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MONTHLY REPORT
MARCH 2022
AGRI PRODUCT
UPDATE

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PORT ANALYSIS

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

Port Name	Apr - Jan 22	Apr- Jan 21	Variance Y - o - Y
ANGRE	0.197	0.038	0.160
CHENNAI	0.205	0.000	0.205
DIAMOND HARBOUR	0.106	0.023	0.083
GANGAVARAM	0.156	0.000	0.156
HALDIA	0.122	0.152	-0.030
HAZIRA	0.650	0.090	0.559
JAIGAD	0.729	0.289	0.440
KAKINADA	4.265	2.514	1.750
KANDLA	6.893	3.883	3.010
KOLKATA	0.075	0.027	0.048
KRISHNAPATNAM	0.413	0.095	0.318
MANGALORE	0.175	0.029	0.146
MUMBAI	0.553	0.099	0.454
MUNDRA	0.432	0.229	0.204
SAGAR ROADS	0.044	0.065	-0.020
TUNA	0.267	1.126	-0.859
TUTICORIN	0.715	0.331	0.384
VISAKHAPATNAM	1.221	0.183	1.039
Grand Total	17.218	9.249	7.969

AGRI- PRODUCT TRAFFIC AT INDIAN PORTS - FEBRUARY 2022

Port Name	Cargo	Total
ANGRE	RAW SUGAR	0.073
	SUGAR BAG	0.025
CHENNAI	PULSES IN BAGS	0.024
GANGAVARAM	SUGAR	0.055
HAZIRA	RAW SUGAR	0.136
	SUGAR	0.086
KAKINADA	RAW SUGAR	0.032
	RICE IN BAG	0.156
	SUGAR BAG	0.073
KANDLA	RAPE SEED MEAL	0.028
	RICE BULK	0.023
	RICE IN BAG	0.222
	SUGAR	0.103
	SUGAR BAG	0.138
	WHEAT	0.287
KRISHNAPATNAM	MAIZE	0.076
	RICE IN BAG	0.050
MANGALORE	SUGAR BAG	0.036
MORMUGAO	RAW SUGAR	0.035
MUMBAI	PULSES	0.022
	PULSES IN BAGS	0.007
	RAW SUGAR	0.048
	SUGAR BAG	0.022
MUNDRA	BARLEY	0.002
	CRIMSON LENTILS	0.021
	GAUR MEAL	0.001
	LENTILS	0.018
	RICE IN BAG	0.011
	SOYA BEAN MEAL	0.005

SAGAR ROADS	LENTILS	0.028
TUNA	SOYA BEAN MEAL	0.011
TUTICORIN	CASHEW NUTS	0.024
	MAIZE	0.033
	SUGAR BAG	0.025
VISAKHAPATNAM	MAIZE	0.090
Grand Total		2.026

EXPORTERS OF AGRI PRODUCTS - FEBRUARY 2022 (QTY IN MILLION TONNES)

EXPORTERS	CARGO	QTY
BEBO INTL. SAMEERA AGRO INDUST.	RICE IN BAG	0.040
GARDEN COURT DISTILLERIES PVT. LTD.	RAW SUGAR	0.026
INDIA SUGAR PVT. LTD.	SUGAR BAG	0.025
ITC LTD.	MAIZE	0.044
	RICE IN BAG	0.010
LDC SEVYONSIA	RAW SUGAR	0.022
LOUIS DREYFUS COMMODITIES SUIZZE SA	SUGAR	0.006
LOUIS DREYFUS INDIA PVT. LTD.	SUGAR BAG	0.028
LUIS DREYIS USA	SUGAR	0.055
MAHARASHTRA SOLVENT EXTRACTION PVT. LTD.	MAIZE	0.032
MANASA CO . LTD.	RICE IN BAG	0.012
MURALI MOHANA RICE MILL	RICE IN BAG	0.012
NATIONAL FED. FARMERS PROCUREMENT PROCESS- ING & RETAILING CO OP OF INDIA	RICE IN BAG	0.007
PARRY SUGARS REFINERY (I) PVT. LTD.	SUGAR BAG	0.073
SARALA FOODS PVT. LTD.	RICE IN BAG	0.016
SATYAM BALAJEE RICE INDUS. PVT. LTD.	RICE IN BAG	0.040
SHREE RENUKA SUGAR LTD.	SUGAR	0.007
SIERENTZ GLOBAL MERCHANTS INDIA PVT. LTD.	MAIZE	0.033
SRI LALITHA ENTERPRISES INDUS. PVT. LTD.	RICE IN BAG	0.020
SUCDEAN INDIA PVT. LTD.	SUGAR BAG	0.011
SUCEDEN INDIA PVT. LTD.	RAW SUGAR	0.032
VARIOUS SHIPPERS	RICE IN BAG	0.050
VIJAYANAGAR SUGAR PVT. LTD.	SUGAR BAG	0.012

COUNTRY -WISE EXPORTS OF AGRI PRODUCTS FEBRUARY - 2022
(QTY IN MILLION TONNES)

COUNTRY	CARGO	QTY
BANGLADESH	RICE IN BAG	0.007
BENIN	RICE IN BAG	0.088
INDONESIA	RAW SUGAR	0.083
	SUGAR BAG	0.048
IVORY COAST	RICE IN BAG	0.022
MALAYSIA	MAIZE	0.044
SAUDI ARABIA	RAW SUGAR	0.022
SENEGAL	SUGAR	0.013
	SUGAR BAG	0.012
SUDAN	SUGAR BAG	0.073
VIETNAM	MAIZE	0.065

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

- » Rising freight rates impact India's basmati exports to West Asia
- » India signs deals to export 5.5 lakh tonnes of wheat as Asian nations look for supplies
- » Centre targets 44.4 million tonnes wheat procurement, 4.3 million tonnes rabi rice
- » Maharashtra faces sugarcane glut as end of crushing season nears
- » CAI cuts 2021-22 cotton crop estimates by 5 lakh bales to 343.13 lakh bales



KEY HIGHLIGHTS

Rising freight rates impact India's basmati exports to West Asia

- » The surge in freight rates will hurt exports, said Kaul. "The freight cost has more than doubled in the last ten days beginning February. The freight rate was \$1,100 per container at January-end which has shot up to \$2,300 per container now," Vinod Kaul, executive director, All India Rice Exporters Association (AIREA), said.

Doubling of freight rates for shipments to West Asia from the beginning of February has started impacting basmati rice exports to the region. As a result, Basmati exports are likely to decline more than 10% year-on-year in this financial year, said industry executives. West Asia has traditionally been the largest buyer of Indian basmati rice, accounting for 85-90% India's basmati exports. "In the first nine months of the current financial year, basmati exports were down by 38% compared to the same period last financial year," Vinod Kaul, executive director, All India Rice Exporters Association (AIREA), told ET. "The trade was expecting exports to go up in the fourth quarter of FY22 as the Ramadan month of April was coming when the Middle East buys good quantities of basmati rice." The surge in freight rates will hurt exports, said Kaul. "The freight cost has more than doubled in the last ten days beginning February. The freight rate was \$1,100 per container at January-end which has shot up to \$2,300 per container now," he said. India exported 4.6 million tonnes of basmati rice in 2020-21. But this fiscal, exports are unlikely to cross 4.1 million tonnes, said Kaul. "The payment problem with Iran continues, though some exports are happening through third currency payments which are permitted by the Reserve Bank of India," he said.

However, while basmati rice exports are reeling under rising freight rates and exporters have no choice to send the rice to other destinations, non-basmati rice exports are doing exceedingly well. Exports of non-Basmati rice are expected to cross 17 million tonnes this fiscal, said BV Rao, president, Rice Exporters Association. Exports crossed 12.53 million tonnes in the first nine months of 2021-22, as against 13 million tonnes in the entire 2020-21. Non-basmati rice exports increased 51.8% year-on-year between April and December last year due to higher purchases made by China and Bangladesh.

Source: Economic Times

India signs deals to export 5.5 lakh tonnes of wheat as Asian nations look for supplies

» Shipments may top 30 lt by June; consignments will include new crop

Indian wheat exporters have signed deals to export at least 5.5 lakh tonnes (lt) over the next couple of months as nations in South Asia, South-East Asia and West Asia are looking to New Delhi to meet their requirements for food and feed in view of the Ukraine-Russia crisis. “We have demand for Indian wheat from March-April. Our exporters have committed to ship 5.5 lakh tonnes. Both old and the new crop will be shipped out by exporters under these deals,” said Rajnikant Rai, Divisional Chief Executive, ITC Agri-Business. Indian wheat is currently being quoted at \$330 a tonne, up from \$300 before Russia ordered its troops into Ukraine on February 24.

Market volatile

“Russia and Ukraine make up 35-40 per cent of global wheat exports,” the ITC official said. According to FAOSTAT, Russia exported 37.26 million tonnes (mt) and Ukraine 18.06 mt of wheat of the total exports of 202.48 mt in 2020 by various countries, including India.

“The wheat market is volatile with buyers and sellers in a wait and watch mode. But prices have increased by \$15-20 a tonne after the Ukraine crisis deepened. India’s advantage is that no other origin has its new crop coming during this time of the year,” said Nitin Gupta, Vice-President, Olam Agro India Ltd. Wheat prices in the global market are ruling at a nine-year with the rates swinging below and above \$9 a bushel. On Tuesday, benchmark wheat futures on the Chicago Board of Trade was quoted at \$9.46 a bushel or \$347.22 (₹26,150) a tonne.

Korea buying for feed

“We have been witnessing good demand for Indian wheat over the last couple of months. We are also finding parity in shipping the grain,” said Mukesh Singh, Director, MuBala Agro. ITC’s Rai said countries in South Asia, West Asia and even the Philippines in the South-East Asian region are buying Indian wheat. “Even South Korea is buying Indian wheat for feed purposes,” he said. Olam’s Gupta said India could easily ship out 3-4 mt by June this year, particularly when 5-6 lt are being exported every month. “In December, we exported close to one million tonnes,” he said. According to Agricultural and Processed Food Products Export Development Authority (APEDA) data, India exported 50.41 lt of wheat valued at \$1.43 billion during the April-December period of the current fiscal compared with 10.69 lt valued at \$278 billion lt in the year-ago period.

Bangladesh, biggest buyer

Until November, exports were at 41.14 lt. While the per tonne realisation was \$280 until November, it increased to \$285 in December. Bangladesh bought 29.68 lt of Indian wheat in the first nine months of this fiscal, followed by Sri Lanka (4.04 lt), UAE (3.69 lt) and the Philippines (2.96 mt). Higher wheat exports this year have helped growers with prices topping the minimum support price (MSP) of ₹1,975 a quintal announced for the 2021 rabi marketing season. This year, the MSP has been hiked to ₹2,015. “If the Ukraine-Russia standoff prolongs, Indian exports will gain. Both Ukraine and Russia too have a bumper wheat crop. But if the current situation continues,

exports will be good until June-July," Rai said.

Record output

According to the second advance estimates of foodgrains for 2021-22 (July-June), wheat production is projected at a record 111.32 million tonnes against 109.59 million tonnes in 2020-21. "India's wheat exports will be more in 2022 than last year in view of the current Ukraine-Russia problem," said Gupta. "If the market is disturbed for, say, two months, India could turn out to be a huge supplier in West Asia and even ship to as far as Egypt," said MuBala's Mukesh. Pramod Kumar, Vice-President, Roller Flour Mills Association of India, said domestic wheat prices have gained in view of higher exports. "In the global market too, wheat prices are above our MSP," he said.

Freight heading north

Currently, the modal price or the rate at which most trades took place in Uttar Pradesh and Madhya Pradesh is between ₹1,900 and ₹2,000 a quintal. In markets such as Agra, prices are firmly above ₹2,000. But the problem for Indian exports will be that freight rates are also rising in view of the geopolitical crisis. "If the Government can support transportation of wheat, we can certainly do well on the export front," ITC's Rai said. However, in view of the rise in wheat price the user industry has written to the Centre to suspend wheat shipments until the Ukraine-Russia crisis ends. Though the crop is expected to be a record this year, arrivals have been delayed in view of the cold weather. "Wheat harvest has been delayed by 15-20 days," Rai said. Kumar said the quality of the wheat crop this year is good and any drop in the grain's acreage will be made good by a better yield. "We will have to watch out for the weather over the next 30 days. If there is no rain, then we will have a good crop," said Rai. Indian wheat exports are also aided by higher inventories with the Food Corporation of India (FCI). As of February 1, FCI had 28.27 mt of wheat with it against 31.83 mt during the same period a year ago. Currently, it is estimated at around 26 mt.

Source: The Hindu Business Line

Centre targets 44.4 million tonnes wheat procurement, 4.3 million tonnes rabi rice

- » Wheat procurement target exceeds last year's total purchase of 43.34 mt

The Centre on Friday announced that it would buy 44.4 million tonnes (mt) of wheat during 2022-23 and 4.29 mt of rabi-grown rice under the minimum support price (MSP) programme. However, the rice target does not include the estimates of Maharashtra, Tamil Nadu and Telangana. The wheat target, finalised by the Food Ministry after a meeting of State Food Secretaries through video conference, exceeds last year's total purchase of 43.34 mt. "The target of 4.29 mt rice (rabi crop) has been estimated for procurement during the forthcoming rabi crop in the current season (October-September) from seven procuring States. Estimates of procurement of rabi-grown rice from Maharashtra, Tamil Nadu and Telangana is awaited," the ministry said in a statement. Rice procurement could be around 7 mt in the three states from rabi grown crop, considering the past trend, provided Telangana does not reduce the target (about 6 mt). In Telangana, against a procurement target of 10.5 mt (both kharif and rabi crops) in the last season (October-September), the Centre had procured 9.45 mt of rice. In the current season, the procurement in the State reached 4.7 mt out of a target of 4.6 mt from the kharif crop. Promotion of coarse grains, implementation of minimum threshold parameters for online procurement operations, supply of jute bags and packaging material, storage space, improving efficiency and transparency in procurement operations and online settlement of food subsidy claims were also discussed during the meeting, the statement said.

Source: The Hindu Business line

Maharashtra faces sugarcane glut as end of crushing season nears

- » Sugar mills may not be able to crush all the cane produced this season

Sugarcane glut is emerging as a serious problem for mills and farmers in Maharashtra as the season is drawing to a close. In the last sugar season, only 189 sugar mills were operational in the State by February 25. These sugar mills had crushed 80.471 million tonnes (mt) of sugarcane as sugar season was ending. This season, 197 sugar mills are operational and have crushed 91.607 mt of sugarcane and still, there is more to come. According to sources, there is around 30 mt of sugarcane still on the fields. Last season mills in the State had produced 8.237 mt of sugar by February 25, while this season the sugar production has already crossed 9.38 mt.

Mills in a quandary

Considering the glut, mills have increased their daily crushing capacity and many mill directors say now it would not be possible for them to run operations beyond certain period. “The government should understand the ground reality. Mills have limitations to continue crushing operations. The available mechanism is capable of crushing only to a certain limit,” said an official associated with one of the sugar mills in Sangli district. According to industry players, many mills have already crossed their crushing capacity and somehow are dragging on the season. But this may not continue for a long and mills will have to announce the closure. Only a few big sugar mills in the State will be able to operate until the next month-end.

State’s warning

The Sugar Commissioner of Maharashtra has already warned of action against mills which fail to lift all available sugarcane in the allocated locality. The State government has asked mills to take permission before announcing closures for the season. The government has warned that the director boards of the sugar mills will be held responsible for uncrushed sugarcane. In case mills are unable to crush the excess sugarcane, the director board should co-ordinate with other mills so that farmers can divert their sugarcane to them. At any cost, mills cannot leave farmers in the lurch, the government has warned.

Farmers worried

Farmer organizations, especially in western Maharashtra, the sugar bowl of the State, say sugar mills are not responding to their calls to lift the sugarcane from their field. “Farmers are actually struggling to connect with mills and requesting them to dispatch sugarcane cutter teams to the fields. Even sugarcane cutters are not responding,” said Ramesh Sawant, a farmer. Swabhimani Shetkari Sanghatana leader Raju Shetti said sugar mills in the State cannot shrug off their responsibilities and have to lift all the sugarcane produced by farmers. He said when there is the scarcity of sugarcane, mills are after farmers asking for sugarcane, and now the same mills are turning their back on the farmers.

Source: The Hindu Business Line

CAI cuts 2021-22 cotton crop estimates by 5 lakh bales to 343.13 lakh bales

- » Imports seen rising to 15 lakh bales; exports likely to be lower at 45 lakh bales

Cotton Association of India (CAI) has pared its crop estimates for the 2021-22 season starting October by five lakh bales to 343.13 lakh bales of 170 kgs each. Previously, the trade body had estimated the 2021-22 crop at 348.13 lakh bales. The reduction in crop estimates is due to lower than anticipated output in States such as Gujarat, Telangana, Karnataka and Maharashtra. According to the latest estimates, the crop is seen lower by two lakh bales in Gujarat, one lakh bales each in Telangana and Karnataka. Also, the crop is seen lower by 50,000

bales each in Andhra Pradesh and Odisha, CAI President Atul Ganatra said in a statement. As a result of lower output, the cotton imports are likely to be higher by around 5 lakh bales at 15 lakh bales during ongoing season. Also the exports are seen lower at 45 lakh bales during 2021-22 cotton season as against last year's 78 lakh bales. Total supply in the first four months (Oct-Jan) of the 2021-22 season stood at 272.20 lakh bales, CAI said in a statement. This consisted of market arrivals of 192.20 lakh bales, imports of 5 lakh bales and opening stocks of 75 lakh bales, as estimated by the trade body. Consumption during Oct-Jan period is estimated at 114 lakh bales, while exports were pegged at 25 lakh bales. Stocks at end of January, 2022 were estimated at 133.20 lakh bales, including 75 lakh bales with the textiles mills and remaining 58.20 lakh bales with Cotton Corporation, Maharashtra Federation and the trade including MNCs, ginners, traders and MCX Total cotton supplies for the 2021-22 season upto end September, 2022 are now estimated at 433.13 lakh bales. This includes opening stock of 75 lakh bales at the beginning of the season in Oct, crop for the season at 343.13 lakh bales and imports estimated at 15 lakh bales, higher than previous season's 10 lakh bales.

Lower consumption

Total consumption for the season is likely to be lower by 5 lakh bales to 340 lakh bales, against the previous estimated of 345 lakh bales. The season end carryover stocks as on Sept 30, 2022 are likely to be around 48.13 lakh bales as against last year's 75 lakh bales.

Source: Economic Times

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