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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 too due to continuous demand from global and domestic feed markets.

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. Due to upcoming demands from Multinational companies, Wedding season It is unlikely that any slowdown in the wheat market and prices will increase for a longer period.

The cotton daily arrivals have reached 1 lakh bales a day, cotton seed Oilcake prices in kadi market have dropped from the previous week.

The average price of cotton seed oilcake has decreased in Kadi at Rs. 2254 per quintal from Rs. 2294 per quintal and has increased in Akola market at Rs. 2359 per quintal from Rs. 2348 per quintal previous week.

The domestic soybean and soymeal continued uptrend on firm global cues and improved soymeal exports from India in recent months.

The crush margin in soybean continues to be encouraging for the bean crushers.

However, rapeseed-mustard and rapeseed DOC continued its downtrend with harvesting of the seed picking up the pace in Uttar Pradesh and some parts of Rajasthan.

The rapeseed-mustard complex will remain under the new crop supply pressure for short-term. However, better demand in mustard oil amidst COVID and good export enquiries on rapeseed-meal DOC will remain positive for the seed in medium-to-long term.

Further, groundnut seed extended gains on strong and persistent overseas demand in the groundnut seed and groundnut oil, mainly from China.

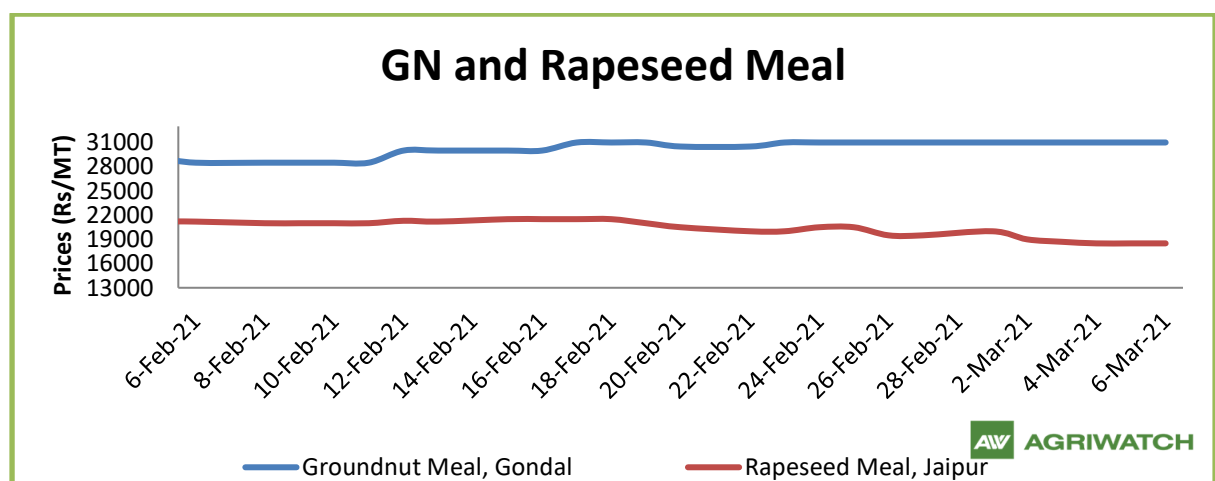
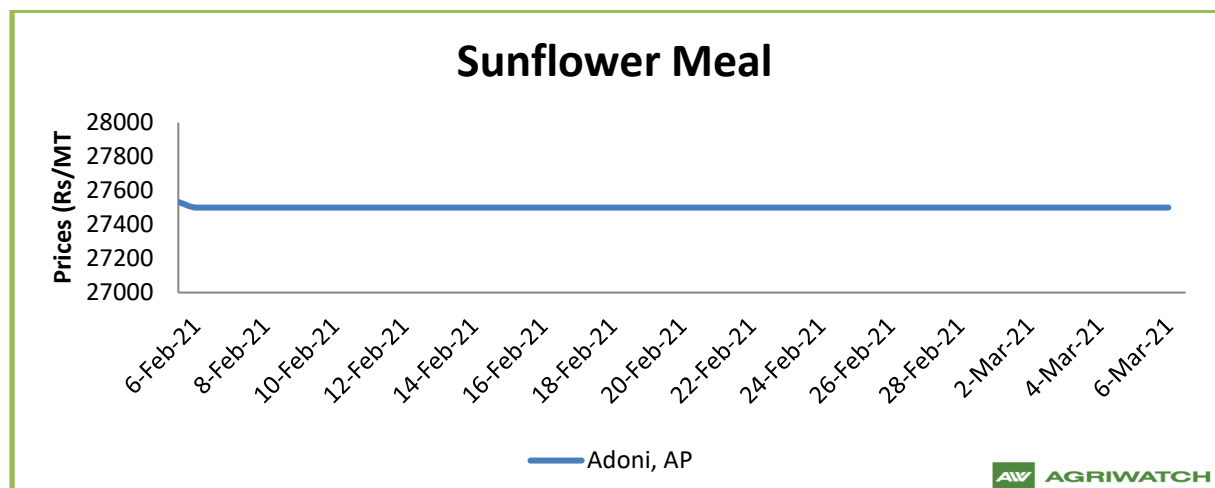
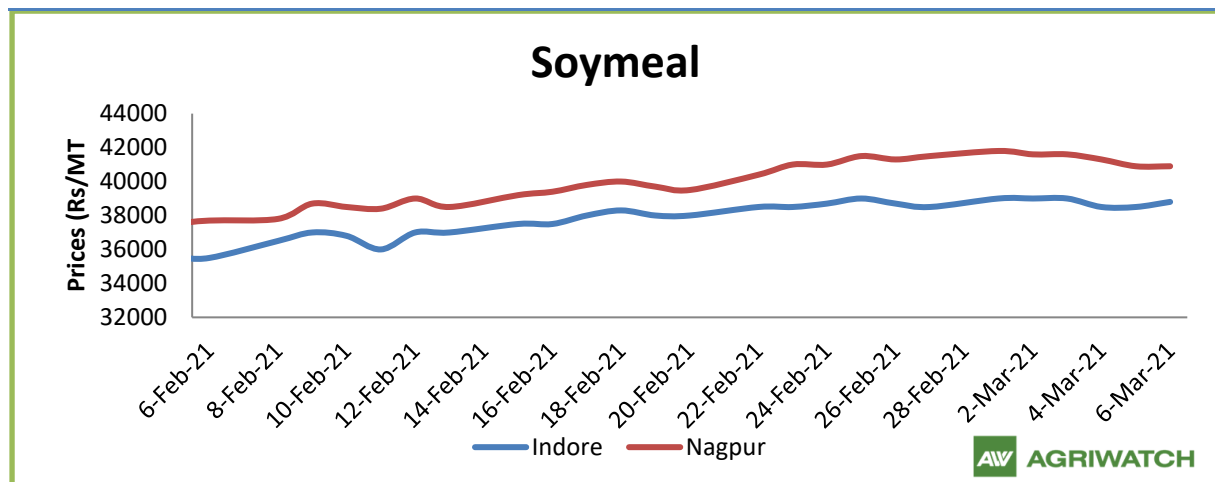
The rapeseed-mustard prices decline by -5% also rapeseed meal fell by -5%, soybean improved by +3% and soymeal posted gains by +1% while groundnut seed rose by +3%, all compared to the previous week's level.

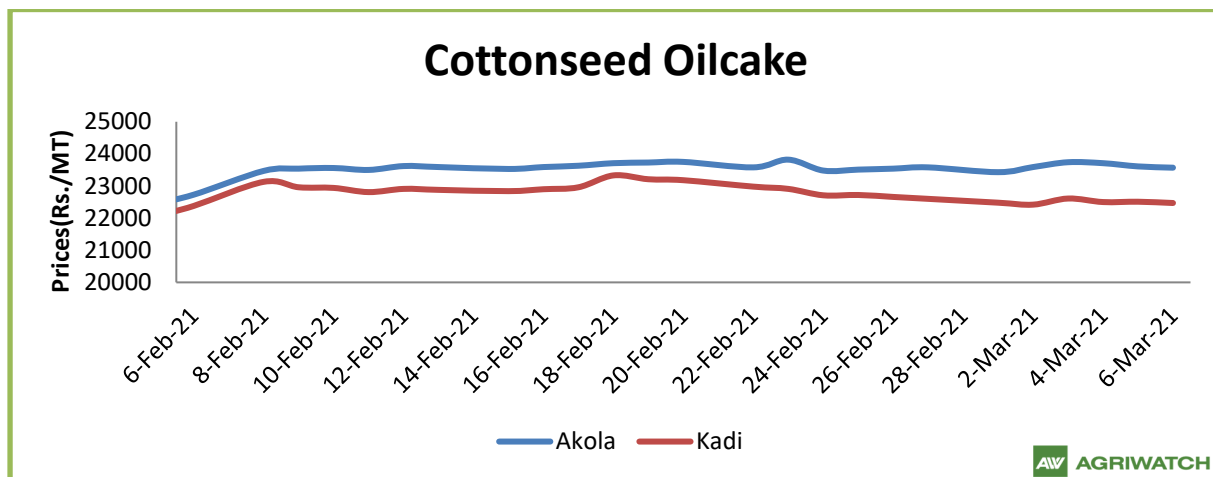
We feel the soy complex to feature range-bound movement with firm-bias on improved overseas soymeal demand and better crush margin and strong international soy complex.

Rapeseed-mustard complex to feature range bound movement with weak bias on crop new crop supply pressure with harvesting gaining momentum and bigger crop outlook this season, 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 witnessed mild gains in sync with soybean prices on firm global cues amid Argentina's soybean output concerns due to dry weather, Argentina is the world's largest soymeal exporter.

The soymeal prices improved by +1% alongside soybean on strong soymeal export data.

Under the lead of Argentina, world soymeal shipments rebounded in January and are expected to significantly improve on the year in Jan-March and subsequent quarters, said Oilworld.

Overall, the global soymeal outlook is bullish on likely upcoming demand mainly from China with rising China's pig herd which fell last year due to swine flu.

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

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.

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 improved by US \$ 1.60 and closed at US \$ 418.20 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 incompetitiveness 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 38,783/MT and was quoted between Rs 38,500 – 39,000/MT compared to the weekly average of Rs 38,450/MT and was traded between the price ranges of Rs 38,000 – 39,000/MT previous week.

At Latur the weekly average soymeal prices improved to Rs 41,267/MT compared to Rs. 40,467/MT a week ago and in Nanded too it was quoted higher at Rs. 41,717/MT compared to Rs. 40,650/MT a week ago. Besides, in Kota, the meal improved to Rs. 41,450/MT compared to Rs. 40,467/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 38,500 – 39,000/MT during the week compared to Rs 30,800 – 31,300/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 continued downtrend on new crop supply pressure in some of the key cash market yards. The harvesting of the seed is advancing in the Agra and Kota belt of Uttar Pradesh and Rajasthan respectively and the arrivals are increasing week-on-week.

The all-India rapeseed-mustard weekly arrivals improved to 35,45,000 bags compared to 25,35,000 bags in the previous week. The arrivals stood around 13,0000 bags during the same period last year.

However, the new crop supplies from Alwar, Sri Ganganagar and Bikaner is yet to arrive (mid-March), which is expected after mid-March. The rapeseed-mustard crop remained under moisture stress due to dry weather and deficit rains during its development period also there was scarcity of water from irrigation during the period.

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.

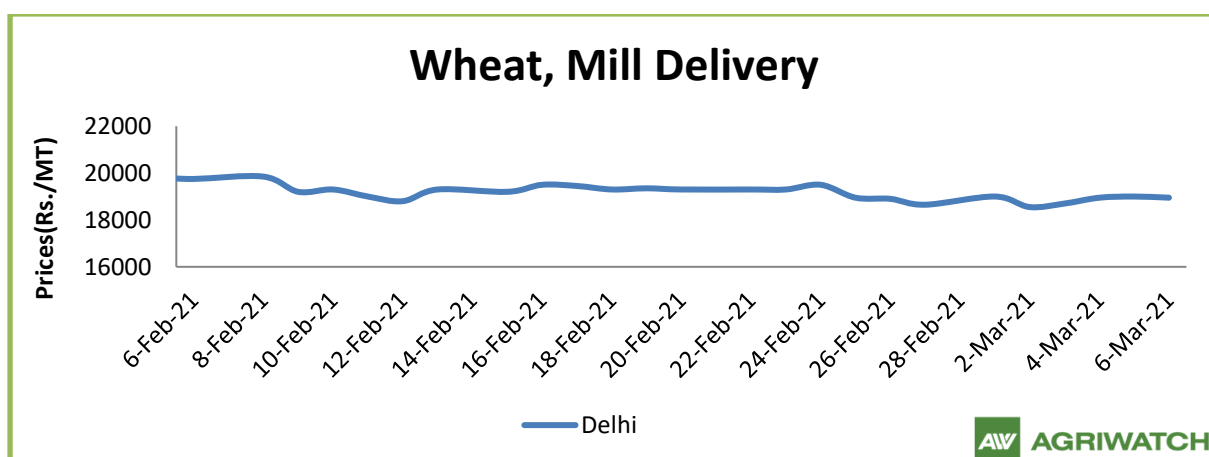
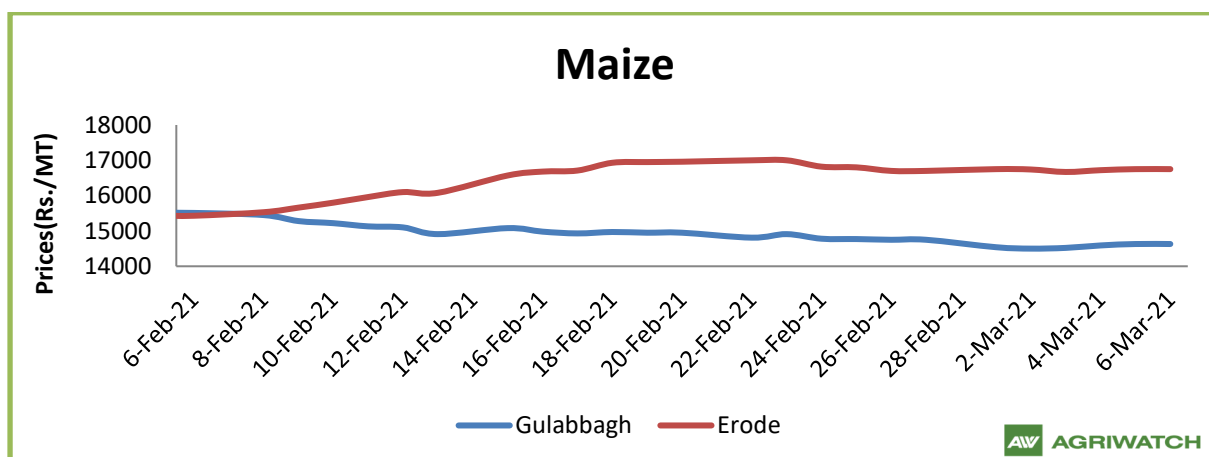
NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

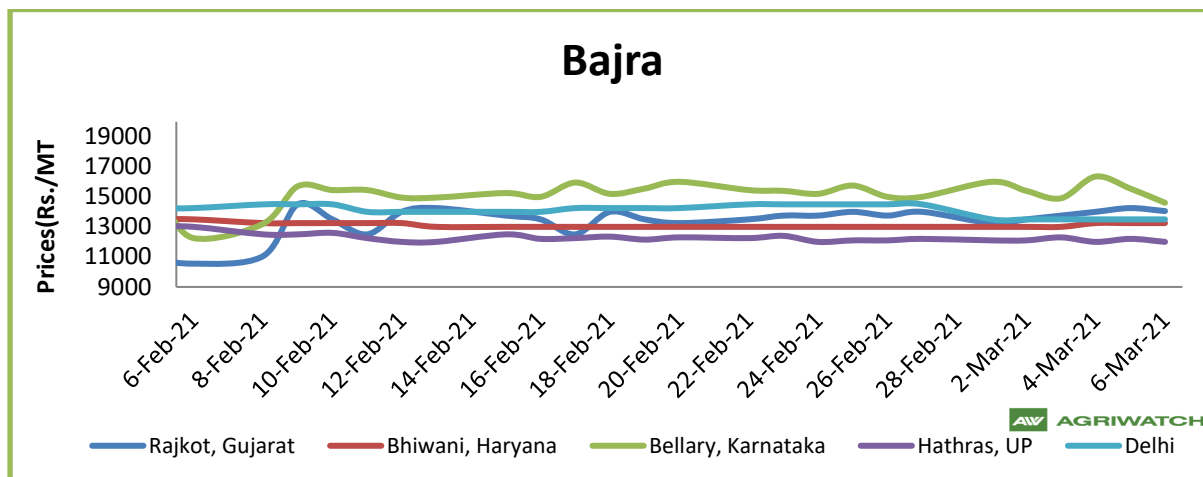
The all-India rapeseed-mustard arrivals improved week-on-week and were reported at 25.35 lakh bags during the week compared to around 14.55 lakh bags, previous week. The supplies for the same were 5.80 lakh bags during the corresponding period last year.

In Jaipur, RM seed prices declined by -5% to the weekly average price of Rs 5,798 a quintal from Rs 6,114 a quintal previous week and Rs 4,220 a quintal during the corresponding period last year.

The rapeseed-mustard meal too declined by -5% to the weekly average price of Rs. 2428/qtl compared to the weekly average price of Rs. 2551/qtl previous week.

At NCDEX futures, the April contract of rapeseed-mustard fell and ended at 5,471/Qtl compared to 5,536/Qtl 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 too due to continuous demand from global and domestic feed markets.

Sources revealed that Maize is being loaded for Chennai and Krishnapatnam ports at Rs. 1,665-1,675 per quintal and Rs. 1,645-1,655 per quintal, respectively; sourced from Karnataka. Maize is being loaded for Vizag port at Rs. 1,550 per quintal; sourced from Madhya Pradesh. Maize is also moving towards South at Rs. 1,625 per quintal; sourced from Madhya Pradesh. Hyderabad poultry feed makers are buying Maize at Rs.1,600 per quintal; sourced from Telangana while, Kolkata feed makers are buying Maize at Rs. 1,600-1,650 per quintal, sourced from Gulabgh region of Bihar.

Agriwatch's first advance estimate for the Maize production in 2020-21 Rabi season is 6.41 MMT with average yield of 3.74 MT per hectare.

Corn on CBOT rose by 2.56 USD/MT to 221.25 USD/MT for March'21 contract compared to previous week due to unfavorable weather condition in crop growing regions of South America. Agriwatch expects that increase in export demand for U.S. Maize in near term would support CBOT Maize.

At 2.01 MMT (for the period February 19-25, 2021) U.S. Maize exports were up 69 percent from the previous week and 57 percent from the prior 4-week average; mainly for the destinations like Japan (3,51,600 MT), China (3,46,700 MT), Mexico (2,61,100 MT), South Korea (1,73,700 MT), and Saudi Arabia (1,29,300 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. Due to upcoming demands from Multinational companies, Wedding season It is unlikely that any slowdown in the wheat market and prices will increase for a longer period.

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.

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.

Once again, Madhya Pradesh has obtained permission to procure 135 lakh tonnes of wheat, leaving behind Punjab in wheat procurement. The central government has allowed Madhya Pradesh to purchase 135 lakh metric tonnes of wheat at the support price for 2021. The state government had proposed to purchase more than 140 lakh metric tons with the center. At the same time, Punjab has got approval to buy 115 lakh tonnes, Haryana to buy 99 lakh tonnes, and Uttar Pradesh 55 lakh tonnes of wheat.

According to traders, the arrival of new wheat has started in Kota mandi Rajasthan. Arrival is low for now but likely to increase after the 15th of march. High temperature is expected to impact the yield by 10%.

As per trade sources, India has exported around 4 lakh tonnes Wheat in the month of January-2021 at an average FOB of \$263 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Qatar and Nepal. 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

According to the Union Secretary, Department of Food & Public Distribution, A total quantity of 427.363 lakh tonnes wheat has been estimated for procurement during the forthcoming RMS 2021-22 which is 9.56 per cent more than the 389.93 lakh tonnes procured during RMS 2020-21. Wheat is a major rabi (winter-sown) crop. Harvesting starts from end of this month but picks up pace from April.

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)		
	04-Mar-21	26-Feb-21	Parity To
Indore - 45%, Jute Bag	38500	38700	Gujarat, MP
Kota - 45%, PP Bag	41500	41500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	42500	42000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	41300	41300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	41800	41500	Andhra, AP, Kar, TN
Latur	41500	41000	-
Sangli	41500	40800	Local and South
Solapur	40000	40500	Local and South
Akola – 45%, PP Bag	39200	40200	Andhra, Chattisgarh, Orissa, Jharkhand, WB

Hingoli	41500	41500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	41300	41300	-

Soy DOC at Port

Centers	Port Price		
	04-Mar-21	26-Feb-21	Change
Kandla (FOR) (INR/MT)	40500	41000	-500
Kandla (FAS) (USD/MT)	570	580	-10
CNF Indonesia – Yellow SBM (USD/MT)	590	590	Unch

International Soy DOC			
Argentina FOB USD/MT	04-Mar-21	26-Feb-21	Change
Soybean Pellets	445	457	-12
Soybean Cake Flour	445	457	-12
Soya Meal	439	461	-22
Soy Expellers	439	461	-22
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	04-Mar-21	26-Feb-21	Change
Adoni	27500	27500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	27000	27000	Unch

Groundnut Meal (Rs/MT)	04-Mar-21	26-Feb-21	Change
Basis 45%, Saurashtra	30000	30000	Unch
Basis 40%, Saurashtra	27000	27000	Unch
GN Cake, Gondal	31000	31000	Unch

Mustard DOC/Meal	04-Mar-21	26-Feb-21	Change
Jaipur (Plant delivery)	18500	19500	-1000
Kandla (FOR Rs/MT)	19300	20500	-1200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	05-Mar-21	26-Feb-21	05-Feb-21	05-Mar-20	05-Mar-19
Delhi	Hybrid	1550	1480	1480	1825	2100
Davangere	Loose	1500	1480	1300	1700	1900
Nizamabad	Bilty	1500	1500	1550	1800	NA
Ahmedabad	Feed	1470	1480	1425	1800	2070
	Starch	1525	1525	1500	1700	2000

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

As on 05.03.2021	Argentina	Brazil	US	India
FOB	228.94	238.00	250.00	212.88
Cost and Freight	278.94	293.00	310.00	247.88

Soy Meal Exports (In MT):

Month	2016	2017	2018	2019	2020	2021
Jan	7707	155160	105678	86378	41726	283167
Feb	1127	207977	73816	132375	20309	
Mar	430.1	107059	39209	193920	61499	
Apr	12295	124374	68264	40829	25940	
May	10400	48900	76026	53272	46614	
Jun	17930	45975	104088	62524	56638	
Jul	12270	80797	63747	76558	61957	
Aug	10615	87668	59643	95450	58190	
Sep	12210	102212	45388	35268	68576	
Oct	31390	71425	150388	63800	120290	
Nov	97750	207630	186409	69415	198776	
Dec	241250	168865	170588	72233	251221	
Total	455374.1	1408042	1143244	982022	1011736	283167

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	05-Mar-21	26-Feb-21	Change
Bajra	Karnataka	Hybrid	Bellary	1555	1500	55
		Hybrid	Bangalore	2200	2050	150
Jowar	Karnataka	White	Bangalore	2400	2500	-100
		White	Bellary	1800	1825	-25
Maize	Karnataka	Yellow	Davangere	1500	1480	20

	Telangana	Yellow	Nizamabad	1450	1450	Unch
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3850	3870	-20
	Maharashtra	DOC	Sangli	4100	4080	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2750	2750	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1850	1950	-100
Groundnut Meal	Gujarat	GN Cake	Gondal	3100	3100	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2251	2260	-9
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2361	2358	3
Note: Prices Rs./Qtl						

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