

***Contents:***

---

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

## Summary

---

Overall Maize cash markets traded steady to range bound 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 increased by 6.87 percent to Rs. 2034.51 per quintal during the week ended 08<sup>th</sup> Mar 2021. Wheat average prices were ruling at Rs 2079.20 per quintal during 01<sup>st</sup>–08<sup>th</sup> Mar 2020.

The Cotton seed oil prices have again increased in the market by 2-4 percent, where else there is a slight decrease in cotton seed oilcake prices from the previous week. The cotton daily arrivals are now around 1 lakh bales a day; cotton seed rates have also fallen down from Rs. 600 to nearly Rs. 580 per 20 kgs. The average price of cotton seed oilcake has decreased in Kadi at Rs. 2294 per quintal from Rs. 2298 per quintal and in Akola were at Rs. 2348 per quintal from Rs. 2362 per quintal previous week.

The domestic soybean and soymeal extended gains on spillover support from the strength in international soy complex and improved soymeal exports from India in recent months.

Better crush margin in the soybean remained encouraging for the oilseed processors who suffered demand setback in soymeal and soyoil early COVID last year.

However, rapeseed-mustard and rapeseed DOC witnessed losses on commencement of harvesting in UP and eastern parts of Rajasthan and on expectation of bigger crop. The new crop supplies will gradually peak in a fortnight, in the Agra and Kota belt.

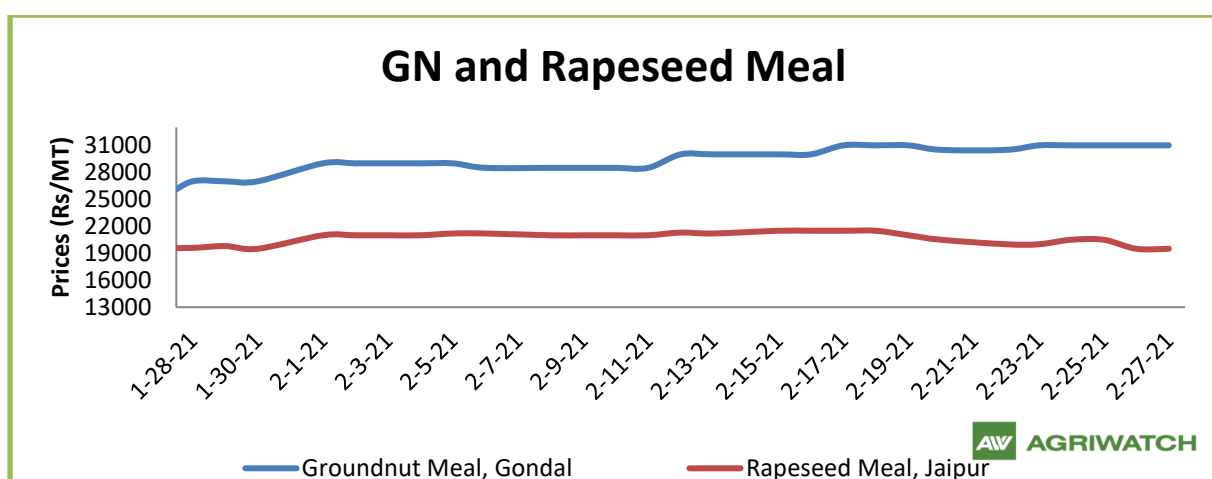
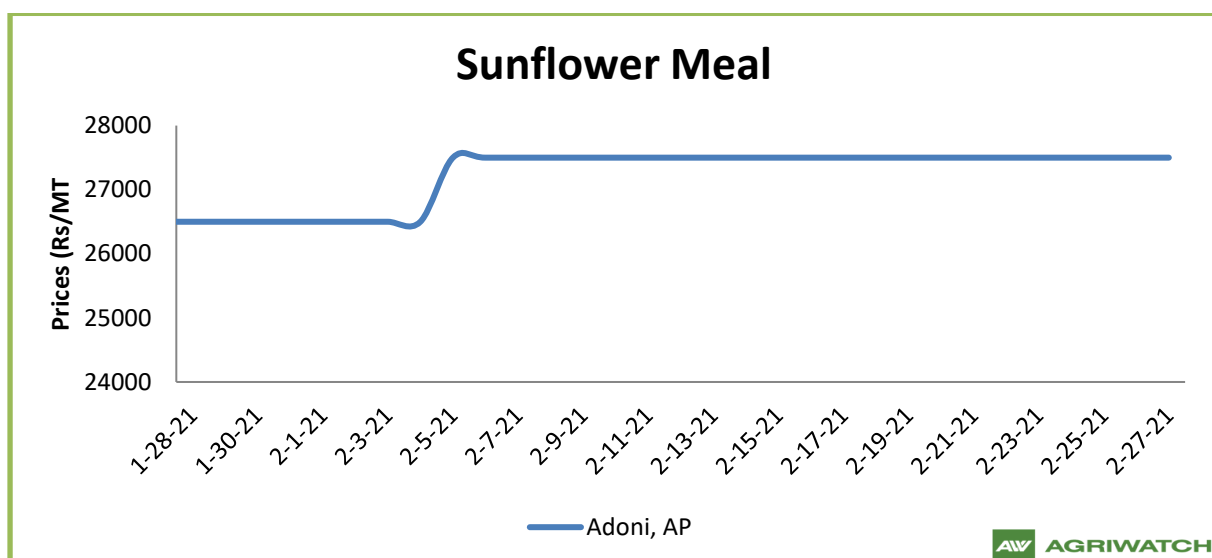
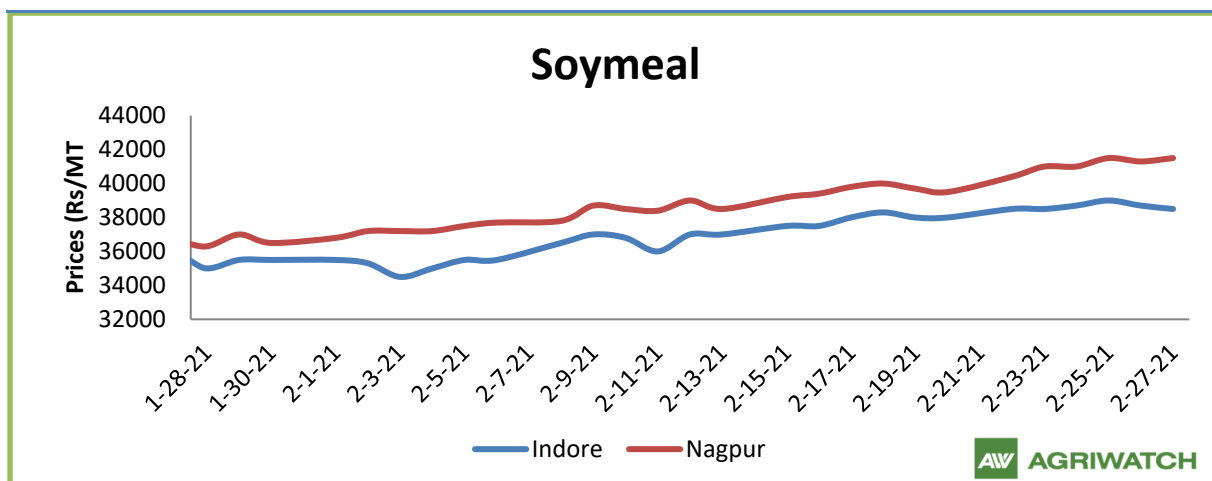
The rapeseed-mustard will remain under the new crop pressure for sometime. However, robust overseas demand in rapeseed-meal and improved mustard oil demand post COVID will remain positive for the seed in medium-term.

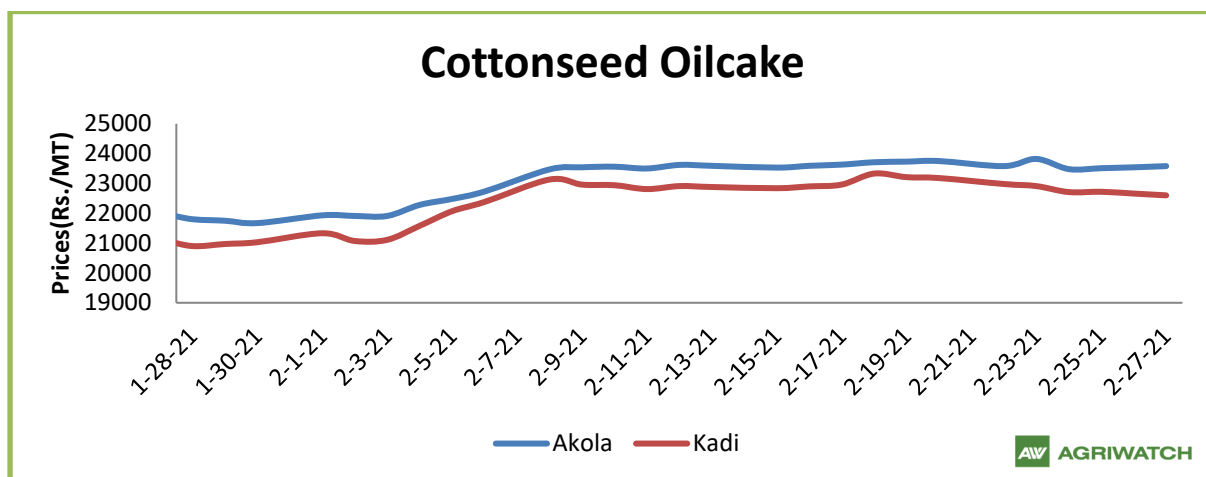
Further, groundnut seed posted gains on strong and persistent overseas demand in the groundnut seed and groundnut oil.

The rapeseed-mustard prices decline by -5% also rapeseed meal fell by -6%, soybean and soymeal posted gains by +2% while groundnut seed rose by +2%, 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 and strong international soy complex. Rapeseed-mustard complex to feature range bound movement with weak bias on 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 edged-up in sync with soybean on persistent and improved overseas demand and stronger international soybean market on depleting soy stock in the key producing countries.

Robust Chinese soy demand, lower than expected soybean production estimates in US and other major soybean producing countries will remain bullish for soymeal.

The soymeal prices improved by +2% alongside soybean on strong soymeal export data.

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.

India's January 2021 soymeal exports improved by +579% to 28,3167 metric tonnes compared to 41,726 metric tonnes in the same period last year. Further, the soymeal shipments improved by +92% to 11,71,369 metric tonnes in aggregate, during the last nine months (Apr.-Jan.) of financial year 2020-21 compared to 61,1075 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of January 2021 is reported at 4,98,060 metric tonnes compared to 1,69,397 metric tonnes in January 2020 i.e. up by +194%.

The overall export of oilmeals during April to January 2021 is also reported up by +39% at 29,62,680 metric tonnes compared to 21,27,635 metric tonnes during the same period last year.

Of the total soymeal exports of 28,3167 metric tonnes in January 2021, Germany, Indonesia and US remained to top buyers with imports figures touching 92,037 metric tonnes, 60,770 metric tonnes and 22,617 metric tonnes respectively.

India's exports for rapeseed meal during April-January 2021 was down +18% at 9,90,955 metric tonnes compared to 8,39,197 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in January'21 is reported at 74,240 metric tonnes against last year 97,998 metric tonnes during the same period i.e. down by-24%, and ricebran extraction exports is reported at 89,776 metric tonnes against last year 15,925 metric tonnes i.e. +464% 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. 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 May soymeal fell by US \$ 1.60 and closed at US \$ 421.40 per short ton, Friday.

The international soymeal prices are once again getting competitive after rains in South America, improving the soybean crop prospect. The soymeal export price spread of India vs Argentina (FAS Kandla and FOB Argentina) have once again widened to US \$ 76/MT in February'21 vs US \$ 16/MT in January'21, creating incompetiveness for Indian soymeal.

However, 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 2021, USDA report the world soymeal exports estimates are slightly higher at 62.87 million tonnes vs 62.81 million tonnes for 2020/21.

The domestic weekly average soymeal prices at Indore surged to Rs 38,450/MT and was quoted between Rs 38,000 – 39,000/MT compared to the weekly average of Rs 37,550/MT and was traded between the price ranges of Rs 37,000– 38,300/MT previous week.

At Latur the weekly average soymeal prices improved to Rs 40,467/MT compared to Rs. 39,333/MT a week ago and in Nanded too it was quoted higher at Rs. 40,650/MT compared to Rs. 39,617/MT a week ago. Besides, in Kota, the meal improved to Rs. 40,467/MT compared to Rs. 39,583/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 38,000 – 39,000/MT during the week compared to Rs 31,500 – 32,500/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 39,000 – 39,200/MT on cases strong overseas soymeal demand.*

### **Rapeseed - Mustard Seed**

Rapeseed-mustard declined on picking up the harvesting pace and slack in demand from the crushers due to squeeze in the crush margin after the seed prices skyrocketed in recent while.

The harvesting of the rapeseed-mustard crop is progressing in Agra belt of Uttar Pradesh and Kota belt of Rajasthan the arrivals in the region will peak mid-March.

However, the harvesting of the seed in Sri Ganganagar and Alwar will commence in mid-March and peak by 15<sup>th</sup> April.

We have projected India's 2021-22 rapeseed-mustard crop production up by 11% at 8.0 million tonnes vs 7.21 million tonnes in 2020-21, on higher planted acreage of 73.94 lakh hectares vs 69.08 lakh hectares last season.

Overall, the standing rapeseed-mustard crop is in good state and mostly in pod formation or at maturity stage.

The yield in rapeseed-mustard seed have been hit by around 15% in Sri Ganganagar and Bikaner due to the scarcity of water for irrigation and deficit rains during the crop development stage. Besides, productivity the recovery in oil is also expected to decline by 1-2% to average 38% from the normal 40%.

However, the rain in January has improved the crop prospect in Agra belt and boosted the recovery level in the seed by around +1% to 35-36% from the normal 34-35%, Agra belt is the key seed growing region of Uttar Pradesh.

India has not imported any rape oil (canola) in January too as in last several months. We expect, India will not import the rape oil in coming months too.

India's export of rapeseed meal in January'21 is reported at 74,240 metric tonnes against last year 97,998 metric tonnes during the same period i.e. down by-24% due to decline in crushing of the seed on dried up stock.

However, India's exports for rapeseed meal during April-January 2021 was down +18% at 9,90,955 metric tonnes compared to 8,39,197 metric tonnes during the same period previous marketing season.

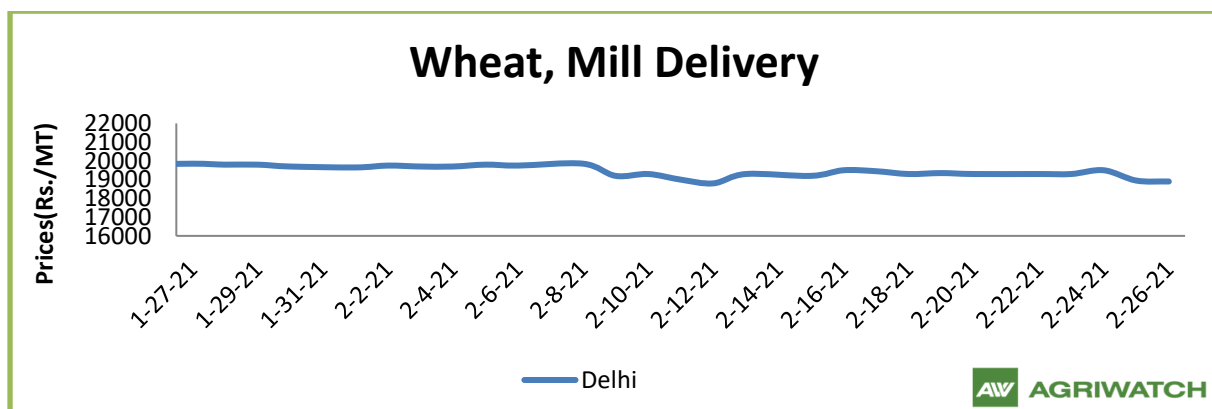
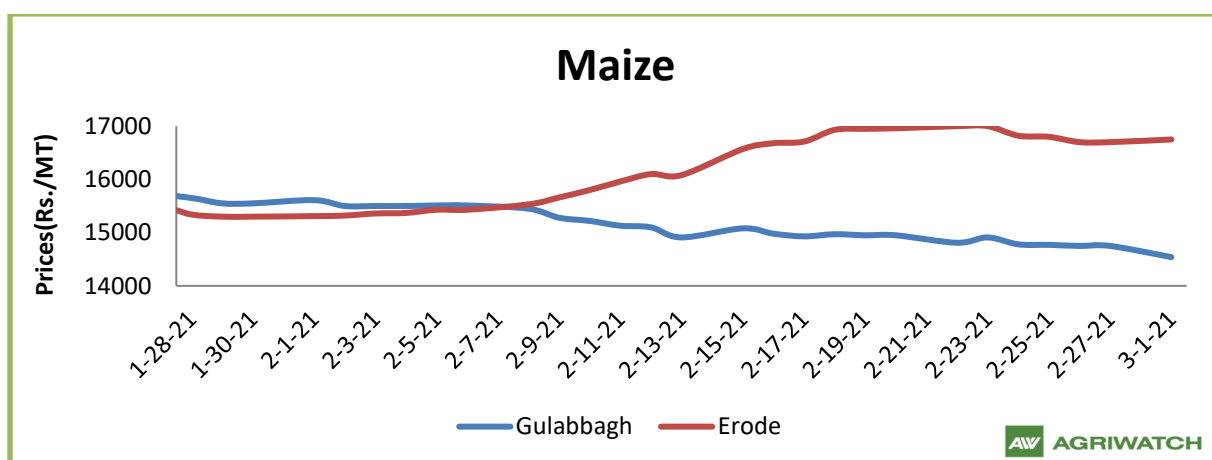
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

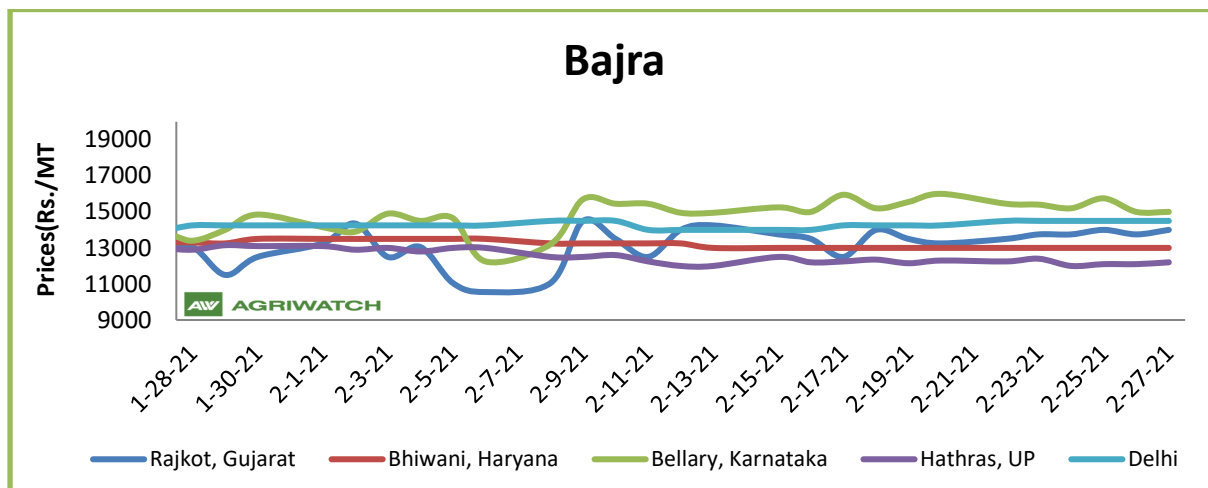
The all India rapeseed-mustard arrivals improved week-on-week and were reported at 25.35 lakh bags during the week compared to around 14.55 lakh bags, previous week. The supplies for the same were 5.80 lakh bags during the corresponding period last year.

In Jaipur, RM seed prices declined by -5% to the weekly average price of Rs 6,114 a quintal from Rs 6,460 a quintal previous week and Rs 4,280 a quintal during the corresponding period last year.

The rapeseed-mustard meal too declined by -6% to the weekly average price of Rs. 2551/qtl compared to the the weekly average price of Rs. 2722/qtl previous week.

At NCDEX futures, the April contract of rapeseed-mustard improved and ended at 5,536/Qtl compared to 5,287/Qtl previous week.





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

Overall Maize cash markets traded steady to range bound 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 Chennai and Krishnapatnam port at Rs. 1,695 and Rs. 1,665 per quintal respectively; sourced from Karnataka. Tamil Nadu feed makers are buying Maize at Rs. 1,700 per quintal; sourced from Davangere region of Karnataka. Maize is being loaded for Vizag port at Rs. 1,570 per quintal; sourced from Madhya Pradesh. Hyderabad poultry feed makers are buying Maize at Rs.1,500-1,550 and Rs. 1,550-1,600 per quintal; sourced from Telangana and Andhra Pradesh regions, respectively. While, Kolkata feed makers are buying maize at Rs. 1,550 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 Telangana, maize crop is at vegetative to flowering stage while, in Andhra Pradesh, it is at vegetative to cob formation stage. In Chittoor, Kurnool, Krishna, West Godavari and Vizianagaram districts, around 46,357 acres area of Maize was affected by FAW; out of which 35,114 acres area of Maize has been treated.

Corn on CBOT rose by 5.02 USD/MT to 218.69 USD/MT for March'21 contract compared to previous week as storms in major production areas of Brazil disrupted fieldwork, threatening to slow export shipments from one of the world's major suppliers. Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.

At 1.19 MMT (for the period February 12- February 18, 2021) U.S. Maize exports were down 14 percent from the previous week and 11 percent from the prior 4-week average; mainly for the destinations like Mexico (321,100 MT), Japan (226,700 MT), Vietnam (146,200 MT), China (144,300 MT), and Peru (110,300 MT).

All India's weekly average prices of wheat increased by 6.87 percent to Rs. 2034.51 per quintal during the week ended 08<sup>th</sup> Mar 2021. Wheat average prices were ruling at Rs 2079.20 per quintal during 01<sup>st</sup>-08<sup>th</sup> Mar 2020.

As per the final update, wheat sowing is completed. 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).

As per trade source, Uttar Pradesh & Bihar: After pollination, the ripening stage begins in Uttar Pradesh and Bihar. The crop is in the ripening stage (soft dough stage), where the high temperature will not affect much. The late sowing wheat crop in both states is still in the milking stage, where the high temperature will affect the granule and make them thin, which will affect the production. Production will depend on the temperature of the next ten days. At present, it is difficult to say how much production will decrease. In Madhya Pradesh and Gujarat, the harvesting and Arrival started in Mandis, so the high temperature will not affect the crop, no major damage reported so far, and the crop is in good condition.

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.

Maharashtra government estimates its agricultural production in which Wheat production is likely to be 17.85 lakhs MT. In Madhya Pradesh will start its Wheat procurement from March 22.

According to 2nd Government estimate, India is likely to harvest a record 109.24 million tonnes of wheat this year. further boosting stocks at government granaries that are fast running out of storage space due to more than a decade of bumper production. Wheat output in India, the world's second-biggest producer, is expected to go up by 1.3% in the crop year to June 2021, the Ministry of Agriculture and Farmers' Welfare said in its second crop forecast for 2020-21. Whereas Agriwatch estimates its wheat production estimate for MY 2020-21 will be 104 MMT for now.

According to USDA latest report, India MY 2020-21 Wheat export forecast is raised 1.75 Million MT. Most wheat exports are destined for neighbouring Bangladesh, Nepal, Sri Lanka, with smaller quantities to Middle Eastern countries.

Global production of wheat is up this month with a larger crop in Kazakhstan more than offsetting lower crops in Argentina, Pakistan, and South Africa. Global consumption is boosted on higher feed consumption in China and increased food, seed, and industrial use in India. Global trade is also higher with exports raised for Kazakhstan, the European Union, and India, more than offsetting lower exports for Argentina. Higher imports for China and Pakistan, meanwhile, more than offset lower imports for Indonesia, Saudi Arabia, and Sudan. The projected U.S. season-average farm price is raised \$0.15 per bushel to \$5.00.

**Outlook:** Feed prices are expected to trade steady to slightly firm as overall feed ingredients prices traded firm during last week.



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

Centers	Ex-factory rates (Rs/ton)		
	25-Feb-21	19-Feb-21	Parity To
Indore - 45%, Jute Bag	39000	38000	Gujarat, MP
Kota - 45%, PP Bag	41500	40200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	42500	40300	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	41500	39700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	41300	40000	Andhra, AP, Kar, TN
Latur	41000	39800	-
Sangli	40200	39600	Local and South
Solapur	40100	39200	Local and South
Akola – 45%, PP Bag	40200	38500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	41500	40000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	41300	40000	-

**Soy DOC at Port**

Centers	Port Price		
	24-Feb-21	18-Feb-21	Change
Kandla (FOR) (INR/MT)	40000	39500	500
Kandla (FAS) (USD/MT)	565	565	Unch
CNF Indonesia – Yellow SBM (USD/MT)	580	585	-5

International Soy DOC			
Argentina FOB USD/MT	24-Feb-21	18-Feb-21	Change
Soybean Pellets	466	470	-4
Soybean Cake Flour	466	470	-4
Soya Meal	467	467	Unch
Soy Expellers	467	467	Unch
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		

Centers	25-Feb-21	19-Feb-21	Change
Adoni	27500	27500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	27000	27000	Unch

Groundnut Meal (Rs/MT)	25-Feb-21	19-Feb-21	Change
Basis 45%, Saurashtra	29500	29500	Unch
Basis 40%, Saurashtra	26000	26000	Unch
GN Cake, Gondal	31000	31000	Unch

Mustard DOC/Meal	25-Feb-21	19-Feb-21	Change
Jaipur (Plant delivery)	20500	21000	-500
Kandla (FOR Rs/MT)	19500	21500	-2000

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

Market	Grade	26-Feb-21	19-Feb-21	27-Jan-21	26-Feb-20	26-Feb-19
Delhi	Hybrid	1480	1480	1430	1750	2150
Davangere	Loose	1480	1520	1300	1650	1900
Nizamabad	Bilty	1500	1500	1550	1800	2025
Ahmedabad	Feed	1480	1500	1500	1700	2100
	Starch	1525	1525	1500	1700	2100

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

As on 19.02.2021	Argentina	Brazil	US	India
FOB	240.85	270.00	251.00	212.18
Cost and Freight	290.85	325.00	311.00	247.18

#### 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	26-Feb-21	19-Feb-21	Change
Bajra	Karnataka	Hybrid	Bellary	1500	1555	-55
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2500	2500	Unch
		White	Bellary	1825	1510	315
Maize	Karnataka	Yellow	Davangere	1480	1520	-40
	Telangana	Yellow	Nizamabad	1450	1450	Unch
Rice	Haryana	IR8	Karnal	2900	2700	200
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3870	3800	70
	Maharashtra	DOC	Sangli	4080	3960	120
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2750	2750	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1950	2100	-150
Groundnut Meal	Gujarat	GN Cake	Gondal	3100	3100	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2260	2321	-61
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2358	2373	-15
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> © 2021 Indian Agribusiness Systems Ltd.