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Summary

Maize cash markets traded mixed 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 Andhra Pradesh government has procured around 1,99,736 MT of Maize till January 22, 2021. While, Uttar Pradesh government has procured around 1,06,412 MT of Maize till January 16, 2021.

All India's weekly average prices of wheat increased by 10.55 percent to Rs. 1962.67 per quintal during the week ended 08th Feb 2021. Wheat average prices were ruling at Rs 2317.41 per quintal during 01st–08th Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Prices will remain high as the wheat crop is expected to decrease this year.

The cottonseed oilcake prices were steady in Punjab, Haryana and Rajasthan, where else in cotton seed oil the prices were steady in Punjab and Haryana but have increased in Rajasthan by Rs.20-25 per quintal, Also with the rising demand the prices are likely to increase in the market in the coming week. The average price of cotton seed oilcake in khadi and akola market were increased at Rs. 2099/q from Rs. 2034/q and in akola prices were increased at Rs. 2161/q from Rs. 2055/q earlier. CCI has procured around 89 lakh bales of cotton till last week.

The domestic soybean and soymeal have extended the gain on strong overseas soymeal demand & local crushers demand. While, the concern about bird flud confirmed cases in several Indian states may curb any major gains in coming days.

However, rapeseed-mustard declined ahead harvesting of the seed and on expectation of bigger crop. The harvesting of New Mustard crop in UP state has speed-up now while other growing regions are likely to begin soon.

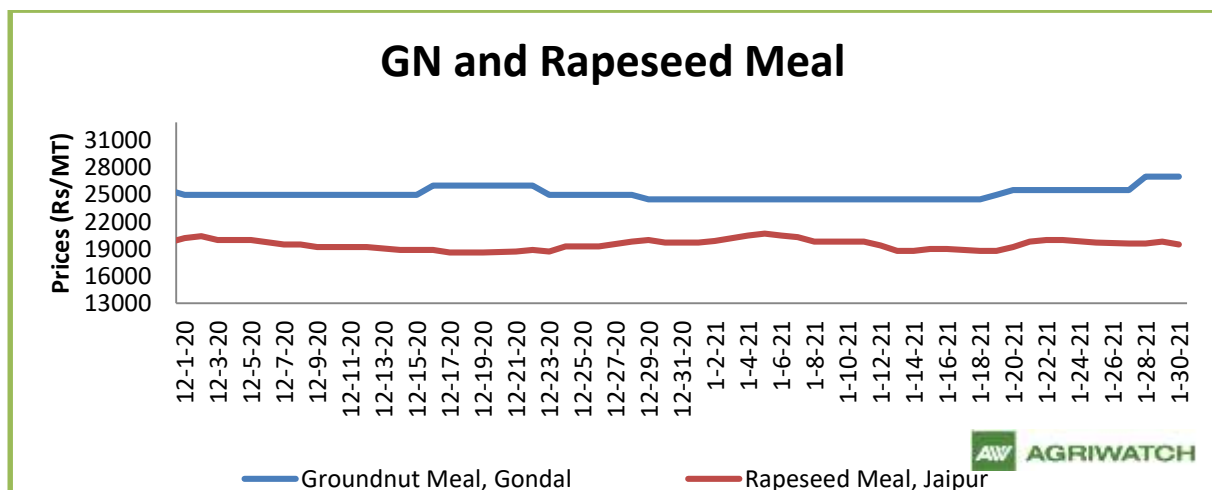
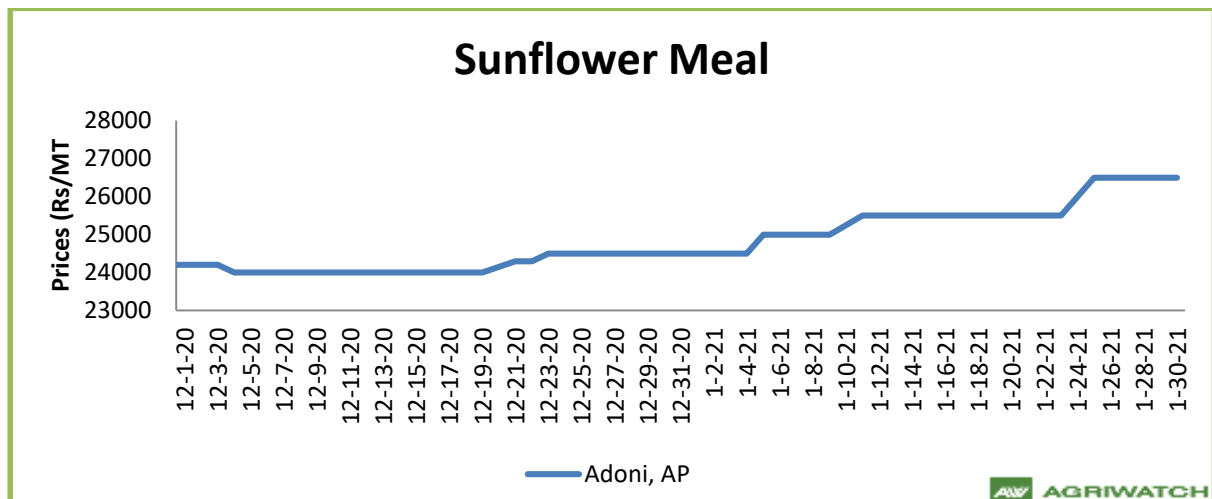
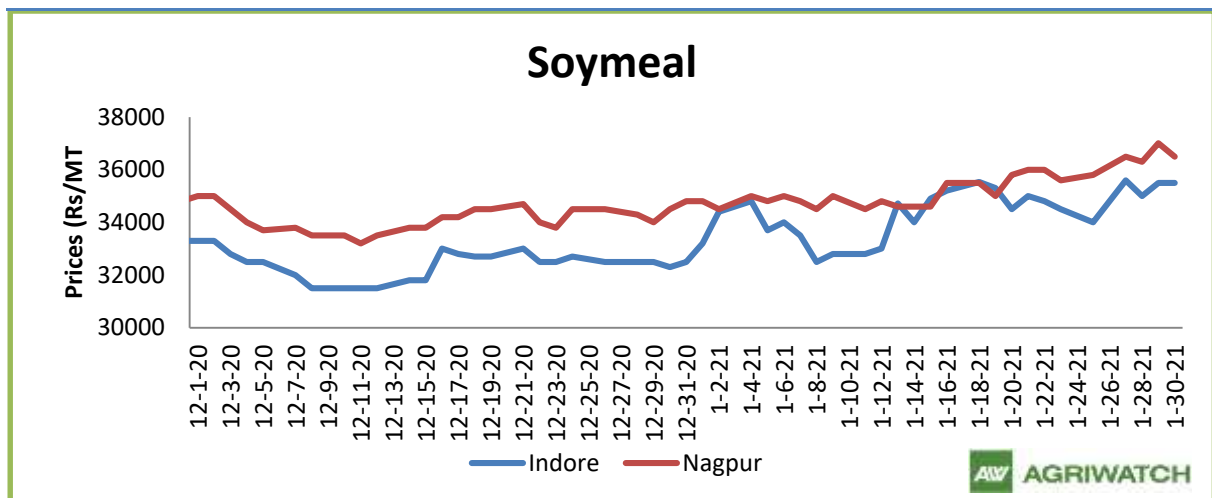
The rapeseed-mustard will remain under the new crop pressure for sometime. However, robust overseas demand in rapeseed-meal and improved mustard oil demand post COVID will remain positive for the seed in medium-term.

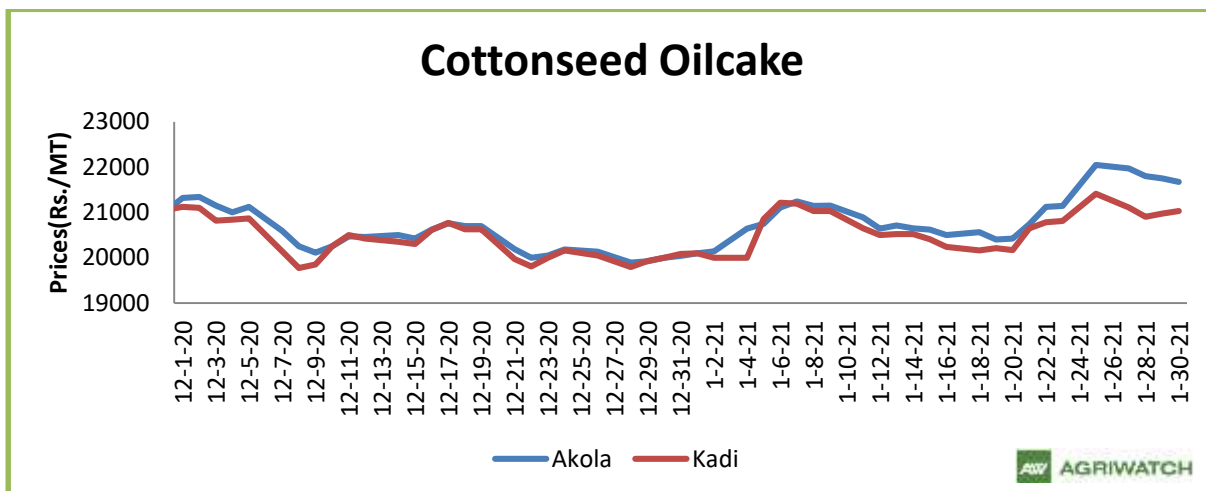
Groundnut seed made another higher price record in this week and remained leader among all the oilseeds on strong overseas demand in the seed and the groundnut oil this season.

The rapeseed-mustard prices decline by -2% while rapeseed meal rose by 3.20%, soybean posted gains by +0.54% while soymeal surged by +0.57% and groundnut seed rose by +0.52%, 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 quoted higher price trend at the end of this week after good demand in domestic as well as in overseas markets. Robust Chinese demand will lend further support to increase the prices. However, rising cases of bird flu in nine states of India may curb any sharp gain.

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

The soymeal prices surged by +0.57% 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 rose by US \$ 9.4 and closed at US \$ 431 per short ton compared to last week price i.e \$421.60 per short ton.

The international soymeal prices are remain 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 \$ 15/MT in January'20 vs US \$ 24/MT in December'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 declined to Rs 34817/MT and was quoted between Rs 34,000 – 35,600/MT compared to the weekly average of Rs 35,072/MT and was traded between the price ranges of Rs 34,500 – 35,530/MT previous week.

At Latur soymeal prices quoted steady to lower at Rs 35,500 – 36,500/MT compared to Rs. 35,500 – 37,000/MT from a week ago and in Nanded it was quoted lower at Rs. 35,000 – 36,000/MT compared to Rs. 35,000 – 36,200/MT a week ago. Besides, in Kota, the meal improved to Rs. 35,000 – 36,800/MT compared to Rs. 35,200 – 36,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted between Rs 34,000 – 35,600/MT during the week compared to Rs 32,500 – 34,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 35,000 – 37,000/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 29 January 2021, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 7.03% at 83.95 lha compared to 79.98 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 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.

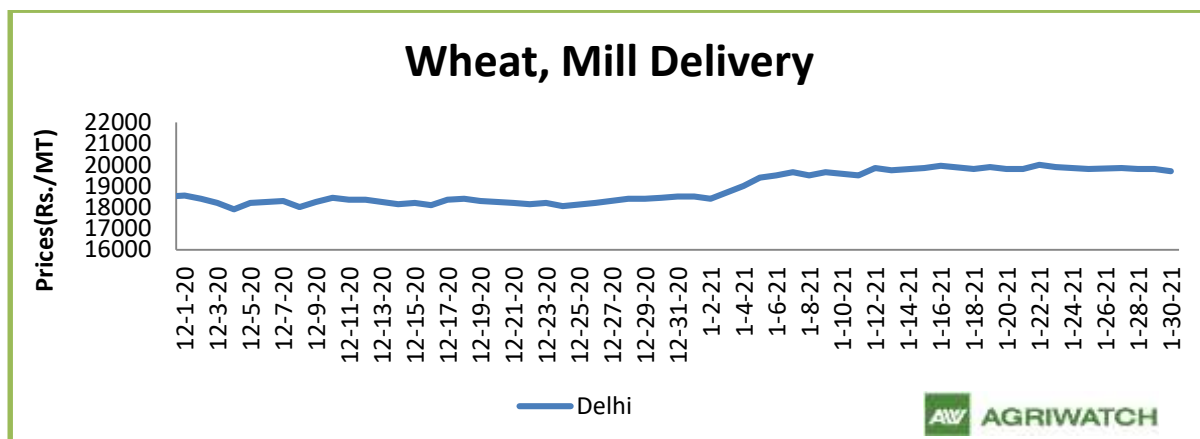
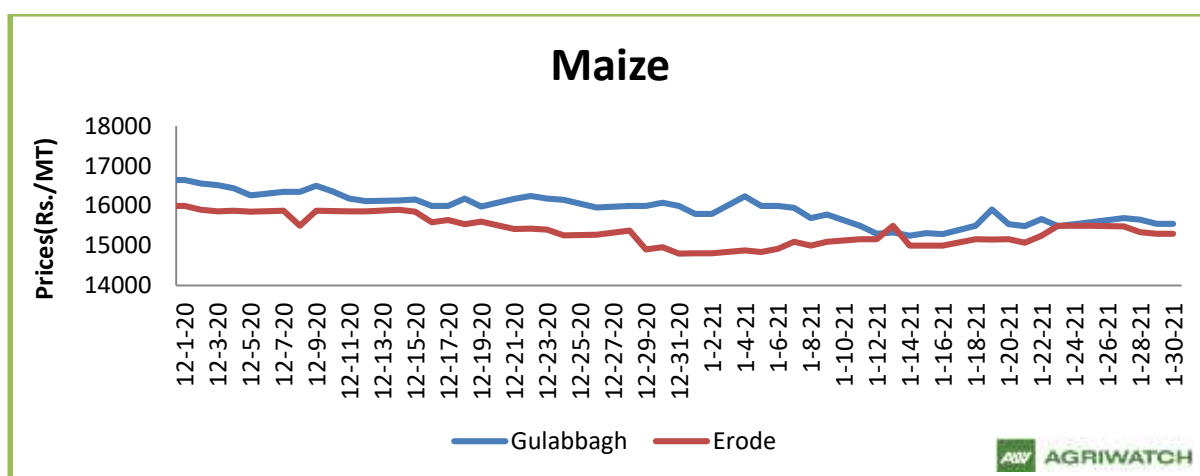
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

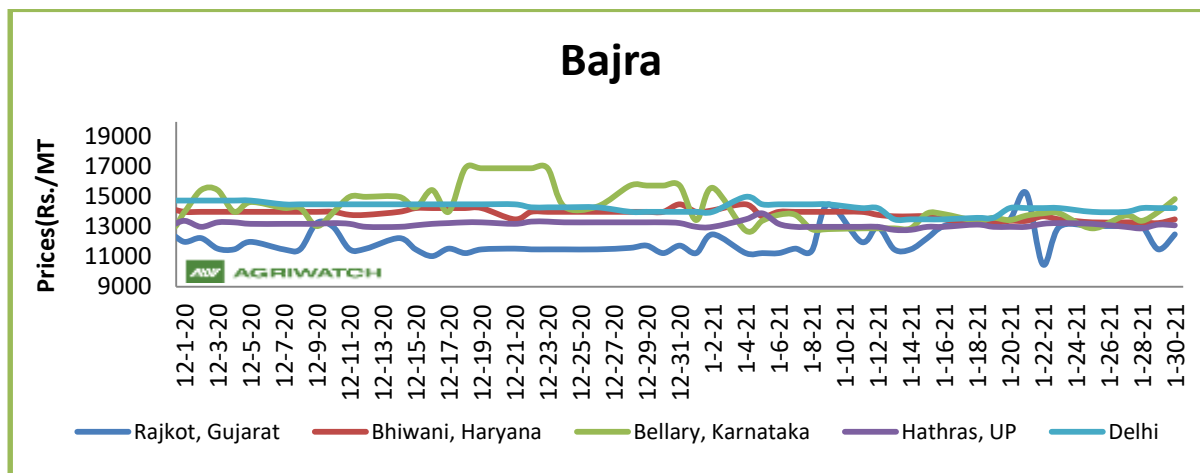
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 5.70 lakh bags during the week compared to around 4.40 lakh bags, previous week. The supplies for the same were 7.65 lakh bags during the corresponding period last year.

RM seed prices declined by -2% to the weekly average of Rs 6,078 a quintal from Rs 6203 a quintal previous week and Rs 4,453 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal rose by 3.20% to the weekly average price of Rs. 2,607/qrtl compared to the the weekly average price of Rs. 2,526/qrtl previous week.

At NCDEX futures, the February contract of rapeseed-mustard fell and ended at 5,604/Qtl compared to 5,602/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 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 Andhra Pradesh government has procured around 1,99,736 MT of Maize till January 22, 2021. While, Uttar Pradesh government has procured around 1,06,412 MT of Maize till January 16, 2021.

Sources revealed that maize is being loaded for Krishnapatnam port at Rs. 1,580 per quintal; sourced from Koppal district of Karnataka. While, it is being loaded for Vizag port at Rs. 1,580-1,600 per quintal, sourced from Kodagu district of Karnataka. It is also being loaded for Erode at Rs. 1,500-1,520 per quintal; sourced from Davangere region of Karnataka. Hyderabad poultry feed makers are also buying Maize at Rs.1,550-1,600 per quintal; sourced from Nizamabad region.

In India, Maize has been sown in 16.94 lakh hectares as of January 29, 2021, which is lower than the 17.49 lakh hectares of area during the corresponding period last year. In Andhra Pradesh, it has been sown in 1.28 lakh hectares; lower than the 1.67 lakh hectares in 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 and in Telangana, it has been sown in 1.08 lakh hectares; lower than the 1.39 lakh hectares in the corresponding period, last year. In Tamil Nadu, it has been sown in 1.58 lakh hectares; lower than the 1.65 lakh hectares in the corresponding period, last year. However, in Bihar, it has been sown in 5.27 lakh hectares; higher than the 5.05 lakh hectares in the corresponding period, last year and in Maharashtra, it has been sown in 2.73 lakh hectares; higher than 2.28 lakh hectares in the corresponding period, last year.

Corn on CBOT rose by 18.30 USD/MT to 215.34 USD/MT for March'21 contract compared to previous week due to increase in demand for U.S corn by China. Agriwatch expects that continuous increase in export demand for U.S. Maize and decrease in Global Maize Ending Stock, would support CBOT Maize.

At 1.41 MMT (for the period January 15 - 21, 2021) U.S. Maize exports were up 60 percent from the previous week and 20 percent from the prior 4-week average; mainly for the destinations like Japan (518,000 MT), Mexico (233,700 MT), China (141,900 MT), Colombia (90,600 MT), and South Korea (71,500 MT).

All India's weekly average prices of wheat increased by 10.55 percent to Rs. 1962.67 per quintal during the week ended 08th Feb 2021. Wheat average prices were ruling at Rs 2317.41 per quintal during 01st-08th Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Prices will remain high as the wheat crop is expected to decrease this year.

As per the latest update, the area under wheat has increased marginally by 2.85% to 346.36 lakh hectares so far in the ongoing 2020-21 Rabi season from 336.43 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 9.93 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 (0.93 lakh ha), Haryana (0.31 lakh ha), Jammu & Kashmir (0.36 lakh ha), Jharkhand (0.20 lakh ha), Chhattisgarh (0.13 lakh ha), West Bengal (0.64 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 (0.07 lakh ha), Uttarakhand (0.21 lakh ha), Gujarat (0.29 lakh ha) and Punjab (0.06 lakh ha).

Prices will go up in the wheat market in the long term, but this year the major basis has been on the fluctuation of Chicago futures. In the new season, wheat exports are expected to go from 10 lakh tonnes to 40 lakh tonnes. The export of wheat will remain the same throughout the year.

FCI has stocked up to 3 million tonnes of URS quality, which is in Punjab - Haryana but will run out in two months. After that, the market can improve.

In Kota, the price of mill quality wheat is running around Rs. 1750. Currently, the price is stable at present due to loading problems at Kandla port, lack of space in the warehouse, but as export demand comes out, there will be a recovery from this price, and there will be a rise of Rs. 100 to 150 per quintal. Export demand in wheat is expected to be good. Depending on the global market price, there will be export trade, and the market will depend on it. In Rajasthan, the old stock of wheat is no longer left. The same stock is left, which is normal.

The arrival of new wheat will increase inward after 15th February, and there is a possibility of coming up to 15 thousand sacks Gujarat, Nadiad-Tarapur line. The price of wheat is currently traded by 1810 to 1820, which has decreased more recently. In the coming days, no circumstance to go below 1800.

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)		
	28-Jan-21	21-Jan-21	Parity To
Indore - 45%, Jute Bag	35000	35000	Gujarat, MP
Kota - 45%, PP Bag	36800	35500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	37500	37200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	36300	36000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36000	36000	Andhra, AP, Kar ,TN
Latur	36000	36500	-
Sangli	36600	35600	Local and South
Solapur	33700	33700	Local and South
Akola – 45%, PP Bag	36000	35300	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	36000	35500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	36600	35300	-

Soy DOC at Port

Centers	Port Price		
	27-Jan-21	20-Jan-21	Change
Kandla (FOR) (INR/MT)	37700	38000	-300
Kandla (FAS) (USD/MT)	530	540	-10
CNF Indonesia – Yellow SBM (USD/MT)	565	560	5

International Soy DOC			
Argentina FOB USD/MT	27-Jan-21	20-Jan-21	Change
Soybean Pellets	502	516	-14
Soybean Cake Flour	502	516	-14
Soya Meal	497	516	-19
Soy Expellers	497	516	-19
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)	
Centers	28-Jan-21	21-Jan-21	Change

Adoni	26500	25500	1000
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	26000	25000	1000

Groundnut Meal (Rs/MT)	28-Jan-21	21-Jan-21	Change
Basis 45%, Saurashtra	25500	24500	1000
Basis 40%, Saurashtra	22000	22000	Unch
GN Cake, Gondal	27000	25500	1500

Mustard DOC/Meal	28-Jan-21	21-Jan-21	Change
Jaipur (Plant delivery)	19600	19800	-200
Kandla (FOR Rs/MT)	20300	20600	-300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	29-Jan-21	22-Jan-21	29-Dec-20	29-Jan-20	29-Jan-19
Delhi	Hybrid	1470	1450	1475	2000	2100
Davangere	Loose	1300	1310	1320	1900	1950
Nizamabad	Bilty	1550	1500	NA	2050	1975
Ahmedabad	Feed	1450	1500	1450	1900	2050
	Starch	1530	1525	1510	1900	2000

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

As on 29.01.2021	Argentina	Brazil	US	India
FOB	247.83	277.00	247.00	208.33
Cost and Freight	297.83	332.00	307.00	243.33

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	29-Jan-21	22-Jan-21	Change
Bajra	Karnataka	Hybrid	Bellary	1400	1390	10
		Hybrid	Bangalore	2000	2000	Unch
Jowar	Karnataka	White	Bangalore	2550	2950	-400
		White	Bellary	1560	1815	-255
Maize	Karnataka	Yellow	Davangere	1300	1310	-10
	Telangana	Yellow	Nizamabad	1450	1400	50
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2550	2550	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3550	3480	70
	Maharashtra	DOC	Sangli	3660	3560	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2650	2550	100
Mustard	Rajasthan	Plant delivery	Jaipur	1980	2000	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2700	2550	150
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2097	2078	19
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2175	2112	63
Note: Prices Rs./Qtl						

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