AGRIWATCH

Feed Ingredients Weekly
16 August, 2022

Contents:

Summary

An overall range bound to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the account of reduced supply to markets. Average weekly prices at Gulab Bagh market in Bihar were higher by around 6% at Rs. 2,538 per quintal as compared to previous week's average weekly prices of Rs. 2,392 per quintal. Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish despite the end of Sarawan fasting season. However, Davangere is supplying feed Maize to Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,700 per quintal and Rs. 2,660 per quintal respectively. Corn on CBOT rose by 7.48 USD to 240.25 USD per MT for Sep'22 contract, as compared to previous week, on the account fair supply from U.S.

The average price of cottonseed oilcake in the Kadi market has increased slightly as compared to previous week. Prices in Kadi were at Rs. 2739 per quintal from Rs. 2697 per quintal and in Akola prices were at Rs. 2821 per quintal from Rs. 2780 per quintal the previous week. Meanwhile, Cottonseed oil prices have slightly increased across the major centers during the week ending on 12th Aug'22.

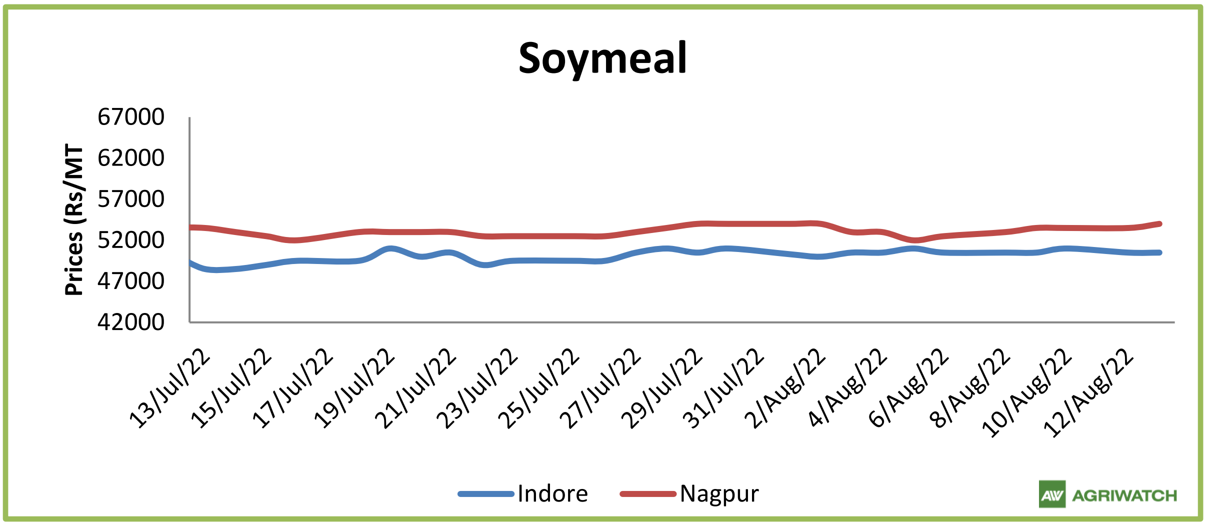
Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-Aug-22	06-Aug-22	
Rajkot	1484	1472	0.78
Hyderabad	1475	1465	0.68
Mumbai	1500	1484	1.08

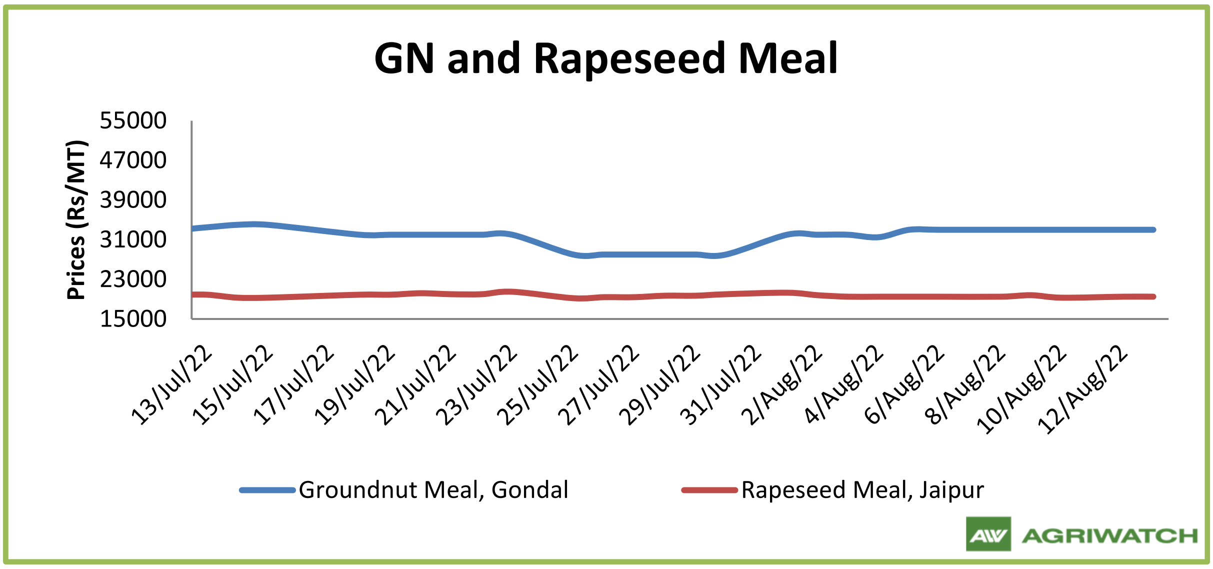
Wheat prices remain steady to weak throughout the week under review. Prices eased in most of the markets amid notification released by GOI regarding export restrictions on Wheat products like Maida, Semolina and Wheat flour. In benchmark Kanpur market, Wheat mill delivery prices stood steady at previous week's level of Rs.2460 per quintals. On the other hand, Haryana's HAFED also release tender to sell 1.04 Lakh MT (LMT) of Wheat in open market too help in relaxing rising domestic prices of Wheat. Meanwhile, GoI on July 6th, 2022 vide notification no.18 has restricted the exports of Wheat flour but now with the latest notification no. 25 dated August 8th, 2022 has extended the restriction on other wheat products like Semolina and Maida including wheat flour. The notification will come into effect from August 14th onwards and exports are subject to recommendation of Inter-Ministerial Committee (IMC). Also, the shipments approved by IMC shall be allowed subject to issuance of quality certificate by Export Inspection Council or its EIAs at Delhi, Mumbai, Chennai and Kolkata. There would be no transitional arrangement provided for the period August 8th to 14th, however, the consignments for which the loading has commenced and those consignments which were handed over to the Customs and is registered in their system on or before the Notification date shall be allowed. The decision taken from GoI, pressured the domestic market prices besides sales tender of Haryana's HAFED (Haryana State Cooperative Supply for the sale of 1.04 LMT of Wheat which was procured commercially from Haryana and Madhya Pradesh.

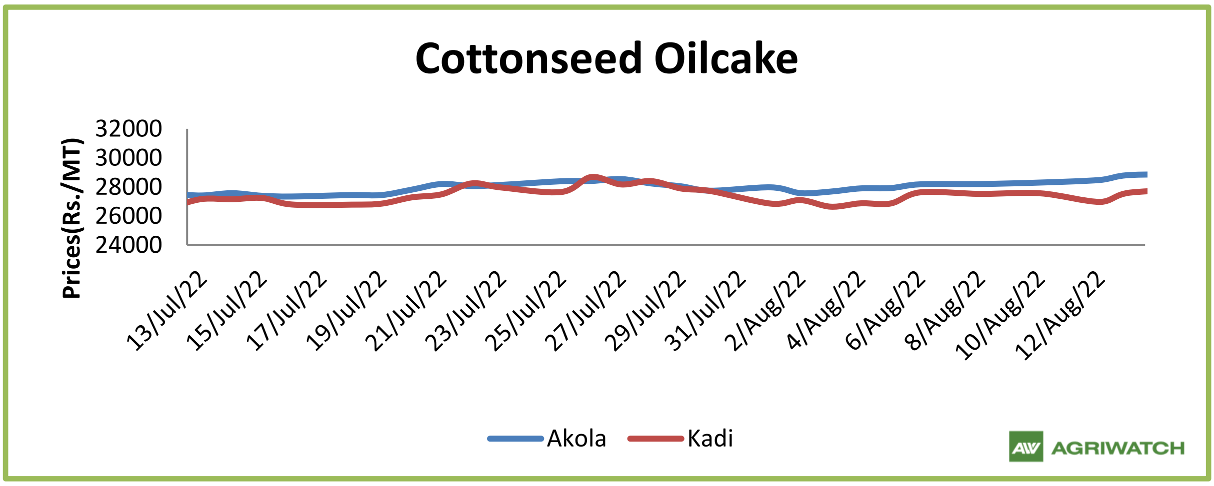
The soy meal prices (Indore) are likely to trade with weak bias tracking GM Soymeal import and sluggish soymeal export demand. Soy meal Indore prices are likely to trade in the range of 49,000–52,000/MT.

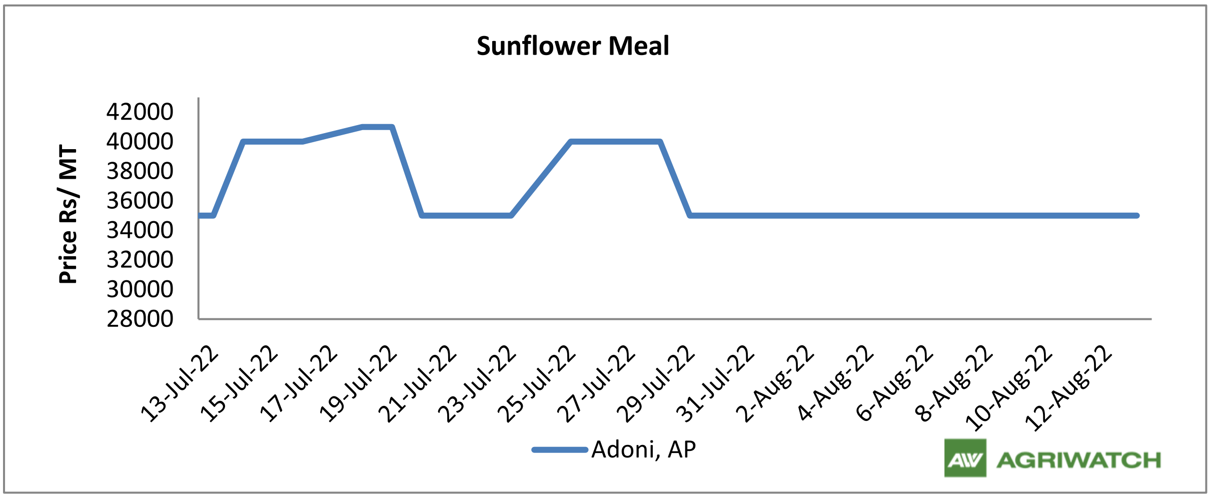
Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers. The seed prices are likely to trade in the range between 6,800 –7,000/Qtl. in the short-run.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

During the week under review, Indore Soymeal prices weekly average prices remained sideways and went marginally up by 0.10% to INR 50,600/MT as compared to last week at INR 50,550/MT. Overall the prices quoted between INR 50,500 – 51,000/MT throughout the week. There is weak domestic demand from poultry industry amid higher prices as compared to competing meals. Additionally, Indian soymeal export demand is also weak in global market due to higher prices as compared to FOB Argentina SBM. At Nanded, the weekly average prices traded at INR. 54,700/MT compared to INR. 54,750 MT a week ago. In Kota the meal prices were up at INR. 53,340/MT compared to INR. 53,633/MT previous week. In July'22 FAS Kandla was outpriced by USD 195/MT to FOB SBM Argentina prices. Upon pricy Indian SBM, export demand remained limited. In August we expect Indian SBM to remain outpriced by USD 200/MT.

USDA in its June 22 report, India's 2022-23 Soymeal production kept unchanged at 81.6 Lakh tonnes as compared to previous year estimates and Soymeal crushing for the year 2022-23 is kept unchanged at 102 Lakh tonnes as compared to previous year.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade range bound with weak bias tracking weak export demand and squeeze in crush margin.

Soymeal Indore Price Outlook (INR. /MT)	Previous week 30th July- 05th Aug'22	Week under review 06th Aug'22- 12th Aug'22	Next week 13th Aug'22- 19th Aug'22
Weekly Average Price	50,000-51,000	50,500-51,000	49,000-52,000

Rapeseed - Mustard Seed

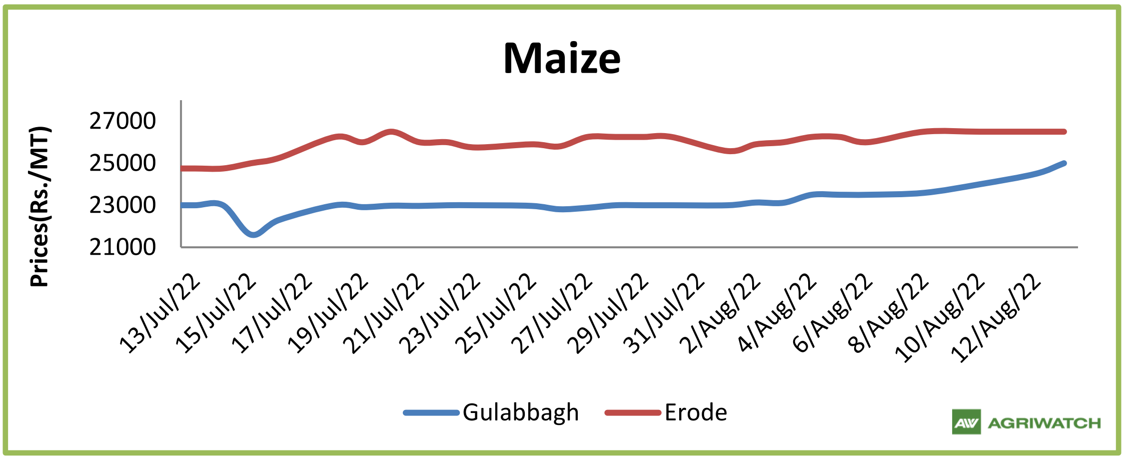
RM seed remained sideways during the week under review, Jaipur RM seed weekly average prices remained sideways and went marginally up by 0.84% to INR. 6,933/qtl as compared to INR. 6,875/qtl last week. Prices remained sideways amid weak demand from crushers due to disparity. Farmers are still holding stock in anticipation of better prices in future.

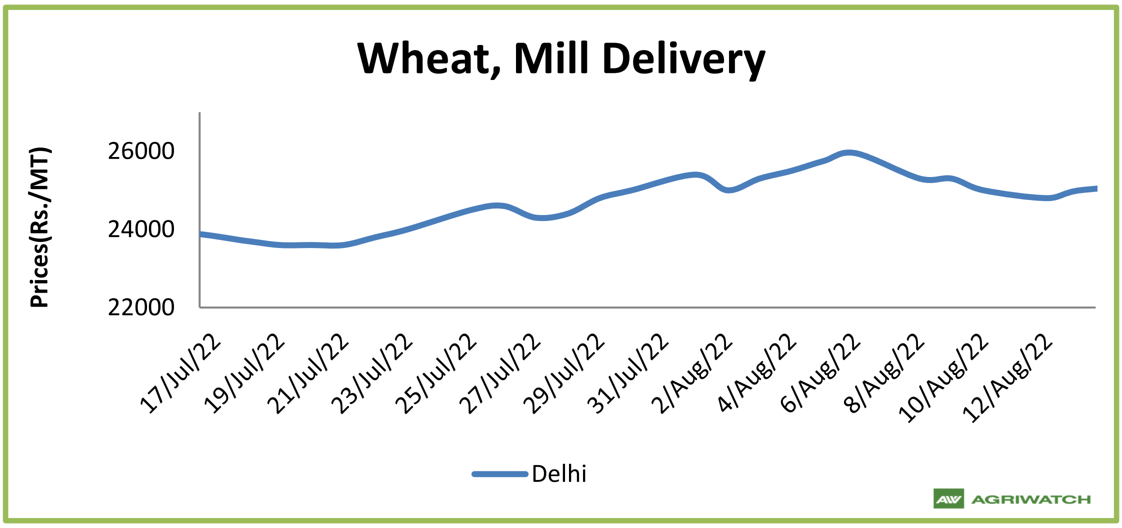
All India Arrivals shrank during the week under review, in Rajasthan, total mustard arrivals recorded low by 21% to 4.35 Lakh bags as compared to 5.35 lakh bags previous week. All India arrivals shrank by 17% to 10 Lakh bags Vs 12.05 Lakh bags previous week. Most of the stockiest/ traders are not aggressively buying due to stock limits and farmers are holding their stocks in anticipation of better prices, crushers are not buying due to disparity. During the first three months of the current financial year, there is a significant jump in export of rapeseed meal and reported at 706,904 tons compared to 384,807tons i.e., up by 84%. And in June 22 exports recorded up by 180% to 3.08 Lakh tonnes vs 1.10 Lakh tonnes in the previous year same period. Upon record crop of rapeseed and crushing resulted in the highest processing, availability of rapeseed meal and export. Currently India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other far east countries. In upcoming months too, we expect good exports amid firm demand from South east-Asia.

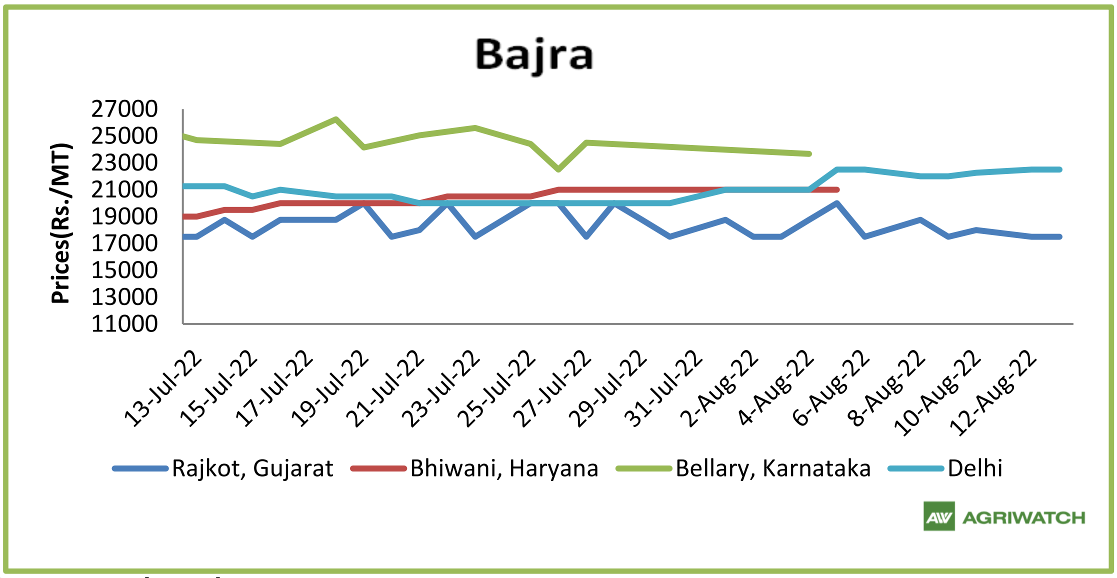
According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflower seed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.3 Mt, a drop of 20% from last year, while exports are expected to fall by 51% to 5.2 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union. Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to- date, Canadian canola prices are estimated at $1,100/t vs $730/t last year and the 5-year average of $556/t. tight stocks.

RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.

Jaipur RM seed Mandi Price Outlook (INR. /Qtl)	Previous week 30th July- 05th Aug'22	Week under review 06th Aug'22- 12th Aug'22	Next week 13th Aug'22- 19th Aug'22
Weekly Average Price	6,813-6,988	6,863-6,963	6,800-7,000







Source: AgriWatch

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

As per trade sources, the demand from feed industry and starch industry reportedly remained in mixed zone during the week under review. Flow of arrivals have reduced in major spot markets; the previously stocked stuff is being released from the warehouses of the country. Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish despite the end of Sarawan fasting season. However, Davangere is supplying feed Maize to Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,700 per quintal and Rs. 2,660 per quintal respectively. The overall sentiments remaining at the supply side is getting tighter.

In major mandis, Wheat delivery prices traded weaker on notification released by GOI regarding export restrictions on Wheat products like Maida, Semolina and Wheat flour.

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

Annexure

Oil Meal Prices at Key Spot Markets:

Centers	Ex-factory rates (Rs/ton)		
	12-Aug-22	06-Aug-22	Parity To
Indore - 45%, Jute Bag	50500	50500	Gujarat, MP
Kota - 45%, PP Bag	52700	53500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	55500	55000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	53500	52500	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	54500	54500	Andhra, AP, Kar, TN
Latur	55000	55000	-
Sangli	52000	51800	Local and South
Solapur	53500	53000	Local and South
Akola – 45%, PP Bag	51000	50000	Andhra, Chhattisgarh, Orrisa, Jharkhand, WB
Hingoli	54500	55000	Andhra, Chhattisgarh, Orrisa, Jharkhand, WB
Bundi	52500	53300	-

Soy DOC Rates at Different Centers

International Soy DOC			
Argentina FOB USD/MT	**12-Aug-22**	**06-Aug-22**	**Change**
Soybean Pellets	-	-	-
Soybean Cake Flour	-	-	-
Soya Meal	-	-	-
Soy Expellers	-	-	-
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**12-Aug-22**	**06-Aug-22**	**Change**
Adoni	35000	35000	unch
Khamgaon	-	-	-
Parli	-	-	-
Latur	34000	34000	unch

Groundnut Meal (Rs/MT)	12-Aug-22	06-Aug-22	Change
Basis 45%, Saurashtra	32500	32500	unch
Basis 40%, Saurashtra	28000	28000	unch
GN Cake, Gondal	33000	33000	unch

Mustard DOC/Meal	12-Aug-22	06-Aug-22	Change
Jaipur (Plant delivery)	19500	19500	unch
Kandla (FOR Rs/MT)	20200	20200	unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	13-Aug-22	06-Aug-22	13-Jul-22	12-Aug-21	12-Aug-20
Delhi	Hybrid	2450	2350	2250	1850	-
Davangere	Loose	Closed	2450	2400	1900	-
Nizamabad	Bilty	Closed	Closed	2500	1900	-
Ahmedabad	Feed	2625	2650	2330	2100	-
	Starch	2550	2500	2340	2100	-

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

Weekly Averages of FOB and C&F Rate to Thailand ($1= Rs.79.53)				
	Argentina	Brazil	US	India
FOB	274.67	290.67	299.33	336.93
C&F	324.67	345.67	359.33	348.60

Soy Meal Exports (In MT):

Month	2017	2018	2019	2020	2021	2022
Jan	155160	105678	86378	41726	283167	52771
Feb	207977	73816	132375	20309	247085	33760
Mar	107059	39209	193920	61499	146379	23872
Apr	124374	68264	40829	25940	39750	25265
May	48900	76026	53272	46614	52434	18634
Jun	45975	104088	62524	56638	25918	32194
Jul	80797	63747	76558	61957	26725	14618*
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 (Note: Prices Rs. /Qtl)

Commodity	State	Variety	Centre	13--Aug--22	06--Aug--22	Change
Bajra	Karnataka	Hybrid	Bellary	2366	2450	-84
		Hybrid	Bangalore	-	2650	-
Jowar	Karnataka	White	Bangalore	2850	2650	200
		White	Bellary	2267	2220	47
Maize	Karnataka	Yellow	Davangere	-	2450	-
	Telangana	Yellow	Nizamabad	-	2500	-
Rice	Haryana	IR8	Karnal	3500	3700	-200
		Parmal Raw	Karnal	4550	4525	25
Soy meal	Madhya Pradesh	DOC	Indore	5050	5050	Unch
	Maharashtra	DOC	Sangli	5200	5180	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3500	3500	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1950	1950	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	3300	3300	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2761	2763	-2
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2848	2792	56