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## Summary

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Sentiments remained unchanged as most of the Maize cash markets were closed during the week due to March closing and Holi festival. Agriwatch expects that Maize would trade steady given continuous demand from domestic feed markets, despite expectation of new crop arrivals in near term weighing on market sentiments.

All India's weekly average prices of wheat decreased by percent to Rs. 1935.37 per quintal during the week ended 08<sup>th</sup> Apr 2021. Wheat average prices were ruling at Rs 2070.45 per quintal during 01<sup>st</sup>–08<sup>th</sup> Apr 2020. Due to the arrival of new crop in mandis and high export demand, wheat may trade steady to slightly firm in coming weeks.

As per the official sources, Cottonseed prices have increased for the first time, the maximum sale price have increased by 5 percent to Rs. 767 for a packet of 450 gm of Bollgard-2 seed. The price of Bollgard-1 is at Rs. 635 per packet. The industry sells about 5.5 crore packets of cottonseed every year. CCI daily has again declined at 30,000 - 40,000 bales. The average price of cotton seed oilcake has decreased slightly in Kadi market at Rs. 2480 per quintal from Rs. 2493 per quintal and in Akola at Rs. 2458 per quintal from Rs. 2468 per quintal the previous week.

The domestic soybean and soymeal extended the rally on good demand from oilseeds' processors for bean and strong export sales in soymeal.

The current market price of soybean - plant delivery at Indore is quoted up by 4% at Rs. 5,930/qtl compared to Rs. 5,719/qtl last week. There are no prices to compare for soybean during the same period due to imposition of lockdown restrictions.

However, the rapeseed-mustard and rapeseed DOC continued to witnessed mild losses on increase in the arrivals, but good demand from oilseeds' crushers limited the fall in the prices.

The new rapeseed-mustard supplies have flooded in the market, but they fell during the week compared to the previous week due to festivities and year-end finance closing.

Besides, the groundnut seed too extended the losses after sharp rally in recent while. We feel the prices to recover after the correction on persistent overseas demand in the groundnut seed and groundnut oil, mainly from China.

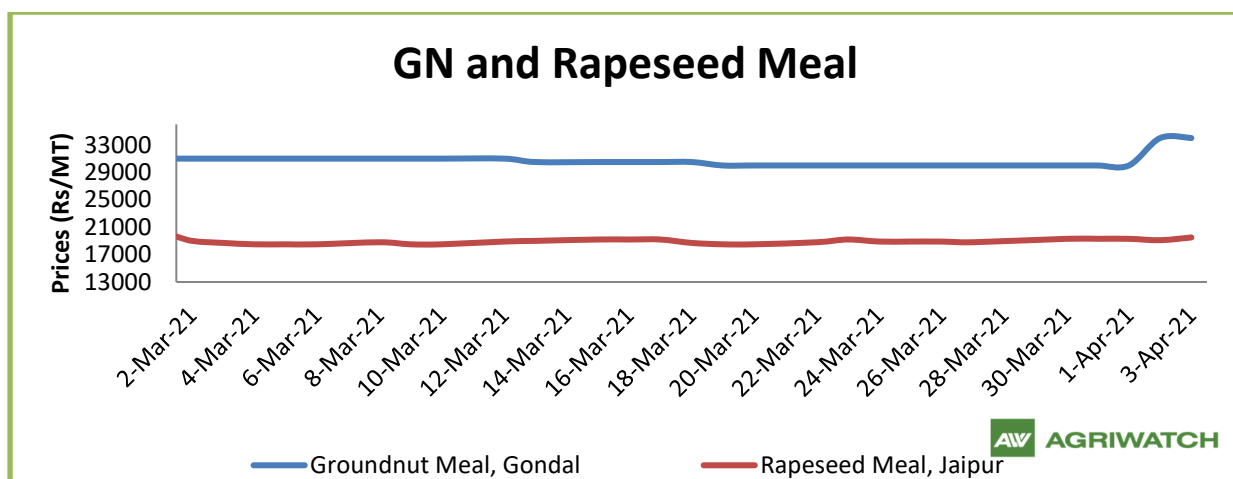
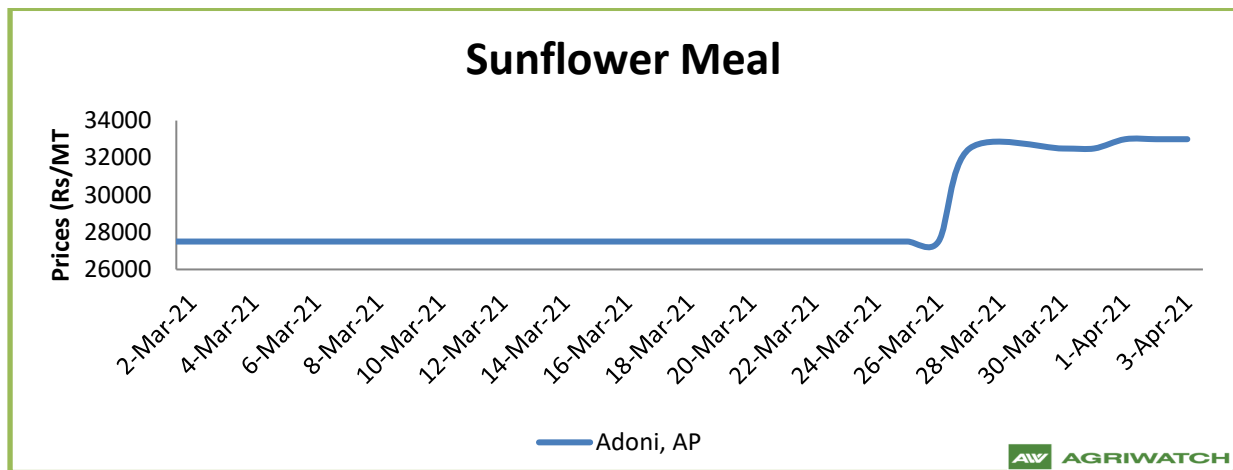
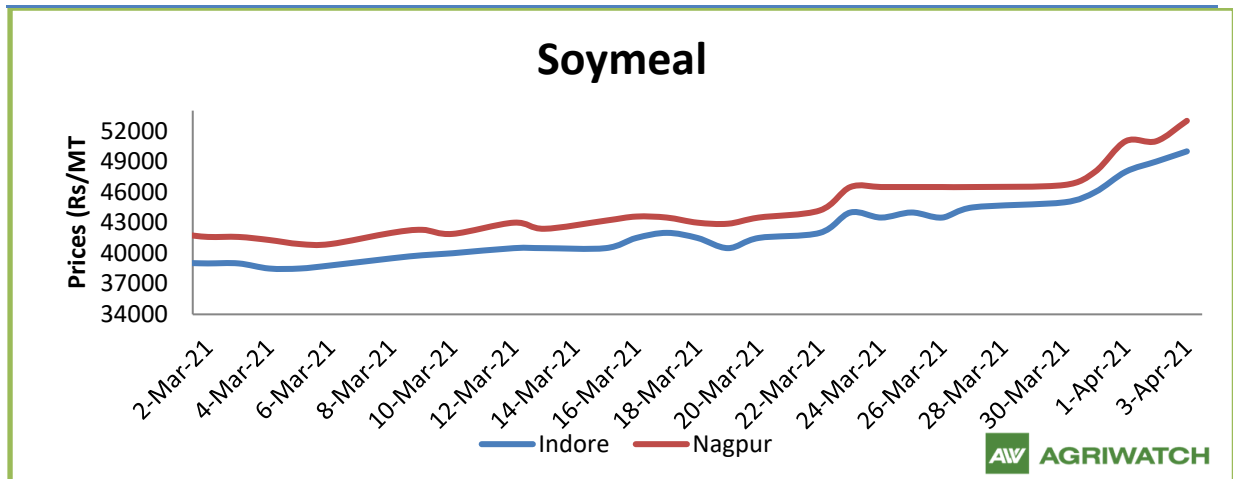
The rapeseed-mustard prices fell by -0.4% while rapeseed meal improved by -1%, soybean increased by +4% and soymeal posted gains by +7% while groundnut seed eased by -3%, all compared to the previous week's level.

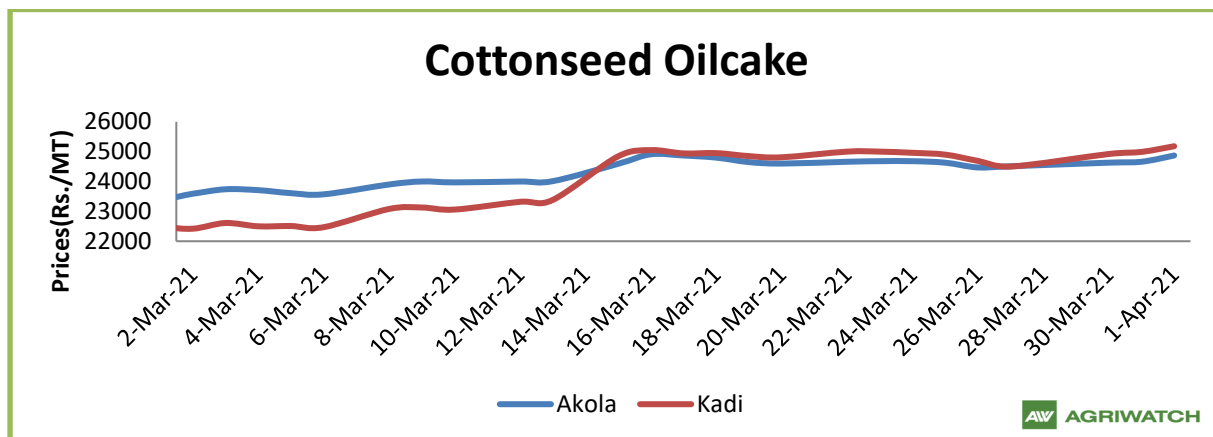
We feel the soy complex to remain bullish on improved overseas soymeal demand and strong international soy complex.

Rapeseed-mustard complex will rebound and remain strong on expected good buying support.

Bullish global soybean 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 posted gains by +7% in tandem with soybean supported by persistent overseas soymeal export sales from India. The near-term outlook for the market remains firm.

May soymeal fell \$ 13 to \$ 410.20 per short ton and May soyoil fell 0.79 cents to 52.13 cents a pound.

Higher 2021/22 US soybean planting estimates in the prospective planting report on March 31 indicates higher availability of the bean and subsequently meal if the crop yield stands at normal.

World 2020/21 soymeal production is estimated slightly up at 254.1 million tonnes vs 252.9 million tonnes in its previous estimate by USDA.

Overall, the global soymeal outlook is bullish on strong demand 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 Argentina will remain bullish for soymeal for some more time.

The gains in local soymeal will be supported by the strong and continued overseas soymeal demand of Indian origin.

India's February 2021 soymeal exports improved by +404% to 24,7085 metric tonnes compared to 48,990 metric tonnes in the same period last year. Further, the soymeal shipments improved by +115% to 14,18,454 metric tonnes in aggregate, during the last ten months (Apr.-Feb.) of financial year 2020-21 compared to 66,0065 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of February 2021 is reported at 39,33,09 metric tonnes compared to 12,8761 metric tonnes in February 2020 i.e. up by +205%.

The overall export of oilmeals during April to February 2021 is also reported up by +49% at 33,58,649 metric tonnes compared to 22,56,641 metric tonnes during the same period last year.

Of the total soymeal exports of 66,00,65 metric tonnes in February 2021, US, Germany and Indonesia remained to top buyers with imports figures touching 2,14,889 metric tonnes, 14,2098 metric tonnes and 12,22,24 tonnes respectively.

India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%, and ricebran extraction exports is reported at 8,55,23 metric tonnes against last year 25,836 metric tonnes i.e. +231% higher compared to the same period last year.

However, the domestic demand has considerably recovering but still below pre-COVID levels. Poultry industry contributes more than 60% of the total domestic soymeal demand.

The international soymeal prices are 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 \$ 163/MT in March'21 vs US \$ 76/MT in February'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 March 2021, USDA report the world soymeal exports estimates are slightly higher at 67.26 million tonnes vs 66.50 million tonnes for 2020/21.

The domestic weekly average soymeal prices at Indore improved to Rs 45,400/MT and was quoted between Rs 43,500 – 48,000/MT compared to the weekly average of Rs 42,583/MT and was traded between the price ranges of Rs 40,500 – 44,000/MT previous week.

At Latur the weekly average soymeal prices improved to Rs 50,000/MT compared to Rs. 46,583/MT a week ago and in Nanded too it was quoted higher at Rs. 47,400/MT compared to Rs. 44,417/MT a week ago. Besides, in Kota, the meal improved to Rs. 47,180/MT compared to Rs. 44,467/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 43,500 – 48,000/MT during the week compared to Rs 31,000 – 34,000/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 48,000 – 50,000/MT on cases strong overseas soymeal demand.*

### **Rapeseed - Mustard Seed**

Rapeseed-mustard continued downtrend on new crop supply pressure. However, the decline was mild on good demand for the seed from the crushers.

In Jaipur, RM seed prices witnessed mild losses by -0.4% to the weekly average price of Rs 5,821 a quintal from Rs 5,843 a quintal previous week.

The all India rapeseed-mustard arrivals fell week-on-week and were reported at 24.80 lakh bags during the week compared to around 62.45 lakh bags, previous week. The sharp fall was mainly due to the financial year-end closing during the period when several traders were busy reconciling their books and ledgers.

In a major development, NAFED has commenced procuring the rapeseed-mustard and has procured 0.03 MT of rapeseed-mustard valued Rs 0.014 Lakh from Madhya Pradesh at MSP (Rs 4650/qrtl) under PSS, as on 01 March 2021.

The purchases have begun in Madhya Pradesh and we expect the federation's intervention in Rajasthan and Uttar Pradesh too in due course.

Besides, the rapeseed oilcake declined by -1% to the weekly average price of Rs. 2,398/qrtl compared to the the weekly average price of Rs. 2,413/qrtl previous week.

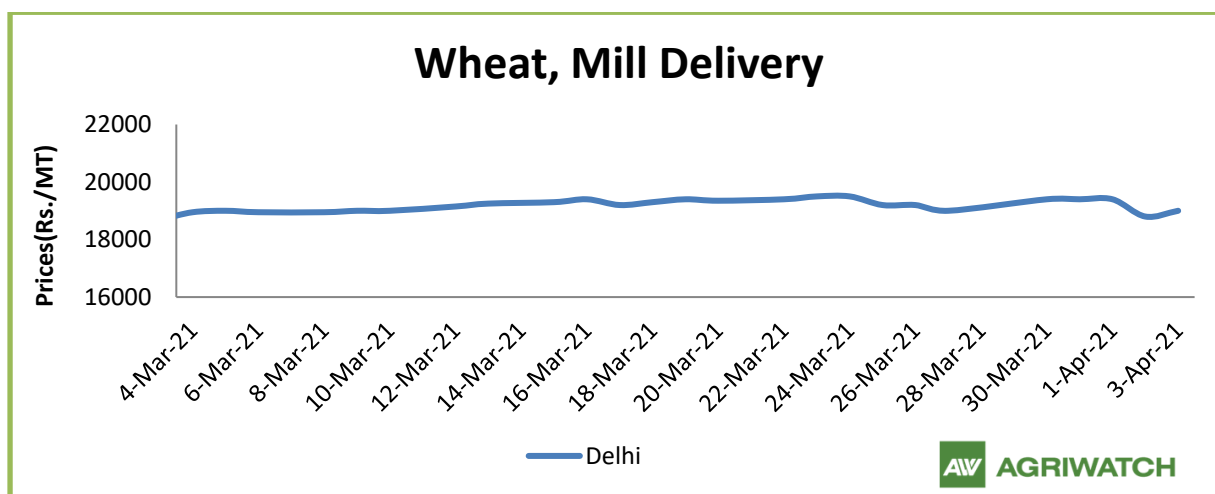
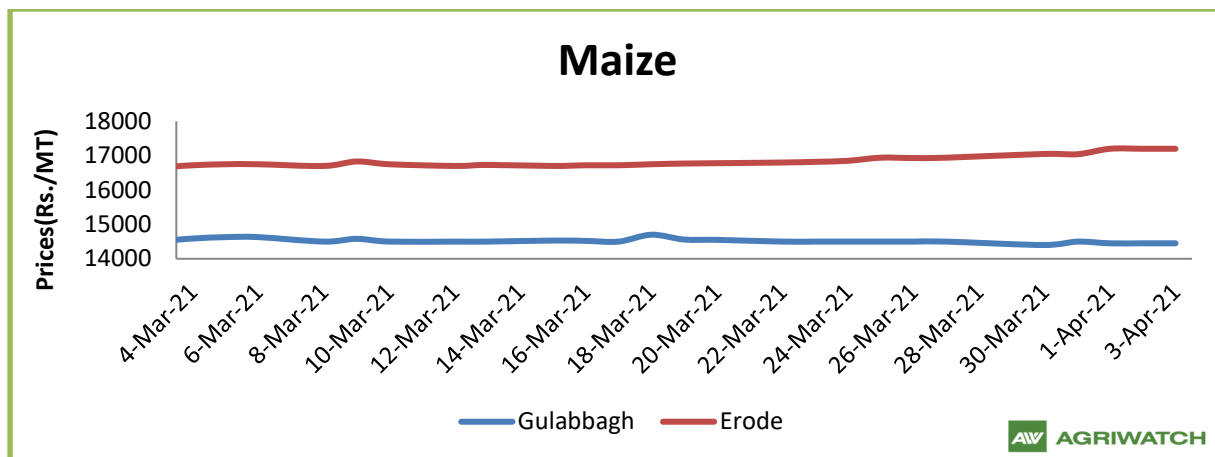
Furhter, AW has revised India's 2021/22 rapeseed-mustard production up to 8.54 million tonnes from 8.0 million tonnes estimated in its previous forecast and it is up 18% from 7.21 million tonnes estimated last season.

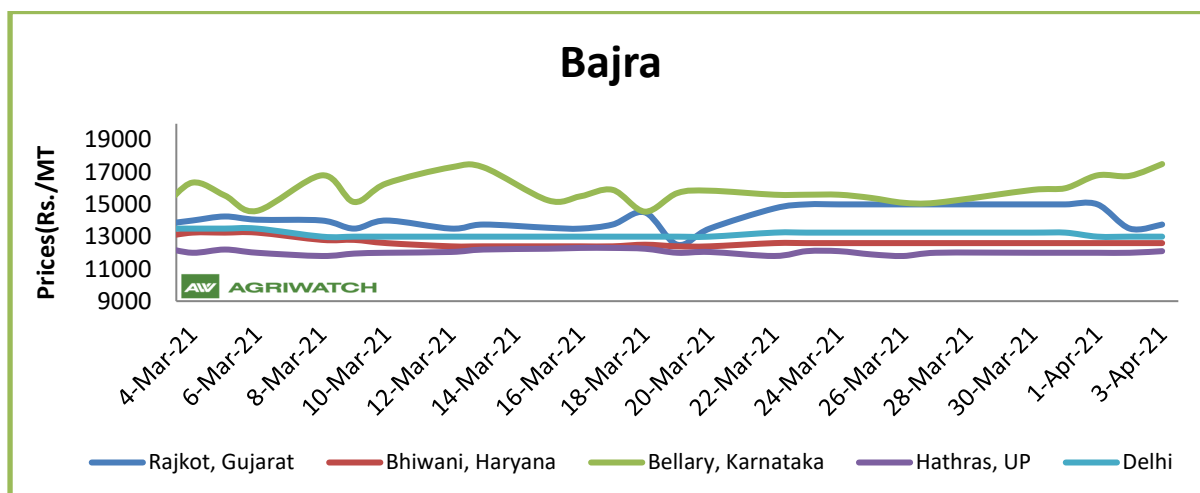
India has not imported any rape oil (canola) in February too as in last several months. India is unlikely to import the rape oil in coming months too. Lower imports in rape oil (canola) will lend support to the local rapeseed-mustard prices at the higher levels.

However, India's rapeseed meal exports in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%.

Besides, India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

At NCDEX futures, the May contract of rapeseed-mustard ended up at 5,836/Qtl compared to 5,765/Qtl previous week.





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

Sentiments remained unchanged as most of the Maize cash markets were closed during the week due to March closing and Holi festival. Agriwatch expects that Maize would trade steady given continuous demand from domestic feed markets, despite expectation of new crop arrivals in near term weighing on market sentiments.

Sources revealed that Hyderabad poultry feed makers are buying Maize at Rs.1,550-1,600 per quintal; sourced from Telangana. Tamil Nadu feed makers are buying maize at Rs. 1,700 per quintal, sourced from Karnataka. Low quality Maize is moving towards Banaras and Muzaffarnagar districts of U.P at Rs. 1,400-1,425 and Rs. 1,550 per quintal, respectively, sourced from 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. Sources revealed that in Aurangabad and Jalgaon districts of Maharashtra, quality of around 25% crop of maize could be affected due to rains over last two weeks.

Corn on CBOT rose by 2.85 USD/MT to 220.36 USD/MT for March'21 contract compared to previous week as corn planted area in U.S was below the market expectations. Agriwatch expects that increase in export demand for U.S. Maize in near term would support to CBOT Maize.

At 1.98 MMT (for the period March 19- March 25, 2021) U.S. Maize exports were unchanged from the previous week but up 2 percent from the prior 4-week average; mainly for the destinations like Japan (4,34,200 MT), Mexico (2,98,100 MT), China (2,75,000 MT), Colombia (2,63,900 MT), and Taiwan (1,65,900 MT).

All India's weekly average prices of wheat decreased by percent to Rs. 1935.37 per quintal during the week ended 08<sup>th</sup> Apr 2021. Wheat average prices were ruling at Rs 2070.45 per quintal during 01<sup>st</sup>–08<sup>th</sup> Apr 2020. Due to the arrival of new crop in mandis and high export demand, wheat may trade steady to slightly firm in coming weeks.

The government has procured 78,392 tonnes of wheat in the first fortnight of the new procurement season, which began on March 15, 2021. The procurement has started only in Rajasthan, Gujarat, and Madhya Pradesh. It is likely to pick up pace as it takes off in Haryana, Maharashtra, Uttar Pradesh, and Uttarakhand from April 1. Punjab's procurement has been delayed to April 10 due to a spike in Covid-19 cases in the state. Last year also, Punjab had delayed procurement for ten days due to the pandemic.

Due to rising COVID-19 cases and late crop maturity, wheat procurement in Punjab has been rescheduled few days late from April 10 following the state government's request, according to the Union Food Ministry. In Haryana Wheat procurement is going to start from April 1. Under the farmer movement, the state government is looking very serious about purchasing crops this year.

The Uttar Pradesh government is gearing up to purchase wheat from farmers till their stocks last. The purchase will start from tomorrow on the fixed minimum support price (MSP) of Rs 1,975 per quintal for the 2021-22 season, an increase of Rs 50 per quintal than last year. Uttar Pradesh food commissioner said 6,000 procurement centres will be opened across the state by the Food Department and other purchasing agencies.

In Indore and Ujjain divisions of the state, wheat procurement will now start from March 27 at the minimum support price.

As per the interactions with farmers 60-70% of wheat was harvested before bad weather hit the area. Color and shine of 30-40% crop standing in the field got deteriorated, which would lead to 30-40% losses on selling price for farmers. Secondly, logging due to rain increased the labour cost for harvest since logged and wet wheat on field cannot be harvested by thresher or combine harvester. Due to harvesting of wet wheat its grain temperature increases, which leads to allocation of less rates to farmers.

As per trade sources, India has exported around 3.70 lakh tonnes Wheat in the month of February-2021 at an average FOB of \$263 per tonnes, higher this year and the major destinations were Bangladesh, Malaysia, Oman, 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.

Wheat prices are low in most major exporting countries since last months after the implementation of Russia's export policies and concerns with winter wheat conditions in the United States and Black Sea, combined with strong import demand from several major markets. Black sea prices are coming down due to no demand and crop is also in good condition. Most major exporter quotes are trading within a narrow range, though over the past month Argentine quotes have fallen, reflecting abundant supplies after its recent harvest. Despite new supplies also available in Australia, quotes there have trended up on strong demand from Asian markets.

**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)		
	01-Apr-21	26-Mar-21	Parity To
Indore - 45%, Jute Bag	48000	43500	Gujarat, MP
Kota - 45%, PP Bag	48500	46200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	50000	47000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	51000	46500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	50000	46000	Andhra, AP, Kar, TN
Latur	52500	48000	-



Sangli	49500	45500	Local and South
Solapur	44500	44500	Local and South
Akola – 45%, PP Bag	48000	44000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	46500	45000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	48300	46000	-

**Soy DOC at Port**

Centers	Port Price		
	31-Mar-21	26-Mar-21	Change
Kandla (FOR) (INR/MT)	45000	45000	Unch
Kandla (FAS) (USD/MT)	650	650	Unch
CNF Indonesia – Yellow SBM (USD/MT)	595	595	Unch

International Soy DOC			
Argentina FOB USD/MT	31-Mar-21	26-Mar-21	Change
Soybean Pellets	445	425	20
Soybean Cake Flour	445	425	20
Soya Meal	NA	414	-
Soy Expellers	NA	414	-
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	01-Apr-21	26-Mar-21	Change
Adoni	33000	27500	5500
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	32500	27000	5500

Groundnut Meal (Rs/MT)	01-Apr-21	26-Mar-21	Change
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

Mustard DOC/Meal	01-Apr-21	26-Mar-21	Change
Jaipur (Plant delivery)	19300	18900	400
Kandla (FOR Rs/MT)	20200	19700	500

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

Market	Grade	02-Apr-21	26-Mar-21	02-Mar-21	01-Apr-20	02-Apr-19
Delhi	Hybrid	1500	1550	1550	Closed	2250
Davangere	Loose	Closed	1500	1500	Closed	2000
Nizamabad	Bilty	Closed	Closed	1500	Closed	2000
Ahmedabad	Feed	1650	Closed	1480	Closed	2200
	Starch	1660	Closed	1500	Closed	2300

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

As on 26.03.2021	Argentina	Brazil	US	India
FOB	224.00	234.00	252.00	214.19
Cost and Freight	274.00	289.00	312.00	249.19

**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	
<b>Total</b>	<b>455374.1</b>	<b>1408042</b>	<b>1143244</b>	<b>982022</b>	<b>1011736</b>	<b>283167</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	02-Apr-21	26-Mar-21	Change
Bajra	Karnataka	Hybrid	Bellary	1680	1510	170
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2600	2600	Unch
		White	Bellary	1685	1780	-95
Maize	Karnataka	Yellow	Davangere	1520	1500	20
	Telangana	Yellow	Nizamabad	Closed	1400	-
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	2450	2450	Unch
Soy meal	Madhya Pradesh	DOC	Indore	4900	4350	550
	Maharashtra	DOC	Sangli	4950	4580	370
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3300	3250	50
Mustard	Rajasthan	Plant delivery	Jaipur	1910	1890	20
Groundnut Meal	Gujarat	GN Cake	Gondal	3400	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2518	2469	49
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2487	2447	40
Note: Prices Rs./Qtl						

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