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## Summary

Sentiments remain same as last week, since most of the cash maize markets are closed for Diwali. Government procurement and demand for good quality material could support the market. However, expectation of arrival pressure after festive season could limit the gain.

In Karnataka, crop arrivals still contains moisture of upto 25%. In Maharashtra, it contain moisture of upto 20%.

Trade sources revealed that in Telangana, Government has procured around 1.5 lakh quintal of maize till 11th November, 2020.

All India's weekly average prices of wheat increased by 2.35 percent to Rs. 1870.87 per quintal during the week ended 23rd Nov 2020. Wheat average prices were ruling at Rs 2212.76 per quintal during 16th - 23th Nov 2019. The wheat prices are unlikely to drop much further because the PMGKY scheme may be discontinued in November as there's no official announcement that it will continue after November, so far.

The spot prices in Kadi were up by 2.84% in Kadi to Rs. 1889/q and the prices were up by 1.53% in Akola to around Rs. 1954/q. The prices have gained support due to the shortage of supply as many crushing units were closed. CCI has expanded the procurement of Kapas at MSP in 6 cotton producing states.

The domestic soybean and rapeseed-mustard posted gain on better buying support ahead festive break. Several key cash markets remained closed for last 3-4 days. However, groundnut seed prices eased on arrival pressure.

Overall, the rapeseed-mustard fundamentals are still bullish but the farmers' higher planting intention in the seed will exert pressure on the seed in due course.

Soybean may not sustain at higher levels on weak soymeal demand and India's higher soyoil imports at competitive prices.

The domestic soymeal is already under pressure and has edged-lower compared to the previous week's level. Besides, rapeseed extract fell on decline in demand.

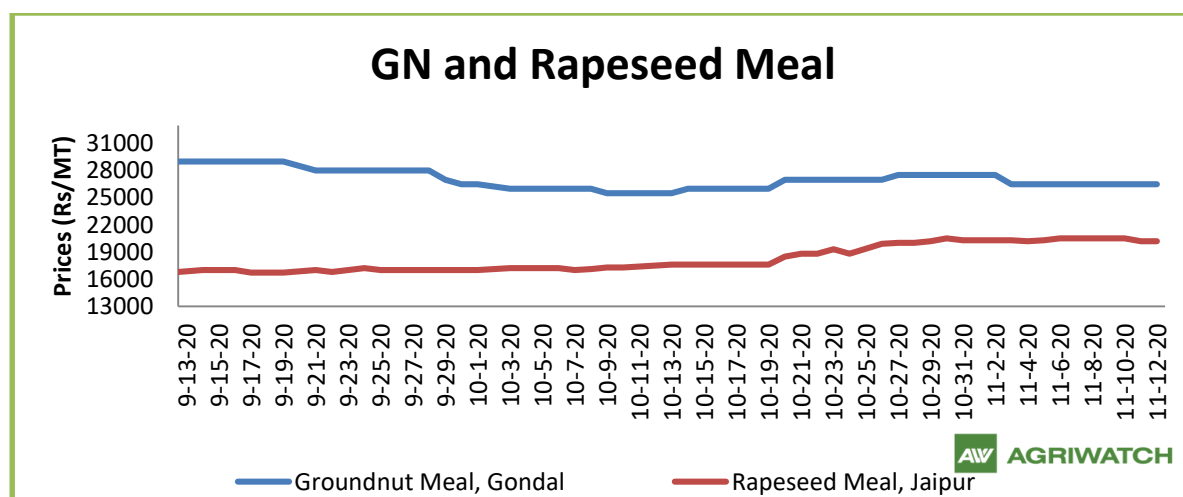
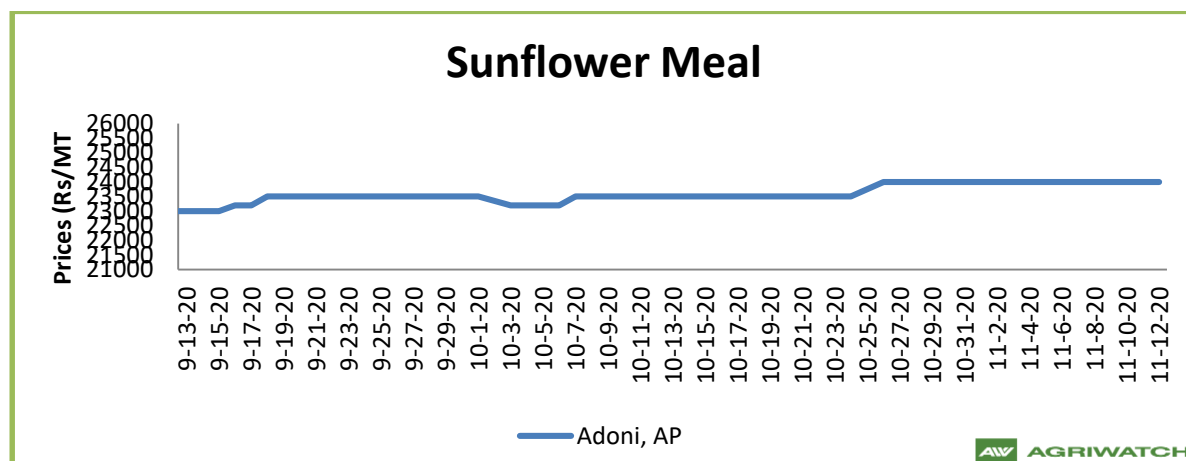
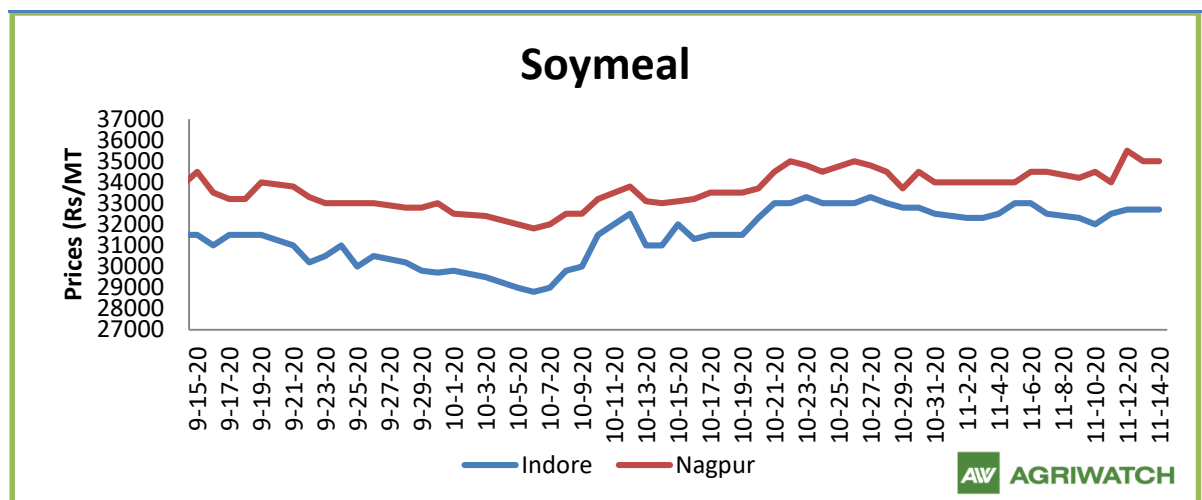
Soybean edged-up by 1.7%, rapeseed-mustard posted mild gains by 0.31%, groundnut seed prices fell by 0.3%, soymeal and rapeseed extract declined by 0.2% and -12% respectively compared to the previous week's level.

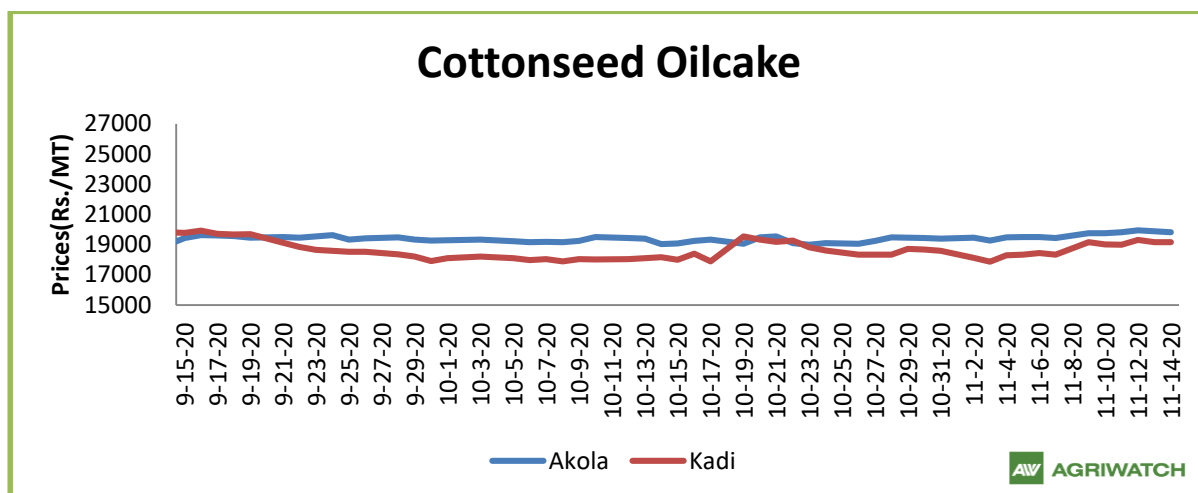
However, rapeseed-mustard continued uptrend on strong buying support from the millers, currently the seed prices are at an all-time high.

The soybean, rapeseed-mustard and groundnut seeds are in good demand from the crushers as the oilseeds' crushing season is in full swing. However, the gains were limited with the end of the couple of festivals.

We feel soybean and meal prices will feature range-bound movement on weak bias for some more time. However, the groundnut seed and rapeseed extract will recover on good export demand.

**Trend – Raw Material, Feed**





Source: AgriWatch

### Soy meal

The domestic soymeal extended previous losses on poor local and overseas demand. The soymeal fell by 0.2% contrary to gains in soybean by 1.7%. It is mainly because demand for bean from crushers improved in recent past to cover stock ahead festive break in the cash market yards.

The local soymeal fundamentals are weak mainly due to the decline in poultry consumption and thus demand, poultry sector contributes more than 60% of the total demand in soymeal.

The feed manufacturers have slowed down the purchases to cover their stock for future demand, during the week, in anticipation of further fall in meal prices, from the current levels.

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 should aggressively market its organic soymeal to which is the in the new market for the meal of Indian origin. 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.

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.

Overall India's soymeal exports were too low consecutive second year, during 2019-20 marketing year it stood at 6.5 lakh tonnes which was 4.6 lakh tonnes in 2018-19.

The domestic average soymeal prices at Indore, witnessed losses to Rs 32,500/MT and was quoted between Rs 32,000 – 33,000/MT compared to the average of Rs 32,567/MT traded between the price range of Rs 32,300 – 33,000/MT previous week.

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

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 32,000 – 33,000/MT during the week compared to Rs 32,200 – 33,000/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 32,000 – 33,000/MT on slack in demand.*

### **Rapeseed - Mustard Seed**

Rapeseed-mustard extended gains on continued strong demand from the crushers to meet the improved demand in the rapeseed-oil post-COVID and good rapeseed extract export.

However, expectation of higher acreage under rapeseed-mustard this season and fall in soybean and groundnut seed prices on improved arrivals limited the gains in the seed.

Currently, the seed prices are at an all-time high on improved demand in the rapeseed-mustard oil immediately after the pandemic, we feel the seed prices could take some correction in due course after ease in festive buying.

Cumulative crushing of the rapeseed-mustard by all the processing units combined together increased by over 18% to 600,000 - 650,000 tonnes in recent months.

The rapeseed-mustard planting is underway and is in full swing. In the last official report, India's planted area under rapeseed-mustard crop stood at 31.15 lakh hectares compared to 31.17 lakh hectares during the same period last season.

We expect area under the seed to increase this season by 10% to 7.6 million hectares from 6.9 million hectares the last year.

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity to improve from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

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

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.

Besides, 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 from the millers, however, a correction can't be ruled out due prices are in overbought territory.

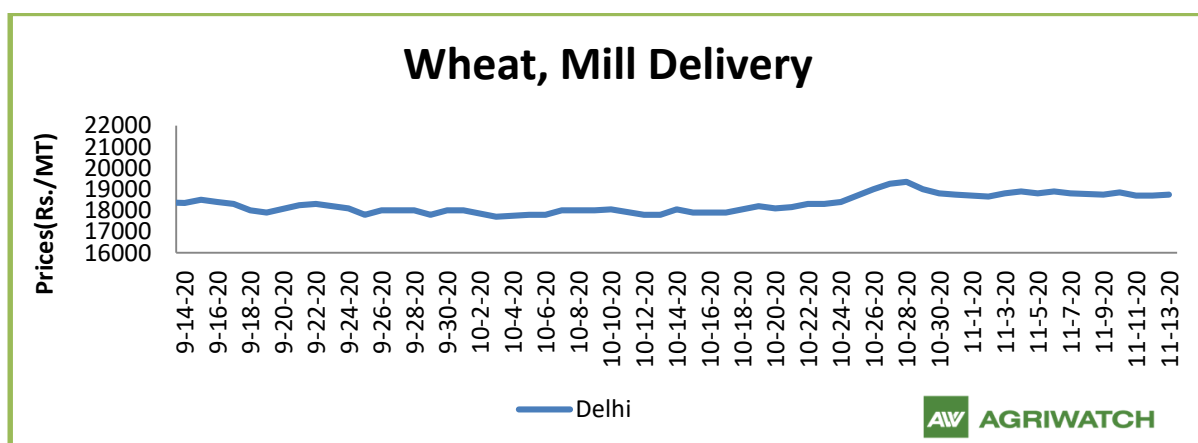
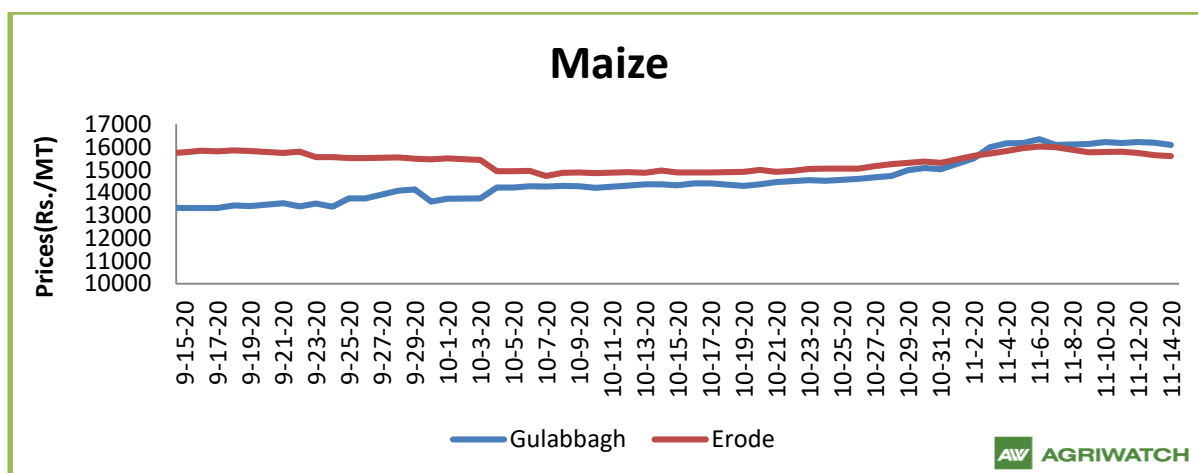
NAFED and HAFED have currently paused the disposal of rapeseed-mustard. The Nafed has sold about 9.0 lakh tonnes of rapeseed-mustard combined together new and old stock while Hafed has offloaded around 3 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

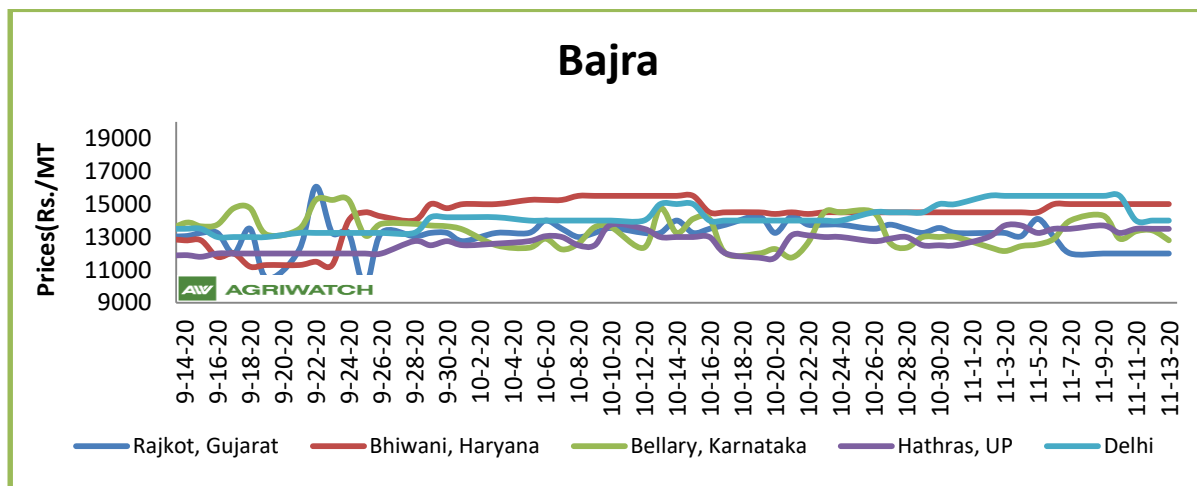
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 6.30 lakh bags during the week compared to around 5.75 lakh bags, previous week. The supplies were 8.70 lakh bags during the corresponding period last year.

RM seed prices improved by +0.31% to Rs 6,250 – 6,355 a quintal from Rs 6,225 – 6,385 a quintal previous week and Rs 4,375 – 4,425 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal witnessed a weekly fall of -12% with the weekly average price of Rs. 2,636/qlt against the weekly average price of Rs. 2,643/qlt last week.

At NCDEX futures, the December contract rapeseed-mustard declined to 6,225/Qtl compared to 6,242/Qtl previous week.





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

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Trade sources revealed that in Telangana, Government has procured around 1.5 lakh quintal of maize till 11th November, 2020.

In Gulabbagh, maize is being traded at Rs. 1,600 per quintal (Bilty Price). It is also moving towards Bengaluru at Rs.1,500 per quintal, Nammakal and Chennai and Rs.1,600 per quintal each; all sourced from Davangere region of Karnataka.

In India, maize has been sown in 1.48 lakh hectares as of 6th Nov'20, lower than corresponding period last year area of 1.62 lakh hectares. In Tamil Nadu, it has been sown in 0.79 lakh hectares; lower than 1.02 lakh hectares compared to corresponding period last year. In Karnataka, it has been sown in 0.16 lakh hectares; lower than 0.19 lakh hectares compared to corresponding period last year. However, in Maharashtra, it has been sown in 0.25 lakh hectares; higher than 0.17 lakh hectares compared to corresponding period last year.

Corn on CBOT rose by 1.48 USD/MT to 161.61 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.

At 0.73 MMT (for the period October 30 -November 05, 2020) U.S. Maize exports were unchanged from the previous week but down 8 percent from the prior 4-week average; mainly for the destinations like Mexico (215,600 MT), China (202,600 MT), Japan (79,100 MT), Honduras (55,600 MT), and Panama (46,900 MT).

USDA decreased its world Maize ending stock estimates by 9.03 MMT to 291.43 MMT for 2020-21 along with a decrease in production estimates which would support to global Maize market.

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be discontinued in November as there's no official announcement that it will continue after November, so far.

A day after Diwali, rain lashed parts of Punjab, Chandigarh, Delhi, Haryana, and Uttar Pradesh. Several areas witnessed shower and thunderstorms due to a western disturbance. Parts of Punjab and Haryana also witnessed a hailstorm leading to a fall in temperature. Light rains and thundershowers in Punjab parts have brought cheers to the farmers—especially the wheat growers, who had sown their crops without burning the paddy straw. It is also beneficial for those preparing to plant wheat, and other rabi crops, including fodder for animals.

Punjab could be staring at a much bigger crisis if it does not immediately get the much-needed fertilizers for the wheat crop. As farmers stare at a severe shortage, in the wake of the suspension of rail services in the state and rakes of fertilizers stuck outside, the state immediately needs vast quantities of urea and di ammonium phosphate (DAP) for the wheat crop, which has already started sowing. Wheat is expected to be cultivated on almost 35 lakh hectares in the state. Punjab needs nearly 19 lakh quintals of DAP and 8 lakh tonnes of urea for this wheat season. "DAP is used at the time of sowing, while urea is to be applied three weeks after sowing.

Demand in wheat products remains weak despite the festive season, so its prices are not improving. According to traders, the wheat business has not yet come out of the recession environment due to limited demand of flour mills as there is a concern about the government's policies.

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.

As per the latest update, the area sown until 13th November-20 is 50.01 lakh hectares compared to 39.55 lakh hectares in the previous Rabi season. The normal common area is 303.28 lakh hectares. Acreage under wheat has increased in the states of Madhya Pradesh, Punjab, and Rajasthan till date.

As per trade source, India has Import around 6380 MT in the month of October-2020 after March-2020. The quantity in October-2020 was imported at an average FOB of \$ 304.90 per tonne.

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 the U.S and Russia will be stable and for Australia is going to be weak as new crop is soon going to hit the market, Including India in coming weeks. Strong international demand continues, which will support the market going forward.

**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)		
	12-Nov-20	06-Nov-20	Parity To
Indore - 45%, Jute Bag	32700	33000	Gujarat, MP
Kota - 45%, PP Bag	35200	35000	Rajasthan, Del, Punjab, Haryana



Dhulia/Jalna - 45%, PP Bag	35000	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	35500	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34500	Andhra, AP, Kar, TN
Latur	35000	34500	-
Sangli	33800	34000	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33700	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	35000	34800	-

## Soy DOC at Port

Centers	Port Price		
	12-Nov-20	06-Nov-20	Change
Kandla (FOR) (INR/MT)	35300	35600	-300
Kandla (FAS) (USD/MT)	480	480	Unch
CNF Indonesia – Yellow SBM (USD/MT)	500	490	10

International Soy DOC			
Argentina FOB USD/MT	12-Nov-20	06-Nov-20	Change
Soybean Pellets	462	456	6
Soybean Cake Flour	462	456	6
Soya Meal	468	458	10
Soy Expellers	468	458	10
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	12-Nov-20	06-Nov-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23500	23500	Unch

Groundnut Meal (Rs/MT)	12-Nov-20	06-Nov-20	Change
Basis 45%, Saurashtra	26000	26000	Unch
Basis 40%, Saurashtra	23000	23000	Unch

GN Cake, Gondal	26500	26500	<b>Unch</b>
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Mustard DOC/Meal	12-Nov-20	06-Nov-20	Change
Jaipur (Plant delivery)	Closed	20500	-
Kandla (FOR Rs/MT)	Closed	21100	-

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

Market	Grade	13-Nov-20	06-Nov-20	13-Oct-20	13-Nov-19	13-Nov-18
Delhi	Hybrid	1540	1600	1350	2100	1525
Davangere	Loose	1350	1350	Closed	1760	1450
Nizamabad	Bilty	Closed	1475	1350	2100	1520
Ahmedabad	Feed	Closed	1600	1400	2000	1525
	Starch	Closed	1600	1380	1800	1550

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

As on 12.11.2020	Argentina	Brazil	US	India
<b>FOB</b>	224.51	232.00	222.00	254.59
<b>Cost and Freight</b>	274.51	287.00	282.00	289.59

#### 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	
<b>Total</b>	<b>276674</b>	<b>455374.1</b>	<b>1408042</b>	<b>1143244</b>	<b>982022</b>	<b>372873</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	13-Nov-20	06-Nov-20	Change
Bajra	Karnataka	Hybrid	Bellary	1280	1290	-10
		Hybrid	Bangalore	2000	2000	Unch
Jowar	Karnataka	White	Bangalore	3250	2900	350
		White	Bellary	1340	1295	45
Maize	Karnataka	Yellow	Davangere	1350	1350	Unch
	Telangana	Yellow	Nizamabad	Closed	1430	-
Rice	Haryana	IR8	Karnal	2800	2800	Unch
		Parmal Raw	Karnal	2500	2500	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3270	3300	-30
	Maharashtra	DOC	Sangli	3450	3400	50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	Closed	2400	-
Mustard	Rajasthan	Plant delivery	Jaipur	Closed	2050	-
Groundnut Meal	Gujarat	GN Cake	Gondal	Closed	2650	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1917	1843	74
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1988	1951	37
Note: Prices Rs./Qtl						

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