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COTTONSEED OILCAKE EXCLUSIVE · NCDEX · 16 NOV 2026

Dairy Gold: The Agri Super-Cycle Reaches the Cattle-Feed Bin

From Cotton-Field Stress to Dairy-Feed Economics: Supply, Substitution, Relative Value and the Next Technical Objective

Our ₹2,850 → ₹4,000 call played out by July; the September crash we flagged came on schedule; two months of a narrow range have now resolved upward. This deck sets out why cottonseed oilcake – India's dairy gold – is the next leg of the agri super-cycle, and what must be true for ₹4,850–₹5,150.

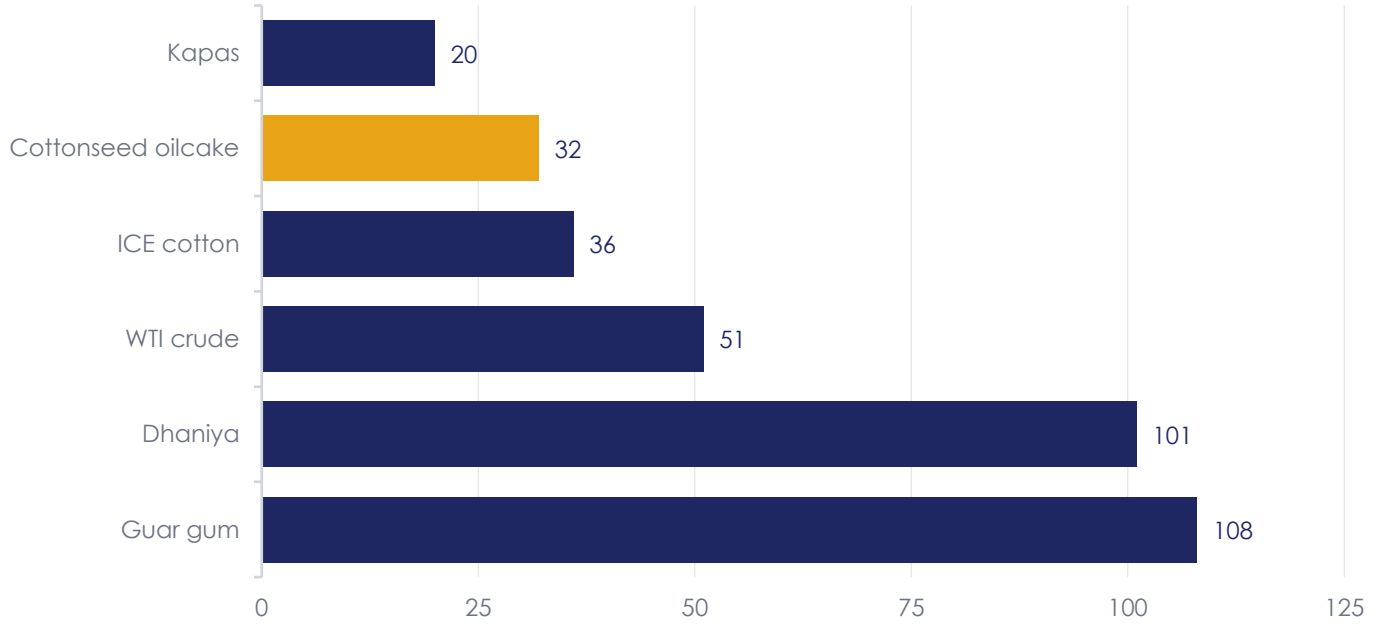


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Spices, guar, cotton and crude have all taken their turn in 2026 – the baton now passes to cottonseed oilcake

One-year price change to mid-November 2026 (%)



+32%

COCUDAKL ₹2,909 (Nov-25 close) → ₹3,827 (13 Nov 2026) – the laggard of the complex

+169%

COCUDAKL since the January 2015 series start (₹1,424 → ₹3,827) – a decade-long uptrend

3 of 4

Sister commodities – guar, dhaniya, cotton – already at multi-year highs; cake is still 9% below its August peak

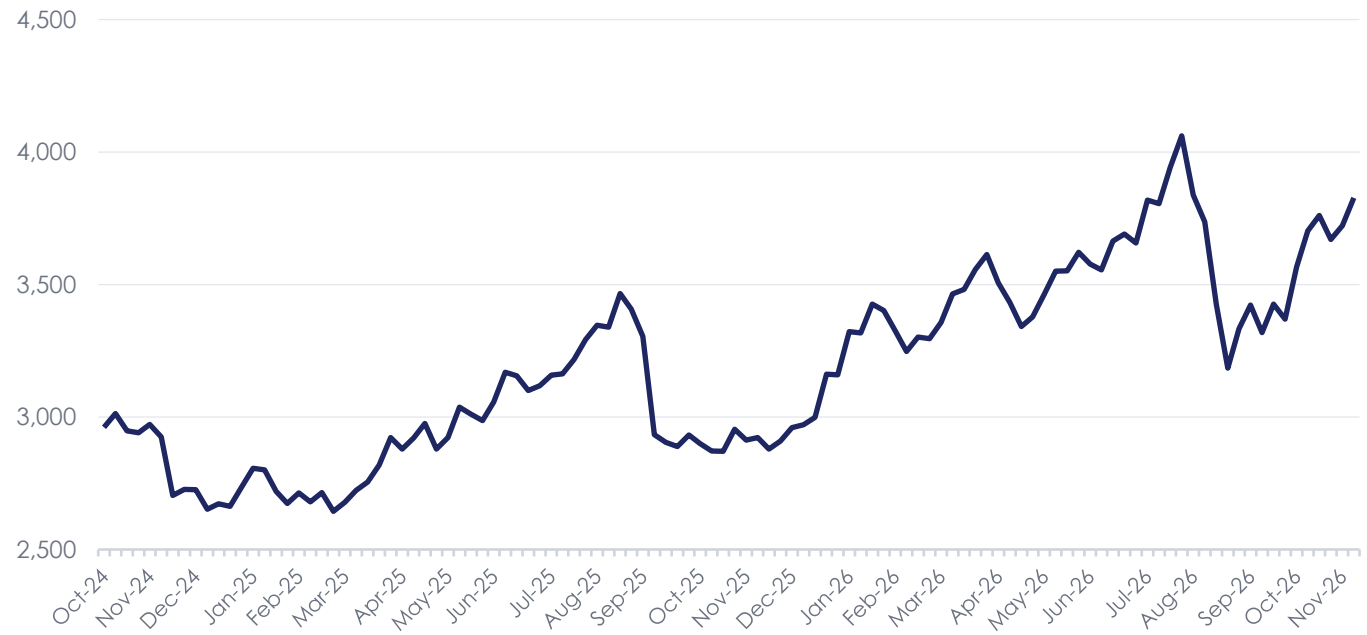
KEY INSIGHT

The super-cycle rotates: when the leaders have doubled, capital looks for the input that has not yet moved – cottonseed oilcake is that input.

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₹2,850 → ₹4,000: called in November 2025, delivered in July – then the crash we warned of, and now the breakout

NCDEX COCUDAKL continuous – weekly close (₹/qtl), Oct 2024 – 13 Nov 2026



1 Nov 2025 · the call

₹2,850–2,920 base: Kedia Advisory sets a ₹4,000 objective on a tightening cotton-seed pipeline

2 Jul–Aug 2026 · target met

Weekly close ₹4,061 on 27 Jul; high ₹4,185 in the first week of August – +45% from the call

3 Sep · the crash, then the base

We flagged the top; price fell to ₹2,831 (−32%) and then built a ₹3,185–3,760 range for ten weeks

KEY INSIGHT

11–12 November: December futures jumped from ₹3,705 to ₹3,869 on 21,600 and 22,600 lots – double October's daily volume – the confirmation we were waiting for.

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One boll, two economies: lint goes to the spinning mill, the seed goes to the crusher – and the cake goes to the cow

Kapas
Seed cotton from the field – MSP ₹7,710/qtl (medium staple)

Ginning
~34% lint, ~63% seed (binola) by weight

Crushing
Cottonseed oil (edible) + undecorticated cake

COCUDAKL
Pellets, min 22% protein, 6.5% oil, max 27% fibre, 9% moisture

Dairy feed
Protein, energy, fibre and residual fat for milch cattle and buffalo

75–90 lakh t
India's annual cottonseed oilcake output (industry estimate)

10 t / lot
NCDEX contract: ₹/quintal, ex-warehouse Akola; Kadi and Wardha additional centres

₹3,744 / ₹3,658
Spot Akola / Kadi on 12 Nov 2026 (NCDEX polled)

18 Dec 2026
December contract expiry – physical delivery; Jan, Feb, Mar 2027 listed

KEY INSIGHT

Lint and cake can move in opposite directions – a weak textile market does not stop a scarce seed and a hungry dairy herd from lifting the cake.

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From the 2022 spike to a three-year bear market – and a 2026 rebound that took ICE cotton from 61 to 93 cents

ICE Cotton No. 2 continuous – monthly close (US¢/lb), 2019 – Nov 2026



155.95¢

May 2022 peak – the post-Covid supply squeeze; Indian cotton touched ₹51,090/candy

60.9¢ → 93.1¢

Feb-26 low to Sep-26 high (+53%) – Iran war, polyester costs, US drought; 82.6¢ now

₹31,600/candy

Indian 29 mm cotton, Kadi, 12 Nov 2026 – ~88–92¢/lb parity, above world prices

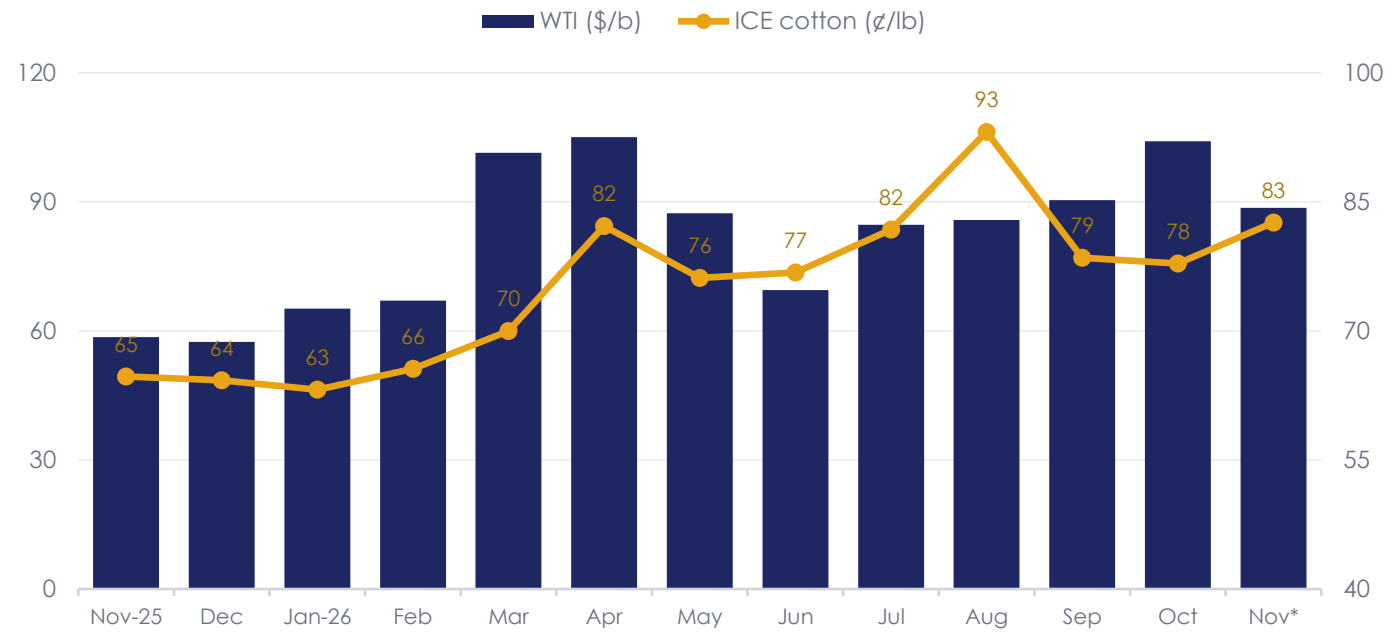
KEY INSIGHT

Three years of falling cotton prices pushed Indian farmers out of cotton – area fell 18 lakh hectares – and that is the seed shortage the cake market is pricing now.

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Polyester is made from oil: the 2026 war lifted crude 51% and gave cotton its first demand tailwind in years

2026 month by month – WTI ($/b, bars) vs ICE cotton (¢/lb, line)



The polyester channel

Polyester is a petrochemical; when crude rose 51% by late August, polyester prices moved up for the first time in years, improving cotton's relative competitiveness.

Measured link to the cake

COCUDAKL vs WTI since 2019: correlation 0.59 on price levels and 0.61 on year-on-year changes – through cotton, seed and crushing margins.

Still a price gap

Cotton ~92¢/lb in India against polyester ~56¢ – the substitution is marginal, but the direction has turned in cotton's favour.

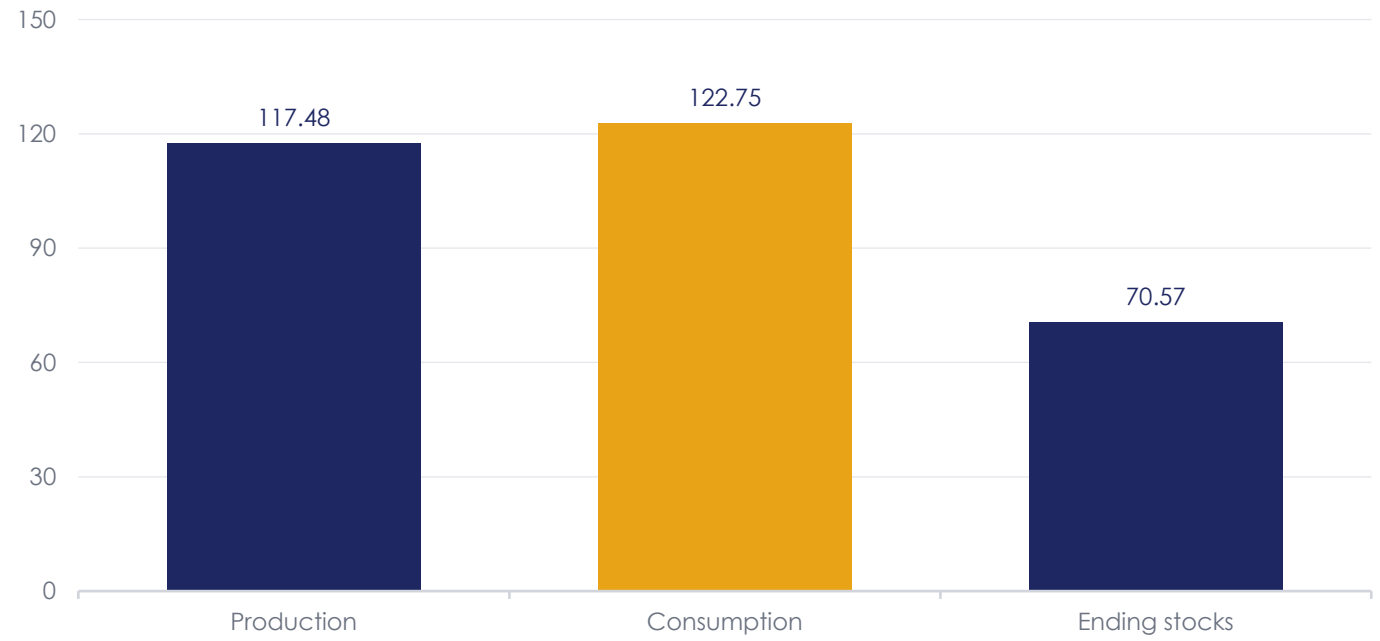
KEY INSIGHT

Crude does not feed cows – but it decides whether a cotton farmer plants cotton next June, and therefore how much seed the crusher gets in 2027-28.

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November WASDE: world use exceeds output by 5.3 million bales – but 70.6 million bales of stocks remain

World cotton 2026-27, November WASDE (million 480-lb bales)



−5.27 m bales

2026-27 world deficit: production 117.48 vs use 122.75 – stocks drawn for a second year

13.18 m bales

US crop, cut again in November; US ending stocks 3.70 m – the tightest major exporter

57%

World stocks-to-use – still comfortable; Brazil's exportable surplus caps the upside for lint prices

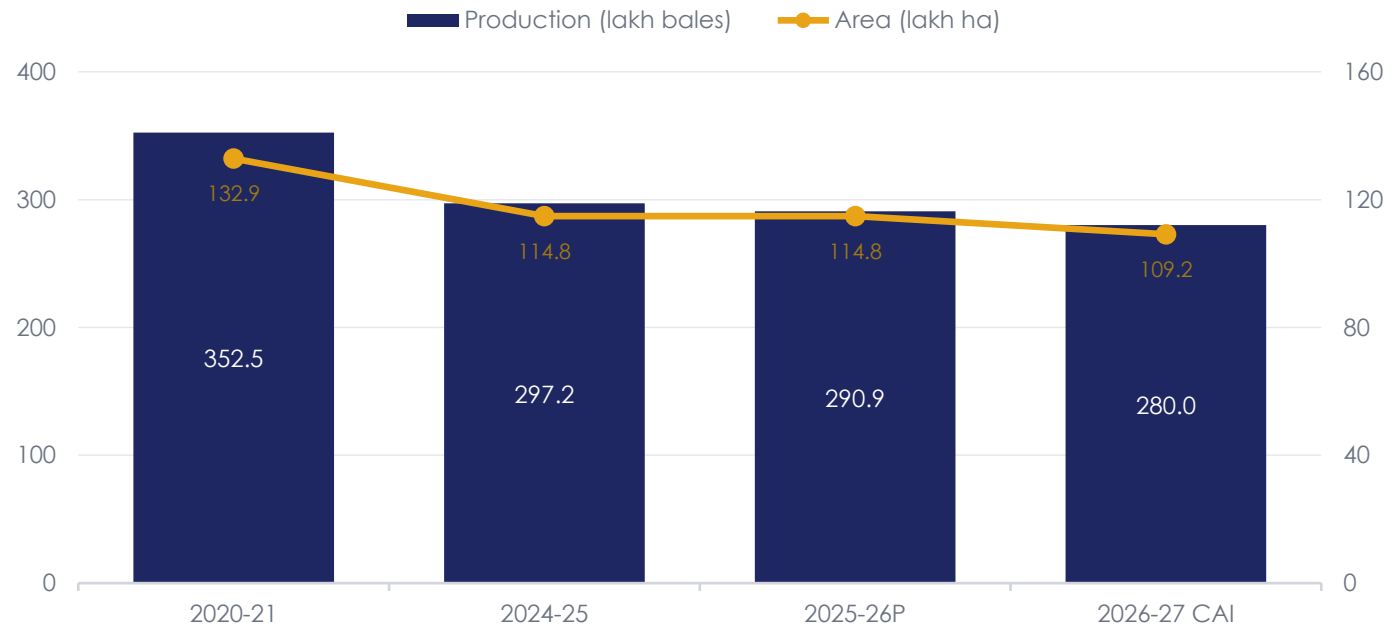
KEY INSIGHT

The world is short of cotton at the margin but not short of stocks – supportive for Indian lint parity, but it is India's own seed balance, not the global one, that drives the cake.

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Output −17% and area −18 lakh ha since 2020-21 – raw-cotton imports have jumped 80% to fill the gap

India cotton production (lakh bales of 170 kg, bars) and area (lakh ha, line) – Government COCPC series



−17%

352.48 → 290.91 lakh bales, 2020-21 to 2025-26 (provisional) – Rajya Sabha reply, Jul 2026

+80%

Raw-cotton imports 5.62 → 10.13 lakh t in 2025-26; import duty waived to feed the mills

428–451 kg/ha

Yield flat for five years – the decline is acreage, as farmers moved to soybean, maize and pulses

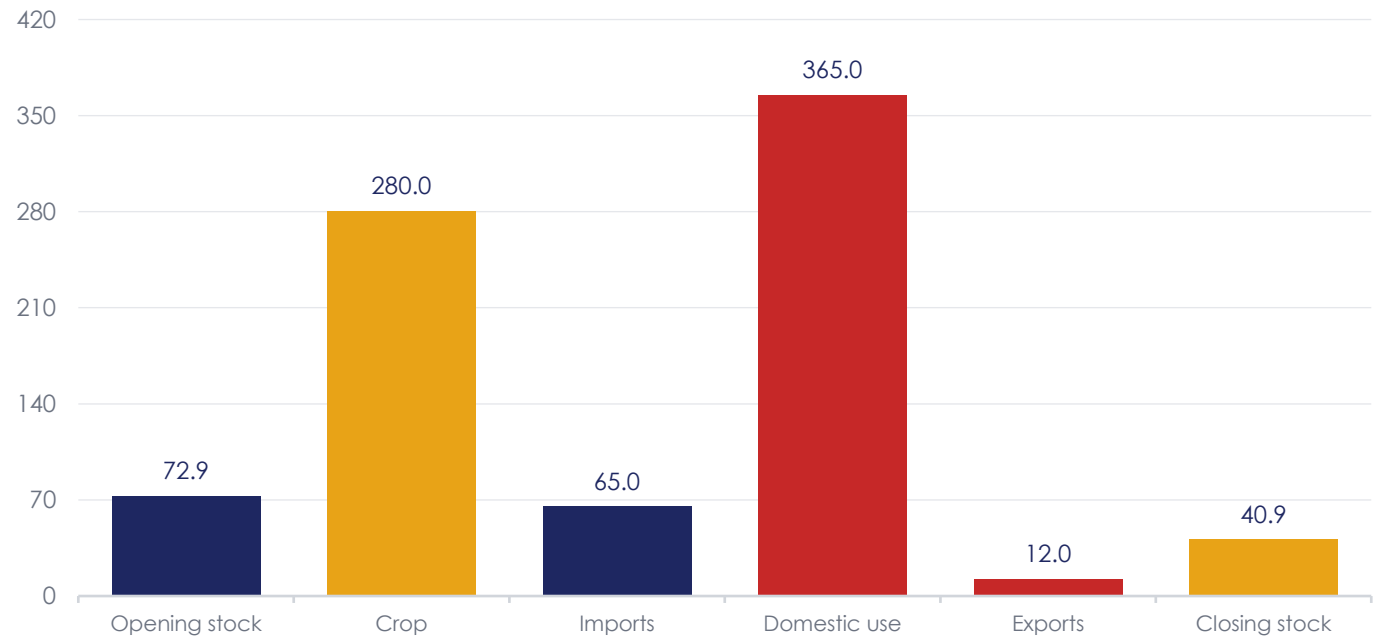
KEY INSIGHT

Imported lint keeps the spinning mills running – but an imported bale brings no cottonseed to an Indian crusher. The textile fix is not a feed fix.

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A 280-lakh-bale crop, down 14%: closing stocks fall from 72.9 to 40.9 lakh bales and stocks-to-use halves to 11%

CAI cotton balance sheet, 2026-27 first estimate (lakh bales of 170 kg)



−14.0%

Crop 280 vs 325.69 lakh bales (revised 2025-26) – CAI, 2 Nov 2026, ±3%

11.2% vs 20.0%

Closing stock / domestic use: 40.88 ÷ 365 against 72.88 ÷ 365 a year ago (derived)

65 lakh bales

Imports needed to balance – a record, and every one of them seedless

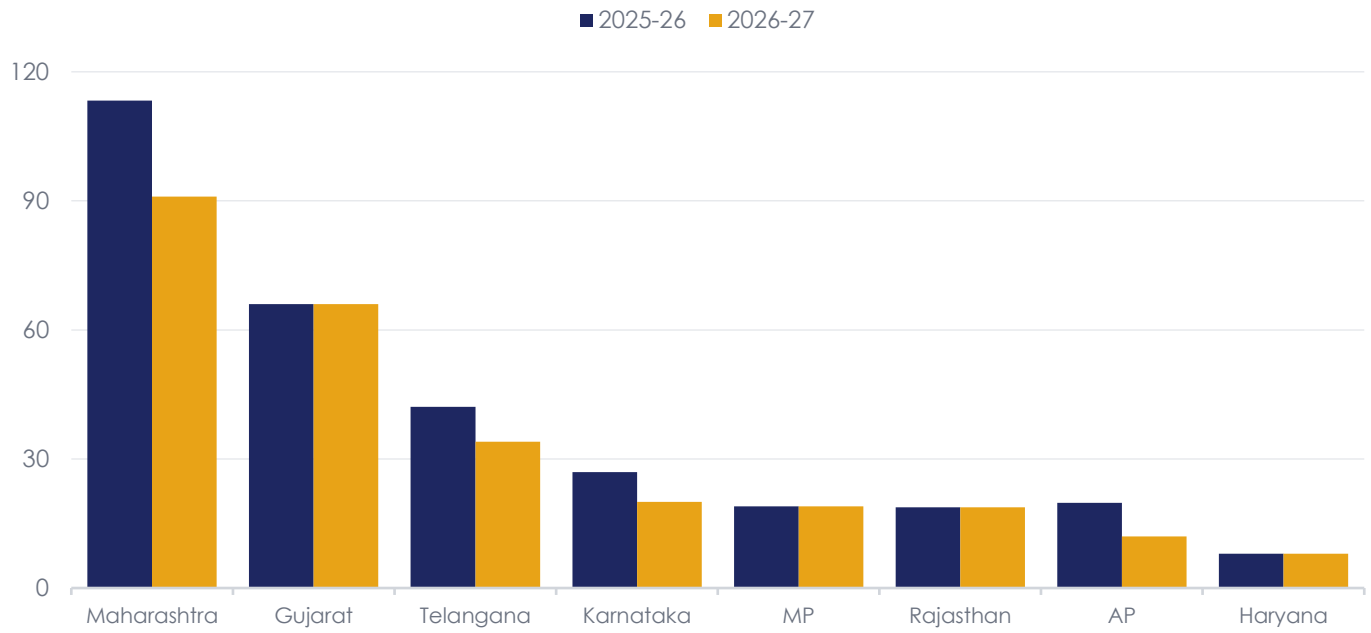
KEY INSIGHT

Total supply 417.88 against demand of 377: the lint market balances only with record imports – the seed market has no such valve.

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State by state: Maharashtra loses 22 lakh bales, Telangana 8, Karnataka 7, Andhra 8 – the crushing belt takes the hit

CAI state-wise crop estimate (lakh bales of 170 kg) – 2025-26 revised vs 2026-27 first estimate



56%

Maharashtra + Gujarat share of the 2026-27 crop – the Akola/Kadi delivery belt

−19.7%

Maharashtra: 113.35 → 91 lakh bales – the home of the Akola basis (derived)

−0.6%

National sowing 109.17 vs 109.87 lakh ha – so the crop loss is yield and abandonment, not area

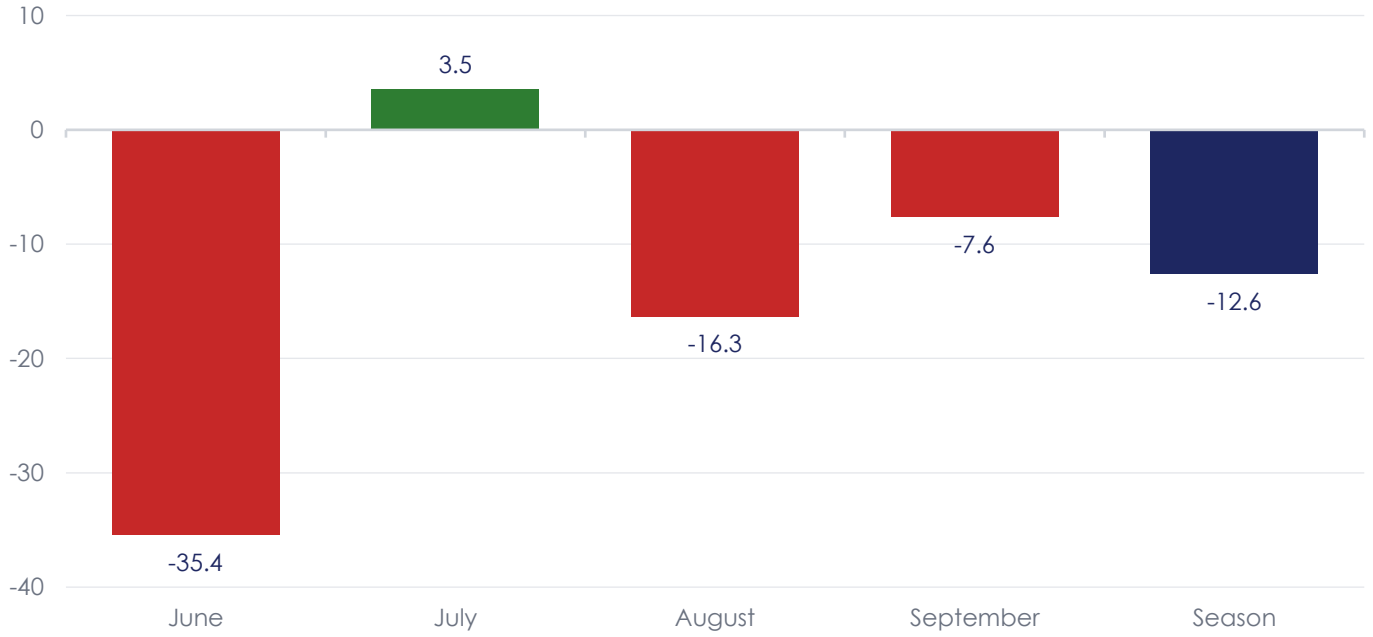
KEY INSIGHT

The loss is concentrated where the crushers are: Maharashtra, Telangana and Andhra – the states that feed the Akola and Wardha delivery warehouses.

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A deficient monsoon – June 35% short, August 16% short – hit the boll-development window in the Deccan cotton belt

All-India southwest monsoon 2026 – departure from normal by month (%)



Supply: unambiguously negative

June deficit delayed planting; August stress cut boll retention; the southern peninsula was the weakest region – Telangana, Karnataka, Andhra.

Demand: two-sided

Less green fodder pushes farmers to concentrates like oilcake – but lower milk yields and cash-flow strain can cap what they can afford.

Very strong El Niño

IMD, 31 Oct: conditions persist through Nov–Dec; USDA trims 2027 Indian milk growth to 2% on dryness.

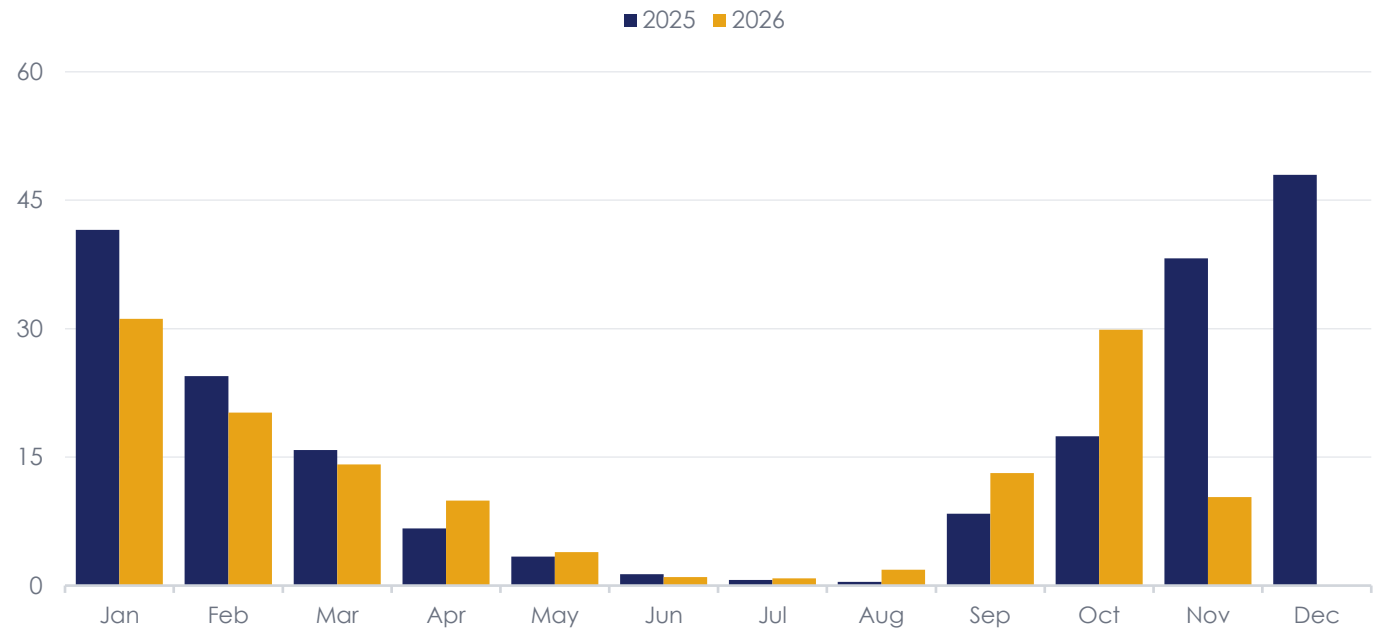
KEY INSIGHT

We classify rainfall as supply-positive and demand-ambiguous for the cake – the bullish case needs dairy procurement prices to keep rising alongside feed costs.

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New-crop arrivals came early – October 29.9 lakh bales vs 17.4 last year – but November has slowed to 10.4

All-India cotton mandi arrivals (lakh bales) – 2025 vs 2026 by month



+71%

October 2026 vs October 2025: 29.87 vs 17.44 lakh bales – an early, front-loaded harvest (derived)

126 vs 120

Jan–Oct 2026 vs Jan–Oct 2025 (lakh bales) – +5%: early pressing, not a bigger crop

10.35 lakh

November 2026 to date vs 38.20 in Nov-25 and a 36.5 five-year average – the pipeline thins fast after the early flush

KEY INSIGHT

An early flush compresses the arrivals season: what came in October will not come again in November–December – the seed pipeline to crushers empties sooner.

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Seven years of arrivals: 2026's eleven-month total of 136 lakh bales is the lowest since 2021

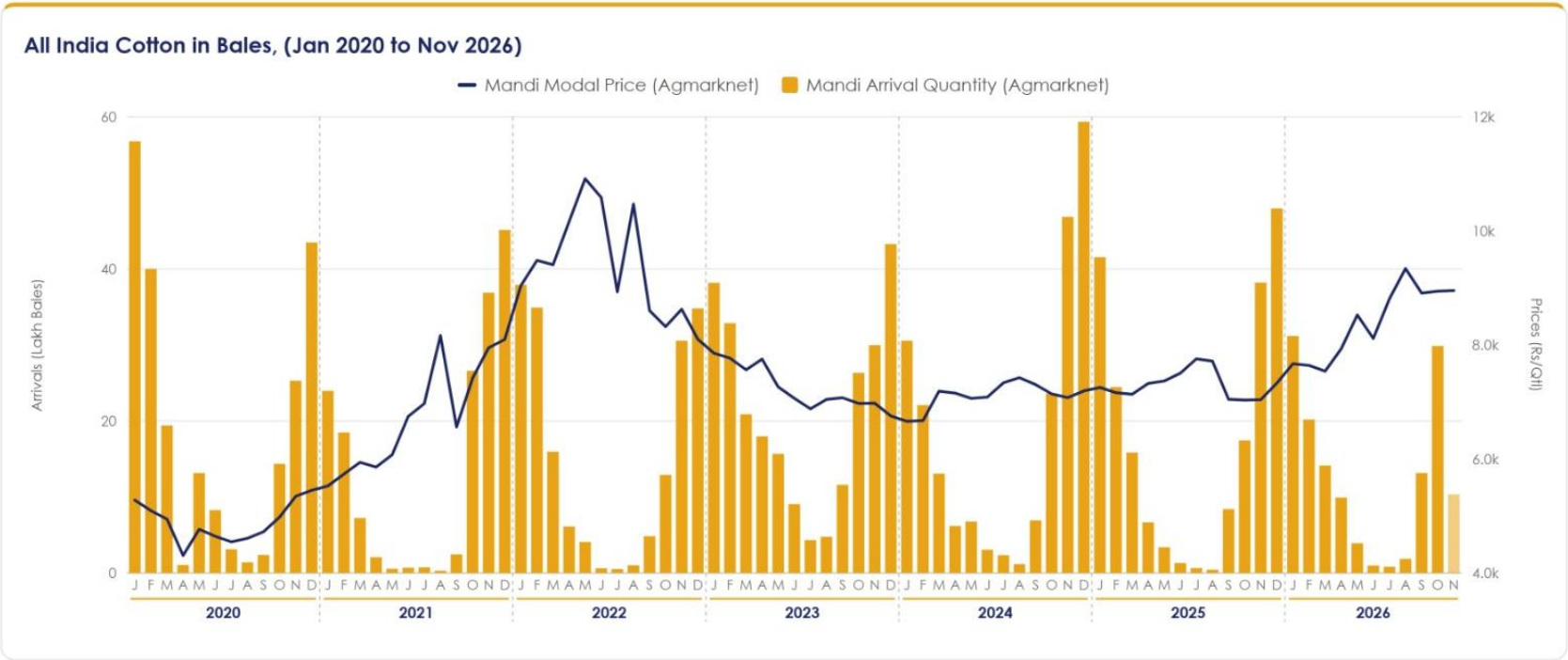
ALL INDIA COTTON IN BALES MANDI ARRIVALS MOVEMENT SINCE 2020 (LAKH BALES)													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	56.78	39.98	19.41	1.06	13.15	8.27	3.13	1.41	2.38	14.36	25.30	43.47	**228.70**
2021	23.96	18.47	7.24	2.08	0.56	0.69	0.75	0.30	2.46	26.60	36.87	45.12	**165.11**
2022	37.90	34.91	15.96	6.12	4.08	0.62	0.52	1.02	4.84	12.91	30.56	34.80	**184.24**
2023	38.17	32.87	20.88	17.98	15.67	9.06	4.33	4.76	11.61	26.33	29.97	43.27	**254.91**
2024	30.56	22.08	13.07	6.19	6.77	3.07	2.35	1.18	6.92	23.62	46.85	59.35	**222.00**
2025	41.55	24.46	15.84	6.67	3.39	1.32	0.65	0.43	8.41	17.44	38.20	47.97	**206.34**
2026	31.17	20.19	14.14	9.93	3.91	0.99	0.83	1.86	13.15	29.87	10.35[P]		**136.40** (11m)
Average 5 Years	**34.43**	**26.56**	**14.60**	**7.81**	**6.10**	**2.95**	**1.72**	**1.54**	**6.85**	**21.38**	**36.49**	**46.10**	

KEY INSIGHT

2023 brought 255 lakh bales and 2024 222; 2025 fell to 206 – 2026 is tracking lower still, consistent with a 280-lakh-bale crop and a five-year decline.

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Arrivals and the mandi price since 2020: smaller 2026 bars, and a price line at its highest since 2022



KEY INSIGHT

Kapas near ₹9,000/qtl into a harvest – 25–30% above last year – tells the crusher his seed will cost more; that cost is the floor under the cake.

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India's cottonseed stocks-to-use is already 3.0% – the lowest in the series – before CAI's 14% crop cut is even reflected

India - Cottonseed balance sheet

'000 MT unless shown | 2019/20 to 2026/27

'000 MT	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27*
AREA & YIELD								
Area Harvested '000 ha	13,400	13,286	12,372	12,927	12,680	11,484	11,525	11,500
Yield t/ha	*0.90*	*0.88*	*0.83*	*0.86*	*0.85*	*0.89*	*0.88*	*0.87*
SUPPLY								
Beginning Stocks	454	450	450	410	376	424	313	317
Production	12,100	11,675	10,316	11,166	10,783	10,189	10,104	9,977
Imports	6	0	1	0	0	0	0	0
Total Supply	**12,560**	**12,125**	**10,767**	**11,576**	**11,159**	**10,613**	**10,417**	**10,294**
DEMAND								
Domestic Consumption (total)	**12,109**	**11,674**	**10,357**	**11,200**	**10,735**	**10,300**	**10,100**	**9,990**
Crush	9,650	9,750	9,000	9,500	9,400	9,100	9,000	8,950
Food Use	0	0	0	0	0	0	0	0
Feed & Waste	2,459	1,924	1,357	1,700	1,335	1,200	1,100	1,040
Exports	1	1	0	0	0	0	0	0
STOCKS								
Ending Stocks	**450**	**450**	**410**	**376**	**424**	**313**	**317**	**304**
Stock-to-use (%)	**3.7**	**3.9**	**4.0**	**3.4**	**3.9**	**3.0**	**3.1**	**3.0**

3.0%

Ending stocks ÷ use, 2024/25 to 2026/27* – down from 3.7–4.0% in 2019/20–2021/22

99.8 lakh t

2026/27* cottonseed production (9,977 kt) vs 121 lakh t in 2019/20 – an 18% decline in seven years

~87 lakh t

If CAI's 14% cotton-crop cut flows through to seed: 10,104 × 0.86 (Kedia sensitivity) – crush would fall below 80 lakh t

KEY INSIGHT

Three years of sub-3.2% stocks-to-use mean there is no cushion – the balance sheet still assumes a near-normal 2026/27 crop; CAI's number would take it tighter still.

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World cottonseed output falls 6% in 2026/27 to 395 lakh t – India is a quarter of it, and the world has no surplus to send

World - Cottonseed balance sheet

'000 MT unless shown | 2019/20 to 2026/27

'000 MT	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27*
AREA & YIELD								
Area Harvested '000 ha	33,583	30,811	31,558	31,069	30,406	29,525	29,102	27,076
Yield t/ha	*1.24*	*1.29*	*1.26*	*1.30*	*1.30*	*1.40*	*1.45*	*1.46*
SUPPLY								
Beginning Stocks	1,855	1,621	1,669	1,498	1,468	1,647	1,583	1,437
Production	41,474	39,769	39,609	40,312	39,529	41,236	42,183	39,541
Imports	723	807	994	1,366	1,187	927	829	885
Total Supply	**44,052**	**42,197**	**42,272**	**43,176**	**42,184**	**43,810**	**44,595**	**41,863**
DEMAND								
Domestic Consumption (total)	**41,547**	**39,565**	**39,573**	**40,603**	**39,327**	**41,312**	**41,785**	**39,468**
Crush	31,183	30,027	30,031	30,206	31,429	31,269	31,241	29,802
Food Use	0	0	0	0	0	0	0	0
Feed & Waste	10,364	9,538	9,542	10,397	7,898	10,043	10,544	9,666
Exports	884	963	1,201	1,105	1,210	915	1,313	929
STOCKS								
Ending Stocks	**1,621**	**1,669**	**1,498**	**1,468**	**1,647**	**1,583**	**1,497**	**1,466**
Stock-to-use (%)	**3.8**	**4.1**	**3.7**	**3.5**	**4.1**	**3.7**	**3.5**	**3.6**

−6.3%

World production 42,183 → 39,541 kt (2025/26 → 2026/27*) on a 7% fall in harvested area

−4.6%

World crush 31,241 → 29,802 kt – less cottonseed meal and oil everywhere, not just in India

929 kt

World cottonseed exports – 2% of output; India imports none – there is no import valve for seed

KEY INSIGHT

Cottonseed is barely traded – 2% of world output crosses a border – so an Indian seed shortfall must be solved by Indian prices, not by imports.

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Crushers earn from oil and cake together – ₹1.39 lakh/t oil keeps the crush running as seed gets dearer

Margin = oil + cake − seed − processing

High edible-oil prices raise the incentive to buy and crush seed – adding cake supply; collapsing oil margins idle plants and tighten cake even with seed available.

Competing with palm and soy oil

SEA, 13 Nov: washed cottonseed oil ₹1,39,000/t, refined ₹1,44,000/t; crude palm oil C&F Mumbai $1,180/t. Edible-oil import duty and CPO parity set the ceiling.

Why oil is not automatically bullish for cake

If oil realisations are rich, crushers crush more and cake supply rises; the bull case needs limited cake output even after the crusher's response to high oil prices.

₹1,380/10 kg

NCDEX cotton wash oil, Akola spot, 12 Nov 2026

₹1,44,000/t

Refined cottonseed oil, SEA 13 Nov 2026

₹34,000/t

Cotton extraction (de-oiled), ex-Guntur – +3.0% in a month

₹38,270/t

COCUDAKL undecorticated cake (₹3,827/qtl) – the oil-bearing grade trades above the extraction

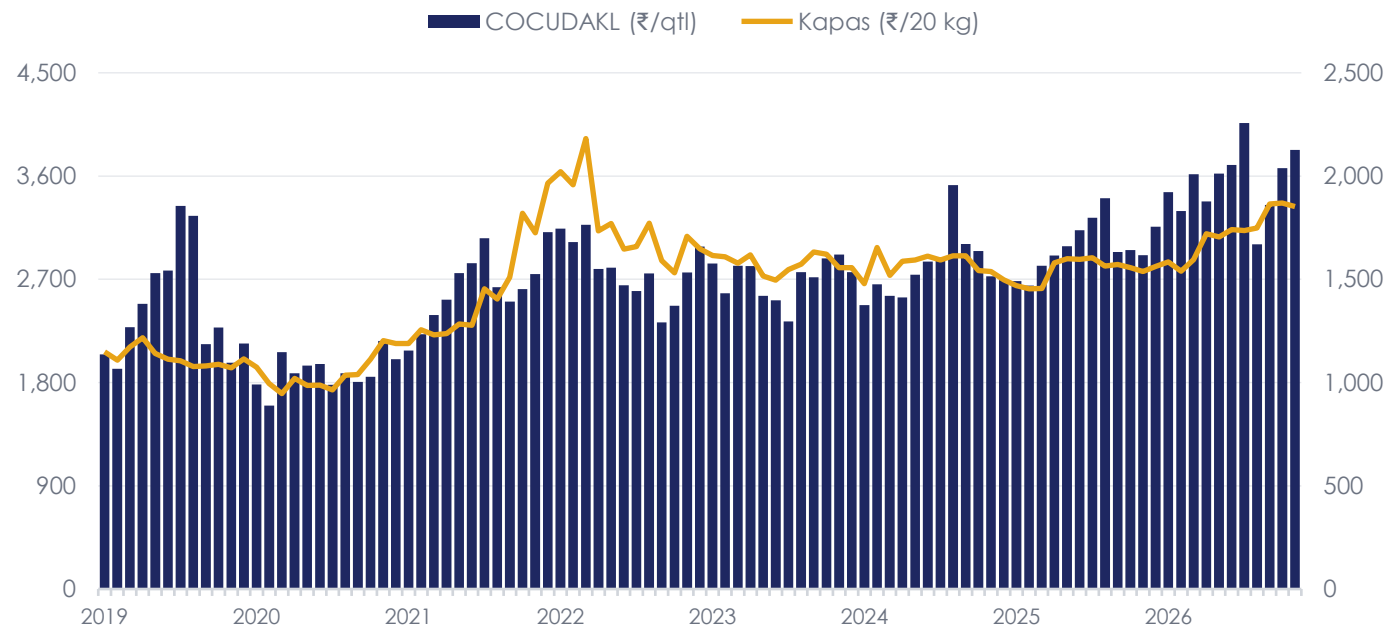
KEY INSIGHT

Watch the crush, not just the seed: strong oil prices keep plants running and cake flowing – a seed shortage only becomes a cake shortage when the crushers cannot buy seed.

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Kapas and cake move together (0.72 correlation) – but the cake has re-rated against seed cotton since 2022

NCDEX kapas (₹/20 kg, line) vs COCUDAKL (₹/qtl, bars) – monthly close, 2019 – Nov 2026



0.72 / 0.74

Correlation of COCUDAKL with kapas – price levels / year-on-year changes, 95 months

0.18 / 0.57

Correlation with ICE cotton – weak on levels, meaningful on yearly change: the world price matters only through the cycle

≈ 0

Correlation with CBOT soymeal (−0.02 / 0.18) – the cake is not priced off global protein

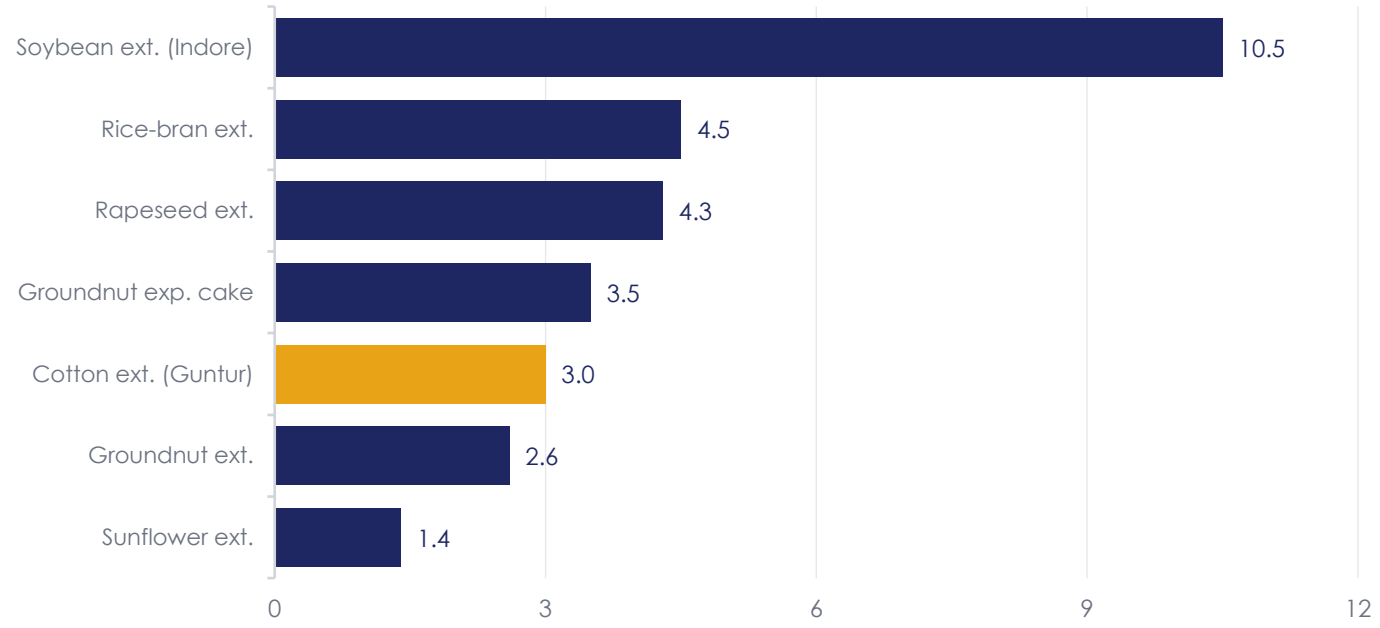
KEY INSIGHT

The cake is an Indian seed-and-dairy market: it follows kapas, echoes the crude cycle, and ignores Chicago soymeal – so the analysis must stay domestic.

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Every competing meal rose in the last month – soymeal +10.5% – the whole protein complex is inflating

SEA matched quotations – price change 13 Oct → 13 Nov 2026 (%)



₹63,000/t

Soybean extraction, Indore, 13 Nov – from ₹57,000 a month earlier; the benchmark dairy protein

₹29,200/t

Rapeseed extraction, Rajasthan (+4.3%) – the cheapest protein, and it is rising too

₹5,500/qtl

Guar korma, Jodhpur spot, 12 Nov – guar's own doubling has taken the premium feed with it

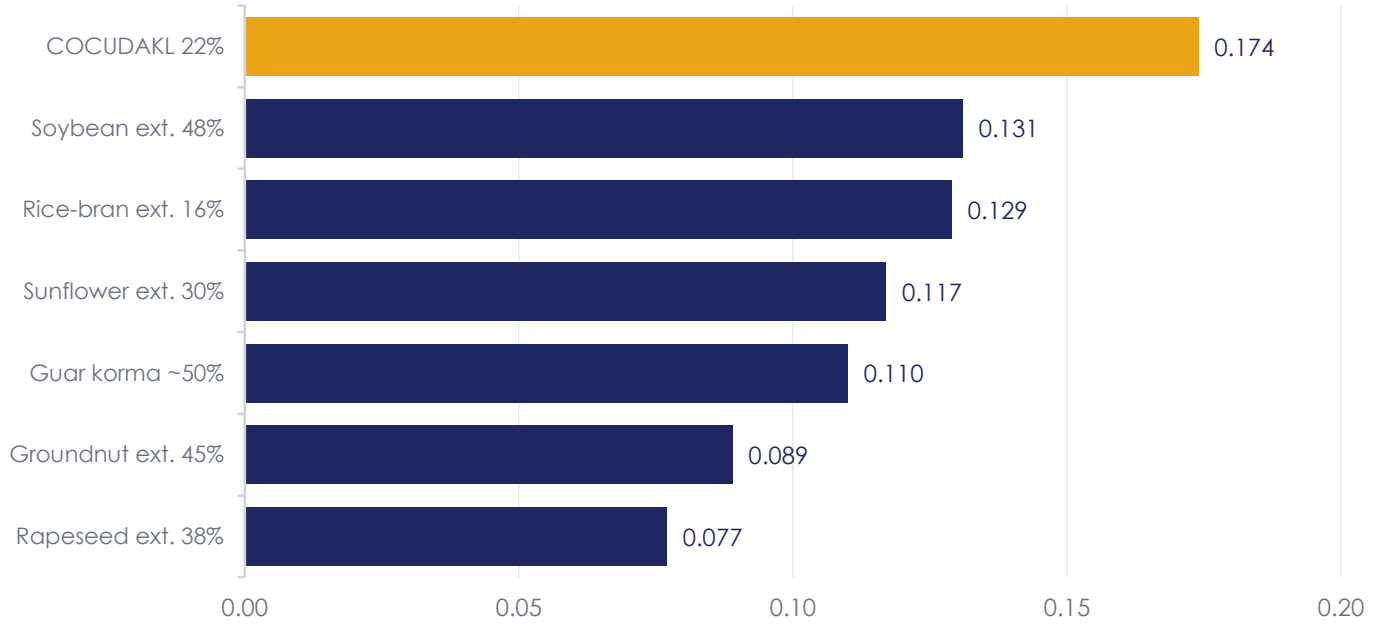
KEY INSIGHT

A formulator who cannot escape to soymeal, mustard cake or korma has nowhere cheap to go – rising substitutes improve the cake's relative demand opportunity, not just its price.

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On protein alone the cake is the dearest feed – it sells on energy, fibre, residual oil and local availability

Cost per gram of crude protein (₹) – 13 Nov 2026 quotations ÷ stated protein %



What the farmer actually buys

₹38.27/kg for a pellet with 22% protein, 6.5%+ oil and 27% fibre – a complete ration ingredient, not a protein concentrate.

Why dairies still choose it

Residual fat supports milk fat – the component dairies are short of – and the fibre suits ruminants; gossypol limits inclusion in young stock.

Delivered, not quoted

In Vidarbha, Saurashtra and Rajasthan the cake is the local feed; soymeal and korma carry freight – the landed gap is smaller than the chart.

KEY INSIGHT

Do not sell the cake as cheap protein – it is not. Sell it as the fat-and-fibre ingredient a fat-short dairy industry needs, in the states where it is made.

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Guar's doubling has pulled korma to ₹5,500 – the premium alternative is gone; pulse churi is a data gap

Guar korma	**₹5,500/qtl Jodhpur (NCDEX spot, 12 Nov)** Guar seed up 60–70% y/y; Rajasthan crop ~half of normal; korma supply falls with gum crushing
Guar churi	**Rajasthan dairy tender rates – to be verified** Lower protein than korma; tracks korma with a lag
Chana churi	**Indore / regional feed-mill offers – to be verified** Gram milling by-product; depends on dal mill throughput, not the gram price
Tur / moong / urad chuni	**Milling-centre cash rates – to be verified** A rising pulse price can coexist with cheaper chuni if milling expands

₹5,500 vs ₹3,827

Guar korma vs cottonseed cake per quintal – korma premium 44%

~36–37 lakh bags

Rajasthan 2026 guar crop (trade) vs 70–72 in a normal year – less gum, less korma

4 quotes pending

Churi/chuni cash prices not found in an authenticated November source – we show the gap rather than invent it

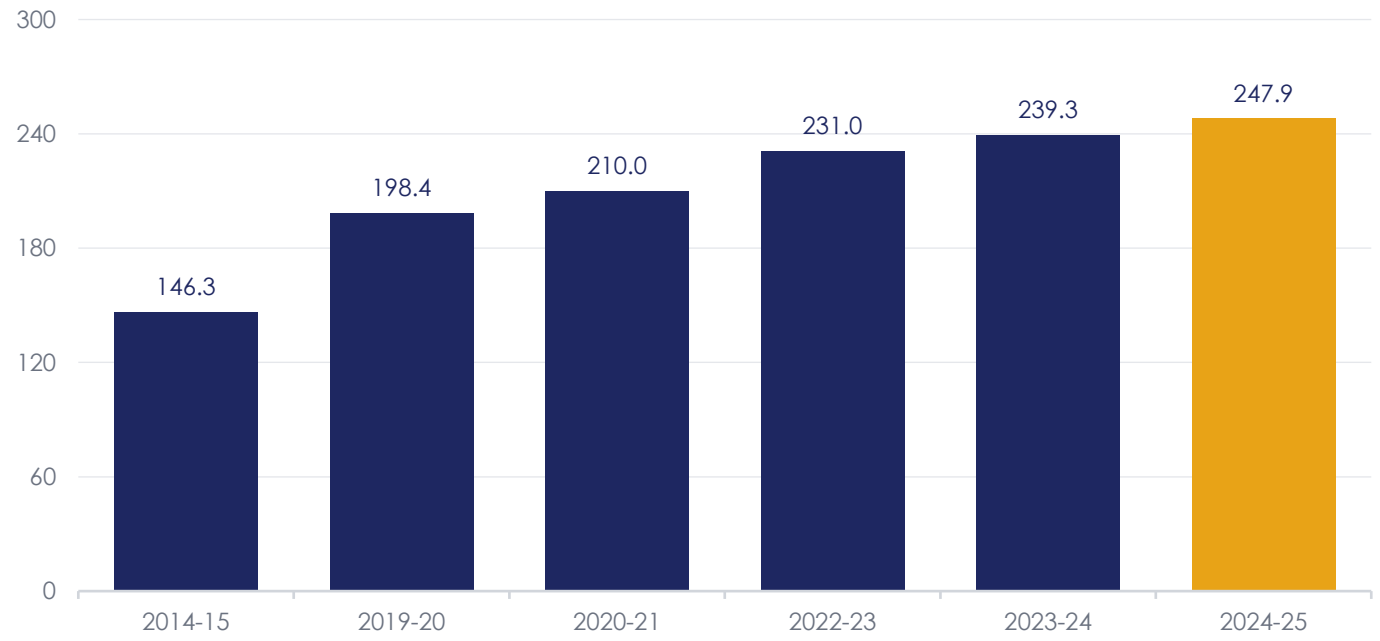
KEY INSIGHT

When the premium alternative doubles and the cheap alternatives cannot be verified, the feed-mill's path of least resistance is the cake it already knows.

KEDIA ADVISORY

India's 248-million-tonne milk economy grows 3–4% a year – and every extra litre is fed on concentrates

India milk production (million tonnes) – Basic Animal Husbandry Statistics



247.87 mt

2024-25 milk output, +3.58% – 25% of world production; per-capita 485 g/day

57.7 mt

Commercial compound feed output 2025 – rising to ~77 mt by 2031 (6.4% CAGR)

UP · RJ · MP · GJ · MH

Top five milk states = 54% of output – Rajasthan, Gujarat and Maharashtra are also the cotton states

KEY INSIGHT

The geography is the thesis: the cotton belt and the milk belt are the same belt – cake is made where it is eaten, and the herd never stops eating.

KEDIA ADVISORY

Amul, Mother Dairy and Nandini raised milk ₹2–4/litre on 12 November – the second hike since May

1 May 2025

Amul +₹2/l

First hike of the cycle; Mother Dairy follows in April

14 May 2026

Amul & Mother Dairy +₹2/l

Cattle feed, packaging and fuel costs; procurement +6% y/y

12 Nov 2026

Amul +₹2–4, Mother Dairy +₹2–4, Nandini

Taaza ₹62/l, Gold ₹80/l; 'to maintain remunerative prices for farmers'

+5.5%

Amul Gold: ₹76 → ₹80/l – the fat-rich variant took the bigger hike

75–80%

Share of sales realisation Amul and Mother Dairy pass to farmers – hikes reach the farm gate

Farm-gate transmission

Mother Dairy: procurement prices up ~6% in a year; the November revision follows a further increase in what farmers are paid.

Milk-to-feed ratio improving

Higher procurement receipts per litre against ₹38/kg cake restore the farmer's ability to buy concentrates after a dry monsoon.

The signal we wanted

Our bull case needed dairy prices to rise alongside feed costs – two hikes in six months is that confirmation.

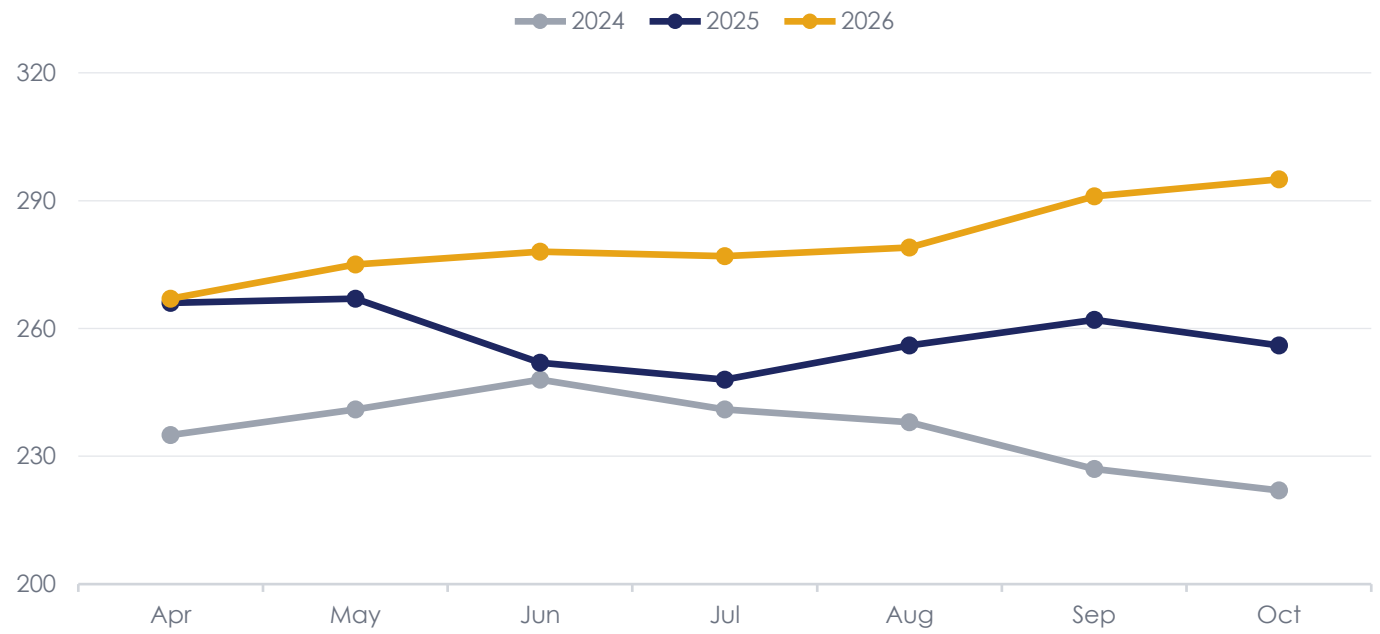
KEY INSIGHT

When Amul raises Gold by ₹4 and says it is to keep farmers producing, the money for cottonseed cake is being put into the farmer's hand.

KEDIA ADVISORY

SMP at ₹295/kg – up 15% in a year, 33% in two – while butter has jumped 44%: fat is tighter than powder

Indian ex-dairy SMP price (₹/kg) – April to October, 2024 / 2025 / 2026



+15.2% / +32.9%

October SMP: ₹256 → ₹295 y/y; ₹222 → ₹295 over two years

₹537/kg butter

October 2026 ex-dairy butter, +44% y/y – milk fat is the scarce component

28,000 t

USDA 2026 India SMP ending stocks on 790k output / 778k use – tight, with imports of only 1,000 t

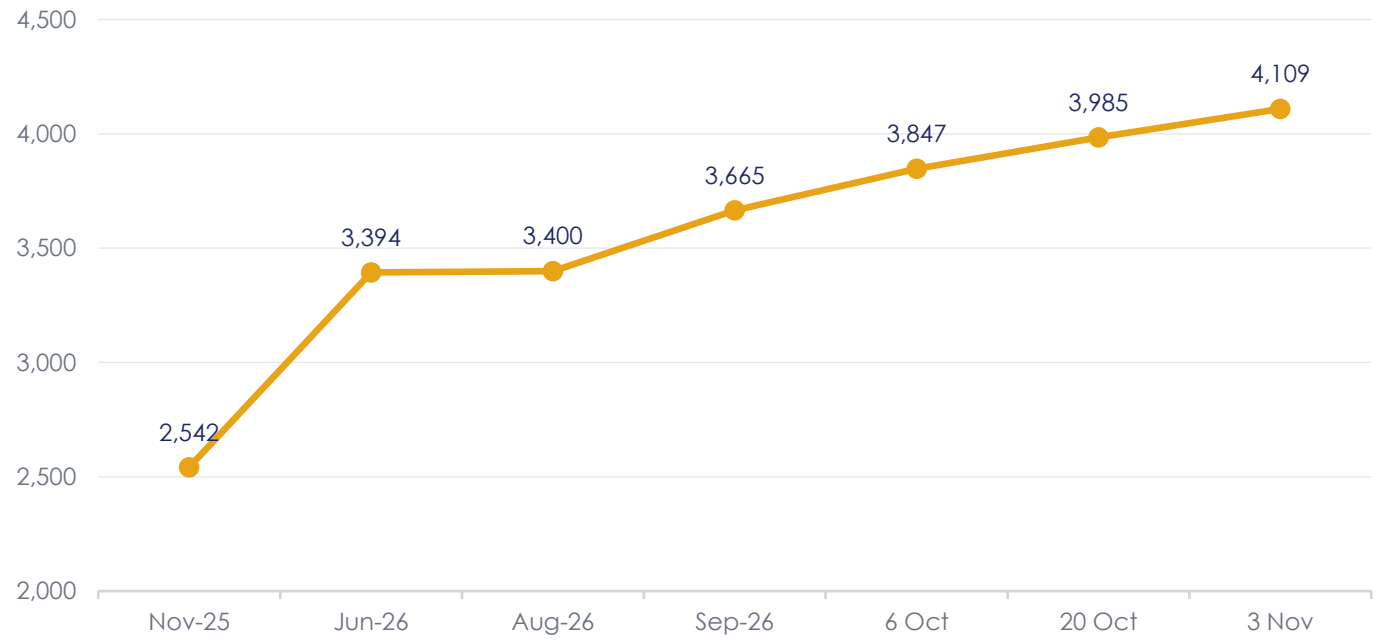
KEY INSIGHT

Powder up 15%, butter up 44%: dairies are short of fat – and the oil-bearing cottonseed cake is the feed ingredient that supports milk fat.

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GDT skim milk powder at $4,109/t – the highest since June 2022, up 22% in six auctions; EU SMP up 59% in a year

Global Dairy Trade – SMP average winning price (US$/t), selected 2026 auctions



$4,109/t

GDT SMP, 3 Nov 2026 (+3.1%) – highest since June 2022; SMP above WMP for three auctions

+59%

EU average SMP €3,427/t, early Nov – the strongest gain among milk powders

No import valve

India imports ~1,000 t of SMP – world prices set no ceiling on Indian dairies, but they remove any cheap import relief

KEY INSIGHT

Protein is dear everywhere: world SMP at a four-year high means Indian dairies cannot import their way out of a tight powder balance – they must milk more cows, and feed them.

KEDIA ADVISORY

Maharashtra's analogue-paneer ban and FSSAI's draft rules push HORECA demand back to real milk

30 Jul 2026 · Maharashtra order (Tukaram Mundhe)

Analogue / non-dairy paneer restricted for one year after failed FDA tests – restaurants and caterers must source milk-based paneer.

24 September 2026 · FSSAI draft amendment

National draft on paneer made with non-milk constituents – a regulatory floor under genuine dairy solids in food service.

Sensitivity, not a forecast

Every 100 t/day of genuine paneer needs ~6–8 lakh litres of milk a day – milk that must be produced by a herd fed on concentrates.

6–8 l/kg

Milk required per kg of paneer (illustrative yield)

46 lakh

Weddings in the Nov–Dec 2025 season (CAIT, ₹6.5 lakh cr) – 2026 estimate pending

8.94%

Food inflation, Oct 2026 (CPI 6.09%) – dairy is a visible part of it

131.5 mt

USDA 2027 factory use of milk – processing demand grows faster than liquid consumption

KEY INSIGHT

Regulation that forces paneer back to milk is a structural, not seasonal, lift to raw-milk procurement – the HORECA channel now needs the cow, and the cow needs the cake.

KEDIA ADVISORY

Food inflation at 8.9%, war-driven freight and edible-oil costs, and a weak monsoon – the macro cuts both ways for the cake

WHAT HELPS THE CAKE

Feed-input inflation

Soymeal +10.5% in a month makes the cake relatively attractive in the ration

Edible-oil import parity

CPO $1,180/t C&F keeps cottonseed oil valuable and the crush economic

Crude and freight

War premium on imported oil and fertiliser raises the floor under domestic agri inputs

Milk price transmission

Two cooperative hikes in six months, 75–80% passed to farmers

WHAT HURTS THE CAKE

Food inflation 8.94%

Squeezes household and restaurant demand for dairy products

Farmer cash flow

High concentrate costs after a dry monsoon can ration feed purchases

Policy risk

Stock limits, export curbs or duty changes on oilseeds and oils can shift crushing margins overnight

Crude reversal

A ceasefire-driven oil slump removes the polyester tailwind for next year's cotton sowing

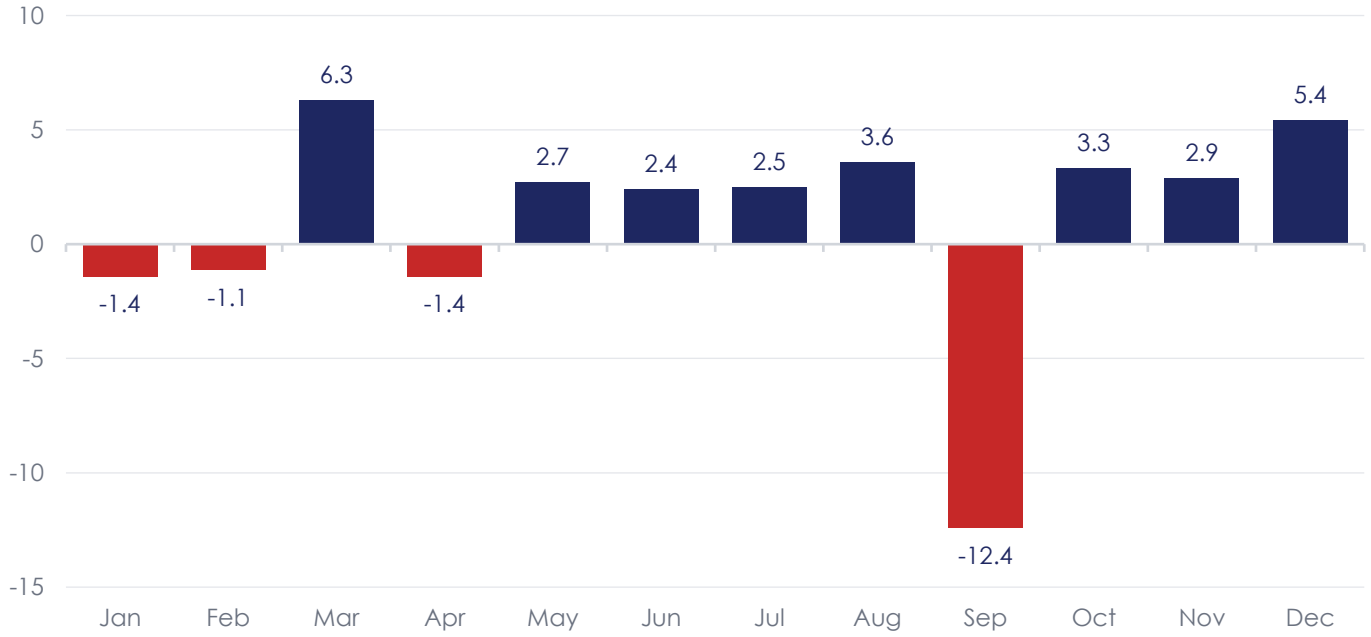
KEY INSIGHT

The bullish macro case is specific – sustained feed-protein demand and a cheaper relative cake – not a generalised bet on inflation.

KEDIA ADVISORY

Eleven years of data: September falls in 10 of 11 years (avg −12%) – December, March and October are strong

COCUDAKL average monthly return by calendar month, 2015–2025 (%)



-12.4% · 1/11 up

September – new-crop arrivals and expiry pressure: the crash we called in 2026 was the eleventh in a row but one

+5.4% · 8/11 up

December – post-harvest restocking by crushers and dairies; March +6.3% (8/11) is the second-strongest

+3.3% / +2.9%

October / November averages, 8 of 11 years up each – the seasonal base is formed in the arrivals trough

KEY INSIGHT

The calendar is on our side from here: the September drawdown is behind us and the Oct–Dec–Mar window has been positive in eight of eleven years each.

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The monthly return table since 2020: September has not had an up-year in five – August and March are the strongest months

COTTONSEED OILCAKE MONTHLY RETURN % SINCE 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Growth
2020	1,783.0 -16.53%	1,598.0 -10.38%	2,066.0 +29.29%	1,882.0 -8.91%	1,949.0 +3.56%	1,961.0 +0.62%	1,780.0 -9.23%	1,880.0 +5.62%	1,806.0 -3.94%	1,851.0 +2.49%	2,164.0 +16.91%	2,003.0 -7.44%	**-133.0** **-6.23%**
2021	2,079.0 +3.79%	2,220.0 +6.78%	2,378.0 +7.12%	2,522.0 +6.06%	2,755.0 +9.24%	2,841.0 +3.12%	3,057.0 +7.60%	2,630.0 -13.97%	2,507.0 -4.68%	2,614.0 +4.27%	2,747.0 +5.09%	3,111.0 +13.25%	**+1,108.0** **+55.32%**
2022	3,142.0 +1.00%	3,026.0 -3.69%	3,175.0 +4.92%	2,791.0 -12.09%	2,802.0 +0.39%	2,648.0 -5.50%	2,598.0 -1.89%	2,752.0 +5.93%	2,325.0 -15.52%	2,469.0 +6.19%	2,767.0 +12.07%	2,977.0 +7.59%	**-134.0** **-4.31%**
2023	2,840.0 -4.60%	2,575.0 -9.33%	2,815.0 +9.32%	2,822.0 +0.25%	2,550.0 -9.64%	2,518.0 -1.25%	2,333.0 -7.35%	2,762.0 +18.39%	2,714.0 -1.74%	2,881.0 +6.15%	2,915.0 +1.18%	2,763.0 -5.21%	**-214.0** **-7.19%**
2024	2,473.0 -10.50%	2,667.0 +7.84%	2,551.0 -4.35%	2,542.0 -0.35%	2,738.0 +7.71%	2,853.0 +4.20%	2,886.0 +1.16%	3,532.0 +22.38%	3,006.0 -14.89%	2,943.0 -2.10%	2,724.0 -7.44%	2,690.0 -1.25%	**-73.0** **-2.64%**
2025	2,684.0 -0.22%	2,642.0 -1.56%	2,816.0 +6.59%	2,905.0 +3.16%	2,988.0 +2.86%	3,125.0 +4.59%	3,237.0 +3.58%	3,397.0 +4.94%	2,936.0 -13.57%	2,961.0 +0.85%	2,907.0 -1.82%	3,161.0 +8.74%	**+471.0** **+17.51%**
2026	3,456.0 +9.33%	3,296.0 -4.63%	3,613.0 +9.62%	3,378.0 -6.50%	3,619.0 +7.13%	3,688.0 +1.91%	4,069.0 +10.33%	3,007.0 -26.10%	3,356.0 +11.61%	3,666.0 +9.24%	3,828.0 +4.42%		**+667.0** (11m) **+21.10%**
Average 5 yrs (2021-2025)	-2.1%	+0.0%	+4.7%	-0.6%	+2.1%	+1.0%	+0.6%	+7.5%	-10.1%	+3.1%	+1.8%	+4.6%	
Up years	2/5	2/5	4/5	3/5	4/5	3/5	3/5	4/5	0/5	4/5	3/5	3/5	

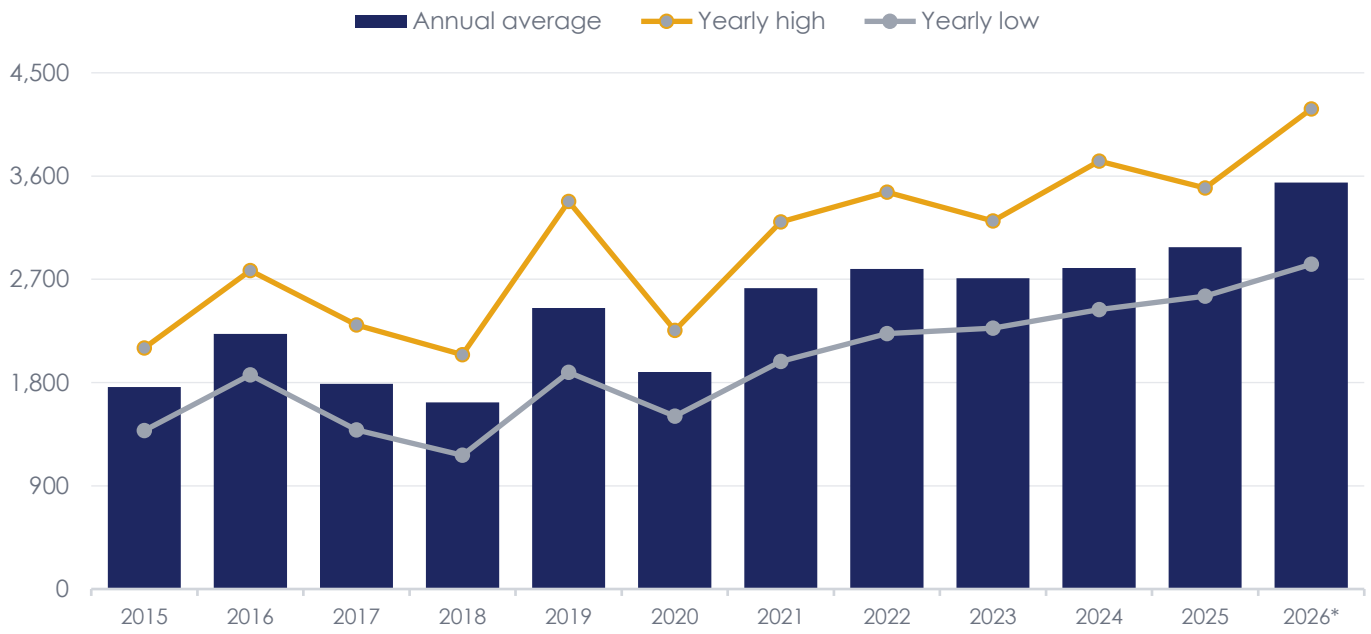
KEY INSIGHT

2026 is already +21% for the year in eleven months, the best since 2021's +55% – and the November +4.4% has reversed the seasonal pattern of a flat November.

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Higher lows every cycle: the annual average has risen from ₹1,761 (2015) to ₹3,544 (2026) – a structural uptrend

COCUDAKL – annual average close (bars) with yearly high and low (₹/qtl), 2015 – 2026*



₹3,544

2026 average to date vs ₹2,981 in 2025 (+19%) and ₹1,761 in 2015 – doubled in a decade

₹2,831 → ₹4,185

2026 low–high range: 48% – the widest in rupee terms (₹1,354) in the series

Low ₹1,166 (2018)

Every cycle low since has been higher: 1,507 (2020), 2,228 (2022), 2,436 (2024), 2,831 (2026)

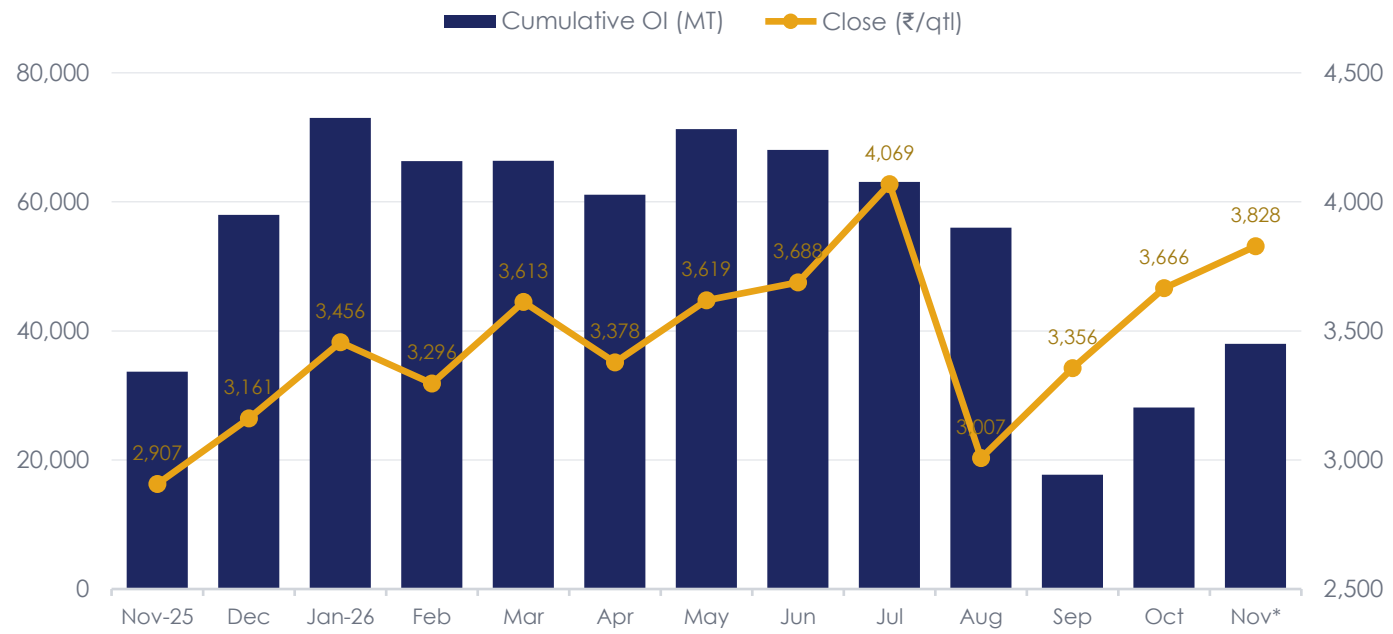
KEY INSIGHT

Rising lows at 1,166 → 1,507 → 2,228 → 2,436 → 2,831 define the super-cycle – a ₹4,850–5,150 objective is the next rung, not a new regime.

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November is fresh buying: price +4.4% with open interest +35% and volume +35% – longs are building, fast and strong

NCDEX COCUDAKL – monthly close (₹/qtl, line) and cumulative open interest (MT, bars), Nov-25 – Nov-26*



Nov: fresh buying

Close ₹3,828 (+4.4%), OI 38,010 MT (+35%), avg daily volume +35% – fast, strong

Aug → Sep → Oct

Long liquidation (−26%, OI −11%) → short covering (+11.6%, OI −68%) → fresh buying (+9.2%, OI +59%)

22% of range

OI 38,010 vs a 36-month high of 1,14,810 (May-25) and low of 15,750 (Sep-25) – plenty of room for longs to build; 58% sits in Dec-26

KEY INSIGHT

The September shorts were squeezed out and October–November brought two months of fresh longs on rising volume – a textbook base-to-breakout positioning turn.

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Month-by-month open interest: the full signal table, November 2025 to November 2026

OPEN INTEREST ANALYSIS

Month	Open	High	Low	Close	% Change	Cumulative OI	% OI Change	Volume	% Vol Change	OI Status	Speed	Strength	Remarks
Nov-26 MTD	3,660.00	3,893.00	3,617.00	3,828.00	4.42	38,010	35.07	1,81,570	35.22	Fresh Buying	Fast	Strong	Strong: Fresh longs added on rising volume - up-move has strong participation.
Oct-26	3,341.00	3,775.00	3,315.00	3,666.00	9.24	28,140	58.62	2,98,390	-9.79	Fresh Buying	Steady	Strong	Strong: Fresh long positions built - bullish bias.
Sep-26	3,007.00	3,480.00	2,831.00	3,356.00	11.61	17,740	-68.33	3,30,770	-37.80	Short Covering	Slow	Strong	Strong: Rise came from shorts exiting, not new buying - may fade once covering ends.
Aug-26	4,060.00	4,185.00	2,994.00	3,007.00	-26.10	56,020	-11.18	5,31,780	-10.75	Long Liquidation	Slow	Strong	Strong: Fall came from longs exiting - selling may ease once unwinding is done.
Jul-26	3,688.00	4,077.00	3,630.00	4,069.00	10.33	63,070	-7.29	5,95,840	18.84	Short Covering	Fast	Moderate	Sharp short covering on high volume - rally driven by shorts exiting.
Jun-26	3,632.00	3,726.00	3,520.00	3,688.00	1.91	68,030	-4.56	5,01,370	-12.50	Short Covering	Slow	Weak	Rise came from shorts exiting, not new buying - may fade once covering ends.
May-26	3,390.00	3,645.00	3,390.00	3,619.00	7.13	71,280	16.68	5,72,970	-0.58	Fresh Buying	Steady	Strong	Strong: Fresh long positions built - bullish bias.
Apr-26	3,634.00	3,693.00	3,287.00	3,378.00	-6.50	61,090	-7.96	5,76,330	-0.92	Long Liquidation	Steady	Moderate	Fall came from longs exiting - selling may ease once unwinding is done.
Mar-26	3,310.00	3,624.00	3,266.00	3,613.00	9.62	66,370	0.08	5,81,660	1.45	Fresh Buying	Steady	Weak	Fresh long positions built - bullish bias.
Feb-26	3,451.00	3,451.00	3,195.00	3,296.00	-4.63	66,320	-9.19	5,73,340	-10.80	Long Liquidation	Slow	Moderate	Fall came from longs exiting - selling may ease once unwinding is done.
Jan-26	3,161.00	3,495.00	3,139.00	3,456.00	9.33	73,030	25.98	6,42,730	42.89	Fresh Buying	Fast	Strong	Strong: Fresh longs added on rising volume - up-move has strong participation.
Dec-25	2,902.00	3,220.00	2,868.00	3,161.00	8.74	57,970	72.12	4,49,820	197.66	Fresh Buying	Fast	Strong	Strong: Fresh longs added on rising volume - up-move has strong participation.
Nov-25	2,950.00	2,974.00	2,845.00	2,907.00	-1.82	33,680	23.42	1,51,120	26.87	Fresh Selling	Fast	Strong	Strong: Heavy fresh selling on rising volume - bearish pressure building.

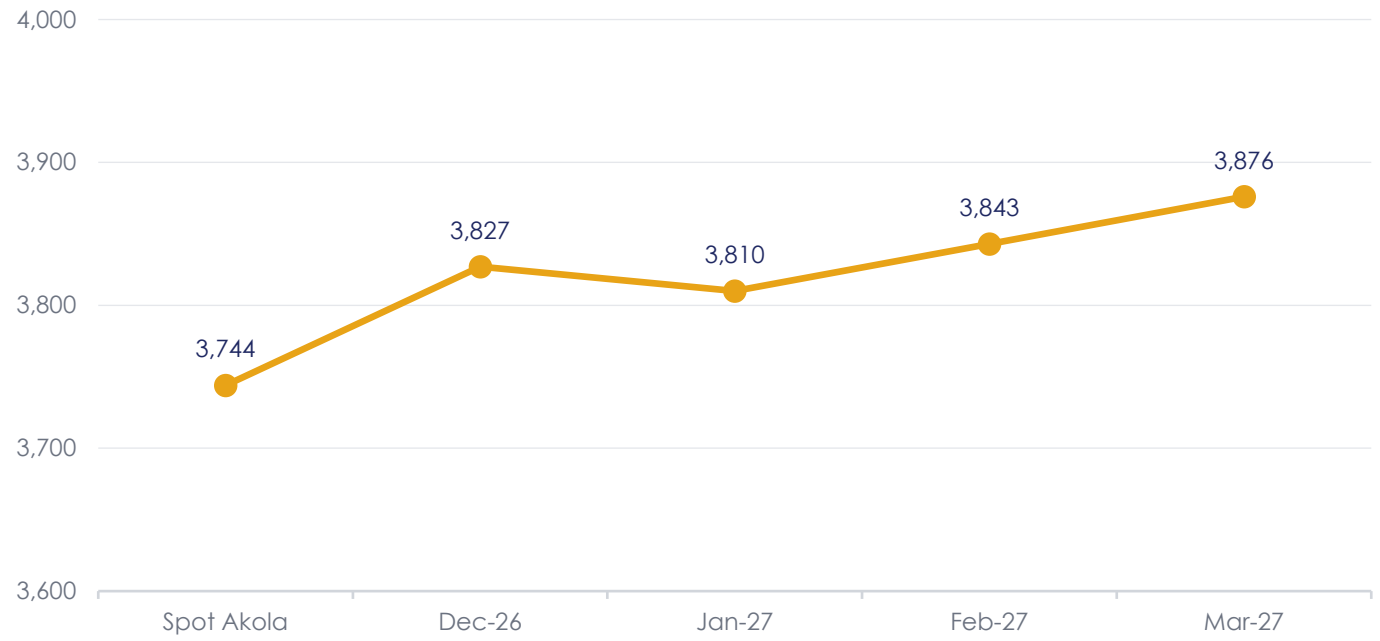
KEY INSIGHT

Read the OI Status column: fresh buying Dec–Jan built the first leg, short covering carried July to the top, long liquidation was the August crash – and fresh buying has returned.

KEDIA ADVISORY

Futures lead spot by ₹83 and the curve is flat-to-contango into March – the market pays to hold cake

COCUDAKL term structure, 13 Nov 2026 close (₹/qtl) vs Akola spot (12 Nov)



+₹83

Dec futures over Akola spot (₹3,827 vs ₹3,744) – futures are pulling the physical, not the other way

–₹17 / +₹49

Jan below Dec (arrivals dip), then Feb–Mar at a premium: the curve expects a tighter post-harvest market

₹86

Akola–Kadi spot differential (₹3,744 vs ₹3,658) – Gujarat cake cheaper as its crop held at 66 lakh bales

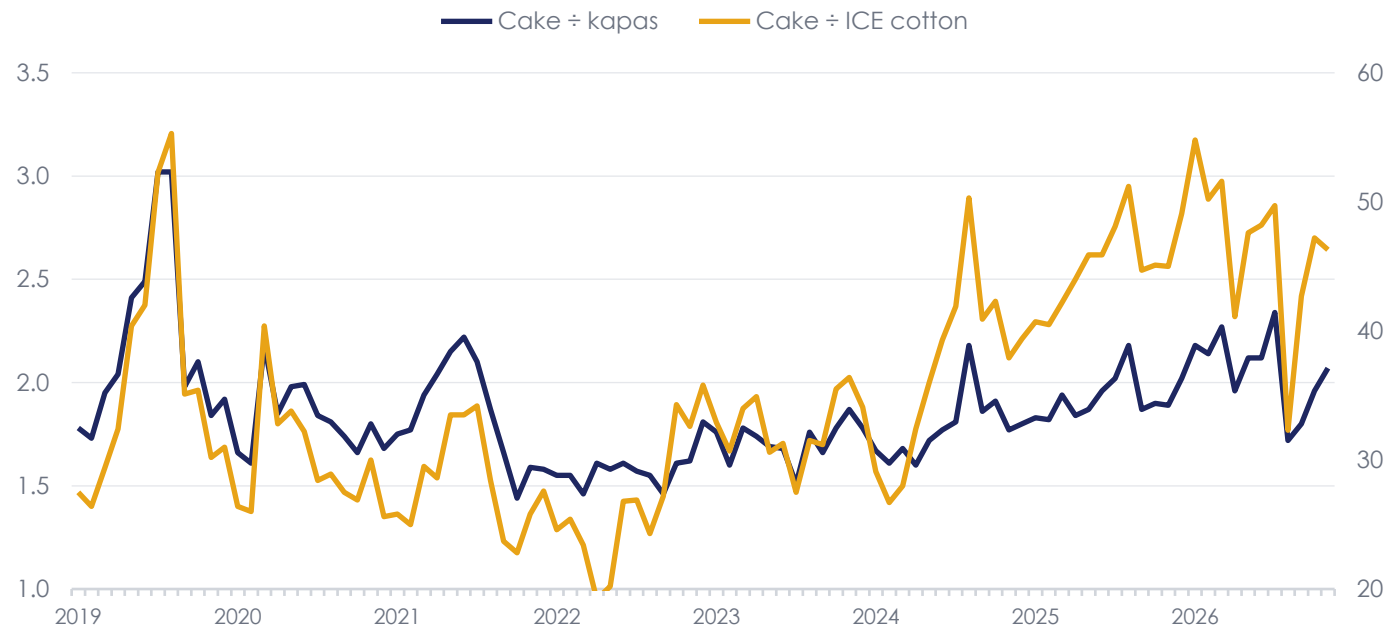
KEY INSIGHT

A contango into the new-crop months is unusual for a harvest-season agri contract – it says the market does not expect November–March arrivals to overwhelm demand.

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Cake versus seed cotton: the ratio has climbed from 1.58 in 2022 to 2.06 in 2026 – the feed is re-rating against the fibre

COCUDAKL ÷ kapas (left) and COCUDAKL ÷ ICE cotton (right) – monthly, 2019 – Nov 2026



2.07

Cake ÷ kapas now – annual averages 1.58 (2022), 1.72, 1.78, 1.93, 2.06 (2026): four years of outperformance

46

Cake ÷ ICE cotton – a series high as the rupee weakened and the cake re-rated; 27 in 2022

0.61

Cake ÷ Indore soymeal (₹3,827 vs ₹6,300/qtl) – cheaper than soymeal per kg, dearer per gram of protein

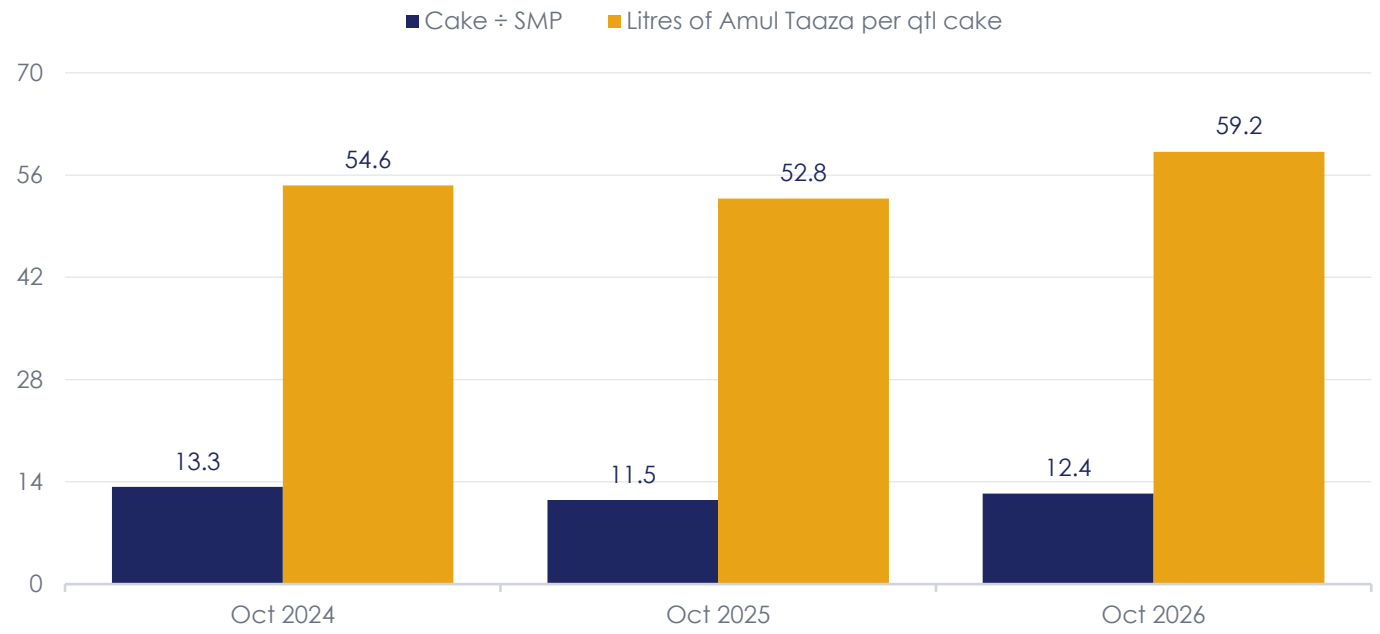
KEY INSIGHT

A rising cake-to-kapas ratio in a falling-cotton world is the signature of a demand-led market – dairy is bidding for the seed's by-product harder than mills bid for the fibre.

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Measured against what the dairy sells, the cake is no dearer than in 2024 – feed cost has not outrun milk

October ratios – COCUDAKL (₹/qtl) ÷ ex-dairy SMP (₹/kg), and litres of toned milk per quintal of cake



12.4×

Cake ÷ SMP, Oct 2026 – below 13.3× in Oct 2024: dairy output has inflated faster than the feed

₹38.27/kg

Effective cake price to the farmer at ₹3,827/qtl – against toned milk at ₹62/l and Gold at ₹80/l

+15% vs +24%

SMP vs cake, Oct 2025 → Oct 2026 (₹256→295; ₹2,954→3,670) – the cake has only just begun to catch up

KEY INSIGHT

Dairy inflation gives the cake headroom: at 12.4× SMP the ration can absorb ₹4,500+ cake before it is as expensive, relative to milk, as it was in 2024.

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Back above the 50-week average with RSI and MACD turning up – clear ₹3,869, then ₹4,112–4,421, then ₹4,850–5,150



RESISTANCE / TARGETS

3,869
61.8% retracement – first hurdle

4,112 ·4,421
78.6% and 100% (Aug high zone)

4,850–5,150
Long-term objective (+27% / +35%)

SUPPORT

3,788 / 3,698
50-week MA / 50% retracement

3,527
38.2% – the support zone

3,362
200-week MA – invalidation

Phase 1: hold the 50-week MA (3,788) and clear 3,869 on rising OI; RSI 53 and a positive MACD crossover support it.

Phase 2: weekly closes above 4,112–4,421 open 4,850–5,150 if arrivals confirm the seed deficit. A close below the 3,527 support zone reassesses; 3,362 invalidates.

KEY INSIGHT

Two phases, not one leap: the 3,869–4,421 Fibonacci band must be absorbed first; only then does ₹4,850–5,150 become a target rather than a hope.

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Bull, base and bear: what each needs from the crop, the crusher, the substitutes, the dairy margin and the exchange

Driver	Bull case	Base case	Bear case
Cotton crop	Downward revisions below 280	Near 280 lakh bales	Recovery / higher yield
Binola availability	Stock draws, crushers short of seed	Seasonal balance	Arrivals exceed demand
Feed substitutes	Soymeal, korma stay firm	Mixed	Decline materially
Dairy margin	Procurement hikes continue	Stable	Feed inflation outruns milk
NCDEX basis / OI	Spot-led breakout, longs build	Range / mixed	Futures premium, rising stocks
Price assessment	**₹4,850–5,150 in play**	**₹3,600–4,200 range, target delayed**	**Back below ₹3,185 – target invalidated**

KEY INSIGHT

We attach no probabilities – the historical inventory data to estimate them credibly do not yet exist – but the weight of November's evidence sits between base and bull.

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Fifteen indicators – five supply, five demand, five market – and where each stands today

SUPPLY		DEMAND		MARKET	
CAI crop revisions	Bullish	Milk procurement prices	Bullish	Spot basis (Akola)	Developing
Deccan district rainfall	Bullish	Cooperative feed sales	Unavailable	Contract-wise OI build	Bullish
Kapas arrivals (early flush)	Bullish	SMP / butter prices	Bullish	Volume on breakout	Bullish
Binola quotes & mill crush	Unavailable	Soy / rapeseed / korma prices	Bullish	Forward curve shape	Bullish
Exchange warehouse stocks	Developing	HORECA / paneer offtake	Developing	Weekly trend vs 3,650	Bullish

KEY INSIGHT

Ten of fifteen indicators are bullish today and none is contradictory – the gaps are physical data (binola quotes, feed sales) that we are collecting for the weekly update.

KEDIA ADVISORY

Five things to remember about dairy gold

1	**The call and the crash**	₹2,850 → ₹4,000 delivered in July; the September crash (−32%) followed; the ten-week base broke upward on 11–12 Nov on double volume.
2	**Seed, not lint, is short**	CAI crop −14% to 280 lakh bales, Maharashtra −20%; 65 lakh bales of imports bring no seed – ~8–9 lakh t of cake leaves the pipeline.
3	**Dairy can pay**	Two milk hikes in six months, SMP +15%, butter +44%, GDT SMP at a 4-year high – and the cake is still cheaper vs SMP than in 2024.
4	**Substitutes are inflating**	Soymeal +10.5% in a month, korma at ₹5,500 – the feed mill has nowhere cheap to go; the cake sells on fat and fibre, not protein.
5	**Levels and triggers**	Hold the 50-week MA 3,788; clear 3,869, then 4,112–4,421 – the ₹4,850–5,150 objective is live. Watch arrivals, OI build and basis – not Brent.

PUNCH LINE

Strong opportunity, conditional execution: the seed deficit and dairy inflation are documented – the ₹4,850–5,150 objective is earned by arrivals, basis and open interest, one week at a time.

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