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## Summary

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All India 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 13.95 percent to Rs. 2023.09 per quintal during the week ended 08<sup>th</sup> Feb 2021. Wheat average prices were ruling at Rs 2317.41 per quintal during 01<sup>st</sup>–08<sup>th</sup> Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Second week prices not updated on agmarknet website.

The demand for cotton seed oil and cotton seed oilcake have increased in the market resulting in an increase in prices by 4-5 percent. The cotton seed oil price has reached at Rs. 1052 per 10 kg in New Delhi and Rs. 1066 per 10 kg in Rajkot. CCI has procured around 90 lakh bales of cotton so far, the daily arrivals have decreased to 1.25-1.75 lakh bales a day. The average price of cotton seed oilcake has increased in Kadi at Rs. 2117 per quintal from Rs. 2099 per quintal and in Akola were at Rs. 2192 per quintal from Rs. 2161 per quintal previous week.

The domestic soybean remains closed higher side amid good demand of domestic buyers while soymeal settled steady. Expected firm demand of Soy products and decline cases of bird flu and COVID in India may support prices to rise in coming days.

Rapeseed-mustard edged-up amid weak supplies against good demand in domestic market. Crushers have limited old stock in hand so far. The harvesting of the new mustard crops in UP & MP states has speed-up now while other growing states are likely to begin soon. Farmers have commenced harvesting but slow pace in few districts of Rajasthan. Traders in Rajasthan expect lower mustard crop yield in this season as the length of new crop seed is not as good as expected earlier. New crop arrivals of mustard seed are expected to be higher in March month.

Indian Government has increased taxes on imports on of the tropical oil's crude variety in favor of mustard farmers, whose crop is ready for harvest. India cut the basic import tax on crude palm oil to 15% from 27.5%, but imposed a 17.5% "cess" - a separate tax - on the imports. While import duties have been cut on edible oils. The new imposed duty is 15% for crude soybean and sunflower oil revised from 35% from its previous import duty.

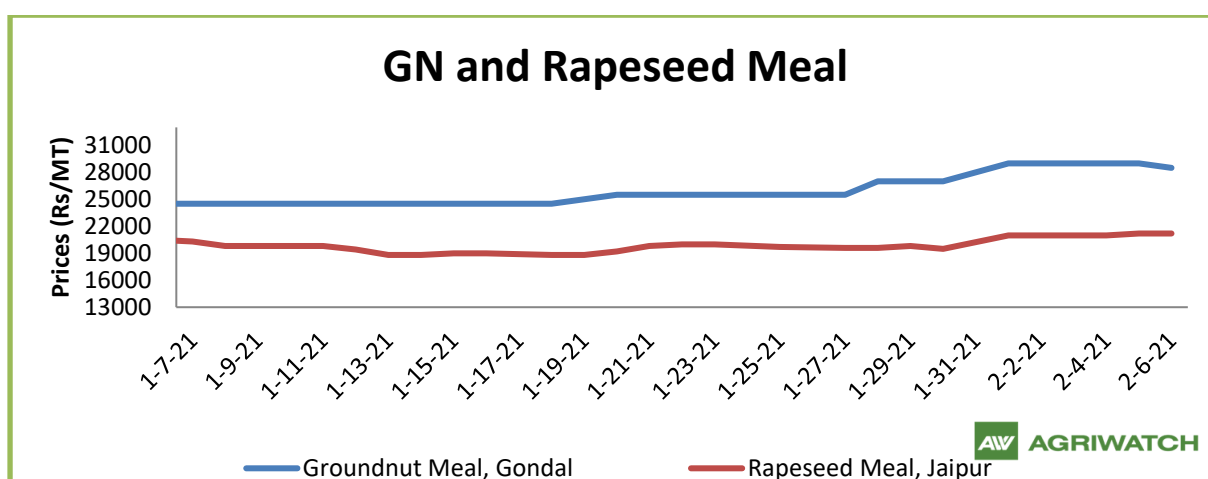
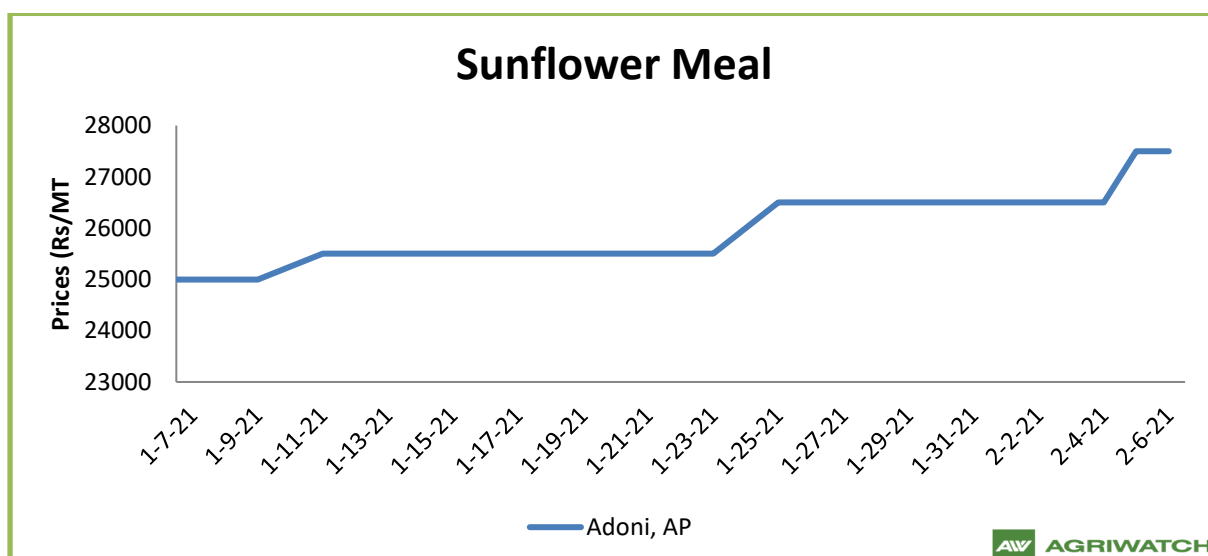
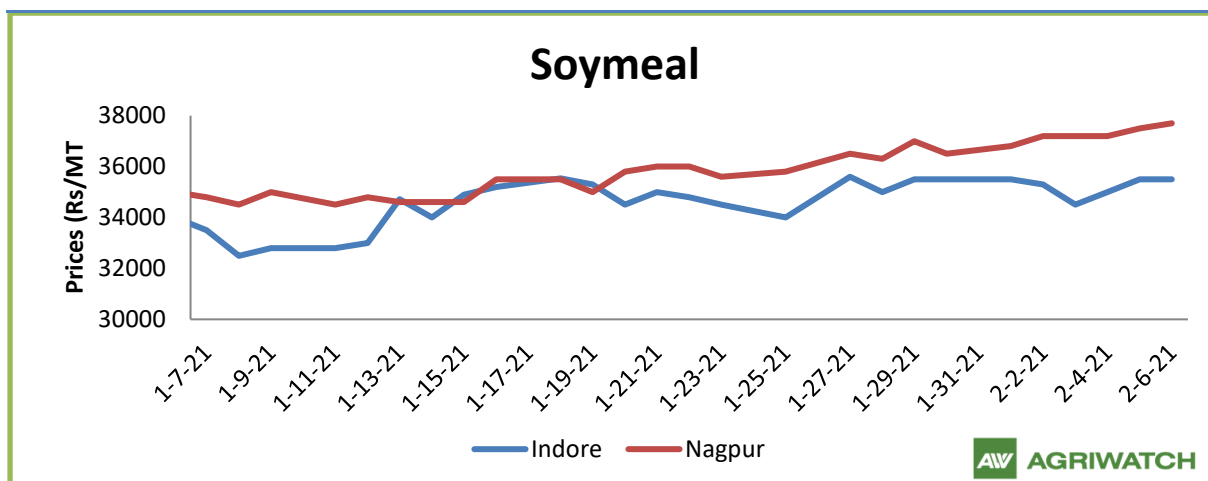
The rapeseed-mustard will remain under the new crop pressure for some time. However, robust overseas demand in rapeseed-meal and improved mustard oil demand post COVID will remain positive for the seed in medium-term.

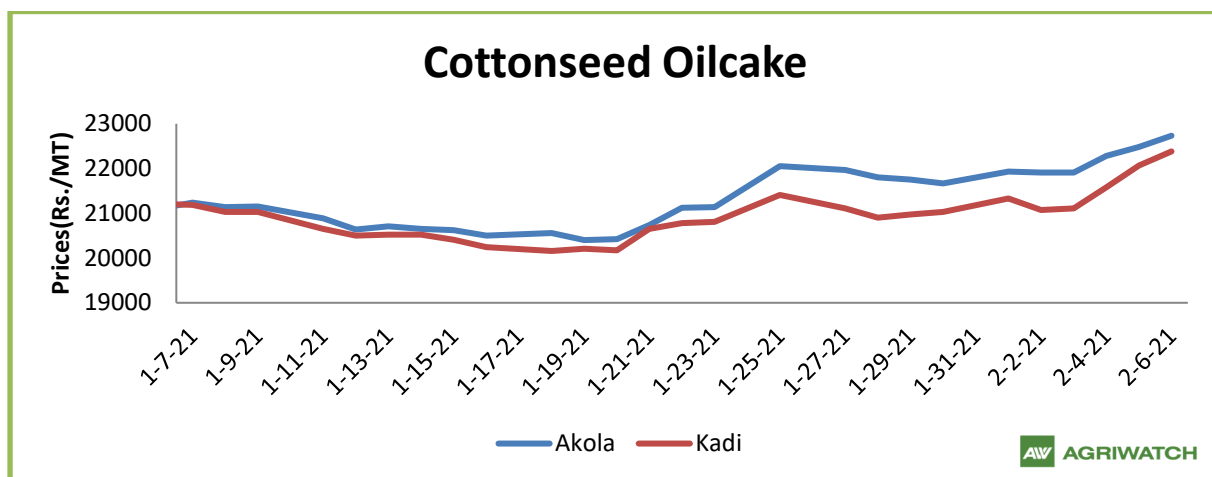
Mustard seed closed higher side in this week and stood leader among all the oilseeds on strong domestic demand against weak supplies.

The rapeseed-mustard prices rose by 4% while rapeseed meal also increased by 2.30%, soybean posted gains by +0.54% however soymeal unchanged and groundnut seed rose by +3.01%, 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 unchanged at the end of this week. Continue good Chinese demand will lend further support to increase the prices. Also, there is no any fresh confirmed cases of bird flu.

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

The soymeal prices unchanged in this week. Declining cases of COVID and bird flu may boost up regular soymeal demand.

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 141,866 metric tonnes against last year 60,178 metric tonnes during the same period i.e. down by +136%, and ricebran extraction is reported at 59,470 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 surged higher by US \$ 0.27 and settled at US \$ 430 per short ton compared to last week price i.e US \$427 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 stood steady at Rs 35000/MT and was quoted between Rs 34,500 – 35,500/MT compared to the weekly average of Rs 35,000/MT and was traded between the price ranges of Rs 34,500 – 35,530/MT previous week.

At Latur soymeal prices quoted higher at Rs 36,000 – 37,500/MT compared to Rs. 35,500 – 36,500/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. 36,000 – 36,700/MT compared to Rs. 35,500 – 36,000/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 increased on good domestic demand against slow supplies. The underlying fundamentals are strong on continued overseas rapeseed-mustard meal demand and improved local mustard oil demand post-COVID. However, expected heavy supplies of new crops may curb any major gain.

The seed prices increased by +4.02% compared to the previous week ahead of less supplies.

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 rapeseed-mustard harvesting in UP & MP has commenced and it will pick up the pace by second week of February, In Kota & Alwar belt of Rajasthan has also started but slow pace.

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.

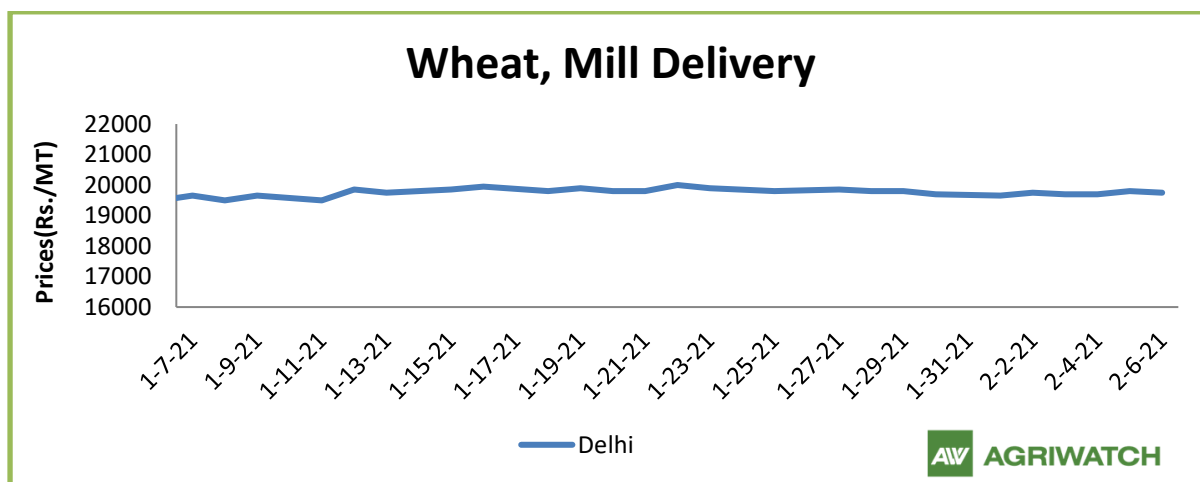
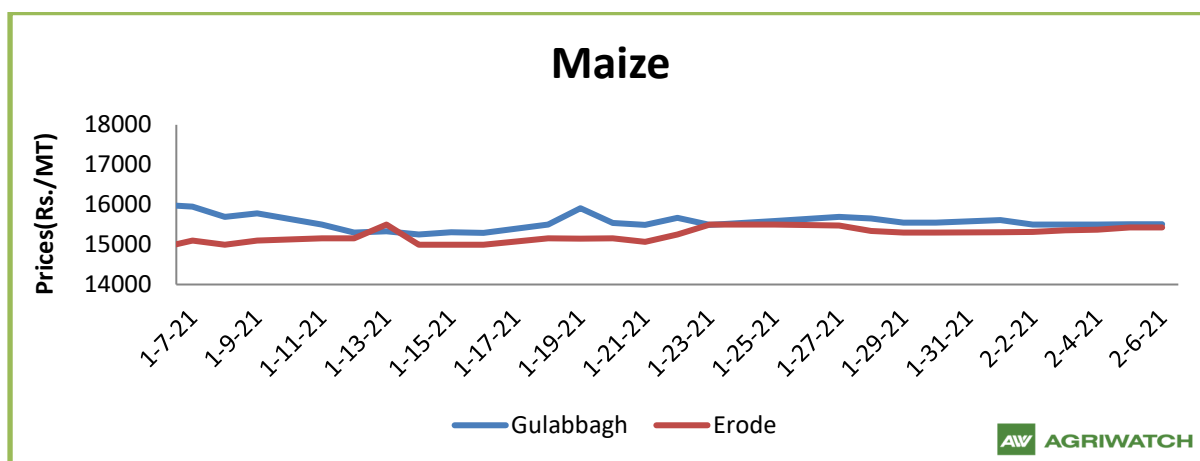
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

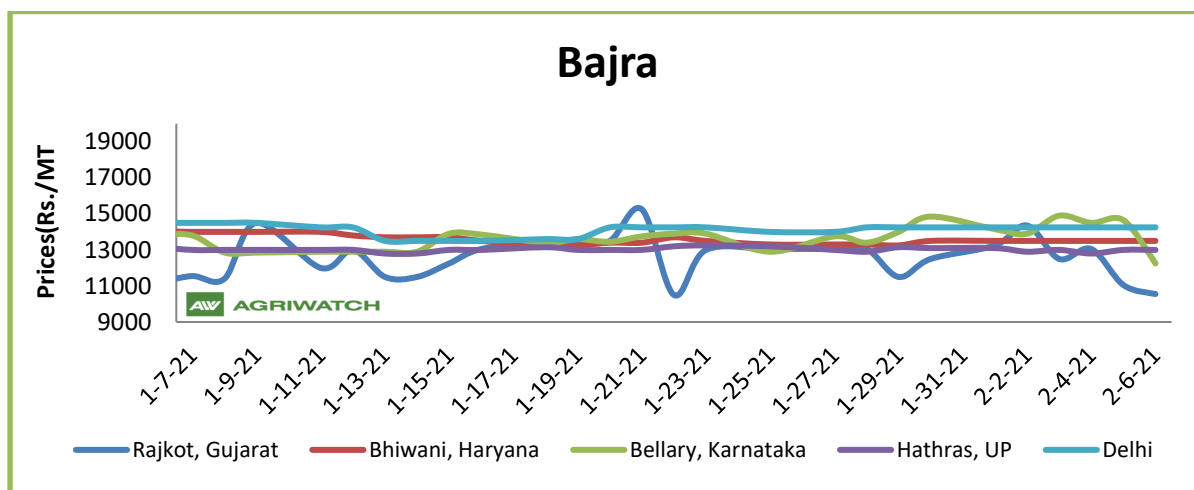
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 5.70 lakh bags during the week compared to around 4.40 lakh bags, previous week. The supplies for the same were 7.65 lakh bags during the corresponding period last year.

RM seed prices rose by 4.02% to the weekly average of Rs 6,325 a quintal from Rs 6080 a quintal previous week and Rs 4,400 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal rose by 2.30% to the weekly ended price of Rs. 2,665/qrtl compared to the the weekly ended price of Rs. 2,605/qrtl previous week.

At NCDEX futures, the April contract of rapeseed-mustard fell and ended at 5,106/QtI compared to 5,604/QtI previous week.





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

All India 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, Vizag and Chennai port at Rs. 1,555 per quintal, Rs. 1,620 per quintal and Rs. 1,551 per quintal, respectively; sourced from Davangere and Kotturu region of Karnataka. Hyderabad poultry feed makers are buying Maize at Rs.1,550 per quintal; sourced from Nizamabad region Of Telangana. While, Kolkata feed makers are buying maize at Rs. 1,600 per quintal, sourced from Gulabghat region of Bihar.

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 0.60 USD/MT to 215.94 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 support CBOT Maize.

At 1.00 MMT (for the period January 22-28, 2021) U.S. Maize exports were down 30 percent from the previous week and 17 percent from the prior 4-week average; mainly for the destinations like Japan (2,53,600 MT), China (2,09,500 MT), Mexico (1,90,900 MT), Colombia (1,08,800 MT), and Chile (45,300 MT).

All India's weekly average prices of wheat increased by 13.95 percent to Rs. 2023.09 per quintal during the week ended 08<sup>th</sup> Feb 2021. Wheat average prices were ruling at Rs 2317.41 per quintal during 01<sup>st</sup>–08<sup>th</sup> Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Second week prices not updated on agmarknet website.

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. 1680. 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 1900, 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 be 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 to slightly firm as overall feed ingredients prices traded steady to firm during last week.



**Annexure**
**Oil Meal Prices at Key Spot Markets:**
**Soy DOC Rates at Different Centers**

Centers	Ex-factory rates (Rs/ton)		
	4-Feb-21	28-Jan-21	Parity To
Indore - 45%, Jute Bag	35000	35000	Gujarat, MP
Kota - 45%, PP Bag	36700	36800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	37500	37500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	37200	36300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36700	36000	Andhra, AP, Kar, TN
Latur	37500	36000	-
Sangli	37000	36600	Local and South
Solapur	33700	33700	Local and South
Akola – 45%, PP Bag	36300	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	36500	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	36500	36600	-

**Soy DOC at Port**

Centers	Port Price		
	3-Feb-21	27-Jan-21	Change
Kandla (FOR) (INR/MT)	38000	37700	300
Kandla (FAS) (USD/MT)	535	530	5
CNF Indonesia – Yellow SBM (USD/MT)	562	565	-3

International Soy DOC			
Argentina FOB USD/MT	3-Feb-21	27-Jan-21	Change
Soybean Pellets	494	502	-8
Soybean Cake Flour	494	502	-8
Soya Meal	492	497	-5
Soy Expellers	492	497	-5
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)	
Centers	4-Feb-21	28-Jan-21	Change

Adoni	26500	26500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	26000	26000	Unch

Groundnut Meal (Rs/MT)	4-Feb-21	28-Jan-21	Change
Basis 45%, Saurashtra	27000	25500	1500
Basis 40%, Saurashtra	22500	22000	500
GN Cake, Gondal	29000	27000	2000

Mustard DOC/Meal	4-Feb-21	28-Jan-21	Change
Jaipur (Plant delivery)	21000	19600	1400
Kandla (FOR Rs/MT)	21500	20300	1200

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

Market	Grade	05-Feb-21	29-Jan-21	05-Jan-21	05-Feb-20	05-Feb-19
Delhi	Hybrid	1480	1470	1500	2000	2150
Davangere	Loose	1300	1300	1330	1800	1950
Nizamabad	Bilty	1550	1550	1450	2050	2000
Ahmedabad	Feed	1425	1450	1480	1900	2200
	Starch	1500	1530	1480	1900	2200

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

As on 04.02.2021	Argentina	Brazil	US	India
FOB	249.61	277.00	252.00	211.04
Cost and Freight	299.61	332.00	312.00	246.04

#### 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	05-Feb-21	29-Jan-21	Change
Bajra	Karnataka	Hybrid	Bellary	1465	1400	65
		Hybrid	Bangalore	2000	2000	Unch
Jowar	Karnataka	White	Bangalore	2500	2550	-50
		White	Bellary	1500	1560	-60
Maize	Karnataka	Yellow	Davangere	1400	1300	100
	Telangana	Yellow	Nizamabad	1425	1450	-25
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2550	-100
Soy meal	Madhya Pradesh	DOC	Indore	3550	3550	Unch
	Maharashtra	DOC	Sangli	3760	3660	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2750	2650	100
Mustard	Rajasthan	Plant delivery	Jaipur	2120	1980	140
Groundnut Meal	Gujarat	GN Cake	Gondal	2900	2700	200
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2207	2097	110
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2248	2175	73
Note: Prices Rs./Qtl						

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