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AGRI PRODUCT  
UPDATE

# TABLE OF CONTENT

<b>PORT ANALYSIS</b>	<b>3</b>
<b>MARKET OVERVIEW AND TRENDS</b>	<b>7</b>
<b>KEY HIGHLIGHTS</b>	<b>8</b>

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# PORT ANALYSIS

## Agri-Product Traffic at Indian Ports (Qty in Metric Tonnes)

Port Name	Apr-Feb 20-21	Apr-Feb 19-209	Variance Y - o - Y
ANGRE	0.038	0.063	-0.026
CHENNAI	0.032	0.000	0.032
DIAMOND HARBOUR	0.023	0.101	-0.078
ENNORE	0.020	0.000	0.020
HALDIA	0.160	0.000	0.160
HAZIRA	0.164	0.085	0.080
JAIGAD	0.404	0.396	0.008
KAKINADA	2.983	0.795	2.188
KANDLA	4.769	2.619	2.150
KOLKATA	0.037	0.014	0.023
KRISHNAPATNAM	0.152	0.000	0.152
MANGALORE	0.056	0.060	-0.004
MUMBAI	0.128	0.120	0.008
MUNDRA	0.290	0.398	-0.108
PARADIP	0.067	0.002	0.066
TUNA	1.136	0.657	0.478
TUTICORIN	0.348	0.478	-0.130
VISAKHAPATNAM	0.358	0.040	0.317

## AGRI- PRODUCT TRAFFIC AT INDIAN PORTS -MARCH 2021 (Qty IN Metric Tonnes)

Port Name	Cargo	Total
CHENNAI	MAIZE	0.032
ENNORE	RICE BAG	0.009
HALDIA	RICE BAG	0.009
HAZIRA	RAW SUGAR	0.074
JAIGAD	RAW SUGAR	0.061
	SUGAR	0.054
KAKINADA	MAIZE	0.028
	RAW SUGAR	0.022
	RICE BAG	0.400
	SUGAR BAG	0.051
KANDLA	RAPE SEED MEAL	0.020
	RICE BAG	0.241
	SOYA BEAN MEAL	0.168
	SUGAR	0.198
	SUGAR BAG	0.010
	WHEAT	0.250
KOLKATA	RICE BAG	0.011
KRISHNAPATNAM	MAIZE	0.057
MANGALORE	SUGAR BAG	0.028
MUMBAI	RAW SUGAR	0.029
MUNDRA	RAW SUGAR	0.034
	SOYA BEAN MEAL	0.027
TUNA	CORN	0.010
TUTICORIN	COPRA EXPELLER CAKE	0.017
VISAKHAPATNAM	MAIZE	0.067
	RICE BAG	0.097
	RICE BULK	0.011
<b>Grand Total</b>		<b>2.011</b>

## Exporters of Agri products March- 2021 (Qty IN Metric Tonnes)

CARGO	EXPORTERS	QTY
CORN	ITC LTD.	0.010
MAIZE	3F INDUS. LTD.	0.032
	K. N. RESOURCES	0.022
	MAHARASHTRA SOLVENT LTD.	0.007
	SHADI RAM AND SONS PVT. LTD.	0.018
	SURAJ IMPEX (I) PVT. LTD.	0.073
RAPE SEED MEAL	GURUDEO EXPORTS CORPN. PVT. LTD.	0.002
	PITAMBAR SOLVEX PVT. LTD.	0.003
	SHREE HARI AGRO INDUS. LTD.	0.004
	SHREE MAHALAXMI PROTENIS PVT. LTD.	0.011
RAW SUGAR	ED AND F MAN SUGAR LTD.	0.022
	GARDEN COURT DISTILLERIES PVT. LTD.	0.026
	SRI DUTT INDIA PVT. LTD.	0.035
	SUCDEAN INDIA PVT. LTD.	0.034
RICE BAG	BALAJI EXPORTS	0.089
	OLAM EXPORTS (I) KOLLAR	0.034
	PATTABHI AGRO FOODS	0.058
	SATYAM BALAJEE RICE INDUS. PVT. LTD.	0.154
	SUKHBIR AGRO CO.	0.045
RICE BULK	K. N. RESOURCES	0.011
SOYA BEAN MEAL	GOKUL AGRO RESOURCES LTD.	0.007
	GUJARAT AMBUJA EXPORTS LTD.	0.043
	K. N. RESOURCES	0.008
	MAHARASHTRA SOLVENT LTD.	0.027
	PATANJALI AYURVED LTD.	0.011
SUGAR	GARDEN COURT DISTILLERIES PVT. LTD.	0.027
	INDIAN SUGAR EXIM CORPN. LTD.	0.025
	SHRI DUTT INDIA PVT. LTD.	0.057
SUGAR BAG	PARRY SUGARS REFINERY (I) PVT. LTD.	0.051
	SUCDEAN INDIA PVT. LTD.	0.028
WHEAT	ITC LTD.	0.049

## Country -wise exports of Agri products March- 2021 (Qty IN Metric Tonnes)

CARGO	COUNTRY	QTY
CORN	U.A.E.	0.010
MAIZE	TURKEY	0.018
	VIETNAM	0.134
RAPE SEED MEAL	SOUTH KOREA	0.020
RAW SUGAR	INDIA	0.054
	INDONESIA	0.117
RICE BAG	BANGLADESH	0.020
	BELGIUM	0.016
	CONGO	0.013
	INDIA	0.004
	IVORY COAST	0.009
	LIBERIA	0.031
	MALAYSIA	0.007
	MYANMAR (BURMA)	0.035
	SENEGAL	0.144
	SOUTH KOREA	0.011
	SRI LANKA	0.007
	VIETNAM	0.004
	WEST AFRICA	0.277
	YEMEN	0.006
	RICE BULK	VIETNAM
SOYA BEAN MEAL	FRANCE	0.011
	INDONESIA	0.018
	SINGAPORE	0.022
	VIETNAM	0.051
SUGAR	INDONESIA	0.110
	NEW ZEALAND	0.026
SUGAR BAG	SUDAN	0.028
	WEST AFRICA	0.023

NOTE: Above Statistics is drawn from data received from Port and Custom Authorities, while all information is believed to be correct, the editors of this compilation or J. M. Baxi & Co. do not guarantee the authenticity of data.

# MARKET OVERVIEW AND TRENDS

## KEY HIGHLIGHTS

- » Castorseed output estimate lowered to 18 lakh tonnes
- » Now, Vietnam begins buying higher grade rice from India
- » Tight global supplies to continue driving India's maize exports till May
- » S-E Asia turns to India for maize on Myanmar unrest, surging freight rates
- » 'Modern steel silos to store foodgrains from 2025'
- » Over 90% of season's cotton crop has arrived in markets
- » India allows additional 3,675 tonnes of sugar export to UK under concessional duty quota
- » Indonesia, Afghanistan account for 48% of Oct-March sugar exports from India



## AGRI TRADE

### Castorseed output estimate lowered to 18 lakh tonnes

- » Survey reveals adverse climatic conditions to affect yield prospects

The Solvent Extractors' Association of India (SEA) has revised downwards the castorseed crop estimate for 2020-21 in view of a 6.3 per cent dip in the yields on unfavourable weather. A third field survey in the castor growing regions showed that India's overall castorseed output for the year would be 17.81 lakh tonnes (lt), down some eight per cent from an earlier estimate of 19.02 lt. The castor picking is said to be in the final stage – between 4th and 5th picking. But, SEA survey found that a higher-than-normal temperature has forced farmers to shorten the picking activity to April, which normally continues till May. "On an average, 1-2 picking is less this year," the report said. Also, the unfavourable weather conditions in February and March has affected yield prospects in top producers, Gujarat and Rajasthan. "Unfavourable weather, higher than normal temperature with warm wind after February and delayed sowing in several pockets has hit the castor yield during later stage of the crop cycle," SEA said in its crop survey for Gujarat. Castor acreage, too, is seen lower and estimated at 8.26 lakh ha for the year 2020-21 against 9.73 lakh ha in the previous year.

Source: The Hindu Business Line

# Now, Vietnam begins buying higher grade rice from India

- » Hanoi imports 5% and 10% broken rice to meet its domestic demand

Vietnam, which resumed rice imports from India after decades purchasing lower priced 100 per cent broken variety, has now begun to buy better quality grades to meet its other domestic needs. “Vietnam is buying five per cent broken white rice from us since its production is lower. This five per cent broken is used for supply to its defence forces and industrial users,” said M Madan Prakash, Agri Commodities Exporters Association (ACEA) President. Vietnam has bought the five per cent broken at \$410-420 a tonne (₹ 30,800-31,550) a tonne, said Prakash, whose Chennai-based Rajathi Group exports agricultural produce. “Vietnam is buying 10 per cent broken too from us. It has been buying continuously from us like China. Its monthly imports of rice are around one lakh tonnes,” said B V Krishna Rao, The Rice Exporters Association (TREA) President. The US Department of Agriculture (USDA), in its grain and feed annual report, said that Vietnam has bought 100 per cent broken rice from India at \$310 (₹23,300) a tonne, at least \$130 (₹9,775) lower than its own offers of broken rice.

## 100 per cent broken rice imports

Between December last year and January, Vietnam had imported about 65,000 tonnes of the 100 per cent broken rice from India, the USDA said quoting Hanoi Customs statistics. The rice was imported for preparing rice noodles, processing flour, brewing, and feed manufacturing. While the USDA said that Vietnam would import five lakh tonnes (lt) during the current marketing year ending July, TREA’s Rao said the South-East Asian nation could import about 10-12 lakh tonnes of rice at the rate of one lakh tonnes a month. “Vietnam is focussing only on producing premium varieties only that fetch good prices in the global market,” said ACEA’s Prakash. The USDA said that Vietnam high quality rice cultivation increased to 74 per cent last year, up 24 percentage points over the last five years.

## Vietnam’s paddy production

Quoting Hanoi’s General Statistics Office, the USDA said that Vietnam’s paddy production continued to decline due to urbanisation, crop alteration, drought and salinity intrusion impact despite higher yield. Area under paddy in Vietnam has dropped from 7.3 million hectares (mh) in August 2019- July 20 to 7.25 mh this season. This is expected to be maintained next season. Yield has improved to 5.9 tonnes a hectare from 5.88 during the same period. Production is estimated at 43.36 million tonnes (mt) this season, the same as last season. Next season, too, the USDA sees the output at the same level. According to S Chandra Sekaran, a New Delhi-based trade policy expert, the Mekong delta in Vietnam is drying up with erratic climate compounding the issue. “Vietnam has begun to rely on Indian rice. The dominance of Vietnam and Thailand in the rice market may not continue as earlier,” he said. Prakash said India enjoyed an advantage in the global market since its prices were competitive. According to the USDA, India’s offerings were competitive by over \$100 (₹7,500) a tonne. According to the International Grains Council, Vietnam’s five per cent broken is currently quoted at \$491 a tonne and Thailand’s same grade at \$483. India’s 25 per cent broken rice was quoting at \$419 a tonne, it said. Year-on-year, Indian rice prices have gained 14 per cent, while Vietnam rates have gained 13 per cent. Vietnam’s high prices have resulted in its rice exports dropping to a five-year low during January-February. China diversifying its rice import basket to include India, Myanmar and Cambodia has also added to its problems, the USDA said. TREA President Rao said that with the rupee dropping three per cent against the US dollar, there could be a price adjustment to the tune of \$10 (₹750) a tonne. “The new crop has begun to arrive in Telangana and Andhra Pradesh. Traders are waiting for the exchange rate to stabilise. They could begin buying over the next few days,” he said.

## Global rice market

Last fiscal, India enjoyed an advantage in the global rice market as it had huge carryover stocks that were further boosted by a record production. The country’s rice production in 2019-2020 (July-June) was 118.43 mt. As on April 1 last year, the Food Corporation of India (FCI) had 32.24 mt of rice as stocks, besides 25.24 mt of paddy that could yield 16.90 mt of rice. The FCI had 28.23 mt of rice and 34.5 mt of paddy that can yield 23.10 mt of rice in March this year. In addition, rice production this season to June has been projected at a record 120.32

mt. According to the USDA, India's rice exports capabilities have been enhanced by operation of deep-water port at Kakinada since February this year. TREA's Rao said that after the Andhra Pradesh government allowed the deep-water to be used for exports, the waiting time for the vessels has dropped sharply and shipments speeded up. India's rice exports are expected to maintain the same momentum as last year, though rising ocean freight rates may slow it for some time initially.

Source: The Hindu Business Line

## Tight global supplies to continue driving India's maize exports till May

» USDA, FAO project tight supplies, lower end stocks

Maize (corn) exports from India are expected to go on till May with global supplies projected to be tight this year and demand continuing from Malaysia and Vietnam. The Food and Agriculture Organization (FAO), a UN arm, and the US Department of Agriculture have both projected that the ending stocks this marketing season (July 2020-June 2021) would be lower compared with last year. Both agencies have, however, raised the ending stocks in their reports this month on higher production estimates. The FAO's Agricultural Marketing Information System (AMIS), in its report for this month, said maize ending stocks will be 275.7 million tonnes (mt) against 301.7 mt. The ending stocks size for this season has been raised by two mt from last year. The USDA's World Agricultural Supply and Demand Estimates (WASDE), in its report, projected the ending stocks at 287.67 mt (303.13 mt). The USDA has also increased its projections from last month marginally by over one mt. AMIS said maize production would be higher at 1,152.8 mt (1,138.5 mt). Compared with last month, the estimate has been raised by 3.5 mt. USDA's WASDE estimated maize production this season at 1,136.31 mt (1,116.53 mt) with the projections being raised by two mt from last month. "Production estimate has been raised further this month on bigger than earlier anticipated outputs in the EU, Ukraine, and several countries in Sub-Saharan Africa, in particular Ghana," said AMIS. It said utilisation would touch a record 1,179.5 mt against 1,158.2 last season, while the USDA put it at 1,151.77 mt. AMIS said that there would be a significant call in the stocks from last season in view of "sharp drawdowns in China, the US and EU".

### Robust shipments

The USDA said it was raising the projections for India's maize exports, which have already touched a six-year high. According to Agricultural and Processed Food Product Export Development Authority (Apeda), exports of other cereals in which maize figures increased to 18.78 lakh tonnes (lt) during the first nine months of the current fiscal compared with 3.71 lt during the same period a year. According to Apeda data, based on Kolkata-based Director-General of Commercial Intelligence and Service, maize exports during April-November of the current fiscal were 14.18 lt compared with 3.70 lt a year ago and 10.51 lt in 2018-19. "Supplies are tight within India itself and we expect the situation to ease in April when the new crop will arrive from States such as Maharashtra and Andhra Pradesh," said Agri Commodities Exporters Association (ACEA) President M Madan Prakash. "Quality maize is not available in India currently," said Bimal Benghani, Managing Director of Kolkata-based exporting house Bengani Food Products. This has impacted maize prices which have currently dropped to below ₹1,490 a quintal in various terminal markets across the country compared with rates that topped ₹1,600 a month ago.

### Prices to stay steady

Prices have, however, been ruling below the minimum support price of ₹1,850 a quintal fixed by the Centre for the current season.

According to the International Grains Council, maize export prices currently ranged between \$237 (₹17,000 from Argentina) and \$263 (₹19,200 from Brazil) a tonne. "We are offering maize to Vietnam at \$275 cost and freight a tonne (₹20,075)," said Prakash, whose Chennai-based firm Rajathi Group exports agricultural products including maize and onion. "When the season started, maize was offered at \$220 a tonne (₹16,075) a tonne. But freight charges have more than doubled now from \$200 (₹14,600) to \$500 (₹36,500) for a 20-foot container,"

he said. "Though Bangladesh is not buying now, Malaysia and Vietnam are buying. Shipments are continuing at a good pace," said Bimal Bengani. During the April-November period, Bangladesh accounted for 9.95 lt of the total 14.18 lt, while Nepal accounted for another 3.82 lt. Bangladesh imported Indian maize since its crop was affected by unseasonal rains and floods last year. According to Prakash, exports have slowed a tad this month compared to January and February. "But we expect shipments to pick from next month," he said. "Bangladesh will begin buying our maize from May onwards," the Kolkata-based firm's managing director said. ACEA's Prakash said that there was less headroom for maize prices to rise further. But Bengani sees little scope for prices to drop too, though the starch industry, the second-biggest consumer after the poultry sector, had ample stocks. Though the poultry sector is not in a good condition, the industry expects shortage to drive demand as many birds were culled during the recent outbreak of bird influenza. According to Dutch multinational banking and financial services Head of Commodities Strategy Warren Patterson wrote in his analysis of USDA's WASDE report that the trade had expected further downward revision of ending stocks. This, perhaps, is another indication that the headroom for price rise could be limited. India's maize exports this fiscal are in contrast to last financial year, when the commodity's prices zoomed to ₹2,600 a quintal on supply shortage. The industry imported 3.12 lt of maize in 2019-20 to overcome the shortage compared with about 30,000 tonnes import during 2018-19. Last year's prices have encouraged farmers to go for higher planting this year, resulting in the Centre projecting a record 30.16 mt output of maize in its second advance estimate for the current season against last season's 28.77 mt. The higher production has now come in handy for exports, which had surged to a record 47.88 lt in 2012-13 before tapering off to a low 3.71 lt last fiscal.

Source: the Hindu Business Line

## S-E Asia turns to India for maize on Myanmar unrest, surging freight rates

- » Malaysia, Thailand and Vietnam purchase Indian produce for poultry feed

Unrest in Myanmar and high shipping charges have resulted in South-East Asian countries and Bangladesh turning to India to meet their maize (corn) demand for feed purposes. "Vietnam, Malaysia, Bangladesh and Sri Lanka are buying maize from India," said Bimal Bengani, Managing Director of Kolkata-based trading house Bengani Food Products Pvt Ltd. "Malaysia, Vietnam and Thailand are buying Indian maize to meet the demand of the chicken and poultry sectors. One reason for these countries to turn towards India is the unrest in Myanmar arising out of the Army taking over the administration there," said Delhi-based trade analyst S Chandrasekaran. These orders have come to India over the last one-and-a-half to two months. "We are getting orders from countries such as Malaysia and Vietnam as our prices are competitive," said Bimal Bengani. Cereals lift farm exports to \$17.5 billion in April-Feb

### Competitive prices

Currently, maize is being offered at \$250 a tonne (₹18,600) free-on-board (f.o.b). On the other hand, the cereal is offered at \$275-277 (₹20,450-20,600) cost and freight (CNF) to these countries. On the Chicago Board of Trade, corn futures are currently ruling at \$5.89 a bushel (₹17,250 a tonne). According to the International Grains Council, maize is currently exported at \$252 (₹18,750) a tonne from Argentina, \$260 (₹19,350) from Brazil and \$266 (₹19,800) from the US Gulf (all f.o.b). Corn prices have gained nearly 22 per cent since the beginning of the year, while the IGC maize sub-index has gained 60 per cent year-on-year. "Indian maize exports are competitive since exporters here settle for a low 1-2 per cent margin," said Chandrasekharan. US planting report propels corn, soyabean higher M Madan Prakash, President of Agri Commodities Exporters Association, said that exporters were currently getting maize delivered in Chennai from Andhra Pradesh at ₹17,000 a tonne until last week-end. At various domestic agricultural market terminals, maize is ruling between ₹1,500-1,700 a quintal depending on the quality. This is against the minimum support price of ₹1,850 fixed for this season to September. "We are also

getting maize to some extent from Karnataka. We were getting cargo from Tamil Nadu also but the crop arrivals have come to an end,” said Prakash, whose Rajathi Group exports agri-products.

### **High freight cost**

Another reason for Indian maize finding its way into the South-East Asian countries is surging freight rates. Traders say that China is currently collecting as many containers as possible for all destinations, including the European Union and United States. China wants these containers to either import all its requirements or export its products. Beijing is even paying \$500 for ferrying an empty container to its ports from places such as Colombo in Sri Lanka. “The result of China mopping up all the containers has left India with the advantage of meeting immediate demand in the South-East Asian region,” said trade analyst Chandrasekaran. “Malaysia and Vietnam had been sourcing maize from countries such as Brazil, Argentina and Ukraine besides Myanmar earlier. The container problem has forced them to turn to India,” he said. The problem for these countries is that the freight rates for getting maize from these countries is currently \$55-65 (₹4,100-4,800) a tonne. Charges for a container are \$500 (₹37,200). “In contrast, freight rates from India are \$20 (₹1,500) a tonne. The rates give these nations an arbitrage of \$30-35 (₹2,250-2,600),” said Chandasekaran. Prakash concurred with Chandrasekharan’s view on the freight charges. The current maize demand from these destinations are temporary and could continue for another six months, he said. Bimal Bengani said maize exports to the South-East Asian region would continue in view of the competitive rates offered in India. Chandrasekharan said maize exports were taking place from the east coast ports of Kolkata and Chennai. “Maize from Andhra Pradesh and Karnataka’s Ballari and Raichur regions is being shipped from Chennai. From Kolkata, maize from Bihar is sent to South-East Asia,” he said. Besides, the current currency exchange rate with the rupee depreciating against the dollar would also favour maize exports from India. The Indian rupee hit a nine-month low of 75.4 to the dollar earlier this week. It has dropped over four per cent in the last couple of weeks. However, it has managed to climb back above 75 to the dollar. On Friday, the rupee was quoted at 74.70 to the dollar, up 23 paise from Thursday.

### **Exports & Production**

According to data from the Agricultural and Processed Food Products Export Development Authority, an arm of the Commerce Ministry, India’s maize exports surged to a six-year high last fiscal. During April-January period of the fiscal, 22.03 lakh tonnes (lt) of maize were exported with Bangladesh accounting for 14.75 lt. Nepal was the second biggest importer, buying 5.13 lt, while Vietnam bought 1.11 lakh tonnes. Malaysia imported nearly 50,000 tonnes. Maize exports from India dropped since record shipments of 47.88 lakh tonnes in 2012-13. Since then, they have been on a downswing before the turnaround last fiscal. The coarse cereal’s exports slipped to below 10 lakh tonnes since 2014-15, when 28.25 lakh tonnes were shipped out. According to the Agriculture Ministry’s second advance estimate of production of foodgrains for this crop year to June, maize production is likely to be a record 30.16 million tonnes (mt) against 28.77 mt last crop year. The export scenario is in sharp contrast to 2019 when India had to import 3.18 lt, 10 times the shipments into the country the previous year. Maize imports are allowed by the Union government under the tariff rate quota (TRQ) regime at a lower Customs duty of 15 per cent. Under TRQ, five lt can be annually. Beyond this, maize imports attract 50 per cent Customs duty and an additional five per cent Integrated Goods and Services Tax and 10 per cent social welfare surcharge.

Source: The Hindu Business Line

## **‘Modern steel silos to store foodgrains from 2025’**

- » Centre plans to replace old system; no more approval for open sky storage

The Union Government has chalked out a plan for modernising storage of foodgrains in steel silos. By 2024-25, all foodgrains in the country will be stored in modern silos and conventional storage facilities will be phased out gradually, Food and Public Distribution Secretary Sudanshu Pandey said on Thursday. From this year, the government has decided to not give permission to store grains in covered plinth and areas that are open to sky. The Centre has cleared an additional 20 per cent capacity to warehouses that are capable of storing more grains.

This single step has helped create an additional 160 lakh tonnes storage capacity in existing warehouses with a total capacity of 816 lakh tonnes, said Pandey at a press briefing here. Procurement agencies have procured 64.7 lakh tonnes (lt) of wheat till Wednesday for the current rabi marketing season that commenced on March 15. The Centre is “confident” of procuring the estimated 427.36 lt of wheat, nearly 37 lt more than previous year’s record wheat procurement of 389.93 lakh tonnes. While more than 30.1 lakh tonnes of wheat have been procured in Haryana, 20.63 lakh tonnes and 10.56 lakh tonnes of wheat have been procured in Madhya Pradesh and Punjab, respectively, so far. The total procurement during the corresponding period last year was mere 60 tonnes as the procurement operations were affected by the sudden lockdown imposed by the Union Government initially.

### **Pandey thanks Punjab govt**

Pandey thanked Punjab Government, arhtiyas (commission agents) and farmers in the State for making direct bank transfer (DBT) possible for wheat procurement under the minimum support price (MSP) scheme for building buffer stocks. The stocks are procured by the Food Corporation of India for distribution of foodgrains through ration shops and under various welfare schemes. He assured the arhtiyas that their commission too would be transferred directly to their bank accounts. Punjab and Haryana were the last two States in the country to move to the DBT mode and the scheme is implemented from the current rabi season. “There is no stakeholder interest clash or encroachment in Punjab. Arhtiyas are receiving their commission separately through the electronic-mode of payment. Earlier, the MSP was going to farmers through arhtiyas and now it is being directly transferred to farmers online,” he said. Pandey said so far ₹12,800 crore has been transferred to the bank accounts of 6,60,593 farmers in 11 States across the country. While procurement commenced in Madhya Pradesh and Rajasthan on March 15 and in Haryana on April 1, it started in Punjab on April 10. The Food Secretary said that the procurement will gain further momentum after Baisakhi, which was celebrated on Tuesday. Pandey denied that substantial quantities of grains are damaged due to poor conditions of godowns in the country. He said the grains lost due to poor storage in last two years were 0.006 per cent and 0.004 per cent respectively. According to Pandey, an additional storage capacity of 100 lakh tonnes is being created in India to improve the storage infrastructure. A steel silo of has already come up in Ahmedabad, while a pilot project is going on in Buxar in Bihar to test the viability of steel silos for long-term storage of rice. The Food Secretary admitted that there is a price rise in oilseeds but attributed it to a number of international factors such as crop damage to oil crops in Latin American countries (Soyabean) and Ukraine (Sunflower). However, he also pointed out that the farmers in the country benefited as prices of soyabean and castor seeds are ruling above MSP.

Source: The Hindu Business Line

## **Over 90% of season’s cotton crop has arrived in markets**

- » CAI increases the production estimate to 360 lakh bales on higher output in North India

Over 90 per cent of the cotton crop for the current season (October 2020- September 2021) has arrived in various markets across the country as on March 31, according to the Cotton Association of India (CAI). In a press release, the cotton trade body said that against the projected production of 360 lakh bales (170 kg each), 326.76 lakh bales had already arrived in various parts by March-end. Total cotton supplies during in the first six months of the season stood at 459.26 lakh bales. Besides the market arrivals, the supplies included 7.50 lakh bales of imports and a record opening stock of 125 lakh bales at the beginning of the season. On the consumption front, CAI has estimated that a total 165 lakh bales of cotton has been utilised by the end-users. Overall, the cotton trade body has retained its projected consumption of 330 lakh bales for the season of 2020-21 (October to September). Atul Ganatra, President of CAI, said that there is an increase of 80 lakh bales in the cotton consumption estimate compared with the previous year’s offtake estimate of 250 lakh bales. “The consumption is estimated to reach its normal level this year after the disruptions and labour shortage caused by the lockdown imposed in the country to arrest the spread of Ccovid -19 pandemic,” he said. After its latest review for the crop estimate for the month of March, CAI has hiked the production estimate to 360 lakh bales from previously estimated 358.5 lakh bales for the season. The upward revision of 1,50,000 bales is attributed to a brightened crop prospects in

the Northern part of the country, i.e., 50,000 bales each in Haryana, Upper Rajasthan and Lower Rajasthan. CAI has retained its cotton export projections of 60 lakh bales for the season, but it has noted that cotton imports will be lower by about one lakh bales at 11 lakh bales against earlier estimates of 12 lakh bales. As for the stock position, spinning mills are estimated to have about 95 lakh bales in their warehouses as on March 31, with an average of 107 days' cotton stock. The Cotton Corporation of India (CCI), Maharashtra Federation, Multinational companies, ginners, traders and MCX are estimated to have a total stock of about 156.26 lakh bales of stock as on March 31. CAI has projected to close the current cotton year October-September (2020-21) with a closing stock of about 106 lakh bales.

Source: The Hindu Business Line

## India allows additional 3,675 tonnes of sugar export to UK under concessional duty quota

- » TRQ (Tariff-Rate Quota) is for a volume of exports that enter the UK at relatively low tariffs. After the quota is reached, a higher tariff applies to the exports.

The government has permitted export of an additional 3,675 tonnes of raw/refined sugar under tariff-rate quota to the United Kingdom. TRQ (Tariff-Rate Quota) is for a volume of exports that enter the UK at relatively low tariffs. After the quota is reached, a higher tariff applies to the exports. "The additional quantity of 3,675.13 tonne of raw/refined sugar to be exported to UK under TRQ up to September 30 this year is notified," Directorate General of Foreign Trade (DGFT) said in a public notice. It said the quota will be operated by Agricultural and Processed Food Products Export Development Authority (APEDA) as the implementing agency for the export. This additional quantity of sugar is beyond the EU (European Union) CXL sugar quota of 10,000 tonnes during 2020-21 notified by the DGFT last year. Availing the CXL concessions on export to the EU, traders can export sugar at a relatively low or zero customs duty.

Source: Financial Express

## Indonesia, Afghanistan account for 48% of Oct-March sugar exports from India

- » Nearly 29.72 lakh tonnes shipped out; production up at 248.2 lakh tonnes

Indonesia, the largest importer of raw sugar is emerging as a major buyer of Indian sweetener this year. Indonesia along with Afghanistan accounted for about 48 per cent of the total Indian sugar exports of 29.72 lakh tonnes shipped out during October 2020-March 2021, according to the Indian Sugar Mills Association (ISMA). Indonesia has, so far, imported about 11.5 lakh tonnes, while Afghanistan has imported 4.7 lakh tonnes from India.

### Major sugar importers

Thailand used to be the largest exporter of sugar to Indonesia, a major importer of raw sugar along with China. With Thailand's sugar production coming down by half, its exports to Indonesia have reduced. Therefore, India is getting a chance to enter the Indonesian market and we have grabbed the opportunity, said Abinash Verma, Director General of ISMA. In fact, Indonesia has extended the concessional import duty to India a year-and-a-half ago. Thailand and Australia are the only other countries that enjoy Indonesia's concessional import duty.

### Exports

ISMA said about 29.72 lakh tonnes have been shipped out during October-March 2021 compared with 30.64 lakh tonnes in the same period a year ago. Mills have shipped out more than 25 lakh tonnes within three months

of the 2020-21 export policy being announced on December 31, 2020. This is almost 42 per cent of the 60 lakh tonnes of export quota for the current year. It is also reported that about eight lakh tonnes of sugar is in pipeline for export in April, ISMA said. Sugar production till April 15 stood at 24.82 million tonnes, about 4.26 million tonnes or 21 per cent higher than same period last year. About 170 sugar mills were still crushing cane as on April 15 compared with 140 in the same period last year.

### **Sales ratio**

Sales upto March 2021 stood at 12.94 million tonnes against domestic sales quota of 12.5 million tonnes issued by the Government. Last year, during the same period sugar sales were estimated at 13.02 million tonnes as against sales quota of 12.6 million tonnes. Last year, post March, 2020, sugar sales got affected due to the country wide lockdown and consequent closure of restaurants, malls and movie halls that in turn impacted the demand for sugar sweetened products like ice cream, beverages, juices, confectionaries, sweets.

### **Disruption at minimal rate**

However, Verma said the disruption in supply chain is expected to be minimal this year due to the night curfews and lockdowns being imposed by some States with certain limitations. This time the restrictions are more organised and directives including standard operating procedures are already in place, due to which supply chain disruption is expected to be minimal.

Source: The Hindu Business Line

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