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Summary

Overall Maize cash markets except Bihar traded steady to slightly firm during the week compared to last week. Agriwatch expects that despite continuous export demand, Maize would trade range bound as domestic trade of maize is being impacted due to several widespread cases of bird flu in India.

Trade sources revealed that in Andhra Pradesh, Government has procured around 1,97,481 MT of Maize till January 17, 2021.

All India's weekly average prices of wheat decreased by 4.38 percent to Rs. 1775.39 per quintal during the week ended 31st Jan 2021. Wheat average prices were ruling at Rs 2222.11 per quintal during 24th –31st Jan 2020. The wheat prices are unlikely to drop and is going to be steady to firm in coming weeks due to high export demand.

The domestic soybean and soymeal rebound on continued and strong overseas soymeal demand. However, the outbreak of bird flud in several Indian states limited the gains after the domestic poultry demand declined early January. The stocks of the key poultry companies are still lower and we feel the pressure will remain for a short-while.

However, rapeseed-mustard and rapeseed DOC fell ahead harvesting of the seed and on expectation of bigger crop. The harvesting in some to the key growing regions will commence in the first week of February.

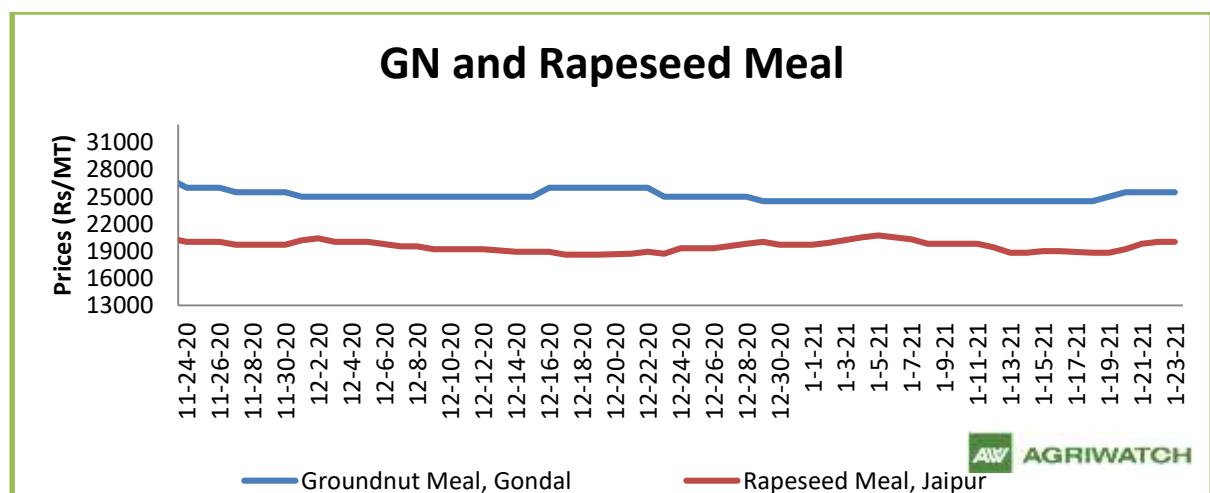
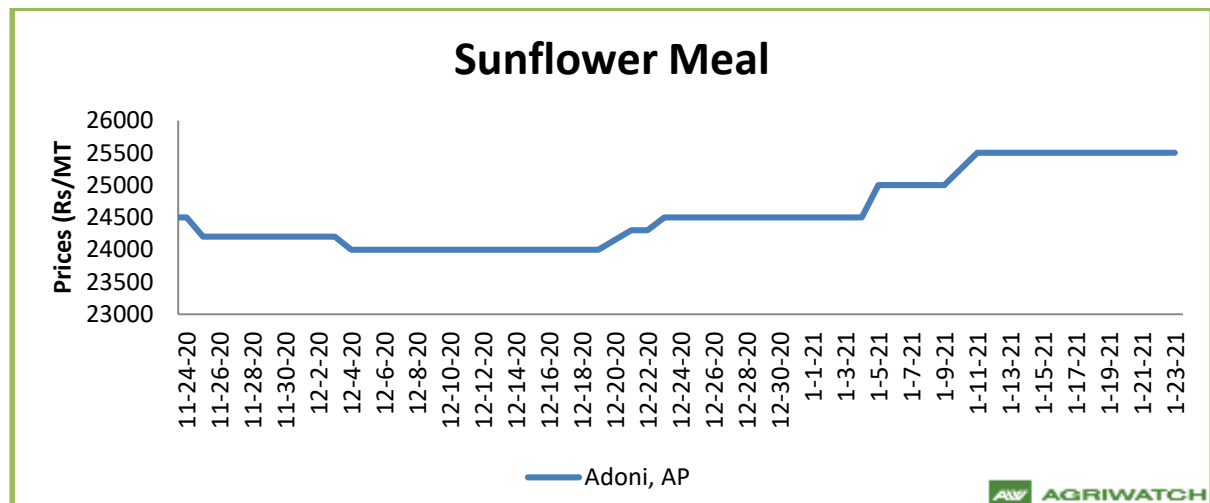
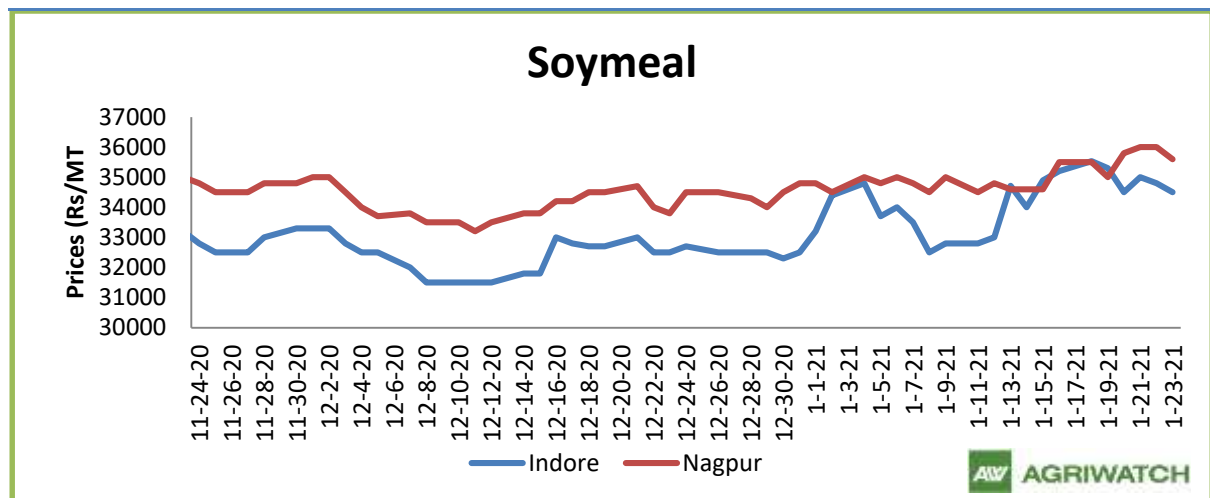
The rapeseed-mustard will remain under the new crop pressure for some time. However, robust overseas demand in rapeseed-meal and improved mustard oil demand post COVID will remain positive for the seed in medium-term.

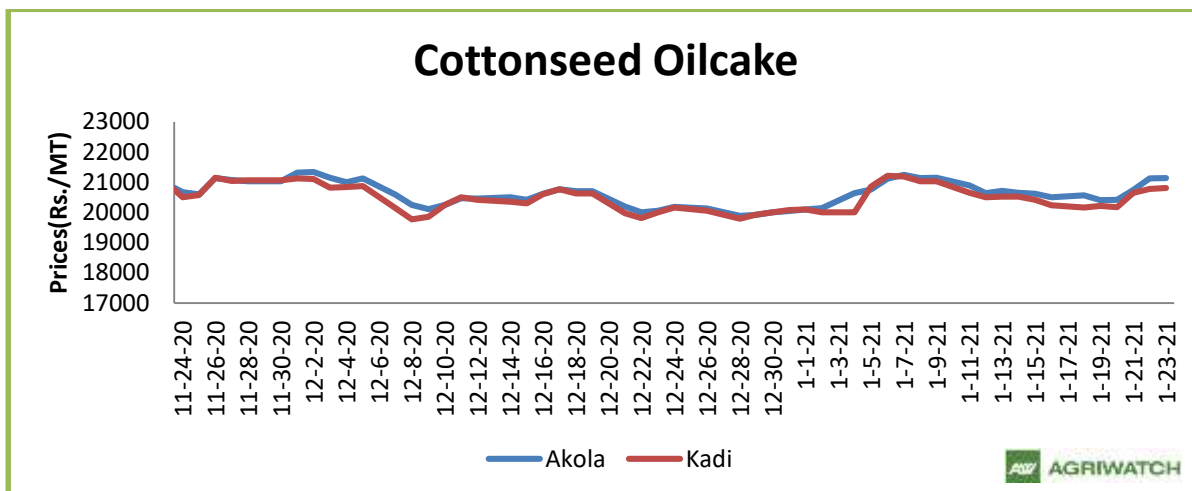
Again, groundnut seed extended gains and remained leader among all the oilseeds on strong overseas demand in the seed and the groundnut oil this season.

The rapeseed-mustard prices decline by -6% also rapeseed meal fell by -4%, soybean posted gains by +1% while soymeal surged by +5% and groundnut seed rose by +3%, all compared to the previous week's level.

We feel the soy complex to feature range-bound movement with firm-bias on improved overseas soymeal demand and better crush margin. Rapeseed-mustard complex to feature range bound movement with weak bias ahead crop harvest and bigger crop outlook, for short-term. Bullish global soybean supply outlook will continue to support the soy prices at higher level in medium-term. 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 recovered in sync with soybean after a short-term fall on outbreak of bird flu and rains in South America.

The gains are backed by the strong and continued overseas soymeal demand of Indian origin.

The soymeal prices surged by +5% alongside soybean on strong soymeal export data. The local soymeal demand is still dull on bird flu and COVID.

India's December 2020 soymeal exports improved by +248% to 2,51,221 metric tonnes compared to 72,233 metric tonnes in the same period last year. Further, the soymeal shipments improved by +56% to 8,88,202 metric tonnes in aggregate, during the last eight months (Apr.-Dec.) of financial year 2020-21 compared to 5,69,349 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of December 2020 is reported at 5,12,997 metric tonnes compared to 2,20,404 metric tonnes in December 2019 i.e. up by +13%.

The overall export of oilmeals during April to December 2020 is also reported up by +26% at 24,61,696 metric tonnes compared to 19,55,276 metric tonnes during the same period last year.

Of the total soymeal exports of 2,51,221 metric tonnes in December 2020, Bangladesh, Iran and US remained to top buyers with imports figures touching 43,794 metric tonnes, 42,000 metric tonnes and 26,051 metric tonnes respectively..

In-spite of tough competition in world market, export of rapeseed meal and ricebran extraction performed well, during the last eight months of financial year 2020-21.

The export of rapeseed meal in December'20 is reported at 141866 metric tonnes against last year 60,178 metric tonnes during the same period i.e. down by +136%, and ricebran extraction is reported at 59470 metric tonnes against last year 43,891 metric tonnes i.e. +35% higher compared to the same period last year.

The global soy outlook is bullish as the Latin America is hit by dry weather conditions, downward revision of the US 2020/21 crop which have been recently harvested and strong Chinese soy demand

However, the domestic demand continues to be dull on COVID and recent outbreak of bird flu in several Indian states. Poultry industry contributes more than 60% of the total domestic soymeal demand and thus soymeal prices are expected to be under pressure for short-term.

CBOT March soymeal fell by US \$ 16.60 and closed at US \$ 421.60 per short ton, biggest weekly fall after July 4, 2014. Despite the sharp fall, prices are still above 6-1/2 year high.

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.

In the January 2020, USDA report the world soymeal exports estimates are slightly down at 62.81 million tonnes vs 62.84 million tonnes for 2020/21.

The domestic weekly average soymeal prices at Indore surged to Rs 35,072/MT and was quoted between Rs 34,500 – 35,530/MT compared to the weekly average of Rs 33,303/MT and was traded between the price ranges of Rs 33,500 – 34,715/MT previous week.

At Latur soymeal prices improved to Rs 35,500 – 37,000/MT compared to Rs. 35,000 – 36,000/MT from a week ago and in Nanded it was quoted lower at Rs. 35,000 – 36,200/MT compared to Rs. 34,500 – 35,000/MT a week ago. Besides, in Kota, the meal improved to Rs. 35,200 – 36,200/MT compared to Rs. 34,000 – 36,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 34,500 – 35,530/MT during the week compared to Rs 34,000 – 34,500/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 35,000 – 36,500/MT on cases strong overseas soymeal demand.

Rapeseed - Mustard Seed

Rapeseed-mustard declined, as expected, ahead crop harvest and expectation of bigger crop. The underlying fundamentals are strong on continued overseas rapeseed-mustard meal demand and improved local mustard oil demand post-COVID.

The seed prices declined by -6% compared to the previous week ahead rapeseed-mustard crop harvest.

In the latest official rabi oilseeds planting report dated 22 January 2021, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 7% at 73.89 lha compared to 68.84 lha during the corresponding period last year.

The standing rapeseed-mustard crop is in good health and the recent rains in the north Indian states proved to be beneficial for the crop which is at the pod formation stage. The rain spell has boosted the recovery level in the seed by around +1% to 35-36% from the normal 34-35%, mainly in the Agra belt which is the key seed growing region of Uttar Pradesh.

The rapeseed-mustard harvesting in UP has commenced and it will pick up the pace by second week of February, Kota belt of Rajasthan by 25th February and Alwar belt of Rajasthan by 1st week of March.

India has not imported any rape oil (canola) in December too and as in last several months, on higher domestic crushing and comfortable mustard oil stock. We expect, India will not import the rape oil in coming months too.

The export of rapeseed meal in December'20 is reported at 1,41,866 metric tonnes against last year 60,178 metric tonnes during the same period i.e. up by +136%.

India's exports for rapeseed meal during April-December 2020 was up +24% at 9,16,715 metric tonnes compared to 7,41,199 metric tonnes during the same period previous marketing season.

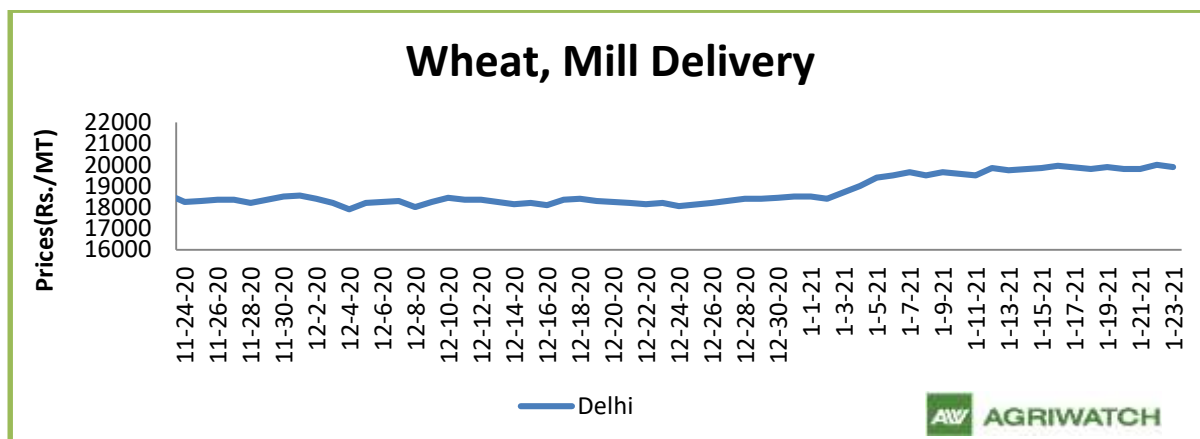
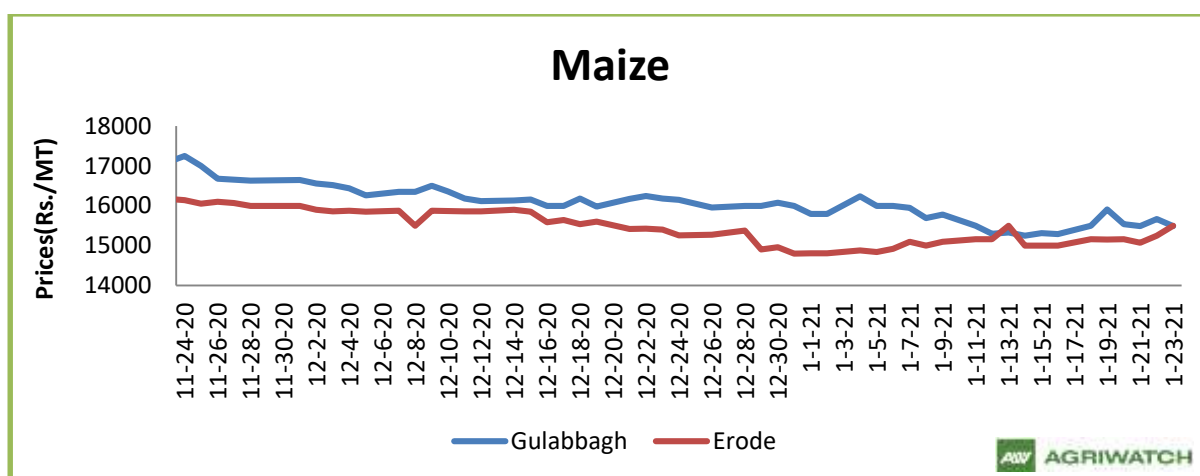
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

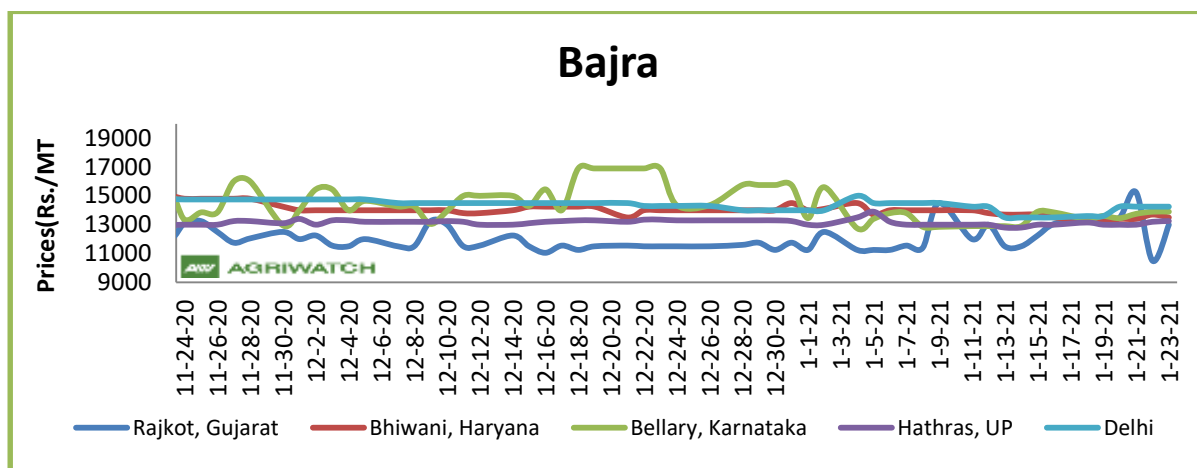
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 4.40 lakh bags during the week compared to around 4.30 lakh bags, previous week. The supplies for the same were 6.80 lakh bags during the corresponding period last year.

RM seed prices declined by -6% to the weekly average of Rs 6,148 a quintal from Rs 6,547 a quintal previous week and Rs 4,530 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal too declined by -4% to the weekly average price of Rs. 2,526/qtl compared to the the weekly average price of Rs. 2,634/qtl previous week.

At NCDEX futures, the February contract of rapeseed-mustard fell and ended at 5,602/Qtl compared to 5,519/Qtl previous week.





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

Overall Maize cash markets except Bihar traded steady to slightly firm during the week compared to last week. Agriwatch expects that despite continuous export demand, Maize would trade range bound as domestic trade of maize is being impacted due to several widespread cases of bird flu in India.

Trade sources revealed that in Andhra Pradesh, Government has procured around 1,97,481 MT of Maize till January 17, 2021.

In Gulabghat region of Bihar, Maize is being traded at Rs.1,475 per quintal (Bilty Price). 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. Maize is being traded lower in Karnataka and Madhya Pradesh regions as crop arrivals contains fungus upto 10% and 8%, respectively.

In India, Maize has been sown in 16.61 lakh hectares as of January 22, 2021, which is lower than the 16.96 lakh hectares of area during the corresponding period last year. In Karnataka, it has been sown in 0.76 lakh hectares; lower than the 0.87 lakh hectares in the corresponding period, last year. In Andhra Pradesh, it has been sown in 1.13 lakh hectares; lower than the 1.64 lakh hectares in the corresponding period, last year and in Telangana, it has been sown in 0.90 lakh hectares; lower than the 1.24 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.58 lakh hectares; lower than the 1.64 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 5.26 lakh hectares; higher than the 5.05 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.86 lakh hectares; higher than 2.19 lakh hectares in the corresponding period, last year.

Corn on CBOT fell by 12.20 USD/MT to 197.04 USD/MT for March'21 contract compared to previous week as rainfall in South America likely to strengthen the production outlook. However, Agriwatch expects that increase in export demand for U.S. Maize in near term and decrease in Global Maize Ending Stock, would support CBOT Maize.

At 0.89 MMT (for the period January 08 - 14, 2021) U.S. Maize exports were down 39 percent from the previous week and 24 percent from the prior 4-week average; mainly for the destinations like

Mexico (198,000 MT), Colombia (168,000 MT), Japan (152,800 MT), South Korea (72,500 MT), and China (71,400 MT).

All India's weekly average prices of wheat decreased by 4.38 percent to Rs. 1775.39 per quintal during the week ended 31st Jan 2021. Wheat average prices were ruling at Rs 2222.11 per quintal during 24th –31st Jan 2020. The wheat prices are unlikely to drop and is going to be steady to firm in coming weeks due to high export demand.

As per the latest update, the area under wheat has increased marginally by 3.03% to 345.14 lakh hectares so far in the ongoing 2020-21 Rabi season from 334.68 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 10.46 lakh ha more area has been covered compared to last year. **The higher area** is reported from the states of Madhya Pradesh (8.30 lakh ha), Maharashtra (1.07 lakh ha), Haryana (0.31 lakh ha), Jammu & Kashmir (0.36 lakh ha), Jharkhand (0.23 lakh ha), Chhattisgarh (0.10 lakh ha), West Bengal (0.06 lakh ha) and Assam (0.01 lakh ha). **Less area** is reported from the States of Rajasthan (0.52 lakh ha), Bihar (0.27 lakh ha), Uttar Pradesh (1.32 lakh ha), Karnataka (0.08 lakh ha), Uttarakhand (0.21 lakh ha), Gujarat (0.29 lakh ha) and Punjab (0.07 lakh ha).

Bangladesh has also recently been a significant wheat market for Russia. However, it is beginning to shift its purchases toward India. Until recently, India's exports had been minimal with its domestic support price making it uncompetitive. But with strong global demand and tight exportable supplies from traditional exporters resulting in higher export prices, India is now relatively competitive to its nearby markets such as Bangladesh with its forecast rising to the highest in 6 years.

As per market experts, bumper production seems on the card despite lower area in Rajasthan, Punjab, Uttar Pradesh, Gujarat, and Uttarakhand. According to the Agriwatch preliminary estimate, this year, there will be a record wheat production. Wheat production during Rabi 2021-22 is estimated at 105 MMT, which is 1.70% higher than last year's production of 103.21 MMT. Production of wheat is expected to increase, followed by higher acreage amid an increase in Madhya Pradesh and Maharashtra. Secondly, prolonged cold waves and winter rainfall in certain states have contributed to the rise in wheat yield.

Yellow rust has been reported in some regions of Haryana. This might bring down the yield. However, agriculture departments are taking all possible measures to ensure the disease's spread does not go beyond control. Farmers have been suggested to adopt remedial measures to deal with the situation. In Haryana, yellow rust has been reported in a few villages of Mangoli Jattan within the district of Kurukshetra of the State of Haryana. Though the wheat disease has been reported to affect an acre, it may spread like wildfire if not controlled timely.

As per trade sources, India has exported around 1.54 lakh tonnes in the month of December-2020 at an average FOB of \$238.06 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and Malaysia. 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.

Wheat WPI has increased from 147.9 in November-20 to 147.3 in December-20. Monthly wheat inflation has decreased by 0.41 percent in December -2019 compared to the previous month and increased by 12.49 percent from December-19.

Prices for all major U.S. wheat classes were up since the December WASDE, mostly driven by surges in the corn and soybean markets pulling wheat prices higher. News of export restrictions in Russia and rumored export taxes in Argentina further supported upward price movement. Australia prices strengthen on stronger demand in Southeast Asia in less exportable supplies in Russia with its export restraints. The major exporters are currently all quoting prices within a very narrow range. 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)		
	21-Jan-21	15-Jan-21	Parity To
Indore - 45%, Jute Bag	35000	34900	Gujarat, MP
Kota - 45%, PP Bag	35500	35500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	37200	36800	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	36000	34600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36000	35000	Andhra, AP, Kar, TN
Latur	36500	35500	-
Sangli	35600	34300	Local and South
Solapur	33700	33700	Local and South
Akola – 45%, PP Bag	35300	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35500	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	35300	35300	-

Soy DOC at Port

Centers	Port Price		
	20-Jan-21	15-Jan-21	Change
Kandla (FOR) (INR/MT)	38000	38000	Unch
Kandla (FAS) (USD/MT)	540	540	Unch
CNF Indonesia – Yellow SBM (USD/MT)	560	562	-2

International Soy DOC			
Argentina FOB USD/MT	20-Jan-21	15-Jan-21	Change
Soybean Pellets	516	540	-24
Soybean Cake Flour	516	540	-24
Soya Meal	516	544	-28
Soy Expellers	516	544	-28
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)	
Centers	21-Jan-21	15-Jan-21	Change

Adoni	25500	25500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	25000	25000	Unch

Groundnut Meal (Rs/MT)	21-Jan-21	15-Jan-21	Change
Basis 45%, Saurashtra	24500	23500	1000
Basis 40%, Saurashtra	22000	21000	1000
GN Cake, Gondal	25500	24500	1000

Mustard DOC/Meal	21-Jan-21	15-Jan-21	Change
Jaipur (Plant delivery)	19800	19000	800
Kandla (FOR Rs/MT)	20600	19600	1000

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	22-Jan-21	15-Jan-21	22-Dec-20	22-Jan-20	22-Jan-19
Delhi	Hybrid	1450	1450	1520	2125	2000
Davangere	Loose	1310	1300	Closed	1920	1930
Nizamabad	Bilty	1500	1480	NA	2050	1850
Ahmedabad	Feed	1500	1380	1520	2000	2100
	Starch	1525	1380	1540	2000	2050

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

As on 23.01.2021	Argentina	Brazil	US	India
FOB	251.67	261.00	243.00	207.39
Cost and Freight	301.67	316.00	303.00	242.39

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	22-Jan-21	15-Jan-21	Change
Bajra	Karnataka	Hybrid	Bellary	1390	1390	Unch
		Hybrid	Bangalore	2000	1850	150
Jowar	Karnataka	White	Bangalore	2950	NA	-
		White	Bellary	1815	NA	-
Maize	Karnataka	Yellow	Davangere	1310	1300	10
	Telangana	Yellow	Nizamabad	1400	1400	Unch
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2550	2450	100
Soy meal	Madhya Pradesh	DOC	Indore	3480	3490	-10
	Maharashtra	DOC	Sangli	3560	3430	130
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2550	2550	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	2000	1900	100
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2450	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2078	2041	37
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2112	2062	50
Note: Prices Rs./Qtl						

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