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Summary

Agriwatch expects that maize would trade in a range bound zone with a firm bias for coming term. Also, reduced or no arrivals accompanied with no near future arrivals of any new maize crop in coming month will provide support to maize market. Along with this, spoilage of maize crop in U.P. , M.P and Rajasthan due to uneven rainfall and floods in some parts of these states is increasing the value of maize crop in market, as there are chances of reduced production of maize in current scenario.

Sources revealed that maize is being traded in Bihar between Rs.1800 to Rs. 1850 per quintal. Low quality maize sourced from Bihar is being exported to Bangladesh. Whereas, maize is being supplied to Kolkata and siliguri for poultry purpose at the rate of Rs.1850 per quintal and to southern India at Rs. 2000 per quintal, sourced from Dalkhola.

The demand is expected to rise with the coming of the new season in September. Currently, both the cottonseed oil and cottonseed oilcake prices have slightly increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 3095 per quintal from Rs. 3088 per quintal and in Akola was at Rs. 3132 per quintal from Rs. 3113 per quintal the previous week where else, the cottonseed oil price at Rajkot stood at Rs. 1497 per 10 kgs.

During the week of Aug 24 to 31, 2021, the weekly average price in India rose by 1.13 percent to Rs. 2004.93 per quintal against Rs. 1982.36 per quintal in the previous week. Wheat average prices also increased by 7.2 percent from Rs. 1869.03 per quintal in last year during the same period of time. Prices are increasing due to fewer supplies ahead of improved demand in export markets. We expect the price remain firm due to high export demand amid lower supply.

According to the agriculture ministry's fourth advance estimate, Wheat output is expected to reach a new high of 109.52 million tonnes in 2020-21. It is 9.10 million tonnes higher than the average production estimates of 100.42 million tonnes over the previous five years. It is also higher by 1.53% from 107.86 from last year record amid good monsoon rain last year. Due to higher output of rice, wheat, and pulses, India's food grain production is expected to rise by 3.74 percent to a new record of 308.65 million tonnes in the crop year 2020-21 compared to 297.5 million tonnes in 2019-20 due to good monsoon rains last year.

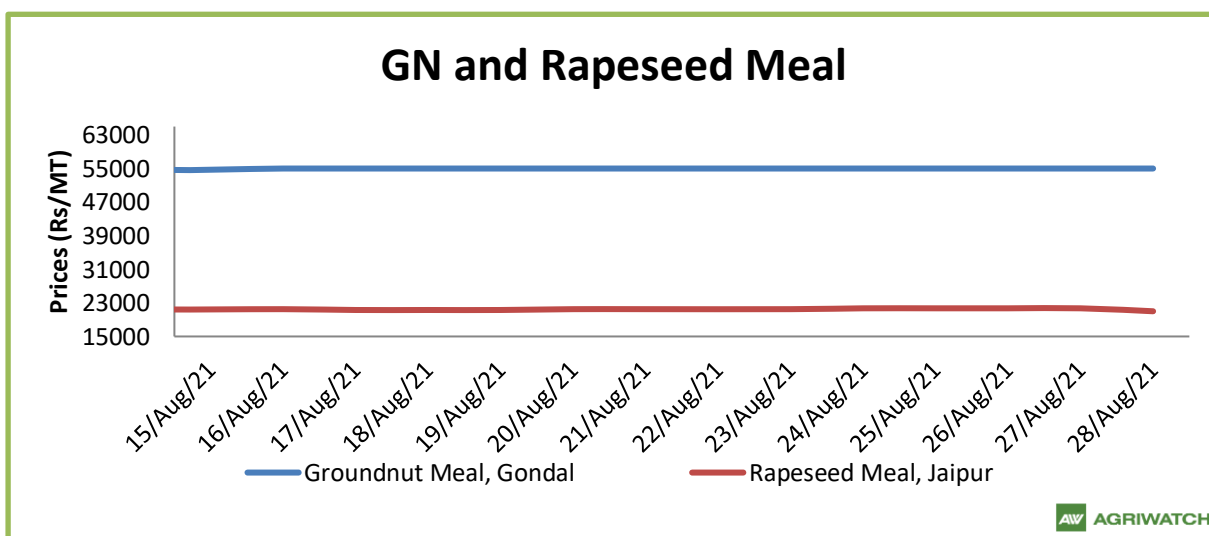
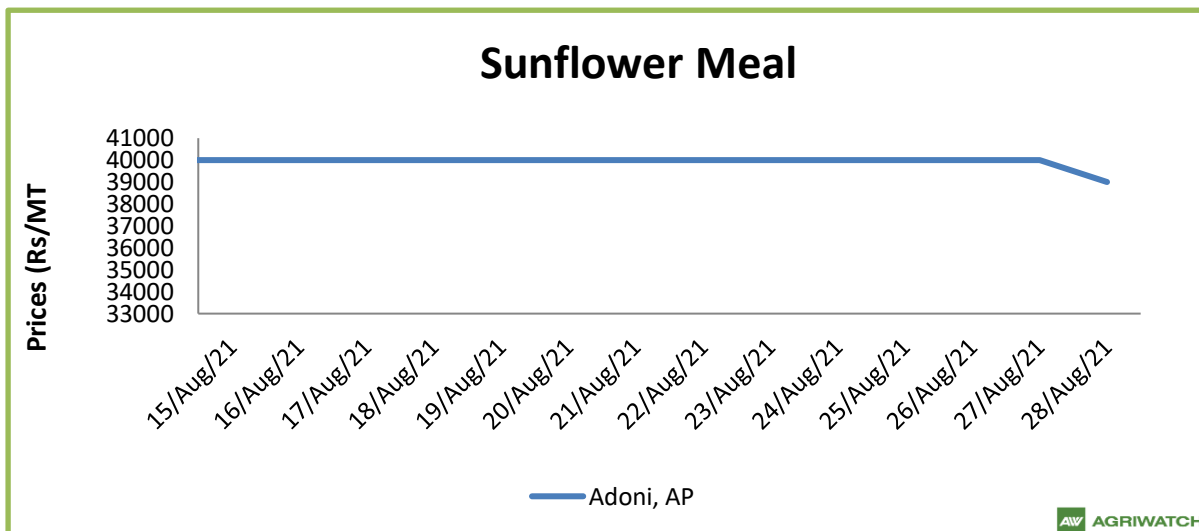
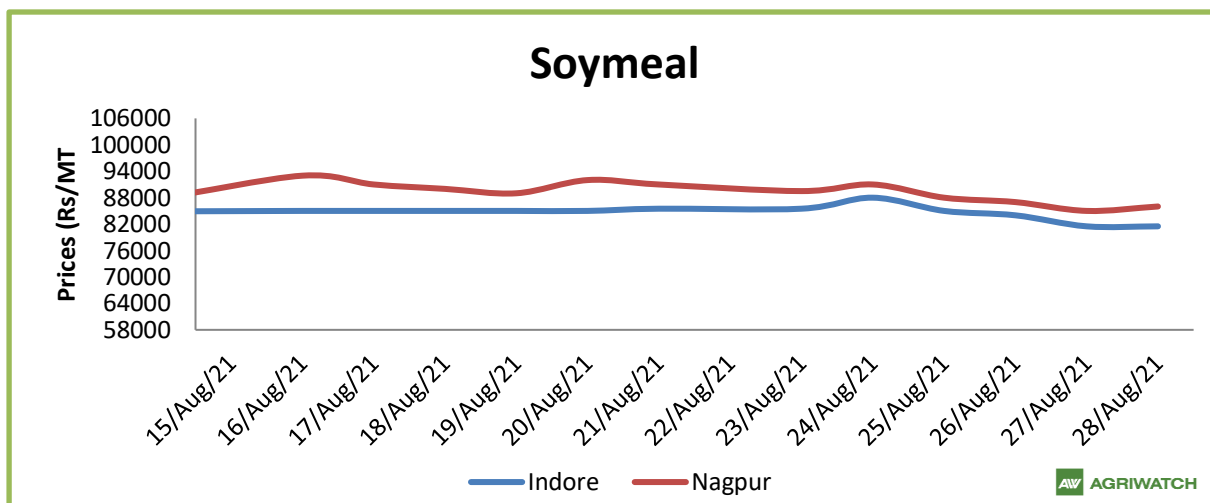
In the month of Jul'21, India exported 4.72 lakh tonnes of wheat higher against 4.10 lakh tonnes in June 2021. Indian wheat exports have increased amid global supplies concern. Indian wheat export volume has also increased in Jul month despite higher FOB price. In 2020-21 fiscal year, the country exported total 20.80 lakh tonnes.

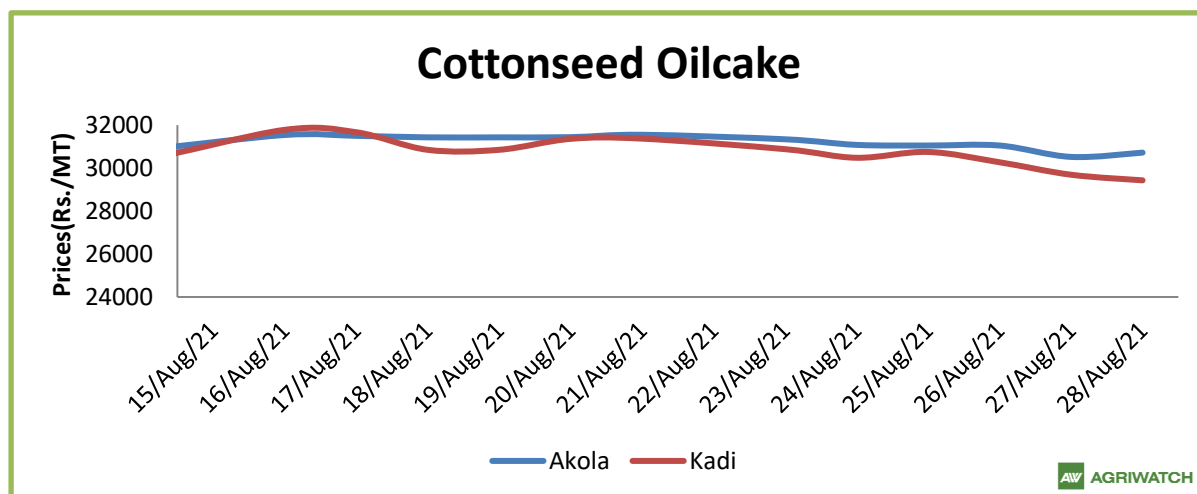
Wheat procurement for the Rabi marketing season 2021-22 is completed now in India's various states. Wheat was procured in excess of 433.32 LMT, a record high compared to 389.93 LMT in previous seasons. The current RMS procurement operations have already benefited over 49.20 lakh farmers with MSP value of Rs.85,603.57 crore. This season's procurement volume is also bigger than the previous four years record. According to FCI, there were approx. 19,036 wheat procurement centers during the Rabi marketing season of 2021-22.

The soymeal prices is expected to correct amid government decision to allow import of 1.2 MMT GM soymeal. However strength in soybean and other oilseed complex may support to soymeal as well, The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 75,000 – 90,000 /MT.

There is significant decline in arrival of mustard seed in mandis at all places in the country which is supporting the prices, there is huge shortage of mustard seed to crushers. However, Rapeseed-mustard is expected to feature firm tone in near term due to domestic and international factors. The seed prices are likely to witness the price levels between 7,500 –8,200/Qtl. in short-run.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

The domestic weekly average soy meal prices at Indore quoted 0.4% up to Rs 85,500/MT compared to the weekly average of Rs 85,166/MT previous week. Soy meal prices continued to correct amid 1.2 MMT soy meal import decision by the government.

World 2021/22 soy meal production is estimated higher at 258.68 million tonnes vs 250.59 million tonnes against last year record, in USDA Aug report.

India's June 2021 soy meal exports declined by 54% to 25,918 metric tonnes compared to 56,938 metric tonnes in the same period last year. Further, the soy meal shipments too declined by 9% to 118,057 metric tonnes in aggregate, during the months (April-June.) of financial year 2020-21 compared to 129,192 metric tonnes during the corresponding period last year.

Export of oil meals for the month of June 2021 provisionally reported at 203,612 tons compared to 229,230 tons in June 2020 i.e. down by 11%. The overall export of oil meals during April – June 2021 is reported at 735,312 tons compared to 579,387 tons i.e. up by 27%.

Soy meal prices jumped in early July and touched record price of US\$ 890 during 2nd week of July compared to US\$ 400 (FOB) Argentina. Indian soybean meal export during first quarter was over 120,000 tons mainly shipped to Europe and U.S.A. due to preference for Non GM Soy meal. However, India is now totally outpriced in world market for the export of soy meal as soybean average price jumped from Rs. 43,100 per tons in Nov'20 touched to Rs. 76,000 per tons in July and so soy meal price gone up from Rs. 36,100 per tons in Nov'20 to Rs. 65,000 per tons at present. The high price of soybean meal has hit not only the export of soy meal but also the poultry farmers mainly small farmers and finding very difficult to survive in this difficult time. High input cost for eggs and chicken has also escalated the chicken prices which affecting consumer. India's exports for rapeseed meal during April-May 2021 was up +66% at 274,692 metric tonnes compared to 165,737 metric tonnes during the same period previous marketing season. It's a high time that the Government may consider to allow import of soybean meal including GM varieties which does not pose quarantine issue for short period

up to 30th Sept, 2021 to cool down prices of both soybean and soybean meal to support the poultry industry to face crisis time.

During Apr.-June '21, South Korea imported 252,063 tons of oilmeals (compared to 182,136 tons); consisting of 199,635 tons of rapeseed meal, 41,472 tons of castorseed meal and 10,956 tons of soybean meal. Vietnam imported 114,857 tons of oilmeals (compared to 120,943 tons); consisting of 88,306 tons of Rice Bran Extraction, 25,523 tons of rapeseed meal and 1,028 tons of soybean meal. Thailand imported 77,003 tons of oilmeals (compared to 65,188 tons); consisting of 65,479 tons of rapeseed meal, 9,816 tons of castorseed meal, 898 tons of soybean meal and 810 tons of Rice Bran Extraction. Bangladesh sourcing rapeseed meal and ricebran extraction from India and imported 90,589 tons of oilmeals (compared to 25,540 tons) ,consisting of 52,131 tons of ricebran extractions and 38,357 tons of rapeseed

Rapeseed - Mustard Seed

Mustard remain elevated and was up 2.1% as compared to last week amid tight inventory in the country. And witnessed a significant decline in the arrival of mustard in the spot market and has led to shut more than 60% of the rapeseed millers. Traders are ready to purchase mustard at higher prices but the availability remains limited. There is firm demand for mustard oil especially from the states of North India like Bihar, Uttar Pradesh and West Bengal and likely to increase significantly during the winter season, during the festival and pickle making season. Mustard prices may draw support from, firm demand, declining stock and arrival, strength in oilseed complex, delay in monsoon and strength in CME canola futures due to heat wave in Canada.

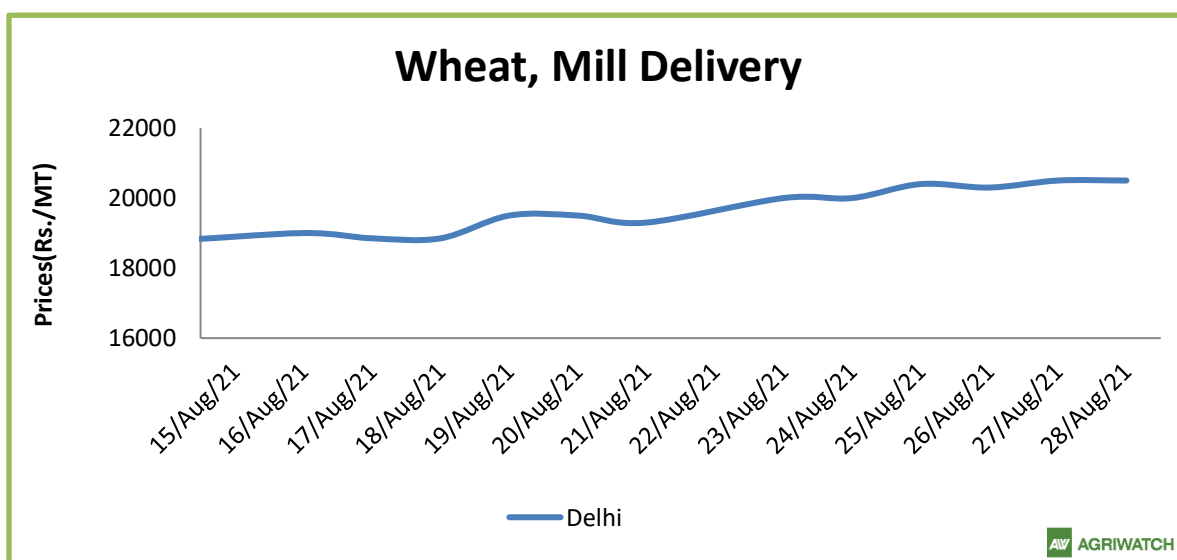
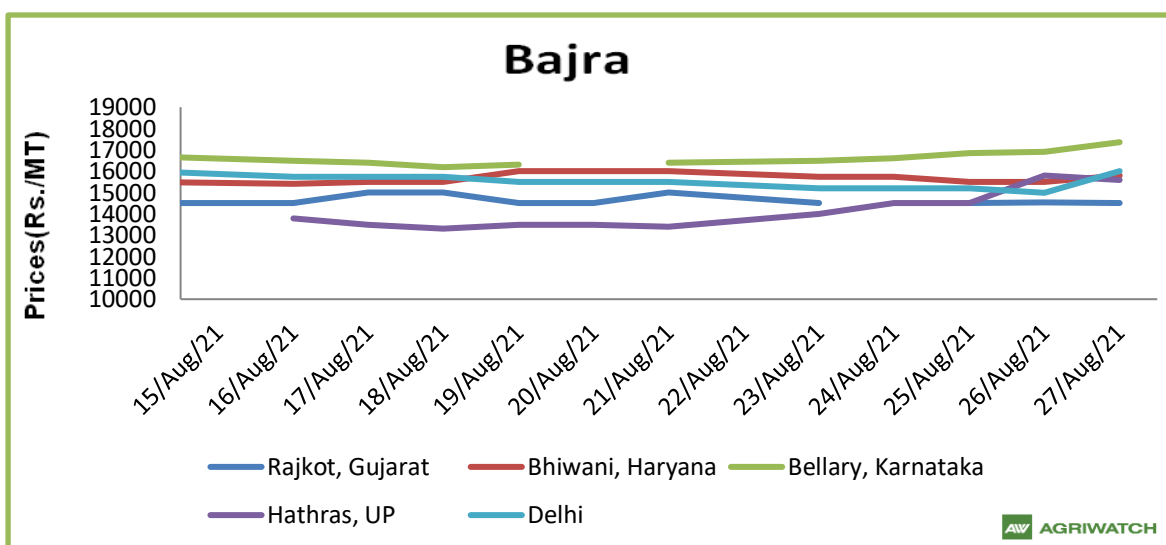
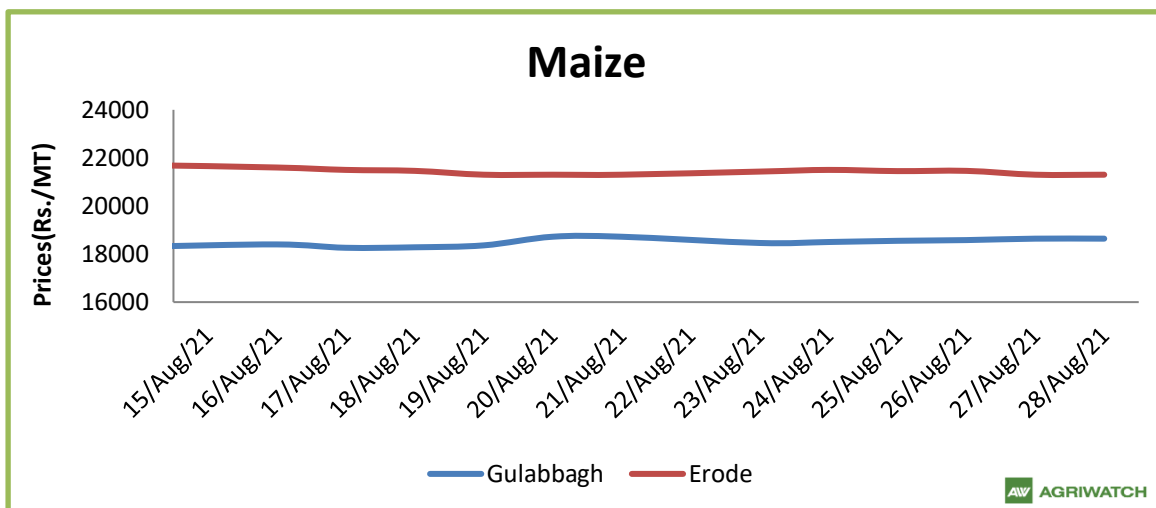
It is estimated that approximately 75-80% of the current mustard crop has been crushed, while 20-25% of the crushing is yet to be done. Rapeseed Mustard increased by 2.1% to Rs.8,179 /Qtl this week as compared to Rs 8,008/Qtl last week and arrival declined. AW has revised India's 2021/22 rapeseed-mustard 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. The Government estimation of mustard crop is high at 10.4 MT. The COOIT has estimated mustard production at 8.90 MT.

In Sri Ganganagar, the weekly average prices of rapeseed oilcake was 0.23% up to Rs 3,013/Qtl from previous week at Rs. 3,006/qtl. India's exports for rapeseed meal during April-May 2021 was up +66% at 274,692 metric tonnes compared to 165,737 metric tonnes during the same period previous marketing season. The export of rapeseed meal in June'21 is reported at 110,115 metric tonnes against last year 122,573 metric tonnes during the same period i.e. lower by -10%, However 14% up as compared to May 21.

India imported 1033.06 tons rapeseed (Canola) oil in Apr 2021 v/s 506.00 tons imports in Apr 2020. While, for the period of April 2020-March 2021 imports rose to 42,720.05 tons compared to 54,426.39 tons in last oil year.

Canola futures continued to rally because heatwave in Canada seemed to affect harvest scenario for the crop. High temperature forecast in coming weeks may cause the canola flowers to drop prematurely, leading to drop in yield. Crop conditions are rapidly deteriorating, reports said.

Canadian farmers planted an estimated 22.5 million acres of canola for the 2021-22 crop year, the highest since 2018. This is up from the April forecast of 21.5 million acres and up 8.2% from last year.



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

Agriwatch expects that maize would trade in a range bound zone with a firm bias for coming term. Sources revealed that maize in Nizamabad market is being traded at Rs. 1900 per quintal. Maize is being supplied to Hyderabad at Rs. 2000 per quintal for feed purpose sourced from Nizamabad. At present there are no to very little arrivals in Nizamabad market.

Corn on CBOT rose by 7.58 USD/MT to 219.68 USD/MT for September '21 contract compared to previous week. Agriwatch expects corn crop conditions related concerns in U.S will support Corn on CBOT.

various trading centers in this week between August 23rd to 30th August, 2021, on robust exports demand amid lower supplies. Price in all the market increased due to low supplies at the current market level. Wheat is projected to trade steady to firm tone in expectation of low supplies in mandies.

Outlook: Feed prices are expected to feature in a range bound zone in coming week, with a possibility of decline in oilmeal prices.

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

Centers	Ex-factory rates (Rs/ton)		
	26-Aug-21	19-Aug-21	Parity To
Indore - 45%, Jute Bag	84000	85000	Gujarat, MP
Kota - 45%, PP Bag	85000	86000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	88000	86000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	87000	89000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	90000	91000	Andhra, AP, Kar, TN
Latur	93000	93000	-
Sangli	80000	82000	Local and South
Solapur	76000	84000	Local and South
Akola – 45%, PP Bag	75000	75000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	63500	63500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	83000	84000	-

Soy DOC at Port

Centers	Port Price		
	25-Aug-21	18-Aug-21	Change
Kandla (FOR) (INR/MT)	NR	NR	-
Kandla (FAS) (USD/MT)	NR	NR	-
CNF Indonesia – Yellow SBM (USD/MT)	NR	NR	-

International Soy DOC			
Argentina FOB USD/MT	25-Aug-21	18-Aug-21	Change
Soybean Pellets	395	398	-3
Soybean Cake Flour	395	398	-3
Soya Meal	NR	NR	Unch
Soy Expellers	NR	NR	Unch
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	26-Aug-21	19-Aug-21	Change
Adoni	40000	40000	Unch
Khamgaon	NR	NR	Unch
Parli	NR	NR	Unch
Latur	39000	39000	Unch

Groundnut Meal (Rs/MT)	26-Aug-21	19-Aug-21	Change
Basis 45%, Saurashtra	54000	52000	2000
Basis 40%, Saurashtra	50000	49000	1000
GN Cake, Gondal	55000	55000	Unch

Mustard DOC/Meal	26-Aug-21	19-Aug-21	Change
Jaipur (Plant delivery)	21700	21300	400
Kandla (FOR Rs/MT)	23200	22800	400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	28-Aug-21	21-Aug-21	28-Jul-21	27-Aug-20	28-Aug-19
Delhi	Hybrid	1850	1800	1760	1290	2150
Davangere	Loose	Closed	1850	1900	1300	Closed
Nizamabad	Bilty	Closed	Closed	1900	1370	2450
Ahmedabad	Feed	2050	2100	2050	Closed	2250
	Starch	1980	2100	2000	Closed	2320

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

As on 26.08.2021	Argentina	Brazil	US	India
FOB	232.00	267.00	258.00	278.71
Cost and Freight	282.00	322.00	318.00	313.71

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	247085
Mar	430.1	107059	39209	193920	61499	146379
Apr	12295	124374	68264	40829	25940	39750
May	10400	48900	76026	53272	46614	52434
Jun	17930	45975	104088	62524	56638	25918
Jul	12270	80797	63747	76558	61957	26725*
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	1564833

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	27-Aug-21	21-Aug-21	Change
Bajra	Karnataka	Hybrid	Bellary	1735	NA	-
		Hybrid	Bangalore	2200	2250	-50
Jowar	Karnataka	White	Bangalore	2300	2650	-350
		White	Bellary	1605	NA	-
Maize	Karnataka	Yellow	Davangere	2000	2000	Unch
	Telangana	Yellow	Nizamabad	1900	closed	-
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	2650	2650	Unch
Soy meal	Madhya Pradesh	DOC	Indore	8150	8500	-350
	Maharashtra	DOC	Sangli	8500	8200	300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	4000	5000	-1000
Mustard	Rajasthan	Plant delivery	Jaipur	2170	2150	20
Groundnut Meal	Gujarat	GN Cake	Gondal	5000	4900	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2969	3136	-167
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3052	3144	-92
Note: Prices Rs./Qtl						

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