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Summary

Overall Maize cash markets traded steady to slightly firm 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 global and domestic feed markets. However, higher stock availability would limit the gain.

All India's weekly average prices of wheat decreased by 1.38 percent to Rs. 1923.72 per quintal during the week ended 23rd Feb 2021. Wheat average prices were ruling at Rs 2227.72 per quintal during 16th–22nd Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Market is depending on the quality of standing wheat crop now.

With the rising cotton prices in the market, the cotton seed oil prices have also increased in the previous week by around 1-2 percent. Although, the cotton daily arrivals have decreased. The average price of cotton seed oilcake has increased in Kadi at Rs. 2298 per quintal from Rs. 2273 per quintal and in Akola were at Rs. 2362 per quintal from Rs. 2317 per quintal previous week.

The domestic soybean extended gain supported by consistent and firm demand in domestic and overseas markets. Soymeal also settled higher on good overseas demand and improved poultry demand in India. Higher soy products enquiries in international markets along with decline cases of bird flu and COVID in India may remain support prices to rise in coming days.

Rapeseed-mustard declined at various trading centers after good pace of arrivals of new crops. Good price hike in this season prompted farmers to release their stocks at the current level. The harvesting of the new mustard crops in UP & MP states may speed up after 15th March 2021. While, 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. However, the standing crops are in good condition in UP states and farmers expect good yield in this season. New crop arrivals of mustard seeds are expected to be higher in March month. Nafed will commence procurement from mid of march for mustard new crop.

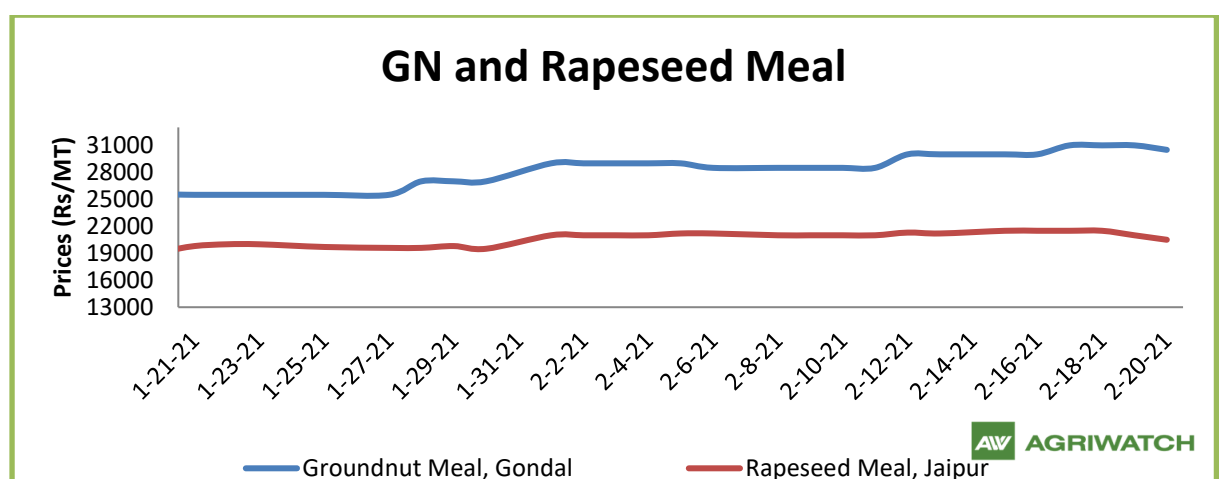
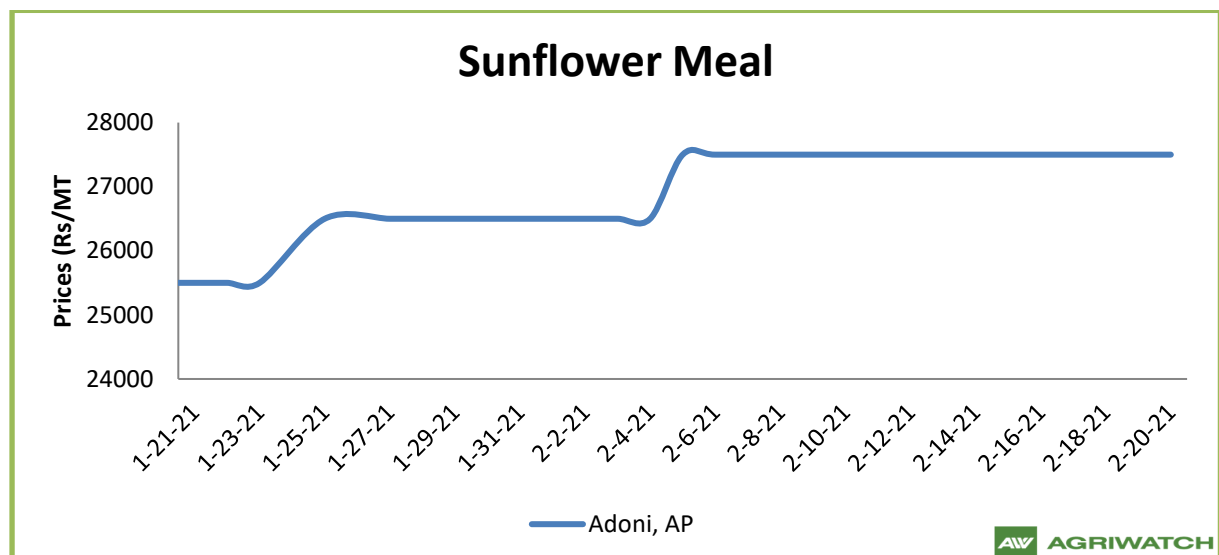
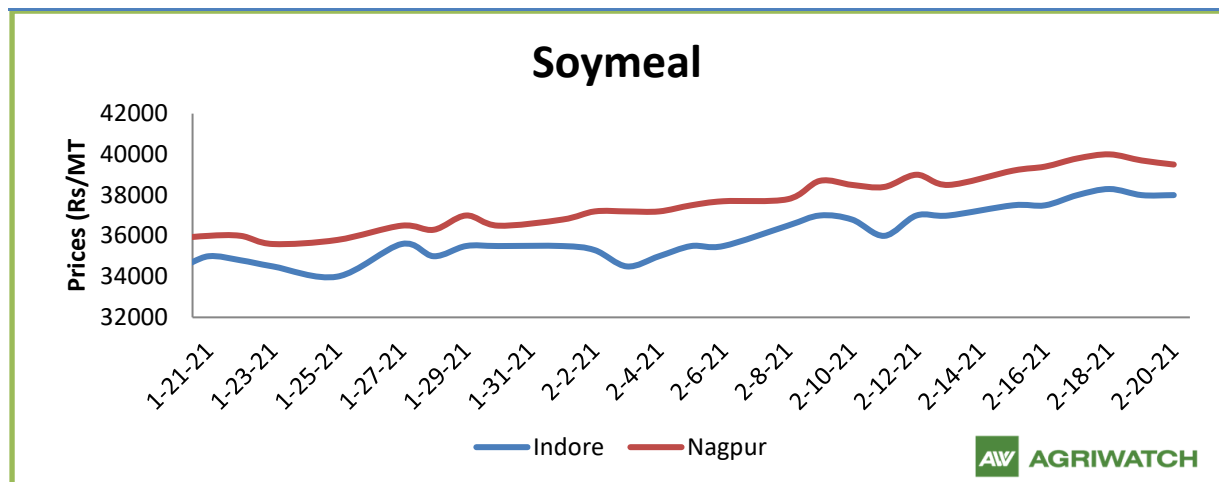
The rapeseed-mustard is likely to be under the new crop pressure for some time. However, robust overseas demand in rapeseed-meal and improved mustard oil demand post COVID will remain positive for the seed in medium-term.

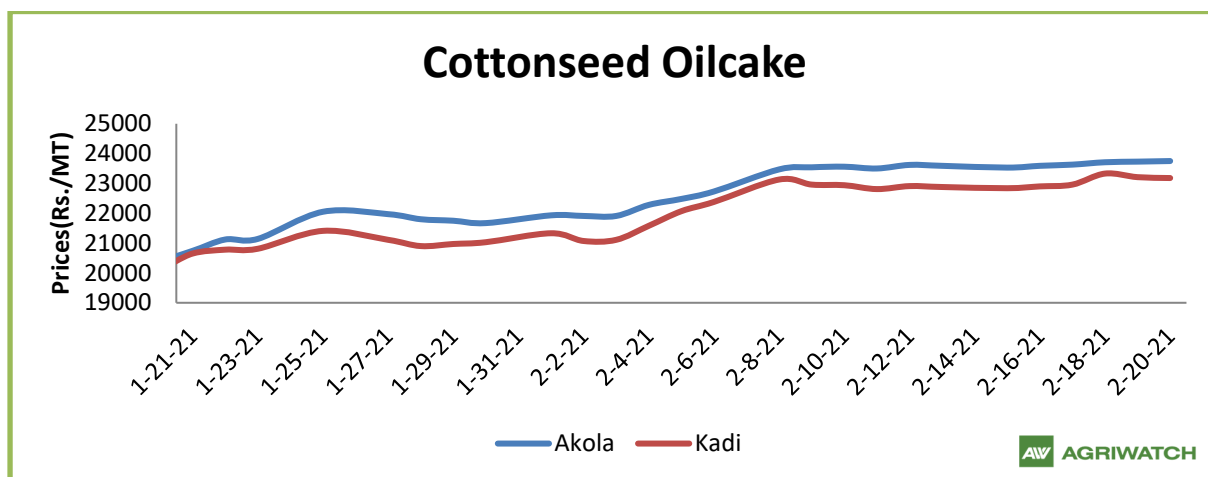
Soybean made higher price record in this week and leader among all the oilseeds on strong overseas demand in the seed, soymeal & the soy oil this season.

The rapeseed-mustard prices rose by 1% at Jaipur center while rapeseed meal closed remain steady, soybean posted gains by +4.96% soymeal surged by 6.38% and groundnut seed rose by +3.15%, 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 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 prices increased at the end of this week on continue demand of exporters. Chinese demand is likely to be continue which may further support to the prices. Fresh poultry demand is also supporting price to rise.

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

The soymeal prices rose by 6.38% in this week. Declining cases of COVID and bird flu may boost up further 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 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

Soy meal futures eased on unwinding of long soymeal/short soy oil spreads. CBOT March soymeal eased at higher by US \$ 33.7 and settled at US \$ 426.30 per short ton compared to last week price i.e US \$430 per short ton.

The international soymeal prices are remaining 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 February 2020, USDA report the world soymeal exports estimates are higher at 66.50 million tonnes vs 65.97 million tonnes for 2020/21.

The domestic weekly soymeal prices at Indore stood higher at Rs 38300/MT and was quoted between Rs 36,000 – 38,300/MT compared to the weekly ended price of Rs 36,000/MT and was traded between the price ranges of Rs 35500 – 37,000/MT previous week.

At Latur soymeal prices quoted higher at Rs 38,500 – 40,000/MT compared to Rs. 37,500 – 38,500/MT from a week ago and in Nanded it was quoted lower at Rs. 38,500 – 40,000/MT compared to Rs. 36,700 – 39,000/MT a week ago. Besides, in Kota, the meal improved to Rs. 37,700 – 40,200/MT compared to Rs. 36,700 – 38,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted between Rs 36,000 – 38,300/MT during the week compared to Rs 35,500 – 37,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 37,900 – 39,500/MT on cases strong overseas soymeal demand.

Rapeseed - Mustard Seed

Rapeseed-mustard declined at various trading centers on good supplies of new crop. However, higher demand of mustard oil is still supporting seed prices at Jaipur benchmark. 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 +1% compared to the previous week due to good demand of millers. However, heavy new crop supplies will limit any gain in next week.

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 end week of February, In Kota & Alwar belt of Rajasthan has also started but slow pace. Nafed will commence to procure seed in March month.

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.

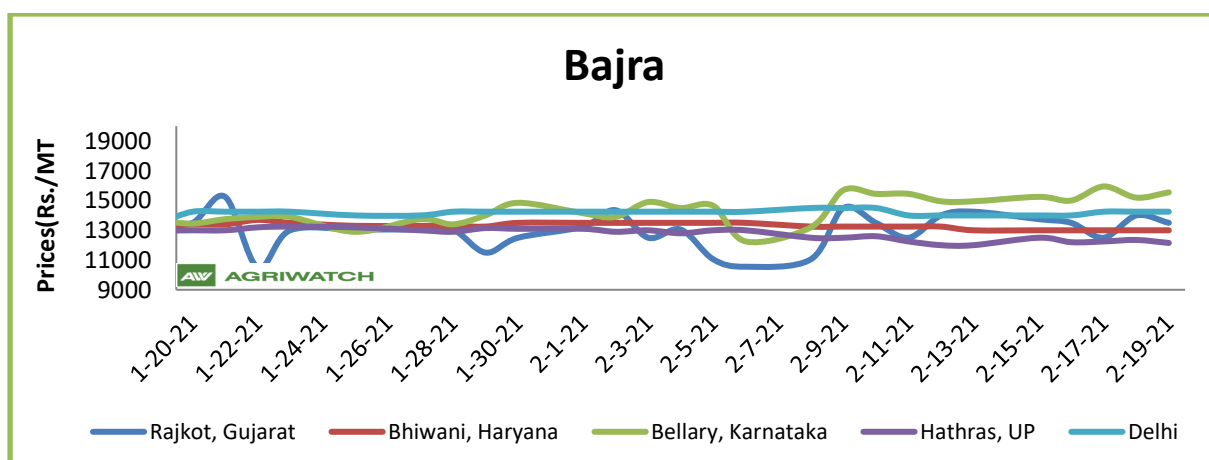
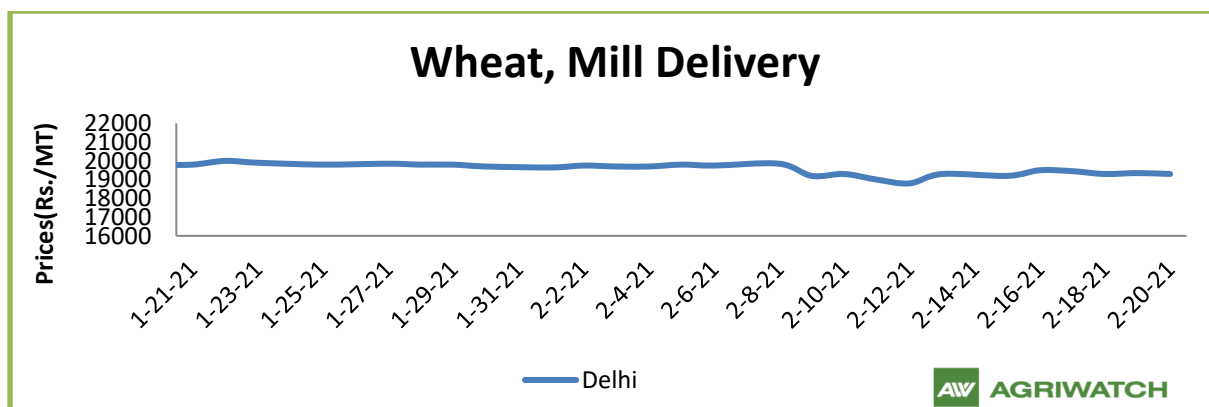
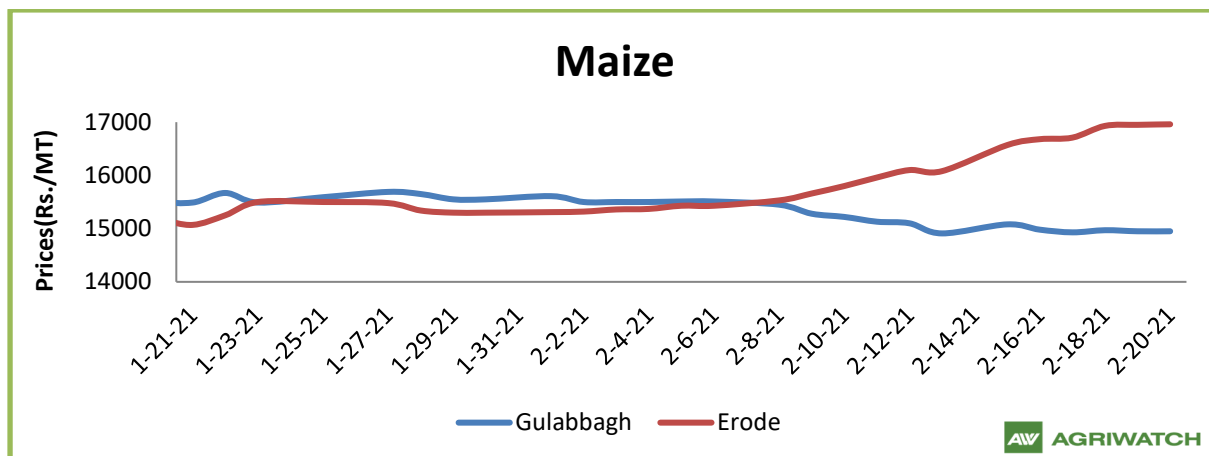
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all-India rapeseed-mustard arrivals improved week-on-week and were reported at 16.30 lakh bags during the week compared to around 10.60 lakh bags, previous week. The supplies for the same were 8.30 lakh bags during the corresponding period last year.

RM seed prices rose by 1% to the weekly closing of Rs 6,480 a quintal from Rs 6430 a quintal previous week and Rs 4,255 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal weekly ended price closed remain steady at Rs. 2,725/qtl compared to last week price.

At NCDEX futures, the April contract of rapeseed-mustard steady and ended at 5,293/Qtl compared to the previous week.



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

Overall Maize cash markets traded steady to slightly firm 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 global and domestic feed markets. However, higher stock availability would limit the gain.

Sources revealed that maize is being loaded for Vizag port at Rs. 1,600 per quintal; sourced from Madhya Pradesh. Tamil Nadu feed makers are buying Maize at Rs. 1,720 – 1,730 per quintal; sourced from Davangere region of Karnataka. Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Nizamabad region Of Telangana. While, Kolkata feed makers are buying maize at Rs. 1,600 per quintal, sourced from Gulabgh 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 1.57 USD/MT to 213.67 USD/MT for March'21 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.

At 1.39 MMT (for the period February 05- February 11, 2021) U.S. Maize exports were down 11 percent from the previous week but up 14 percent from the prior 4-week average; mainly for the destinations like Mexico (247,100 MT), Japan (236,200 MT), South Korea (182,800 MT), Colombia (114,800 MT), and Peru (83,500 MT).

All India's weekly average prices of wheat decreased by 1.38 percent to Rs. 1923.72 per quintal during the week ended 23rd Feb 2021. Wheat average prices were ruling at Rs 2227.72 per quintal during 16th–22nd Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Market is depending on the quality of standing wheat crop now.

As per the latest update, wheat sowing is almost end. 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).

Rains and hailstorms in Jabalpur, Sagar, Bhopal, Shahdol, Hoshangabad, and Indore region in MP and rains in Maharashtra, Gujarat, and West Bengal may affect the quality of standing crops ready to be harvested. Fears have increased as the weather may be wet next three days. The increase in the moisture in the soaked crops would lead to the rejection of the crops and wheat during the government's procurement at MSP. At this moment, the rains will affect the growth of the plant and affect the color of the crop.

Madhya Pradesh has increased its wheat procurement target for this rabi season to 125 lakh metric tonnes, a year after recording the highest wheat procurement of almost 130 LMT last year, as against a target of 100 lakh metric tonnes. The central Indian state now accounts for 8.30 lakh metric tonnes of the 9.93 lakh metric tonnes increase in the area under wheat crop for this year's procurement season.

According to the trade source, Due to the sudden change in the weather, the temperature has started increasing gradually. Strong sunlight in the day is making you feel warm. The concern of wheat producing farmers has increased. Similarly, if the temperature increases, wheat production will decline. The late wheat crop will collapse.

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.

Wheat prices rose in most major exporting countries since last month's WASDE due to higher global consumption and lower ending stocks, coupled with the continued strengthening of corn and soybean prices. Russia witnessed the most significant climb based on policy announcements affecting grain exports. Canada and U.S. remain the most expensive origins, partly due to lower forecast ending stocks and strong exports.

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)		
	18-Feb-21	11-Feb-21	Parity To
Indore - 45%, Jute Bag	38300	36000	Gujarat, MP
Kota - 45%, PP Bag	40200	37700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	40400	39000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	40000	38400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	40000	38500	Andhra, AP, Kar ,TN
Latur	40000	38500	-
Sangli	39300	38000	Local and South
Solapur	39200	37200	Local and South
Akola – 45%, PP Bag	38700	37000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	40000	38500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	40000	37500	-

Soy DOC at Port

Centers	Port Price		
	17-Feb-21	10-Feb-21	Change
Kandla (FOR) (INR/MT)	40000	40000	Unch
Kandla (FAS) (USD/MT)	560	560	Unch
CNF Indonesia – Yellow SBM (USD/MT)	580	576	4

International Soy DOC			
Argentina FOB USD/MT	17-Feb-21	10-Feb-21	Change
Soybean Pellets	477	475	2
Soybean Cake Flour	477	475	2
Soya Meal	477	471	6
Soy Expellers	477	471	6
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	18-Feb-21	11-Feb-21	Change
Adoni	27500	27500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	27000	27000	Unch

Groundnut Meal (Rs/MT)	18-Feb-21	11-Feb-21	Change
Basis 45%, Saurashtra	29500	27500	2000
Basis 40%, Saurashtra	26000	24000	2000
GN Cake, Gondal	31000	28500	2500

Mustard DOC/M meal	18-Feb-21	11-Feb-21	Change
Jaipur (Plant delivery)	21500	21000	500
Kandla (FOR Rs/MT)	22000	21500	500

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	19-Feb-21	12-Feb-21	19-Jan-21	19-Feb-20	19-Feb-19
Delhi	Hybrid	1480	1450	1425	1800	2150
Davangere	Loose	1520	1420	1300	1800	2050
Nizamabad	Bilty	1500	1500	1425	1900	2025
Ahmedabad	Feed	1500	1500	1500	1650	2200
	Starch	1525	1500	1500	1590	2200

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

As on 19.02.2021	Argentina	Brazil	US	India
FOB	242.13	270.00	251.00	227.46
Cost and Freight	292.13	325.00	311.00	262.46

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	19-Feb-21	12-Feb-21	Change
Bajra	Karnataka	Hybrid	Bellary	1555	1495	60
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2500	2500	Unch
		White	Bellary	1510	1680	-170
Maize	Karnataka	Yellow	Davangere	1520	1420	100

	Telangana	Yellow	Nizamabad	1450	1425	25
Rice	Haryana	IR8	Karnal	2700	2700	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3800	3700	100
	Maharashtra	DOC	Sangli	3960	3850	110
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2750	2750	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	2100	2130	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	3100	3000	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2321	2291	30
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2373	2362	11
Note: Prices Rs./Qtl						

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