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Summary

Overall maize cash markets showed steady to slightly weak sentiments compared to the previous week as new crop arrivals have started which are lower in quantity and contain huge moisture level. In M.P and Karnataka, they contain moisture of upto 30%. While, in Nizamabad, new crop contains moisture upto 20% and in Warangal region also, new crop arrivals are poor in quality and contains moisture upto 15%. Some grains are dented and small in size. Agriwatch expects that maize would trade steady to slightly weak in near too on the expectation of increase in new crop arrivals in coming weeks.

All India's weekly average prices of wheat decreased by 16.11 percent YoY to Rs. 1795.20 per quintal during the week ended 15th Oct 2020. Wheat average prices were ruling at Rs 2139.94 per quintal during 09th Oct-15th Oct 2019. As compared to prices in the last week, 01st-08th Oct 2020, the prices were lower by 3.73 percent. The wheat market has stabilized, and prices are unlikely to rise near Dusshera & Diwali festival and the prices of wheat are unlikely to drop much further either.

The spot prices in Kadi were down by 1.34% to Rs. 1803/q while the prices were down by 0.72% in Akola to around Rs. 1921/q. The recent rains have hampered the quality of cotton, thus, the arrivals of cottonseed oilcake were poor. Also, the demand was declined last week. But the supply shortage in the coming week could support the cottonseed oilcake prices. Domestic soybean and soymeal fell primarily on newly harvested oilseeds' arrival. The soybean and groundnut supplies are picking up the pace with harvesting in gaining momentum.

The domestic soybean and soymeal extended previous losses on increasing volume in the newly harvested oilseeds' in the key cash market yards.

The traders in the *mandis* of the Madhya Pradesh have called off their strike after the state government agreed to their demand of reducing the *mandi* tax. This has cleared the disruption of soybean arrivals in several major *mandis* of MP after they resumed their operations.

The market is under pressure on bearish supply outlook, weak soymeal exports and higher soy oil imports hurting domestic crush margin.

The soymeal demand continues to be poor in the local market, besides, the export sales are weak on uncompetitive price over the meal of South American origin.

Though the rapeseed-mustard fundamentals continues to be strong on good buying support from the oilseeds' crushers but the spillover impact of soybean have limited the gains in the rapeseed.

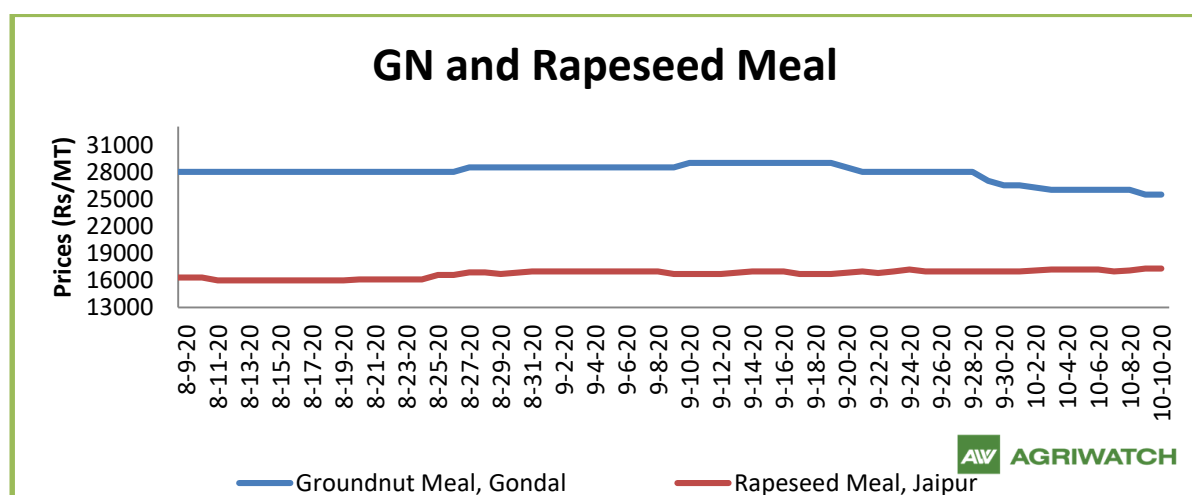
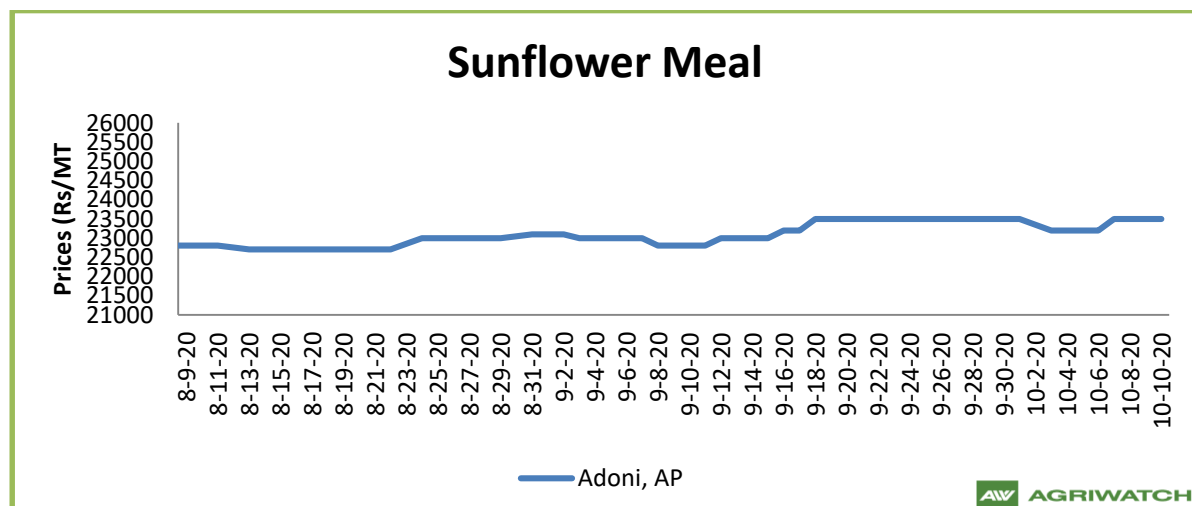
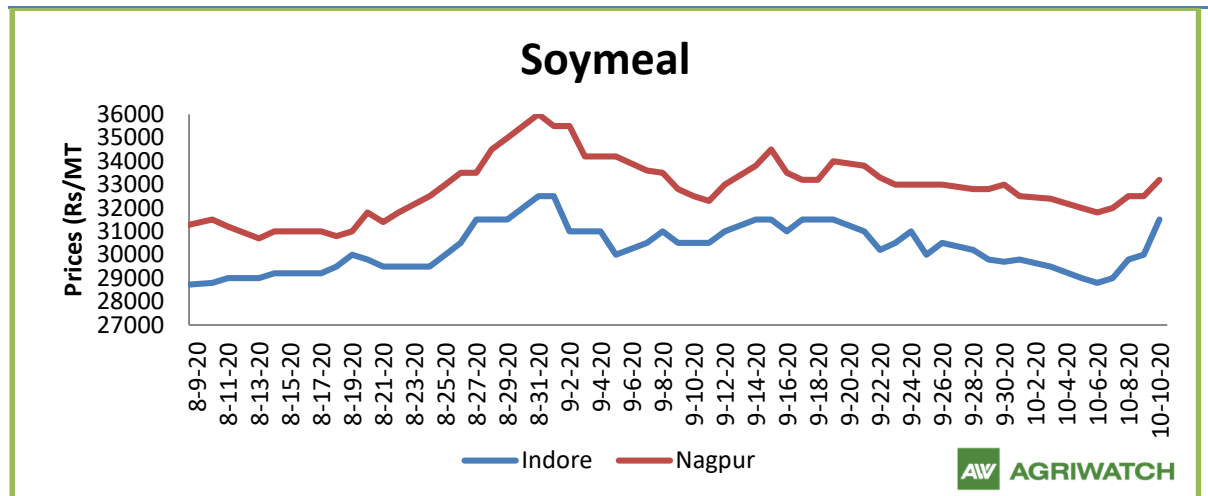
The Delhi High Court has stayed the implementation of the order by FSSAI prohibiting blending of mustard oil, directed to the authority by the central government. This is after petition filed by BR Oil Industries Pvt. Ltd.

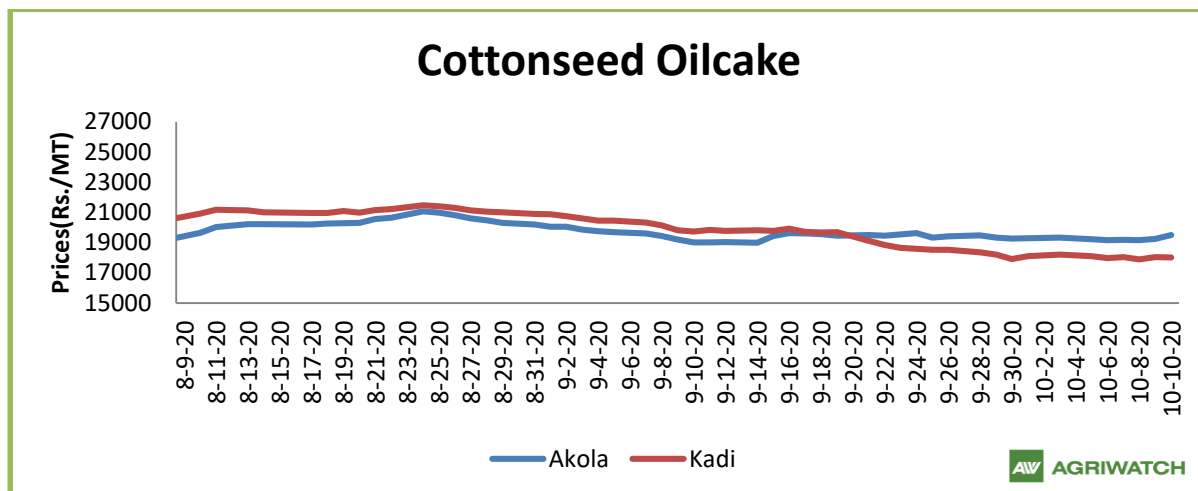
The active buying in soybean is witnessed in recent while with the fall in moisture in the bean, which is positive for the market by increase in supplies and bearish outlook will limit the gains in near-to-medium term.

While the rapeseed-mustard fundamentals will remain strong on better demand and good crush margin to crushers. However, we feel the seed prices will be under pressure with increase in the new crop soybean supplies.

We expect soybean and soymeal prices to feature range-bound movement with weak-bias on bearish domestic and global supply outlook.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

Soymeal continued downtrend in sync with soybean pressured by increase in the newly harvested soybean arrivals in the cash market yards.

Forecast of higher soybean output in India this season, have again created the bearish supply scenario in soymeal in the coming season.

Weak local demand in soymeal mainly due to slack in poultry demand and decline in export sales in the same will continue to pressure the soymeal prices.

The domestic poultry demand is still weak and gradually catching-up but still below the pre-COVID levels.

The availability of soymeal is expected to improve in near-to-medium term with increase in crush of new soybean which is at discount on new crop arrivals and festive soyoil demand.

The soybean crush margins have slightly improved after relative increase in the prices of soy products ahead festivities.

We feel the volume in soybean crushing to improve on seasonal fundamentals after rise in the availability of the bean with harvesting gaining momentum. Seasonally, India's soybean crushing is at peak during October-March.

India's soymeal exports worst performed in last two marketing years. India could export just 500,000 tonnes of soymeal in 2019-20 marketing year which is slightly above 464,000 tonnes exported during the same period last year.

Solvent Extractor's Association of India is yet to publish the oilmeal export data of the last month.

India's export of oilmeals for the month of August 2020 is reported at 171,515 tonnes compared to 228,484 tonnes in August, 2019 i.e. down by 25%.

The overall export of oilmeals during April to August 2020 is provisionally also reported down at 1,013,177 tonnes compared to 1,146,295 tonnes during the same period of previous year i.e. down by 12%.

The soymeal exports fell by 6% to 58,190 tonnes in August 2020 compared to 61,957 tonnes in the same period last year. Besides, it fell by 24% to 2,49,339 tonnes during the last five months (Apr.-Aug.) of financial year 2020-21 compared to 3,28,633 tonnes during the corresponding period last year.

The domestic average soymeal prices at Indore, witnessed losses to Rs. 29,220/MT and was quoted between Rs 28,800 – 29,800/MT compared to the average of Rs 30,000/MT traded between the price range of Rs 29,700 – 30,500/MT previous week.

At Latur soymeal prices fell to Rs 31,500 – 33,000/MT from Rs 32,500 – 33,500/MT a week ago and in Nanded it was quoted lower at Rs. 32,000 - 33,000/MT compared to Rs. 33,000 - 33,500/MT a week ago. Besides, in Kota, the meal too fell to Rs 31,000 – 32,000/MT compared to Rs 31, 800 – 32,500/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 28,800 – 29,800/MT during the week compared to Rs 33,000 – 35,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 28,000 – 29,000/MT on slack in demand from poultry sector, in near to medium-term.

Rapeseed - Mustard Seed

Rapeseed-mustard edged-up adding up the rally on strong buying support ahead festivities to meet the fresh edible oil demand.

However, the gains were restricted due the rise in the kharif oilseeds' supplies including soybean and groundnut seed.

Further, news that the Delhi High Court has stayed the implementation of the order by FSSAI (Food Safety and Standards Authority of India) prohibiting blending of rapeseed-mustard oil, directed to the authority by the central government.

In response to a petition filed by Delhi-based BR Oil Industries Pvt. Ltd, a single bench of Justice Navin Chawla has stayed the order by FSSAI, which was to come into effect from October 1, 2020.

The stay is given until December 18, 2020 the date of the next hearing, and the Central government has been asked to file a response on the writ petition.

Better crush margin in crushing the seed followed by fall in rape-oil (canola) imports, improved overseas demand in the rapeseed-mustard extract have remained supportive for the strong seed prices.

We feel that rapeseed-mustard prices will remain under short-term pressure with the increase in kharif oilseeds' supplies.

NAFED and HAFED are disposing their rapeseed-mustard stock in the market.

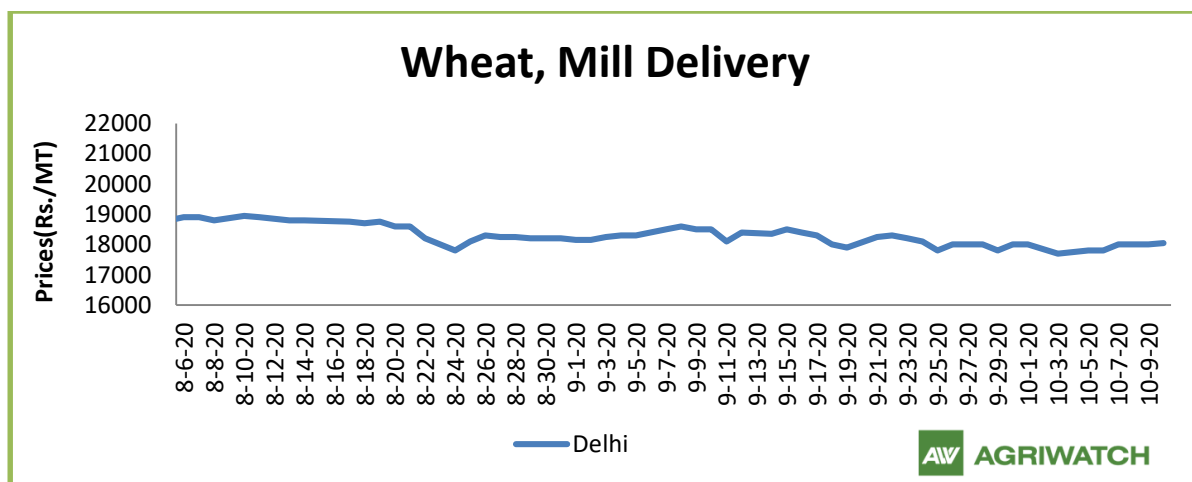
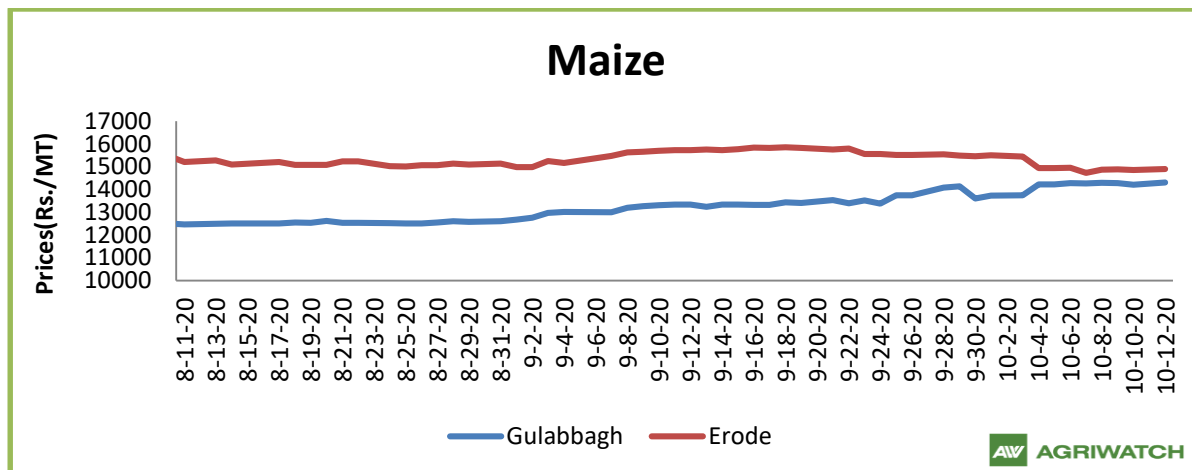
Export of rapeseed meal performed well, during the last five months of financial year 2020-21 and reported at 487,060 tonnes against last year during the same period at 460,212 tonnes i.e. up by 6%.

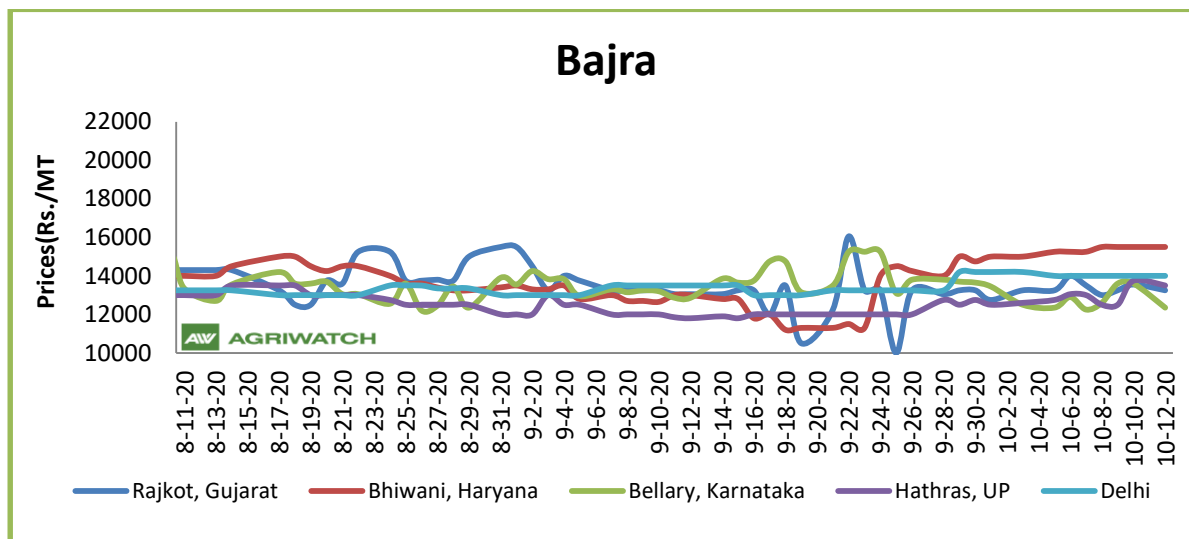
Overall, the rapeseed-mustard sentiments are strong with good buying support and high MSP for the seed.

The all India rapeseed-mustard supplies slightly fell week-on-week and were reported at 6.95 lakh bags during the week compared to around 7.85 lakh bags, previous week. The supplies were 6.3 lakh bags during the corresponding period last year.

RM seed prices improved by 0.33% to Rs 5,620 – 5,635 a quintal from Rs 5,570 – 5,635 a quintal previous week and Rs 4,165 – 4,250 a quintal during the corresponding period last year in Jaipur.

At NCDEX futures, the November contract rapeseed-mustard posted gains at 5,462/Qtl compared to 5,536/Qtl previous week.





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

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In Bihar, maize is being traded at Rs. 1350-1425 per quintal (Bilty Price). It is being delivered to Kolkata at Rs.1450-1500 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1530 per quintal; sourced from Nizamabad region.

In India, maize had been sown in 83.27 lakh hectares as of 25th Sep'20, 111.43% of normal area and above than last year area of 82.44 lakh hectares. Around 9.30-9.79 lakh hectares of maize had been harvested as of 25th Sep'20.

As per trade sources, in M.P, around 7% and in Gujarat, around 3-4% crop quality has been affected by recent rains.

The 1st Advance Estimates of kharif production of maize for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22nd September, 2020. It has pegged maize production at 19.88 MMT against set target of 22 MMT for 2020-21. However, Agriwatch's first estimate for the maize production in 2020-21 Kharif season is 18.33 MMT with average yield of 2.20 MT/ hectare.

Corn on CBOT rose by 6.00 USD/MT to 155.50 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 62% crop of corn is in good to excellent condition as of 4th October'20, up 1 percentage points from last week. 25% of the crop had been harvested as of 4th October'20, up 11 percentage points from corresponding period last year.

At 0.93 MMT (for the period 25th Sep – 01st Oct, 2020) US corn exports were up 24.61 percent from the previous week; mainly for the destinations like China (349,900 MT), Mexico (275,400 MT), Colombia (121,600 MT), Japan (81,600 MT), and Costa Rica (46,200 MT).

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were lower by 3.73 percent. The wheat market has stabilized, and prices are unlikely to rise near Dusshera & Diwali festival and the prices of wheat are unlikely to drop much further either.

According to traders, Prices of Wheat in Jaipur, Rajasthan, were lower this week as demand from bulk buyers declined amid steady arrivals of the food grain. Arrivals were pegged steady at 1,000 bags (1 bag = 100 kg). Prices of the food grain in Indore, Madhya Pradesh, were steady today as a rise in supply was offset by firm demand from bulk buyers, traders said. Arrivals were pegged higher at 2,200 bags, as against 2,000 bags on Thursday.

Wheat was active in the mandis of Uttar Pradesh, although the demand from flour mills remained low, leading to a sharp fall in prices by Rs 20/45. With this fall, Bhav Shahjahanpur remained at Rs 5171, Gorakhpur Rs 1625/1630, Gada Rs 1610, Etah Rs 1570, and Mainpuri Rs 1530 per quintal. Work in other mandis also remained sluggish.

The Government procured wheat at a record level but farmers and Private traders also have stocks leading to markets moving down significantly. There is a possibility that the government may extend the time of free ration distribution even beyond November, due to which the case of a rise in wheat is less visible.

Indian FoB quote is hovering around \$229.50 per tonne while Russia, Ukraine, France, the US, and Australia offer wheat at \$240.60, \$242.20, Euro 199.70, \$243.26, and \$188.59 per tonne respectively. There is little hope for recovery on the export front this year.

Global wheat market is expected to trade steady to weak due to ample availability in global market. EU is likely to produce around 154.93 MMT in 2019-20 compared to 137.7 MMT in 2018-19. Russia and Ukraine are likely to harvest 73.6 MMT and 29.17 MMT of wheat in 2019-20 respectively. Production in US is likely to be around 52.60 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 19.76 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.34 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 down during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	08-Oct-20	03-Oct-20	Parity To
Indore - 45%, Jute Bag	29800	29500	Gujarat, MP
Kota - 45%, PP Bag	31600	32000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	32500	32800	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32500	32400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33000	32600	Andhra, AP, Kar ,TN

Latur	33000	32800	-
Sangli	31500	31000	Local and South
Solapur	30400	30400	Local and South
Akola – 45%, PP Bag	31500	31500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32500	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	31400	31800	-

Soy DOC at Port

Centers	Port Price		
	08-Oct-20	03-Oct-20	Change
Kandla (FOR) (INR/MT)	-	35000	-
Kandla (FAS) (USD/MT)	-	425	-
CNF Indonesia – Yellow SBM (USD/MT)	-	450	-

International Soy DOC			
Argentina FOB USD/MT	08-Oct-20	03-Oct-20	Change
Soybean Pellets	-	407	-
Soybean Cake Flour	-	407	-
Soya Meal	-	407	-
Soy Expellers	-	407	-
Sunflower (DOC) Rates			
Centers	Ex-factory rates (Rs/ton)		
	08-Oct-20	03-Oct-20	Change
Adoni	23500	23200	300
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23000	23000	Unch

Groundnut Meal (Rs/MT)	08-Oct-20	03-Oct-20	Change
Basis 45%, Saurashtra	25500	25500	Unch
Basis 40%, Saurashtra	23000	23000	Unch
GN Cake, Gondal	26000	26000	Unch

Mustard DOC/Meal	08-Oct-20	03-Oct-20	Change
Jaipur (Plant delivery)	17100	17200	-100
Kandla (FOR Rs/MT)	18000	18000	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	09-Oct-20	03-Oct-20	09-Sep-20	09-Oct-19	09-Oct-18
Delhi	Hybrid	1350	1300	1300	2200	1400
Davangere	Loose	Closed	1300	1300	NA	1500
Nizamabad	Bilty	1375	1375	1375	NA	1450
Ahmedabad	Feed	1400	1400	1300	2300	1570
	Starch	1400	1400	1325	2250	1590

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

As on 09.10.2020	Argentina	Brazil	US	India
FOB	211.42	204.00	204.00	200.55
Cost and Freight	261.42	259.00	264.00	235.55

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	61499
Apr	18017	12295	124374	68264	40829	25940
May	14046	10400	48900	76026	53272	46614
Jun	2098	17930	45975	104088	62524	56638
Jul	928	12270	80797	63747	76558	61957
Aug	768	10615	87668	59643	95450	58190
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	372873

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	09-Oct-20	01-Oct-20	Change
Bajra	Karnataka	Hybrid	Bellary	1360	1344	16
		Hybrid	Bangalore	NA	NA	-
Jowar	Karnataka	White	Bangalore	NA	NA	-
		White	Bellary	1385	1285	100
Maize	Karnataka	Yellow	Davangere	Closed	1300	-
	Telangana	Yellow	Nizamabad	1300	1300	Unch
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3000	2980	20
	Maharashtra	DOC	Sangli	3180	3200	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2350	2350	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1730	1700	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2650	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1803	1811	-8
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1925	1928	-3
Note: Prices Rs./Qtl						

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