed-mustard supplies fell and they were reported between 2.0 – 2.25 lakh bags in a day compared to around 3.50 – 4.0 bags a day, previous week. The supplies were 0.9 – 1.0 lakh bags a day during the corresponding period last year.

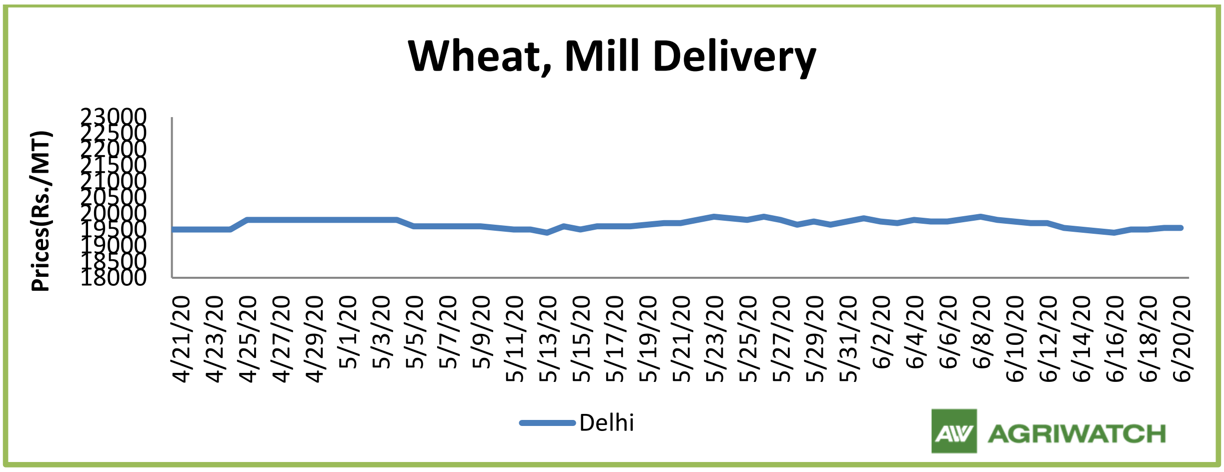
The new crop seed is quoted at around Rs 4,015 – 4,050a quintal compared to Rs 4,055 – 4,115 a quintal during the corresponding period last year at the benchmark, Jaipur.

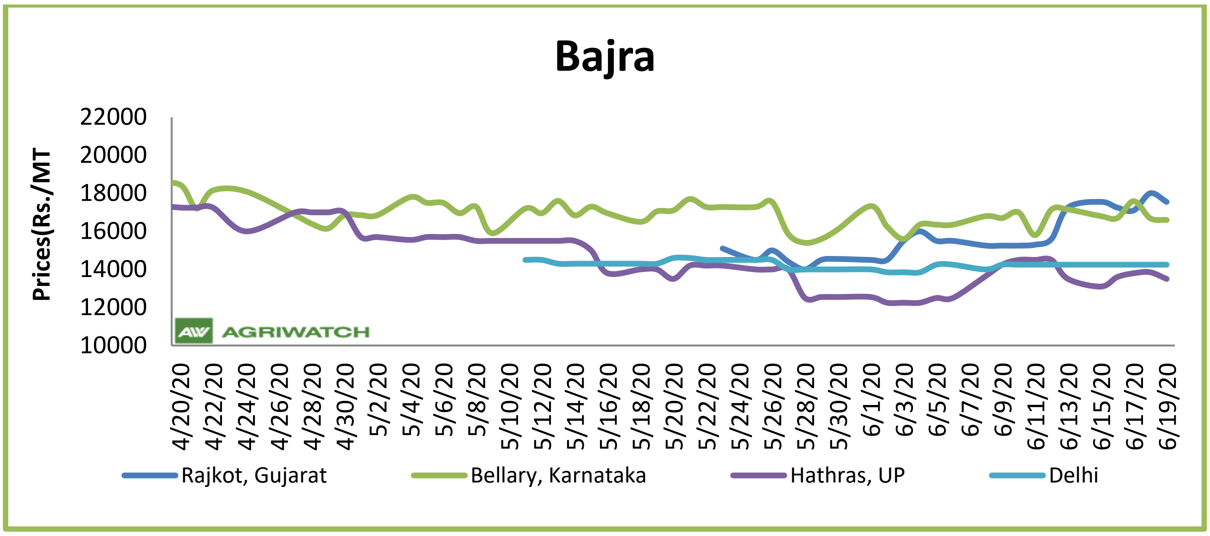
At NCDEX futures, the July contract fell and closed at 4,718/Qtl compared to 4,720/Qtl previous week.

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)

Overall maize cash markets traded steady to slightly firm compared to previous week due to stockists demand and is likely to trade steady to slightly firm in near term too on the expectation of increase in stockists demand.

In Bihar, maize is being traded at Rs. 1250 per quintal (Bilty Price) amid Stockists demand. It is expected that maize could trade steady to slightly firm in near term on the expectation of increase in stockists demand. Maize is moving towards Bengaluru and Tamil Nadu at Rs. 1600 per quintal (Delivered Price) each; sourced from Davangere region of Karnataka. Meanwhile, in Nizamabad, maize is being traded at Rs. 1400 per quintal (Bilty Price). It is likely to trade steady to range bound in near term amid limited demand and low arrivals.

Maize acreage in Kharif 2020-21 may turn out to be more or less same than that in Kharif 2019-20 as one side, farmers would prefer less labour intensive crops. Expectation of good monsoon amid increase in MSP by Rs. 90 per quintal at Rs. 1850 per quintal for the Kharif season 2020-21 and reward offering by Haryana government from water guzzling paddy crops to maize; are all good motivating factors for farmers to grow more maize for this Kharif season. However, on the other side, low prevailing market prices could be a major factor to shift towards more remunerative and high yield crops like pulses.

In India, maize has been sown in 10.43 lakh hectares as of 19th Jun'20 which is higher than 5.25 lakh hectares compared to corresponding period last year. In Telangana, maize has been sown in 7656 acres as of 17th Jun'20 which is higher than 4623 acres compared to corresponding period last year. In A.P, maize has been sown in 1534 hectares as of 17th Jun'20; higher than 1497 hectares compared to corresponding period last year.

As per AP markfed, from the current rabi crop, 3,80,933 MT of maize has been procured by A.P government as of 17th June,2020.

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 75% and in Karnataka, maize crop has been harvested at 60-65% till date.

As per final estimates for 2019-20, Agriwatch expects maize production for this Rabi season at 7.16 MMT with the expected yield of 3.97 MT/ hectare.

Corn on CBOT rose by 0.98 USD/MT to 130.90 USD/MT for July'20 contract compared to previous week. Further, price direction depend on the demand for U.S corn.

At 0.88 MMT (for the period 5th June- 11th June, 2020) US corn exports were down 29 percent from the previous week and from the previous 4-week average; mainly for the destinations like Mexico (222,900 MT), Japan (176,300 MT), South Korea (135,300 MT), China (66,100 MT), and the Philippines (56,700 MT). Agriwatch expects that decrease in export demand for U.S corn could weigh on CBOT corn prices.

In U.S, 71% crop of corn is in good to excellent condition, down 4 percentage points from last week.

The government's wheat procurement has touched an all-time record of 38.2 million tonnes so far in the 2020-21 marketing year, with Madhya Pradesh surpassing Punjab as the country's biggest wheat procuring state.

So far, only 30.85 lakh tonnes of wheat have been procured on the MSP in the current rabi marketing from Uttar Pradesh, whereas the target of procurement has been fixed at 55 lakh tonnes. In the last Rabi season, the target was to buy 5.5 million tonnes of wheat from the state, but the purchase was only 37 lakh tonnes. The state government has decided to purchase in the current Rabi season by June 30 due to the corona virus, but given the speed at which the procurement is taking place, the procurement will be less than the target.

In Uttar Pradesh the government may be making continuous efforts to increase wheat procurement, but it is not getting success as per the target. All districts are in the same condition.

Uttar Pradesh, the country's largest wheat producing state, has fallen back in its wheat purchase target this year. The state, which has produced 360 lakh metric tonne of wheat, has so far been able to purchase barely 50% of its target in the ongoing rabi marketing season (2020-21). On June 9, the state has purchased 28.3 lakh metric tonne of the grain from 5,35,670 farmers, who have been paid more than `4,408 crore as minimum support price (MSP) at the rate of `1,925 per quintal.

In the country's largest wheat producing state Uttar Pradesh, wheat production is estimated to increase to 363 lakh tonnes in the current rabi season, but the government procurement target has reached only 50 per cent of the fixed 55 lakh tonnes, which was due to the total procurement last year. Also around 9.40 lakh tonnes is less. The state government has extended the purchase deadline to June 30, but the pace with which the purchase is taking place makes it difficult to reach the target.

According to MP Govt. "Madhya Pradesh has reached first position in the country in procurement of wheat on support price. So far, 1, 27,67,628 metric tonnes of wheat have been procured. This accounts for 33 per cent of wheat procured by all states. Punjab is second to MP," a public relations department official said. He said the total amount of wheat procured in the country stood at 3,86,54,000 metric tonnes.

The Uttar Pradesh has introduced a new system for procurement of less wheat against the target at the purchasing centers and not reaching the farmers at government purchasing centers. Now wheat will be purchased at farmers' home by operating mobile purchasing center. In rural areas, 100 quintals or more of wheat will be purchased individually or collectively through a mobile purchasing center in a place / campus. There will also be a relaxation in the quality and standards set for wheat grains affected due to rain. There are 77 centers of nine purchasing agencies approved for purchasing wheat.

Cyclone Nisarga: Madhya Pradesh has purchased 125.60 lakh MT of wheat from farmers in which Thousands of quintals of wheat procured by the Madhya Pradesh government and waiting to be transported to warehouses were damaged in rains that battered several parts of the state on Thursday. About 15,000 quintals of wheat stored in open in Katni got wet in the past two days. The value of the wheat stored is said to be about Rs 2.81 crore. Similarly, in Rajgarh district too wheat was stored in the open at about 90 per cent of the 84 procurement centres. It got wet due to rains.

All India weekly average prices of wheat increased by 0.66 percent to Rs. 2065.24 per quintal during the week ended 23rd June 2020. Wheat average price were ruling at Rs 1949.16 per quintal during 16-22 June 2020. Prices are expected to trade steady to firm as official procurement is completed.

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)		
	18-Jun-20	12-Jun-20	Parity To
Indore - 45%, Jute Bag	29700	31000	Gujarat, MP
Kota - 45%, PP Bag	30700	32000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33000	33300	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31500	32500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33000	33500	Andhra, AP, Kar ,TN
Latur	32600	33000	-
Sangli	31800	32500	Local and South
Solapur	31300	31500	Local and South
Akola – 45%, PP Bag	30500	32000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	33000	33500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	30500	31800	-

Soy DOC at Port

Centers	Port Price		
	18-Jun-20	12-Jun-20	Change
Kandla (FOR) (INR/MT)	33600	33600	Unch
Kandla (FAS) (USD/MT)	445	445	Unch
CNF Indonesia – Yellow SBM (USD/MT)	445	-	445

International Soy DOC			
Argentina FOB USD/MT	**18-Jun-20**	**12-Jun-20**	**Change**
Soybean Pellets	320	322	-2

Soybean Cake Flour	320	322	-2
Soya Meal	319	324	-5
Soy Expellers	319	324	-5
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**18-Jun-20**	**12-Jun-20**	**Change**
Adoni	22700	23000	-300
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22200	22500	-300

Groundnut Meal (Rs/MT)	18-Jun-20	12-Jun-20	Change
Basis 45%, Saurashtra	26500	27500	-1000
Basis 40%, Saurashtra	24000	25000	-1000
GN Cake, Gondal	28000	28500	-500

Mustard DOC/Meal	18-Jun-20	12-Jun-20	Change
Jaipur (Plant delivery)	14700	14400	300
Kandla (FOR Rs/MT)	15300	14900	400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	19-Jun-20	12-Jun-20	19-May-20	19-Jun-19	19-Jun-18
Delhi	Hybrid	1325	1360	1360	2000	1300
Davangere	Loose	1450	1400	1300	NR	1250
Nizamabad	Bilty	1400	1425	Closed	2150	1350
Ahmedabad	Feed	1425	1425	1430	2060	1380
	Starch	1480	1480	1410	2050	1370

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

As on 19.06.2020	Argentina	Brazil	US	India
FOB	149.02	161.60	165.11	196.80
Cost and Freight	199.02	216.60	225.11	231.80

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	18-Jun-20	11-Jun-20	Change
Bajra	Karnataka	Hybrid	Bellary	1670	1580	90
		Hybrid	Bangalore	2100	2200	-100
Jowar	Karnataka	White	Bangalore	2400	2250	150
		White	Bellary	1830	1930	-100
Maize	Karnataka	Yellow	Davangere	1450	1350	100
	Telangana	Yellow	Nizamabad	1275	1350	-75
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	2800	2800	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2970	3150	-180
	Maharashtra	DOC	Sangli	3180	3250	-70
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2270	2300	-30
Mustard	Rajasthan	Plant delivery	Jaipur	1470	1450	20
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2950	-150
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2233	2291	-58
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2150	2200	-50
Note: Prices Rs./Qtl						