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Summary

Overall maize cash markets showed steady to firm sentiments compared to the previous week due to fresh feed makers and stockists demand. Agriwatch expects that maize would trade steady to slightly firm ahead as demand for good quality material has increased. Announcement by Telangana government to procure the entire quantity of maize and 2 lakh MT by Karnataka government would also support the market to trade firm ahead. However, crop arrival pressure in coming weeks could limit the gain.

In Nizamabad, new crop arrivals contain moisture of upto 22% and damaged upto 7% while in Warangal region, it contains damaged upto 20%. In Karnataka, crop arrivals contain moisture of upto 20%.

All India's weekly average prices of wheat increased by 11.33 percent to Rs. 2053.93 per quintal during the week ended 08th Nov 2020. Wheat average prices were ruling at Rs 2160.57 per quintal during 01st - 08th Nov 2019. The wheat market has stabilized, and prices are likely to rise in the coming weeks due to festivals and higher export. The wheat prices are unlikely to drop much further because the PMGKY scheme will be discontinued in November as there's no official announcement that it will continue after November.

The spot prices traded weak during last week, the average price in Kadi were down by 2.73% at Rs.1850/q and -0.27% around Rs.1922/q in Akola. The prices dropped soon after the cotton seed prices dropped. The present cotton arrivals have around 30-35% moisture declining the quality of cottonseed and cottonseed oilcake.

The domestic oilseeds continued upward movement in tandem with oilmeals backed by strong buying support in the market.

Soybean, rapeseed-mustard and groundnut prices posted gains on good demand from millers with the start in the new crushing season and fresh edible oil demand ahead of festivities and onset of winter.

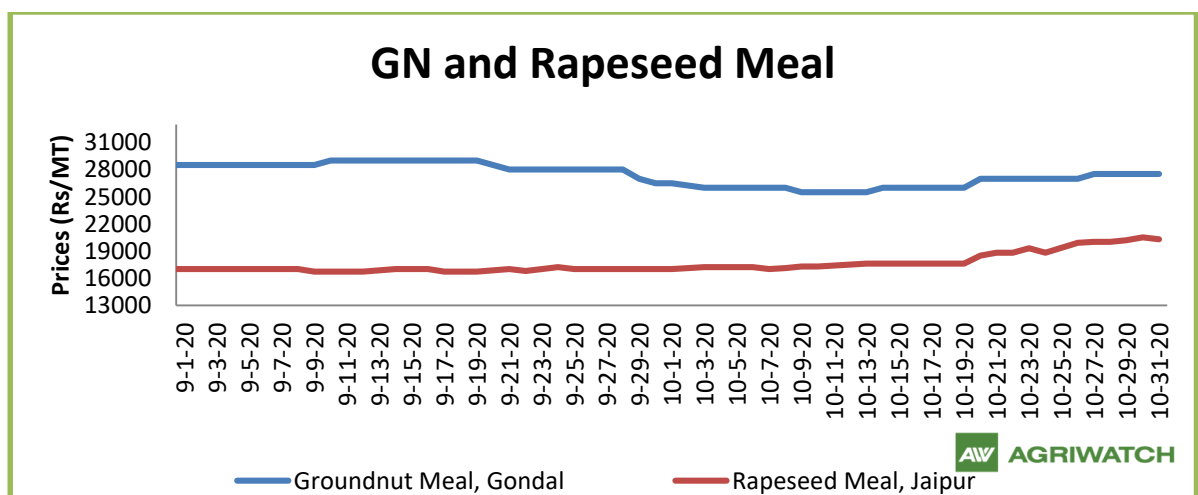
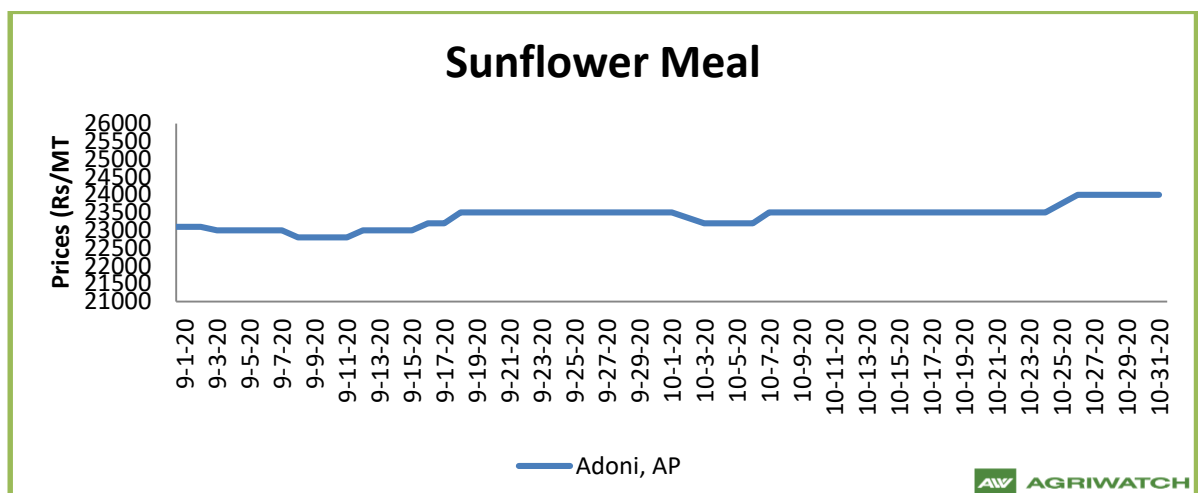
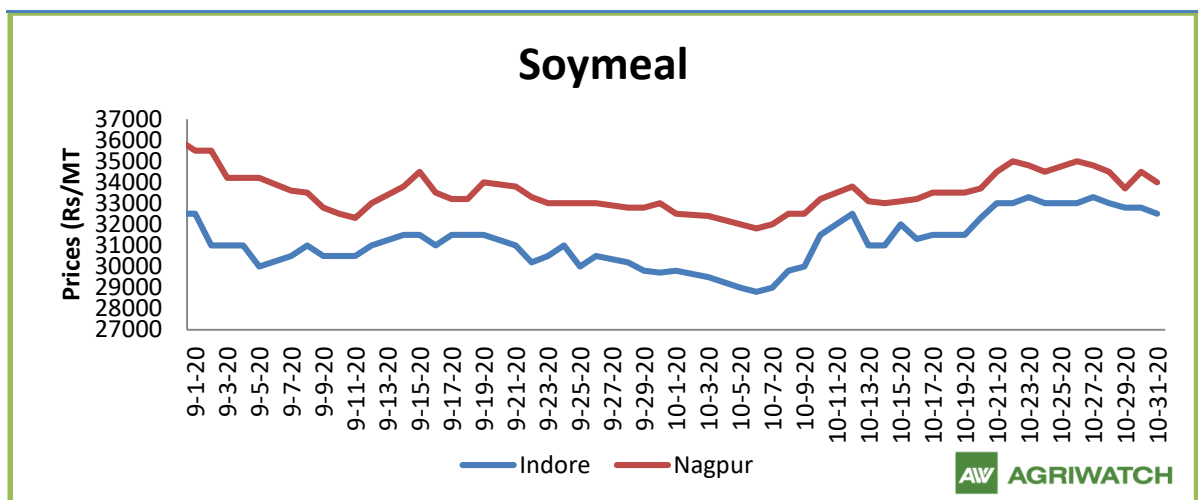
Soybean gained by 4%, rapeseed-mustard edged up by 2%, groundnut seed surged by 8%, soymeal moved up by 2.4% while rapeseed extract posted gains by 3.5% compared to the previous week.

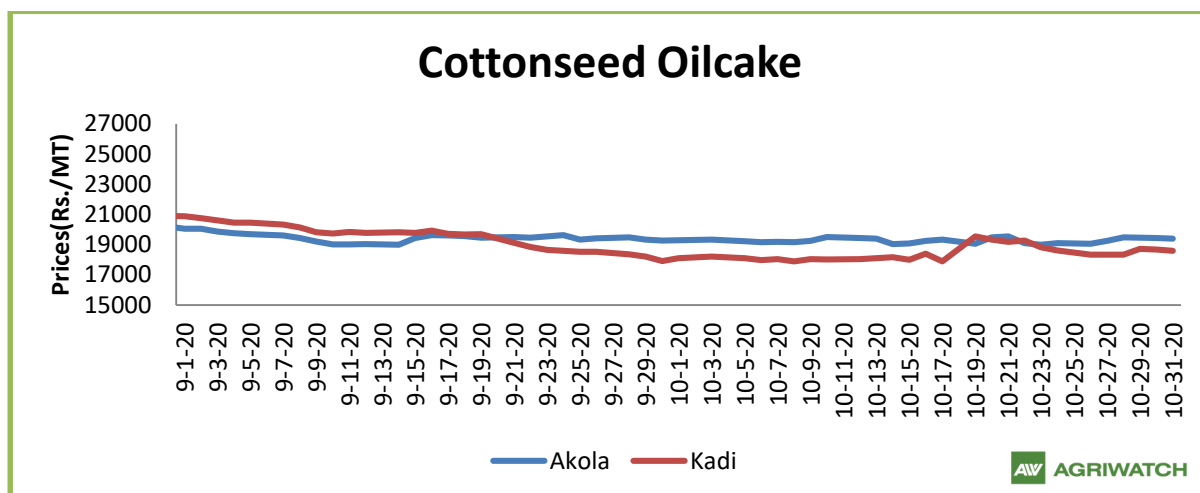
Improved soymeal demand after a long period, post-Covid, and continued overseas demand rapeseed extract have lend support to the prices at higher level.

India's rapeseed-mustard planting have commenced and have picked up the pace, we expect the planted area under the rapeseed-mustard to increase this rabi season, higher seed price during the season has raised the planting intention among the farmers.

Soybean, Rapeseed-mustard and groundnut prices will continued to witness gains on fresh demand from the oilseeds' crushers to cater the festive and winter edible oil demand.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

Soymeal continued upward movement on renewed local demand and recent increase in the export sales. The meal prices have witnessed gains of about 2.5-3.0% in recent weeks.

The feed manufacturers are keen in covering their stock for future demand, at the current price levels, with the start in new soy crushing season.

This is after India's poultry industry showed some signs of recovery, warranting possibility of renewed demand in poultry subsequently leading to the increase in the soymeal demand for feed. Poultry sector contributes 60% of the soymeal demand.

The global soy outlook is bullish with forecast of dry weather in Latin America and downward revision of the US 2020/21 crop which have been recently harvested and strong Chinese soy demand.

India's September 2020 soymeal exports improved by 94% to 68,576 metric tonnes compared to 35,268 metric tonnes in the same period last year. However, it fell by 13% to 3,17,915 metric tonnes in aggregate, during the last five months (Apr.-Sept.) of financial year 2020-21 compared to 3,63,901 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of September 2020 is reported at 2,86,957 metric tonnes compared to 1,41,184 metric tonnes in September, 2019 i.e. up by 103%.

The overall export of oilmeals during April to September 2020 is also reported up by 1% at 13,00,134 metric tonnes compared to 12,87,479 metric tonnes during the same period last year.

US has turned out to be potential market for Indian Organic Soymeal. In 2019-20, India had shipped over 193,000 metric tonnes of organic soymeal. In current year, from April-Sept. (6 months), India shipped over 115,000 metric tonnes to US. US is the largest producer of Genetic Modified (GM) soybean in the world, looking to India for supply of organic soybean meal.

Overall India's soymeal exports were too low consecutive second year, during 2019-20 marketing year it stood at 5 lakh tonnes which was 4.6 lakh tonnes in 2018-19.

The domestic average soymeal prices at Indore, witnessed gains to Rs 33,066/MT and was quoted between Rs 32,800 – 33,300/MT compared to the average of Rs 32,100/MT traded between the price range of Rs 31,300– 33,000/MT previous week.

At Latur soymeal prices moved up to Rs 34,800 – 36,000/MT from Rs 32,800– 33,500/MT a week ago and in Nanded it was quoted higher at Rs. 34,500 – 35,200/MT compared to Rs. 33,600 – 35,000/MT a week ago. Besides, in Kota, the meal too posted gains to Rs 34,400 – 35,500/MT compared to Rs 33,800 – 35,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 32,800 – 33,300/MT during the week compared to Rs 30,800– 32,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 33,500 – 34,000/MT on good buying support by the feed manufacturer, in near to medium-term.

Rapeseed - Mustard Seed

Rapeseed-mustard has hit the record high price on strong buying support from milers backed by good rapeseed-mustard oil demand at retail and wholesale

Besides, increasing rapeseed extract export sales and better local demand in the same remained supportive for the seed and kept the crush margin comfortably at the positive territory.

Of the total oilmeals' export rapeseed extract contributes the highest in volume.

The rapeseed-mustard oil demand improved over other edible oils post COVID this season as a number of households are of the view that rapeseed-mustard oil is an immunity booster. Further, festive and winter edible oil demand will continue to lend support to the rapeseed-mustard market.

India's rapeseed-mustard planting have commenced and have picked up the pace, we expect the planted area under the rapeseed-mustard to increase this rabi season, higher seed price during the season has raised the planting intention among the farmers.

Under the recent launched Mustard Mission, the government set a 2020/21 target to achieve a record-high 75 lakh hectares under the rapeseed-mustard this year. If realized it will be more than 7% higher compared to the area under rapeseed-mustard in 2019/20 which was 69.51 lakh hectares.

India had to import 17,233 metric tonnes of rape oil (canola) in the month of September 2020, to meet the rise in festive demand. However, the imports of the same during April-September 2020 were down 7% at 55,036 metric tonnes compared to 59,171 metric tonnes during the same period in the previous season.

India's rapeseed extract exports in September 2020 surged by 175% to 1,40,830 metric tonnes compared to 51,132 metric tonnes during the corresponding period last year.

Further, India's exports for rapeseed extract during April-September 2020 was up 23% at 6,27,890 metric tonnes compared to 5,11,344 metric tonnes during the same period previous marketing season.

Overall, the rapeseed-mustard sentiments are strong with good buying support by the millers on fresh festive edible oil demand.

NAFED and HAFED have currently paused the disposal of rapeseed-mustard. The Nafed has sold about 9.0 lakh tonnes of rapeseed-mustard combined together new and old stock while Hafed has

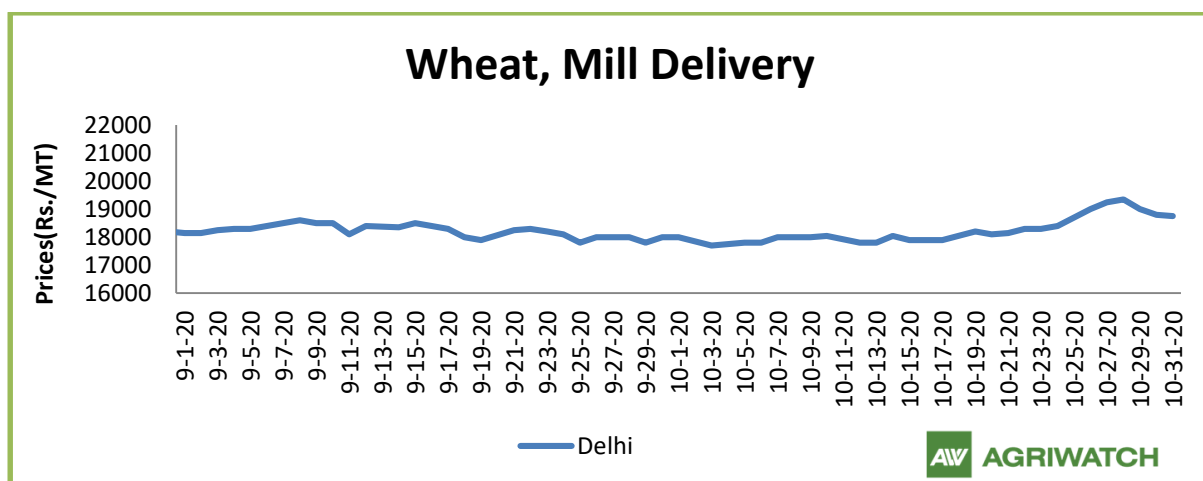
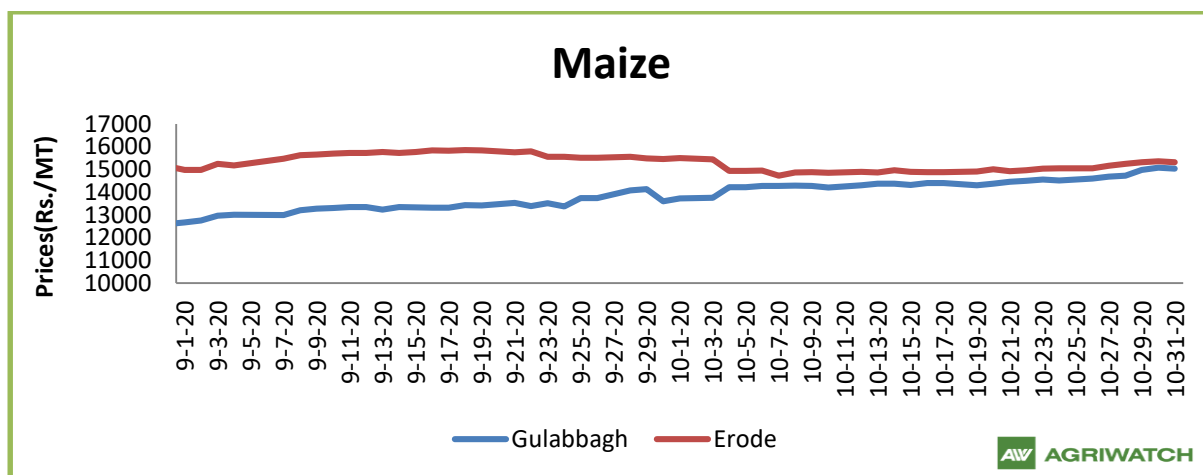
offloaded around 3 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

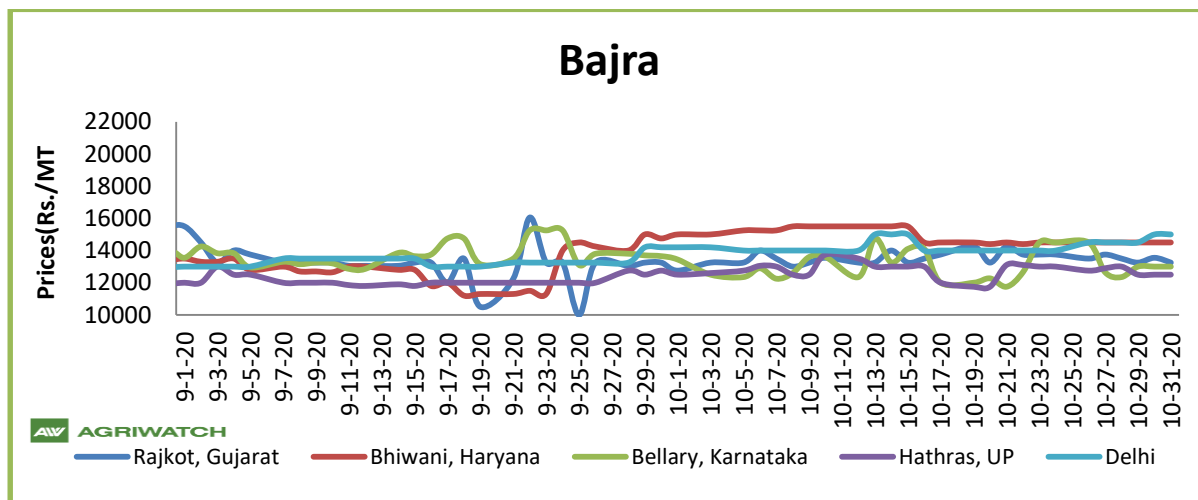
The all India rapeseed-mustard arrivals slightly improved week-on-week and were reported at 6.65 lakh bags during the week compared to around 6.60 lakh bags, previous week. The supplies were 5.90 lakh bags during the corresponding period last year.

RM seed prices improved by 5% to Rs 5,950 – 6,125 a quintal from Rs 5,680 – 5,875 a quintal previous week and Rs 4,360 – 4,425 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal witnessed a weekly gains of +7% with the weekly average price of Rs. 2577/qtl against the weekly average price of Rs. 2408/qtl last week.

At NCDEX futures, the November contract rapeseed-mustard posted gains at 6,111/Qtl compared to 5,847/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. 1350-1460 per quintal (Bilty Price). It is being delivered to U.P and Kolkata at Rs.1400-1500 per quintal each; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs.1500 per quintal; sourced from Nizamabad region.

The 1st Advance Estimates of kharif production of maize for 2020-21 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 fell by 8.17 USD/MT to 156.88 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn in near term would support to CBOT corn. However, new crop arrivals could limit the gain.

In U.S, 72% of crop has been harvested as of 25th October'20, up 34 percentage points from corresponding period last year.

At 0.73 MMT (for the period 16th Oct – 22nd Oct, 2020) US corn exports were down 18 percent from the previous week and 14 percent from the prior 4-week average; mainly for the destinations like Mexico (253,200 MT), China (134,100 MT), Colombia (80,000 MT), Japan (71,400 MT), and Guatemala (62,300 MT).

IGC decreased its global corn production forecast for 2020/21 by 4 MMT to 1156 MMT compared to previous month's forecast due to reduction in production forecast for U.S, Ukraine and European Union.

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The government has sold 144810 tonnes of wheat in OMSS through E-Auctions in the fourth week of October'20 which is 11,970 tonnes higher compared to last month. Till now, no rakes have been sold. Sale of wheat to bulk consumer is 47810 tonnes and sale of Wheat to state Govt. 97000.

On Sunday, the Punjab government approved Wheat Seed Subsidy Policy-2020-21 of the Agriculture Department to provide certified wheat seed at 50% subsidy to farmers in the Rabi season. A total of 1.85 lakh quintals of certified seed, with Rs 18.50 crore worth of subsidy, will directly benefit approximately 2.5 lakh farmers under the policy.

The effect of stopping the wheels of goods trains in Punjab will affect the sowing of wheat. The agriculture department has only 7% Urea and 71% DAP fertilizer stock left. If trains do not run in time, farmers will not get enough Urea and DAP fertilizer. In such a situation, farmers may face difficulties in sowing wheat this year. Urea is essentially required at the time of first irrigation of wheat in the first week of December, around 6.45 lakh tonnes of urea are required during December alone. Urea is coming through trucks from Ambala and Dabwali, but it raises transportation costs significantly. "The crop yield will be hit if the adequate dose of urea is not given to crops,"

Wheat mill delivery prices in all mandis increased due to the demand coming out due to the festive season and the loss of the arrivals. At the same time, there is a perception of a rise in wheat due to flour mills' purchase.

The central government may soon announce to carry forward the scheme till March of giving ration to the country's poor people for free under the Pradhan Mantri Garib Kalyan Yojana. If Govt. increases the scheme till next year then prices are going to impact.

The global wheat market is expected to trade steady to slightly firm due to lower availability in the global market amid increasing demand from major consuming countries like, so we expect FOB in all countries will go up, including India.

Outlook: Feed prices are expected to trade steady to slightly firm as overall feed ingredients prices traded firm during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	29-Oct-20	23-Oct-20	Parity To
Indore - 45%, Jute Bag	32800	33300	Gujarat, MP
Kota - 45%, PP Bag	34400	35200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34500	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33700	34800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34500	Andhra, AP, Kar ,TN
Latur	35500	35200	-
Sangli	33800	34300	Local and South
Solapur	32700	32700	Local and South

Akola – 45%, PP Bag	33700	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	35000	35000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	34200	35000	-

Soy DOC at Port

Centers	Port Price		
	29-Oct-20	23-Oct-20	Change
Kandla (FOR) (INR/MT)	36500	35000	1500
Kandla (FAS) (USD/MT)	500	500	Unch
CNF Indonesia – Yellow SBM (USD/MT)	510	495	15

International Soy DOC			
Argentina FOB USD/MT	29-Oct-20	23-Oct-20	Change
Soybean Pellets	454	465	-11
Soybean Cake Flour	454	465	-11
Soya Meal	450	461	-11
Soy Expellers	450	461	-11
Sunflower (DOC) Rates			
Centers	Ex-factory rates (Rs/ton)		
	29-Oct-20	23-Oct-20	Change
Adoni	24000	23500	500
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23500	23000	500

Groundnut Meal (Rs/MT)	29-Oct-20	23-Oct-20	Change
Basis 45%, Saurashtra	27000	26500	500
Basis 40%, Saurashtra	24000	24000	Unch
GN Cake, Gondal	27500	27000	500

Mustard DOC/Meal	29-Oct-20	23-Oct-20	Change
Jaipur (Plant delivery)	20200	19300	900
Kandla (FOR Rs/MT)	20700	19700	1000

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	30-Oct-20	23-Oct-20	30-Sep-20	30-Oct-19	30-Oct-18
Delhi	Hybrid	1400	1300	1330	2100	1525
Davangere	Loose	1300	1150	1300	NR	1450
Nizamabad	Bilty	1350	1350	1375	2250	1475
Ahmedabad	Feed	1550	1400	1330	NA	1530
	Starch	1550	1420	1350	NA	1600

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

As on 30.10.2020	Argentina	Brazil	US	India
FOB	224.00	237.00	225.00	227.88
Cost and Freight	274.00	292.00	285.00	262.88

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	30-Oct-20	23-Oct-20	Change
Bajra	Karnataka	Hybrid	Bellary	1300	1780	-480
		Hybrid	Bangalore	1850	2900	-1050
Jowar	Karnataka	White	Bangalore	2900	1850	1050
		White	Bellary	1910	1450	460

Maize	Karnataka	Yellow	Davangere	1300	1150	150
	Telangana	Yellow	Nizamabad	1300	1300	Unch
Rice	Haryana	IR8	Karnal	2800	2800	Unch
		Parmal Raw	Karnal	3200	2300	900
Soy meal	Madhya Pradesh	DOC	Indore	3280	3330	-50
	Maharashtra	DOC	Sangli	3380	3430	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2350	50
Mustard	Rajasthan	Plant delivery	Jaipur	2050	1930	120
Groundnut Meal	Gujarat	GN Cake	Gondal	2750	2700	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1867	1882	-15
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1943	1900	43
Note: Prices Rs./Qtl						

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