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## Summary

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Maize cash markets traded mixed 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 70,000 MT of maize 22<sup>nd</sup> December, 2020. In Andhra Pradesh, Government has procured around 1,42,390.4 MT of maize till 13<sup>th</sup> December, 2020.

All India's weekly average prices of wheat decreased by 0.67 percent to Rs. 1833.98 per quintal during the week ended 31st Dec 2020. Wheat average prices were ruling at Rs 2228.91 per quintal during 24th – 31st Dec 2019. The wheat prices are unlikely to drop and is going to be stable in coming weeks due to ample availability despite slowed demand from flour mills. The new wheat from Saurashtra region (Gujarat) will be coming to the mandis at the end of next month.

Cottonseed oil cake prices has declined by Rs 35 to Rs 1,967 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 35, or 1.75 per cent, to Rs 1,967 per quintal with an open interest of 65,390 lots. Also, CCI procurement has reached around 67 lakh bales of cotton at MSP so far. The daily arrivals have also increased to 2,70,000 to 3,00,000 bales a day. The average price in Kadi was at Rs. 2023/q and for Akola was Rs. 2043/q. The prices declined from the previous week about 1.36% to 0.61% respectively.

The domestic oilseeds and oilmeals posted gains altogether on India's improved oilmeal exports and waning fear for the import duty cut on the edible oils, after Indian government recently slashed it on crude palm oil.

Good export enquiries for soymeal, rapeseed-mustard meal, groundnut oil and seed remained positive for the local oilseeds and oilmeals.

Soybean extended gains on good crushers' demand to meet the improved overseas soymeal demand and local soyoil demand at wholesale and retail.

Bullish global supply outlook in soybean followed by dry weather in Latin America, which will hit the soybean output in Brazil and Argentina, labour strike in Argentina, good demand from processors and expected 7-year lower US soybean inventories in September 2021 have pushed up the international soy complex lending support to the domestic market too.

Further. The domestic rapeseed-mustard and the meal rebound with subsiding fear for the import duty cut on the edible oils, better rapeseed meal exports and steady mustard oil demand.

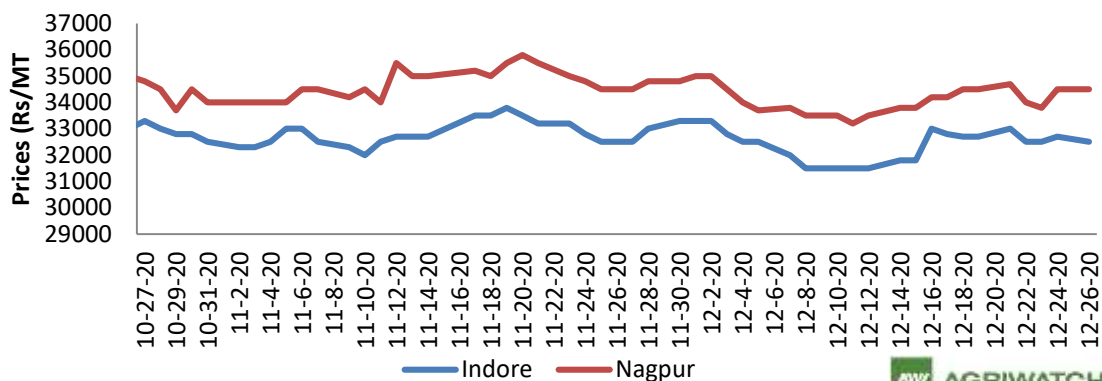
The rapeseed-mustard prices improved by +1% also the rapeseed meal edged up by +1%, the soybean posted gains by +2% while the soymeal posted gains by +2% and groundnut seed rose by 5%, all compared to the previous week's level.

We feel the soy complex and rapeseed-mustard complex to feature range bound movement with firm bias on bullish global supply outlook and demand. Besides, groundnut prices will also feature range-bound movement with firm bias on bullish outlook following good overseas demand for Indian seed.

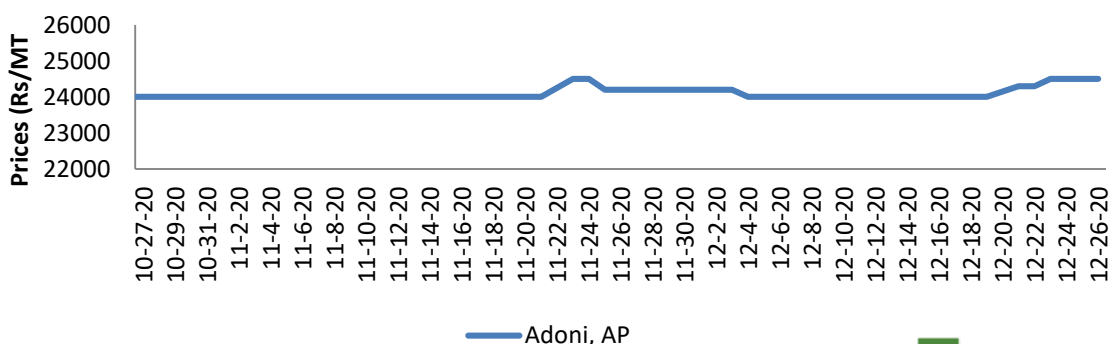
## Trend – Raw Material, Feed

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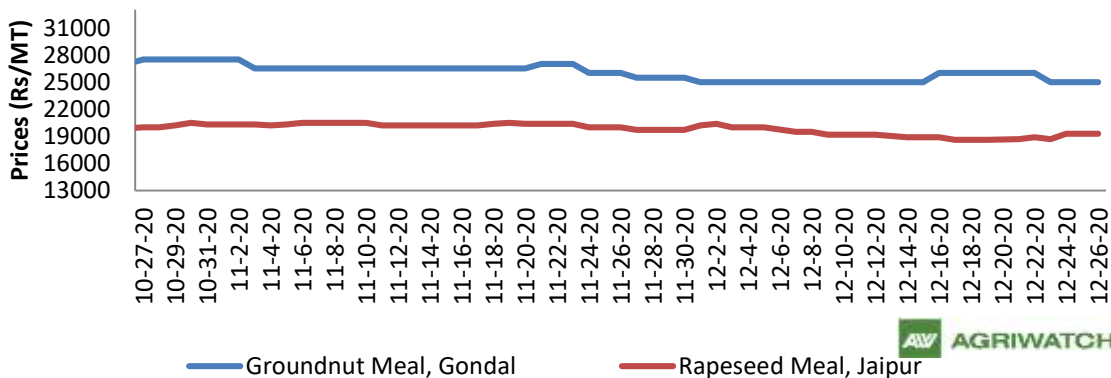
## Soymeal

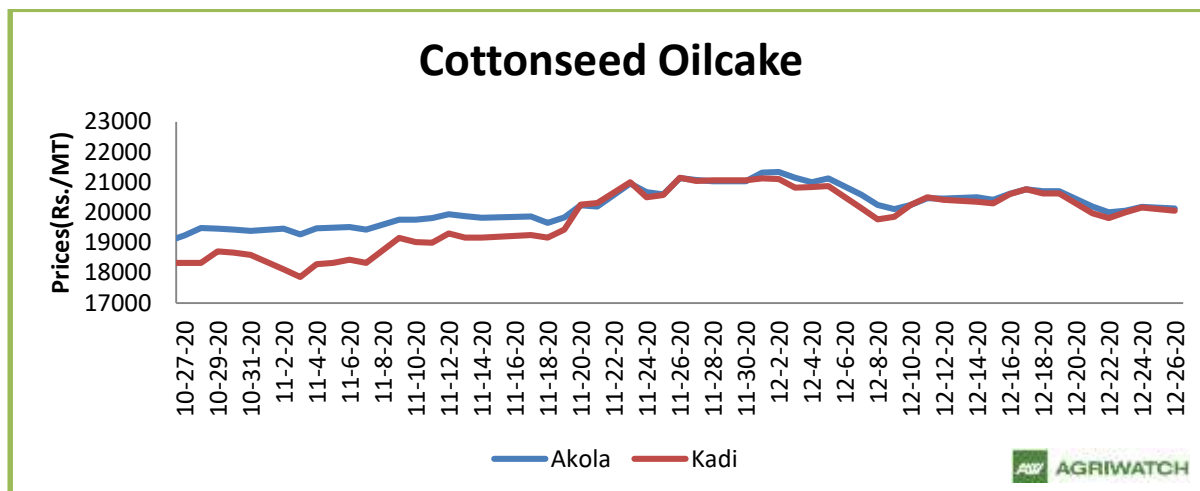


## Sunflower Meal



## GN and Rapeseed Meal





Source: AgriWatch

### Soy meal

The domestic soymeal extended previous gains and the prices improved by +2% compared to the previous week, in sync with soybean on continued better soymeal exports and improved exports enquiries in recent days.

India's soymeal exports is performing well this season compared to the previous year, mainly due to the global tight supplies.

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

The international soymeal prices are continued 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 3 weeks since the labours are on strike on wage woes.

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 exports window for India.

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.

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.

India's November 2020 soymeal exports improved by +186% to 1,98,776 metric tonnes compared to 69,415 metric tonnes in the same period last year. Further, the soymeal shipments improved by +28% to 6,36,981 metric tonnes in aggregate, during the last seven months (Apr.-Nov.) of financial year 2020-21 compared to ,49,7116 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of November 2020 is reported at 3,31,171 metric tonnes compared to 2,08,401 metric tonnes in November 2019 i.e. up by +59%.

The overall export of oilmeals during April to November 2020 is also reported up by +12% at 19,48,699 metric tonnes compared to 17,34,875 metric tonnes during the same period last year.

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 in November'20 is reported at 45,050 metric tonnes against last year 73,235 metric tonnes during the same period i.e. down by -45%, and ricebran extraction is reported at 50,089 metric tonnes against last year 12,157 metric tonnes i.e. more than quadrupled (312%), higher processing of de-oiled ricebran increased availability for the export.

The domestic weekly average soymeal prices at Indore improved to Rs 32,683/MT and was quoted between Rs 32,500 – 33,000/MT compared to the weekly average of Rs 32,067/MT traded between the price ranges of Rs 31,500 – 33,000/MT previous week.

At Latur soymeal prices improved to Rs 35,000 – 36,000/MT from Rs 33,500 – 35,000/MT a week ago and in Nanded it was quoted lower at Rs. 34,500 – 34,800/MT compared to Rs. 33,700 – 35,000/MT a week ago. Besides, in Kota, the meal slightly surged to Rs 33,700 – 34,200/MT compared to Rs 32,800 – 34,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 32,500 – 33,000/MT during the week compared to Rs 34,500 – 35,500/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 33,000 – 34,000/MT on better export demand.*

### **Rapeseed - Mustard Seed**

Rapeseed-mustard rebound on continued and steady mustard oil demand and overall better overseas rapeseed meal exports.

However, the gains were limited due to the expectation of bigger rapeseed-mustard crop and partial demand diversion to the other cheaper edible oil alternates from the mustard oil by some households after it skyrocketed in recent while.

The Solvent Extractors' Association (SEA) of India has urged the government to include rational provision in ASEAN agreement to restrict or regulate the imposition of export duty by the palm oil exporting countries. SEA feels that this will ensure a level-playing field for both the countries that export and import palm oil.

In a letter to its members, Atul Chaturvedi, President of SEA, said that there is always a bound rate for imposing highest export duty on palm oil and products imported by India under ASEAN agreement and Comprehensive Economic Cooperation Agreement with Malaysia.

He said the palm oil exporting countries seem to be free to impose export duty and levy as agreements overlook this issue. Indonesia has imposed \$33 as export duty plus \$180 as a biodiesel levy making crude palm oil (CPO) expensive. Following this, India is compelled to pay high price for the same.

To support their local industry, that country has kept export duty and levy low on finished goods such as RBD palmolein.

Mr. Chaturvedi said, "Indirectly, India is subsidising their export duty and levy. Also, Malaysia is likely to impose 8 per cent export duty on export of CPO with effect from January 1 2021.

Higher palm oil imports by India has always hit the domestic mustard oil demand and the rapeseed-mustard crush margins.

In the latest official rabi oilseeds planting report dated 24 December 2020, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 9% at 71.79 lha compared to 65.72 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 exports for rapeseed meal during April-November 2020 was up 312% at 50,089 metric tonnes compared to 12,157 metric tonnes during the same period previous marketing season.

However, India's export of rapeseed meal in November'20 is reported at 45,050 metric tonnes against last year 73,235 metric tonnes during the same period i.e. down by -45%.

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.

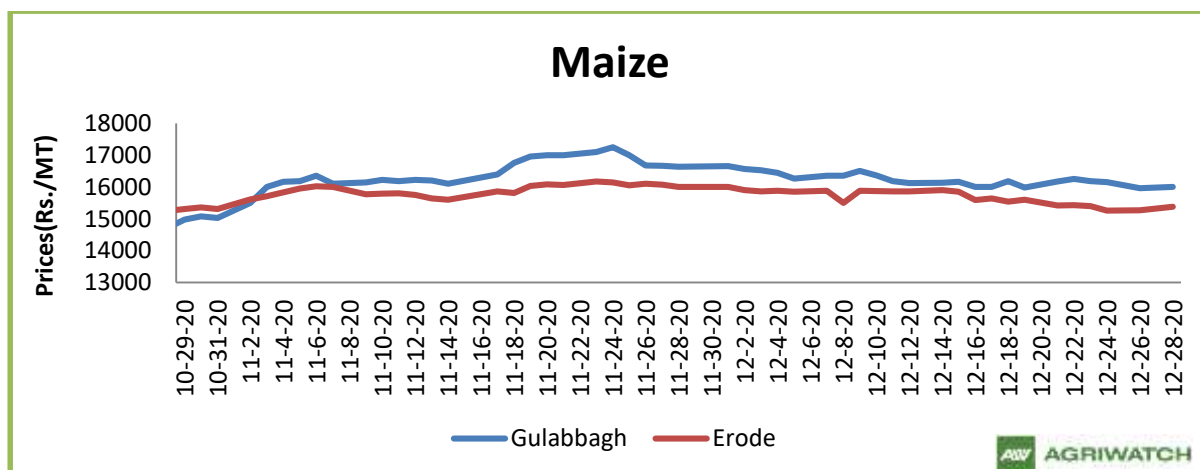
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 12.0 lakh tonnes of old and new stocks while Hafed has offloaded around 4 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all India rapeseed-mustard arrivals slightly edged-up week-on-week and were reported at 4.3 lakh bags during the week compared to around 4.0 lakh bags, previous week. The supplies for the same were 7.50 lakh bags during the corresponding period last year.

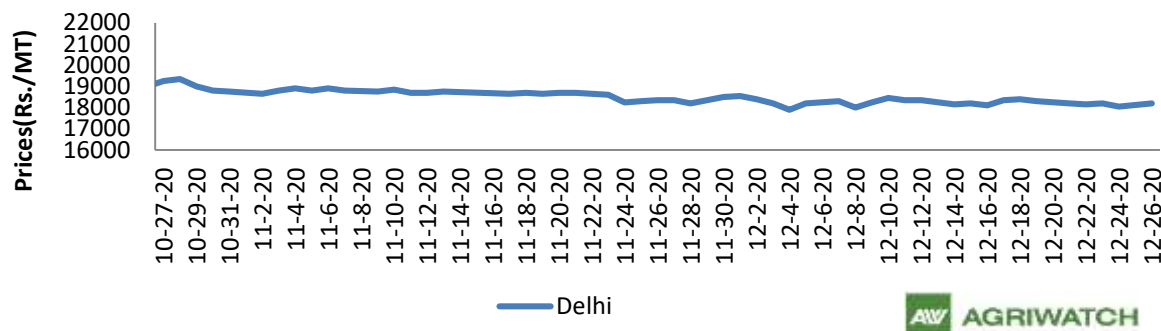
RM seed prices edged up by +1% to the weekly average of Rs 5,818 a quintal from Rs 5,777 a quintal previous week and Rs 4,744 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal too posted gain by +1% to the weekly average price of Rs. 2,740/qtl compared to the the weekly average price of Rs. 2,439/qtl previous week.

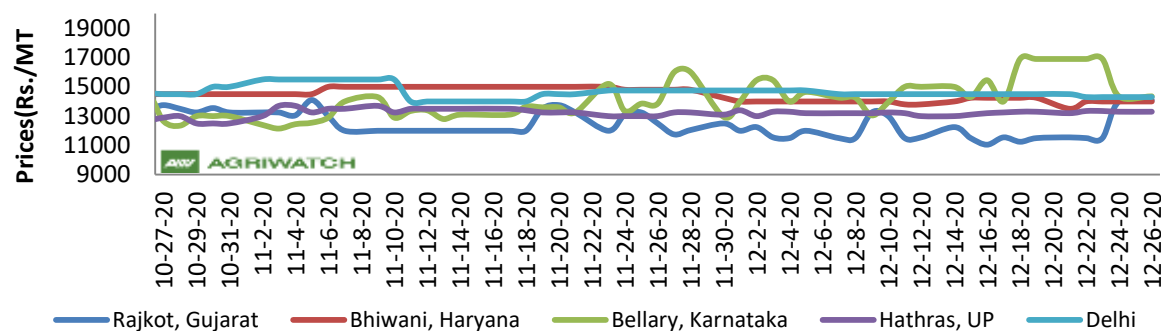
At NCDEX futures, the January contract rapeseed-mustard declined to 5,648/Qtl compared to 5,470/Qtl previous week.



## Wheat, Mill Delivery



## Bajra



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

Maize cash markets traded mixed 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 70,000 MT of maize 22<sup>nd</sup> December, 2020. In Andhra Pradesh, Government has procured around 1,42,390.4 MT of maize till 13<sup>th</sup> 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. 1,600-1,615 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. Tamil Nadu feed makers demand has been lower due to start of local crop arrivals. However, some fresh export enquiry is being reported from Haveri and Koppal districts of Karnataka.

In India, Rabi Maize has been sown in 11.59 lakh hectares as of 24th December 2020, lower than corresponding period last year area of 12.52 lakh hectares. In Bihar, it has been sown in 4.07 lakh hectares; lower than the 4.15 lakh hectares in the corresponding period, last year. 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 0.60 lakh hectares; lower than the 0.76 lakh hectares in

the corresponding period, last year. However, in Maharashtra, it has been sown in 1.87 lakh hectares; higher than 1.33 lakh hectares last year.

Corn on CBOT rose by 5.31 USD/MT to 177.55 USD/MT for March'21 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.

At 0.84 MMT (for the period December 11 -December 17, 2020) U.S. Maize exports were down 13 percent from the previous week and 8 percent from the prior 4-week average; mainly for the destinations like China (271,900 MT), Japan (260,800 MT), Mexico (178,500 MT), Panama (30,700 MT), and Taiwan (26,500 MT).

All India's weekly average prices of wheat decreased by 0.67 percent to Rs. 1833.98 per quintal during the week ended 31<sup>st</sup> Dec 2020. Wheat average prices were ruling at Rs 2228.91 per quintal during 24<sup>th</sup> – 31<sup>st</sup> Dec 2019. The wheat prices are unlikely to drop and is going to be stable in coming weeks due to ample availability despite slowed demand from flour mills. The new wheat from Saurashtra region (Gujarat) will be coming to the mandis at the end of next month.

As per the latest update, the area under wheat has increased marginally by 5.06% to 313.23 lakh hectares so far in the ongoing 2020-21 Rabi season from 297.38.65 lakh hectares in the year-ago same period. The overall trend of Rabi sowing progress is excellent, with increased area coverage recorded due to favourable weather.

Wheat WPI has increased from 147.4 in October -2020 to 147.9 in November-2020. Monthly wheat inflation has increased by 0.33 percent in November-2020 compared to previous month.

According to the market source, Indian traders are expected to export around 40,000 tonnes of wheat to Bangladesh at \$210-\$220 per tonnes FOB. The exports may take place in a few days. More exports to Bangladesh are likely this financial year as prices of wheat in India have become more competitive in the past few months. Last month, Indian traders signed deals with their counterparts in Bangladesh to export around 200,000 tonnes of wheat. High export from India will give support to domestic price.

GI tag to be mandatory for some important crops including Sharbati wheat says Madhya Pradesh's, Chief Minister. Statements were made at a review meeting of various departments on Monday. Agricultural departments have been directed to educate the farmers regarding the crops to be sown. To begin with the same, Agricultural Science centers have been asked to show a list before Rabi and Kharif crops are sown.

The government has sold 8860 tonnes of wheat in OMSS through E-Auctions in the First week of December '20. No rakes were sold. State Government bought 8860 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 exports will support the domestic market in near term.

According to traders, prices fell in Indore due to a rise in arrivals and weak demand. Arrivals were pegged at 12500 bags (1 bag = 100 kg), low from 10000 bags. Wheat prices in Jaipur also fell as arrivals rose, traders said. Arrivals were pegged at 22,000 bags against 15000 bags. However, the outlook is bullish as bulk demand is expected to pick up due to rising exports.

Australia 75% harvested, crop expectations ~30+ MMT, some elevators sold till the end of the season. In Argentina, yields are very poor, and the crop could reach just 16.2-16.5 MMT. Russian weather is unattractive, 22% of planted wheat in poor condition - crop 21/22 expectations now ~78 MMT (areas increased). Egypt held a tender; they were trying to catch a gap between the previous tender and Feb

15 (Russian quota and duty), but Russian sellers include the duty to prices, so became uncompetitive- Egypt bought Ukrainian and Romanian cargoes. The International Wheat market remains bullish in coming weeks.

**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)		
	24-Dec-20	18-Dec-20	Parity To
Indore - 45%, Jute Bag	32700	32700	Gujarat, MP
Kota - 45%, PP Bag	34000	34000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34800	35000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34500	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34800	34500	Andhra, AP, Kar, TN
Latur	35000	35500	-
Sangli	34300	34000	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33700	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	33800	33800	-

#### Soy DOC at Port

Centers	Port Price		
	23-Dec-20	17-Dec-20	Change
Kandla (FOR) (INR/MT)	35000	35500	-500
Kandla (FAS) (USD/MT)	490	495	-5
CNF Indonesia – Yellow SBM (USD/MT)	507	503	4

International Soy DOC			
Argentina FOB USD/MT	23-Dec-20	17-Dec-20	Change
Soybean Pellets	495	470	25

Soybean Cake Flour	495	470	25
Soya Meal	485	466	19
Soy Expellers	485	466	19
<b>Sunflower (DOC) Rates</b>	<b>Ex-factory rates (Rs/ton)</b>		
<b>Centers</b>	<b>24-Dec-20</b>	<b>18-Dec-20</b>	<b>Change</b>
Adoni	24500	24000	500
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	24000	23600	400

<b>Groundnut Meal (Rs/MT)</b>	<b>24-Dec-20</b>	<b>18-Dec-20</b>	<b>Change</b>
Basis 45%, Saurashtra	24000	25000	-1000
Basis 40%, Saurashtra	21500	22000	-500
GN Cake, Gondal	25000	26000	-1000

<b>Mustard DOC/Meal</b>	<b>24-Dec-20</b>	<b>18-Dec-20</b>	<b>Change</b>
Jaipur (Plant delivery)	19300	18600	700
Kandla (FOR Rs/MT)	19700	19600	100

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

Market	Grade	24-Dec-20	17-Dec-20	24-Nov-20	24-Dec-19	24-Dec-18
Delhi	Hybrid	1520	1550	1600	2225	1850
Davangere	Loose	1350	1360	1450	1950	1700
Nizamabad	Bilty	NA	NA	1500	2050	1575
Ahmedabad	Feed	1500	1550	1625	NA	1870
	Starch	1550	1550	1625	NA	1900

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

As on 24.12.2020	Argentina	Brazil	US	India
FOB	234.45	245.00	215.00	210.60
Cost and Freight	284.45	300.00	275.00	245.60

**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	68576
Oct	4237	31390	71425	150388	63800	120290
Nov	8909	97750	207630	186409	69415	198776
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>760515</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	24-Dec-20	18-Dec-20	Change
Bajra	Karnataka	Hybrid	Bellary	1435	1690	-255
		Hybrid	Bangalore	1850	1850	Unch
Jowar	Karnataka	White	Bangalore	2900	2900	Unch
		White	Bellary	1495	1530	-35
Maize	Karnataka	Yellow	Davangere	1350	1400	-50
	Telangana	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3270	3270	Unch
	Maharashtra	DOC	Sangli	3430	3400	30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2450	2400	50
Mustard	Rajasthan	Plant delivery	Jaipur	1930	1860	70
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2600	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2016	2070	-54
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2018	2063	-45
Note: Prices Rs./Qtl						

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