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Summary

Maize cash markets traded steady to range bound during the week compared to last week. Agriwatch expects that maize would trade steady to slightly firm in near term, due to Government procurement and improvement in demand from the feed industry and export markets.

Trade sources revealed that in Telangana, Government has procured around 60,000 MT of maize till 16th December, 2020. In Andhra Pradesh, Government has procured around 1,42,390.4 MT of maize till 13th December, 2020.

All India's weekly average prices of wheat increased by 1.57 percent to Rs. 1846.26 per quintal during the week ended 23rd Dec 2020. Wheat average prices were ruling at Rs 2197.57 per quintal during 16th – 23rd Dec 2019. The wheat prices are unlikely to drop much further and going to be stable in coming weeks due to ample availability and slowed demand from flour mills. There's a discussion in the market that the PMGKAY scheme will get restart again. The new wheat from Saurashtra region (Gujrat) will be coming to the mandis at the end of next month.

Cottonseed oil cake prices has declined by Rs 66 to Rs 1,964 per quintal in futures trade as participants reduced their bets tracking a weak trend in the spot market. On the National Commodity and Derivatives Exchange, cottonseed oil cake for January delivery fell by Rs 66, or 3.25 per cent, to Rs 1,964 per quintal with an open interest of 70,820 lots. Also, CCI procurement has reached around 53 lakh bales of cotton at MSP so far. The daily arrivals have also increased to 2,50,000 to 3,00,000 bales per day.

The average price in Kadi was at Rs. 2051/q and for Akola was Rs. 2055/q. The prices were higher than the previous week about 1.15% to 0.07% respectively.

The domestic soybean and soymeal posted gains on better crushers' demand in the bean and improved overseas demand in soymeal.

Good export enquiries for soymeal of Indian origin, followed by lower crushing in Brazil and Argentina owing to the fall in soybean inventories remained positive for local soymeal and thus soybean.

Besides, groundnut seed edged-up on better demand from exporters and the oilseeds' processors.

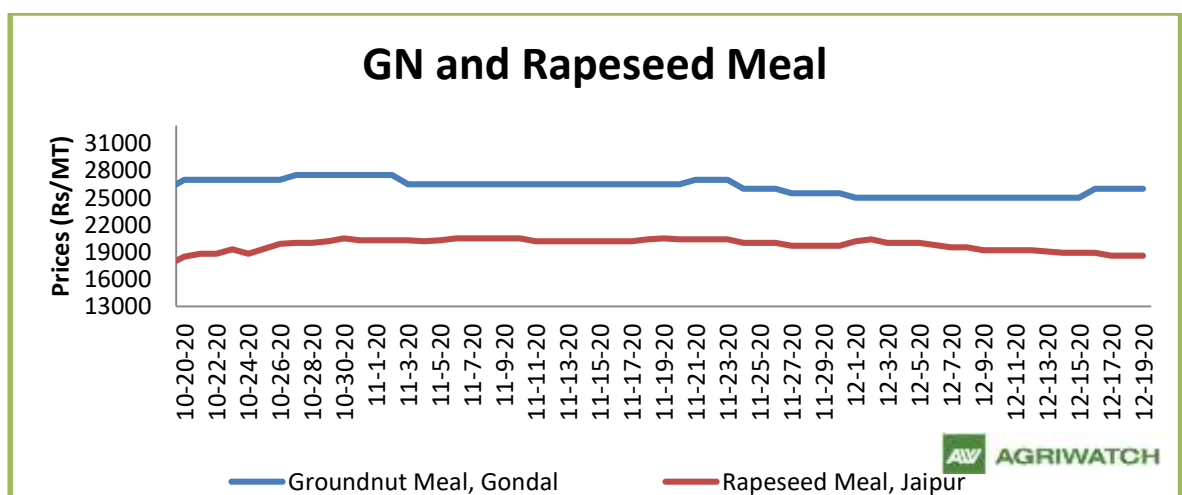
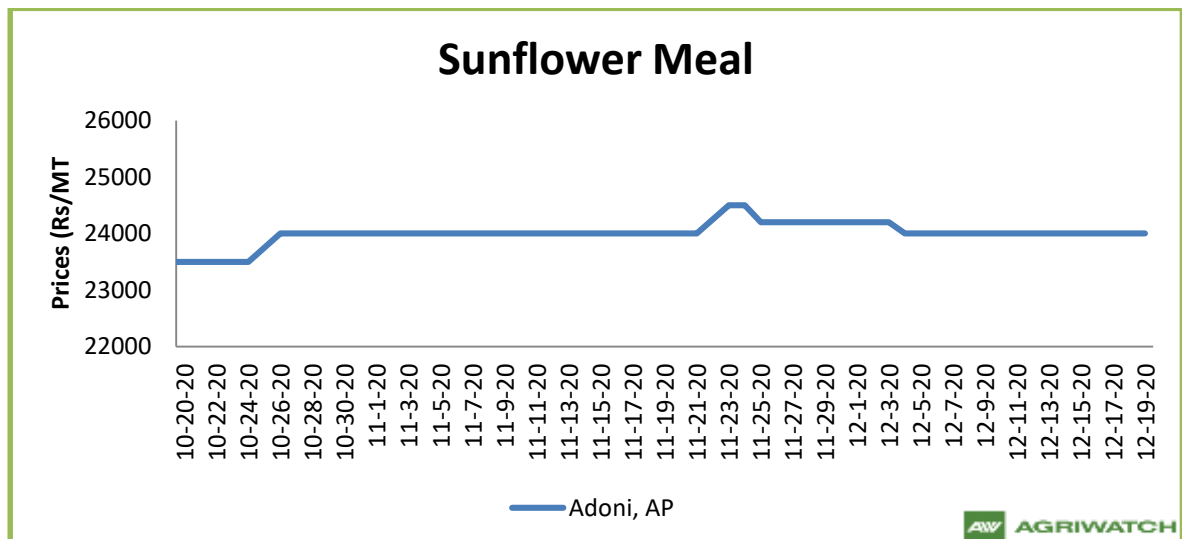
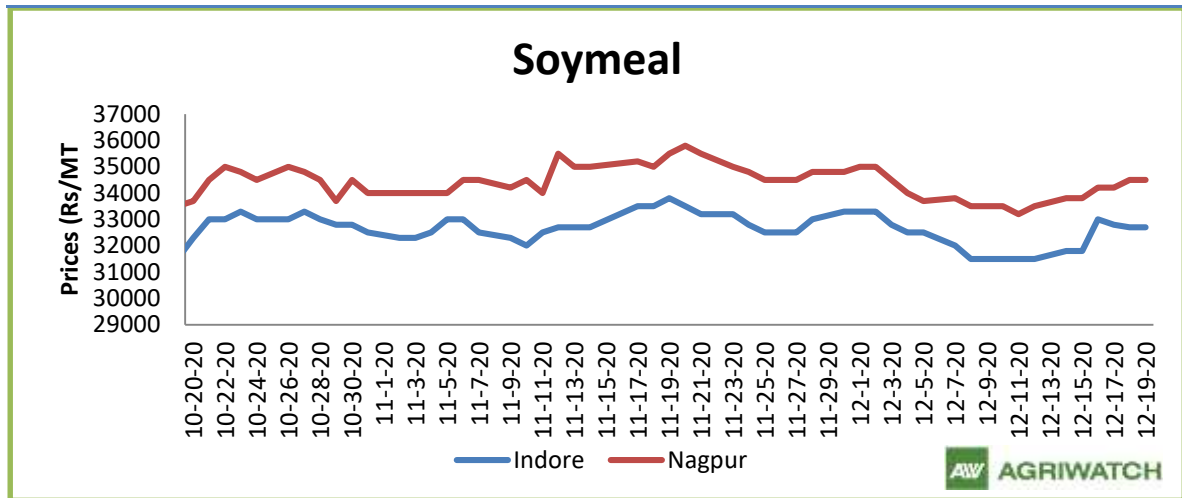
However, rapeseed-mustard fell on expectation of bigger rapeseed-mustard crop and decline in the crushing of the seed followed by some demand diversion of mustard oil after a sharp rise in the same, in recent past.

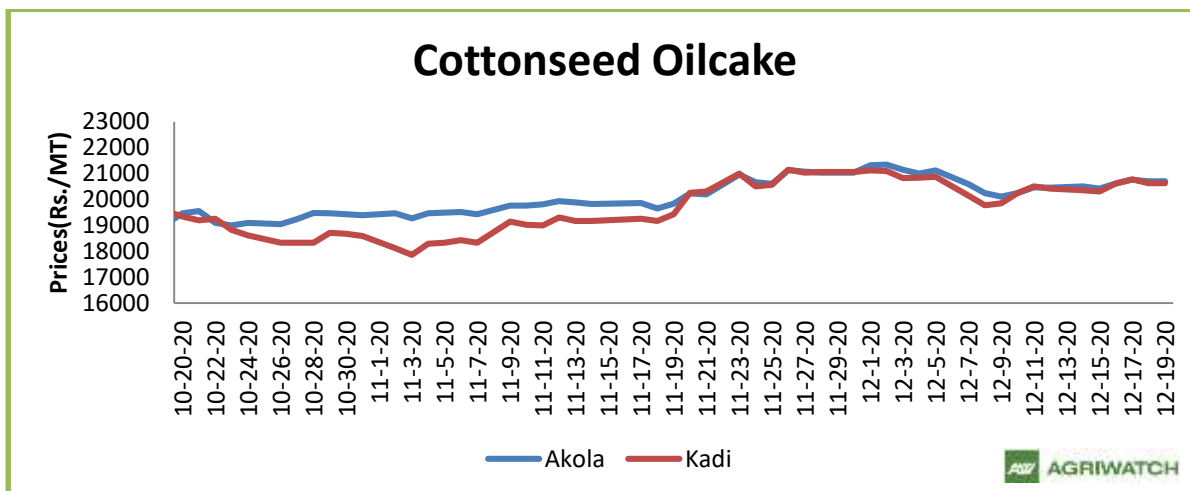
Besides, rapeseed-mustard meal too declined in sync with the seed in anticipation of further fall in the same. However, the overseas demand for the rapeseed-mustard DOC continues to remain good.

The rapeseed-mustard prices fell by -3.5% while the rapeseed meal declined by -4.7%, the soybean posted gains by +1.3% while the soymeal edged up by +0.5% and groundnut seed rose by 2.2%, all compared to the previous week's level.

We feel rapeseed-mustard complex to feature range bound movement with weak bias, soybean complex will feature range bound movement with firm bias on bullish global supply scenario in recent weeks. Groundnut prices will feature range-bound movement with firm bias on bullish outlook followed by improved overseas demand for Indian seed.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

The domestic soymeal prices improved by +0.5% compared to the previous week, in sync with soybean on better soymeal exports and improved exports enquiries in recent days.

Further, international soymeal prices are appreciating due to the supply concerns and decline in Argentine soybean crushings and shipments in December 2020, following strike at crushing plants and export terminals. It has been over a fortnight since the workers have called on the strike on wage woes.

As expected, India's soymeal exports improved after lower soybean crushing in Argentina and Brazil leading fresh opportunity for India's export in the same. India's soymeal exports improved by +28% to 6,36,981 metric tonnes during last seven months (Apr.-Nov.) of the financial year 2020-21 compared to 4,97,116 metric tonnes during the corresponding period last year.

However, the local demand for soymeal continues to be steady and are below pre-COVID levels on dull demand from poultry sector.

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.

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.

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 32,067/MT and was quoted between Rs 31,500 – 33,000/MT compared to the weekly average of Rs 31,917/MT traded between the price ranges of Rs 31,500 – 32,500/MT previous week.

At Latur soymeal prices fell to Rs 33,500 – 35,000/MT from Rs 34,000 – 34,700/MT a week ago and in Nanded it was quoted lower at Rs. 33,700 – 35,000/MT compared to Rs. 34,000 – 34,500/MT a week ago. Besides, in Kota, the meal slightly fell to Rs 32,800 – 34,000/MT compared to Rs 33,000 – 34,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 31,500 – 33,000/MT during the week compared to Rs 33,000 – 34,800/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 extended previous losses on expectation of bigger seed crop in the upcoming season followed by increase in the acreage under the seed.

Besides, several households have partially diverted their demand to the other cheaper edible oil alternates from mustard oil after it got dearer in recent while.

Further, uncertainty and market talks that the Indian government could slash import duty in other edible oils kept the seed market under pressure.

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.

In yet another major event, the Food Safety and Standards Authority of India (FSSAI) has withdrawn the order prohibiting blending of mustard oil.

The food regulator has until now allowed 20% blending in mustard oil under the standards for blended edible oil under FSS (Food Product Standards and Food Additives) Regulations. The decision to withdraw the September order was taken after stakeholders made a representation to the authority.

In the latest official rabi oilseeds planting report dated 18 December 2020, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 8% at 69.94 lha compared to 64.52 lha during the corresponding period last year.

We expect the final acreage under the seed to increase by 8-9% to around 75 lakh hectares, this season from 69 lakh hectares last year.

Further, India didn't import rape oil (canola) in the month of November 2020 in anticipation of decline in the demand.

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.

HAFED, official spokesperson said the High Commissioner of Malawi assured that mutual cooperation between the country and Hafed for the export of rice and mustard oil would be materialized in near future.

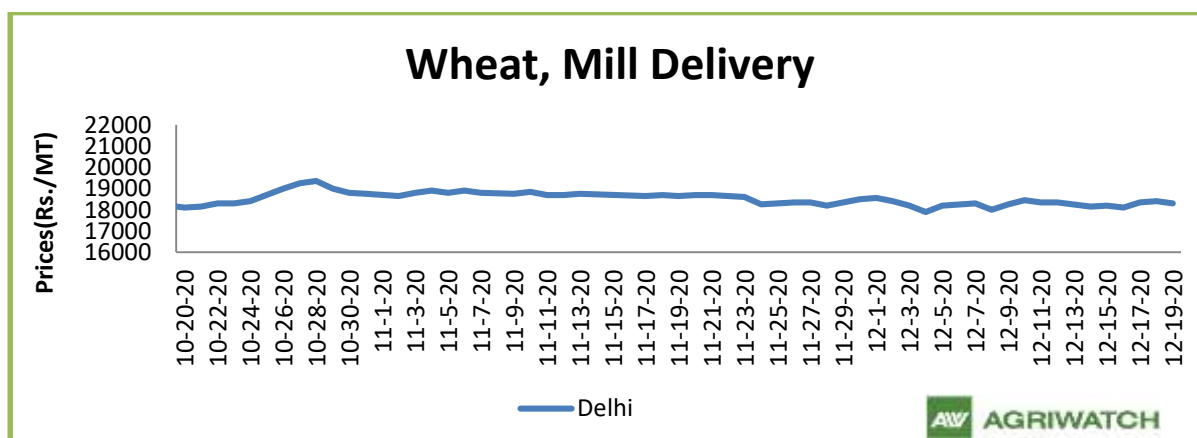
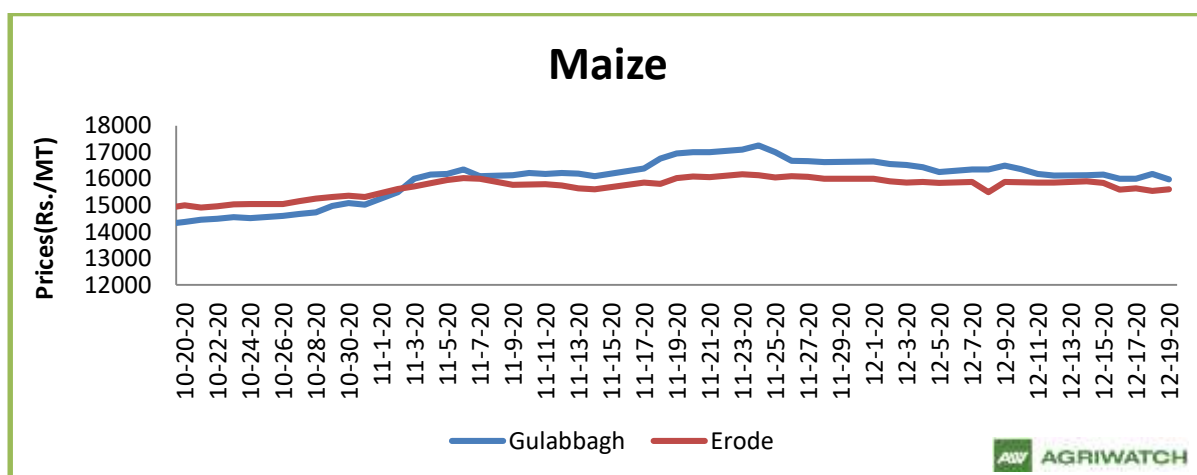
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 12.0 lakh tonnes of old and new stocks while Hafed has offloaded around 4 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

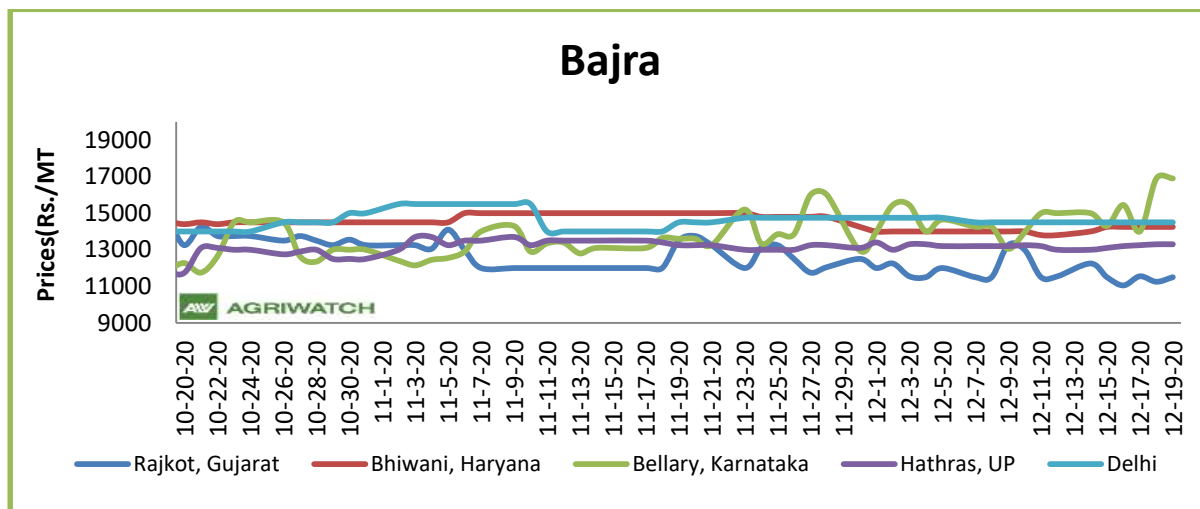
The all India rapeseed-mustard arrivals fell week-on-week and were reported at 4.0 lakh bags during the week compared to around 4.10 lakh bags, previous week. The supplies for the same were 7.60 lakh bags during the corresponding period last year.

RM seed prices fell by -3.5% to the weekly average of Rs 5,777 a quintal from Rs 5,985 a quintal previous week and Rs 4,655 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal fell by -4.7% to the weekly average price of Rs. 2,439/qtl compared to the the weekly average price of Rs. 2,558/qtl previous week.

At NCDEX futures, the January contract rapeseed-mustard declined to 5,470/Qtl compared to 5,527/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 60,000 MT of maize till 16th December, 2020. In Andhra Pradesh, Government has procured around 1,42,390.4 MT of maize till 13th December, 2020.

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. 1,600-1,625 per quintal each. In Gulabghat, it is being traded at Rs. 1,600 per quintal (Bilty Price). Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Nizamabad region. In Karnataka, maize arrivals still contains moisture upto 16% and damage upto 5% and is moving towards Bengaluru and Nammakal but in very limited quantity, at Rs.1,520-1,530 and Rs.1,550-1,560 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 10.44 lakh hectares as of 18th December 2020, lower than corresponding period last year area of 11.09 lakh hectares. In Tamil Nadu, it has been sown in 1.46 lakh hectares; lower than the 1.58 lakh hectares in the corresponding period, last year. In Karnataka, it has been sown in 0.55 lakh hectares; lower than the 0.70 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 3.61 lakh hectares; higher than the 3.53 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 1.67 lakh hectares; higher than 1.08 lakh hectares last year.

Corn on CBOT rose by 5.52 USD/MT to 172.24 USD/MT for March'21 contract compared to previous week on the concern over South American crop. 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.

At 0.97 MMT (for the period December 04 -December 10, 2020) U.S. Maize exports were up 35 percent from the previous week and 10 percent from the prior 4-week average; mainly for the destinations like China (352,800 MT), Mexico (297,300 MT), Colombia (64,100 MT), Japan (59,200 MT), and Guatemala (56,300 MT).

All India's weekly average prices of wheat increased by 1.57 percent to Rs. 1846.26 per quintal during the week ended 23rd Dec 2020. Wheat average prices were ruling at Rs 2197.57 per quintal during 16th – 23rd Dec 2019. The wheat prices are unlikely to drop much further and going to be stable in coming weeks due to ample availability and slowed demand from flour mills. There's a discussion in the market that the PMGKAY scheme will get restart again. The new wheat from Saurashtra region (Gujrat) will be coming to the mandis at the end of next month.

As per the latest update, the area sown to wheat has increased marginally by 5.22% to 294.01 lakh hectares so far in the ongoing 2020-21 rabi season from 278.65 lakh hectares in the year-ago period. The overall trend of rabi sowing progress is excellent, with increased area coverage recorded. Thus 15.36 lakh hectares more area has been covered than last year's same period due to good sowing and favorable weather.

According to traders, Prices of Wheat rose in Indore today due to increased bulk demand before Christmas amid steady arrivals of the food grain. Arrivals were pegged steady at 3,000 bags (1 bag = 100 kg). In Jaipur, wheat prices rose as bulk demand increased while arrivals were steady. Arrivals were largely unchanged at 1,500 bags.

The farmers protesting at the Delhi/NCR borders against the three new farm laws, wheat cultivation back home in their States of Punjab, Haryana, and Rajasthan has taken a hit in the current rabi season. States like Madhya Pradesh and Maharashtra, from where not many farmers have participated in the protests, have sown more wheat or rabi crops this year.

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.

As per trade sources, India has exported around 1.85 lakh tonnes in the month of November-2020 at an average FOB of \$468.24 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and UAE. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will going to support the domestic market in near term.

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 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)		
	17-Dec-20	11-Dec-20	Parity To
Indore - 45%, Jute Bag	32800	31500	Gujarat, MP
Kota - 45%, PP Bag	34000	33200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34800	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34200	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34000	Andhra, AP, Kar, TN
Latur	35000	34000	-
Sangli	34000	33800	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33700	32700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	33800	33000	-

Soy DOC at Port

Centers	Port Price		
	17-Dec-20	11-Dec-20	Change
Kandla (FOR) (INR/MT)	35500	34500	1000
Kandla (FAS) (USD/MT)	495	485	10
CNF Indonesia – Yellow SBM (USD/MT)	503	505	-2

International Soy DOC			
Argentina FOB USD/MT	17-Dec-20	11-Dec-20	Change
Soybean Pellets	470	444	26
Soybean Cake Flour	470	444	26
Soya Meal	466	438	28
Soy Expellers	466	438	28
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		

Centers	17-Dec-20	11-Dec-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23600	23600	Unch

Groundnut Meal (Rs/MT)	17-Dec-20	11-Dec-20	Change
Basis 45%, Saurashtra	25000	24500	500
Basis 40%, Saurashtra	22000	21500	500
GN Cake, Gondal	26000	25000	1000

Mustard DOC/Meal	17-Dec-20	11-Dec-20	Change
Jaipur (Plant delivery)	18600	19200	-600
Kandla (FOR Rs/MT)	19600	20200	-600

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	18-Dec-20	11-Dec-20	18-Nov-20	18-Dec-19	18-Dec-18
Delhi	Hybrid	1550	1550	1650	2250	1850
Davangere	Loose	1400	1380	1350	1950	1725
Nizamabad	Bilty	NA	1500	1500	2050	1570
Ahmedabad	Feed	1550	1550	Closed	NA	1800
	Starch	1560	1580	Closed	NA	1900

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

As on 18.12.2020	Argentina	Brazil	US	India
FOB	228.35	245.00	215.00	213.52
Cost and Freight	278.35	300.00	275.00	248.52

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	18-Dec-20	11-Dec-20	Change
Bajra	Karnataka	Hybrid	Bellary	1690	1500	190
		Hybrid	Bangalore	1850	1800	50
Jowar	Karnataka	White	Bangalore	2900	2900	Unch
		White	Bellary	1530	1445	85
Maize	Karnataka	Yellow	Davangere	1400	1380	20
	Telangana	Yellow	Nizamabad	NA	1475	-
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3270	3150	120
	Maharashtra	DOC	Sangli	3400	3380	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2400	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1860	1920	-60
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2500	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2070	2050	20
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2063	2047	16
Note: Prices Rs./Qtl						

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