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## Summary

Maize cash markets traded mixed compared to previous week and is likely to trade steady to range bound in near term amid limited demand and supply.

In Bihar, despite the local stockists' demand and export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1200-1250 per quintal (Bilty Price). In U.P, starch feed makers are buying maize at Rs.1330 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1300 per quintal while it is being delivered to Hyderabad at Rs.1450 per quintal.

In India, maize has been sown in 45.59 lakh hectares as of 3rd July'20 which is higher than 23.38 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 10.84 lakh hectares as of 3rd July'20; higher than 1.54 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 6.23 lakh hectares; higher than 0.48 lakh hectares compared to corresponding period last year.

As per trade sources, in Telangana and Karnataka, harvesting of rabi crop of maize has been completed while in Bihar region, 90-95% of the maize crop has been harvested till date.

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. While, Telangana State Cooperative Marketing Federation (TS-Markfed) has procured maize about 6.94 lakh tonnes as of 25th May,2020.

As per media sources, Maharashtra government has procurement target of 9 lakh quintals of maize till 15th July.

All India weekly average prices of wheat decrease by 6.92 percent to Rs. 2206.10 per quintal during the week ended 5<sup>th</sup> July 2020. Wheat average price were ruling at Rs 2107.1 per quintal during 29<sup>st</sup> June-05<sup>th</sup> July 2019. Prices are expected to trade steady to firm as official procurement is completed.

The cottonseed oilcake prices were weaker during last week. The prices in Kadi were down by 2.8% and down by 3.4% in Akola around Rs. 2172/q and Rs. 2110/q, respectively. The higher cotton availability in the current year and projection of a big crop in the coming season has kept prices weaker. Cotton farmers have increased acreage under cotton by shifting from paddy and soybean in the early kharif sowing season. In 2020-2021, global cottonseed production is projected at 43.7 million tons, down 3 percent from the current year.

The domestic soybean fell in association with soymeal and rapeseed-mustard on subdued demand in meal and cheaper edible oil imports.

Weak export sales in soymeal and expectation of higher area under soybean crop this kharif, continued to weigh on the soybean prices.

We expect further fall in the soymeal and soybean prices on bearish domestic supply outlook.

Kharif oilseeds planting is in full swing and the planting pace in major oilseeds is higher than the same period last year. The seasonal monsoonal rains have gripped the whole country and the major growing states have received adequate rains for planting the seed.

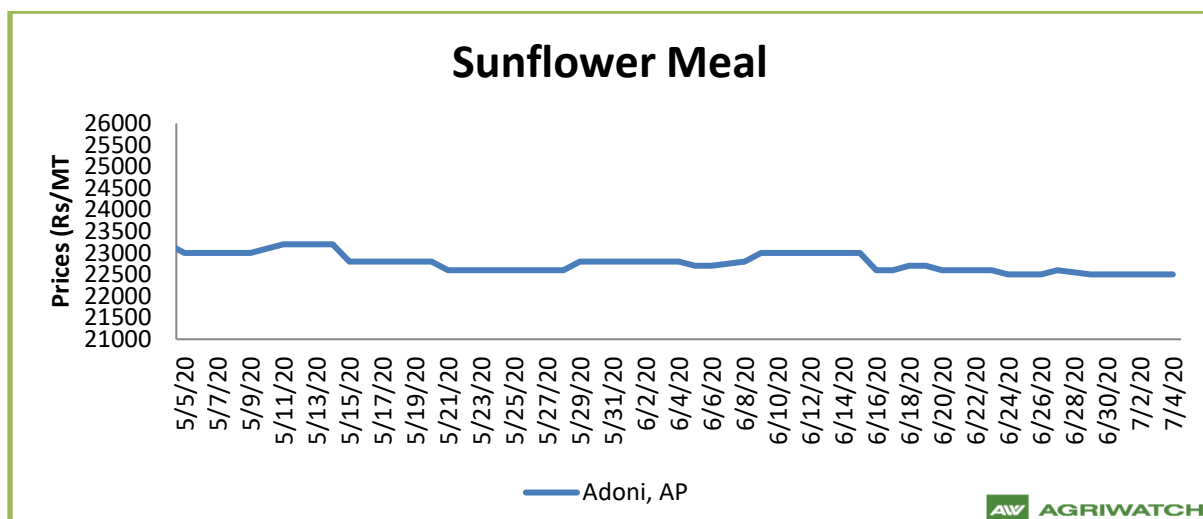
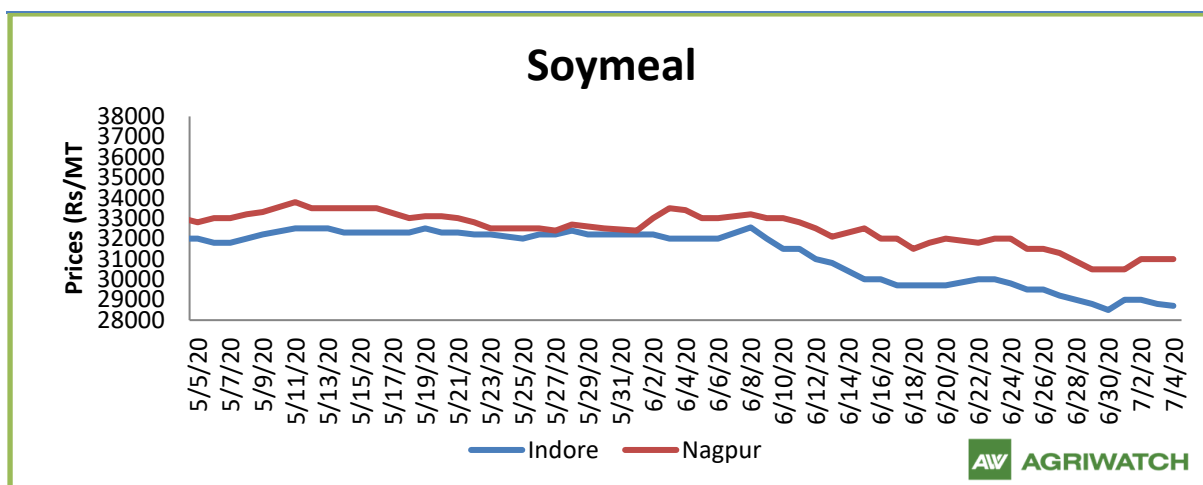
We expect India's total area under soybean cultivation to increase this season as it is less labour intensive crop and have considerably higher MSP, but poor demand for soymeal of Indian origin and lower than expected returns to farmers in soybean could limit the gains in the planted area.

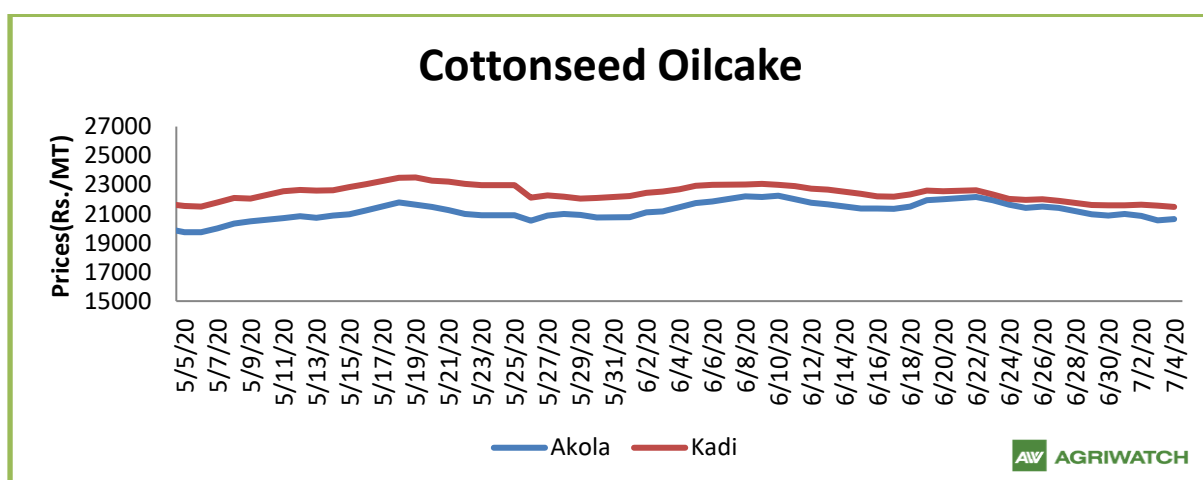
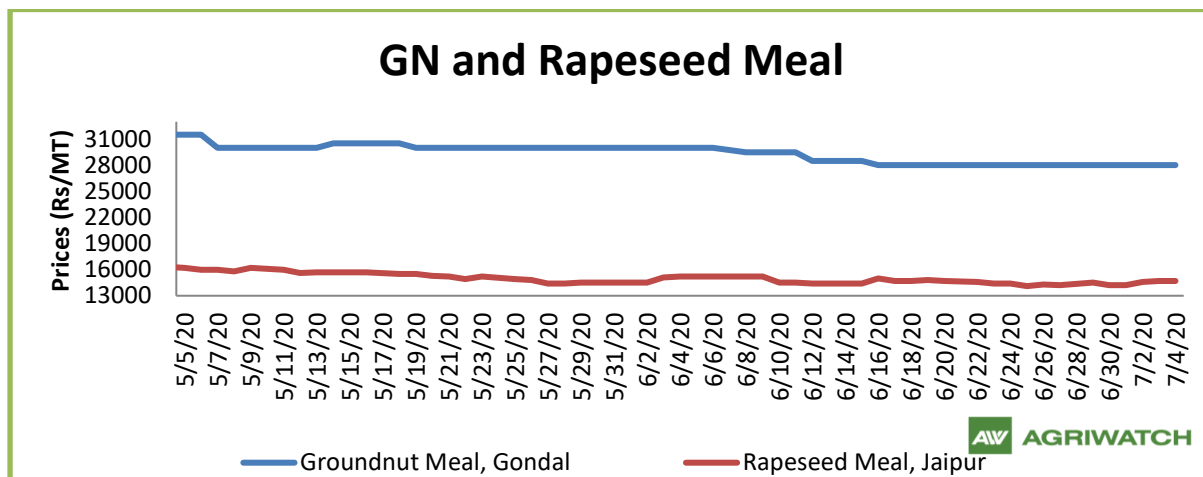
Soybean is likely to remain under pressure on bearish global and domestic scenario. We expect the poultry demand to improve with the relaxation in lockdown, however, rapidly increasing COVID cases in India is posing risk in improvement in poultry demand.

The continued gains in rapeseed-mustard prices is likely to slow down with gradual fall in the seed demand after strong buying support in last couple of months by oilseeds' crushers and stockists. The 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 extended losses on continued dull demand in domestic and international front mainly due to the Coronavirus pandemic. However, limited and need based buying is continues to cater some persisting demand.

Competitive soymeal prices of South America continued to hurt exports of soymeal of Indian origin.

Overall the sentiments in soymeal continues to remain week as recent weeks.

Weak demand from the poultry and feed manufactures due to the decline in poultry or consumption of animal protein since last couple of months continued to weigh on the soymeal prices.

Despite ease in lockdown, India's poultry industry continued to be under pressure as it has been severely hit due to coronavirus pandemic and rumours linking poultry bird possible carrier of the virus. However, some improvement in poultry demand is visible in recent days.

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 lockdown amidst the COVID-19. 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 for 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 28,500 – 29,500/MT compared to Rs 29,500 – 30,000/MT previous week.

At Latur and Nanded, Maharashtra, At Latur soymeal fell to Rs 32,600 – 32,700/MT from Rs 32,600 – 33,000/MT a week ago and In Nanded it was quoted low at Rs. 32,500 – 33,000/MT compared to Rs. 33,000 – 33,200/MT a week ago. Besides, in Kota, the meal was also quoted low at Rs 29200 - 30200/MT compared to Rs 30,400-31,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 28,500 – 29,500/MT during the week compared to Rs 30,300– 30,500/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 28,500 – 29,500/MT on slack in demand from poultry sector, in near to medium-term.*

### Rapeseed - Mustard Seed

The rapeseed-mustard fell on subdued buying by the crushers and the stockists as they have almost covered their stock for future.

The seed prices are still at the higher level after they rallied a while back, the correction in prices is as expected after they rallied in recent while.

Nafed continues to procure the rapeseed-mustard actively from various centers in Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh. However, the pace of purchases have slowed down in last couple of weeks.

As on 04 Jul 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 7,95,945.63 metric tonnes with a total value of Rs. 3,52,205.94 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,15,001.

Rapeseed-mustard stocks with farmers, processors, stockists, and state-run agencies stood at 5.9 Mn T as on May 31 against 5.5 mn T a year ago, figure released by the Mustard Oil Producers Association of India showed.

India's mustard meal exports plunged 82% on year to 21,493 tonnes in April due to sluggish buying by major buyers, as per data released by the Solvent Extractors' Association of India. The data for the month of May'20 is yet to be released by SEA.

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 witnessed mild losses by 0.5% to Rs 4845 – 4880 a quintal from Rs 4825 – 4940 a quintal previous week in Jaipur.

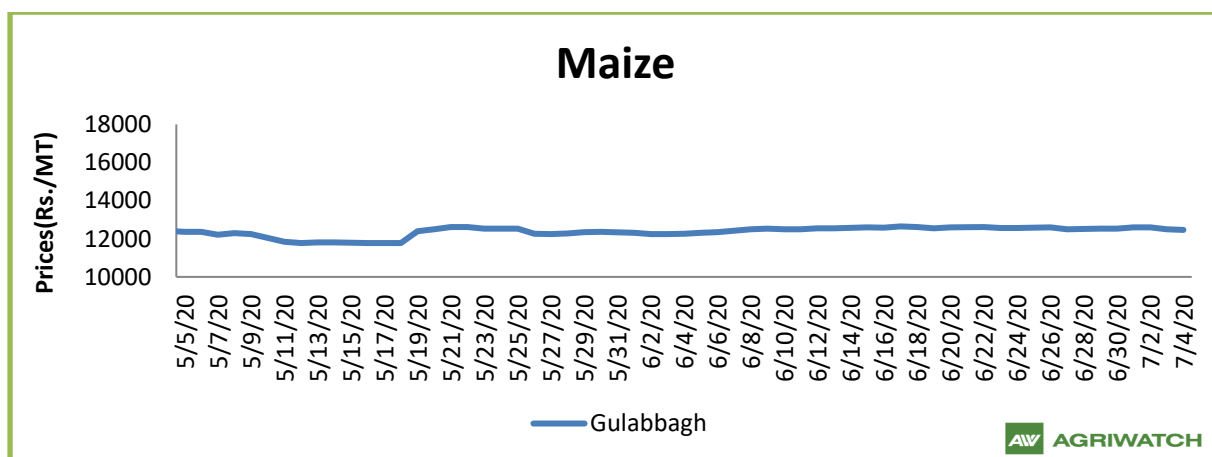
The all India rapeseed-mustard supplies are falling week-on-week and they were reported between 1.65 – 1.90 lakh bags in a day compared to around 1.90 – 2.15 bags a day, previous week. The supplies were 1.25 – 1.60 lakh bags a day during the corresponding period last year.

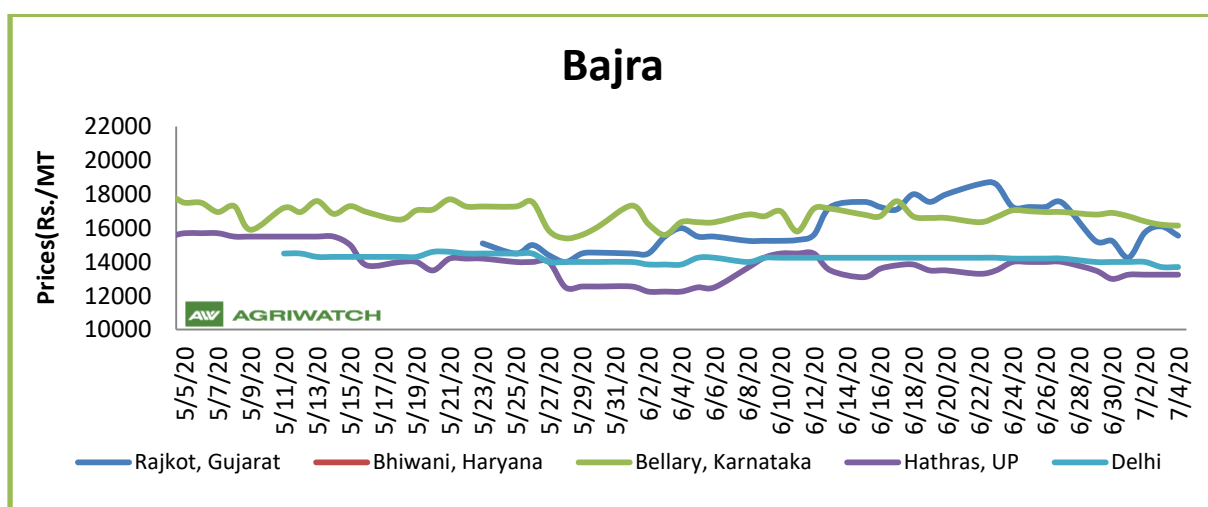
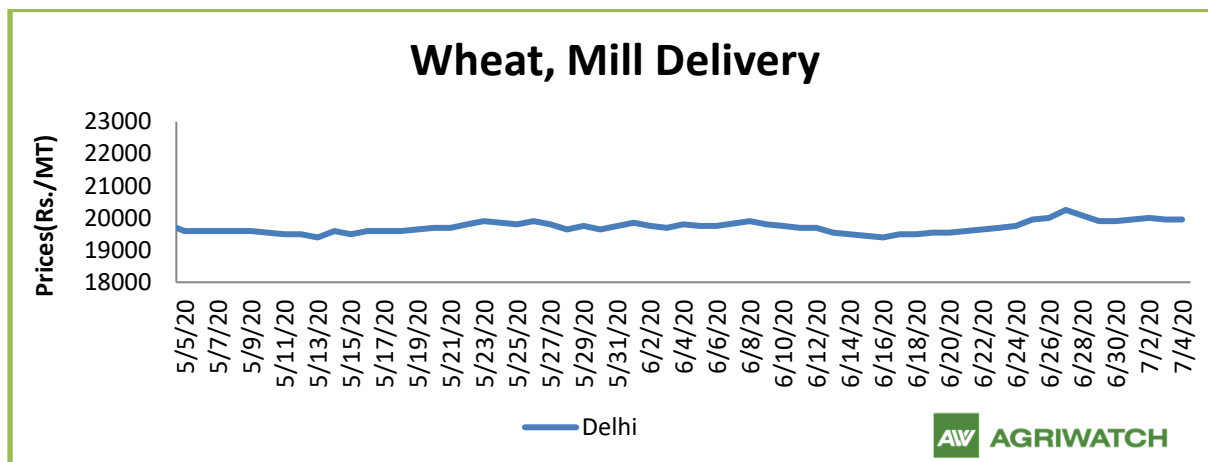
The new crop seed is quoted at around Rs 4845 – 4880 a quintal compared to Rs 4055 – 4120 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the July contract posted gains and closed at 4,774/Qtl compared to 4,702/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 media sources, Maharashtra government has procurement target of 9 lakh quintals of maize till 15th July.

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 10.04 USD/MT to 134.84 USD/MT for July'20 contract compared to previous week due to increase in export demand for U.S corn. At 1.44 MMT (for the period 19th June- 25th June, 2020) US corn exports were up 10 percent from the previous week and 21 percent from the previous 4-week average; mainly for the destinations like Japan (456,700 MT), Mexico (283,400 MT), South Korea (173,300 MT), China (144,300 MT), and Colombia (101,600 MT). Agriwatch expects that increase in export demand for U.S corn could give support to CBOT corn market. In U.S, 73% crop of corn is in good to excellent condition, up 1 percentage points from last week due to favourable weather in U.S Midwest.

According to Govt. sources FCI buys grain from farmers at a state-set guaranteed price, has bought a record 38.83 MMT of wheat, it now looks like that FCI will end up buying 40.5 to 41 MMT this year.

Prime Minister had announced the extension of Pradhan Mantri Garib Kalyan Ann Yojana till the end of November 2020. He said that the PMGKAY scheme is extended from July till the end of November 2020. the Department of Food and PD has worked out estimated cost under TPDS @ 5 Kg per person per month for three months i.e. April-June, 2020 would entail an estimated subsidy of Rs. 44,131 crore taking the estimated Economic Cost of Rs. 26,838.40/MT for wheat (as per BE 2020-2021).

India on Tuesday deployed a helicopter and a dozen drones spraying insecticide to stop desert locusts that have spread to nine heartland states of the world's second-biggest producer of wheat. The move came after swarms invaded Gurugram, India battling its worst desert locust outbreak for decades, pressed into service 12 drones to track the movement of locusts and spray insecticides on the swarms.

FCI will now procure wheat at Kota and Bundi on support price till 7 July. The Food-Public Distribution Ministry has issued its orders on Tuesday.

As per the Food Corporation of India report dated 30.06.2020, FCI currently has 558.25 MMT wheat.

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 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)		
	02-Jul-20	26-Jun-20	Parity To
Indore - 45%, Jute Bag	29000	29500	Gujarat, MP
Kota - 45%, PP Bag	29400	30200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	32200	32500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31000	31500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32500	32800	Andhra, AP, Kar ,TN
Latur	32500	32700	-
Sangli	31500	31800	Local and South
Solapur	31200	31400	Local and South
Akola – 45%, PP Bag	30500	30600	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	32000	32500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	29200	30000	-

#### Soy DOC at Port

Centers	Port Price		
	02-Jul-20	26-Jun-20	Change
Kandla (FOR) (INR/MT)	32500	32500	Unch
Kandla (FAS) (USD/MT)	440	440	Unch
CNF Indonesia – Yellow SBM (USD/MT)	435	440	-5

International Soy DOC			
Argentina FOB USD/MT	02-Jul-20	26-Jun-20	Change
Soybean Pellets	327	314	13
Soybean Cake Flour	327	314	13
Soya Meal	326	315	11
Soy Expellers	326	315	11
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		

Centers	02-Jul-20	26-Jun-20	Change
Adoni	22500	22500	Unch
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22100	22000	100

Groundnut Meal (Rs/MT)	02-Jul-20	26-Jun-20	Change
Basis 45%, Saurashtra	27500	26500	1000
Basis 40%, Saurashtra	25000	24000	1000
GN Cake, Gondal	28000	28000	Unch

Mustard DOC/Meal	02-Jul-20	26-Jun-20	Change
Jaipur (Plant delivery)	14600	14300	300
Kandla (FOR Rs/MT)	15300	15000	300

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	3-Jul-20	26-Jun-20	3-Jun-20	3-Jul-19	3-Jul-18
Delhi	Hybrid	1300	1340	1350	2050	1225
Davangere	Loose	1400	1450	1300	NR	1250
Nizamabad	Bilty	1375	1375	1500	2250	1350
Ahmedabad	Feed	1400	1400	1350	2260	1370
	Starch	1450	1425	1375	2300	1380

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

As on 03.07.2020	Argentina	Brazil	US	India
FOB	151.67	163.80	170.67	200.35
Cost and Freight	201.67	218.80	230.67	235.35

#### 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	
<b>Total</b>	<b>276674</b>	<b>455374.1</b>	<b>1408042</b>	<b>1143244</b>	<b>982022</b>	<b>62035</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	3-Jul-20	26-Jun-20	Change
Bajra	Karnataka	Hybrid	Bellary	1620	1695	-75
		Hybrid	Bangalore	2100	2100	Unch
Jowar	Karnataka	White	Bangalore	2800	2400	400
		White	Bellary	1610	1915	-305
Maize	Karnataka	Yellow	Davangere	1400	1450	-50
	Telangana	Yellow	Nizamabad	1275	1275	Unch
Rice	Haryana	IR8	Karnal	3100	3000	100
		Parmal Raw	Karnal	3000	2800	200
Soy meal	Madhya Pradesh	DOC	Indore	2880	2950	-70
	Maharashtra	DOC	Sangli	3120	3180	-60
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2250	2250	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1470	1430	40
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2800	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2157	2200	-43
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2055	2150	-95
Note: Prices Rs./Qtl						

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