



Since 1916

J. M. BAXI & CO.

MONTHLY REPORT
JANUARY 2021
AGRI PRODUCT
UPDATE

TABLE OF CONTENT

PORT ANALYSIS	3
MARKET OVERVIEW AND TRENDS	7
KEY HIGHLIGHTS	8

Disclaimer,

The information contained in this market update is drawn from wide range of newspapers, business and trade magazines, government, company and industry association websites. While all possible care is taken to verify the correctness and authenticity of information contained in this compilation, no claim to independent authorship of articles is implied or intended. Readers are expected to make their own independent evaluation and verification of information for their use. While all information contained in this report are believed to be correct, the editors of this compilation or J. M. Baxi & Co. do not guarantee the quotes or other data and the same is provided only in good faith.

PORT ANALYSIS

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

Port Name	Apr-Nov 20	Apr-Nov 19	Variance Y - o - Y
ANGRE	0.038	0.033	0.005
DIAMOND HARBOUR	0.000	0.042	-0.042
ENNORE	0.011	0.000	0.011
HALDIA	0.085	0.000	0.085
HAZIRA	0.066	0.050	0.016
JAIGAD	0.224	0.250	-0.026
KAKINADA	1.910	0.523	1.386
KANDLA	2.927	1.668	1.259
KOLKATA	0.004	0.005	-0.001
MANGALORE	0.029	0.037	-0.009
MUMBAI	0.066	0.049	0.017
MUNDRA	0.199	0.336	-0.137
PARADIP	0.067	0.002	0.066
TUNA	0.874	0.584	0.290
TUTICORIN	0.278	0.349	-0.071
VISAKHAPATNAM	0.014	0.015	-0.001

AGRI- PRODUCT TRAFFIC AT INDIAN PORTS -Apr- Nov 2020 (Qty IN Metric Tonnes)

Port Name	Cargo	
ANGRE	SUGAR	0.038
ENNORE	LENTILS	0.011
HALDIA	RAW SUGAR	0.085
HAZIRA	CRIMSON LENTILS	0.029
	SUGAR	0.037
JAIGAD	SUGAR	0.224
KAKINADA	LENTILS	0.084
	RAW SUGAR	0.571
	RICE BAG	0.661
	SUGAR BAG	0.594
KANDLA	CASTOR SEED MEAL	0.015
	LENTILS	0.019
	RAPE SEED MEAL	0.361
	RAW SUGAR	0.042
	RICE BAG	0.525
	SOYA BEAN MEAL	0.130
	SUGAR	1.225
	SUGAR BAG	0.515
	WHEAT	0.094
KOLKATA	PULSES	0.004
MANGALORE	RAW CASHEWNUTS	0.005
	SUGAR	0.024
MUMBAI	CHICK PEAS	0.017
	LENTILS	0.015
	PULSES	0.013
	SUGAR	0.021
MUNDRA	BARLEY	0.063
	CRIMSON LENTILS	0.059
	YELLOW PEAS	0.077
PARADIP	YELLOW PEAS	0.067

TUNA	LENTILS	0.029
	SUGAR	0.845
TUTICORIN	CASHEW NUTS	0.041
	COPRA EXPPELLER CAKE	0.157
	SUGAR	0.027
	SUN FLOWER EXTRACTIONS	0.053
VISAKHAPATNAM	RAW SUGAR	0.014
Grand Total		6.789

Exporters of Agri products Apr- Nov 2020 (Qty IN Metric Tonnes)

EXPORTERS	Destination Country	Cargo
ADANI WILMAR LTD.	SAUDI ARABIA	0.004
	SOUTH KOREA	0.064
	THAILAND	0.055
AMIRA AGRO INDIA LTD.	SAUDI ARABIA	0.001
AMIRCHAND JAGDISHKUMAR EXPORT LTD.	BENIN	0.013
BHAGWATI LACTO VEGETARIAN EXP. PVT. LTD.	IRAN	0.012
DALMIA CEMENTS LTD.	SOMALIA	0.023
DHAMPUR SUGAR MILLS CO.	INDONESIA	0.030
DWARIKESH SUGAR INDUS. LTD.	INDONESIA	0.015
GARDEN COURT DISCILEREIS PVT. LTD.	IRAN	0.063
GOKUL AGRI INTL. LTD.	THAILAND	0.001
GURUDEO OIL INDUSTRIES	SOUTH KOREA	0.020
GURUDEV CORPN.	SOUTH KOREA	0.015
HRMM AGRO OVERSEAS PVT. LTD.	SOMALIA	0.034
INDIA SUGAR PVT. LTD.	INDONESIA	0.020
ITC LTD.	SENEGAL	0.005
	SOUTH AFRICA	0.006
	U.A.E.	0.032
	WEST AFRICA	0.033
JINDAL AGROHCHEM	SOMALIA	0.005
K. N. RESOURCES	SOUTH KOREA	0.015
LAMA RICE PVT. LTD.	SAUDI ARABIA	0.004
LOUIS DREYFUS INDIA PVT. LTD.	INDONESIA	0.051
MANASA CO . LTD.	IVORY COAST	0.007
	SENEGAL	0.018
	WEST AFRICA	0.006
MURALI MOHANA RICE MILL	IVORY COAST	0.018
OLAM EXPORTS (I) KOLLAR	IVORY COAST	0.022
	WEST AFRICA	0.137
PACIFIC INDOMAS	DJIBOUTI	0.025
PARADIP CARBON LTD.	SYRIA	0.025
PARRY SUGARS REFINERY (I) PVT. LTD.	DJIBOUTI	0.075
	ETHIOPIA	0.025
	SUDAN	0.291

PATTABHI AGRO FOODS	IVORY COAST	0.014
	SOUTH AFRICA	0.009
	WEST AFRICA	0.115
RENUKA SUGAR LTD.	IRAN	0.028
	JORDAN	0.028
	SOMALIA	0.020
	SUDAN	0.057
	SYRIA	0.047
SAKUMA EXPORTS	FAR EAST	0.020
SARALA FOODS PVT. LTD.	IVORY COAST	0.014
SATYAM BALAJEE RICE INDUS. PVT. LTD.	BENIN	0.077
	IVORY COAST	0.024
	SENEGAL	0.025
	SOUTH AFRICA	0.013
	WEST AFRICA	0.127
SHREE RENUKS SUGARS LTD.	JORDAN	0.026
SHRI DUTT INDIA PVT. LTD.	INDONESIA	0.132
	IRAN	0.105
SOUTH MKTG. PTE LTD.	KENYA	0.005
SRI DATTA SUGAR MILLS	PARAGUAY	0.026
	SAUDI ARABIA	0.027
SRI DUTT INDIA PVT. LTD.	NEW ZEALAND	0.014
SRI LALITHA ENTERPRISES INDUS. PVT. LTD.	WEST AFRICA	0.009
SUCDEAN INDIA PVT. LTD.	SOMALIA	0.008
	SUDAN	0.016
TRIMURTHI EXPORTS LTD.	SOMALIA	0.002

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

- » SVietnam buys Indian rice for first time in decades
- » DGFT defers certification requirement for rice exports to EU to July 1, 2021
- » Sugar production up 42% at 110 lakh tonnes in Oct-Dec
- » Wheat sowing up 4% at 325.35 lakh hectare so far this rabi season
- » India's exports of basmati rice to Belgium and Netherlands soar
- » Record harvest set to soften foodgrain prices by 10-15%
- » 2020-21 rabi foodgrain output may surpass previous record
- » Indian sugar mills clinch export deals as prices jump



AGRI TRADE

Vietnam buys Indian rice for first time in decades

- » Indian traders have been contracted to export 70,000 tonnes of 100% broken rice for January and February shipments at around \$310 per tonne on a free-on-board (FOB) basis

Vietnam, the world's third biggest exporter of rice, has started buying the grain from rival India for the first time in decades after local prices jumped to their highest in nine years amid limited domestic supplies, four industry officials told Reuters. The purchases highlight tightening supplies in Asia, which could lift rice prices in 2021 and even force traditional buyers of rice from Thailand and Vietnam to switch to India - the world's biggest exporter of the grain. Indian traders have been contracted to export 70,000 tonnes of 100% broken rice for January and February shipments at around \$310 per tonne on a free-on-board (FOB) basis, the industry officials say. "For the first time we are exporting to Vietnam," BV Krishna Rao, president of the Rice Exporters Association, told Reuters. "Indian prices are very attractive. The huge price difference is making exports possible." Dwindling supplies and continued Philippine buying have lifted Vietnamese rice export prices to a fresh nine-year high. Vietnam's 5% broken rice is offered around \$500-\$505 per tonne, significantly higher compared to Indian prices of \$381-\$387. The shrinking supplies will heighten concerns about food insecurity with sub-Saharan Africa among the areas where import demand has been increasing due partly to population growth. Chronic and acute hunger is on the rise, impacting vulnerable households in almost every country, with the Covid-19 pandemic reducing incomes and disrupting supply chains, according to the World Bank. Stockpiling Traders said the global pandemic has

also prompted Vietnam and other countries to stockpile rice. Vietnam announced last year it would stockpile 270,000 tonnes of rice to ensure food availability amid coronavirus-driven supply chain disruptions worldwide. Traders in Vietnam said the rice from India had been stockpiled in government reserves since 2016-17 and its relatively cheap price reflected low quality. “The rice quality is so poor that it is not good for direct consumption for humans, but only for producing animal feeds and beer,” said a rice trader based in Ho Chi Minh City. Vietnam’s total paddy output in 2020 fell 1.85% to 42.69 million tonnes, equivalent to around 21.35 million tonnes of rice, preliminary data from the government’s General Statistics Office showed. The country’s rice exports in 2020 were forecast to have fallen by 3.5% to 6.15 million tonnes. Robust demand from Asian and African countries has also been lifting Indian prices but they are still very competitive due to ample stocks, said Nitin Gupta, vice president of Olam India’s rice business. Vietnam could make more purchases as long as the price difference remains, Gupta said. In December, the world’s biggest rice importer China started buying Indian rice for the first time in at least three decades due to tightening supplies from Thailand, Myanmar and Vietnam and an offer of sharply discounted prices. In 2020 India exported a record 14 million tonnes of rice, provisional data from the trade ministry showed.

Source: Times of India

DGFT defers certification requirement for rice exports to EU to July 1, 2021

- » The DGFT amended the export policy to the extent that the export of rice (basmati and non-basmati) to EU member states and other European countries namely Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from Export Inspection Council (EIC) or Export Inspection Agency (EIA).

The Centre has deferred mandatory certificate requirements for rice export to the EU by another six months, till July 1, 2021, as per latest notification issued by the Directorate General of Foreign Trade (DGFT). The DGFT amended the export policy to the extent that the export of rice (basmati and non-basmati) to EU member states and other European countries namely Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from Export Inspection Council (EIC) or Export Inspection Agency (EIA). “Export to remaining European countries (except Iceland, Liechtenstein, Norway and Switzerland) will require Certificate of Inspection by Export Inspection Council /Export Inspection Agency for export from July 1, 2021,” the notification stated. EIC is the official export certification body of India, while EIA is an entity approved and administered by the EIC for the purpose of inspecting the commodities that are meant for exports. As per the last notification issued in August 2020, rice exporters would have had to have mandatory inspection for the EU from January 1. With the issue of the new notification amending the last one, exporters now have six more months to prepare for the same. India’s rice exports to the EU in 2019-20 were at \$278.69 million, which was around 13.7 per cent lower than exports worth \$323 million the previous year.

Source: The Hindu Business Line

Sugar production up 42% at 110 lakh tonnes in Oct-Dec

- » Contracts to export 10 lt signed so far as Thailand's production dips

Sugar mills produced over 110 lakh tonnes (lt) of sugar in first three months of the current sugar season – nearly 41.9 per cent more than the corresponding period last year – and signed deals for exporting 10 lt of sugar already, said Indian Sugar Mills Association (ISMA). Till December 31 last year, 481 mills currently crushing sugarcane in the country produced 110.22 lt as compared to 77.63 lt produced by 437 mills in the same period last year, an ISMA statement said. Bright export prospects Indian sugar mills have a brighter chance of securing more export deals this year as sugar production in Thailand, the second largest exporter, is nearly 80-90 lt lower than the normal levels. This opens up many markets to Indian sugar, including Indonesia and Malaysia, apart from traditional markets such as West Asia, Sri Lanka, Bangladesh and East Africa till the time Brazilian sugar hits the global market in March-April, the sugar industry body said. The global prices, however, are expected to fall from April as the estimated sugar production is projected to be a record 380 lt and this could hit potential export prices for Indian millers in future.

Higher output

Sugar production by 179 mills in Maharashtra was nearly 40 lt (16.5 lt). On the other hand, 120 Uttar Pradesh mills crushed enough sugarcane to produce 33.66 lt, which is marginally higher than what was produced in the corresponding period in the previous sugar season. In Karnataka, sugar production so far was 24.16 lt which is nearly 8 lt more than the corresponding period last year. Other sugar producing States together produced nearly 12 lt till date, according to ISMA.

Inverse futures prices

ISMA said the world trade happens in relation to the futures prices in the London ICE exchange for white sugar and New York exchange for raw sugar. Currently, sugar contracts are happening in relation to the March futures, but in a couple of months, the same will happen with respect to May futures, which is substantially lower as compared to March futures. "The global futures market is inverse and therefore, as the season progresses, the sugar export prices are expected to be lower as compared to what one is getting currently," it said.

Source: The Hindu Business Line

Wheat sowing up 4% at 325.35 lakh hectare so far this rabi season

- » Wheat sowing has increased by 4 per cent so far this rabi season to 325.35 lakh hectare, while pulses acreage grew 5 per cent to 154.80 lakh hectare on better monsoon rains, according to the government data.

Wheat sowing has increased by 4 per cent so far this rabi season to 325.35 lakh hectare, while pulses acreage grew 5 per cent to 154.80 lakh hectare on better monsoon rains, according to the government data. The area under the coverage for paddy is down marginally to 14.83 lakh hectare so far this rabi (winter-sown) season from 15.47 lakh hectare in the corresponding period previous year. In wheat, the data showed that 325.35 lakh hectare area coverage has been reported so far compared to 313.95 lakh hectare in the same period last year. The higher area is reported mainly from Madhya Pradesh (10.32 lakh hectare), Bihar (2.33 lakh hectare), and Maharashtra (1.59 lakh hectare), while some states - including Rajasthan (2.87 lakh hectare) and Uttar Pradesh (2.1 lakh hectare) - have reported less sowing. The area under coverage for coarse cereals is down so far at 45.12 lakh hectare as compared to 49.90 lakh hectare in the year-ago period. However, the sowing area for oilseeds is up at 80.61 lakh hectare so far from 75.93 lakh hectare a year ago. Total sowing under various rabi crops has increased to 620.71 lakh hectare so far from 603.15 lakh hectare.

Source: Economic Times

India's exports of basmati rice to Belgium and Netherlands soar

- » Rising demand for basmati rice in these European countries has resulted in a better price realisation for farmers, mainly from the basmati rice-growing areas in Punjab and Haryana. The common variety of basmati rice, 1121 Pusa, which is mostly exported, has been fetching a 15% higher price at the farmgate from November.

In the midst of the farmers' agitation, South Asians in Belgium and the Netherlands are stocking up on basmatirice from India, benetting growers in Punjab and Haryana. India's exports of basmati rice to Belgium have increased 60% in the rst eight months of the current nancial year, while imports by the Netherlands have almost doubled. Rising demand for basmati rice in these European countries has resulted in a better price realisation for farmers, mainly from the basmati rice-growing areas in Punjab and Haryana. The common variety of basmati rice, 1121 Pusa, which is mostly exported, has been fetching a 15% higher price at the farmgate from November. In Europe, consumers are drawn towards aromatic basmati rice for traditional dishes such as sushi, risotto or paella. "Europe is a big market for us. This year, due to the ongoing pandemic, there has been a lot of panic buying by the European market," Gurnam Arora, joint managing director at Kohinoor Foods NSE -2.34 % , told ET. "South East Asian people residing in these countries have bought good quantities of basmati rice for home consumption." With fears in Europe that the spread of the new strain of the coronavirus will result in another lockdown, customers are stocking up on basmati rice

Source: Economic Times

Record harvest set to soften foodgrain prices by 10-15%

- » Food grain prices have already started softening while industry experts expect other commodities to follow suit with the arrival of new harvest.

Consumers may get some respite from rising food prices with record harvest of pulses, grains and edible oil this winter season likely to drag prices down by 10-15%, industry insiders said. Retail food inflation had come down to single digit, at 9.43%, in November against 11% in October. Food grain prices have already started softening while industry experts expect other commodities to follow suit with the arrival of new harvest. "Mustard oil prices till January will hold at present levels and then come down by 10% to ₹105-107 per litre in wholesale," said Angshu Mallick, deputy chief executive of Adani ilmar that sells edible oil, wheat our and rice. "Wheat prices in Indore market are already 10% to 15% less as against January last year at ₹17.5 per kg while that of local sona masuri ric is also lower by 5% to 7% at ₹29-30 a kg as compared to last year during same time." Government warehouses are brimming with rice and wheat with ongoing rice procurement up by 25% over 2019-20. "Stocks of wheat and rice is over 70 million tonnes, which is more than the buer norms as on October 1," a senior food ministry official said. "Since then, Food Corporation of India has procured 49.5 million tonnes of paddy till January 1." Agriculture minister Narendra Singh Tomar had on Saturday told PTI news agency that rabi food grain production this year is expected to surpass last year's record output of 153.27 million tonnes. Moderate rains in wheat, mustard and pulses growing areas over last couple of days have raised hopes of a bountiful harvest. "Conducive weather conditions and increase in rabi acreage will put pressure on prices," said Anuj Gupta, deputy vicepresident of commodity research at Angel Broking. "In fact, prices of certain commodities like chana, mustard and wheat has started coming down and we expect the trend to continue till March when the arrivals are at its peak." As per the latest sowing data, crop area of oilseeds and pulses have gone up by 6.16% and 4.67%, respectively, over last year. This indicates a better output of these food commodities that the country has been importing to meet domestic "After being surplus in rice and wheat production, our focus is on becoming self-suicient in oilseeds and pulses," agriculture commissioner S K Malhotra said.

Source: Economic Times

2020-21 rabi foodgrain output may surpass previous record

- » Wheat sowing area has increased by 4 percent so far this rabi season to 325.35 lakh hectare, while pulses acreage grew 5 per cent to 154.80 lakh hectare on better monsoon rains. The paddy coverage was down marginally to 14.83 lakh hectare so far this rabi season from 15.47 lakh hectare in the corresponding period of the previous year.

The country's rabi foodgrains production including wheat in the ongoing 2020-21 crop year is expected to be better than the previous year's record of 153.27 million tonne, according to Agriculture Minister Narendra Singh Tomar. Sowing of rabi (winter) crops is underway. The rabi sowing begins from October immediately after the harvest of kharif (summer) crops. Wheat and mustard are major rabi crops. The crop year runs from July to June. Speaking to PTI, Tomar said the country's agriculture sector performed well during 2020 as foodgrains production rose to a record in the kharif season with farmers working hard despite the COVID-19 pandemic and proving their relevance. "This year, we hope better foodgrain production in the rabi season than last year (same season)," he said. For the 2020-21 crop year, the Centre has set a target of a record foodgrains output of 301 million tonne, out of which it expects 151.65 million tonne to come from the rabi season. Further, the minister said progress to be made in the recent government initiatives including two new farm laws on marketing, formation of 10,000 FPOs (Farmer Producers Organisations), Rs 1 lakh crore Agriculture Infrastructure Fund, will also benefit farmers and boost the sector. "I hope farmers' hard work and the Modi government's pro-farmer policies will strengthen the agriculture sector. New reforms will also benefit the sector," he added. According to the official data, wheat sowing area has increased by 4 per cent so far this rabi season to 325.35 lakh hectare, while pulses acreage grew 5 per cent to 154.80 lakh hectare on better monsoon rains. The paddy coverage was down marginally to 14.83 lakh hectare so far this rabi season from 15.47 lakh hectare in the corresponding period of the previous year. The area under coarse cereals was down so far this rabi season at 45.12 lakh hectare as compared to 49.90 lakh hectare in the year-ago period. However, the sowing area for oilseeds was up at 80.61 lakh hectare from 75.93 lakh hectare a year ago. Total sowing under various rabi crops has increased to 620.71 lakh hectare from 603.15 lakh hectare, the data showed. In the 2019-20 crop year, the country's overall foodgrains production stood at a record 296.65 million tonne, as per the government's fourth advance estimate.

Source: Economic Times

Indian sugar mills clinch export deals as prices jump

- » Out of the 1.5 million tonnes of export contracts signed, nearly 1 million tonnes was for raw sugar, while the rest was for white sugar, dealers said.

Indian sugar mills are aggressively signing export contracts after New Delhi approved a subsidy for overseas sales and as global prices hit their highest level in 3-1/2 years, four industry officials told. The exports will help the world's second-biggest sugar producer to bring down stockpiles and support local prices, which, at odds with the global market, have been falling due to oversupply at home. But the shipments could cap a rally in benchmark prices in New York and London. Mills have so far agreed contracts to export 1.5 million tonnes of sugar in the 2020/21 marketing year that started on Oct. 1, mainly to Indonesia, Sri Lanka, Afghanistan and African countries for shipments in January to March, the officials said. Contracts were signed between \$375 and \$395 a tonne on a free-on-board (FOB) basis, three dealers directly involved in the deals said. They did not wish to be identified in line with their organisations' policies. "Most of the contracts were done for raw sugar, which is heading to Indonesia," said Rahil Shaikh, managing director of MEIR Commodities India. Indonesia, which traditionally imports the bulk of its requirement from Thailand, started buying Indian sugar in 2020 after changing purity regulations for sugar imports. Out of the 1.5 million tonnes of export contracts signed, nearly 1 million tonnes was for raw sugar, while the rest was for white sugar, dealers said. Sri Lanka, Afghanistan and African countries are buying small amounts of white sugar, but demand is limited for whites due to a shortage of containers, they said. "Currently mills' net realization from exports is higher than domestic sales after adding the government

subsidy for exports,” said a Mumbai-based dealer with a global trading firm. Shoring up domestic prices of sugar will help ensure that millions of Indian farmers get the price set by the government. The government fixes sugar cane prices that mills must pay to farmers, but with sugar prices under pressure mills were struggling to pay the mandatory price for cane.

Source: Money Control

OTHER REPORTS FOR JANUARY 2021

- » [J. M. Baxi & Co. Monthly Agri Products Update](#)
- » [J. M. Baxi & Co. Monthly Automotive Logistics Update](#)
- » [J. M. Baxi & Co. Monthly Cement Update](#)
- » [J. M. Baxi & Co. Monthly Chemical Update](#)
- » [J. M. Baxi & Co. Monthly Coal Update](#)
- » [J. M. Baxi & Co. Monthly Container Update](#)
- » [J. M. Baxi & Co. Monthly Cruise Shipping Update](#)
- » [J. M. Baxi & Co. Monthly Edible oil and Extractions Update](#)
- » [J. M. Baxi & Co. Monthly Fertilizer Update](#)
- » [J. M. Baxi & Co. Monthly Mineral and Metal Update](#)
- » [J. M. Baxi & Co. Monthly Oil and Petroleum Update](#)
- » [J. M. Baxi & Co. Monthly Port Update](#)
- » [J. M. Baxi & Co. Monthly Project Cargo Update](#)
- » [J. M. Baxi & Co. Monthly Seafarers Insights Update](#)
- » [J. M. Baxi & Co. Monthly Steel Update](#)

Research Cell,

J. M. Baxi & Co., Godrej Coliseum, Office No. 801, 8th floor, "C" wing, Behind Everard Nagar, Off. Somaiya Road, Sion. Mumbai - 400022 INDIA.

Contact Details,

Telephone: 022 61077100 Ext 161/145,
Mobile: 091-7506004224 / 7045659111,
mail: jmbreports@jmbaxi.com,
Website: www.jmbaxigroup.com