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## Summary

Overall maize cash markets traded steady to slightly weak compared to previous week due to limited trade activities. Agriwatch expects that maize would trade steady to range bound during the week amid limited demand and supply.

In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). In U.P and Punjab, feed makers are buying maize at Rs.1300 per quintal each; sourced from Naugachia region of Bihar. While, Hyderabad poultry feed makers are buying maize at Rs. 1450-1500 per quintal; sourced from Nizamabad region.

All India weekly average prices of wheat decreased by 2.26 percent to Rs. 2000.95 per quintal during the week ended 23<sup>rd</sup> July 2020. Wheat average price were ruling at Rs 2123.64 per quintal during 24<sup>th</sup> June-31<sup>st</sup> July 2019. Prices may trade down despite festive season as supply is expected to increase from central pool at discounted prices. However, free distribution of wheat till Nov would prevent the market from rising significantly.

The cottonseed oilcake prices were weaker during last week. The prices in Kadi & Akola stood around Rs. 2124/q and Rs. 2018/q, respectively due to low level buying seen after prices dropped amid increased rainfall in Maharashtra and limited demand by local millers. CCI and its agencies have procured 1.25 crore bales of cotton in the current year, which is close to one third of the cotton arrivals in the country. Domestic soybean and rapeseed-mustard fell on subdued demand in oilseeds by crushers after India's higher edible oil imports figure for June'20 by Solvent Extractors' Association of India and expectation of bumper kharif'20 oilseeds crop after good monsoon.

Domestic soybean and rapeseed-mustard rebound on buying interest by the crushers and stockists, during the week under review.

However, the gains were limited on expectation of bumper kharif'20 oilseeds' output and increase in the India's edible oil imports in recent weeks.

The newly planted soybean crop is in the good condition across the key growing regions and it has entered in the flowering stage in Madhya Pradesh.

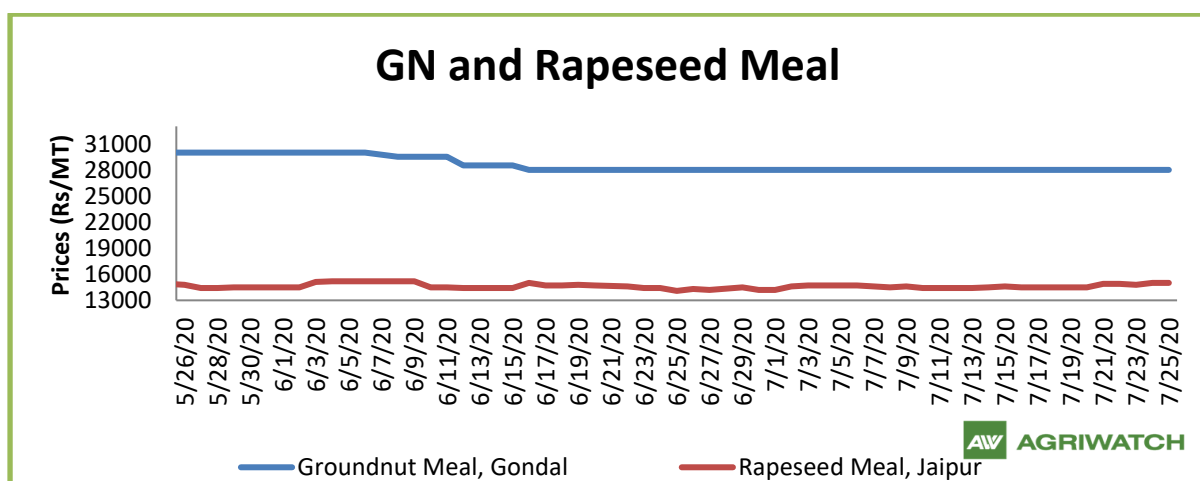
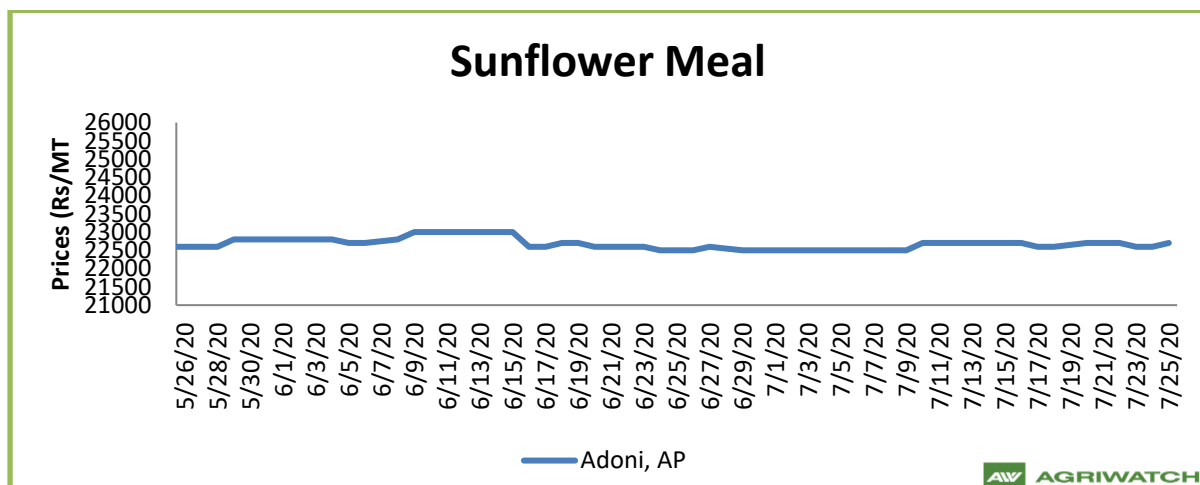
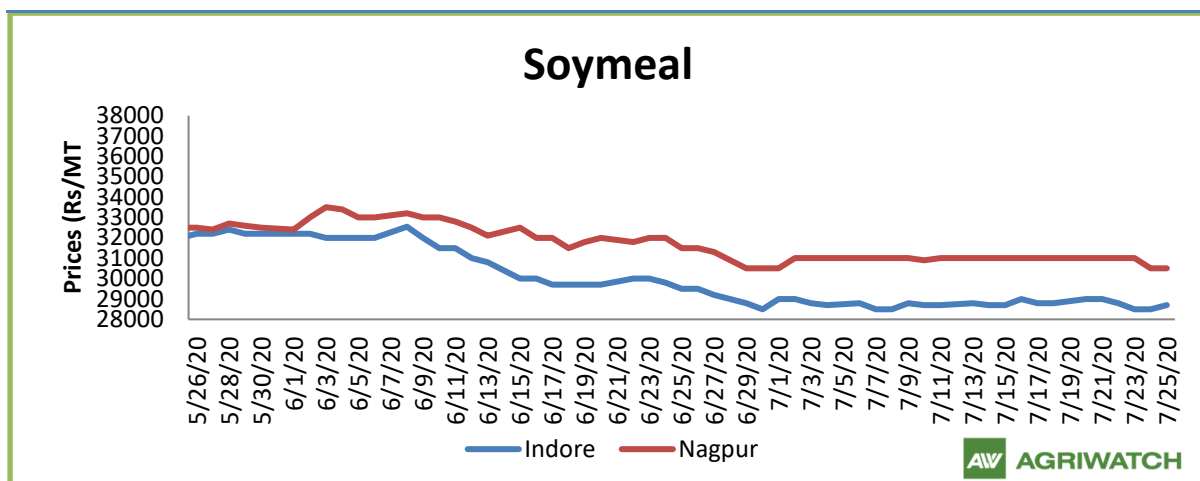
This year the country's soybean area is up as expected and area coverage under soybean have crossed the normal to 114.48 lha up from 111.49 lha normal.

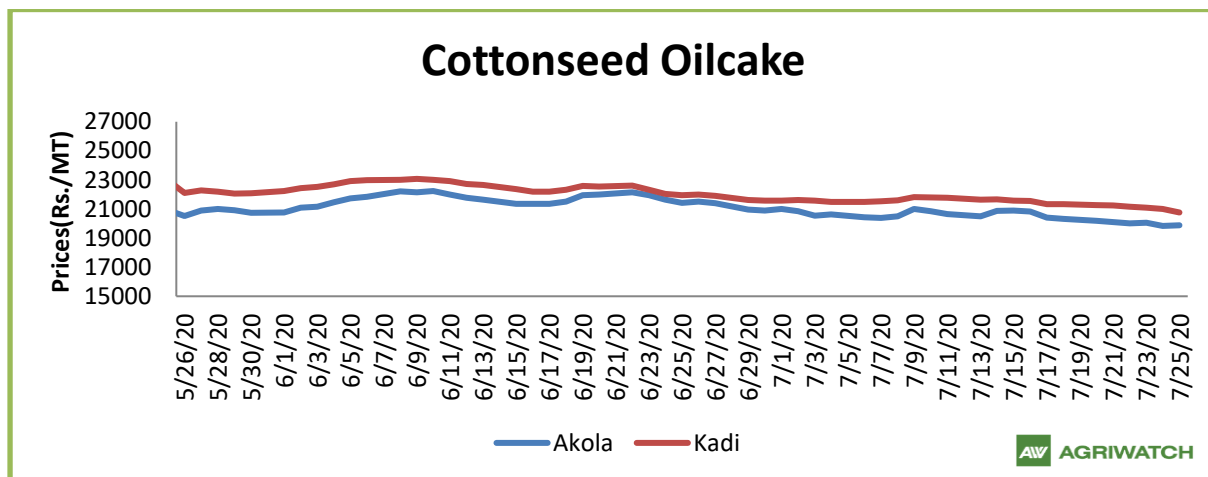
Further, soymeal extended gains on gradual improvement in demand, but it is not as strong to push the meal prices fairly up. The demand in domestic poultry is still weak, though there are some signs of recovery in poultry demand.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 25%.

We expect oilseeds and oilmeal prices to feature weak tone on higher soybean stock, increased imports of edible oils and weak poultry demand with expectation of bumper kharif oilseeds' crop this season, near-to-medium term. However, rapeseed-mustard will feature range-bound movement with firm-bias in medium term.

Trend – Raw Material, Feed





Source: AgriWatch

### Soy meal

The domestic soymeal extended previous week's gain on some fresh overseas demand, but gains were limited due to bearish supply scenario and overall weak domestic and overseas demand.

Domestic demand continues to be weak due to sharp fall in poultry demand and the exports sales are pretty weak to jack up the meal prices.

There are no major developments witnessed in the domestic soymeal market, during the week under review.

India's soymeal exports are hard hit after being outpriced in the global market by South America. India has gradually lost the traditional South East Asian markets to South America in recent years.

Soymeal exports to SE Asian countries are currently weak and given the bumper South American soybean crop and expectation of good US bean crop it is unlikely India's soymeal export prices could compete with them.

SOPA has urged the government to restore 10% incentive for soymeal exports to support soybean prices. Besides, the SOPA members in a letter addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal.

Besides, increase in edible oil imports in June'20 has further hurt the crush margin of the soy processors.

SEA is yet to release oilmeal export figure of June 2020.

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% due to a sharp increase 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%).

The domestic average soymeal prices at Indore, witnessed mild gains at Rs. 28817/MT and was quoted between Rs 28,500 – 29,000/MT compared to the average of Rs 28767/MT traded between the price range of Rs 28,700 – 29,000/MT previous week.

At Latur soymeal fell to Rs 31,800 – 32,200/MT from Rs 31,800 – 32,300/MT a week ago and in Nanded it was quoted steady at Rs. 32,000 - 32,500/MT compared to a week ago. Besides, in Kota, the meal witnessed some gains and was quoted at Rs 29,300 – 29,800/MT compared to Rs 29,200 – 29,700/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 – 29,000/MT during the week compared to Rs 30,300– 30,800/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 in sync with soybean on continued demand from the millers and the stockists. However, buying in the seed is not as aggressive as a couple of weeks back.

Improved rapeseed-mustard oilcake exports and reduction in rapeseed oil imports remained supportive for the crushers leading better crush margin to the millers.

The rapeseed-mustard meal exports almost doubled in May'20 to 144,244 tonnes in May'20 from 72,895 in May'19, this remained supportive for the crushers. The oilmeal data for the month of June'20 is yet to be released by SEA.

India's reduction of rapeseed oil imports by 62% during Nov. 2019 – June 2020 from same period last season (17,000 vs 44167 tons) and good domestic demand lent support to the seed prices at higher levels a while back.

Nafed continues to procure the rapeseed-mustard 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 20 Jul 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,03,841.93 metric tonnes with a total value of Rs. 3,55,700.06 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,18,537.

Overall, the rapeseed-mustard sentiments are strong with good buying support and high MSP for the seed.

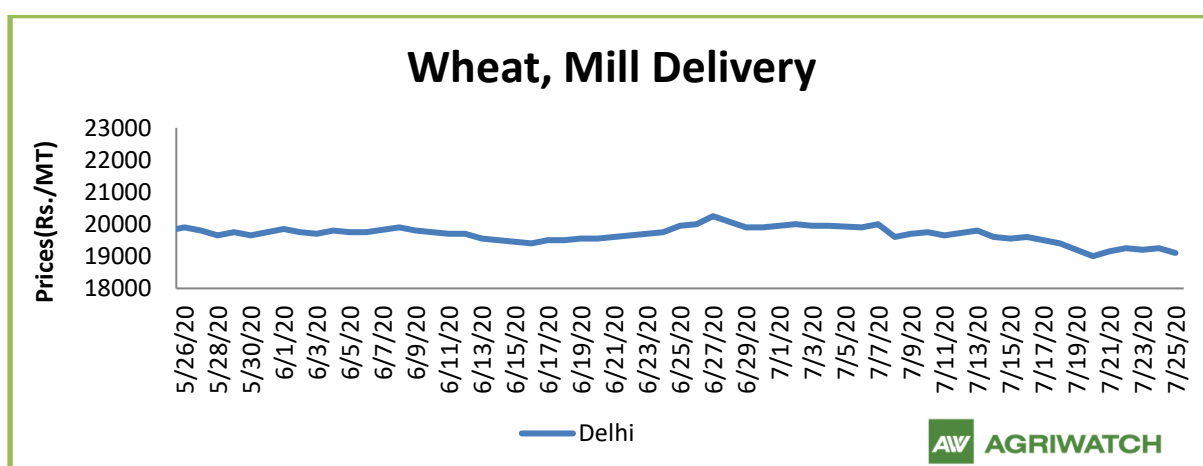
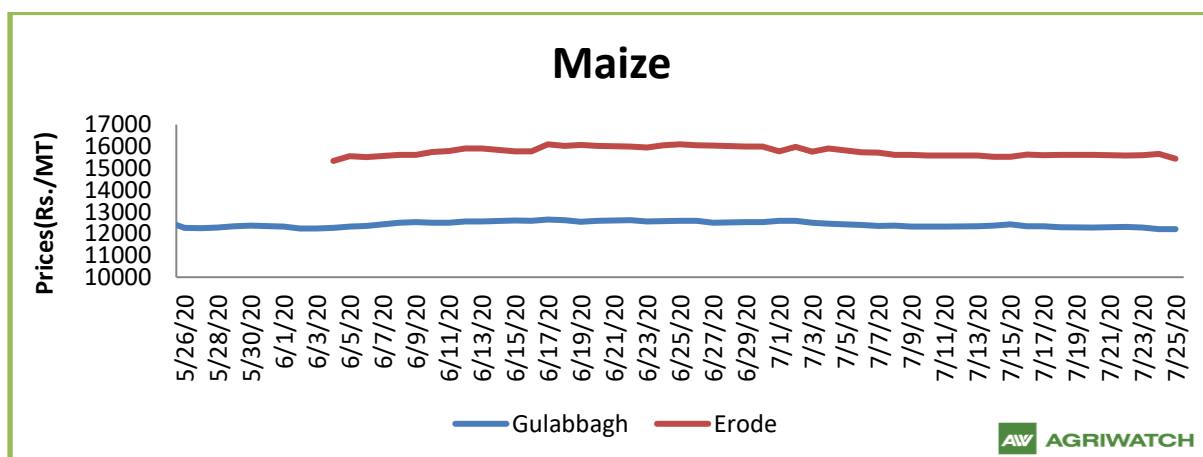
Crushing of rapeseed-mustard is in full swing and it is higher in volume than same period last year.

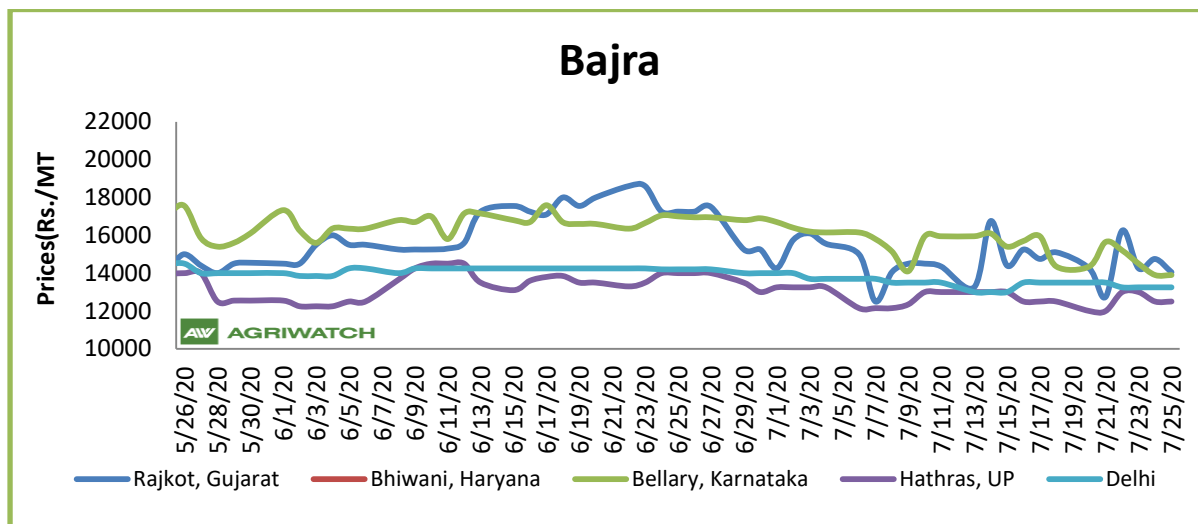
RM seed prices improved by 1.4% to Rs 4930 – 4990 a quintal from Rs 4875 – 4930 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies are falling week-on-week and they were reported between 1.5 – 2.00 lakh bags in a day compared to around 2.0 – 2.85 lakh bags a day, previous week. The supplies were 1.15 – 1.50 lakh bags a day during the corresponding period last year.

The new crop seed is quoted at around Rs 4875 – 4950 a quintal compared to Rs 4070 – 4115 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the August contract edged-up from previous week's level at 4,833/Qtl compared to 4,745/Qtl previous week.





**Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)**

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In India, maize has been sown in 71.26 lakh hectares as of 24th July'20 which is higher than 66.45 lakh hectares of the corresponding period last year. Maize sown area is 95.4% of normal area. Agriwatch expects maize sown area at 82.38 lakh hectares for the Kharif season 2020-21 which is above than normal area of 74.7 lakh hectares but less than last year area of 82.44 lakh hectares. In M.P, maize has been sown in 14.79 lakh hectares as of 24th July'20; higher than 14.13 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 8.16 lakh hectares; higher than 5.96 lakh hectares compared to corresponding period last year. However, in Rajasthan, it has been sown in 8.32 lakh hectares; lower than 8.55 lakh hectares compared to corresponding period last year.

As per AP Markfed, from the current rabi crop, 4,12,911 MT of maize has been procured by A.P government as of 13th July,2020.

Corn on CBOT fell by 2.66 USD/MT to 128.44 USD/MT for September'20 contract compared to previous week. However, expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. At 1.05 MMT (for the period 10th- 16th July, 2020) US corn exports were up 4 percent from the previous week but down 13 percent from the previous 4-week average; mainly for the destinations like Mexico (236,200 MT), Japan (230,500 MT), China (134,800 MT), South Korea (129,300 MT), and Peru (106,300 MT).

IGC has kept unchanged its forecast for global corn ending stocks at 288 MMT for 2020/21 compared to last month forecast.

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According to FCI, Tenders are invited for Sale Of Faq Wheat Under Omss(d) Through E Auction In Respect Of Karnataka and West Bengal State. Tenders are invited for mtf cum financial bid notice for

sale of wheat under omss(d) through e-auction (e-17) to empanelled bulk consumer traders of any region with FCI and to state govt. S/ uts for stocks lying at various depots of Madhya Pradesh region.

According to SAD (Shiromani Akali Dal) President the party would not allow tinkering with the MSP system or assured marketing of wheat. In his manifesto, they clearly stated that the “party will amend the APMC Act to allow private mandis in the state”.

As the government looks to liquidate its mounting stocks of wheat, flour millers have advised it to lower the rate at which wheat is sold for open market operations by Rs 500 a quintal, saying the move will help it to earn around Rs 16,000 crore in revenues. This is assuming that six million tonnes of wheat are liquidated after the price cut by way of domestic demand by FCI.

FCI aims to promote increased purchases by private buyers under OMSS, which came down to nil in June. The FCI has run out of storage facilities, and needs to offload the excess stock. The wholesale market price of wheat is less than the central agency's rate. Under OMSS, the FCI currently sells 'Grade A' wheat at Rs 2,135/quintal and the 'Grade B' at Rs 2,080/quintal. However, these rates are significantly higher than the current market prices of Rs 1,850-1,920/quintal. Under the scheme can be reduced to Rs 1,640/quintal for 'Grade A'.

According to Govt. sources FCI which buys grain from farmers at a state-set guaranteed price, has bought a record 38.97 MMT of wheat and it now looks like that FCI will end up buying 40.5 to 41 MMT this year. FCI currently has 558.25 MMT wheat in central pool stock in June.

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)		
	23-Jul-20	17-Jul-20	Parity To
Indore - 45%, Jute Bag	28500	28800	Gujarat, MP
Kota - 45%, PP Bag	29800	29300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31200	31000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31000	31000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32000	32500	Andhra, AP, Kar ,TN
Latur	32200	31800	-



Sangli	31500	31300	Local and South
Solapur	31000	31200	Local and South
Akola – 45%, PP Bag	30200	31000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32000	32000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	29600	29100	-

**Soy DOC at Port**

Centers	Port Price		
	23-Jul-20	17-Jul-20	Change
Kandla (FOR) (INR/MT)	32500	31500	1000
Kandla (FAS) (USD/MT)	440	438	2
CNF Indonesia – Yellow SBM (USD/MT)	415	415	Unch

International Soy DOC			
Argentina FOB USD/MT	23-Jul-20	17-Jul-20	Change
Soybean Pellets	330	319	11
Soybean Cake Flour	330	319	11
Soya Meal	333	319	14
Soy Expellers	333	319	14
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	23-Jul-20	17-Jul-20	Change
Adoni	22600	22600	Unch
Khamgaon	Unq	-	-
Parli	Unq	-	-
Latur	22200	22200	Unch

Groundnut Meal (Rs/MT)	23-Jul-20	17-Jul-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25000	25000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC/Meal	23-Jul-20	17-Jul-20	Change
Jaipur (Plant delivery)	14800	14500	300
Kandla (FOR Rs/MT)	15800	15500	300

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

Market	Grade	24-Jul-20	17-Jul-20	24-Jun-20	24-Jul-19	24-Jul-18
Delhi	Hybrid	1200	1250	1340	2100	1300
Davangere	Loose	1350	1350	1450	NR	1300
Nizamabad	Bilty	1375	Closed	1375	2425	1335
Ahmedabad	Feed	1300	1300	1425	2250	1440
	Starch	1300	1350	1490	2300	1450

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

As on 24.07.2020	Argentina	Brazil	US	India
FOB	158.66	167.50	168.50	196.93
Cost and Freight	208.66	222.50	228.50	231.93

#### 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	24-Jul-20	17-Jul-20	Change
Bajra	Karnataka	Hybrid	Bellary	1390	1595	-205
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2050	2750	-700
		White	Bellary	1450	1720	-270
Maize	Karnataka	Yellow	Davangere	1350	1350	Unch
	Telangana	Yellow	Nizamabad	1320	Closed	-
Rice	Haryana	IR8	Karnal	3000	3000	Unch
		Parmal Raw	Karnal	2900	2900	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2850	2880	-30
	Maharashtra	DOC	Sangli	3150	3130	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2260	2260	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1450	50
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2800	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2100	2133	-33
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1983	2040	-57
Note: Prices Rs./Qtl						

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