

Contents:

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Annexure– Prices**

Summary

Maize cash markets traded mixed during the week compared to last week. Agriwatch expects that Maize would trade steady to slightly weak as cases of Bird flu have been reported from Kerala, Himachal Pradesh, Haryana, Rajasthan and Madhya Pradesh. This has already affected the demand for poultry products and subsequently, that of maize. Further spread of the avian disease may lead to prices falling more sharply.

All India's weekly average prices of wheat decreased by 0.25 percent to Rs. 1889 per quintal during the week ended 8th Dec 2021. Wheat average prices were ruling at Rs 2254.21 per quintal during 09th –15th Jan 2020. The wheat prices are unlikely to drop and is going to be steady to slight firm in coming weeks due to high export demand.

The domestic oilseeds posted gains in sync with the oilmeals on good buying support by the oilseed processors and consuming sectors.

Soybean and rapeseed-mustard and groundnut seed posted gains on improved overseas soymeal and rapeseed-meal demand.

Besides, local winter edible oil demand and bullish global oilseeds supply scenario continued to lend support to soybean and rapeseed-mustard complex at the higher levels. The crush margins in crushing these oilseeds have also improved.

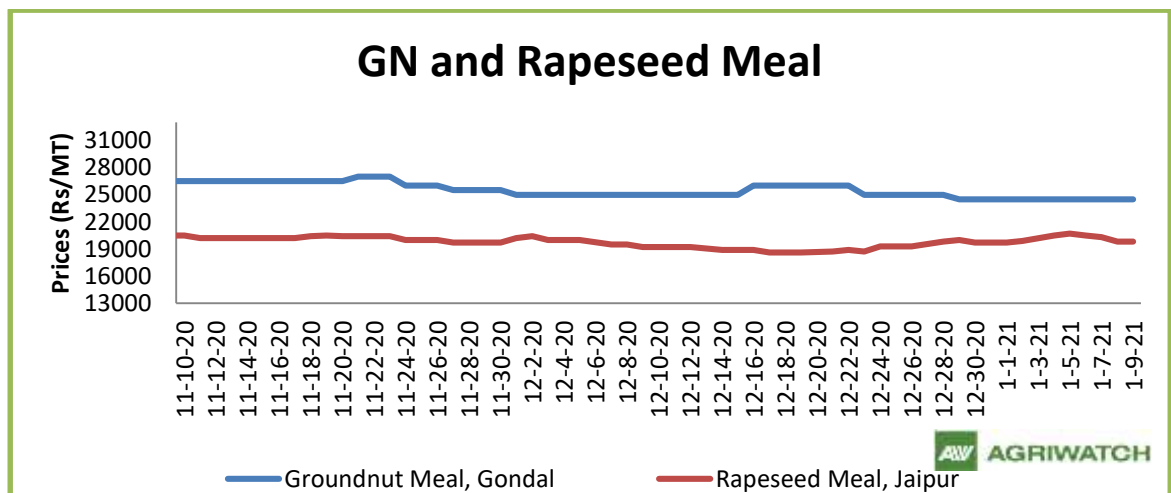
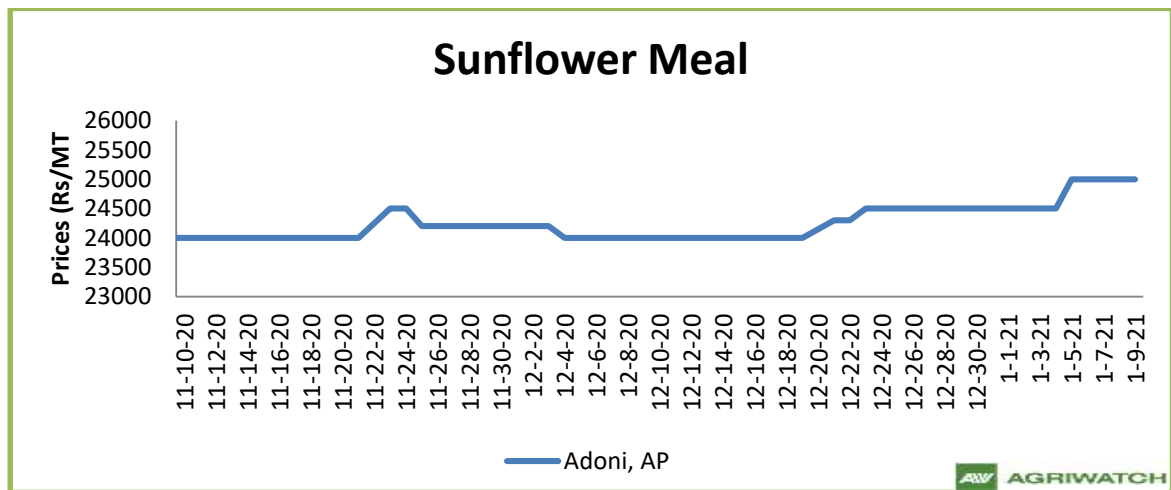
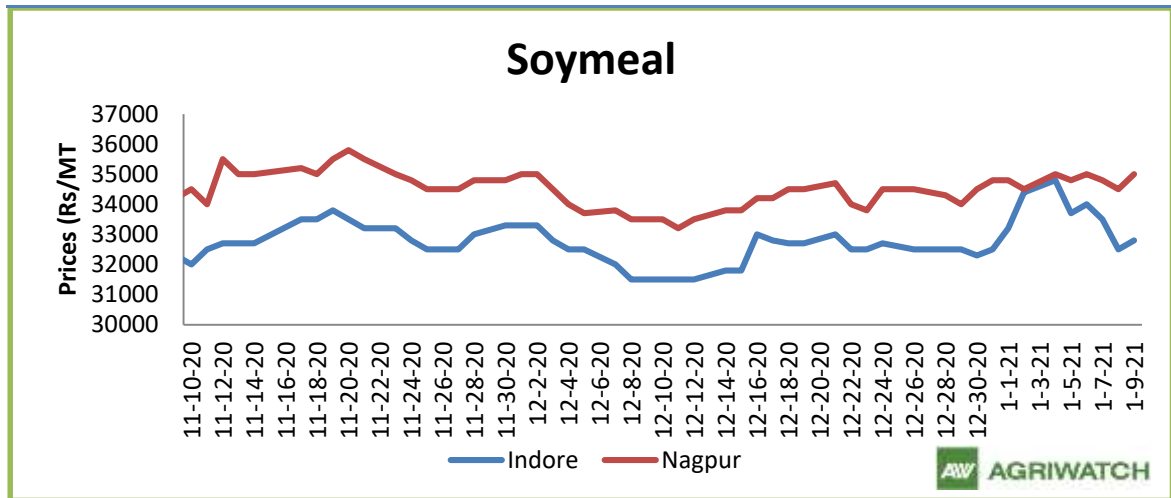
The rapeseed-mustard prices improved by +5% also rapeseed meal edged up by +3%, soybean posted gains by +3% while soymeal edged lower by +4% and groundnut seed rose by +1%, all compared to the previous week's level.

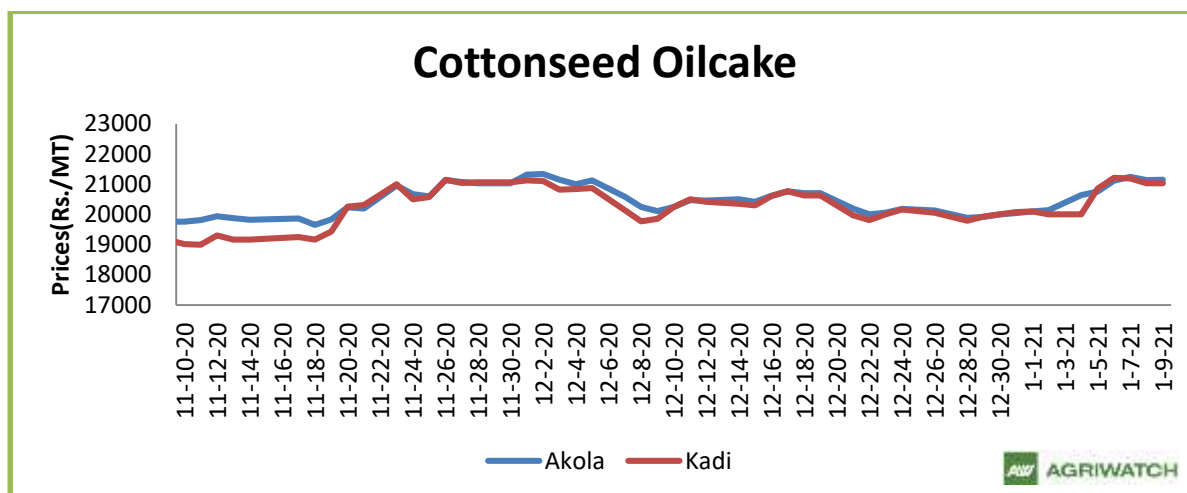
Once again, rapeseed-mustard remained the leader and extended the rally. This is despite estimates of a bigger seed crop this season.

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.

However, confirmed reports of bird flu in the states of Kerala, Rajasthan, Madhya Pradesh, Himachal Pradesh, Haryana and Gujarat have raised the concern on the consumption of poultry which will subsequently hit the local soymeal demand from the poultry sector, which is already reeling under local demand stress post COVID.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

The domestic soymeal moved up by +4% in sync with soybean mainly on continued overseas demand. Strong international soymeal and fats market too remained supportive for the local soymeal.

Bullish global supply outlook on dry weather in South America during soybean crop development phase and expected fall in the US soy inventories will continue to lend support to the domestic soymeal market in even in medium-term.

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.

In a major development, outbreak of bird flu which have been confirmed in seven Indian states of Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Rajasthan and Uttar Pradesh has hit the local poultry industry, which was already reeling under stress, post-COVID.

Poultry industry contributes more than 60% of the total domestic soymeal demand and thus soymeal prices are expected to be under pressure for next couple of weeks. The local meal demand has already suffered post-COVID. The shares of India's biggest poultry producer Venky's declined more than 4% on Thursday to their lowest level in two months after the reports of Avian Influenza.

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 (FAS Kandla and FOB 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 providing fresh opportunities for India's exports.

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 exports of rapeseed meal in November'20 is reported at 45,050 metric tonnes against last year's 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%), as higher processing of de-oiled ricebran increased availability for the export.

The domestic weekly average soymeal prices at Indore improved to Rs 33,933/MT and was quoted between Rs 33,200 – 34,800/MT compared to the weekly average of Rs 32,460/MT and was traded between the price ranges of Rs 32,300 – 32,500/MT previous week.

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

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 33,200 – 34,800/MT during the week compared to Rs 34,000 – 36,800/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 cases of bird flu in several Indian states.

Rapeseed - Mustard Seed

Rapeseed-mustard extended the rally on improved local winter mustard oil demand and continued rapeseed meal export sales from India.

The seed prices edged-up by +5% compared to the previous week indicating the underlying bullish sentiments. This is despite expectation of bigger seed harvest for the new season.

In the latest official rabi oilseeds planting report dated 08 January 2021, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 7% at 72.98 lha compared to 68.15 lha during the corresponding period last year.

The recent rains in the north Indian states will be beneficial for the standing rapeseed-mustard crop which is at the development stage, some growing pockets in the North India have received a good, beneficial, rain.

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.

India has been not importing rape oil (canola) since last several months on higher domestic crushing and comfortable mustard oil stock. We expect, India will not import the rapeseed oil in coming months too.

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 materialize in the near future.

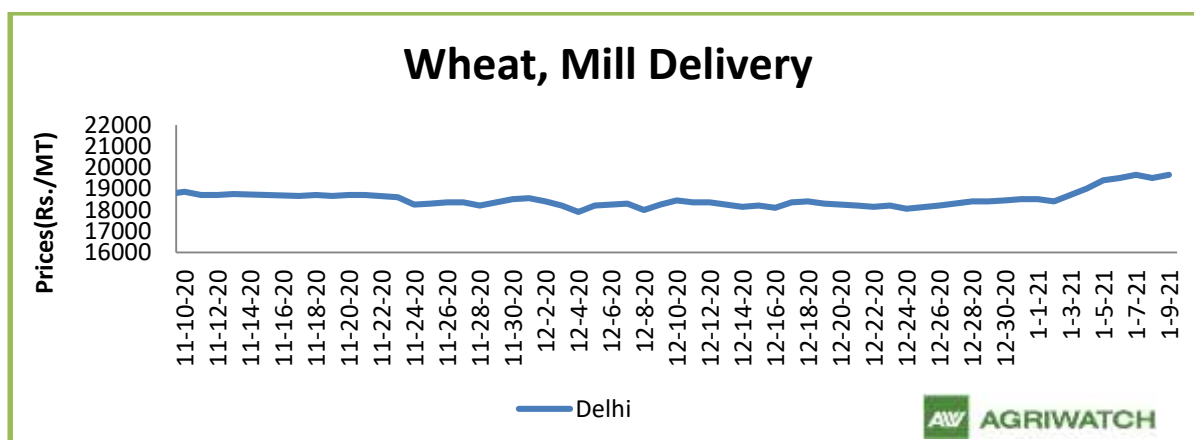
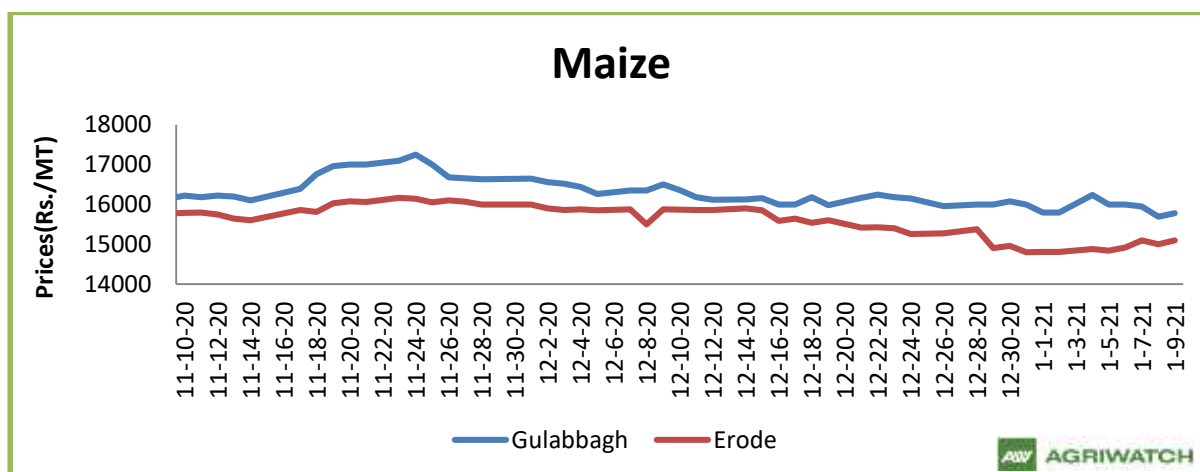
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.5 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

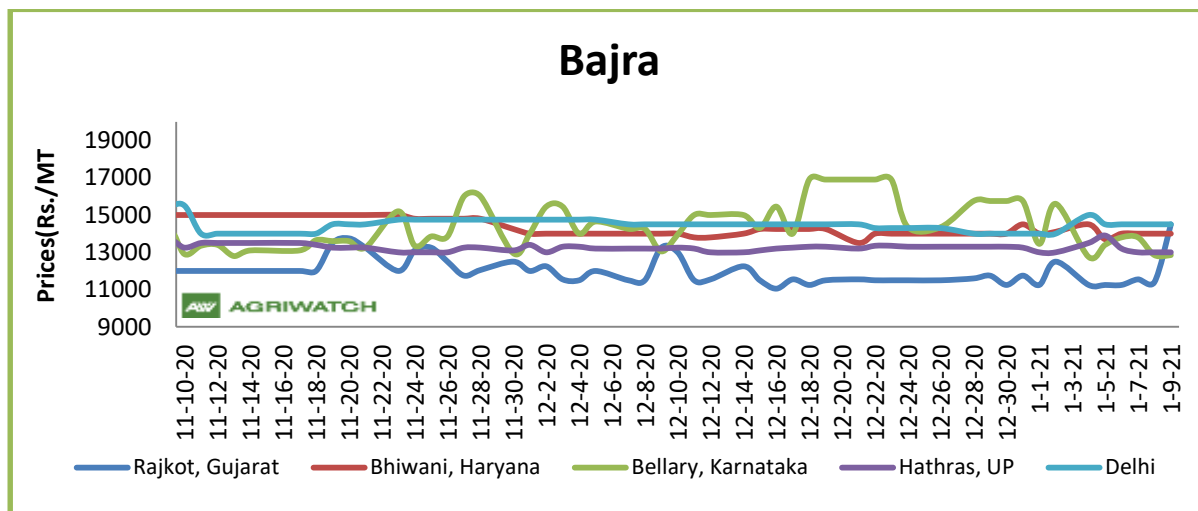
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 4.30 lakh bags during the week compared to around 3.35 lakh bags, previous week. The supplies for the same were 7.1 lakh bags during the corresponding period last year.

RM seed prices edged up by +5% to the weekly average of Rs 6,488 a quintal from Rs 6,197 a quintal previous week and Rs 4,802 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 6,153/Qtl compared to 5,807/Qtl previous week.





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 weak as cases of Bird flu have been reported from Kerala, Himachal Pradesh, Haryana, Rajasthan and Madhya Pradesh. This has already affected the demand for poultry products and subsequently, that of maize. Further spread of the avian disease may lead to prices falling more sharply.

Trade sources revealed that in Telangana, Government has procured around 80,000 MT of Maize till last week. In Andhra Pradesh, Government has procured around 1,79,831.1 MT of Maize till December 27, 2020.

In Gulabgh region of Bihar, Maize is being traded at Rs.1,550 per quintal (Bilty Price). Trade activities in Bihar have been lower due to low supply in to the market. Hyderabad poultry feed makers are buying Maize at Rs.1,500-1,550 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 14.75 lakh hectares as of January 08, 2021, which is lower than the 15.21 lakh hectares of area during the corresponding period last year. In Karnataka, it has been sown in 0.73 lakh hectares; lower than the 0.87 lakh hectares in the corresponding period, last year. In Andhra Pradesh, it has been sown in 0.79 lakh hectares; lower than the 1.38 lakh hectares in the corresponding period, last year and in Telangana, it has been sown in 0.50 lakh hectares; lower than the 1.07 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.57 lakh hectares; lower than the 1.60 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 4.65 lakh hectares; almost equal than the 4.64 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.86 lakh hectares; higher than 1.79 lakh hectares in the corresponding period, last year.

Corn on CBOT rose by 4.83 USD/MT to 195.37 USD/MT for March'21 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize and decrease in Global Maize Ending Stock, would continue to support CBOT Maize.

At 1.03 MMT (for the period December 25 - 31, 2020) U.S. Maize exports were down 23 percent from the previous week but up 7 percent from the prior 4-week average; mainly for the destinations like China (421,400 MT), Mexico (307,500 MT), Japan (112,600 MT), Colombia (102,300 MT), and Guatemala (28,200 MT).

All India's weekly average prices of wheat decreased by 0.25 percent to Rs. 1889 per quintal during the week ended 8th Dec 2021. Wheat average prices were ruling at Rs 2254.21 per quintal during 09th –15th Jan 2020. The

wheat prices are unlikely to drop and is going to be steady to slight firm in coming weeks due to high export demand.

As per the latest update, the area under wheat has increased marginally by 2.59% to 335.46 lakh hectares so far in the ongoing 2020-21 Rabi season from 326.75 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 11.40 lakh ha more area has been covered compared to last year. The higher area is reported from the states of Madhya Pradesh (10.32 lakh ha), Bihar (2.33 lakh ha), Maharashtra (1.59 lakh ha), Haryana (0.49 lakh ha), Jammu & Kashmir (0.46 lakh ha), Jharkhand (0.44 lakh ha), Gujarat (0.42 lakh ha), Chhattisgarh (0.41 lakh ha), West Bengal (0.13 lakh ha), Assam (0.03 lakh ha) and Uttarakhand (0.01 lakh ha). Less area is reported from the States of Rajasthan (2.87 lakh ha), Uttar Pradesh (2.10 lakh ha), Karnataka (8.27 lakh ha), and Punjab (0.01 lakh ha).

According to traders in Maharashtra, "Prices had dropped because there was no real demand for processed wheat products. Demand for biscuits and bakery products were all down in view of coronavirus pandemic. Canteen's move to distribute 10 million tonnes of wheat and rice free of cost to the poorest of the poor, or the people living below poverty line, under the PMGKY also affected flour consumption from the open market."

As per market sources, wheat stock in the central pool as of 1st December'20 stood at 367.54 lakh tonnes down by 8.79% compared to last month. This quantity is higher by around 4.56% compared to last year for the same month. The government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in the open market and through high exports.

In Gujarat, The export demand for wheat is overall good, but recently it has slowed down. 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. Due to all such reasons Agriwatch expects that 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)		
	07-Jan-21	01-Jan-21	Parity To
Indore - 45%, Jute Bag	33500	33200	Gujarat, MP
Kota - 45%, PP Bag	34500	34200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	36000	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34800	34800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	35000	34500	Andhra, AP, Kar, TN
Latur	36000	36500	-
Sangli	34500	34200	Local and South
Solapur	33600	33600	Local and South
Akola – 45%, PP Bag	34200	34200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35000	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	34300	34000	-

Soy DOC at Port

Centers	Port Price		
	06-Jan-21	01-Jan-21	Change
Kandla (FOR) (INR/MT)	37500	36800	700
Kandla (FAS) (USD/MT)	535	500	35
CNF Indonesia – Yellow SBM (USD/MT)	540	520	20

International Soy DOC			
Argentina FOB USD/MT	06-Jan-21	01-Jan-21	Change
Soybean Pellets	516	510	6
Soybean Cake Flour	516	510	6
Soya Meal	509	497	12
Soy Expellers	509	497	12
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)	
Centers	07-Jan-21	01-Jan-21	Change

Adoni	25000	24500	500
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	24500	24000	500

Groundnut Meal (Rs/MT)	07-Jan-21	01-Jan-21	Change
Basis 45%, Saurashtra	23500	23500	Unch
Basis 40%, Saurashtra	21000	21000	Unch
GN Cake, Gondal	24500	24500	Unch

Mustard DOC/Meal	07-Jan-21	01-Jan-21	Change
Jaipur (Plant delivery)	20300	19700	600
Kandla (FOR Rs/MT)	20800	20000	800

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	08-Jan-21	01-Jan-21	08-Dec-20	08-Jan-20	08-Jan-19
Delhi	Hybrid	1500	1475	1550	2200	1750
Davangere	Loose	1300	1320	Closed	1950	1700
Nizamabad	Bilty	1450	1450	Closed	2025	1800
Ahmedabad	Feed	1500	1470	1500	2100	1920
	Starch	1525	1525	1550	2100	1950

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

As on 08.01.2021	Argentina	Brazil	US	India
FOB	237.20	267.00	238.00	204.15
Cost and Freight	287.20	322.00	298.00	239.15

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	
Total	276674	455374.1	1408042	1143244	982022	760515

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	08-Jan-21	01-Jan-21	Change
Bajra	Karnataka	Hybrid	Bellary	1285	1575	-290
		Hybrid	Bangalore	1850	1850	Unch
Jowar	Karnataka	White	Bangalore	NA	2900	-
		White	Bellary	1505	1475	30
Maize	Karnataka	Yellow	Davangere	1300	1320	-20
	Telangana	Yellow	Nizamabad	1400	1400	Unch
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3250	3320	-70
	Maharashtra	DOC	Sangli	3400	3420	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2500	2450	50
Mustard	Rajasthan	Plant delivery	Jaipur	1980	1970	10
Groundnut Meal	Gujarat	GN Cake	Gondal	2450	2450	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2103	2010	93
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2114	2010	104
Note: Prices Rs./Qtl						

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.