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Summary

Overall maize cash markets traded mixed during the week compared to last week. Agriwatch expects that maize would trade steady to slightly firm ahead, due to Government procurement and improvement in demand from the feed industry and export markets.

Trade sources revealed that in Nizamabad, Government has procured around 20,000 MT of maize till date. In Andhra Pradesh, Government has procured around 59,885 MT of maize till 30th November, 2020. Most of the arrivals are currently at the procurement centers.

All India's weekly average prices of wheat decrease by 3.83 percent to Rs. 1816.86 per quintal during the week ended 08th Dec 2020. Wheat average prices were ruling at Rs 2225.74 per quintal during 01st - 08th Dec 2019. The wheat prices are unlikely to drop much further because the PMGKY has discontinued on 30th November.

According to the official estimates, about 9 million tonnes of cotton oilseed cake will be produced in the country. The demand from northern India has increased slightly in recent weeks due to which prices have been increasing but the ample stocks available will limit the gains. As the moisture content in the seeds decrease, prices should firm up again. The spot prices for Kadi was Rs 2106/q and for akola was Rs 2117/q were up by 2.07% and 2.62% respectively from the previous week.

The domestic soybean, rapeseed-mustard and groundnut seed fell on subdued buying activity among the oilseeds' crushers, during the week under review.

Government's decision of reduction of import duty by 10% on palm oil and bargain hunting were the major reasons for the decline in oilseeds and oilmeals during the period under review.

However, soymeal posted mild gains while rapeseed-oilcake fell on poor demand from poultry sector, but better export sales in recent while limited the downside.

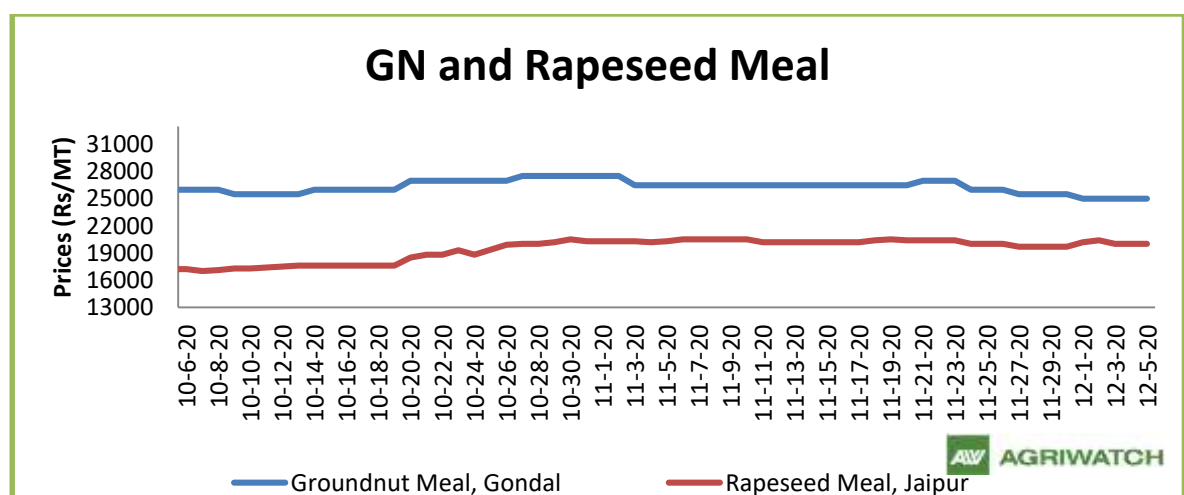
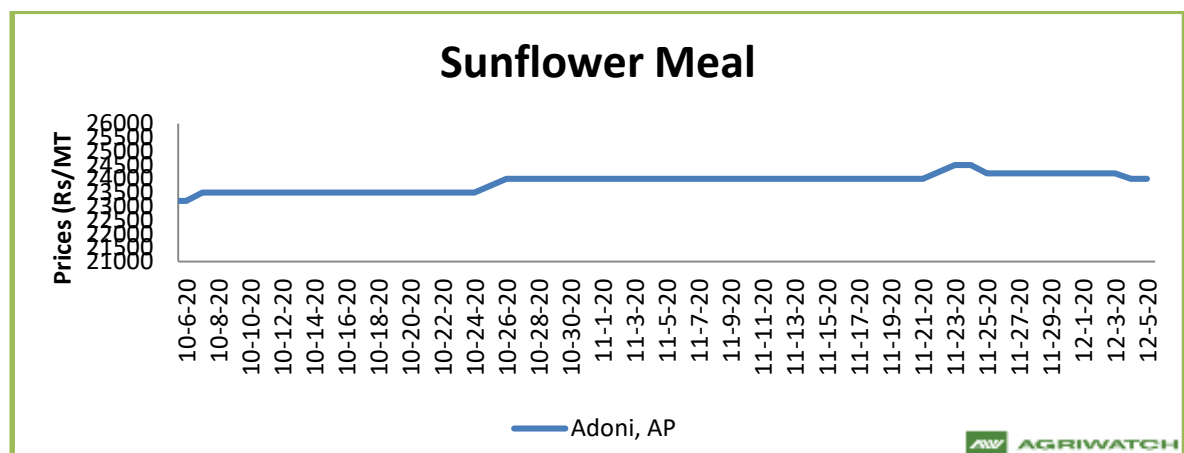
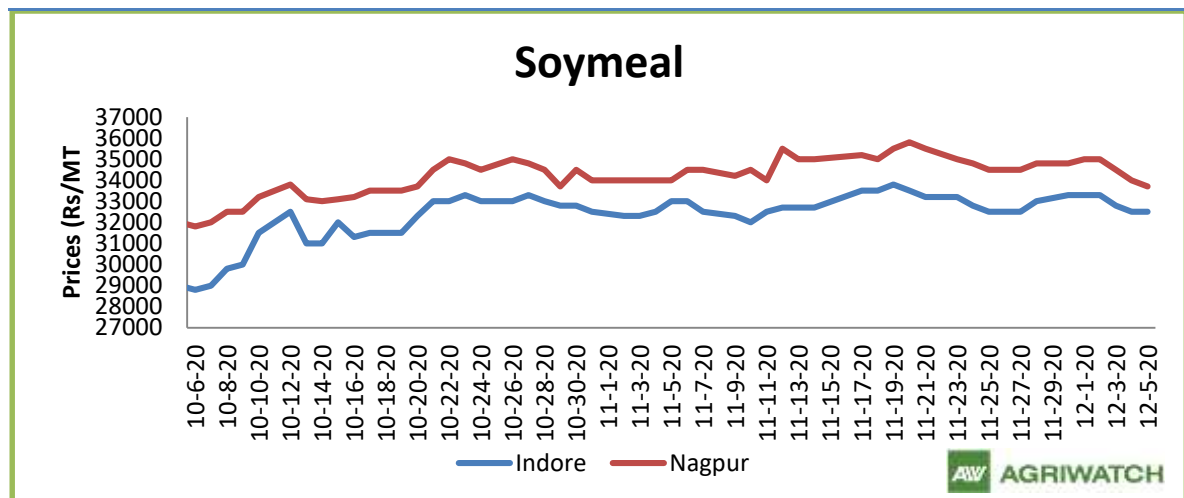
The rabi oilseeds' planting is underway and it is up 6% compared to the same period last year, which remained pressurizing factor to the complex to some extent. Of which rapeseed-mustard sowing figures are up 8% for the same period.

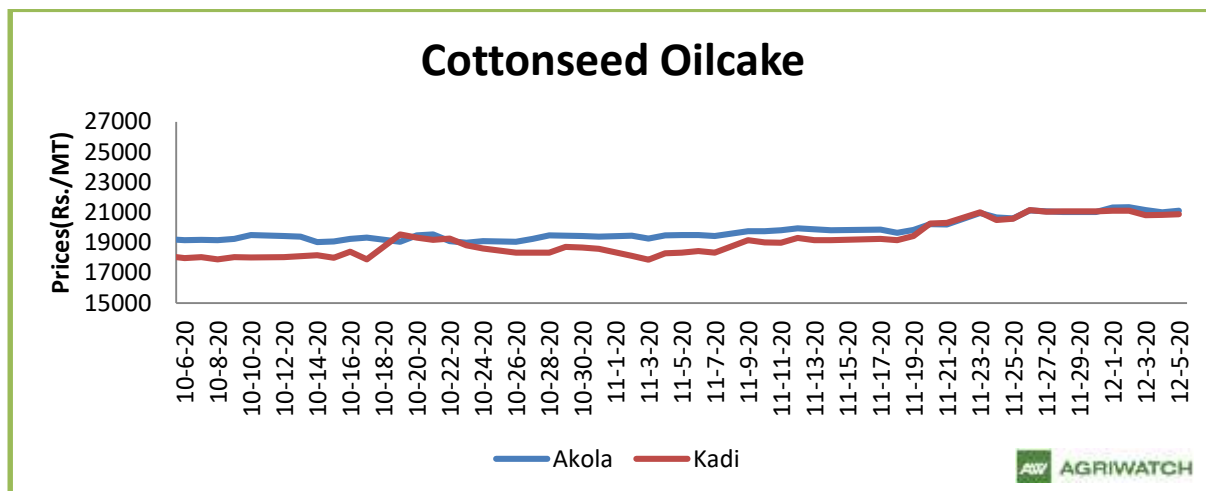
Forecast of heavy rains after the cyclone Burevi in parts of Tamil Nadu, Kerala and some other Southern parts of India may hit the newly sown rabi groundnut crop of Tamil Nadu and adjoining areas.

Soybean prices fell -1.5%, rapeseed-mustard eased by -1.9%, groundnut seed prices declined by -0.2%, rapeseed meal fell by -1.4% while soymeal edged up by +0.3% all compared to the previous week's level.

We feel rapeseed-mustard and soybean complex will feature range bound movement with weak bias after sharp gain in recent weeks. Groundnut prices will rebound on bullish outlook followed by improved overseas demand for Indian seed. All the oilmeals will follow the trend in oilseeds on case to case basis.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

The domestic soymeal posted mild gains by +0.3% on export enquiries. The gains were despite fall in soybean by 2% compared the previous week.

However, the domestic demand for soymeal is still weak on decline in demand from poultry sector which is below pre-COVID levels.

The Argentine soymeal prices have got dearer in last couple of months due to lean season, this has narrowed down the price spread of India vs Argentina, opening some exports window for India in last recent while.

World exports of soymeal are estimated to fall by 0.4-0.5 Mn T from a year ago in Oct-Dec 2020. Shipments from South America are even seen declining by 1.1 Mn T, mainly due to reduced crushings in Brazil and Argentina.

The international soy market is strong on bullish global supply scenario due forecast to lower than expected soybean production and likely fall in the US soy inventories in August 2021 followed by the spree Chinese buying.

In a rare event, Brazil has been importing soybean on and off after it's inventories dried up before new crop supplies come to the market, to meet its exports commitments.

India's October 2020 soymeal exports improved by 89% to 120,290 metric tonnes compared to 63,800 metric tonnes in the same period last year. Further, it improved by 2.5% to 438,205 metric tonnes in aggregate, during the last six months (Apr.-Oct.) of financial year 2020-21 compared to 427,701 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of October 2020 is reported at 317,394 metric tonnes compared to 238,992 metric tonnes in October 2019 i.e. up by 33%.

The overall export of oilmeals during April to October 2020 is also reported up by 6% at 1,617,528 metric tonnes compared to 1,526,471 metric tonnes during the same period last year.

US has turned out to be potential market for Indian organic soymeal. US was the largest importer of soymeal of Indian origin. In October 2020 India has shipped 131,394 metric tonnes of soymeal to the country. US is the largest producer of Genetically Modified (GM) soybean in the world, looking to India for supply of organic soybean meal.

In spite of tough competition in world market, export of rapeseed meal and ricebran extraction performed well, during the last seven months of financial year 2020-21.

The export of rapeseed meal is reported at 729,799 metric tonnes against last year 607,786 metric tonnes during the same period i.e. up by 20%, and ricebran extraction is reported at 229,712 metric tonnes against last year 108,160 metric tonnes i.e. more than doubled (112%), higher processing of rapeseed oilcake and de-oiled ricebran increased availability for the export. The export of soybean meal is stagnant, while export of castorseed meal is still suffering.

The domestic weekly average soymeal prices at Indore fell to Rs 33,033/MT and was quoted between Rs 32,500 – 33,300/MT compared to the weekly average of Rs 32,950/MT traded between the price ranges of Rs 32,500 – 33,500/MT previous week.

At Latur soymeal prices fell to Rs 34,500 – 36,000/MT from Rs 34,500 – 36,500/MT a week ago and in Nanded it was quoted low at Rs. 34,000 – 35,000/MT compared to Rs. 34,000 – 35,700/MT a week ago. Besides, in Kota, the meal too fell to Rs 34,000 – 36,500/MT compared to Rs 34,200 – 36,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 32,500 – 33,300/MT during the week compared to Rs 31,800 – 32,700/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 losses, as expected, on expected higher sown area under the seed this season and decline in some demand for the mustard oil after the oil prices skyrocketed and marked all-time levels.

Besides, Indian government's decision to slash the import duty on crude palm oil by 10% to 27.5% from 37.5% earlier remained bearish for the rapeseed-mustard. The crude palm oil prices influence the local rapeseed-mustard and mustard oil prices.

Many households have partially started to divert their demand to the other cheaper edible oil alternates from mustard oil after the prices got dearer and posted all-time high.

The rapeseed-mustard planting is in full swing and we expect area under the seed to increase by 10% to 76 lakh hectares this season from 69 lakh hectares last year.

In the latest official rabi oilseeds planting report dated 04 December 2020, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 8% at 61.82 lha compared to 57.41 lha during the corresponding period of last year.

Further, India didn't import rape oil (canola) in the month of October 2020 in anticipation of decline in the demand while the imports of the same during April-October 2020 were down by 7% at 55,036 metric tonnes compared to 59,171 metric tonnes during the same period in the previous season.

Again, of the total oilmeals' exports from India, rapeseed meal contributes the highest in volume.

India's rapeseed extract exports in October 2020 surged by 6% to 1,01,909 metric tonnes compared to 96,442 metric tonnes during the corresponding period last year.

Besides, India's exports for rapeseed extract during April-October 2020 was up 20% at 7,29,799 metric tonnes compared to 6,07,786 metric tonnes during the same period previous marketing season.

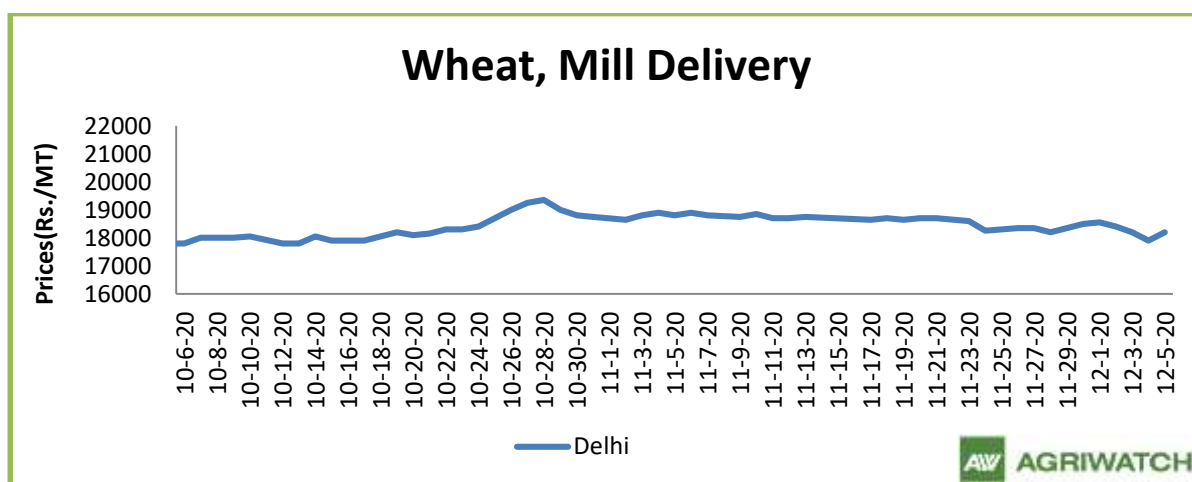
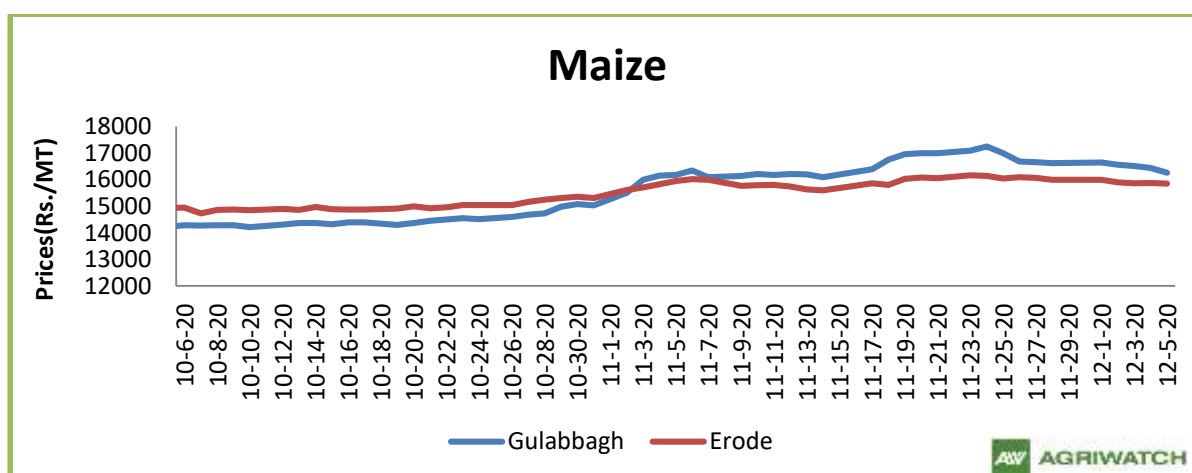
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 10.0 lakh tonnes of old and new stocks while Hafed has offloaded around 3.5 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

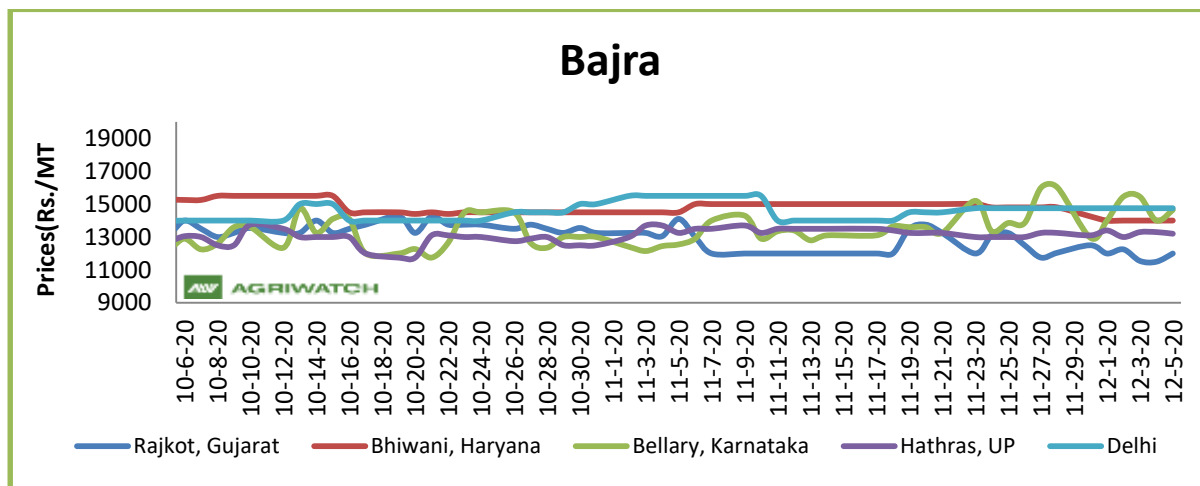
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 5.05 lakh bags during the week compared to around 6.0 lakh bags, previous week. The supplies for the same were 8.65 lakh bags during the corresponding period last year.

RM seed prices fell by -1.9% to Rs 6,000 – 6,200 a quintal from Rs 6,050 – 6,355 a quintal previous week and Rs 4,552 – 4,605 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal fell by -1.4% to the weekly average price of Rs. 2595/qtl compared to the the weekly average price of Rs. 2632/qtl previous week.

At NCDEX futures, the January contract rapeseed-mustard declined to 5,813/Qtl compared to 5,801/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 Nizamabad, Government has procured around 20,000 MT of maize till date. In Andhra Pradesh, Government has procured around 59,885 MT of maize till 30th November, 2020. Most of the arrivals are currently at the procurement centers.

In Naugachia region of Bihar, Maize is being traded at Rs.1,550-1,650 per quintal (Bilty Price) and is being delivered to Uttar Pradesh and Kolkata at Rs.1,600-1,700 per quintal each. In Gulabghat, it is being traded at Rs. 1,675 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,625 per quintal; sourced from Nizamabad region. Demand from the feed industry in Tamil Nadu has been lower despite the start of local crop arrivals, which could weigh on Karnataka and Andhra Pradesh maize prices also.

In India, Maize has been sown in 6.65 lakh hectares as of 4th December 2020, lower than corresponding period last year area of 8.11 lakh hectares. In Bihar, it has been sown in 1.94 lakh hectares; lower than the 2.42 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.33 lakh hectares; lower than the 1.52 lakh hectares in the corresponding period, last year. In Karnataka, it has been sown in 0.42 lakh hectares; marginally higher than the 0.40 lakh hectares in the corresponding period, last year and in Maharashtra, has it been sown in 1.08 lakh hectares; higher than 0.58 lakh hectares last year.

Corn on CBOT fell by 3.34 USD/MT to 164.17 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term, would continue to support CBOT Maize. However, new crop arrivals in U.S and recent rainfall in South America could limit the gains.

At 1.07 MMT (for the period November 20 -November 26, 2020) U.S. Maize exports were up 23 percent from the previous week and 35 percent from the prior 4-week average; mainly for the destinations like China (475,800 MT), Mexico (312,300 MT), Japan (82,300 MT), Guatemala (59,500 MT), and Honduras (49,700 MT).

All India's weekly average prices of wheat decrease by 3.83 percent to Rs. 1816.86 per quintal during the week ended 08th Dec 2020. Wheat average prices were ruling at Rs 2225.74 per quintal during 01st - 08th Dec 2019. The wheat prices are unlikely to drop much further because the PMGKY has discontinued on 30th November.

Indian exporters have been exploiting more opportunities to export wheat to compensate for the poor domestic demand, traders said. During Apr-Oct, India's wheat exports were at 511,393 tonnes against 134,617 tonnes in the year ago period, according to the Agricultural and Processed Food Products Export Development Authority.

According to traders, Indian have signed two deals to export around 200,000 tonnes of wheat to Bangladesh. The traders are likely to export wheat at \$250-\$260 per ton, free on board, under the two deals. The exports are expected to happen in the coming weeks, traders said. Exporters believe more shipments will go to Bangladesh this financial year as prices have weakened over the past few months.

The government has sold 9250 tonnes of wheat in OMSS through E-Auctions in the first week of December'20. Till now; no rakes have been sold. Sale of wheat to bulk consumer is 0 tonnes and sale of Wheat to state Govt. 9250.

The government has said that the progress of rabi (winter) crop sowing had been "satisfactory" so far, notwithstanding the COVID-19 challenges as total acreage has increased by 16.18 percent to 430.59 lakh hectare from 414.41 lakh hectare from an year-ago. The area sown under wheat, the main winter crop, had increased marginally to 204.41 lakh hectare by December 04, as against 202.72 lakh hectare a year ago. Which is higher by 1.69%. The normal area is 303.28 lakh hectares.

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, 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. Strong international demand continues, which will support the market going forward. Russian and European price became \$1 -\$2 lower last week which is going to support the market in coming weeks.

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

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	03-Dec-20	27-Nov-20	Parity To
Indore - 45%, Jute Bag	32800	32500	Gujarat, MP
Kota - 45%, PP Bag	34200	34000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35300	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34500	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34000	Andhra, AP, Kar ,TN

Latur	35500	34500	-
Sangli	34300	34000	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	34000	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34200	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	34000	33800	-

Soy DOC at Port

Centers	Port Price		
	03-Dec-20	27-Nov-20	Change
Kandla (FOR) (INR/MT)	36500	36500	Unch
Kandla (FAS) (USD/MT)	495	495	Unch
CNF Indonesia – Yellow SBM (USD/MT)	505	500	5

International Soy DOC			
Argentina FOB USD/MT	03-Dec-20	27-Nov-20	Change
Soybean Pellets	455	466	-11
Soybean Cake Flour	455	466	-11
Soya Meal	452	466	-14
Soy Expellers	452	466	-14
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	03-Dec-20	27-Nov-20	Change
Adoni	24200	24200	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23800	23800	Unch

Groundnut Meal (Rs/MT)	03-Dec-20	27-Nov-20	Change
Basis 45%, Saurashtra	24500	25000	-500
Basis 40%, Saurashtra	21500	22000	-500
GN Cake, Gondal	25000	25500	-500

Mustard DOC/Meal	03-Dec-20	27-Nov-20	Change
Jaipur (Plant delivery)	20000	19700	300
Kandla (FOR Rs/MT)	20600	20300	300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	04-Dec-20	27-Nov-20	04-Nov-20	04-Dec-19	04-Dec-18
Delhi	Hybrid	1600	1625	1600	2100	1750
Davangere	Loose	1420	1400	1330	1980	1550
Nizamabad	Bilty	1525	1500	1350	2000	1550
Ahmedabad	Feed	1550	1540	1600	2100	1700
	Starch	1550	1500	1600	2150	1750

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

As on 26.11.2020	Argentina	Brazil	US	India
FOB	225.89	239.00	225.00	223.52
Cost and Freight	275.89	294.00	285.00	258.52

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	04-Dec-20	27-Nov-20	Change
Bajra	Karnataka	Hybrid	Bellary	1400	1600	-200
		Hybrid	Bangalore	1850	1850	Unch
Jowar	Karnataka	White	Bangalore	2900	3000	-100
		White	Bellary	1830	1270	560
Maize	Karnataka	Yellow	Davangere	1420	1400	20
	Telangana	Yellow	Nizamabad	1475	1450	25
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2550	-100
Soy meal	Madhya Pradesh	DOC	Indore	3250	3250	Unch
	Maharashtra	DOC	Sangli	3410	3400	10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2420	-20
Mustard	Rajasthan	Plant delivery	Jaipur	2000	1970	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2550	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2084	2104	-20
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2100	2107	-7
Note: Prices Rs./Qtl						

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