



MONTHLY REPORT
NOVEMBER 2021
AGRI PRODUCT
UPDATE

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PORT ANALYSIS

AGRI-PRODUCT TRAFFIC AT INDIAN PORTS (QTY IN MILLION TONNES)

Port Name	Apr - Sep 21	Apr - Sep 20	Variance Y - o - Y
ANGRE	0.159	0.038	0.122
CHENNAI	0.042	0	0.042
DIAMOND HARBOUR	0.048	0	0.048
GANGAVARAM	0.156	0	0.156
HALDIA	0.1	0	0.1
HAZIRA	0.385	0.066	0.32
JAIGAD	0.487	0.224	0.263
KAKINADA	2.257	1.209	1.048
KANDLA	3.034	2.235	0.799
KOLKATA	0.049	0	0.049
KRISHNAPATNAM	0.171	0	0.171
MANGALORE	0.081	0.024	0.058
MUMBAI	0.183	0.036	0.147
MUNDRA	0.164	0.14	0.024
SAGAR ROADS	0.012	0	0.012
TUNA	0.125	0.648	-0.524
TUTICORIN	0.383	0.2	0.183
VISAKHAPATNAM	0.675	0.014	0.661
Grand Total	8.511	4.9	3.611

AGRI- PRODUCT TRAFFIC AT INDIAN PORTS - OCTOBER 2021 (Qty IN Million Tonnes)

Port Name	Cargo	Total
CHENNAI	PULSES	0.017
JAIGAD	RAW SUGAR	0.027
KAKINADA	RICE IN BAG	0.336
	SUGAR BAG	0.072
KANDLA	RICE IN BAG	0.266
	SUGAR	0.095
	SUGAR BAG	0.05
	WHEAT	0.603
KOLKATA	RICE IN BAG	0.007
KRISHNAPATNAM	RICE IN BAG	0.061
MUMBAI	LENTILS	0.064
	YELLOW PEAS	0.011
MUNDRA	CRIMSON LENTILS	0.033
	YELLOW PEAS	0.035
TUTICORIN	COPRA EXPELLER CAKE	0.017
	SOYA BEAN MEAL	0.173
VISAKHAPATNAM	RICE IN BAG	0.096
	SOYA BEAN MEAL	0.076
Grand Total		2.038

EXPORTERS OF AGRI PRODUCTS - OCTOBER 2021 (QTY IN MILLION TONNES)

EXPORTERS	CARGO	QTY
BALAJI EXPORTS	RICE IN BAG	0.05
HRMM AGRO OVERSEAS PVT. LTD.	RICE IN BAG	0.005
	SUGAR BAG	0.008
	WHEAT	0.006
INDIAN SUGAR EXIM CORPN. LTD.	SUGAR	0.052
ITC LTD.	RICE IN BAG	0.028
KARAM INDUSTRIES	RICE IN BAG	0.063
LAXMI AGRO CO.	RICE IN BAG	0.006
MANASA CO . LTD.	RICE IN BAG	0.015
MURALI MOHANA RICE MILL	RICE IN BAG	0.008
NAVA BHARAT RICE MILLS	RICE IN BAG	0.011
NAVYAA FOODS CO.	RICE IN BAG	0.007
	SUGAR	0.011
OLAM AGRO INDIA PVT. LTD.	RICE IN BAG	0.025
OLAM EXPORTS (I) KOLLAR	RICE IN BAG	0.036
PARRY SUGARS REFINERY (I) PVT. LTD.	SUGAR BAG	0.072
PATTABHI AGRO FOODS	RICE IN BAG	0.019
RUHATIYA SPINNERS PVT. LTD.	RICE IN BAG	0.03
SAILOR EXPORTS CO.	RICE IN BAG	0.01
SAKUMA EXPORTS	RAW SUGAR	0.027
SARLA EXPORTS PVT. LTD.	RICE IN BAG	0.015
SATYAM BALAJEE RICE INDUS. PVT. LTD.	RICE IN BAG	0.04
SEAWAYS SHIPPING SERVICES PVT. LTD.	RICE IN BAG	0.011
SHREE RENUKA SUGAR LTD.	SUGAR BAG	0.03
SRI LALITHA ENTERPRISES INDUS. PVT. LTD.	RICE IN BAG	0.033

COUNTRY -WISE EXPORTS OF AGRI PRODUCTS OCTOBER - 2021 (QTY IN MILLION TONNES)

COUNTRY	CARGO	QTY
BENIN	RICE IN BAG	0.031
DJIBOUTI	RICE IN BAG	0.026
GUINEA	RICE IN BAG	0.054
INDONESIA	RAW SUGAR	0.027
IVORY COAST	RICE IN BAG	0.097
LIBERIA	RICE IN BAG	0.033
MADAGASCAR	RICE IN BAG	0.03
SAUDI ARABIA	SUGAR	0.052
SENEGAL	RICE IN BAG	0.04
SOMALIA	RICE IN BAG	0.012
	SUGAR	0.011
	SUGAR BAG	0.008
	WHEAT	0.006
SOUTH AFRICA	RICE IN BAG	0.096
SUDAN	SUGAR BAG	0.101
WEST AFRICA	RICE IN BAG	0.087

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 do not guarantee the authenticity of data.

MARKET OVERVIEW AND TRENDS

KEY HIGHLIGHTS

- » Rice exports may slow down from December but prospects look good
- » Basmati exports to gain momentum as Iran lifts seasonal ban on rice imports
- » Delay in sugarcane crushing season affects export of raw sugar
- » Record global cereals production, trade likely despite setbacks
- » Local tea industry on the boil as import of cheap varieties surges
- » Promote production of ricebran oil, fortified rice: Centre to Telangana
- » India to flag concern with France, EU over GM rice
- » USDA forecasts 8.6 mt palm oil import by India in 2021-22
- » Government's two mega plans will boost agricultural exports



KEY HIGHLIGHTS

Rice exports may slow down from December but prospects look good

- » Kharif arrivals may force buyers to 'wait and watch', say exporters.

Though rice exports are expected to slow down from December with the arrivals of kharif peaking and buyers adopting a “wait and watch” attitude, prospects for Indian rice exports continue to be good. Projections of a record kharif rice production are likely to help in India continuing to be competitive in the export market, according to exporters. The slow down in exports will also be due to buyers wanting to be clear about the price trend before they pick up from January. “India will continue to dominate the rice export market as we have a good harvest round the corner. We were catering to niche buyers earlier, but now we have begun to dominate the market and this will continue. Demand for exports is good,” said an export-import official of a New Delhi-based multinational firm, without wishing to be identified.

Going towards Red Sea

“The export trend for Indian rice is good. Most of the shipments are headed towards the Red Sea. Mainly, they are headed to Djibouti,” said Vidya Sagar VR, Director, Bulk Logix. From Djibouti, the rice consignments head to

interior African countries such as Ethiopia. According to the Agricultural and Processed Food Products Export Development Authority (APEDA), non-basmati rice exports, during the first half of the current fiscal, increased by about 75 per cent to 8.91 million tonnes (mt), valued at ₹21,852 crore from 5.08 mt valued at ₹11,765 crore during the same period a year ago. Bangladesh is the top importer of Indian rice, buying 1.25 mt during the period, followed by Benin and China, which imported 0.685 mt and 0.675 mt respectively. Exports to Bangladesh and China have already exceeded the total shipments made during the entire 2020-21 fiscal.

Abundant Supplies

According to the US Department of Agriculture, Indian rice exports are projected to be higher at 18 mt this year against earlier estimates of 17.5 mt. It will be lower than 20 mt shipped out last year. India has abundant rice and supplies are priced low, the agency said. The USDA, however, has pegged India's rice production for 2021-22 at a record 125 mt against 122 mt in 2020-21. According to the Ministry of Agriculture's first advance estimate of the kharif crop this season (July 2021-June 2022), rice production will likely be a record 107.04 mt, compared with 104.41 mt. Last season, rice production has been estimated at 122.27 mt, against 118.87 mt the previous one. "Since our production is set to be over 100 mt, buyers will wait to see how the prices behave. Also, the Food Corporation of India (FCI) will be in the market to procure supplies for the Central pool," said BV Krishna Rao, President, The Rice Exporters Association (TREA). FCI procures nearly 70 per cent of the paddy crop that arrives across various markets in the country.

Shipments consistent to China

Rice exports to China were consistent, though shipments to Bangladesh had slowed, said Sagar. Rao said China continued to buy from India and from December onwards more broken rice will be available for Beijing to import from here. China has preferred to buy more broken rice, which has made up over 90 per cent of total imports, from India. "Broken rice will be in huge demand after December, especially from China," said the export-import official. The other issue with shipments to China is that it is buying rice in containers than in bulk like the African nations. Countries in North and West Africa are buying from India, with Benin leading in the purchases. Last fiscal, it bought 1.2 mt of rice from India and the year before it purchased 0.54 mt – more than any nation from the continent.

Thai competition

"A lot of volume trade is happening with West Africa. Thai rice has opened up now for exports, though," Sagar said. The USDA said Thailand exporters hoped to export 6.5 mt rice this year with their prices turning competitive. Last year, it exported 5.6 mt. Price-wise and logistics-wise, Indian rice exports are competitive than Thailand, Vietnam or Pakistan. India offers its 5 per cent parboiled rice at \$355 free-on-board (F.O.B), while 5 per cent white rice is quoted at \$390 FOB. According to the International Grains Council, Thailand is quoting \$375 a tonne F.O.B for five per cent broken and Vietnam \$428. The USDA said though Indian prices have increased recently, Indian rice remains very competitive on robust supplies. The agency said Cambodia is not meeting Vietnam's demand through cross-border trade and is set to double its exports to Hanoi.

Currency movements

Initially, India met Vietnam demand, exporting 0.42 mt during the first half of the current fiscal. For the entire 2020-21 fiscal, non-basmati rice exports to Vietnam were 0.29 mt, according to APEDA data. On the other hand, global prices are fluctuating currently with currency movements. "The rupee has swung against the dollar. That saw prices being corrected by \$14-15 a tonne," said, Bulk Logix's Sagar. The USDA said Thai prices too fluctuated with the Baht movement. TREA's Rao said rice from the western coasts of the country were heading to East Africa, while from the eastern coasts they were going to West Africa. Going by the USDA projections, India will be left with higher ending stocks this year. The Food Corporation of India had 22.92 mt of rice stocks as on November 1 and an additional 25.46 mt of paddy that can yield 16.2 mt of rice. These stocks are against the mandatory 8.25 mt of operational rice stock and strategic reserve of 2 mt.

Source: The Hindu Business Line

Basmati exports to gain momentum as Iran lifts seasonal ban on rice imports

- » High freight rates, container availability remain a challenge, say an exporter.

INDIAN BASMATI EXPORTS TO IRAN		
Year	Volumes (Lakh Tonnes)	Value (\$ Billion)
2020-21	7.47	0.59
2019-20	13.19	1.23
2018-19	14.83	1.56
2017-18	8.77	0.9
2016-17	7.16	0.67

Source: DGCIS

Basmati shipments to Iran, the largest buyer of the Indian aromatic rice, are set to pick up with reports of the West Asian nation lifting the seasonal ban on rice imports. “Though there is no formal information yet, it is learnt that Iran has lifted the seasonal curbs on rice imports. We expect basmati shipments to gain pace in the coming months although the higher ocean freight rates and non-availability of containers remain a challenge,” said Vinod Kaul, Executive Director, All India Rice Exporters Association. Iran has traditionally imposed an annual seasonal ban on rice imports during its domestic harvest season from July to mid-November to protect its growers.

Logistics woes

However, what could help the Indian exporters this year is the fact that Iran, perhaps, has had a lower than normal crop, Kaul said. Also, payment issues that Indian exporters faced in the recent past have largely been resolved and the trade is now taking place in third party currency – the United Arab Emirates Dirham (AED), he said. India’s basmati exports during April-August this year were impacted by the shortage of containers and sharp increase in freight rates, Kaul said. The main issue is the availability of containers on time, Kaul said adding that the shortage still persists, while the demand is almost normal.

Exports fluctuate

As per APEDA figures, during April-August this year, basmati shipments in volume terms dropped 16 per cent to 1.7 million tonnes, from 2.03 million tonnes a year ago. In value terms, the shipments were 20 per cent lower at \$1.44 billion against \$1.8 billion in the same period a year ago. Commenting on the domestic output, Kaul said the production is good and the new crop has been coming into the market.

New export markets

Exports should gain momentum from now till March, traditionally the peak season for Indian basmati shipments, Kaul said. In the current year, some Latin American countries have imported some fair quantities of Indian basmati. “We can say some new opening have come this year from Latin America. However, that will still remain a limited market while West Asia, which accounts for 72-80 per cent of the total basmati shipments continues to be the mainstay,” he added. India exported 4.63 million tonnes of basmati rice valued at \$4.02 billion during 2020-21 against 4.45 million tonnes valued at \$4.37 billion in the same period previous year.

Source: The Hindu Business Line

Delay in sugarcane crushing season affects export of raw sugar

- » Demand for raw sugar by refineries across the world has gone up.

Delay in the commencement of sugarcane crushing season has affected exports of raw sugar despite contracting 1.8 million tonnes (MT), according to the All India Sugar Trade Association (AISTA). The demand for raw sugar by refineries across the world has gone up according to market experts. Refineries from Dubai, Saudi Arabia, and

India too are already putting up demand for the commodity. However, sugar mills in States like Maharashtra are facing problems with the launching crushing season.

Exports

Praful Vithalani, Chairman AISTA said in a statement that exports are being done mostly from the sugar mills of Maharashtra and Karnataka. “The current ex-factory sugar prices in North India and Bihar have been in the range of ₹35,500-37,500 per ton. Hence, the quantity exported by the mills in North India are negligible”. He added that sugar exports of 18,290 MT to Sri Lanka have been done although the country is facing foreign exchange difficulties. As per the provisional data with AISTA, physical sugar dispatches from sugar mills in season 2021-22 stand at 4,21,330 MT. This includes 2,50,232 MT shipped in October 2021 as direct export, 26,444 MT delivery to a port-based refinery in October 2021 (deemed export). Sugar under loading/ nominated is pegged at 1,44,654 MT. Of the total sugar export, about 44 per cent of sugar has been exported to UAE and 21 per cent to Bangladesh followed by Somalia (10 per cent) and Iran (9.1 per cent). Sugar export to Afghanistan stands at 10,455 MT that is 4.2 per cent of the total sugar export. “As per AISTA sources, sugar export deals of about 18 lakh MT for 2021-22 season have been conducted so far. They all are without any subsidy,” Vithlani said in a statement.

Sugar mills facing problems

According to the Indian Sugar Mill Association (ISMA), the total acreage under sugarcane in the country is estimated to be around 54.37 lakh hectares in 2021-22 sugar season, which is about 3 per cent higher than 2020-21 sugar season’s cane area of 52.88 lakh hectares. Uttar Pradesh is estimated to have a sugarcane area of 23.08 lakh hectares, as against 23.07 lakh hectares in 2020-21. Maharashtra’s cane area has gone up by about 11 per cent in 2021-22, from 11.48 lakh hectares in 2020-21 to 12.78 lakh ha in 2021-22. Sugarcane area in Karnataka is slightly higher in 2021-22 at 5.11 lakh hectares as against 5.01 lakh hectares in 2020-21. Some mills in Maharashtra are yet to begin the crushing season as the State government has not permitted them to crush sugarcane owing to FRP dues. Farmer organisations in Maharashtra continue to agitate for a one-time payment of FRP. In Uttar Pradesh millers face pressure from politicians to provide immediate payment of sugarcane ahead of State polls.

Source: The Hindu Business Line

Record global cereals production, trade likely despite setbacks

» FAO report says inventories may be lower on higher utilisation

RISING CEREALS OUTPUT, FALLING INVENTORIES					
	2017-18	2018--19	20119-20	2020-21	2021-22
Production	2694.9	2647.7	2771.9	2771.9	2793.3
Supply	3520.2	3506.5	3548.4	3597.5	3618.8
Utilisation	2658.7	2690.2	2714.7	2763.4	2811.6
Trade	423.2	411.3	439.4	476.6	478.1
Ending stocks	858.8	834	825.6	825.4	819.2

Source: FAO, Figures in Million Tonnes

Global cereal trade, especially in wheat and rice, is witnessing “stronger-than-earlier-anticipated” trend, even as production will likely drop by 6.7 million tonnes (mt) from initial estimates this season (July 2021-June 2022), according to the Food and Agriculture Organization (FAO) report “World Food Situation”. While global cereal production and trade are set for a record high this season, inventories are likely to contract by over six mt, the UN body said in its latest report released last week. Trade protectionism fears rise as global food inflation zooms to decade’s high Global cereals output this season has been pegged at 2,793.3 mt against earlier estimates of 2,800 mt and 2,771.9 mt last season. Supplies are projected to increase to 3,618.8 mt (earlier 3,620.5 mt earlier and 3,579.5 mt last season), while utilisation is expected to be higher than production at 2,811.6 mt (2,811.4 mt & 2,763.4 mt).

Stock-to-use ratio

Global cereals trade is anticipated to rise to 478.1 mt (473.2 mt & 476.6 mt), ending stocks are projected to drop to 819.2 mt (817.5 mt & 825.4 mt). The 21.5 mt rise in cereals production this season marks a new record, FAO said. Global cereals stocks-to-use ratio is forecast to decline a tad from 29.4 per cent last season to 28.5 per cent this season, though it is still relatively high from a historical perspective. “The forecast drawdown is mostly concentrated among major exporters, in particular Canada, the Russian Federation and US on lower harvest prospects,” the UN agency said. Foodgrain output scales a new peak in 2020-21 season Among cereals, global wheat production is forecast to drop to 771 mt against 777.2 mt earlier. It will still be 0.2 mt higher than last year’s production. FAO said wheat output has been pruned on fears over further loss of the crop in Iran, Turkey and the US.

Wheat trade at new high

World wheat trade is now forecast to expand to a new level of 192 million tonnes, underpinned by larger imports anticipated for Afghanistan, Iraq, the Islamic Republic of Iran and Turkey to compensate for reduced domestic production, as well as for Egypt to replenish stocks. Among exporters, increased availability is seen boosting shipments from Argentina, Australia, the European Union and Ukraine, outweighing anticipated declines in sales by Canada, the Russian Federation and the US, where supplies are forecast to be tighter than in the previous season. Total wheat utilisation in 2021/22 is expected to grow by 2.2 per cent, reaching 779 million tonnes, the FAO said, adding that global wheat consumption is seen rising in tandem with population growth, resulting in a relatively stable per capita level. Despite high wheat prices, feed use of wheat is anticipated to register a strong growth this season, especially in the European Union, China, India, the UK and the US.

Rice output, trade

The UN agency said global rice production will be a record 518.2 mt despite the output being lower by 1.5 mt from initial estimates. The revision has been forced due to lower cultivation in Indonesia and a yield drop in Sri Lanka. World rice utilisation this season is projected to rise to a fresh peak of 518.8 mt. Though feed and industrial uses of rice are predicted to continue increasing, food intake is envisaged to drive much of the yearly global use expansion, increasing at a slightly faster pace than population growth, FAO said International rice trade is now estimated at 51.3 million tonnes in 2022, while its ending stocks are now seen at 187.6 mt, up from 187.1 mt last season. These stocks should be ample enough to meet the projected rise in world rice use, keeping global stock-to-use ratio at a comfortable 36 per cent. Global coarse grains production has been raised to 1,504.7 mt (1503.6 mt & 1,481.7 mt) on better-than-expected yields in Brazil, India and some West African nations. Maize production is expected to make up for the losses in barley output, particularly in Iran and Turkey where dryness has affected the crop.

Feed use of maize

Among coarse cereals, higher feed and industrial uses of maize account for the bulk of the utilisation, pegged at 1,514 mt. This is on account of continued robust feed demand in Brazil, China, and Canada, besides higher maize-based ethanol production in Brazil and the US. Sorghum utilization is also forecast to increase on higher food consumption as well as feed use. By contrast, reduced production is expected to curb feed and industrial uses of barley. Global coarse grain inventories are expected to remain near their opening levels. An anticipated rise in

maize stocks, mostly in China and the US, is seen countering a predicted drawdown of barley inventories. Trade in coarse cereals will likely head for a contraction at 234.5 mt (235.1 mt and 238.6 mt) driven by expectations of China and Vietnam cutting their purchases. Barley trade could also decline on lower demand from China and Morocco, the US agency said.

Winter crops sowing

Planting of the 2022 winter wheat crop has begun in the northern hemisphere and current high wheat prices are expected to encourage large sowing. But, rising input costs could curb expansion of the area under wheat in some countries. South of the equator, countries are sowing the 2022 coarse grain crops. In South America, Brazilian maize production is projected to rebound from its lower level this year, reflecting an expected price-driven area expansion and favourable weather forecasts. Similarly, in Argentina, the maize area will likely increase, though a high probability of reduced rainfall in the coming months could adversely impact early crop development.

Source: The Hindu Business Line

Local tea industry on the boil as import of cheap varieties surges

- » Imports meant mainly for re-exports diverted to local market; shipments from Indonesia, Vietnam, Argentina cheap despite 100% duty

A surge in imports of cheaper teas, particularly when the domestic prices are ruling low year-on-year basis, is likely to hurt the tea producers. A majority of tea imported is for re-exports, but a fair chunk gets absorbed in the domestic market. The imports have left the domestic industry upset. M P Cherian, President, UPASI, said higher imports are impacting auction sales as sourcing of teas are getting curtailed and the requirements are being met through cheap imports. According to PK Bezboruah, Chairman, Tea Board of India, there has been an increase in imports of tea from Nepal that is blended with regular CTC (crush, tear, curl) and sold by packeteers here. Cheap teas from Vietnam, Indonesia and Argentina also are making their way into the domestic market. Tea imports during January-August this year increased by 34 per cent to 16.97 million kg (mkg) against 12.65 mkg during the same period a year ago, as per Tea Board of India data. Total imports last year were up by 50 per cent at 23.79 mkg against 15.85 mkg in 2019. Teas from Vietnam and Indonesia are coming at prices as low as ₹80 a kg, while the average cost of production of Indian tea is ₹180-220. As result, the unit value of imported tea has slid by 19 per cent year-on-year. Concerned over rising imports, the Tea Board last year said no one could distribute imported teas, pointing out that of the 60.73 mkg tea imported during 2017-2020 only 23.43 mkg had been shipped out. The imports have resulted in the average price of India tea sold declining 18-20 per cent this year compared with the same period a year ago. India, the second largest tea producer with an estimated annual production of over 1,300 mkg, imposes 100 per cent customs duty on imports from countries other than those with which it has a bilateral trade agreement or the South Asian Association for Regional Cooperation's Free Trade Agreement (SAFTA). Imports for re-exports are, however, duty free. "Rising imports are definitely a cause of concern for the tea industry and a fair chunk of it (imports) is getting pumped into the domestic market. Some of these teas which are coming from Vietnam, Indonesia and Argentina are much cheaper than domestic teas even after payment of 100 per cent duty. But as long as we are part of the WTO framework I don't think the government can really do much to stop imports but they should see if the teas are compliant or not," Bezboruah said. The dip in tea prices has resulted tea companies such as Bombay Burmah, Dhunseri Tea, Goodricke, Harrisons Malayalam, James Warren, JayShree Tea and Industries, McLeod Rusell and Terai tea listed on the bourses ruling about 30 per cent lower than the 52-week highs. "If an importer wants to hold the teas within the country by paying 100 per cent duty he can, but the Tea Board has to ensure that the teas are clean and compliant. What the Tea Board can also do is ensure that the teas which are coming for re-exports where duty is not paid or duty is claimed back, they are exported and not swapped with other teas. We are working on improving traceability," the Tea Board Chairman said. "Another area of concern is that the higher imports are happening at much lower unit value suggesting lower quality tea is

getting imported into the country. This is happening at a time when the domestic tea sector has been struggling to survive due to the increasing cost of production on account of the high input cost and wage cost. This necessitates corrective measures as any higher intake of teas through import at lower unit value will have a telling effect on this sector which employs a large segment of population residing in the remote areas,” UPASI’s Cherian said. As per Tea Board data, the unit price of imported tea was down at ₹146.38 a kg during January-August 2021, against ₹179.19 a kg same period last year. So higher imports would hurt the industry, which has been struggling for price realization, said Sujit Patra, Secretary, Indian Tea Association. “Our teas are all subject to FSSAI quality norms so we expect their teas should also be adhering to quality parameters. It is also important to check how much of tea is coming into the country and whether it is getting re-exported or moving into domestic market,” he said. It is also important to check the country of origin of all imported teas since teas coming from Nepal are at zero duty under FTA. This apart, ITA also wants the present inspection regime for imported teas to be strengthened to ensure transparency and integrity of the distribution chain. Last year, Nepal made up 50 per cent of the tea imports, while Kenya accounted for 23 per cent.

Source: The Hindu Business Line

Promote production of ricebran oil, fortified rice: Centre to Telangana

- » The Union government has asked Telangana to promote establishment of ricebran oil industry to tide over the crisis, as the recent controversy over parboiled rice procurement is set to trigger a political storm in the State.

The Union Ministry of Consumer Affairs and Food has asked the State to develop capacities for manufacture of fortified rice kernels (FRK), besides setting up facilities to blend the FRKs with the regular rice. “The State government must facilitate availability of fortified rice to cater to the requirements of the State and the Food Corporation of India (FCI),” the Ministry said. As it allowed a one-time purchase of parboiled rice from last year’s output, the Ministry insisted that the State give it in writing that it wouldn’t offer to sell the parboiled rice to the FCI again. “If they go for fortification, it will ease up the situation and facilitate procurement,” a FCI executive said. Rice millers, however, said that creating capacities for making fortified rice wouldn’t happen overnight and that it would require additional investments and skill sets to do that. With the FCI refusing to procure rabi paddy from the State, farmers and Opposition parties are asking the State government to buy the produce. Cautioning the farmers not to grow paddy in the rabi season as there won’t be any takers, Telangana Chief Minister K Chandrashekar Rao demanded the Centre Union Government to purchase the produce.

Solutions

The Federation of South India Rice Millers’ Associations wants both governments to allow farmers to send the produce directly to the mills to help them save on costs and time. “The government can continue the procurement process through the regular channels of Primary Agricultural Cooperative Societies and self-help groups. If they allow us to directly take the paddy from farmers, it will encourage competition,” Thudi Devender Reddy, President of the Federation, said. He also wanted the government to implement the direct benefit system in the public distribution system and deposit money directly to the accounts of the beneficiaries. “If it is done, it will ensure a better demand-supply situation in the market,” he said. The Federation also wanted the government to encourage export of rice to tide over the crisis. “There is a mismatch in the procurement price and export price. While the cost of procurement has gone up by ₹400 a quintal in the last seven years, the export price has come down by ₹200 to about ₹2,400,” Satyanarayana, a rice miller said. “The Government should offset this difference to encourage the millers to export rice. Instead of storing the produce for years in the godowns and then selling it at a loss, the government should look at exporting rice,” another miller said.

Source: The Hindu Business Line

India to flag concern with France, EU over GM rice

- » GM variety not produced in India, may be a 'conspiracy' to harm image: Govt

India will register its concern with France and the European Union over being unjustly identified as the point of origin of 500 tonnes of genetically modified broken rice converted into rice flour by a French company, Westhove, setting aside the fact that the country does not produce any commercial variety of GM rice, government officials have said. The contamination could have happened at a later stage while the imported broken rice was being processed in the EU and may also be a conspiracy to malign the image of India as a reliable supplier of quality rice, the Commerce Ministry contended in a statement.

'Unjustly identified'

"Agriculture Ministry officials are in touch with officials at the Indian Mission to the European Union in Brussels who will take up the issue of the country being unjustly identified as the source of GM rice with France's representative office at the EU and the EC," an official told BusinessLine.

Experts in India from the Genetic Engineering Appraisal Committee and IARI are investigating the matter in the light of allegations, but they have re-confirmed that commercial GM variety of rice is not grown in India, the Commerce Ministry statement pointed out. Earlier this year, the European Commission's Rapid Alert System for Food and Feed stated that 500 tonnes of Indian rice converted into rice flour by France's Westhove were flagged during a regular check for its GM content. France issued a notification alerting Austria, Belgium, the Czech Republic, Germany, Italy, Netherlands, Poland, Spain, the UK and the US as the possible destination of products made with the contaminated flour.

'Something is fishy'

"Something is definitely fishy. GM traces are being reported in rice powder and not rice grain that is being exported from India. Since India does not produce any GM rice, there is a possibility that rice from which the powder has been made is not of Indian origin," said Vinod Kumar Kaul, All India Rice Exporters' Association. Kaul said that while the alerts have not affected rice exports to the EU from India, the episode could have a negative future impact if not sorted out. India, a top rice exporter, posted a 13.7 per cent increase in rice exports during April-August 2021 to ₹28,269 crore, per government figures.

Source: The Hindu Business Line

USDA forecasts 8.6 mt palm oil import by India in 2021-22

- » Cites recent cut in import duty by India as reason for the higher imports

India will likely import 8.6 million tonnes (mt) of palm oil during the November 2021-October 2022 season, up 3,00,000 tonnes from previous estimates, according to the United States Department of Agriculture (USDA). The USDA's Foreign Affairs Service, in its November "Oilseeds: World Market and Trade" outlook said it is anticipating an increase of 4,70,000 tonnes of palm oil imports by India to reach the mark of 8.5 mt during 2020-21. The recent cut in import duty by the Indian government is the reason for the higher imports, it said. It said some global suppliers of palm oil have already increased exports to India. Following the first wave of tariff reductions by India, palm oil imports in August and September more than doubled from the January-July 2021 monthly average. Palm oil imports skyrocket to record 12.62 lakh tonnes in September Indonesia, the top palm oil supplier to India, has been the primary beneficiary of the increase in demand. Indonesia exporters maximised shipments ahead of their own September export tax hike on crude palm oil (CPO). Malaysia and Thailand palm oil exports to India also rose markedly in August and September, the USDA said.

Global oilseed production

USDA lowered its estimate for global oilseed production for 2021-22 as reduced soyabean production more than offsets gains in other oilseeds. It said that lower soyabean production in Argentina and the US has partially been

offset by higher production in India. Rapeseed in Iran, sunflower seed in the EU, and cottonseed in Australia and Brazil round out the production gains. Global crush is up nearly 1 mt on production gains.

‘Several studies have shown that palm oil poses no risk to health’

Trade is down as lower US and Argentina soyabean exports more than offset higher Brazil exports and lower rapeseed exports by Canada, as processors hold more of the limited supply for domestic crush. Global ending stocks are down mostly on lower soyabean stocks, it said. The USDA said the global oilseed production is up one mt for 2020-21 mostly on a revision in Brazil’s 2021 soyabean harvest. Global oilseed trade is little changed overall. Gains in nearly all oilseed crush pushed global crush 1 mt higher. Soyabean accounts for nearly half of the increase, primarily on a rebound in Argentina’s September crush after two months of sub-par performance. Global oilseed stocks are up as higher Brazil and China soyabean stocks more than offset lower Argentina soyabean stocks as a result of higher crush, it said.

Protein meal

According to the USDA, global production of protein meal is forecast higher for 2021-22 with the larger crush expected. Protein meal trade is up primarily on higher India soyabean meal exports and Canada’s focus on producing and exporting rapeseed products instead of seed. It said that protein meal consumption is little changed overall, while stocks are up mostly on higher soyabean meal stocks in Argentina and India. It said global protein meal production for 2020-21 would be down slightly despite larger crush on a downward revision in China’s soyabean meal extraction rate Protein meal exports are marginally higher. Global consumption is down, led by reduced soyabean meal consumption in China. Global protein meal stocks are up fractionally on increased soyabean meal stocks in Argentina and India, it added.

Source: The Hindu Business Line

Government’s two mega plans will boost agricultural exports

- » Gati Shakti and National Monetisation plan create infrastructure to sustain shipments growth

Notwithstanding the surge in agricultural exports, challenges posed by Covid-19, especially in the last one and half year (2020-21 and April-September 2021) is an indication that India’s ecosystem for entrepreneurs, businesses and farmers is robust and the future holds much promise provided we continue to give thrust on region specific product promotion through investment in infrastructure for strengthening the agricultural logistics value chain. Despite challenges faced because of Covid-19 pandemic, which caused disruption of supply chains across the globe, India was one of the few countries which continued to export agricultural commodities especially cereals, livestock products, fruits and vegetables. India’s exports of export of agriculture and allied products (including marine and plantation products) during 2020-21 rose sharply by more than 17 per cent to \$41.25 billion, after stagnation in shipment for the previous three years (\$38.43 billion in 2017-18, \$38.74 billion in 2018-19 and \$35.16 billion 2019-20). The increase in exports trend under the APEDA monitored products in 2020-21 was 24 per cent (US dollar) and 22 per cent (Rs) in 2020-21 compared with the previous fiscal.

Reliable supplier

In the first half of the current financial year, the overall export of APEDA basket products has witnessed 17.6 per cent growth in terms of US dollars over the same period a year ago. The overall export of APEDA-monitored products increased from \$8,512 million in April-September 2020-21 to \$10,007 million in April-September 2021-22. This rise in exports also implies that India has emerged a reliable supplier of various agricultural commodities globally The initiatives taken by us (APEDA) has helped the country achieve this milestone at a time when most of the business activities suffered a huge setback due to the restrictions imposed after the outbreak of the second wave of the Covid-19 pandemic. The rise in export of agricultural and processed food products is because of APEDA’s various initiatives taken for the export promotion of agricultural and processed food products such as organizing B2B exhibitions in different countries, exploring new potential markets through product specific and general marketing campaigns by active involvement of Indian embassies.

Master plan

To further enhance India's exports of agricultural commodities, several measures are being taken considering the overall vision of the GatiShakti – National Master Plan for Multi-modal Connectivity launched by Prime Minister Narendra Modi recently. Under the PM GatiShakti National Master Plan, all the sectors are being linked from roads to railways, from aviation to agriculture, various ministries and departments. There are several areas where work has been initiated or being taken up to implement GatiShakti. Mapping of existing agri-infrastructure specifically focussed on domestic trade as well as exports prospects would help in identifying areas where infrastructure needed to be revamped. Mapping would help in identifying bottlenecks in India's agricultural exports value chain. The work on augmentation of the existing infrastructure or logistical value chain in India's agricultural exports value chain is being taken up. APEDA is aiming at adding new destinations and products for exports promotion keeping in mind the one district one product or clusters-based approaches. Scope of eastern and north-eastern states in boosting India's agricultural and processed food products is immense and there has been considerable efforts by APEDA to boost infrastructure like cold chains, pack houses, and assistance to farmers for quality productions in the last couple of years. Identifying unique products from the regions and investing in developing infrastructure for setting up cold chains, packhouses, custom clearance facilities and farmers' training on quality crop production could boost India's agri-exports further.

Key focus

Creation of new infrastructure like setting up Centre for Perishable Cargo, Integrated Pack houses, Laboratories which are accredited to National Accreditation Board for Testing and Calibration Laboratories (NABL), cold storage units, warehouses, integrated container terminals in all the agricultural exports clusters is being taken up with close inter-ministerial collaborations. The setting up of multimodal logistics hubs and multimodal transport hubs should be key focus of work for coming years. APEDA has been giving thrust on registration and promotion of more Geographical Indication (GI) tagged products, which would help expand diversification of products basket for the exports. Strengthening the existing backward linkages with the farmers through inter-ministerial collaborations for production of quality produce which are compatible with global norms are some of the initiatives APEDA has initiated in recent years. Another area of work being taken up under the GatiShakti initiatives is to expand the existing networks of Kisan rail and linking them with key producing regions can give a boost to exports as well as the domestic market. The consultations between various ministries, state governments as well as local bodies, agencies and mandis boards for expansion in circuits for Kisan Rail services for movement of vegetables, fruits and other perishable are being identified. Till July, 2021 1040 Kisan Rail services have been operated over 72 routes across the country so far. Meanwhile, APEDA has announced operational guidelines for the financial assistance scheme for export promotion 2021-22 to 2025-26. The scheme aims to facilitate the export of agri-products by providing assistance to exporters in three broad areas - development of export infrastructure, bringing quality in production and market development. The two mega initiatives National Monetisation Pipeline which seeks to augment infrastructure through private investment and GatiShakti initiatives are expected to boost India's agricultural and processed food products exports and sustain it in the years to come.

Source: The Hindu Business Line

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