AGRIWATCH

Contents:

Summary

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

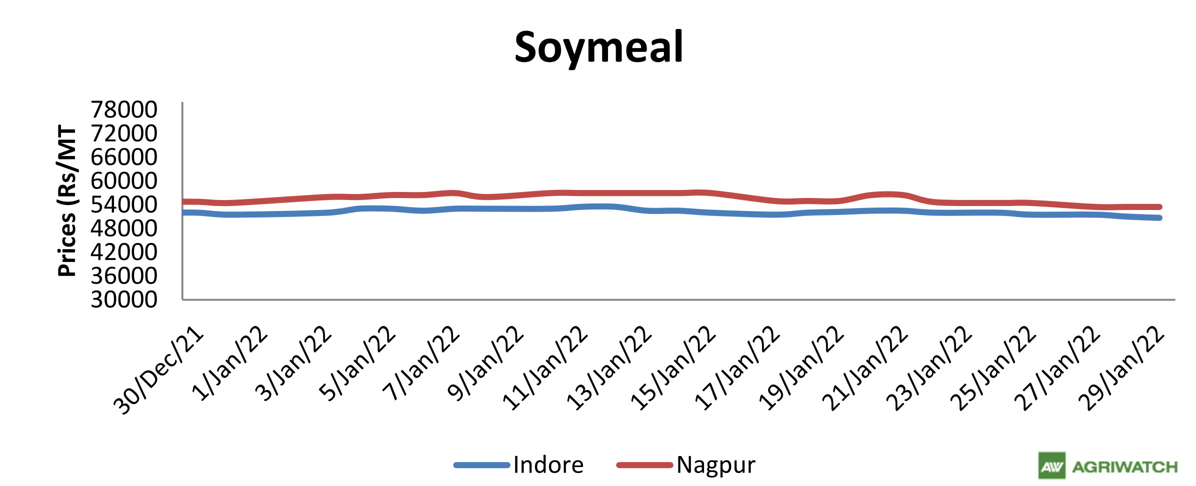
The cottonseed oil prices have slightly increased in Hyderabad and Mumbai market and were at Rs. 1228 per 10kgs and Rs. 1240 per 10kgs respectively. Whereas, the cottonseed oilcake prices have decreased by around 2-3 percent. The average price of cottonseed oilcake in the Kadi market has decreased and was at Rs. 3231 per quintal from Rs. 3360 per quintal, whereas, in Akola prices were at Rs. 3313 per quintal from Rs. 3390 per quintal the previous week.

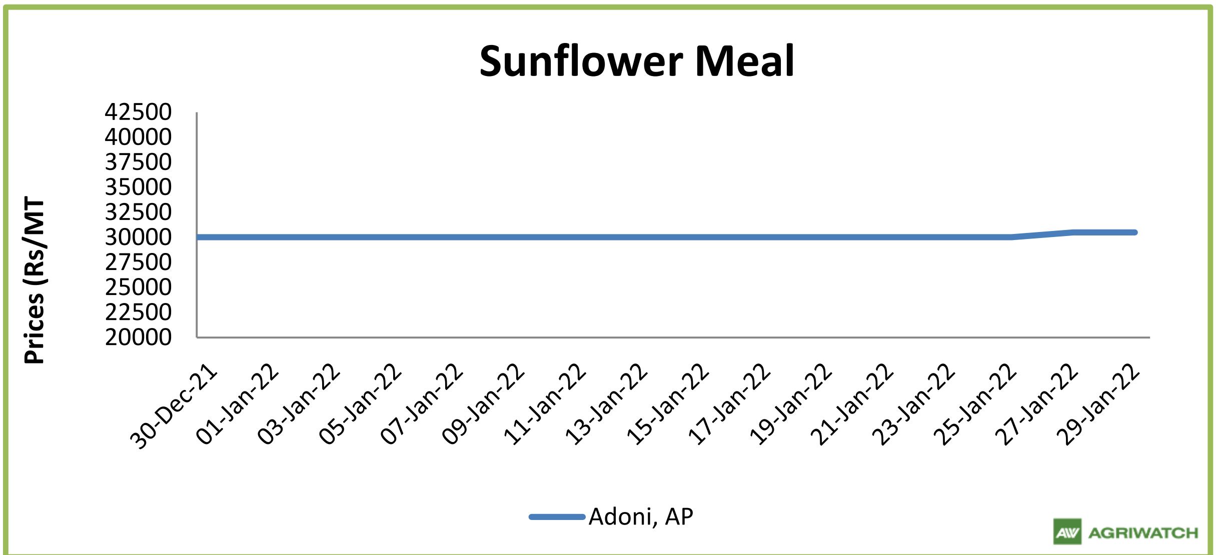
We can expect slightly firm bias in coming week as there are huge disruptions in the supply side of the stocks. Also, people are preferring buying wheat from the market rather than ration wheat due to its poor quality. And in major markets also the arrivals are very low which is going to support the market. From mid-February we can see small batches of new crops arriving which after which the prices can stay steady to weak.
During the week of January 24 to 31, 2021, the weekly average price in India was up by 0.59 percent at Rs. 2130.20 per quintal against Rs. 2117.65 per quintal the previous week while the wheat average prices had increased by 9.20 percent from Rs. 1950.68 per quintal same time last year. On the 29th January the price of wheat in Kanpur market for mill delivery was Rs. 2120 per quintal which is 2.91% higher than Rs. 2060 per quintal the previous month. The supply within the various states have been disrupted due to railway rake shortage and the truck transportation is expensive which is supporting the market. Though the free ration scheme which is extended till 31st March will prevent any drastic rise in the prices.As on 28th January 2022, area sown to wheat was down 1.01 percent at 342.37 lakh hectare so far in the current rabi season from 345.86 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.In Jalandhar district, the wheat available under free ration scheme was found to be of poor quality and rotten. The people have expressed concerns over the bad quality materials. This has made people there to start buying wheat from the markets creating some sort of demand in the market. During the week ending 28th January, approximately 0.43 LMT of wheat was sold by FCI against a tender offered at 0.47 LMT quantity, up against 0.33 LMT of wheat was sold by FCI against tender offers of 0.35 LMT quantity last week. This week also maximum tenders was made in Haryana with 0.32 LMT against offer of 0.34 LMT.

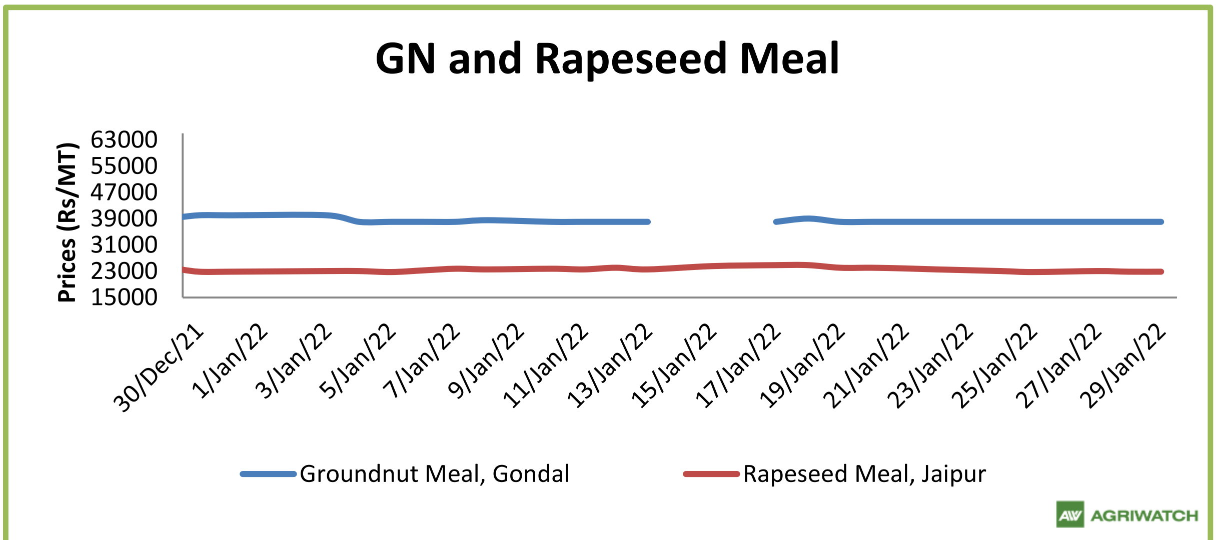
Soymeal prices are likely to trade range bound with weak bias amid subdued soymeal export demand due to uncompetitive prices in global markets. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 50,000 – 55,000 /MT.

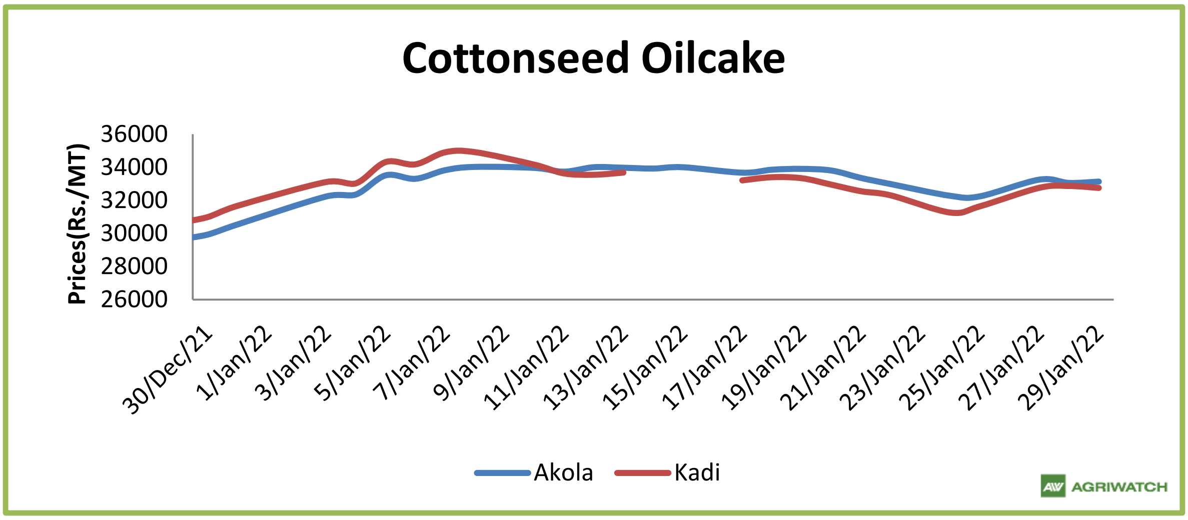
Rapeseed-mustard is expected trade range bound with weak bias amid conducive weather condition in the key growing areas. The seed prices are likely to trade in the range between 7200 –7,600/Qtl. in the short-run.

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, weak soymeal export demand has kept prices sluggish.

The weekly average prices of soymeal at Indore decreased by 1% to Rs 51,600 /MT and was quoted between Rs 51,500 – 52,500/MT throughout the week. This compares with previous week's average of Rs 52,117/MT and range of Rs 51,500– 52,500/MT. Sluggish market continued this week too amid slacked soymeal demand and steady soybean prices amid sluggish soymeal export demand due to incompetitive prices in global markets.At Latur, the weekly average went down to Rs. 55,300/MT compared to Rs.56,166/MT a week ago, in Nanded too it traded sideways going down to Rs. 54,440/MT compared to Rs. 55,416 /MT a week ago. In Kota the meal prices were down to Rs. 53,780/MT compared to Rs. 54,866/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.

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.

Rapeseed - Mustard Seed

This week RM seed Jaipur average prices remained sideways and went down by 1.6% on conducive weather condition in key RM seed growing regions.

Rapeseed Mustard weekly average price remained sideways and went down by 1.6% to Rs.7,998/Qtl, as compared to Rs 8,125 /Qtl last week. The market made a low of 7,538 and high of 8,263 during the week. In Sri Ganganagar, the weekly average prices of rapeseed oilcake went down by 3.36% to Rs 2,904/Qtl from previous week at Rs. 3,005/qtl. In tadem with weakness in RM seed prices.

This week in Rajasthan, total mustard arrivals stood at 2.95 lakh bags as compared to previous week at 3.0 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.

Conducive weather condition for maturing crop may drag prices lower for the next few days.

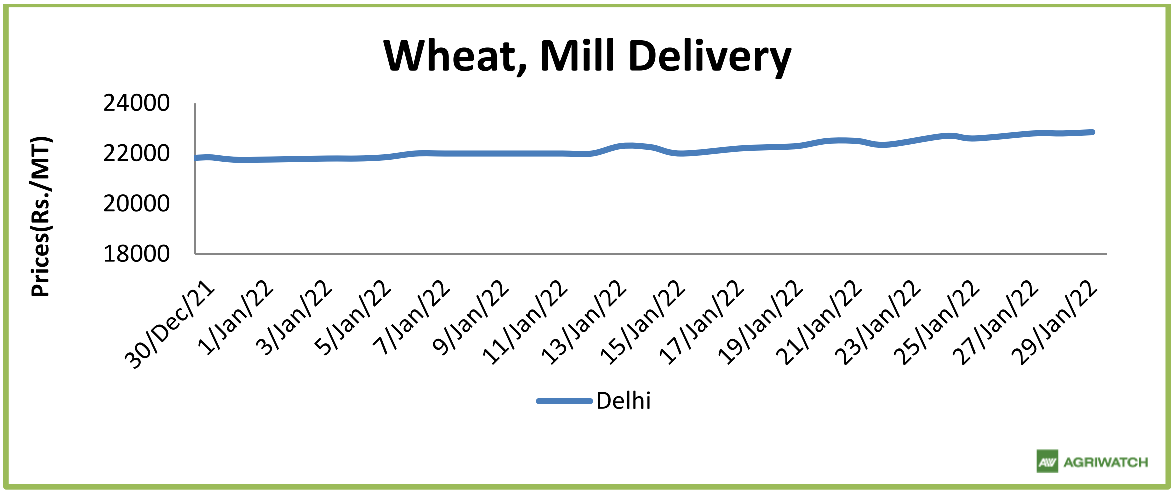
According to GOI, as on 21st Jan'22, All India Mustard sowing is up by 24.5% at 91 Lakh Ha compared with 73.10 Lakh Ha last year.

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 Sonepat districts, high wind velocity has flattened mustard plant and in few region 10-15% flowers have fallen.

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.


Wheat, Mill Delivery
Prices(Rs./MT)
24000
22000
20000
18000
30/Dec/21
1/Jan/22
3/Jan/22
5/Jan/22
7/Jan/22
9/Jan/22
11/Jan/22
13/Jan/22
15/Jan/22
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29/Jan/22
Delhi
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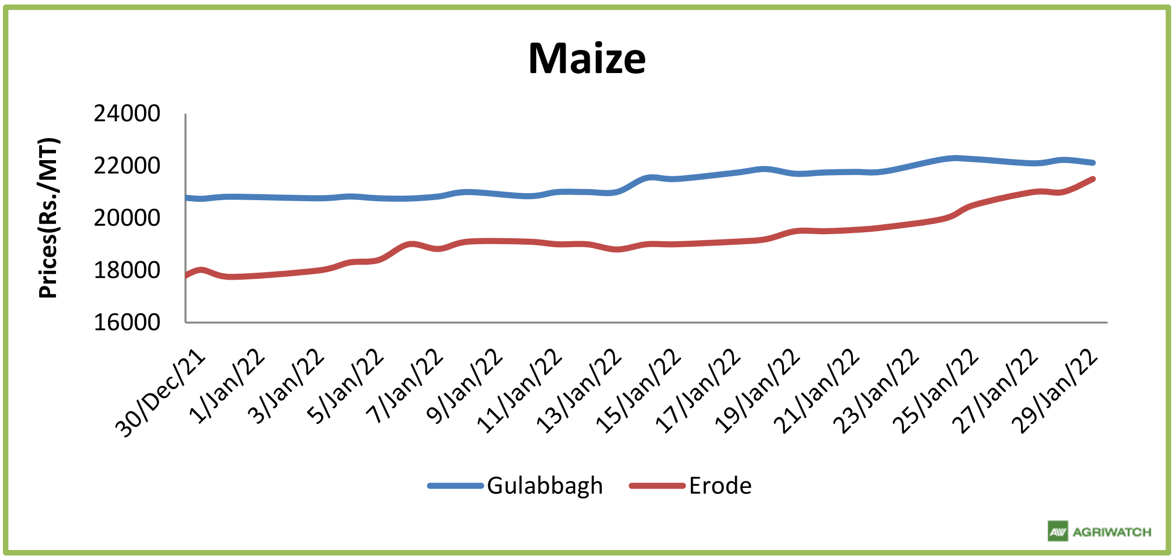
Maize
Prices(Rs./MT)
24000
22000
20000
18000
16000
30/Dec/21
1/Jan/22
3/Jan/22
5/Jan/22
7/Jan/22
9/Jan/22
11/Jan/22
13/Jan/22
15/Jan/22
17/Jan/22
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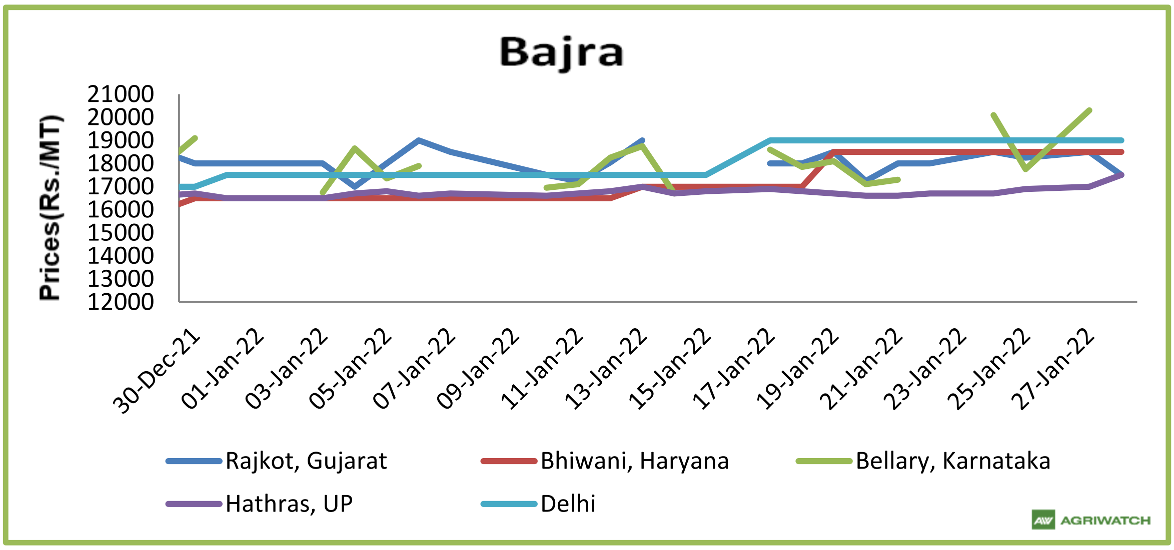
29/Jan/22
Gulabbagh
Erode
AGRIWATCH


Bajra
Prices(Rs./MT)
21000
20000
19000
18000
17000
16000
15000
14000
13000
12000
30-Dec-21
01-Jan-22
03-Jan-22
05-Jan-22
07-Jan-22
09-Jan-22
11-Jan-22
13-Jan-22
15-Jan-22
17-Jan-22
19-Jan-22
21-Jan-22
23-Jan-22
25-Jan-22
27-Jan-22
Rajkot, Gujarat
Bhiwani, Haryana
Bellary, Karnataka
Hathras, UP
Delhi
AGRIWATCH

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

Sources revealed that maize in Nizamabad market is being traded at Rs. 2,000 per quintal. Loose maize in market of Davangere, Karnataka is being traded at Rs. 2,000 per quintal. Stockiest demand seems to be active at approximate Rs. 2,050 per quintal of godown delivery rate in Davangere.
Corn on CBOT increased by 8.76 USD/MT to 249.30 USD/MT for March '22 contract as compared to previous week. U.S. Maize exports have reached to 183.990 million metric tonnes (MMT) for the 2021-22 Marketing Year, with the exports of 14.36 MMT for the period of 14th Jan 2022– 20th Jan 2022, these exports were up by 11 percent from the previous week and up by 36 percentage from the prior 4-week average, to the destinations like Japan (415,300 MT), Mexico (371,000 MT, including 27,300 MT – late), China (347,900 MT), Canada (104,600 MT), and Colombia (61,400 MT). Agriwatch expects that tensions between Ukraine and Russia would be providing support to U.S corn exports.

In all the markets, the prices were mostly steady compared to previous week except Indore market, where the prices were trading firm. In Delhi, the prices were up by 1.83 percent while in Indore the prices were up by 3.16 percent. In Ahmedabad, the price was up by 1.20 percent while in Kota the price was up by 1.13 percent. In Indore, the arrivals are currently 1000 Quintals compared to 10000 Quintals which has supported the market.

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)		
	28-Jan-22	22-Jan-22	Parity To
Indore - 45%, Jute Bag	51000	52000	Gujarat, MP
Kota - 45%, PP Bag	53700	54200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	55000	56000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	53500	54700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	54000	55000	Andhra, AP, Kar ,TN
Latur	55000	55500	-
Sangli	52000	52500	Local and South
Solapur	51500	51400	Local and South
Akola – 45%, PP Bag	51000	52500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	54000	55000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	53500	54000	-

International Soy DOC			
Argentina FOB USD/MT	**27-Jan-22**	**21-Jan-22**	**Change**
Soybean Pellets	465	458	7
Soybean Cake Flour	465	458	7
Soya Meal	NR	-	-
Soy Expellers	NR	-	-
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**28-Jan-22**	**22-Jan-22**	**Change**
Adoni	30500	30000	500
Khamgaon	NA	-	-
Parli	NA	-	-
Latur	30000	29500	500

Groundnut Meal (Rs/MT)	28-Jan-22	22-Jan-22	Change
Basis 45%, Saurashtra	37000	37000	Unch
Basis 40%, Saurashtra	32000	32000	Unch
GN Cake, Gondal	38000	38000	Unch

Mustard DOC/Meal	28-Jan-22	22-Jan-22	Change
Jaipur (Plant delivery)	22800	23500	-700
Kandla (FOR Rs/MT)	22800	22500	300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	28-Jan-22	21-Jan-22	28-Dec-21	28-Jan-21	28-Jan-20
Delhi	Hybrid	2100	2000	1900	1470	2050
Davangere	Loose	2030	1840	1600	1300	1900
Nizamabad	Bilty	2000	1900	1850	1550	2050
Ahmedabad	Feed	2150	2100	1880	1500	1900
	Starch	2150	2100	1880	1500	1900

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

As on 25.01.2022	Argentina	Brazil	US	India
FOB	259.00	294.00	285.00	297.39
Cost and Freight	309.00	349.00	345.00	332.39

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	42951
Dec	241250	168865	170588	72233	251221	43260*
Total	**455374.1**	**1408042**	**1143244**	**982022**	**1011736**	**838264**

Feed Ingredient Prices at a Glance						
Commodity	**State**	**Variety**	**Centre**	**28-Jan-22**	**21-Jan-22**	**Change**
Bajra	Karnataka	Hybrid	Bellary	NA	NA	-
		Hybrid	Bangalore	2150	2150	Unch
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	2800	NA	-
Maize	Karnataka	Yellow	Davangere	1940	1940	Unch
	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	5100	5250	-150
	Maharashtra	DOC	Sangli	5200	5280	-80
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3050	3000	50
Mustard	Rajasthan	Plant delivery	Jaipur	2280	2380	-100
Groundnut Meal	Gujarat	GN Cake	Gondal	3800	3800	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3288	3256	32
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3305	3356	-51
Note: Prices Rs./Qtl						