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Summary

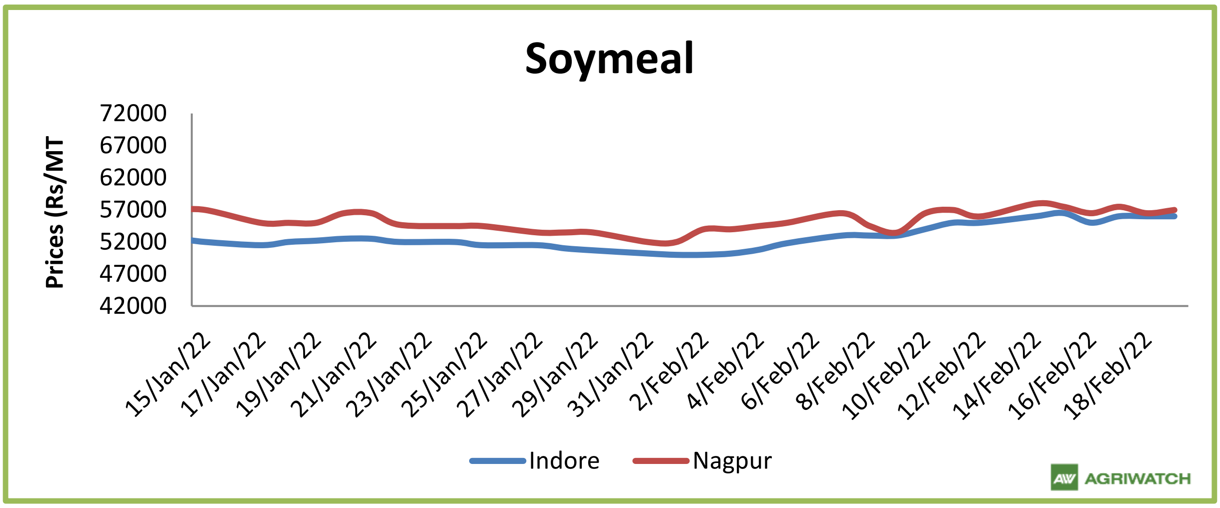
Maize would trade sideways in the coming week since demand seems to be steady and market awaits for the new crop, as previous season's arrivals have already reached market. Along with this poultry demand seems to be slowing down at higher prices. It is also expected that the Rabi arrivals will be slightly delayed, as in major Rabi Maize producing states like Bihar sowing has been delayed in this season.

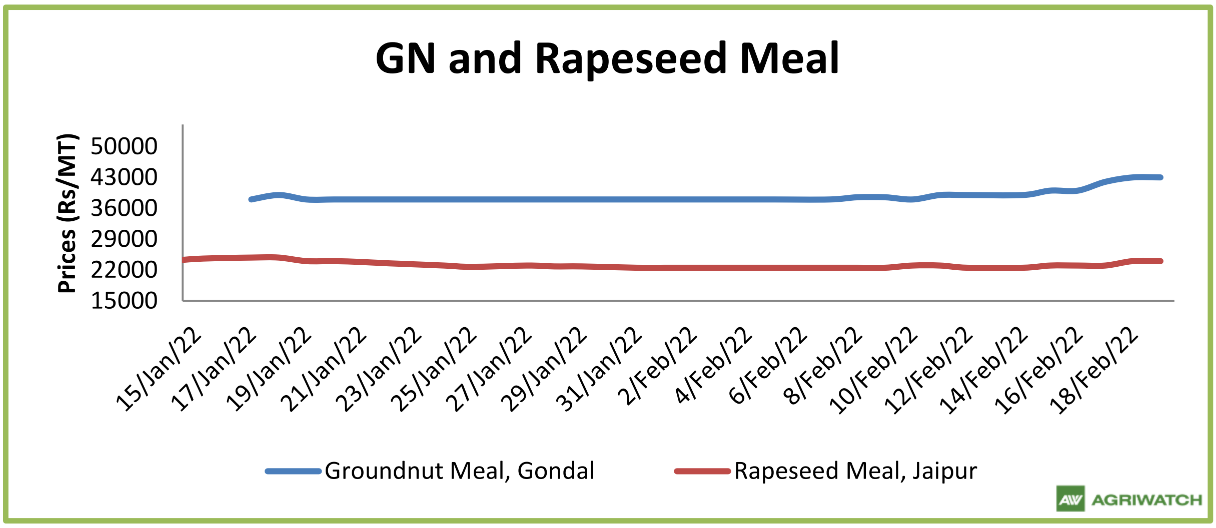
During the week of February 16 to 23, 2022, the weekly average price in India was up by 4.10 percent at Rs. 2265.04 per quintal against Rs. 2175.75 per quintal the previous week while the wheat average prices had increased by 16.97 percent from Rs. 1936.40 per quintal same time last year. On 19th February, the price of wheat in Kanpur market for mill delivery was flat at Rs. 2100 per quintal I, same as the previous week. The steady nature of prices is due to good arrivals in the market. In Kanpur, new crop arrivals is expected from April month. As per Ministry of Agriculture's Second Advance Estimate, wheat production for 2021-22 is estimated at 111.32 MMT. Agriwatch has preliminary estimated the wheat production to be 104.66 MMT. The higher production despite lower acreage is due to good yield because of favorable environmental conditions. However, we also expect that in Third Advance Estimate the production would likely be revised lower. The production has been impacted by factors like delayed sowing, alternative use of fertilizers instead of DAP and high increase in temperatures.As per trade sources, around 9.18 LMT of wheat were estimated to have been exported from India during the month of January. The exports are higher compared to 8.58 LMT exported in the month of December. Bangladesh emerged as the largest importer of Indian wheat with 4.74 LMT of wheat imports followed by Indonesia with 1.16 LMT and South Korea with 0.61 LMT. Last week, South Korea has taken up roughly 400,000 tonnes of new-crop Indian wheat at CIF USD 315 per tonne. 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 18th February, there were no purchases made by FCI. In many parts of the country, new crop arrivals have started. In Malwa region of Madhya Pradesh, new crop arrivals have started and in coming days we expect arrivals in other parts of the country as well. On the export front, good export demand is expected from international markets. Considering all the parameters, we expect the market to trade with steady tone in coming week.

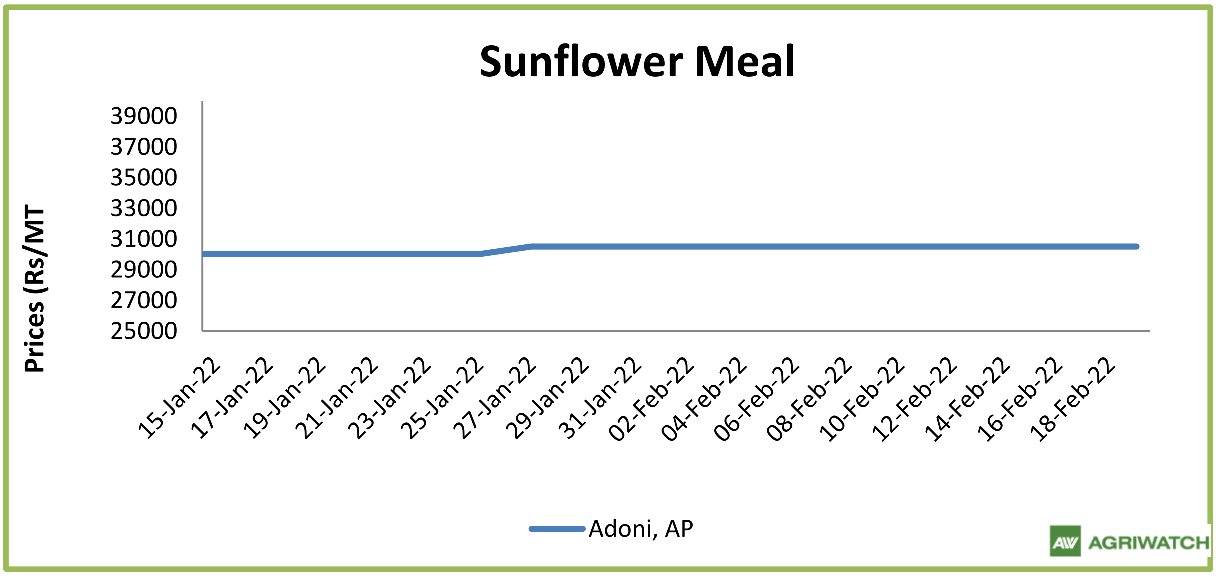
Soymeal prices are likely to trade range bound with firm bias despite the subdued soymeal export demand due to incompetitive prices in global markets. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 55,000 – 60,000 /MT.

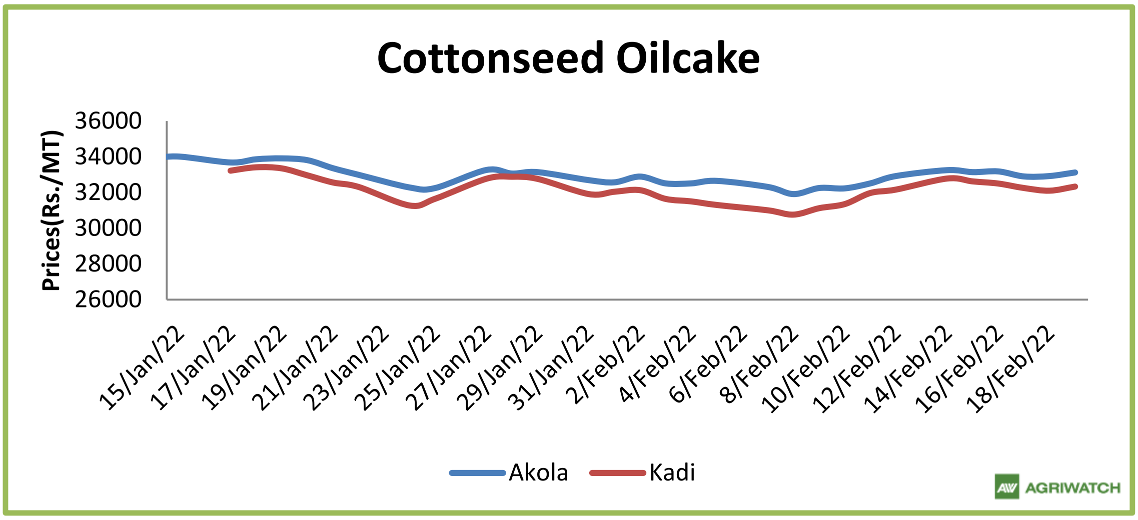
Rapeseed-mustard is expected trade range bound with weak bias amid new crop arrivals The seed prices are likely to trade in the range between 7500 –8,000/Qtl. in the short-run.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

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

The weekly average prices of soymeal at Indore increased by 4.6% to Rs 55,750 /MT and was quoted between Rs 55,000 – 56,500/MT throughout the week. This compares with previous week's average of Rs 53,300/MT and range of Rs 51,800– 55,000/MT.

At Latur, the weekly average went up to Rs. 56,833/MT compared to Rs. 56,333/MT a week ago, in Nanded too it went up to Rs. 57,250/MT compared to Rs. 55,250/MT a week ago. In Kota the meal prices were up to Rs. 59,033/MT compared to Rs. 56,416/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 (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 January'2022 soymeal exports declined by 81% to 52,771 metric tonne compared to 2,83,167 metric tonne in the same period last year. Further, the soymeal shipments too declined by 73% to 3,15,108 metric tonne in aggregate, during the months (April-Jan.) of Financial Year 2021-22 compared to 11,71,369 metric tonne 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, lower 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.

Additionally, export of oilmeals for the month of Jan'2022 provisionally reported at 1,76,815 tonne compared to 5,01,552 tonne last year same period i.e. down by 65%. The overall export of oilmeals during April – Jan'2022 is reported at 19,43,888 tonne compared to 29,69,116 tonne i.e. down by 35%. 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.

This week, Soybean meal prices are expected to continue trade range bound with firm bias in the range of 55,000-60,000/ MT desite tight crushing and weak export demand due to incometitive prices in global markets.

Rapeseed - Mustard Seed

This week RM seed Jaipur average prices remained sideways and went slightly up amid new crop arrivals and record acreage in the country.

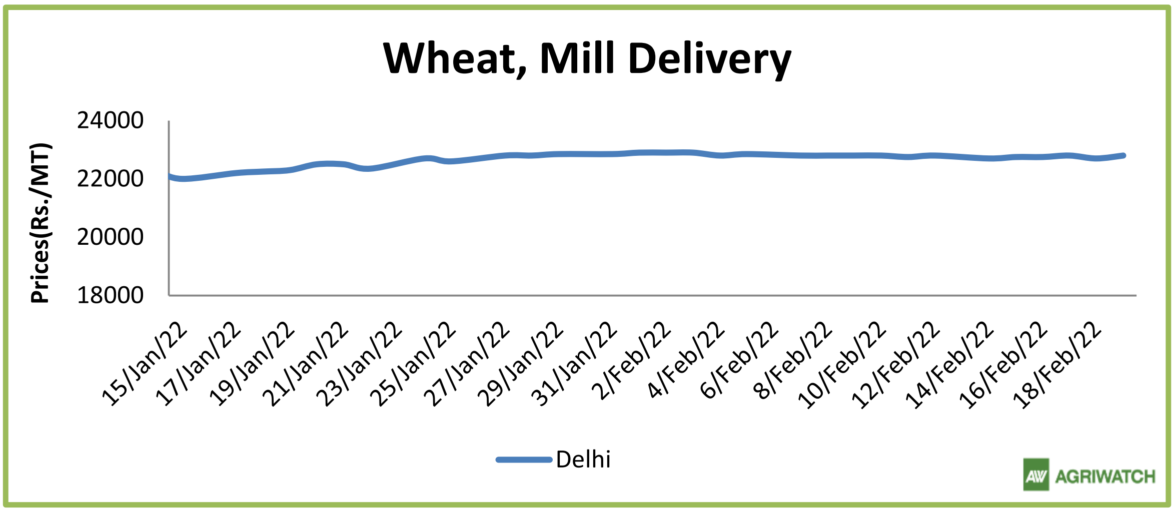
Rapeseed Mustard weekly average price remained sideways and went up by 0.9% to Rs.8,004/Qtl, as compared to Rs 7,933 /Qtl last week. The market made a low of 7,863 and high of 8,113 during the week. In Sri Ganganagar, the weekly average prices of rapeseed oilcake went up by 3.17% to Rs 2,992/Qtl from previous week at Rs. 2,900/qtl. This week in Rajasthan, total mustard arrivals stood at 3.85 lakh bags as compared to previous week at 2.05 lakh bags. New mustard crop arrivals has begun. While all india arrivals stood at 13.10 lakh bags vs 7.3 lakh bags previous week.

As per Agriwatch estimates, in 2022-2023 all India RM seed production at 107 lakh tonnes. As per 2nd Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of RM seed during 2021-22 is 114.59 lakh tonne vs 102.1 lakh tonne last year.

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 Solvent extractor association of india, India's exports for rapeseed meal during April-Jan'2022 was down 26% at 7,29,757 metric tonne compared to 9,90,955 metric tonne during the same period previous marketing season.
The export of rapeseed meal in Jan'22 is reported at 16,164 metric tonne against 74,240 metric tonne during the last year same period i.e. down by 78%. Rapeseed meal export remained lower due to less availability of seeds for crushing.
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
Prices(Rs./MT)
24000
22000
20000
18000
15/Jan/22
17/Jan/22
19/Jan/22
21/Jan/22
23/Jan/22
25/Jan/22
27/Jan/22
29/Jan/22
31/Jan/22
2/Feb/22
4/Feb/22
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12/Feb/22
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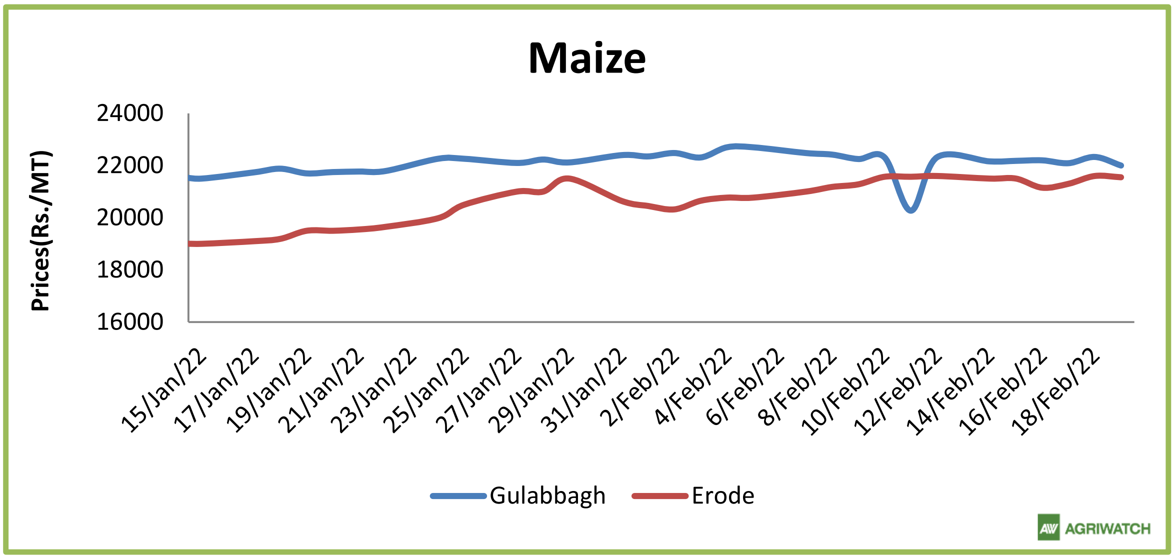
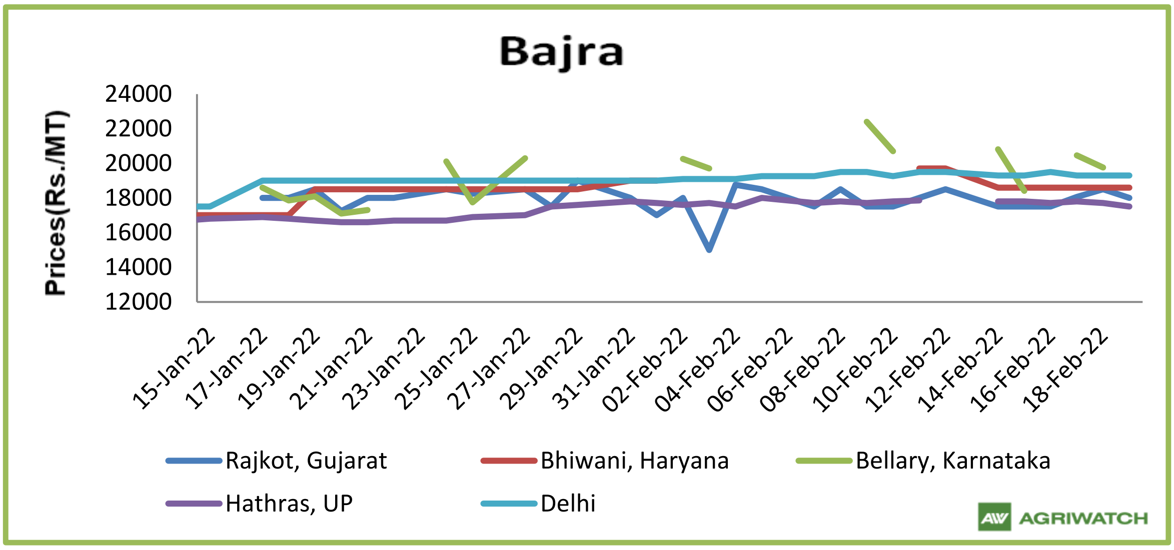
16/Feb/22
18/Feb/22
Delhi
AGRIWATCH


Maize
Prices(Rs./MT)
24000
22000
20000
18000
16000
15/Jan/22
17/Jan/22
19/Jan/22
21/Jan/22
23/Jan/22
25/Jan/22
27/Jan/22
29/Jan/22
31/Jan/22
2/Feb/22
4/Feb/22
6/Feb/22
8/Feb/22
10/Feb/22
12/Feb/22
14/Feb/22
16/Feb/22
18/Feb/22
Gulabbagh
Erode
AGRIWATCH


Bajra
Prices(Rs./MT)
24000
22000
20000
18000
16000
14000
12000
15-Jan-22
17-Jan-22
19-Jan-22
21-Jan-22
23-Jan-22
25-Jan-22
27-Jan-22
29-Jan-22
31-Jan-22
02-Feb-22
04-Feb-22
06-Feb-22
08-Feb-22
10-Feb-22
12-Feb-22
14-Feb-22
16-Feb-22
18-Feb-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. 1900 per quintal. Loose maize in market of Davangere, Karnataka is being traded at Rs. 2050 per quintal. Corn on CBOT increased by 3.24 USD/MT to 255.89 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 1.61 MMT for the period of 3rd Feb 2022– 10th Feb 2022, these exports were up by 41 percent from the previous week and up by 28 percentage from the prior 4-week average, to the destinations like Mexico (477,300 MT, including 136,300 MT – late), China (413,600 MT), Japan (291,700 MT), Canada (114,200 MT), and Colombia (64,500 MT), due to reduction in estimates of world ending stocks and production in USDA Feb 22 report. Agriwatch expects that hot and dry weather sustaining in South America would provide support to U.S corn exports should remain stable.

In the major mandis of Ahmedabad and Kota, the prices were showing steady to slightly firm tone with 1.17 and 1.08 percent increase while in Delhi market, the prices were showing steady to slightly weak tone with a decrease of 0.13 percent. In Indore, the wheat was trading with a weak tone. The prices were down by 2.91 percent. The prices went down largely due to new crop arrivals in Indore. In coming week, the quantity of new crops is expected to be higher which would prevent the price from any sort of increase.

Outlook: Feed prices are expected to feature sideways trend with firm bias in coming week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	18-Feb-22	12-Feb-22	Parity To
Indore - 45%, Jute Bag	56000	55000	Gujarat, MP
Kota - 45%, PP Bag	59700	58200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	58500	58000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	56500	56000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	57700	56500	Andhra, AP, Kar ,TN
Latur	56000	57500	-
Sangli	54500	54000	Local and South
Solapur	53500	53200	Local and South
Akola – 45%, PP Bag	56500	55000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	57500	55500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	59500	58000	-

International Soy DOC			
Argentina FOB USD/MT	**17-Feb-22**	**11-Feb-22**	**Change**
Soybean Pellets	501	508	-7
Soybean Cake Flour	501	508	-7
Soya Meal	-	-	-
Soy Expellers	-	-	-
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**18-Feb-22**	**12-Feb-22**	**Change**
Adoni	30500	30500	Unch
Khamgaon	-	-	-
Parli	-	-	-
Latur	30000	30000	Unch

Groundnut Meal (Rs/MT)	18-Feb-22	12-Feb-22	Change
Basis 45%, Saurashtra	41000	38500	2500
Basis 40%, Saurashtra	36000	33500	2500
GN Cake, Gondal	43000	39000	4000

Mustard DOC/Meal	18-Feb-22	12-Feb-22	Change
Jaipur (Plant delivery)	24000	22500	1500
Kandla (FOR Rs/MT)	24000	23500	500

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	19-Feb-22	12-Feb-22	19-Jan-22	18-Feb-21	19-Feb-20
Delhi	Hybrid	2200	2200	2000	1480	1800
Davangere	Loose	2050	Closed	1800	1520	1800
Nizamabad	Bilty	1900	1950	1900	1500	1900
Ahmedabad	Feed	2160	2060	2000	1450	1700
	Starch	2080	2050	2000	1525	1700

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

As on 16.02.2022	Argentina	Brazil	US	India
FOB	273.00	301.00	297.00	275.63
Cost and Freight	323.00	356.00	357.00	310.63

Soy Meal Exports (In MT):

Month	2017	2018	2019	2020	2021	2022
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*	
Total	**1408042**	**1143244**	**982022**	**1011736**	**838264**	

Feed Ingredient Prices at a Glance						
Commodity	**State**	**Variety**	**Centre**	**18-Feb-22**	**11-Feb-22**	**Change**
Bajra	Karnataka	Hybrid	Bellary	1975	NA	-
		Hybrid	Bangalore	2550	2550	Unch
Jowar	Karnataka	White	Bangalore	2600	2200	400
		White	Bellary	1900	1815	85
Maize	Karnataka	Yellow	Davangere	2130	2030	100
	Telangana	Yellow	Nizamabad	1900	1950	-50
Rice	Haryana	IR8	Karnal	3200	3100	100
		Parmal Raw	Karnal	2900	2750	150
Soy meal	Madhya Pradesh	DOC	Indore	5600	5500	100
	Maharashtra	DOC	Sangli	5450	5400	50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3050	3050	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	2400	2250	150
Groundnut Meal	Gujarat	GN Cake	Gondal	3600	3350	250
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	3291	3291	Unch
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	3233	3216	17
Note: Prices Rs./Qtl						