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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 continuous demand from the domestic feed industry and export markets.

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 steady to firm in coming weeks due to high export demand and low yields this year.

The domestic oilseeds including soybean, rapeseed-mustard and groundnut seed posted gains on good buying support from the oilseed crushers to meet fresh winter edible oil demand and meal demand.

The rapeseed-mustard prices improved by +6% also the rapeseed meal edged up by +5%, the soybean posted gains by +1% while the soymeal edged lower by -1% and groundnut seed rose by 0.3%, all compared to the previous week's level.

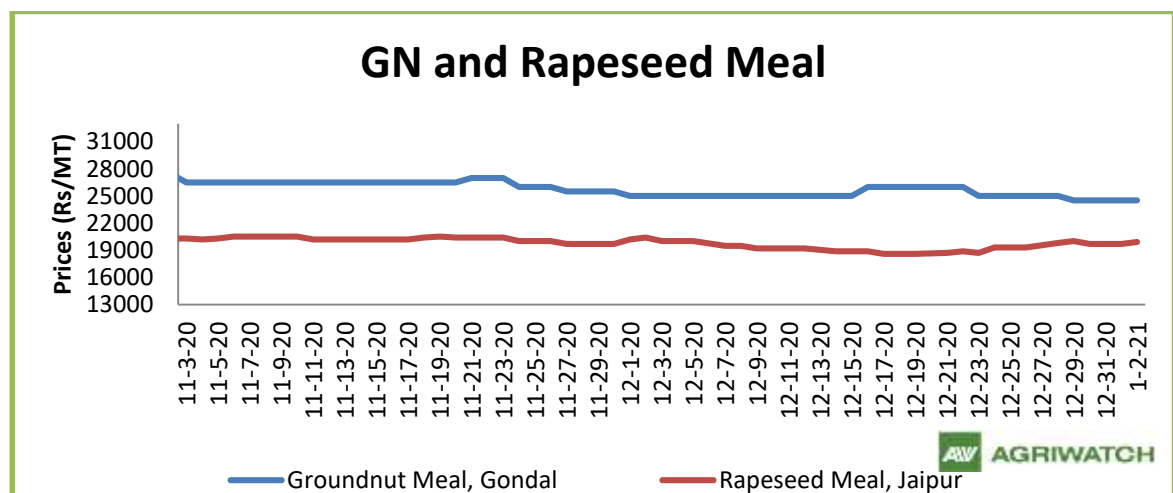
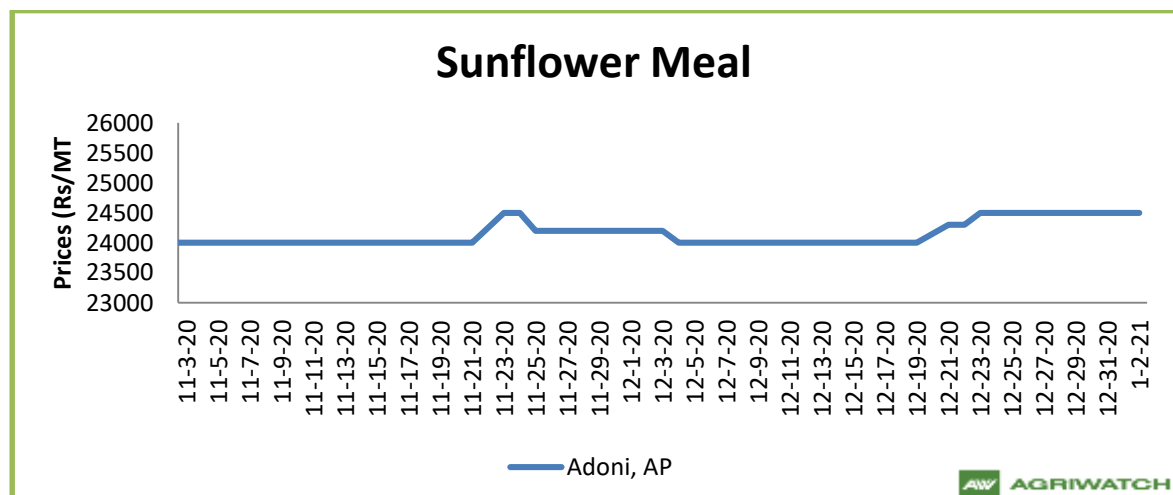
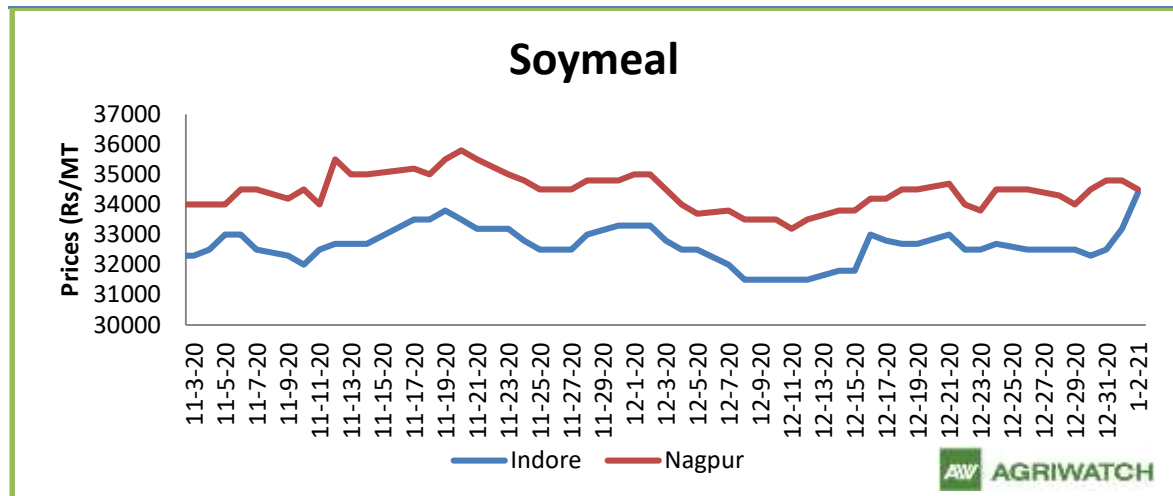
Continued and need based buying in the soybean witnessed on better soymeal export enquiries and good local soyoil demand.

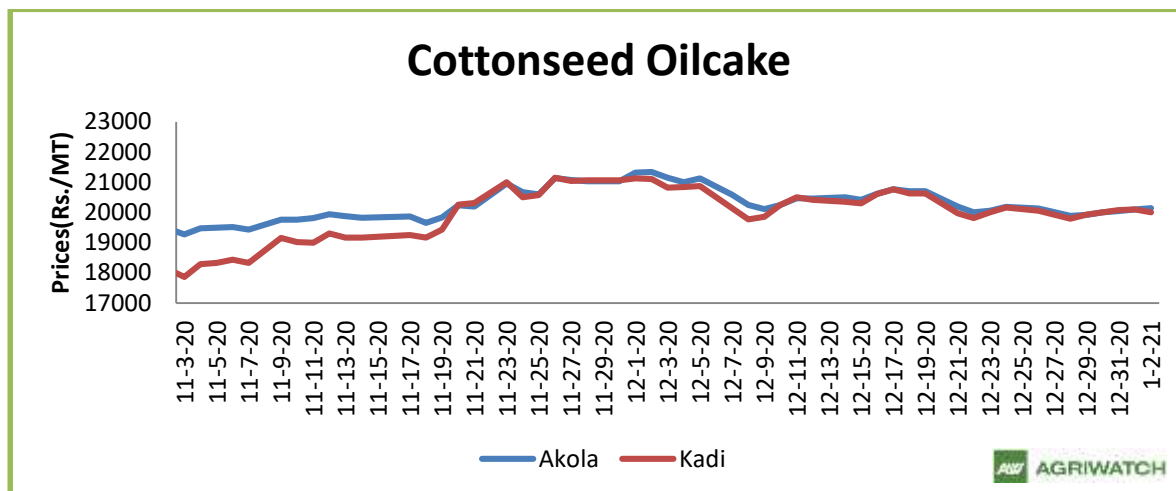
However, the soymeal came under some pressure with the end of Argentine workers' strike, after 20 days.

Rapeseed-mustard remained the leader which performed well extending previous week's gain. This is despite estimates of bigger seed crop this season.

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**





**Source: AgriWatch**

### Soy meal

The domestic soymeal edged-down by -1% mainly after Argentina's oilseed workers ended their 20-day strike and soy processing units once again resumed their normal operations in the country.

This raised the hopes of resumption of soymeal supplies to the importing countries which got disrupted for around 3 weeks.

Currently, India's soymeal exports enquiries are good and the shipments are 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 strong on the supply concerns, the Argentine soymeal prices have got dearer in last couple of months due to lean season, The soymeal export price spread of India vs Argentina have further narrowed to US \$ 24/MT in December'20 vs US \$ 32/MT in November'20, creating exports opportunity 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.

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 fell to Rs 32,460/MT and was quoted between Rs 32,300 – 32,500/MT compared to the weekly average of Rs 32,683/MT and was traded between the price ranges of Rs 32,500 – 33,000/MT previous week.

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

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 32,300 – 33,500/MT during the week compared to Rs 36,200 – 36,500/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 surged on improved local winter mustard oil demand and better rapeseed meal export sales from India.

The seed witnessed a gain of 6.5% gains, biggest gain in a week in recent while.

In the latest official rabi oilseeds planting report dated 01 January 2021, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 9% at 72.39 lha compared to 66.62 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.

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 US \$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 in early 2021.

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

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.

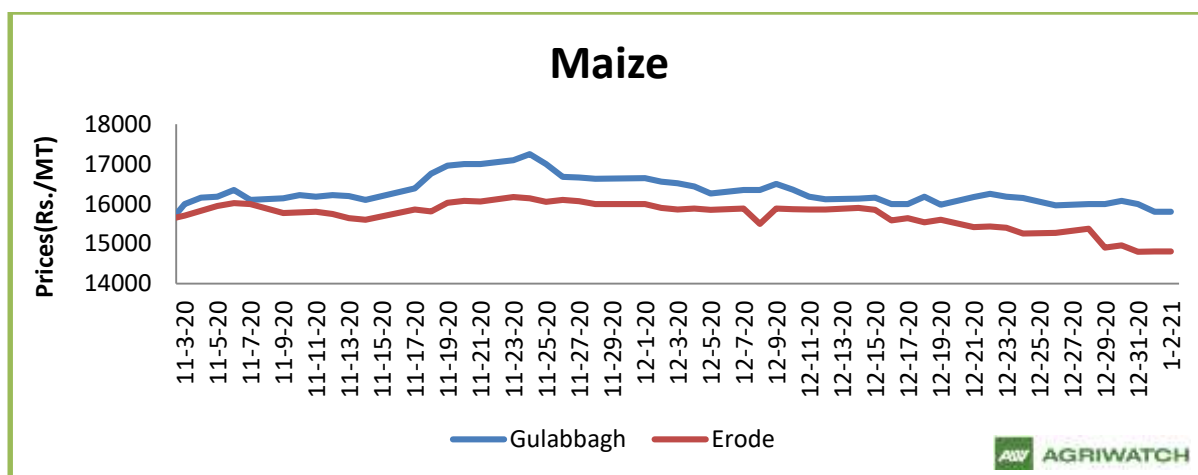
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 12.0 lakh tonnes of old and new stocks while Hafed has offloaded around 4 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all India rapeseed-mustard arrivals slightly fell week-on-week and were reported at 3.35 lakh bags during the week compared to around 4.3 lakh bags, previous week. The supplies for the same were 8.5 lakh bags during the corresponding period last year.

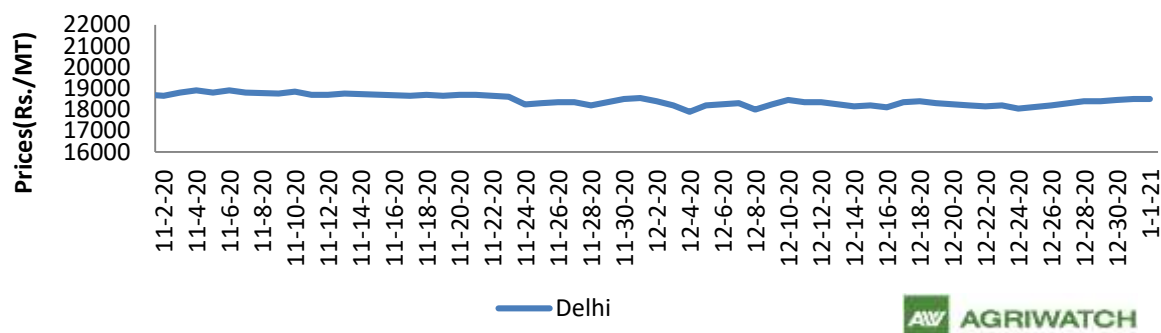
RM seed prices edged up by +6.5% to the weekly average of Rs 6,197 a quintal from Rs 5,818 a quintal previous week and Rs 4,854 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal too posted gains by +5% to the weekly average price of Rs. 2,601/qtl compared to the the weekly average price of Rs. 2,470/qtl previous week.

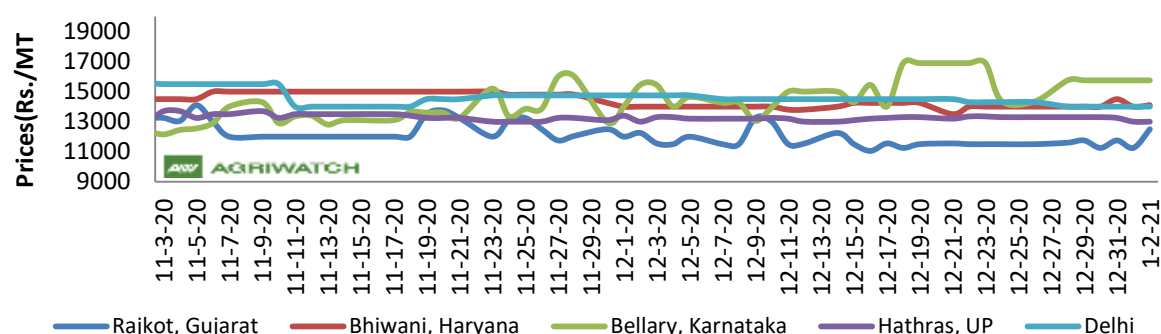
At NCDEX futures, the February contract of rapeseed-mustard surged to 5,807/Qtl compared to 5,631/Qtl previous week.



## Wheat, Mill Delivery



## Bajra



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

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 continuous demand from the domestic feed industry and export markets.

Trade sources revealed that In Telangana, the Government has procured around 80,000 MT of Maize till date. In Andhra Pradesh, the Government had procured around 1,79,831.10 MT of Maize till December 27, 2020.

In Gulabbagh region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price). Trade activities in Bihar has been lower due to low supply in to the market. 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 which is weighing on Karnataka maize prices.

In India, Maize has been sown in 12.57 lakh hectares as of January 01, 2021, which is lower than the 13.73 lakh hectares of area during the corresponding period last year. In Karnataka, it has been sown in 0.66 lakh hectares; lower than the 0.87 lakh hectares in the corresponding period, last year. In Andhra Pradesh, it has been sown in 0.64 lakh hectares; lower than the 1.21 lakh hectares in the corresponding period, last year and in Telangana, it has been sown in 0.36 lakh hectares; lower than the 0.91 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in

4.35 lakh hectares; marginally higher than the 4.30 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.46 lakh hectares; higher than the 1.42 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.23 lakh hectares; higher than 1.61 lakh hectares in the corresponding period, last year.

Corn on CBOT rose by 12.99 USD/MT to 190.54 USD/MT for March'21 contract compared to previous week. Agriwatch expects that continuous export demand for U.S. Maize and decrease in Global Maize Ending Stock, would continue to support CBOT Maize.

At 1.34 MMT (for the period December 18 -December 24, 2020) U.S. Maize exports were up 60 percent from the previous week and 49 percent from the prior 4-week average; mainly for the destinations like China (492,000 MT), Japan (273,400 MT), Mexico (226,900 MT), Colombia (76,100 MT), and Morocco (65,900 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 steady to firm in coming weeks due to high export demand and low yields this year.

As per the latest update, the area under wheat has increased marginally by 3.63% to 325.35 lakh hectares so far in the ongoing 2020-21 Rabi season from 313.95 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. Lesser area reported in states like Punjab, Rajasthan, Uttar Pradesh and Karnataka.

Wheat sowing has been completed and contrary to official figures. It is estimated that 60% to 65% of wheat has been planted in Gujarat. Farmers have increased planting of gram this year. In the Junagadh-Gir-Veraval region, farmers have sown gram only. Companies buying wheat at Rs 1,850 and there is no recent special trade-in South. Recent export trades in wheat are getting better. Trading at Gandhidham Reach is trading at Rs. 1,800. Traders have suffered a huge loss in the South this year and many payments of wheat have not been paid. As a result, in the new season, traders will deliver more in the export trade than in the south.

Considering the sowing in wheat, the wheat planting in Rajasthan is estimated to be 20% less. Due to the good price of the Chana, mustard, farmers have planted it in other crops instead of wheat. The prices of wheat were reduced from Rs. 1,450 to Rs. 1,500 per quintal to the farmers, compared to the mustard price of mustard-gram and above Rs. 5,000 to Rs. 6,000 at one stage.

In Gujarat, The export demand for wheat is overall good, but recently it has slowed down from two to five days, but the export trade will be good later. Due to the government shutting down free wheat, the pipeline of mills is also empty, as a result, its demand is expected to be good.

According to the market sources, Indian traders are expected to export around 40,000 tonnes of wheat to Bangladesh at \$210-\$220 per tonnes FOB soon. 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. Higher exports from India will give support to domestic prices.



The government has sold 92480 tonnes of wheat in OMSS through E-Auctions in the month of December '20. No rakes were sold. State Government bought 43800 tonnes of wheat, and 48680 tonnes purchase by bulk consumers respectively.

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 is in poor condition - crop 21/22 expectations now ~78 MMT (even though area 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 included the duty to prices, and 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)		
	31-Dec-20	24-Dec-20	Parity To
Indore - 45%, Jute Bag	32500	32700	Gujarat, MP
Kota - 45%, PP Bag	33700	34000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35000	34800	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34800	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34800	34800	Andhra, AP, Kar, TN
Latur	36000	35000	-
Sangli	34000	34300	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33200	33700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	33500	33800	-

#### Soy DOC at Port

Centers	Port Price		
	30-Dec-20	24-Dec-20	Change
Kandla (FOR) (INR/MT)	35500	35000	500

Kandla (FAS) (USD/MT)	500	490	10
CNF Indonesia – Yellow SBM (USD/MT)	510	507	3

International Soy DOC			
Argentina FOB USD/MT	30-Dec-20	24-Dec-20	Change
Soybean Pellets	510	495	15
Soybean Cake Flour	510	495	15
Soya Meal	497	485	12
Soy Expellers	497	485	12
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	31-Dec-20	24-Dec-20	Change
Adoni	24500	24500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	24000	24000	Unch

Groundnut Meal (Rs/MT)	31-Dec-20	24-Dec-20	Change
Basis 45%, Saurashtra	23500	24000	-500
Basis 40%, Saurashtra	21000	21500	-500
GN Cake, Gondal	24500	25000	-500

Mustard DOC/Meal	31-Dec-20	24-Dec-20	Change
Jaipur (Plant delivery)	19700	19300	400
Kandla (FOR Rs/MT)	20000	19700	300

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

Market	Grade	01-Jan-21	24-Dec-20	01-Dec-20	31-Dec-19	31-Dec-18
Delhi	Hybrid	1500	1520	1600	2250	1850
Davangere	Loose	1320	1350	1440	1960	1650
Nizamabad	Bilty	1450	NA	1500	2050	1775
Ahmedabad	Feed	1470	1500	1525	2200	1780
	Starch	1525	1550	1540	2250	1800

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

As on 31.12.2020	Argentina	Brazil	US	India
FOB	226.77	258.00	236.00	208.05
Cost and Freight	276.77	313.00	296.00	243.05

**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	01-Jan-21	24-Dec-20	Change
Bajra	Karnataka	Hybrid	Bellary	1575	1435	140
		Hybrid	Bangalore	1850	1850	Unch
Jowar	Karnataka	White	Bangalore	2900	2900	Unch
		White	Bellary	1475	1495	-20
Maize	Karnataka	Yellow	Davangere	1320	1350	-30
	Telangana	Yellow	Nizamabad	1400	NA	-
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3320	3270	50
	Maharashtra	DOC	Sangli	3420	3430	-10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2450	2450	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1970	1930	40
Groundnut Meal	Gujarat	GN Cake	Gondal	2450	2500	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2010	2016	-6
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2010	2018	-8
Note: Prices Rs./Qtl						

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