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Summary

Overall maize cash markets traded steady to weak compared to previous week due to increase in arrival and low demand. Agriwatch expects that maize would trade steady to range bound during the week 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. 1225 per quintal (Bilty Price). In U.P, starch feed makers are buying maize at Rs.1300 per quintal; sourced from Naugachia region of Bihar while in Telangana, local starch feed makers are buying maize at Rs. 1310 per quintal while it is being delivered to Hyderabad at Rs.1400 per quintal. Maize is moving towards Bangalore at Rs. 1500 per quintal and Namakkal at Rs.1540 per quintal; sourced from Davangere region of Karnataka.

In India, maize has been sown in 54.21 lakh hectares as of 8th July'20 which is higher than 46.48 lakh hectares of the corresponding period last year. In M.P, maize has been sown in 10.84 lakh hectares as of 8th July'20; higher than 9.27 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 7.23 lakh hectares; higher than 2.72 lakh hectares compared to corresponding period last year. However, in Rajasthan, it has been sown in 5.86 lakh hectares; lower than 9.38 lakh hectares compared to corresponding period last year.

In Andhra Pradesh, maize has been sown in 0.30 lakh hectares as of 08th July'20; higher than 0.15 lakh hectares compared to corresponding period last year. Maize sown area is 32% to season normal. In Visakhapatnam, Vizianagaram, Guntur and Anantapuram districts of Andhra Pradesh, around 1451 hectares area of maize has been affected by fall-armyworm; out of which 663 hectares has been treated. However, in Telangana, maize has been sown in 0.28 lakh hectares as of 8th July'20 which is lower than 1.49 lakh hectares of the corresponding period last year. Maize sown area is 6% to season normal and at early vegetative stage. In Nagarkurnool district of Telangana, maize crop has been infested by stem borer. Also, in Pune, Ahmednagar, Nashik and Solapur districts of Maharashtra, maize crop has been infested by fall-armyworm.

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 trade sources, 4.5 lakh quintal of maize has been procured by Maharashtra government.

All India weekly average prices of wheat decreased by 7.81 percent to Rs. 2033.85 per quintal during the week ended 13th July 2020. Wheat average price were ruling at Rs 2145.44 per quintal during 01stJune-08th July 2019. Prices are expected to trade steady to slightly firm as official procurement is completed.

The cottonseed oilcake prices were slightly weaker during last week. The prices in Kadi were down by 0.5% and down by 2.4% in Akola around Rs. 2160/q and Rs. 2059/q, respectively. The record procurement of around 120 lakh bales of cotton this year pushed the prices down. Also, some quantity is left with farmers and due to the onset of monsoon, the purchasing operations is affected.The domestic soybean fell in association with soymeal and rapeseed-mustard on subdued demand in meal and cheaper edible oil imports.

The domestic soybean and rapeseed-mustard posted gains on good buying support in the cash market. However, weak demand in soymeal and cheaper edible oil imports, limited the gains.

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 prices on bearish domestic supply outlook and price competitive in soymeal of South American origin.

Kharif oilseeds planting in major oilseeds is 85% higher than the corresponding period last year. This is after adequate seasonal rains in the major oilseeds growing states.

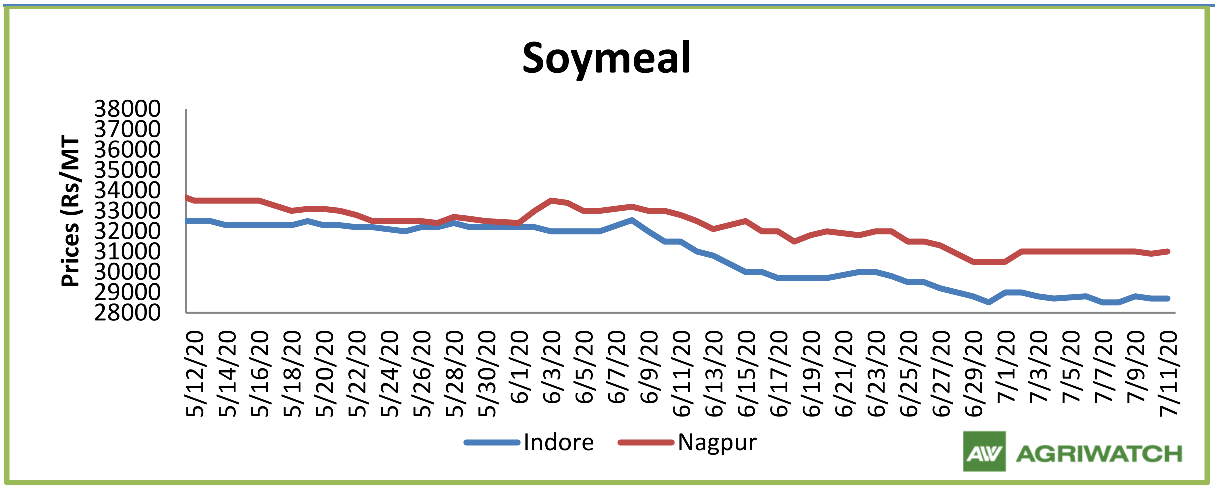
We expect India's total area under soybean cultivation to increase this season as it is a less labour intensive crop and has considerably higher MSP, but poor demand for soymeal of Indian origin and lower than expected returns to farmers in soybean, could limit the gains in the planted area.

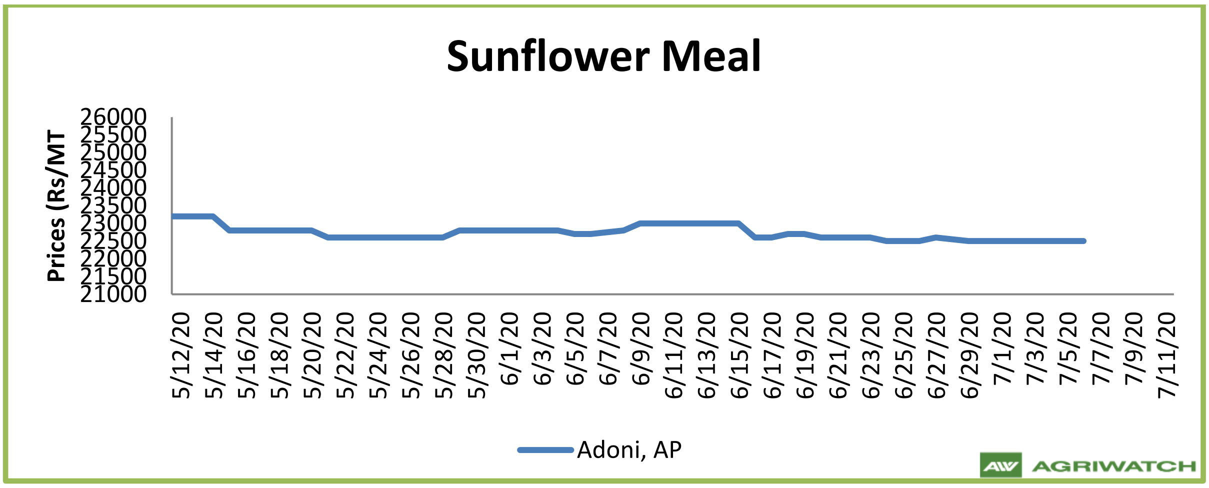
Soybean is expected to remain under pressure on bearish global and domestic scenario. We expect the poultry demand to improve with the relaxation in lockdown, however, rapidly increasing COVID cases in India continue to influence the low poultry demand.

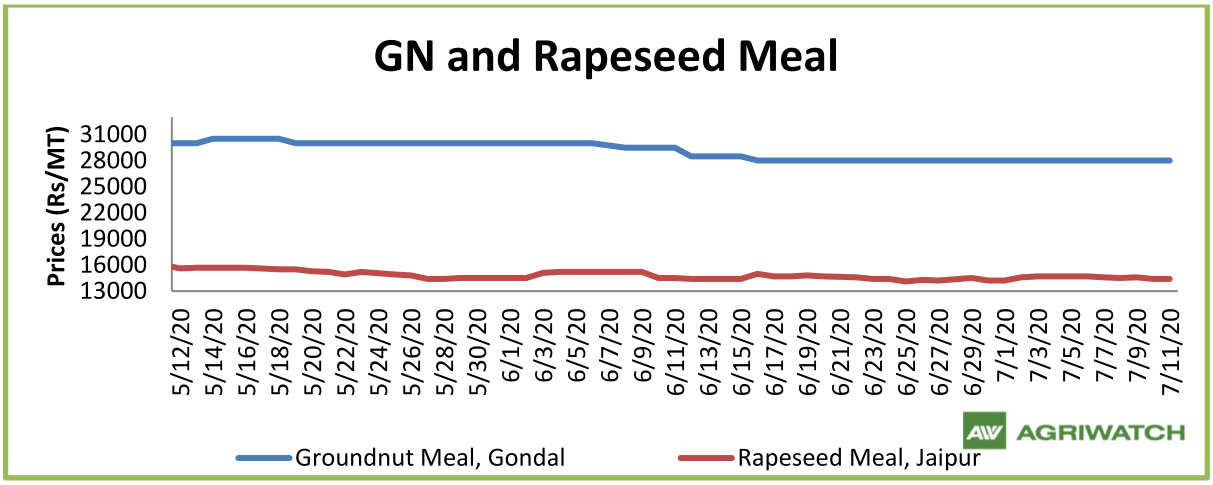
The continued gains in rapeseed-mustard prices is likely to slow down with gradual fall in the seed demand after strong buying support in last couple of months by oilseeds' crushers and stockists. The millers are almost done with covering their stock.

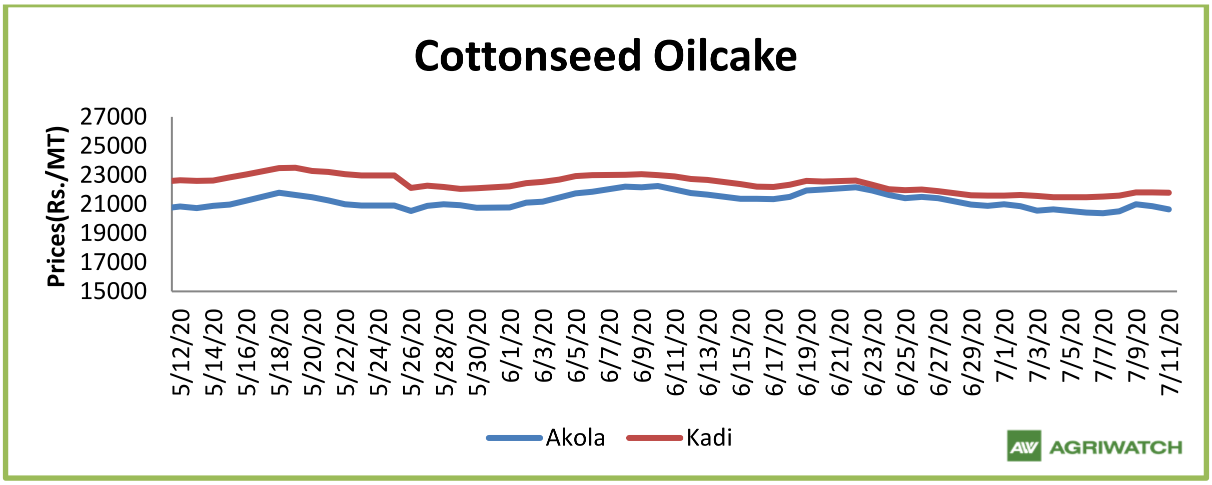
Subdued demand from poultry sector will continue to weigh on the soymeal and soybean prices in near-term.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

Soymeal continued downtrend on subdued domestic demand and weak export sales mainly due to the Coronavirus pandemic. Limited and need based buying is continues to cater persisting demand.

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

No major trade development happened in recent days. Solvent Extractors' Association has just released the May'20 oilmeal exports data and it is yet release the June'20 oilmeal export figures.

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.

The Solvent Extractor's Association have urged the government of India for the export incentive in the oilmeal and exemption from GST in the oilseeds and oilmeals to offset the losses due to their poor demand this year.

The export of oilmeals from India during May 2020 is provisionally reported at 247,879 tons compared to 201,768 tons in May, 2019 i.e. up by 23%. The main reason in increased of oilmeals in May 2020 is sharped increased in export of rapeseed meal to 144,244 tons from 72,895 tons in May 2019. The overall export of oilmeals during April and May 2020 is provisionally reported at 349,880 tons compared to 456,353 tons during the same period of previous year i.e. down by 23%, figures by SEA.

During April-May 2020, South Korea imported 145,772 tons of oilmeals (compared to 173,475 tons); consisting of 115,827 tons of rapeseed meal, 21,451 tons of castorseed meal and 8,494 tons of soybean meal.

Vietnam imported 85,092 tons of oilmeals (compared to 71,829 tons); consisting of 56,261 tons of De-oiled Rice Bran Extractions, 27,911 tons of rapeseed meal and small quantity of 920 tons of soybean meal.

U.S.A. imported 28,217 tons of oilmeals (compared to 33,092 tons); consisting of 27,997 tons of soybean meal and 220 tons of rapeseed meal and Taiwan imported 19,505 tons of oilmeals (compared to 22,955 tons); consisting of 15,486 tons of castorseed meal, 3,122 tons of rapeseed meal and 897 tons of soybean meal.

Port-wise Export of Oilmeals : April-May 2020 (Provisional), released by SEA: The export from Kandla is reported at 127,214 tons (36%), followed by Mundra handled 84,534 tons (24%), Mumbai including JNPT handled 22,080 tons (6%), Kolkata handled 59,615 tons (17%) and Others Ports handled 56,438 tons (16%).

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

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

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 – 28,800/MT compared to Rs 28,500 – 29,500/MT previous week.

At Latur soymeal fell to Rs 32,000 – 32,300/MT from Rs 32,600 – 32,700/MT a week ago and in Nanded it was quoted low at Rs. 32,500/MT compared to Rs. 32,500 – 33,000/MT a week ago. Besides, in Kota, the meal witnessed mild gain and was quoted at Rs 29,200 – 30,400/MT compared to Rs 29,200 – 30,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 28,500 – 28,800/MT during the week compared to Rs 29,500– 30,300/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 posted gains on good buying support by the crushers and the stockists, during the week under review. However, there is no aggressive buying now as the stockists and crushers are almost done with covering their stock.

Further, recent release of oilmeal export data by SEA have clearly showed that the rapeseed-mustard meal exports almost doubled in May'20 compared the same period last year, this remained supportive for the crushers.

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 10 Jul 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,02,614.33 metric tonnes with a total value of Rs. 3,55,156.84 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,17,893.

India's mustard meal exports doubled on year to 144,244 tonnes in May'20 from 72,895 in May'19, as per data released by the Solvent Extractors' Association of India. The data for the month of June'20 is yet to be released by SEA.

Crushing of rapeseed-mustard by oilseeds crushers in India is in full swing and the volume is above same period last year.

RM seed prices witnessed gains by 1.6% to Rs 4890 – 4980 a quintal from Rs 4845 – 4880 a quintal previous week in Jaipur.

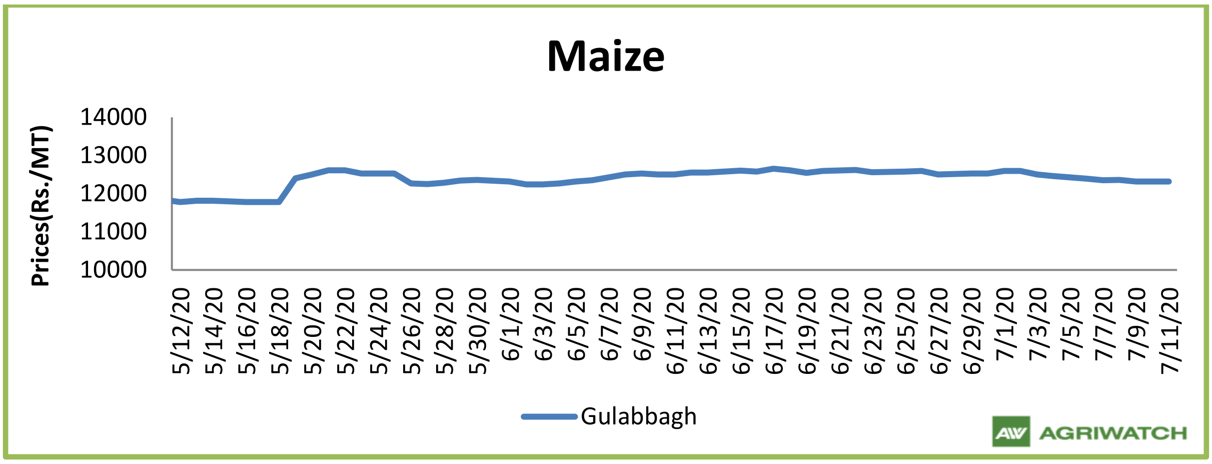
The all India rapeseed-mustard supplies are falling week-on-week and they were reported between 2.0 – 2.85 lakh bags in a day compared to around 2.5 – 3.0 lakh bags a day, previous week. The supplies were 1.30 – 1.60 lakh bags a day during the corresponding period last year.

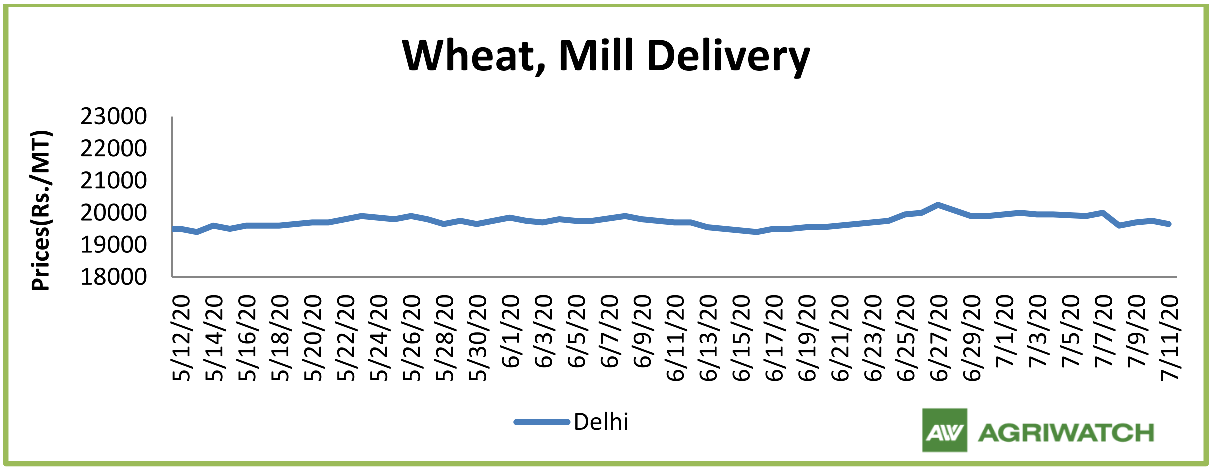
The new crop seed is quoted at around Rs 4890 – 4980 a quintal compared to Rs 4050 – 4095 a quintal during the corresponding period last year at the benchmark, Jaipur.

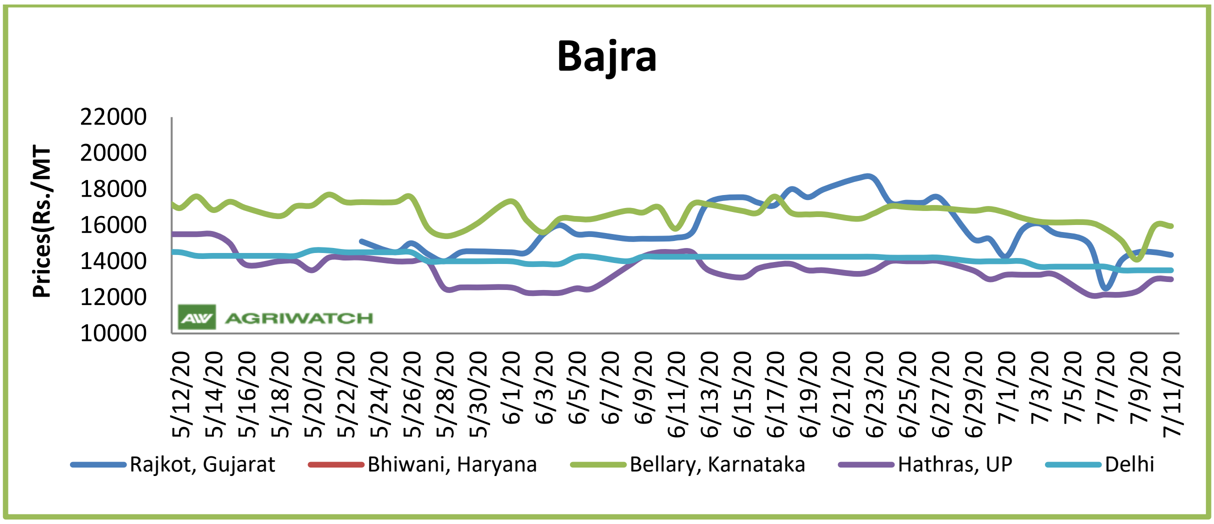
At NCDEX futures, the August contract ended below previous week's level at 4,705/Qtl compared to 4,723/Qtl previous week.

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 USDA, U.S corn exports has reached 34.97 MMT in the 2019-20 marketing year. At 1.08 MMT (for the period 26th June- 2nd July, 2020) US corn exports were down 25 percent from the previous week and 11 percent from the previous 4-week average; mainly for the destinations like Mexico (358,500 MT), Japan (286,900 MT), Colombia (142,200 MT), the Dominican Republic (70,500 MT), and China (66,500 MT). Expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market.

In U.S, 71% crop of corn is in good to excellent condition, down 2 percentage points from last week. However, forecast for rains in the U.S Midwest could weigh on CBOT corn market.

USDA decreased its world corn ending stock estimates by 22.83 MMT to 315.04 MMT for 2020/21 compared to last month due to decrease in production estimates which could support global corn market.

Corn ending stock estimates for U.S decreased by 17.15 MMT to 67.26 MMT for 2020/21 compared to last month estimates due to decrease in production estimates while for Ukraine, it kept unchanged its corn ending stock estimates at 1.56 MMT for 2020/21. For Argentina, it decreased its corn ending stock estimates by 1.00 MMT to 2.88 MMT compared to previous month while for Brazil, it increased its corn ending stock estimates by 1.10 MMT to 7.99 MMT compared to previous month estimates.

Corn on CBOT fell by 0.79 USD/MT to 134.05 USD/MT for July'20 contract compared to previous week due to decrease in export demand for U.S corn. Expectation of increase in export demand in coming weeks for U.S corn could support to CBOT corn market. However, forecast for rains in the U.S Midwest could limit the gain.

All India weekly average prices of wheat decreased by 7.81 percent to Rs. 2033.85 per quintal during the week ended 13th July 2020. Wheat average price were ruling at Rs 2145.44 per quintal during 01st June-08th July 2019. Prices are expected to trade steady to slightly firm as official procurement is completed.

The Delhi government decided to provide monthly free ration from July to all PDS card holders till November 2020. This particular scheme helps nearly 71,40,938 people who get subsidized food grains. These include 68,465 Antodya Anna Yojna (AAY) households with 2,78,954 beneficiaries. The price is Rs 2 per kg for, which shall not be charged from the NFS beneficiaries while obtaining the ration from July till November. Regular entitlement under AAY category is 25 kg wheat per household.

According to Govt. sources FCI buys grain from farmers at a state-set guaranteed price, has bought a record 38.94 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.

Uttar Pradesh, has fallen short of its wheat purchase target this year as the agencies could purchase only 35.76 lakh tons of wheat against the set target to purchase 55 lakh tons. Last year the government had purchased 37.04 lakh tons of wheat.

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.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 slightly weak 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)		
	09-Jul-20	03-Jul-20	Parity To
Indore - 45%, Jute Bag	28800	28800	Gujarat, MP
Kota - 45%, PP Bag	29400	29400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31500	32000	Mumbai, Maharashtra

Nagpur - 45%, PP Bag	31000	31000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32500	32500	Andhra, AP, Kar ,TN
Latur	32000	32300	-
Sangli	31500	31200	Local and South
Solapur	31200	31200	Local and South
Akola – 45%, PP Bag	29800	30000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	32500	32000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	29200	29200	-

Soy DOC at Port

Centers	Port Price		
	09-Jul-20	03-Jul-20	Change
Kandla (FOR) (INR/MT)	31500	32500	-1000
Kandla (FAS) (USD/MT)	438	440	-2
CNF Indonesia – Yellow SBM (USD/MT)	415	435	-20

International Soy DOC			
Argentina FOB USD/MT	**09-Jul-20**	**03-Jul-20**	**Change**
Soybean Pellets	NA	327	-
Soybean Cake Flour	NA	327	-
Soya Meal	NA	326	-
Soy Expellers	NA	326	-
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**09-Jul-20**	**03-Jul-20**	**Change**
Adoni	22500	22500	Unch
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22100	22100	Unch

Groundnut Meal (Rs/MT)	09-Jul-20	03-Jul-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25000	25000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC/Meal	09-Jul-20	03-Jul-20	Change
Jaipur (Plant delivery)	14600	14700	-100
Kandla (FOR Rs/MT)	15300	15400	-100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	10-Jul-20	3-Jul-20	10-Jun-20	10-Jul-19	10-Jul-18
Delhi	Hybrid	1300	1300	1360	2050	1250
Davangere	Loose	1350	1400	1350	NR	1250
Nizamabad	Bilty	1350	1375	1425	2300	1330
Ahmedabad	Feed	1350	1400	1430	2275	1410
	Starch	1380	1450	1470	2300	1375

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

As on 10.07.2020	Argentina	Brazil	US	India
FOB	153.64	166.80	174.33	195.96
Cost and Freight	203.64	221.80	234.33	230.96

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**	**10-Jul-20**	**3-Jul-20**	**Change**
Bajra	Karnataka	Hybrid	Bellary	1595	1620	-25
		Hybrid	Bangalore	2050	2100	-50
Jowar	Karnataka	White	Bangalore	2750	2800	-50
		White	Bellary	1720	1610	110
Maize	Karnataka	Yellow	Davangere	1350	1400	-50
	Telangana	Yellow	Nizamabad	1250	1275	-25
Rice	Haryana	IR8	Karnal	3000	3100	-100
		Parmal Raw	Karnal	2900	3000	-100
Soy meal	Madhya Pradesh	DOC	Indore	2870	2880	-10
	Maharashtra	DOC	Sangli	3100	3120	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2270	2250	20
Mustard	Rajasthan	Plant delivery	Jaipur	1440	1470	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2800	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2180	2157	23
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2085	2055	30
Note: Prices Rs./Qtl						