

***Contents:***

---

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Annexure– Prices**

## Summary

---

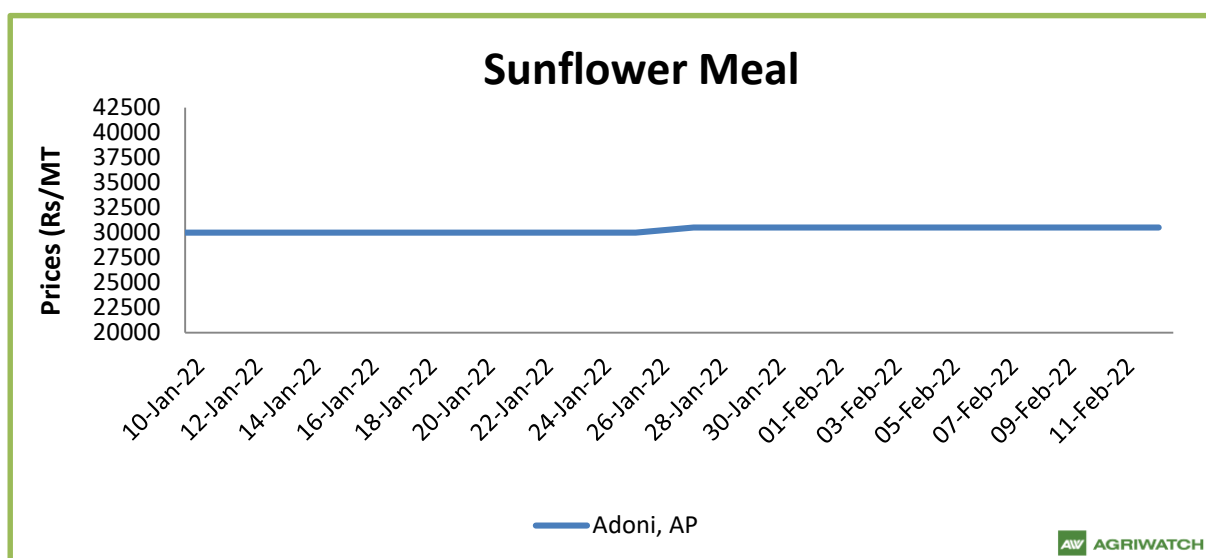
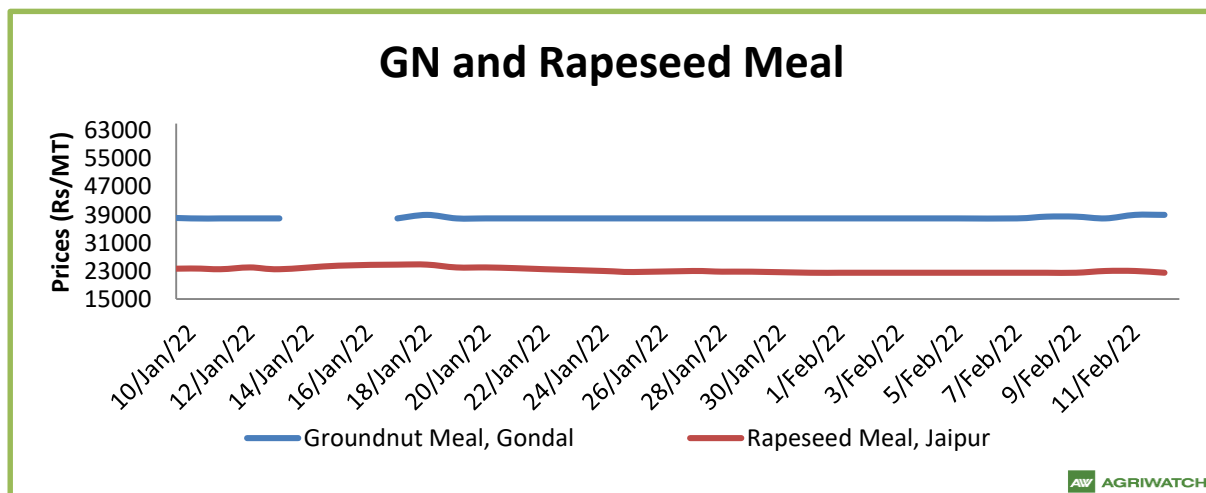
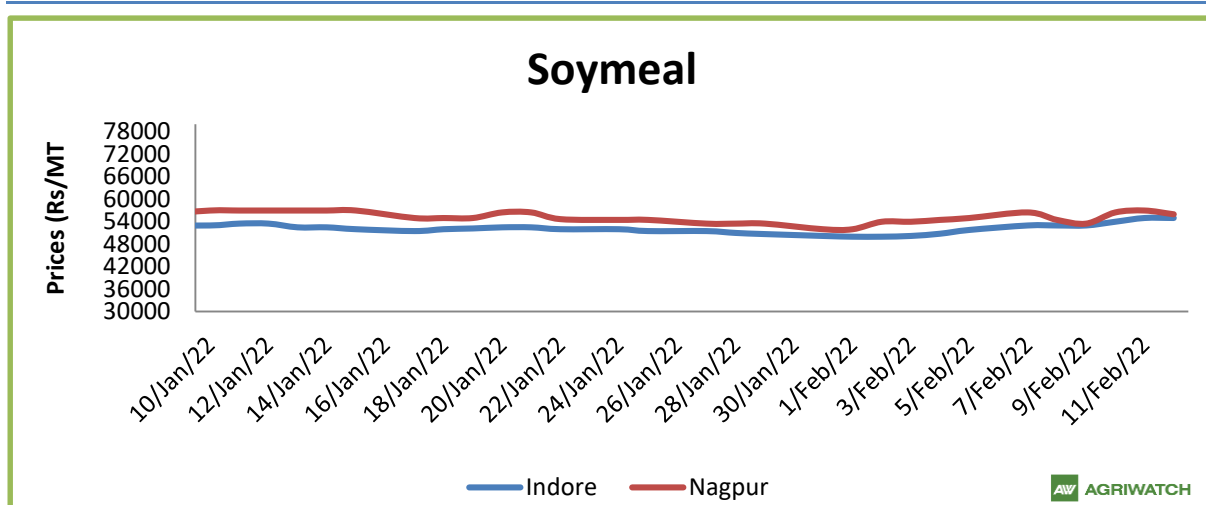
Maize would trade steady sentiment in the coming week since demand seems to be steady and previous season's arrivals have already reached market, as per the seasonality trend. It is also expected that the Rabi arrivals will be slightly delayed, as in major Rabi Maize producing states like Bihar sowing has been delayed in this season.

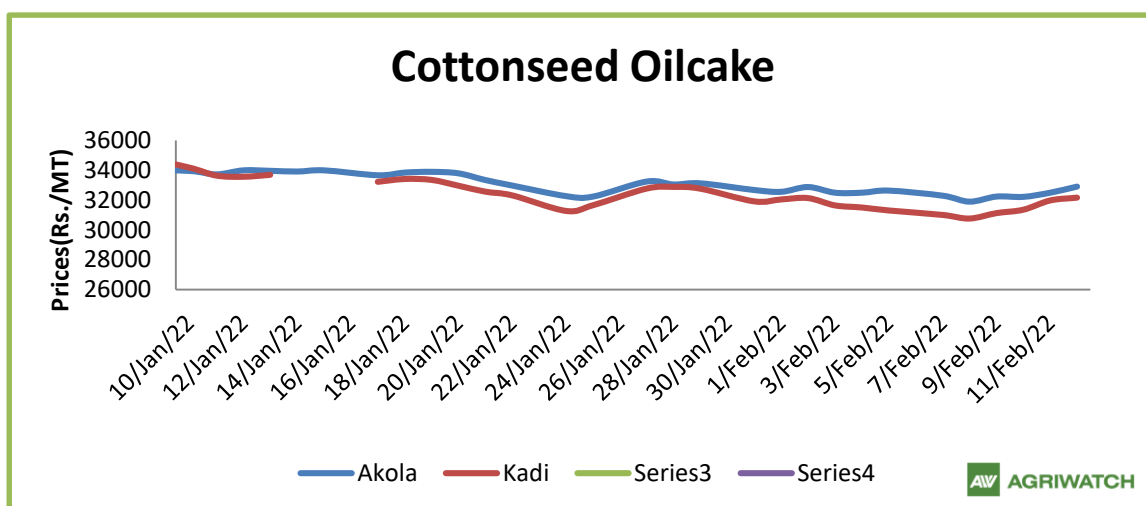
During the week of February 08 to 15, 2022, the weekly average price in India was down by 5.52 percent at Rs. 2031.94 per quintal against Rs. 2150.77 per quintal the previous week while the wheat average prices had increased by 4.67 percent from Rs. 1941.22 per quintal same time last year. On 12th February, the price of wheat in Kanpur market for mill delivery was Rs. 2100 per quintal which is 0.94% lower than Rs. 2120 per quintal the previous week. The arrivals in most of the major markets have increased which has weakened the market. In Gujarat, new crop arrivals have already started which is impacting the wheat market. In Madhya Pradesh, new crop arrivals in small batches is expected in coming days. As of 04th February, wheat sowing was done in 343.26 lakh hectares down by 0.82% from 346.10 lakh hectares the previous year during this time. In Punjab, sowing has been completed in 35.02 lakh hectares down by 0.57% from 35.22 lakh hectares the previous year. The acreage was lower mainly due to shifting of acreage from wheat to mustard in Rajasthan, Uttar Pradesh and Haryana. Though the yield is expected to be higher than previous due to good weather conditions. During the week ending 11th February, approximately 0.97 LMT of wheat was sold by FCI against a tender of 0.98 LMT of wheat, up against 0.53 LMT of wheat was sold by FCI against a tender of 0.55 LMT quantity. This week maximum tenders were made in West Bengal with 0.50 LMT against offer of 0.50 LMT. From trade source estimate, for January month, around 5.16 lakh tonnes of wheat were exported from Kandla Port with an average FoB of \$324.85 per tonne. During December month, the export from Kandla Port was around 5.47 lakh tonnes. We estimate the overall wheat export for the month of January would be around 8.11 lakh tonnes. It is expected that India's wheat export would cross 7 million marks for MY 2021-22. We can expect the market to trade weak in coming week. The prices is expected to weakened by higher arrivals and lower demand domestically due to the ongoing free ration scheme by the government. Though export demand is expected to be good but overall effect of all the fundamentals seems to weaken the market in coming week.

Soymeal prices are likely to trade range bound with steady bias amid subdued soy meal export demand due to uncompetitive prices in global markets. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 52,000 – 57,000 /MT.

Rapeseed-mustard is expected trade range bound with weak bias amid new crop arrivals and conducive weather condition in the key growing areas. The seed prices are likely to trade in the range between 7200 – 8,000/Qtl. in the short-run.

**Trend – Raw Material, Feed**





**Source: AgriWatch**

#### Soy meal

This week Indore weekly average soymeal prices went up as compared to previous week followed by bullish movement in soybean prices.

The weekly average prices of soymeal at Indore increased by 5.9% to Rs 53,300 /MT and was quoted between Rs 51,800 – 55,000/MT throughout the week. This compares with previous week's average of Rs 50,316/MT and range of Rs 50,000– 50,800/MT.

At Latur, the weekly average went up to Rs. 56,333/MT compared to Rs.54,166/MT a week ago, in Nanded too it went up to Rs. 55,250/MT compared to Rs. 53,500 /MT a week ago. In Kota the meal prices were up to Rs. 56,416/MT compared to Rs. 53,600/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 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.

Currently India is outpriced for soybean meal export as Jan'22 Monthly average FAS Kandla is quoted above USD 750/MT Argentina FOB soymeal USD 460/MT. SBM FAS kandla is still outpriced by USD 290. Usually FAS kandla trade slightly higher than other GM soymeal but difference between Indian soymeal and Argentina soymeal soared to \$743 in Aug'21 and USD 670 in Sept'21. India's Soymeal export is likely to remain weak for the next few months too due to higher prices and tight crush margin.

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 Feb'22 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 52,000-57,000 amid tight crushing and weak domestic and export demand due to incooperative prices in global markets.

### Rapeseed - Mustard Seed

---

This week RM seed Jaipur average prices remained sideways and went barely down by 0.5% amid record acreage in the country.

Rapeseed Mustard weekly average price remained sideways and went down by 0.5% to Rs.7,933/Qtl, as compared to Rs 7,971 /Qtl last week. The market made a low of 7,788 and high of 8,113 during the week. In Sri Ganganagar, the weekly average prices of rapeseed oilcake too remained sideways and went down by 0.73% to Rs 2,900/Qtl from previous week at Rs. 2,879/qtl.

This week in Rajasthan, total mustard arrivals stood at 2.05 lakh bags as compared to previous week at 2.60 lakh bags. New mustard crop arrivals has begun with arrivals at 2.6 lakh bags.

As per Agriwatch estimates, in 2022-2023 all India RM seed production at 107 lakh tonnes.

Minor crop loss reported in few pockets of Rajasthan, MP and Haryana, overall crop condition seems good.

According to SEA, 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.

According to GOI, as on 04th Feb'22, All India Mustard sowing is up by 25.3% at 91.63 Lakh Ha compared with 73.12 Lakh Ha last year.

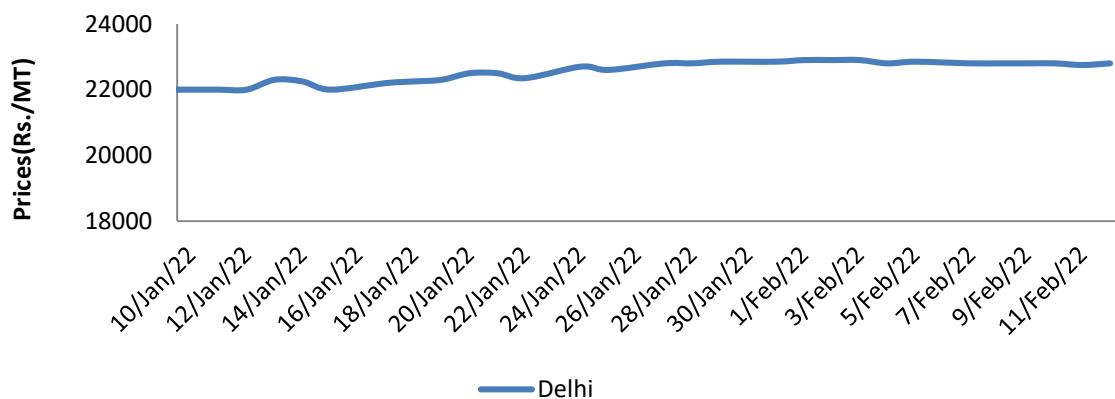
According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonnes this season.

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 Feb'22 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.

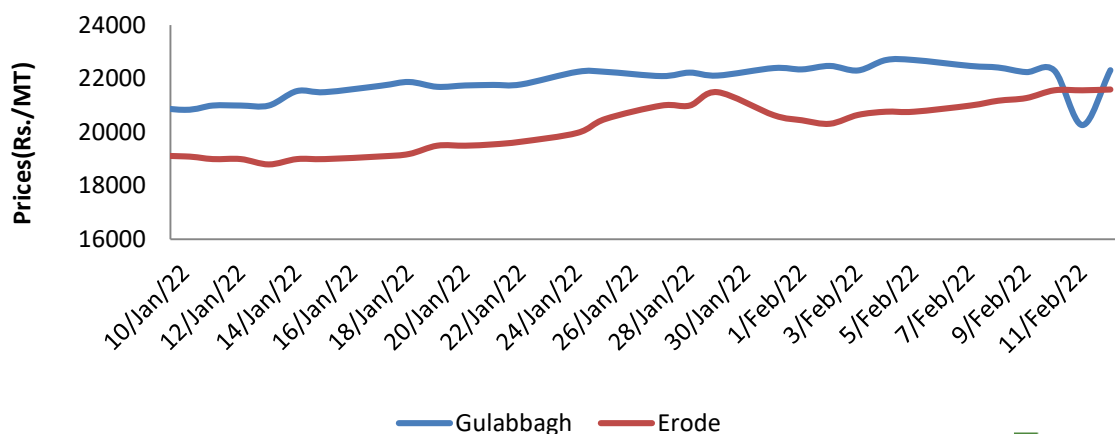
Lower canola production in Canada has disrupted exports and major importers are likely to turn to Australia.

### Wheat, Mill Delivery



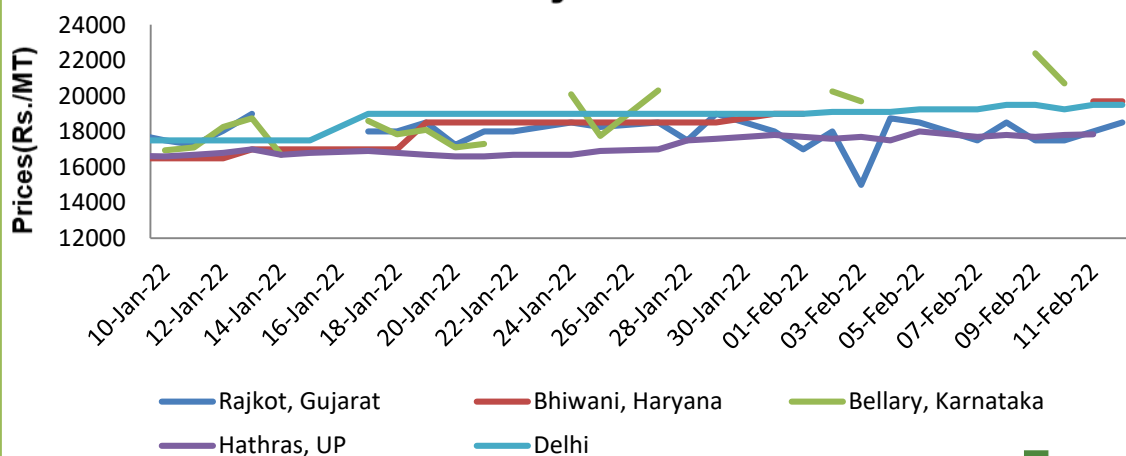
AW AGRIWATCH

### Maize



AW AGRIWATCH

### Bajra



AW 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. 1,960 per quintal. Maize for poultry feed purpose is being supplied to Hyderabad feed makers at Rs. 2,200 per quintal. Corn on CBOT increased by 9.85 USD/MT to 252.65 USD/MT for March '22 contract as compared to previous week.

U.S. Maize exports have reached to 20.71 million metric tonnes (MMT) for the 2021-22 Marketing Year, with the exports of 1.14 MMT for the period of 27th Jan 2022– 3rd Feb 2022, these exports were down by 2 percent from the previous week and down by 6 percentage from the prior 4-week average. Agriwatch expects that due to pressure on freight prices in U.S due to cool weather U.S corn exports should remain stable.

In all the markets, the prices were showing weak trend. In Delhi, the prices were down by 0.35 percent. In Indore, the prices were down by 3.31 percent. In Ahmedabad the prices went down by 0.14 percent while in Kota the prices were down by 2.57 percent. The new crop arrivals in Gujarat is expected to weaken the market further while new arrivals is expected in coming week in Madhya Pradesh could shift the prices further on downward side in Indore in coming week.

**Outlook:** Feed prices are expected to feature sideways trend in coming week.

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

Centers	Ex-factory rates (Rs/ton)		
	11-Feb-22	05-Feb-22	Parity To
Indore - 45%, Jute Bag	55000	51800	Gujarat, MP
Kota - 45%, PP Bag	57800	55200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	58000	56000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	57000	55000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	56000	55000	Andhra, AP, Kar, TN
Latur	57000	55000	-
Sangli	53800	52500	Local and South
Solapur	53200	53400	Local and South
Akola – 45%, PP Bag	54500	52000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	55000	55000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	57600	55000	-

International Soy DOC			
Argentina FOB USD/MT	10-Feb-22	04-Feb-22	Change
Soybean Pellets	508	500	8
Soybean Cake Flour	508	500	8
Soya Meal	-	-	-
Soy Expellers	-	-	-
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	11-Feb-22	05-Feb-22	Change
Adoni	30500	30500	Unch
Khamgaon	-	-	-
Parli	-	-	-
Latur	30000	30000	Unch

Groundnut Meal (Rs/MT)	11-Feb-22	05-Feb-22	Change
Basis 45%, Saurashtra	38500	37000	1500
Basis 40%, Saurashtra	33500	32000	1500
GN Cake, Gondal	39000	38000	1000

Mustard DOC/Meal	11-Feb-22	05-Feb-22	Change
Jaipur (Plant delivery)	23000	22500	500
Kandla (FOR Rs/MT)	23300	22500	800

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

Market	Grade	11-Feb-22	04-Feb-22	11-Jan-22	10-Feb-21	11-Feb-20
Delhi	Hybrid	2200	2200	1900	1500	1950
Davangere	Loose	1930	1950	1650	1400	1700
Nizamabad	Bilty	1950	2000	1850	1500	2050
Ahmedabad	Feed	2060	2150	1950	1450	1800
	Starch	2050	2090	2000	1500	1700

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

As on 10.02.2022	Argentina	Brazil	US	India
FOB	278.00	301.00	290.00	296.83
Cost and Freight	328.00	356.00	350.00	331.83

Soy Meal Exports (In MT):

<u>Month</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Jan	155160	105678	86378	41726	283167	
Feb	207977	73816	132375	20309	247085	
Mar	107059	39209	193920	61499	146379	
Apr	124374	68264	40829	25940	39750	
May	48900	76026	53272	46614	52434	
Jun	45975	104088	62524	56638	25918	
Jul	80797	63747	76558	61957	26725	
Aug	87668	59643	95450	58190	10975	
Sep	102212	45388	35268	68576	5831	
Oct	71425	150388	63800	120290	14538	
Nov	207630	186409	69415	198776	42951	
Dec	168865	170588	72233	251221	43260*	
<b>Total</b>	<b>1408042</b>	<b>1143244</b>	<b>982022</b>	<b>1011736</b>	<b>838264</b>	

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	11-Feb-22	04-Feb-22	Change
Bajra	Karnataka	Hybrid	Bellary	NA	NA	-
		Hybrid	Bangalore	2150	2150	Unch
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	2800	2800	Unch
Maize	Karnataka	Yellow	Davangere	2030	2050	-20
	Telangana	Yellow	Nizamabad	1950	2000	-50
Rice	Haryana	IR8	Karnal	3100	3100	Unch
		Parmal Raw	Karnal	2750	2750	Unch
Soy meal	Madhya Pradesh	DOC	Indore	5500	5080	420
	Maharashtra	DOC	Sangli	5400	5300	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3050	3050	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	2250	2250	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	3900	3800	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3291	3150	141
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3216	3250	-34
Note: Prices Rs./Qtl						

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.