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Summary

Maize would trade with firm to slightly steady sentiment in coming week since almost eighty to ninety percent of previous season's arrivals have already reached market and demand is steady as per the seasonality. It is also expected that the Rabi arrivals will be slightly delayed.

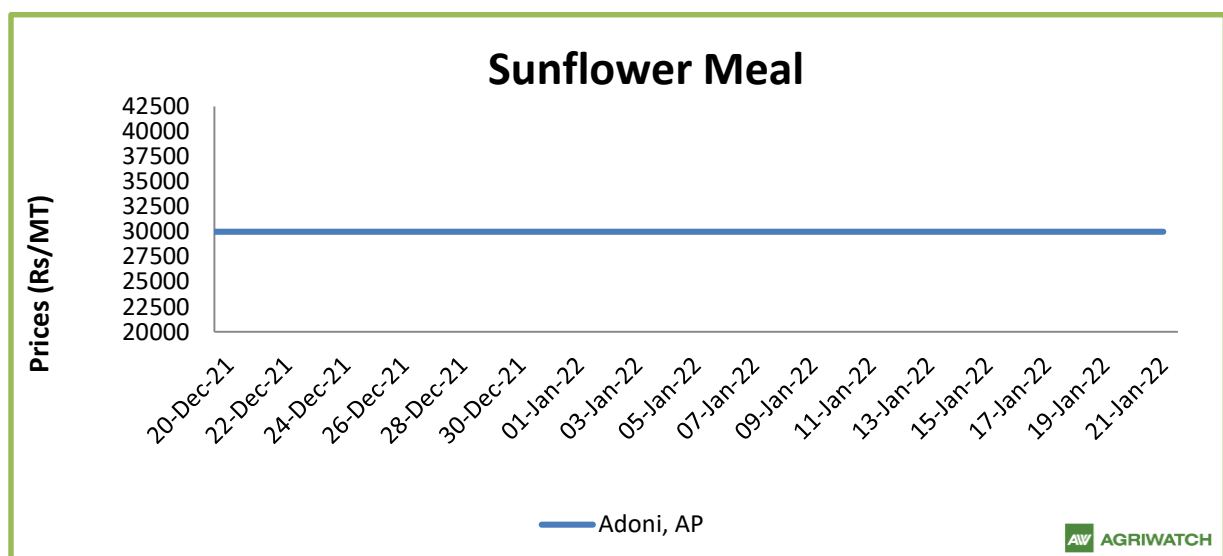
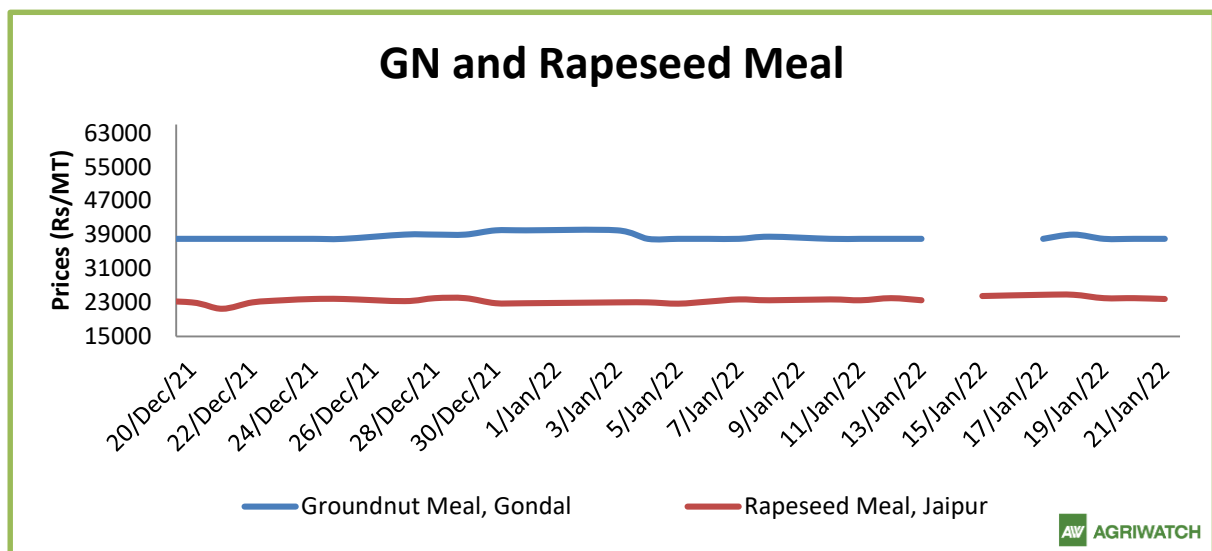
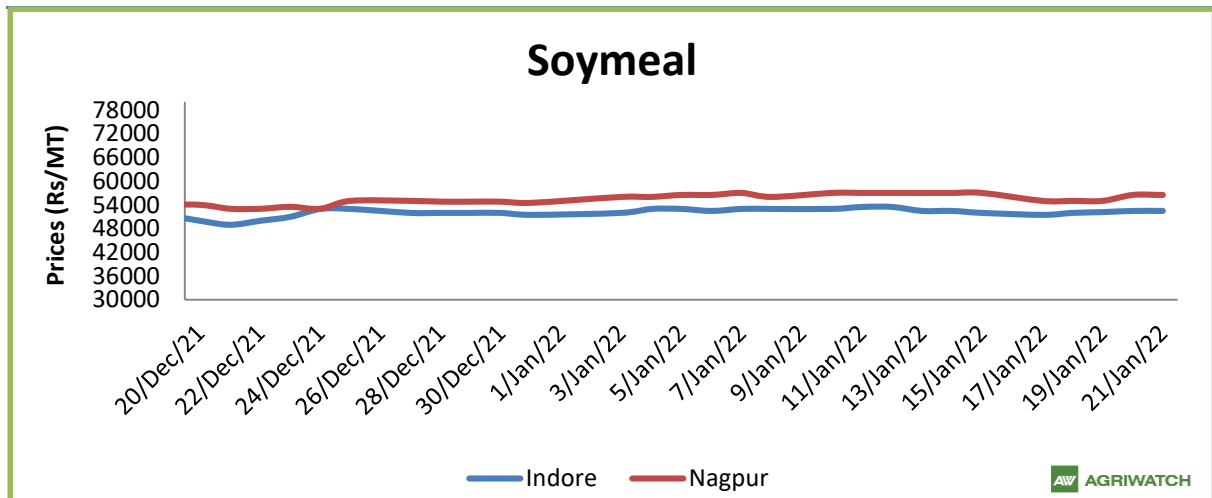
The average price of cottonseed oilcake in the Kadi market has decreased slightly and was at Rs. 3360 per quintal from Rs. 3424 per quintal and whereas, in Akola prices have increased and were at Rs. 3390 per quintal from Rs. 3381 per quintal the previous week. Cottonseed oil prices this week were 1-2 percent higher at Rs. 1228 per quintal in Rajkot and Rs. 1225 per quintal in Hyderabad market. Indian cotton remained steady near Rs. 73,500 to 75,000 per candy. Cotton prices at Rajkot traded at Rs. 10,218 per quintal at Gondal market.

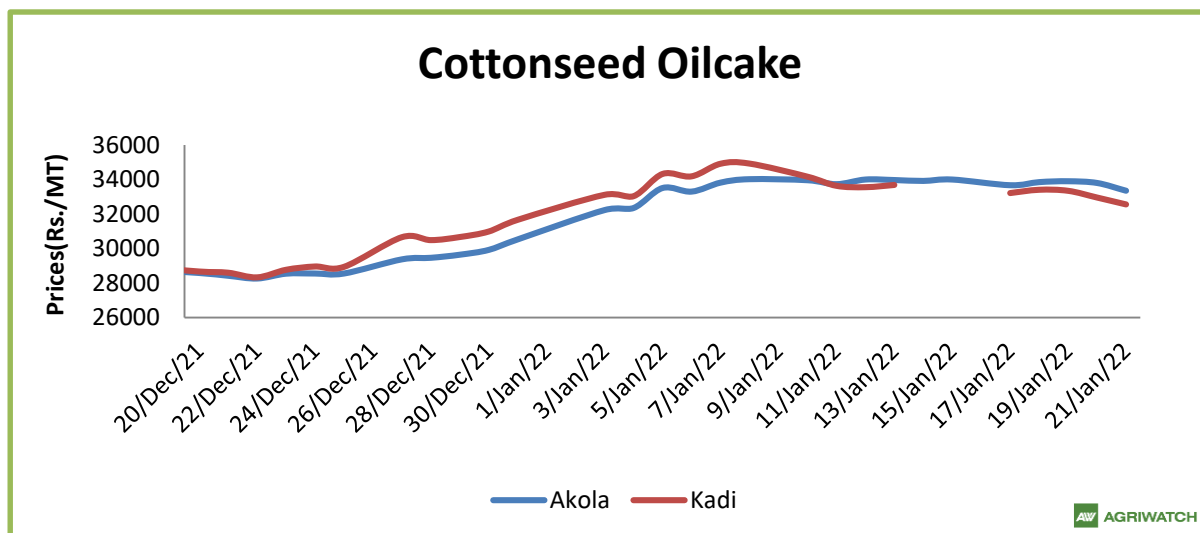
During the week of January 16 to 23, 2021, the weekly average price in India was down by 1.49 percent at Rs. 2150.55 per quintal against Rs. 2183.12 per quintal the previous week while the wheat average prices had increased by 8.16 percent from Rs. 1988.27 per quintal same time last year. On the 19th January the price of wheat in Kanpur market for mill delivery was Rs. 2030 per quintal which is 0.50% higher than Rs. 2020 per quintal the previous month. The demand still remains low domestically due to supply of wheat through free ration scheme. Exports are also halted due to high freight charge and lack of containers. The lack of rakes and higher truck charges are likely to support the market. The combined effect of all these factors makes the market steady currently. As on 21st January 2022, area sown to wheat was down 1.25 percent at 340.83 lakh hectare so far in the current rabi season from 345.14 lakh hectare the previous year during the corresponding period. The acreage was down mainly due to acreage shift from wheat to mustard in the states of Rajasthan, Punjab, Uttar Pradesh. The crop condition is good in most parts of the country. Though the acreage is a little down, we can expect good yields from the area sown as of now. As per trade sources, India has exported around 8.58 lakh tonnes of wheat during the month of December 2021 at an average FOB of \$314.95 per tonne. Bangladesh remains the largest importer of Indian wheat with 2.90 lakh tonnes followed by Sri Lanka with 1.15 lakh tonnes of imports. Yemen has also imported a significant amount at 1.06 lakh tonnes of wheat from India during December. The exports are 0.38 lakh tonnes lower than the November month when around 8.96 lakh tonnes were exported. Container shortage is expected to persist till early February which could halt the export demand from the Indian subcontinent for wheat. As of now most of the rakes have been diverted to energy fuels, which is expected to continue for a while and could interrupt domestic transportation of wheat within various markets of the states. The truck charges remain high and considering all factors including the free ration which is extended till end of March, we can expect the market to remain steady in coming week as well. The scenario may continue till early February after which we should see the market trade slightly firm, until the new crop arrives.

Soymeal prices are likely to trade range bound amid subdued soymeal export demand due to incompetitive prices in global markets. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 50,000 – 55,000 /MT.

Rapeseed-mustard is expected to rebound from lower level on weather concerns and as arrivals are very low in mandis. The seed prices are likely to trade in the range between 7700 – 8,300/Qtl. in the short-run.

Trend – Raw Material, Feed





Source: AgriWatch

Soy meal

This week Indore weekly average soymeal prices continued sideways as compared to previous week followed by sideways movement in soybean prices. The weekly average prices of soymeal at Indore decreased by 1.7% to Rs 52,117 /MT and was quoted between Rs 51,500 – 52,500/MT throughout the week. This compares with previous week's average of Rs 53,000/MT and range of Rs 52,500– 53,500/MT. Sluggish market continued this week too amid slacked soymeal demand and steady soybean prices amid sluggish soymeal export demand due to uncompetitive prices in global markets.

At Latur, the weekly average went down to Rs. 56,166/MT compared to Rs.56,750/MT a week ago, in Nanded too it traded sideways going down to Rs. 55,416/MT compared to Rs. 55,916 /MT a week ago. In Kota the meal prices were up to Rs. 54,866/MT compared to Rs. 55,416/MT previous week. Department of Consumer Affairs, Food and Public Distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include soymeal in the category. We think the stock limit on soymeal will have minimal impact as crushers store soymeal generally for 10-15 days. As per Agriwatch estimates, total production of soymeal in the country for MY 2021-22 is likely to be 88.80 lakh tonnes. Annual soymeal consumption stands between 60-65 lakh tonnes while 15-18 lakh tonnes soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.

According to Solvent extractor association of India, India's December'2021 soymeal exports declined by 83% to 43,260 metric tonnes compared to 2,51,221 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 70% to 2,62,337 metric tonnes in aggregate, during the months (April-Dec.) of financial year 2020-21 compared to 8,88,202 metric tonnes during the corresponding period last year. Export remained lower because of soybean crush margins in India are currently squeezed by pressure on meal prices. Additionally, lesser crushing of soybean also pushing higher import of crude soybean oil in India. We expect lower soymeal export in January and February too as Indian soymeal prices are much higher as compared to Argentina and Brazil FOB prices.

Currently India is outpriced for soybean meal export as Ex. Kandla is quoted at US\$ 750/MT against Brazil origin US\$ 463/MT and Argentina US\$ 465/MT, USA US\$ 482/MT. India's Soymeal export is likely to remain slacked in next few months due to higher prices. Usually FAS kandla trade slightly higher than other GM soymeal but parity between Indian soymeal and Argentina soymeal soared to \$743 in Aug'21 which is currently \$290. According to USDA Jan'21 report, India's 2021/22 soymeal production is estimated higher at 8 million

tonnes vs 7.6 million tonnes last year while ending stock is estimated higher at 6.37 lakh tonnes vs 6.67 lakh tonne previous month while last year it was 3.82 lakh tonnes.

Soybean meal prices are expected to continue trade range bound in the range of 50,000-55,000 tracking tight crushing and weak domestic and export demand.

Rapeseed - Mustard Seed

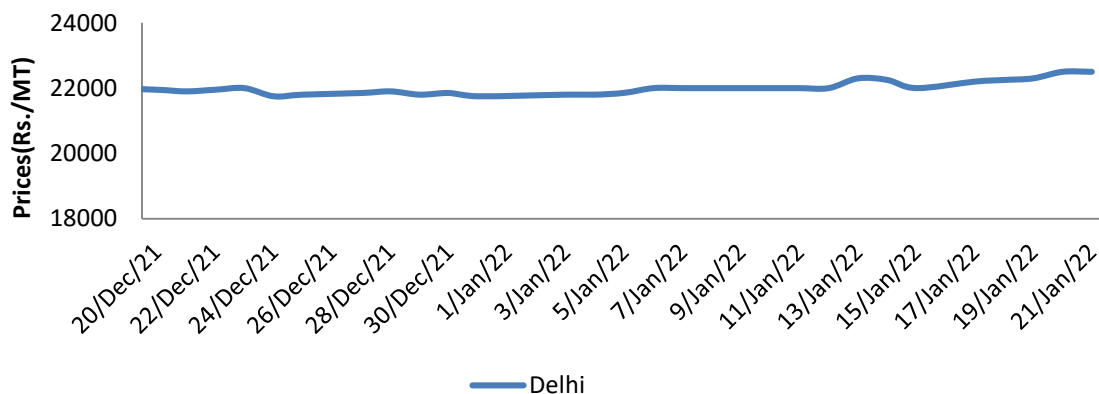
This week RM seed prices continued to rebound from the lower levels and traded above 8000 levels amid low availability in mandis and weather concerns in a few pockets of Rajasthan, Madhya Pradesh and Uttar Pradesh. Rapeseed Mustard weekly average price continued to rebound and went up by 6% to Rs.8,125/Qtl, as compared to Rs 7,663/Qtl last week. The market made a low of 7,913 and high of 8,813 during the week. In Sri Ganganagar, the weekly average prices of rapeseed oilcake traded rangebound and went up by 4.38% to Rs 3,005/Qtl from previous week at Rs. 2,879/qtl.

This week in Rajasthan, total mustard arrivals stood at 3.0 lakh bags as compared to previous week at 2.25 lakh bags. As per Agriwatch estimates, till 31st Dec'21 78.3 lakh tonne crushing has been completed. Ending stock is estimated at 3.2 lakh tonne. There was no procurement by NAFED and HAFED. According to SOPA, the export of rapeseed meal in December'21 is reported at 12,980 metric tonnes against last year 1,41,566 metric tonnes during the same period i.e. down by 91%. Rapeseed meal export remained lower due to less availability of seeds for crushing, new crop will be available from end of February or early of March for crushing.

According to GOI, as on 14th Jan'22, All India Mustard sowing is up by 24% at 90.5 Lakh Ha compared with 72.93 Lakh Ha last year. According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonnes this season. As per sources, hailstorm in a few pockets of Jhalawar, Kota and western Uttar Pradesh have caused mild damage to the mustard flower, in few pockets of Haryana especially in Kurukshetra, Yamunanagar, Ambala, Karnal, Kaithal and Sonapat districts, high wind velocity has flattened mustard plant and in few regions 10-15% flowers have fallen. Mustard sowing expected to end with 18-20% increase in acreage as farmers are opting mustard over other crops amid lucrative prices. Rajasthan govt. had imposed a stock limit on oil seeds and edible oils on 26th Nov'21 till 31st March 22. Stock limit for Mustard seed, Toria, Taramira and Rayda for whole sellers is 2000 Qtl and retail trader oilseed storage limit pegged at 100 Qtl. We expect there will be no impact on prices as there is less availability in the market. Canada canola production is down by 31% as compared to five-year average with yield down by 32% even as area was 1% up as compared to the five-year average. We estimate that there will be very little canola left for export in Canada. USDA in its January'21 report, estimates Canadian Canola at 12.6 MMT Vs 19.48 MMT in the previous year, China at 14 MMT (same as the last year), EU at 17.25 MMT Vs 16.28 MMT in the previous year. It also estimated that Canada canola exports are down to 5.3 MMT from 10.51 MMT last year.

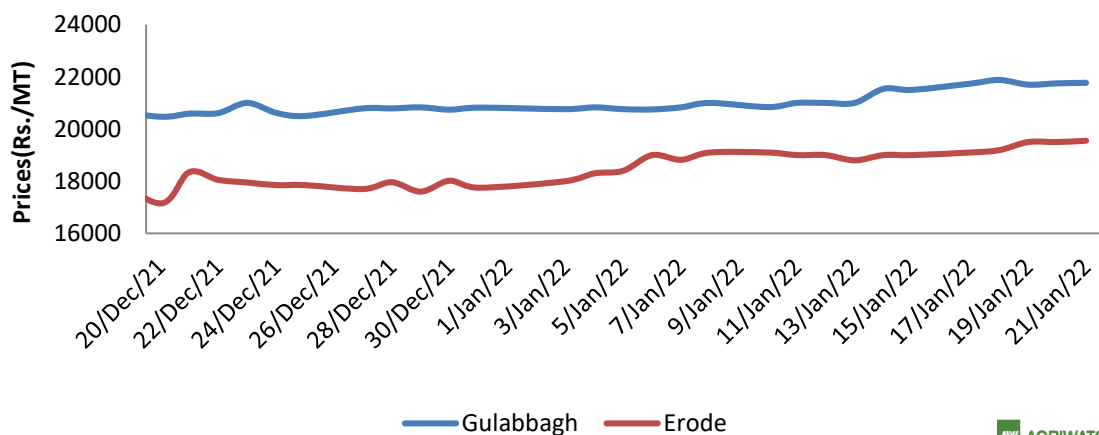
RM Seed is expected to trade range bound in the range of 7700-8200 with firm bias on weather concern and tight arrival in near term. Additionally, underpinned by strength in ICE Canola. However, RM seed prices likely to correct from first week of Feb'21 as new crop arrival pickup.

Wheat, Mill Delivery



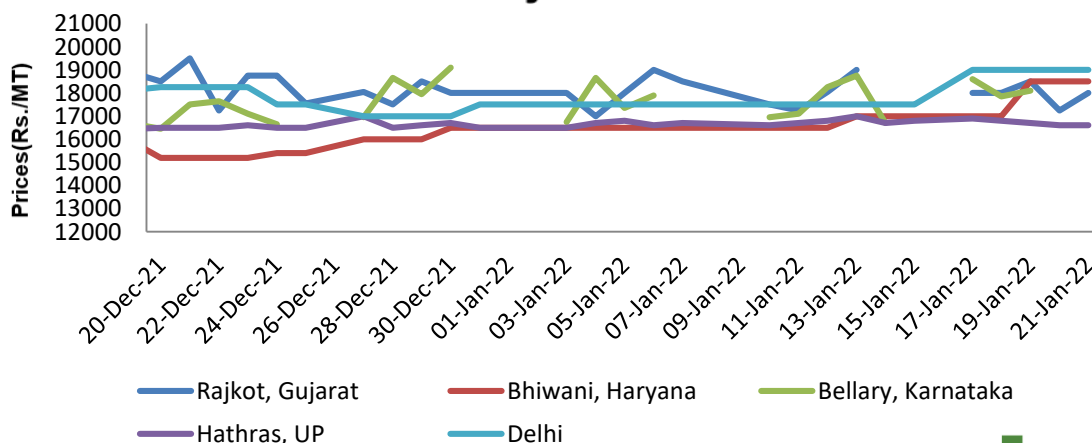
AW AGRIWATCH

Maize



AW AGRIWATCH

Bajra



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Source: Agriwatch (Prices: Maize-Industrial/Feed Grade: Narela Market)

Sources revealed that maize in Nizamabad market is being traded at Rs. 1,900 per quintal. Loose maize in market of Davangere, Karnataka is being traded at Rs. 1,700 per quintal. Stockist demand seems to be active at current Maize prices in Andhra Pradesh and Telengana.

Corn on CBOT increased by 9.25 USD/MT to 240.54 USD/MT for March '22 contract as compared to previous week. U.S. Maize exports have reached to 169.622 million metric tonnes (MMT) for the 2021-22 marketing year, with the exports of 12.97 MMT for the period of 06th Jan 2022– 13th Jan 2022, these exports were up by 28 percent from the previous week and up by 29 percentage from the prior 4-week average, to the destinations like China (349,300 MT), Mexico (321,900 MT), Japan (214,500 MT, including 500 MT – late), Colombia (131,700 MT), and Saudi Arabia (81,300 MT). Agriwatch expects that dry weather related conditions in Brazil and Argentina is expected to provide support to U.S corn exports.

In all the four markets, the prices were mostly steady compared to previous week. In Delhi, the prices were up by 1.09 percent while in Indore the prices were up by 1.77 percent. In Ahmedabad, the price was up by 0.74 percent while in Kota the price was up by 0.90 percent. We expect the market to trade in range bound in coming week as good export demand and free ration scheme simultaneously impact the market condition.

Outlook: Feed prices are expected to feature in a range bound zone with steady bias in coming week.

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

Centers	Ex-factory rates (Rs/ton)		
	21-Jan-22	15-Jan-22	Parity To
Indore - 45%, Jute Bag	52500	52000	Gujarat, MP
Kota - 45%, PP Bag	55200	54700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	56000	56000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	56500	57000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	56000	55500	Andhra, AP, Kar ,TN
Latur	56500	56500	-
Sangli	52800	53800	Local and South
Solapur	51400	56000	Local and South
Akola – 45%, PP Bag	52500	53000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	55500	55500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	55000	54500	-

International Soy DOC			
Argentina FOB USD/MT	20-Jan-22	14-Jan-22	Change
Soybean Pellets	470	470	Unch
Soybean Cake Flour	470	470	Unch
Soya Meal	NA	NA	-
Soy Expellers	NA	NA	-
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	21-Jan-22	15-Jan-22	Change
Adoni	30000	30000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	29500	29500	Unch

Groundnut Meal (Rs/MT)	21-Jan-22	15-Jan-22	Change
Basis 45%, Saurashtra	37000	38000	-1000
Basis 40%, Saurashtra	32000	32000	Unch
GN Cake, Gondal	38000	38000	Unch

Mustard DOC/Meal	21-Jan-22	15-Jan-22	Change
Jaipur (Plant delivery)	23800	24500	-700
Kandla (FOR Rs/MT)	22800	25400	-2600

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21-Jan-22	14-Jan-22	21-Dec-21	20-Jan-21	21-Jan-20
Delhi	Hybrid	2000	1900	1875	1450	2150
Davangere	Loose	1840	1700	1600	1300	1900
Nizamabad	Bilty	1900	Closed	1860	1400	2050
Ahmedabad	Feed	2100	1900	1800	1500	NA
	Starch	2100	1950	1850	1500	NA

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

As on 19.01.2022	Argentina	Brazil	US	India
FOB	261.00	279.00	271.00	277.44
Cost and Freight	311.00	334.00	331.00	312.44

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	10975
Sep	12210	102212	45388	35268	68576	5831
Oct	31390	71425	150388	63800	120290	14538*
Nov	97750	207630	186409	69415	198776	
Dec	241250	168865	170588	72233	251221	
Total	455374.1	1408042	1143244	982022	1011736	838264

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	21-Jan-22	15-Jan-22	Change
Bajra	Karnataka	Hybrid	Bellary	NA	NA	-
		Hybrid	Bangalore	2150	2500	-350
Jowar	Karnataka	White	Bangalore	2200	2500	-300
		White	Bellary	NA	2800	-
Maize	Karnataka	Yellow	Davangere	1940	1750	190
	Telangana	Yellow	Nizamabad	1900	1900	Unch
Rice	Haryana	IR8	Karnal	3100	3100	Unch
		Parmal Raw	Karnal	2750	2750	Unch
Soy meal	Madhya Pradesh	DOC	Indore	5250	5200	50
	Maharashtra	DOC	Sangli	5280	5380	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3000	3000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	2380	2450	-70
Groundnut Meal	Gujarat	GN Cake	Gondal	3800	closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3256	closed	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3356	3400	-44
Note: Prices Rs./Qtl						

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