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Summary

Overall maize cash markets traded steady to slightly weak during the week compared to last week due to low quality arrivals. 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, due to government buying support, arrivals in open markets are negligible in quantity. In Nizamabad, Government has procured around 25,000 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 decreased by 0.60 percent to Rs. 1871.86 per quintal during the week ended 15th Dec 2020. Wheat average prices were ruling at Rs 2201.76 per quintal during 09st - 15th Dec 2019. The wheat prices are unlikely to drop much further because the PMGKY has discontinued on 30th November.

The spot prices of cotton oil cake for Kadi was Rs 2028/q and for akola was Rs 2053/q were down by 3.70% and 3.01% respectively from the previous week. The prices have been decreased by 2-3% from the previous week.

All the major domestic oilseeds and oilmeals fell on cautious buying and bargain hunting with bearish official rabi oilseeds' planting report.

In the last official rabi planting report the oilseeds' planting is reported up by 7% compared to the same period last year, (rapeseed-mustard sowing figures are up 9%).

Need based buying in soybean on soymeal demand concerns and cheap soyoil imports kept the soybean and soymeal prices under pressure.

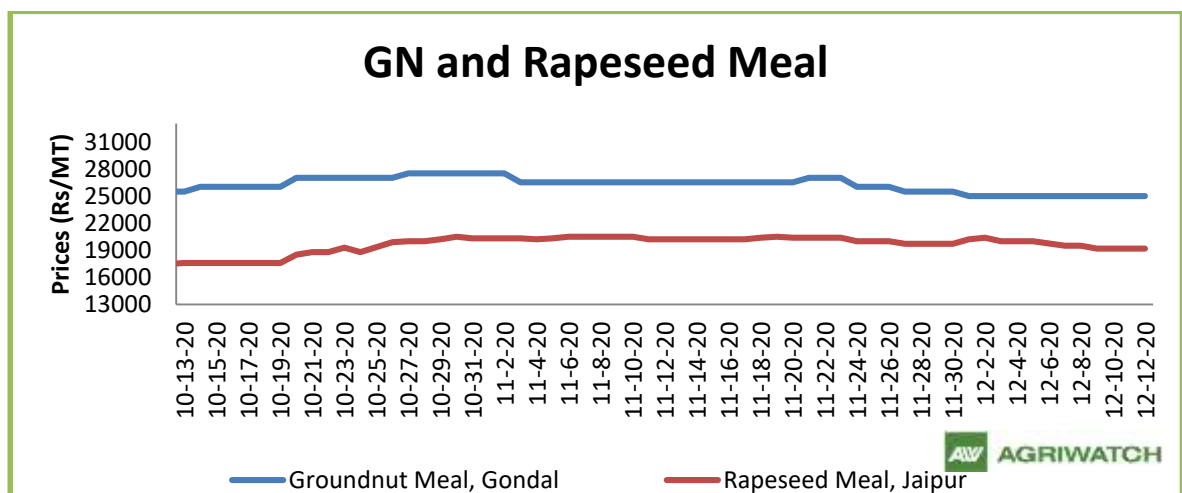
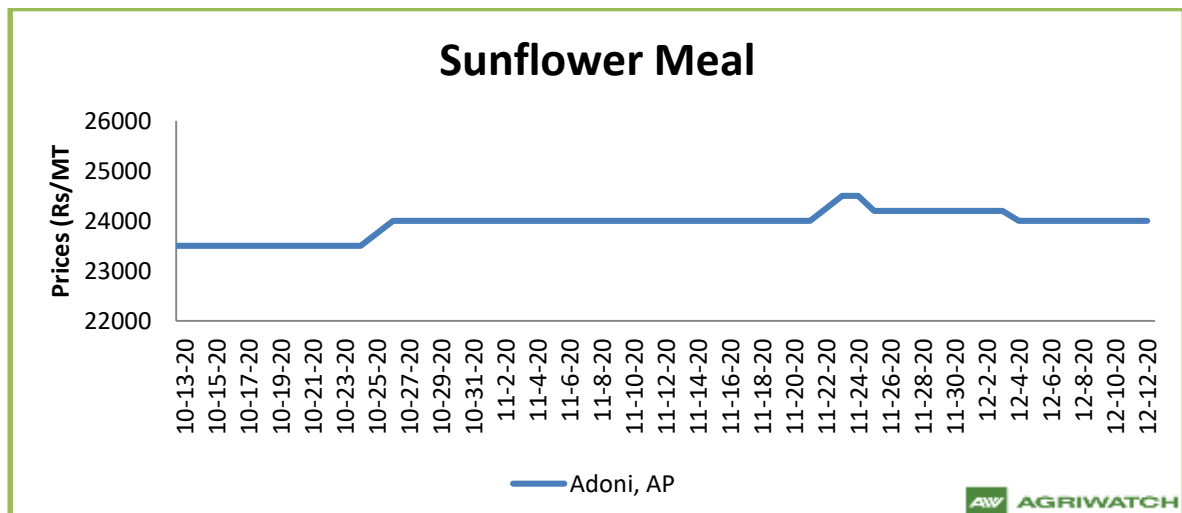
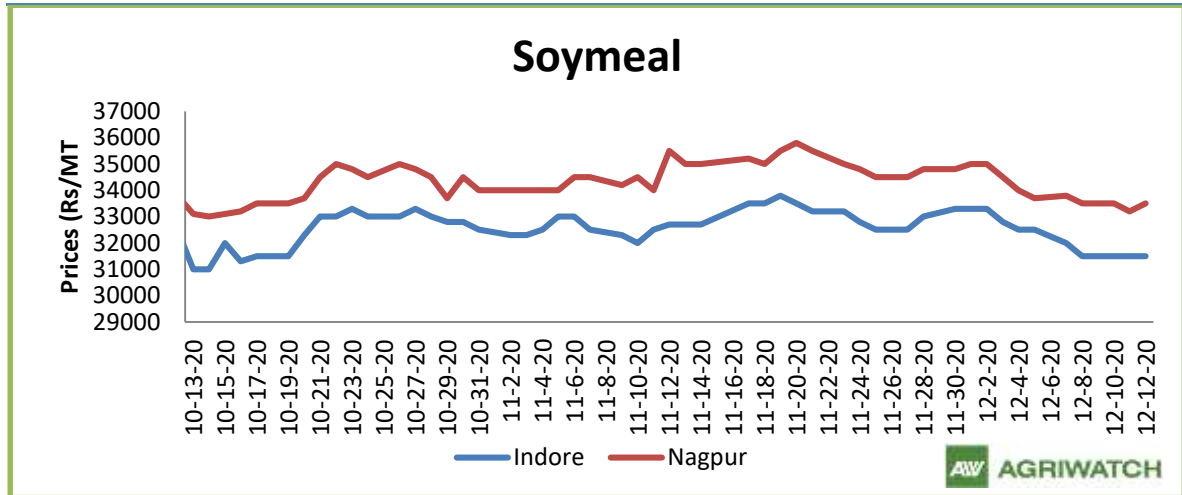
Further, fall in crushers' demand for rapeseed-mustard after the mustard oil prices shot up to a new high remained negative for the seed and rapeseed meal.

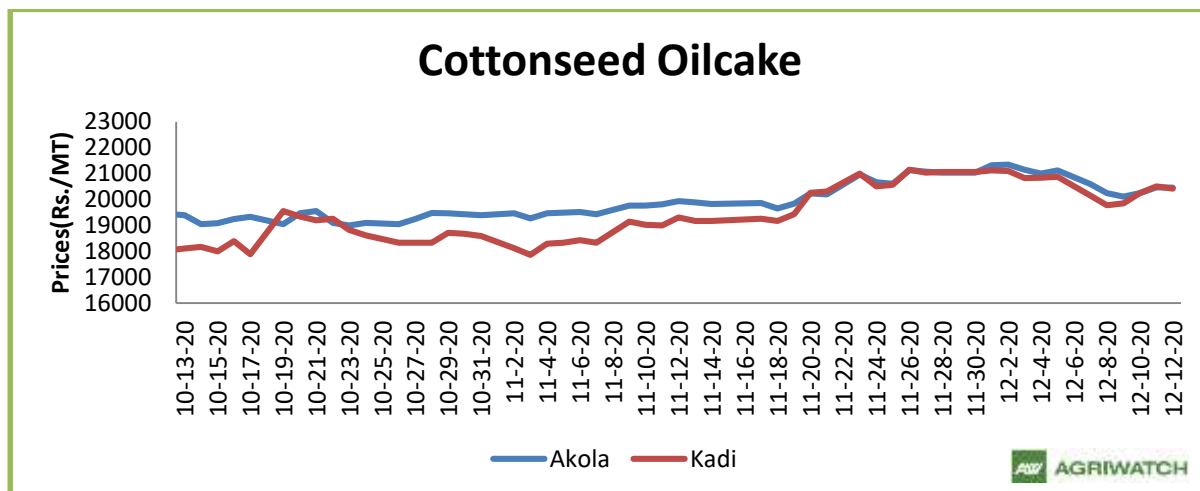
Besides, spillover effect was witnessed in the groundnut seed prices in the cash market yards of Saurashtra.

Soybean and rapeseed mustard prices fell -2%, groundnut seed prices declined by -7%, rapeseed meal eased by -1% while soymeal declined by -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 feature range-bound movement with firm bias 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 fell by 3% compared to the previous week in sync with soybean as need based buying featured among the feed manufacturers and poultry units in anticipation of further fall in the soy.

Further, the local demand for soymeal continues to be weak on dull demand from poultry sector which is below pre-COVID levels.

However, we feel India's soymeal exports to improve by 50-60% year-on-year for a short period with improved seasonal crushing and reduced Brazil and Argentine crushings.

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.

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.

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 31,917/MT and was quoted between Rs 31,500 – 32,500/MT compared to the weekly average of Rs 33,033/MT traded between the price ranges of Rs 32,500 – 33,300/MT previous week.

At Latur soymeal prices fell to Rs 34,000 – 34,700/MT from Rs 34,500 – 36,000/MT a week ago and in Nanded it was quoted low at Rs. 34,000 – 34,500/MT compared to Rs. 34,000 – 35,000/MT a week ago. Besides, in Kota, the meal too fell to Rs 33,000 – 3,000/MT compared to Rs 34,000 – 36,500/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 31,500 – 32,500/MT during the week compared to Rs 32,500 – 33,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 31,000 – 32,000/MT on slack in demand.

Rapeseed - Mustard Seed

Rapeseed-mustard continued downtrend followed by reports of higher acreage under the seed this season and some demand diversion from mustard oil to other oils due to sharp rise in the oil, in recent months.

Many households have partially started to divert their demand to the other cheaper edible oil alternates from mustard oil after it got dearer.

In the latest official rabi oilseeds planting report dated 11 December 2020, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 9% at 67.67 lha compared to 62.20 lha during the corresponding period last year.

We expect the final acreage under the seed to increase by 10% to around 76 lakh hectares, this season from 69 lakh hectares last year.

Indian importers couldn't get the desirable benefit of the government of India's recent decision of import duty cut on crude palm oil as Indonesia had raised the export duty on CPO by US \$30 per tonne immediately after Indian government reduced the import duty by 10% on CPO.

Hence, the event should limit the fall in the seed to some extent despite some fall in the mustard oil demand, at the same time we can't ignore the improved rapeseed meal exports.

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 contributed 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 meal 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.

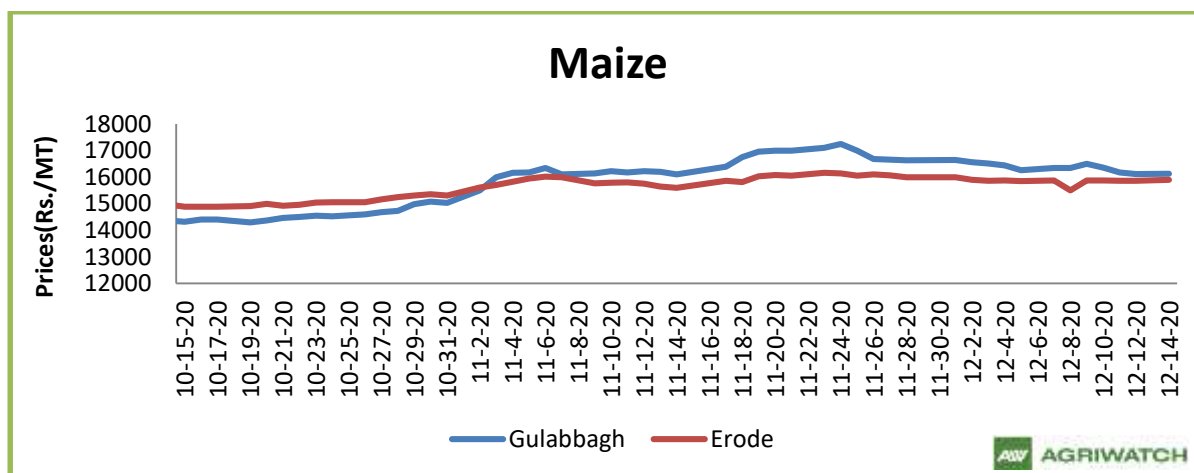
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 10.0 lakh tonnes of old and new stocks while Hafed has offloaded around 3.5 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

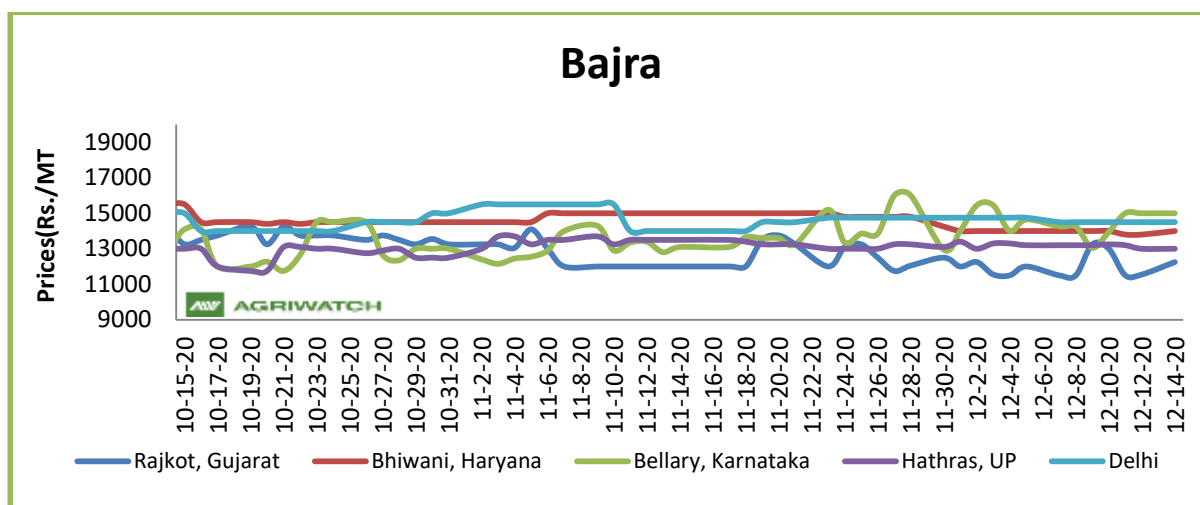
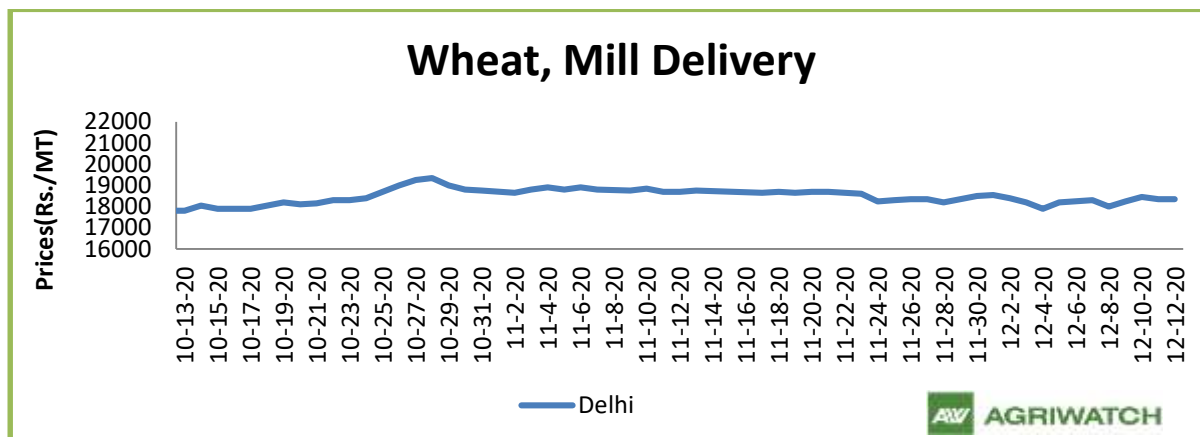
The all India rapeseed-mustard arrivals fell week-on-week and were reported at 4.10 lakh bags during the week compared to around 5.05 lakh bags, previous week. The supplies for the same were 9.05 lakh bags during the corresponding period last year.

RM seed prices fell by -2% to Rs 5,845 – 6,130 a quintal from Rs 6,000 – 6,200 a quintal previous week and Rs 4,595 – 4,650 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal fell by -1% to the weekly average price of Rs. 2558/qtl compared to the weekly average price of Rs. 2595/qtl previous week.

At NCDEX futures, the January contract rapeseed-mustard declined to 5,527/Qtl compared to 5,813/Qtl previous week.





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

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In Naugachia region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price) and is being delivered to Uttar Pradesh and Kolkata at Rs. 1650 per quintal each. In Gulabbagh, it is being traded at Rs. 1,625 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,600 per quintal; sourced from Nizamabad region. It is also moving towards Bengaluru and Nammakal but in very limited quantities, at Rs.1,500 and Rs.1,550 per quintal, respectively; all sourced from Davangere region of Karnataka. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals which is weighing on Karnataka maize prices.

In India, Maize has been sown in 8.88 lakh hectares as of 11th December 2020, lower than corresponding period last year area of 9.19 lakh hectares. In Bihar, it has been sown in 3.20 lakh hectares; lower than the 3.39 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.44 lakh hectares; lower than the 1.55 lakh hectares in the corresponding period, last year. In Karnataka, it has been sown in 0.49 lakh hectares; lower than the 0.52 lakh hectares in the corresponding period, last year and in Maharashtra, has it been sown in 1.39 lakh hectares; higher than 0.78 lakh hectares last year.

Corn on CBOT rose by 2.85 USD/MT to 167.02 USD/MT for December'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in global maize ending stock, would continue to support CBOT Maize. However, 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 decreased by 0.60 percent to Rs. 1871.86 per quintal during the week ended 15th Dec 2020. Wheat average prices were ruling at Rs 2201.76 per quintal during 09st - 15th Dec 2019. The wheat prices are unlikely to drop much further because the PMGKY has discontinued on 30th November.

As per latest update, area sown to wheat, has increased marginally by 2.46% to 254.73 lakh hectares so far in the ongoing 2020-21 rabi season from 248.44 lakh hectares in the year-ago period. The overall trend of rabi sowing progress is excellent with Increased area coverage has been recorded.

According to traders, Prices of Wheat in the Indore were steady as both demand and arrivals fell. Arrivals were pegged at 5,000 bags (1 bag = 100 kg) from 7,000 bags on Monday, In Jaipur, too, prices were unchanged due to subdued supply and a decline in demand from bulk buyers. Arrivals were pegged lower at 1,500 bags against 1,700 bags on Monday. However, the outlook is bullish as retail demand from end consumers is likely to pick up as the government's scheme to provide free food grain to beneficiaries of the public distribution system ended in November.

The government has asked the three key wheat-procuring states to create 8 MMT temporary 'covered, and plinth' storage, one of the officials said. Punjab has been asked to add 4.0 million tonnes of space, while Haryana and Uttar Pradesh will add 3.0 million tonnes and 1.0 million tonnes, respectively. Looking at the storage space in Punjab and Haryana, it is necessary to get more space before we run out of capacity as these two states are major contributors of both rice and wheat to the central pool," an official said.

The government has sold 3390 tonnes of wheat in OMSS through E-Auctions in the First week of December '20. No rakes were sold. State Government bought 9250 tonnes of wheat, and there's no purchase by bulk consumers respectively.

Indian FoB quote is hovering around \$236.04 per tonnes while Russia, Ukraine, France, US and Australia are offering wheat at \$255.05, \$254.40, Euro 88.29, \$261.90 and \$253.28 per tonnes respectively. India has exported around 5.6 lakh tonnes of wheat this year and it is expecting that it will export around 7-8 lakh tonnes in coming weeks as Indian traders have already signed two deals with Bangladesh in which they export 200,000 tonnes of wheat.. However, India is expected to import around up to 10 thousand tonnes in MY 2019-20.

Despite strong global demand, wheat prices fell slightly in most major exporting countries since last month's WASDE due to larger supply projections. Australia's production forecast was revised further upwards by ABARES following news of an improving harvest, Canada edged up it's 2020 production estimate and an expected rebound in France's 2021 wheat crop harvest all weighed on prices. Furthermore, news of Russia possibly raising it's yet to be announced grain export quota for the spring contributed to dampening global prices. Argentine prices, meanwhile, continued trending upwards following further estimates of lower 2020/21 production due to drought.

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)		
	10-Dec-20	04-Dec-20	Parity To
Indore - 45%, Jute Bag	31500	32500	Gujarat, MP
Kota - 45%, PP Bag	33000	34000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34500	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33500	34000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	34500	Andhra, AP, Kar ,TN
Latur	34000	34500	-
Sangli	33800	34100	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33500	33700	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	33500	34200	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	32800	33800	-

Soy DOC at Port

Centers	Port Price		
	10-Dec-20	04-Dec-20	Change
Kandla (FOR) (INR/MT)	34500	36500	-2000
Kandla (FAS) (USD/MT)	485	485	Unch
CNF Indonesia – Yellow SBM (USD/MT)	505	505	Unch

International Soy DOC			
Argentina FOB USD/MT	10-Dec-20	04-Dec-20	Change
Soybean Pellets	442	450	-8
Soybean Cake Flour	442	450	-8
Soya Meal	445	453	-8
Soy Expellers	445	453	-8
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	10-Dec-20	04-Dec-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23600	23600	Unch

Groundnut Meal (Rs/MT)	10-Dec-20	04-Dec-20	Change
Basis 45%, Saurashtra	24500	24500	Unch
Basis 40%, Saurashtra	21500	21500	Unch
GN Cake, Gondal	25000	25000	Unch

Mustard DOC/Meal	10-Dec-20	04-Dec-20	Change
Jaipur (Plant delivery)	19200	20000	-800
Kandla (FOR Rs/MT)	20200	20600	-400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	11-Dec-20	04-Dec-20	11-Nov-20	11-Dec-19	11-Dec-18
Delhi	Hybrid	1550	1600	1540	2200	1750

Davangere	Loose	1380	1420	1380	1950	1600
Nizamabad	Bilty	1500	1525	Closed	2025	NA
Ahmedabad	Feed	1550	1550	1600	2100	1800
	Starch	1580	1550	1600	2100	1800

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

As on 10.12.2020	Argentina	Brazil	US	India
FOB	228.25	237.00	221.00	217.24
Cost and Freight	278.25	292.00	281.00	252.24

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	11-Dec-20	04-Dec-20	Change
Bajra	Karnataka	Hybrid	Bellary	1500	1400	100
		Hybrid	Bangalore	1800	1850	-50
Jowar	Karnataka	White	Bangalore	2900	2900	Unch
		White	Bellary	1445	1830	-385
Maize	Karnataka	Yellow	Davangere	1380	1420	-40
	Telangana	Yellow	Nizamabad	1475	1475	Unch
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3150	3250	-100
	Maharashtra	DOC	Sangli	3380	3410	-30

Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2400	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1920	2000	-80
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2500	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2050	2084	-34
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2047	2100	-53
Note: Prices Rs./Qtl						

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