
Oilmeals Monthly Research Report

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Executive Summary

Firm trends are witnessed at most of the Soybean trading centers during Sept month due to improved demand from the local crushers and south based traders. Supplies are decreased at major trading center due to heavy rains in Sept month. The quality of new Soybean harvested crops are reporting in mixed condition and quoting lower prices in mandis compared to old Soybean crop. Traders are actively buying new crops from farmers and following the process to dry seeds so that they can further mix new seeds with old crops to fulfill plant's demand. RM seed prices showed mixed trend due to mixed sentiments in the market. NCDEX future prices of Soybean closed down by the end of the week on selling interests. While, RM Seed future prices increased amid buying interest. The RM Seed and Soybean market is mainly being driven by crop arrivals and local crushers & stockiest demand. CBOT soybean futures remain lower on weak global sentiments.

As per recent released data of Ministry, the total area under Oilseeds is reported lower at 180.41 lakh hectares as on 4th Oct 2019 against 180.16 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of groundnuts to 39.40 lakh hectares against 40.49 lakh hectares last year. Total covering area of Soybean stood at 114.24 lakh hectares against 113.10 lakh hectares last year. Castor has been planted on 9.55 lakh hectares higher against 8.89 lakh hectares last year. Sunflower has been planted on 1.12 lakh hectares against 1.17 lakh hectares last year. Sesame has been planted on 13.79 lakh hectares against 14.47 lakh hectares last year, Nigerseed has been planted on 2.31 lakh ha against 2.04 lakh ha last year.

The First Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.

As per sources, continue rainfall in Gujarat is affecting standing groundnut crops. After raining about 446 mm in August, Gujarat received 311 mm rains in September so far. Due to water logging and excess moisture, groundnut crops are damaging especially the batch that was sown early in the season. Farmers are unable to harvest ready crops in lack of dry facilities and storing space.

CBOT Soybean future prices declined on profit booking in the market. However, prices may increase followed by good buying activities. AS per WASDE latest report, U.S. oilseed production for 2019/20 is projected at 111.5 million tons, down by 4.5 million tonnes from last month mainly due to a lower soybean production forecast.

Overall soybean may trade in lower side due to fresh arrivals and higher crop estimates. Mustard may trade steady to weak tone on poor demand.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): Soybean Indore plant prices closed remain on higher side on good demand. However, prices may decline in expectation of heavy new crop supplies in the coming week. Prices are likely to trade in the range of 3650 to 3850 in next month. The market sentiments are now depending on the surplus bean stocks to be carried over to the next marketing year, kharif harvesting pace, millers demand & weather condition.

Outlook – Soy meal (Spot, Indore): Soymeal prices showed firm trends on firm sentiments. Prices may trade steady to weak tone in the coming days on dull South based traders demand. Prices are also being driven by global soymeal prices. Exporters are less active in the market.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Mustard seed prices at Jaipur market traded in weak zone after good supplies. Prices may go down in coming week on weak demand. Selling activity of Nafed may also weigh on mustard seed prices in coming days. Prices are likely to trade in the range of 3900 to 4100 in next month. RM seed likely to trade on lower side in coming week. NCDEX future prices of RM Seed may decline on selling activities.

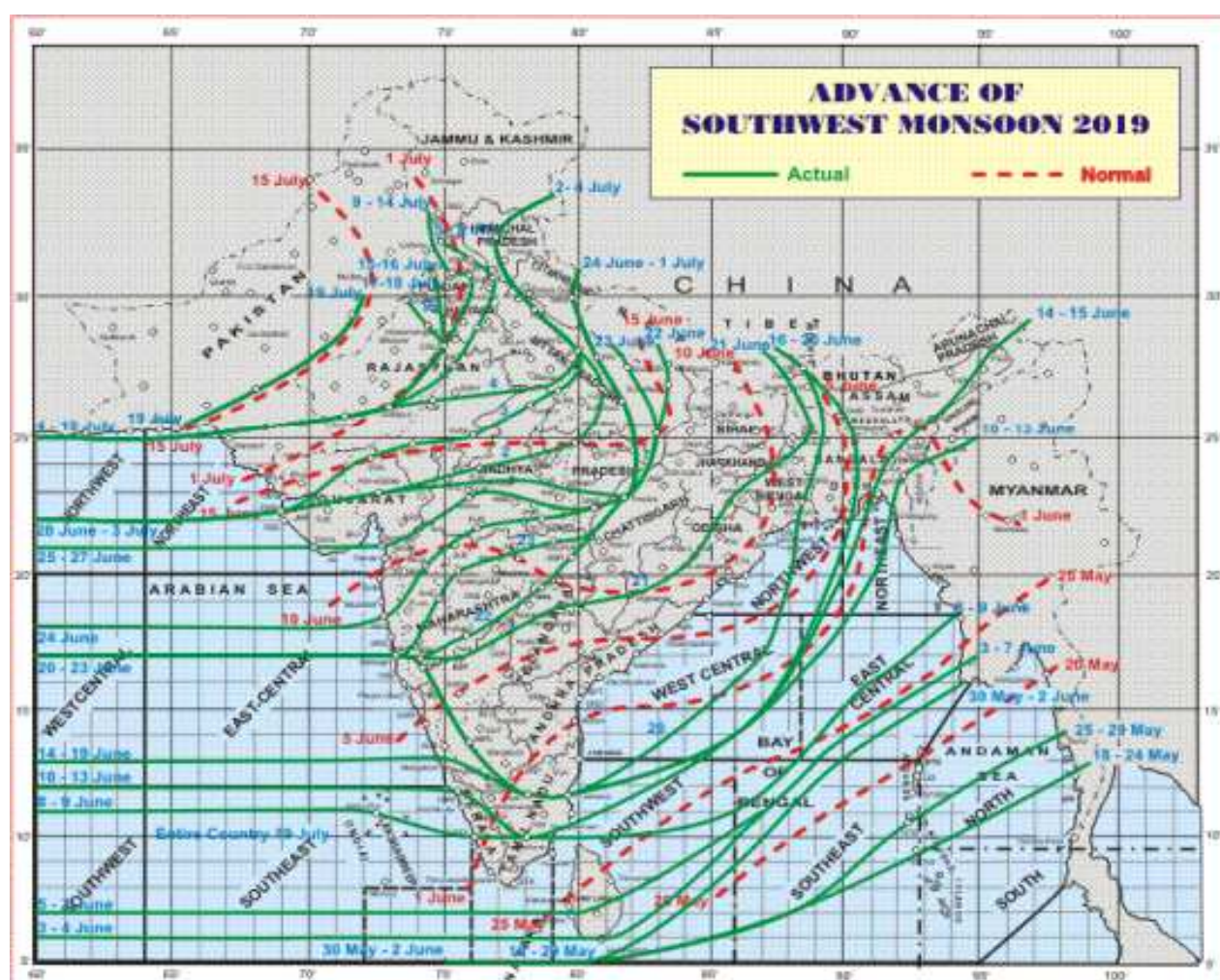
Weather Forecast (For Kharif Oilseeds)

Monsoon 2019-IMD Forecast

Scattered to fairly widespread rainfall with heavy falls likely over peninsular India and northeast India during next 24 hours. Thunderstorms accompanied with lightning is also likely over east India and peninsular India during the same period.

In view of the likely persistence of an anti-cyclonic circulation in the lower tropospheric level over northwest India, gradual reduction in moisture in the lower & mid-tropospheric levels and reduction in rainfall, conditions are becoming favorable for commencement of withdrawal of Southwest Monsoon from some parts of northwest India during next 2 days.

Dry weather is likely to prevail over the rest of the country and southwest monsoon is likely to withdraw from major parts of northwest and central India.



Kharif Oilseed Sowing Progress

Kharif Oilseeds Sowing as on 04.10.2019 (In lakh Hectare)						
	Normal Area	Normal area as on date	2019	2018	Change (Y-o-Y)	% change of normal area
Groundnut	42.36	40.75	39.40	40.49	-1.09	92.85
Soybean	111.49	112.42	114.24	113.10	1.14	102.5
Sunflower	1.91	1.54	1.12	1.17	-0.04	58.8
Sesamum	17.25	15.77	13.79	14.47	-0.69	80.0
Niger	2.51	2.13	2.31	2.04	0.27	91.7
Castor	9.69	9.47	9.55	8.89	0.66	98.6
Total Oilseed	185.28	182.09	180.41	180.16	0.25	97.37

Soybean

Firm tone witnessed in Soybean complex by the end of the month despite heavy pace of arrivals. Arrivals are likely to increase further in market amid good speed of harvesting. Soybean prices may decline in expectation heavy supplies of new crops.

As per source, Soybean crops are already grown for 55 to 80 days and are in seed setting to beginning of maturity stage. Those early varieties of crops are at maturity stage and farmers have started to harvest now, however quality is low due to continue rainfall at the time of harvesting. Water stagnation in MP and Rajasthan may result 10 to 15 % damages of soybean crop so far. The progress of crops is below normal to normal in India. In 2019, Soybean growers have increased area as compared to previous year record. As per traders, total 10 to 15% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch.

Madhya Pradesh received 38% more rainfall than the average since the start of four-month long monsoon season on June 1. India is likely to receive above-average monsoon rains in 2019 for the first time in six years as seasonal rainfall continues longer than expected. Recent rainfall in MP, resulted more soybean crop damages in most of its major districts. If rain will be continued, harvesting may delay almost 10 days ahead. New crop arrivals have started in MP however quality is not so good as containing more moisture. Farmers are releasing their new harvested crops on priority in fear of losing crop quality due to moisture. As per traders, total 20 to 25% of Soybean crops have damaged in Mandsaur, Neemuch and Ujjain districts. They expect overall 10 to 15% crop damages in MP states so far on account of heavy rainfall.

As per IMD, the cumulative rainfall is likely to be above normal over Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, north Rajasthan, Telangana and adjoining areas of interior Maharashtra & Karnataka. Near normal rainfall is likely over the rest of the country outside Kerala, Tamil Nadu, Lakshadweep, Andaman & Nicobar Islands, Bihar, Sub-Himalayan west Bengal & Sikkim and Arunachal Pradesh where it is likely to remain below normal during 4th to 10th October 2019.

Soybean production will be higher this year and we expect it to be at least around 109 lakh tonnes. Farmers in MP and Rajasthan have planted more area while the area has shrunk in Maharashtra. However, last week,

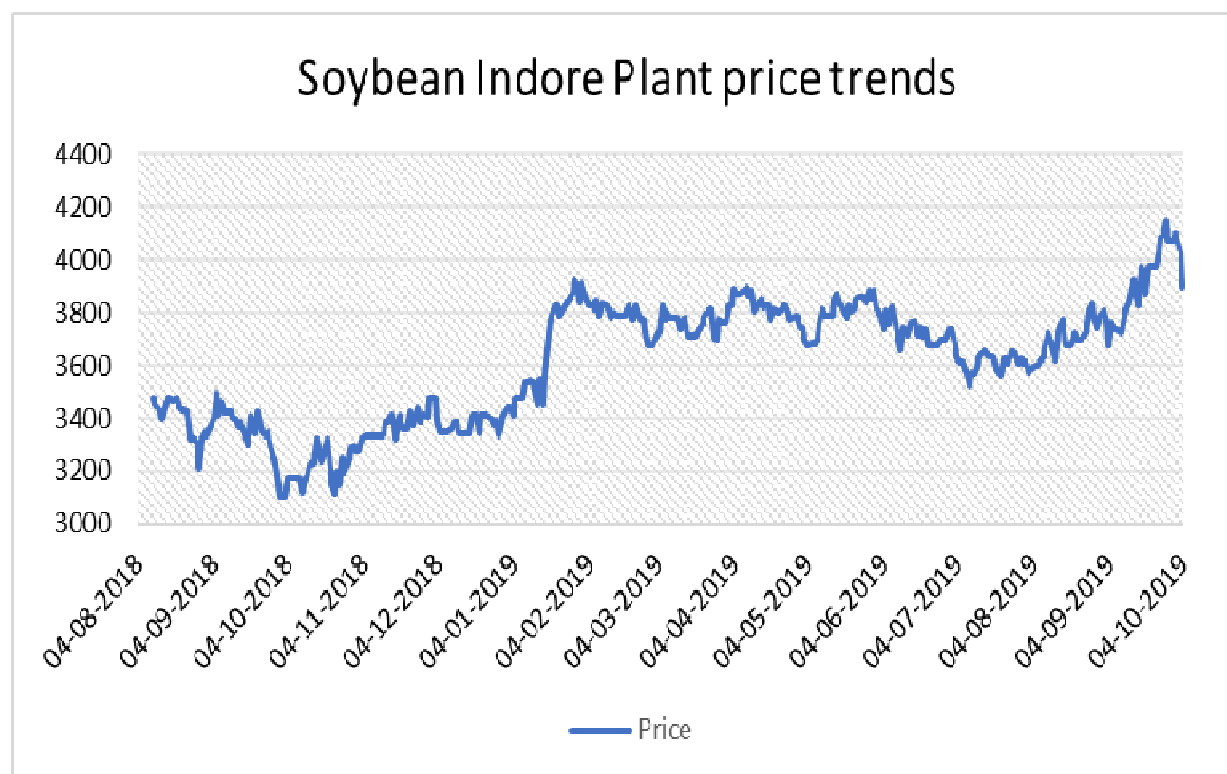
SOPA maintained that there was no widespread or excessive damage to the crop from excess rains. The harvesting of the early maturing varieties has already started in September and full-scale harvesting will be from October 15.

Announcement of a higher minimum support price (MSP) for MY 2019/20 likely encouraged additional oilseed planting during an extended planting window in anticipation of higher returns, stable yields, and relatively lower crop maintenance compared to cotton. The GOIs MSP announcement claims that farmers receive 1.5 times the production cost of planting a crop.

As per the sources, recovery of monsoon this season in August has pulled down the prices of agricultural commodities during the past three days on expectations of a recovery in kharif output and favorable climatic condition for the rabi harvest for 2020. Although crop damages have been reported in few areas due to excess rain, which is minimal. However, for rabi crops, including mustard seed, good rain in September (as forecast by weather agencies), would provide better soil moisture for sowing. Besides, there are huge procured stocks of mustard seed with government, and the prices Mustard will remain under pressure.

The domestic soybean prices are likely to notice in steady to weak tone in the coming days.

Soybean Indore price trends:



International:

CBOT Soybean future prices declined on profit booking in the market. However, prices may increase followed by good buying activities.

As per USDA, private exporters disposed 464,000 tonnes of U.S. soybeans to China for shipment in the 2019/20 marketing year that began Sept. 1, 2019. Chinese buyers had booked up to 600,000 tonnes in purchases for shipment from November to January as part of a tariff-free quota awarded to some importers. China has bought more than 2.1 million tonnes of U.S. soybeans since resuming purchases in early September 2019.

As per government report, Brazil shipped total 4,447,700 tonnes in September 2019 lower from 5,321,200 tonnes in August 2019.

During this week (September 20 to 26, 2019), US sold total 2076100 MT for 2019/2020, primarily for China (1,557,800 MT), the Netherlands (125,400 MT, including 126,000 MT switched from unknown destinations and decreases of 800 MT), Indonesia (74,500 MT, including 55,000 MT switched from unknown destinations and decreases of 2,300 MT), Saudi Arabia (71,500 MT, including 65,000 MT switched from unknown destinations), and Pakistan (70,000 MT, including 65,000 MT switched from unknown destinations), were partially offset by reductions for unknown destinations (219,200 MT) and Spain (9,100 MT). Exports of 917,400 MT were primarily to China (138,800 MT), the Netherlands (125,400 MT), Mexico (117,600 MT), Indonesia (78,500 MT), and Saudi Arabia (71,500 MT).

Soybean planting in Brazil is very slow in absence of rain. As per state's Department of Rural Economics, only 3% of the expected area in the southern state has been planted on account of dry weather condition which is lower from 18% in previous year in the corresponding period of time. Parana is expected to sow 5.5mn hectares (13.585mn acres) of soybean in the current 2019-20 season, up by 1pc from a year earlier. Despite the current situation, Parana is likely to get 23% higher soybean output in 2019-20 versus last year, to 19.8mn metric tonnes (t). The expected gain is because a severe drought between December-January - a critical time for crop development - heavily affected production in the prior cycle.

Farmers in Brazil have commenced planting Soybean in Mato Grosso state this week. Total 9.72 million hectares are expected higher acreage in the 2019/2020 season compared to 9.58 million hectares at this time last year. However, dry weather condition is slowing planting pace.

As per USDA recent released report, U.S. oilseed production for 2019/20 is forecasted lower at 110.2 million tons from last month with lower soybean and cottonseed production partly offset by a higher peanut forecast. U.S may get soybean yield at 47.9 bushels per acres in 2019/20 which is lower than the projection of 48.5 bushels per acres in August however it is above from 47.2 bushels per acres as projected by Reuter analyst poll.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to delayed planting process in absence of ample rainfall. Exports of soybean in 2019-20 is expected to 76.50 million tonnes higher from 75.80 million tonnes in 2018-19.

As per Reuter, European Union soybean imports in the 2019/20 season that started on July 1 had reached 3.0 million tonnes by Sept. 22, 2019 higher by 4% from last year. EU soymeal imports had noticed higher by 18% to 4.4 million tonnes against previous year. Palm oil imports stood down by 16% to 1.2 million tonnes. As per ministry statement of Argentina, China had permitted Argentina to start exporting soymeal in Chinese markets.

The plants approved for export include those owned by Bunge Argentina, LDC Argentina, Cargill, Molinos Río de la Plata, Renova, T6 and COFCO International Argentina.

As per the latest update from USDA, China soybean production is estimated at 17.1 MMT on higher-than-expected area. Most industry sources forecast the crop at 17 MMT or above. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected.

As per WASDE report, world oilseed production for 2019/20 is projected at 579.5 million tons, down 1.4 million tons from August and 3.5 percent below 2018/19. Soybean production is projected at 341.4 million tons, down 440,000 tons from August and 5.7 percent less than last year on account of lower projection in the United States, the European Union, and Ukraine and partially offset by larger forecasts for India, Canada, and China. Peanut production is forecast slightly higher, while rapeseed and cottonseed are reduced. Rapeseed production is projected 939,000 tons lower on reduced forecasts for Australia, the European Union, Ukraine and Chile. Soybean imports are forecast at 148.2 million, down 670,000 tons due to less demand of Iran. Brazil is projected to remain the leading soybean exporter in 2019/20 at 76.5 million tons. Global oilseed exports are up 550,000 tons from last month and represent 1.2 percent growth over 2018/19. Global ending stocks are down and 11.3 percent less than 2018/19. Soybean ending stocks are forecast down 2.6 million from August due to declines in the United States, Argentina, China, and the European Union, offset by larger stocks in Brazil, Iran, and India. Trade of soybean meal is higher on larger imports by Iran while global soybean oil is slightly lower side. The U.S. season-average farm price for soybeans is expected higher by 10 cents at \$8.50/bu by USDA.

Soybean imports for 2019/20 (Oct. to Sep.) are forecast to be the lowest in five years; significant declines in swine inventories have lowered feed demand and domestic crush margins. Although FAS Beijing projects demand falling year-over-year, some Chinese sources believe imports will be higher in 2019/20. From October 2018 to July 2019, imports were down over fifteen percent from the previous year, and the quantity of U.S. soybeans was less than a quarter of the previous year level.

As per the sources, China's largest grain, oilseeds and food company, COFCO International plans to increase investment in Brazilian soybean production, which would buy 5% more soybeans each year from Brazil over the next five years and would finance the expansion of more than 60 million acres of soybean production in Brazil. COFCO last year exported from Brazil to China more than 13 million metric tons of grain and soybeans.

As per the sources, Brazil could see record soya harvests in the 2019-20 season dependent on good weather, and is expected to expand the soybean planted area by 2% to 36.8 million hectares in the upcoming season. That could result in production of 125 million to 126 million tonnes of the oilseeds, compared with 116.76 million tonnes during this year's harvest, which was affected by drought. It would also allow Brazil to overtake the United States as the world's top soya producer. Brazil to export 78 million tonnes of soya during the 2019-20 cycle, compared with 71.7 million tonnes in the 2018-19 harvest.

Balance Sheet – Soybean, India

Soybean (Fig in Mn T) MY- Oct.-Sep.	2018- 19F	2019-20 F	Oct-Dec'19 F	Jan-Mar'20 F	Apr-Jun'20 F	July-Sep 20 F
Carry In	0.23	0.38	0.38	4.38	2.48	1.38
Production	10.55	10.01	10.01	0	0	0
Imports	0.00	0.00	0	0	0	0
Total Availability	10.78	10.39	10.39	4.38	2.48	1.38
Processing/Crushing	8.40	8.40	5.76	1.65	0.60	0.50
Exports & Direct Consumption	1.00	1.00	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	10.40	10.10	6.01	1.90	1.10	1.00
Carry Out	0.38	0.29	4.38	2.48	1.38	0.38
Monthly Use	0.87	0.84				
Stock/Consumption Ratio	0.04	0.04				
Stock to Month Use Ratio	0.44	0.34				

Fig. in MnT
 Source: Agriwatch

Soy meal

Firm trends are featured in Soymeal complex on improved demand from the local crushers and south based traders. Lower overseas demand and ample stocks availability in the market are affecting the sentiments. Weak trends are in International soymeal prices also affecting the sentiments.

As per recent WASDE report, Soybean meal production of India is estimated lower at 7.76 million tons for 2019/20 compared to previous year record i.e. 7.85 million tons. It is higher from 6.16 million tons in 2017/18 season. India may export 1.90 million tons Soymeal in 2019/20 lower from 2.30 million tons as in previous year. Domestic consumption of the country may stand at 5.80 million tons higher from 5.48 million tons in 2018/19.

The export of oilmeals during September 2019 is provisionally reported at 105,232 tons compared to 172,423 tons in September, 2018 i.e. down by 39%. The overall export of oilmeals during April-Sept., 2019 is reported at 1,251,527 tons compared to 1,499,049 tons in AprilSept., 2018 i.e. down by 17%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP. This make the domestic oilmeals expensive in international market compare to other origins.

During April-Sept.,2019 Vietnam imported 170,705 tons of oilmeals (compared to 293,001 tons); consisting of 3,070 tons of soybean meal, 107,183 tons of rapeseed meal and 59,933 tons of De-oiled Rice Bran Extraction. South Korea imported 505,290 tons of oilmeals (compared to 463,145 tons) ; consisting 23,288 tons of soybean meal, 237,930 tons of rapeseed meal and 244,072 tons of castorseed meal. Thailand imported 125,472 tons of oilmeals (compared to 187,159 tons) consisting 106,342 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1,549 tons of soybean meal.

The export from Kandla is reported at 483,770 tons (39%), followed by Mundra handled 385,699 tons (31%), and Mumbai including JNPT handled 88,895 tons (7%) and Kolkata handled 85,313 tons (7%) and Others Ports handled 207,850 tons (17%).

As per USDA release data, soybean meal exports slid in the last four months and are likely to stay subdued through September 2019 due to poor overseas demand and uncompetitive pricing. However, Indian soymeal may appeal to those who are willing to pay a more for the non-genetically modified tag and shorter transit time. The export basket will include 2 MMT of soymeal, a little less than 1 MMT of rapeseed meal, and some quantity of groundnut meal. During the first 10 months of MY 2018/19, total oil meal exports (including surface transport) have risen eight percent to 2.3 MMT.

As per USDA, The July 2019 FOB quote for India soybean meal is \$440/MT as against \$330/MT (average) quoted by international suppliers in the United States and Brazil. Between the two, U.S. soymeal is selling at an eight percent premium. Estimated soymeal exports to reach 1.7 MMT, which is 0.2 MMT less than originally forecast in April 2019. Poor soybean export sales will weigh on total oilmeal exports and therefore estimate has revised down total oilmeal exports for MY 2018/19 to 2.6 MMT against its April 2019 annual forecast of 2.9 MMT.

During the week (Sep 20 -26, 2019) US sold Soymeal and cake at 21,500 MT for 2018/ resulting in increases for Morocco (30,000 MT), Canada (12,200 MT, including decreases of 300 MT), Jamaica (3,600 MT), Panama (3,000 MT), and the Philippines (2,700 MT), were partially offset by reductions for Japan (24,800 MT) and unknown destinations (15,000 MT). For 2019/2020, net sales of 136,800 MT were primarily for Colombia (47,900 MT), Canada (39,500 MT), Japan (25,000 MT), Mexico (10,900 MT), and Burma (3,700 MT). Exports of 180,200 MT were primarily to Colombia (68,700 MT), the Philippines (48,100 MT), Mexico (21,800 MT), Canada (15,400 MT), and Jamaica (6,800 MT). As per recent WASDE report, Soybean meal production of

India is estimated lower at 7.76 million tons for 2019/20 compared to previous year record i.e. 7.85 million tons. It is higher from 6.16 million tons in 2017/18 season. India may export 1.90 million tons Soymeal in 2019/20 lower from 2.30 million tons as in previous year. Domestic consumption of the country may stand at 5.80 million tons higher from 5.48 million tons in 2018/19.

As per NOPA, U.S. soybean crushing likely declined for a third straight month in June by 154 million bushels. Crush forecasts for June ranged from 147.937 million to 164.500 million bushels, with a median estimate of 152.200 million bushels which is less from the May crush of 154.796 million bushels and a crush of 159.228 million bushels in June 2018.

Indian Soymeal premium quoted higher side by \$126 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

The soy meal prices are likely to notice seasonal weakness in month and prices is expected to decline in near future.

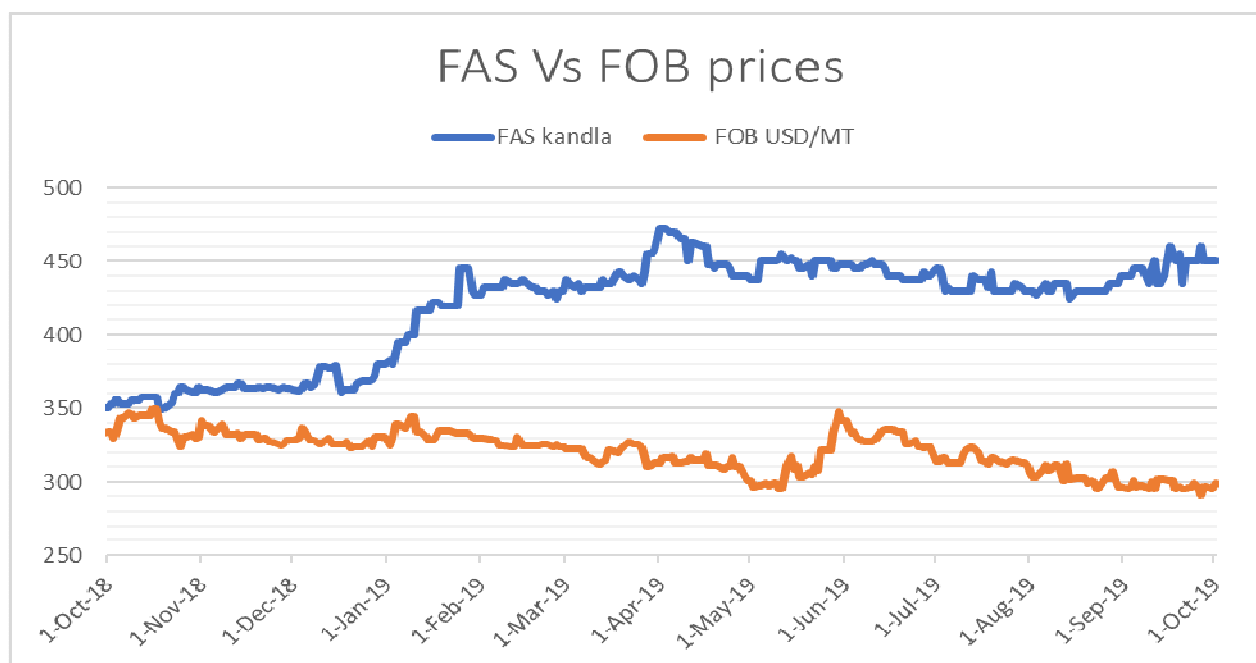
Soy Meal Export (In Thousand Tons)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Oct	405	224	50	183	29	4	31	71	150
Nov	443	398	517	503	111	9	98	208	186
Dec	611	798	511	451	194	6	241	169	170
Jan	575	475	620	364	104	28	155	106	86
Feb	540	344	578	184	65	30	208	74	132
Mar	411	460	302	232	47	27	107	39	193
Apr	305	314	100	76	18	12	124	68	40
May	177	143	98	8	14	10	49	41	53
Jun	118	181	214	3	2	18	46	104	62
Jul	140	168	107	7	1	12	81	64	76
Aug	166	10	184	3	1	11	88	60	95
Sep	226	7	173	1	7	12	102	45	19
Total	4116	3521	3453	2015	592	180	1331	1049	429

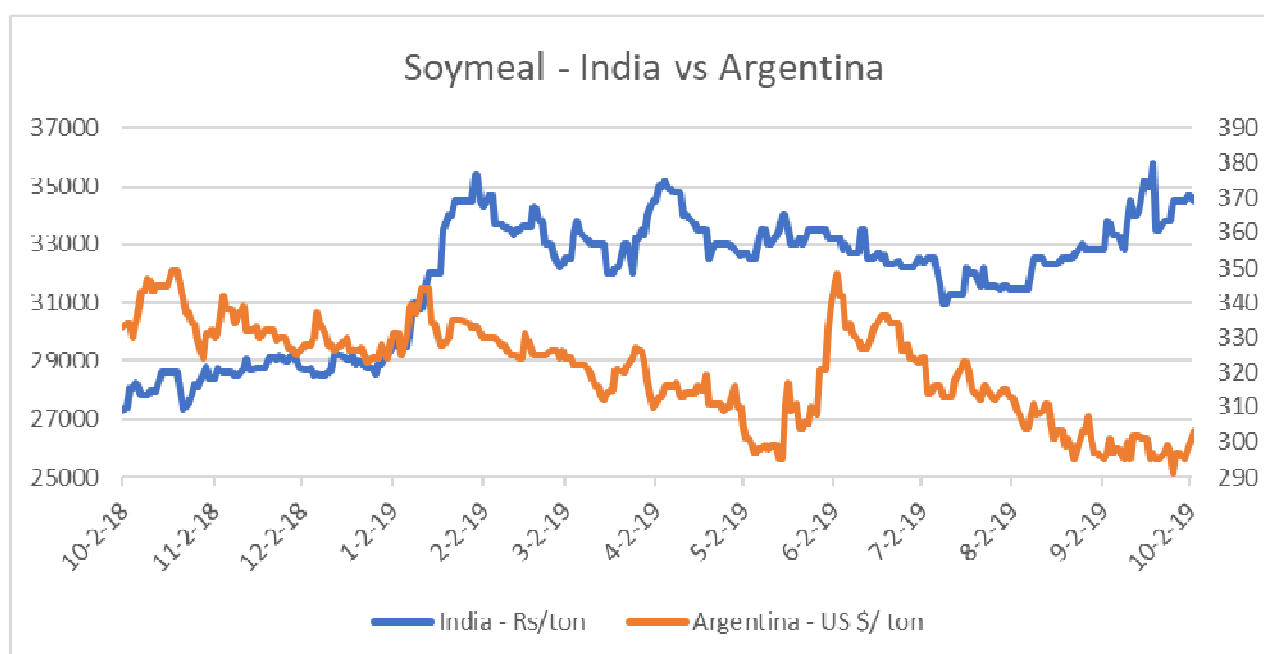
Source: SEA

Soymeal prices:

FAS SBM, Kandla Vs FOB SBM, Argentina – (US \$/tonne):



Soymeal India vs Argentina:



Technical Analysis:

NCDEX Soybean Futures C1 Chart



Soybean Spot, Indore weekly Chart



- The Candlestick depicts weakness in the market on sellers' interests.
- MACD has been in the negative zone and RSI has been inching towards lower in oversold zone.
- Trade Recommendation (NCDEX Soybean –Nov.): **Sell-Above- 3760** Levels: Target –T1 3680; T2- 3580, SL –above 3850.
- In Reverse case, traders can start buying on above 3600 and can add on positions on every 20 points above.

Support & Resistance NCDEX Soybean Sept. contract

Oct contract as on 9th Oct

S1	S2	PCP	R1	R2
3500	3580	3760	3900	3990

Nov. contract as on 9th Oct.

S1	S2	PCP	R1	R2
3450	3500	3640	3800	3850

Rapeseed - Mustard Seed

RM seed prices showed mostly weak tone on dull demand of crushers. At the end of week, mustard closed lower at 4205 per quintal as compared to 4210 per quintal in last week at the benchmark, Jaipur. Nafed has started to sale mustard seed in Rajasthan and Haryana markets which may put pressures on RM seed prices in short run.

As on 30th Sept 2019, Nafed sold total of 4930 MT of R-19 Mustard seed holdings in Haryana and Rajasthan markets. It disposed total 1088908 MT of Mustard R-19 so far and holds remaining balance at 1056298.76 lakh tonnes till date.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

Rapeseed meal exports grew this year due to improved demand from South Korea, Thailand, and Vietnam. Post expects that by September 2019, India will be able to sell a little less than 1 MMT. Currently, it is quoted at \$220/MT (July, FOB Indian port) and is very competitive compared to \$225/MT (July, FOB Hamburg) quoted by international suppliers.

As per Fourth advanced estimates of government, It estimates Mustard seed output at 9.39 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

Agriwatch estimated rapeseed crop at 7.1 MMT in MY 2018-19. However, new rapeseed crop for 2019-20 is estimated at 7.9 MMT above last year due to higher rapeseed sown area and yields. This will lead to lower rapeseed prices in future thereby adversely affecting rapeseed oil prices. New rapeseed crop harvest has peaked. SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keeps its forecast at 8.7 MT for this season. According to NBHC (National Bulk Handling Corporation) Rabi crop recent report, crop size of Mustard seed is likely to go up by 0.30% than last estimate to 8.72 million metric tonne. The figure is also higher by 4.78% over last year record due to favorable weather condition resulting in higher yields in major producing states.

SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keep its forecast at 8.7 MT for this season. In the second advanced estimates, ministry expects higher Indian Rapeseed & Mustard crop (Rabi) at 83.97 lakh tonnes for 2018/19 season against 75.40 lakh tonnes in 2017/18. Normal rainfall at the maturity stage of crop improved yield of crop. The estimates are higher than 2016/17 crop size i.e. 79.17 lakh tonnes.

USDA expects India's oilseeds production higher by 8% in 2019/20 in expectation of normal weather condition. Higher oilseeds supply may increase oilseeds meal production by 5.5% to 18 million tonnes. It projects oil meals exports at 3.2 million tonne with an increase of 10% in normal market condition and competitive pricing.

Outlook: *The rapeseed-mustard is likely to notice range –bound to weak tone on declined demand.*

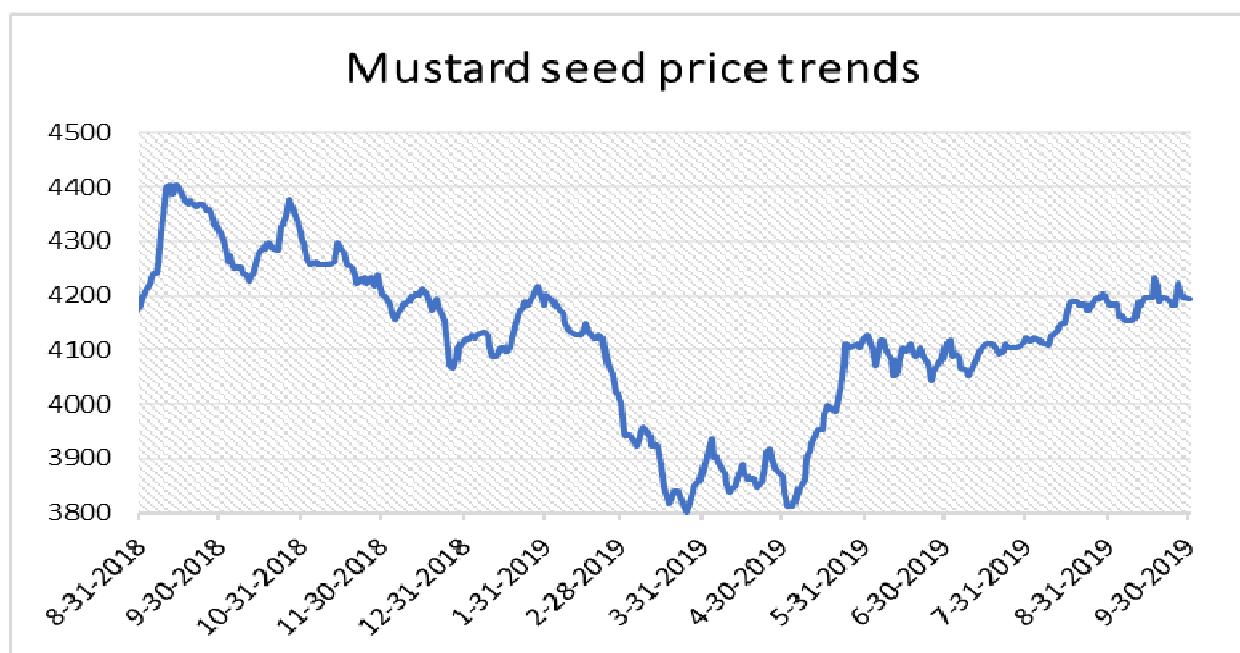
Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

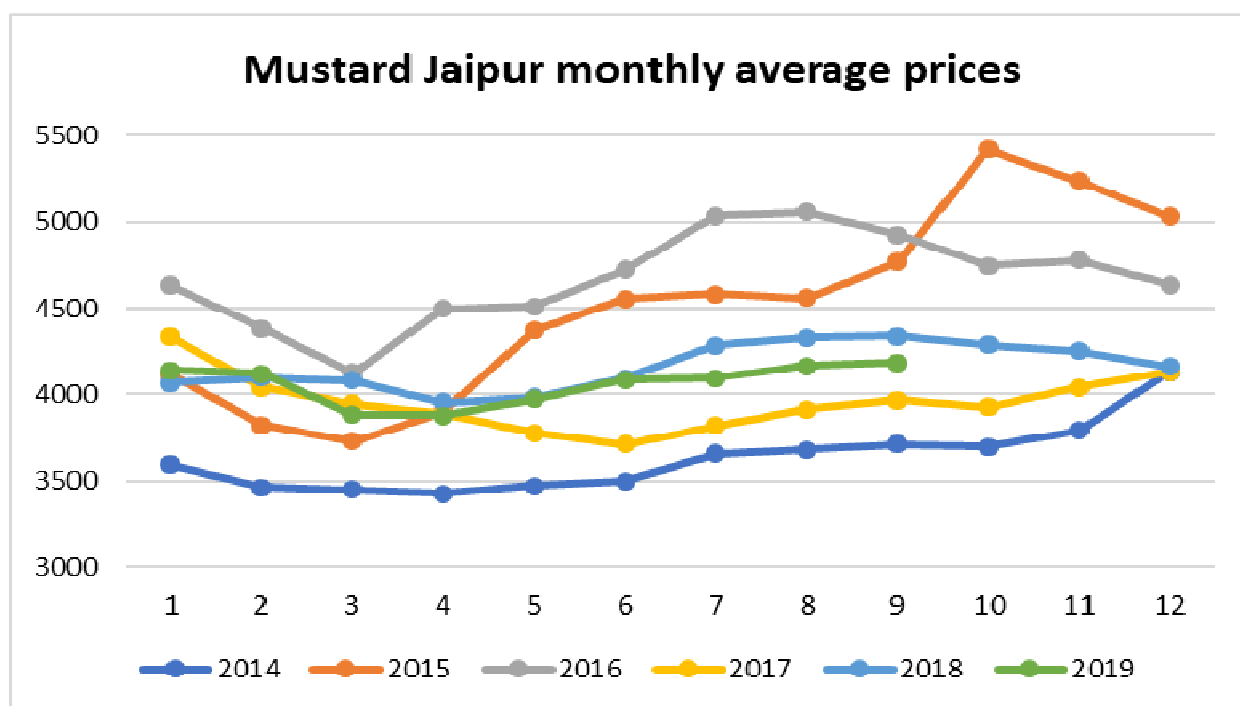
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2018-19	2019-20	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	0.10	0.15	0.15	4.10	2.13	1.14
Production	7.10	7.90	7.90	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	7.20	8.05	8.05	4.10	2.13	1.14
Processing/Crushing	6.75	7.30	3.90	1.93	0.89	0.89
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Retained for Sowing & Direct Consumption	0.30	0.30	0.05	0.05	0.10	0.10
Total Usage	7.05	7.60	3.95	1.98	0.99	0.99
Carry Out/Ending Stock	0.15	0.45	4.10	2.13	1.14	0.15
Monthly Use	0.59	0.63				
Stock/Consumption Ratio	0.02	0.06				
Stock to Month Use Ratio	0.26	0.71				

(Source: AgriWatch)

Mustard seed price trends of Jaipur:



Mustard Monthly average price trends of Jaipur:



Technical Analysis:

NCDEX RM Seed Futures Daily C1 Chart



RM Seed Spot, Jaipur Weekly Chart



- The Candlestick depicts firmness in the market on buyers' interests.
- MACD has been in the positive zone and RSI is in neutral zone.
- Trade Recommendation (NCDEX Soybean –Oct):
- **Buy- Above- 4075** Levels: Target –T1 4120; T2- 4190, SL –above 3920.
- In Reverse case, traders can start selling on above 3920 and can add on positions on every 20 points below.

Support & Resistance NCDEX RM Seed – Sept contract as on 5th Sept

S1	S2	PCP	R1	R2
3820	3900	4068	4200	4290

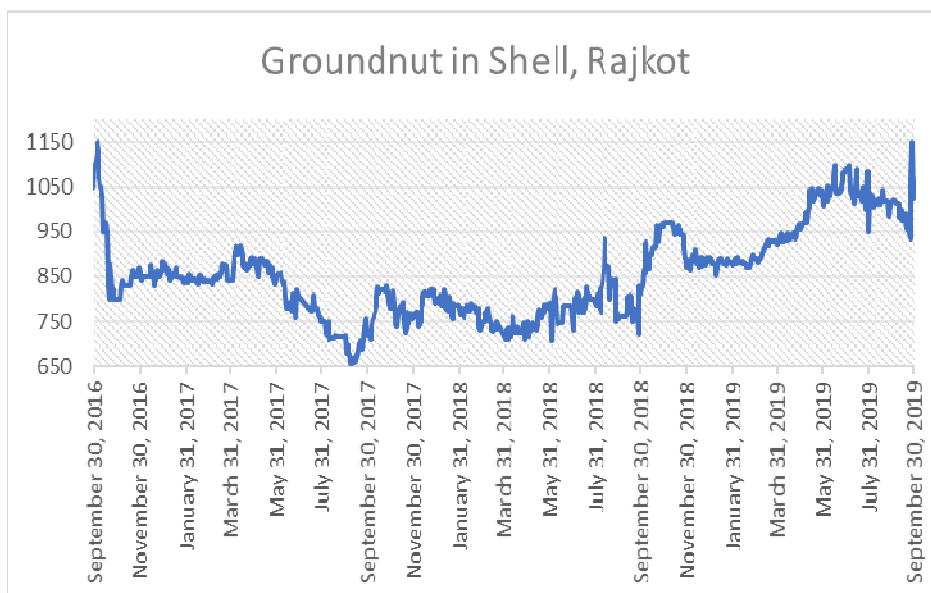
Support & Resistance NCDEX RM Seed – Oct contract as on 5th Sept

S1	S2	PCP	R1	R2
3800	3870	3967	4050	4150

Groundnut

Groundnut in Shell auction prices at Rajkot APMC fetched between INR 4628 and 5150 per quintal and likely to decrease in the entire month. Groundnut prices on monthly basis is rising due to less stocks availability and declined crop condition. The prices have adjusted to the fundamentals and thus have been looking towards Rabi and summer supplies as well as the pace of NAFED procurement. NAFED has closed the auction of groundnut stocks and is probably using as the buffer for the 2018-19 MY. Summer crop

is also expected to be low due to poor rains at initial stage. Good Rainfall at maturity stage supported to improve standing crops of Kharif season and expectation of good crop in coming Rabi season.



Outlook: Continue rainfall in Gujarat is affecting standing groundnut crops. After raining about 446 mm in August, Gujarat received 311 mm rains in September so far. Due to water logging and excess moisture, groundnut crops are damaging especially the batch that was sown early in the season. Farmers are unable to harvest ready crops in lack of dry facilities and storing space.

Fundamentals:

As on 30 Sept 2019, Nafed sold total of 4885 MT of K-18 groundnut holdings. It disposed total 5.26 lakh tonnes of groundnut K-18 and holds remaining balance at 1.88 lakh tonnes till date. In September month, total 52064 MT of K-18 groundnut seeds have been procured by Nafed which is higher from August month record i.e. 46809 MT.

In Gujarat, government has started registration of farmers to procure their groundnut crops at MSP prices of this season. Farmers of 18 districts have actively lined up for the registration so far.

As per source, Gujarat government have planned to start online registration further to procure this season (2019-20) groundnut at MSP i.e. Rs. 1018 per Mun or 20 kg, that's is Rs. 5090 per quintal. They are likely to procure from 1st October 2019 from Labh Pacham day on 124 centers across the state under the CCTV monitoring with proper arrangement of storage. Sources expect approx. 25 lakh tonnes of groundnut crop in Gujarat for this season where government may buy approx. 8 lakh tones of groundnut at Minimum Support Price.

As per 1st advanced estimates of ministry report, Kharif groundnut crop size during 2019-20 may stand higher at 63.11 lakh tonnes against 53.63 lakh tons from its 4th advanced estimates on account of good rainfall at maturity time. However, it is reported lower from 75.95 lakh tonnes in 2017-18. Good rainfall at maturity stage may improve groundnut crop yield of this season.

As per recent released data by GOI, total groundnut kharif sowing area all over the country is reported at 39.32 lakh ha. as on 27th Sept 2019 slightly lower by 1.3 lakh ha. from 40.20 lakh ha. in previous year. Farmers have

sown 5.38 lakh ha. in Andhra Pradesh lower against 6.65 lakh ha. previous year, 15.52 lakh ha. in Gujarat higher against 14.68 lakh ha. previous year, 3.89 lakh ha. in Karnataka lower against 3.86 lakh ha. previous year, 1.87 lakh ha. in Tamilnadu against 1.67 lakh ha. previous year, 1.12 lakh ha. in Uttar Pradesh higher against 1.09 lakh ha. in previous year, 2.22 lakh ha. in Madhya Pradesh lower against 2.35 lakh ha. in previous year, 1.89 lakh ha. in Maharashtra lower against 1.95 lakh ha. previous year, 5.74 lakh ha in Rajasthan lower against 6.07 lakh ha, 0.05 lakh ha. in other parts of India higher against 0.01 lakh ha. Lower sowing area reported in few states compared to the previous year record due to declined monsoon activity in June month.

As per state agriculture department of Gujarat, groundnut yield is likely to increase up to 1800 kg/ha on account of good rainfall compared to last year record i.e. 1085kg/ha. Higher acreage and good rainfall will boost groundnut production in Gujarat this season. Similarly, government may buy groundnut at the rate of Rs. 1000 (per 20 kg) which is also one of the supportive news for groundnut growers. So far, standing groundnut crop condition in Saurashtra and across Gujarat has been reported in good condition. As a result, total production of Gujarat may stand higher at 30 lakh tonnes in this season followed by favourable weather condition at the harvesting time. Other sources projects total groundnut output of Gujarat in the range of 28 to 30 lakh tonnes.

According to SEA report, groundnut crop area in India will stand at 40.12 lakh ha. in 2018/19 down from 41.35 lakh ha. in last year. Production and yield are estimated at 37.70 lakh tonnes and 931 kgs/ha. respectively against 52.75 lakh tonnes and 1269 kg s/ha. respectively in previous year record.

We expect AP groundnut crop size at 4.21 lakh metric tonnes for 2018/19 season lower from 2017/18-year crop size i.e. 5.48 lakh metric tonnes on lower sowing area. In 2019/20, we expect crop size higher at 5.53 lakh metric tonnes in expectation of normal monsoon.

Groundnut Exports (In Thousand Tons)

Groundnut Exports (Includes in Shell, Blanched and Normal Groundnuts (Thousand Tons))						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Oct	21.8	21	22.9	25.8	30.4	30.4
Nov	71.1	92.6	50	80.9	109.6	68.9
Dec	79.1	135.9	91.3	145.1	69.4	30.8
Jan	47.3	82.2	67.7	105.2	31.7	39.4
Feb	48	54	53.7	78.8	30.7	38.6
Mar	52.6	61.7	55.7	67.5	54.8	48.8
Apr	48.6	50.4	54.5	45	46.5	42.3
May	55.2	38.6	41.3	19.1	39.6	43.1
Jun	50	30.7	58.4	25.4	40.1	
Jul	42.7	25	39.2	37.2	39.4	
Aug	40.8	35.8	16.8	30.6	35.5	
Sep	23.8	16.1	12.2	20.1	17.1	

* Estimated Exports Value

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	30-Sep-19	30-Aug-19	Parity To
Indore - 45%, Jute Bag	34000	30800	Gujarat, MP
Kota - 45%, PP Bag	37500	32400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	38000	33500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	38500	32600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	39000	33800	Andhra, AP, Kar, TN
Latur	38000	34000	-
Sangli	36500	33000	Local and South
Solapur	36000	33000	Local and South
Akola – 45%, PP Bag	37000	31800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	38500	33800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	37300	32200	-

Soy DOC at Ports			
Centers	Port Price		
	28-Sep-19	28-Aug-19	Change
Kandla (FOR) (INR/MT)	34500	32700	1800
Kandla (FAS) (USD/MT)	450	440	10
CNF Indonesia – Yellow SBM (USD/MT)	460	455	5

Rapeseed Meal	28-Sep-19	28-Aug-19	Change
FAS Kandla (USD/MT)	228	218	10
FOR Kandla (Rs/MT)	16800	15700	1100
FOR Mundra (Rs/MT)	17200	16100	1100
CNF Indonesia (USD/MT)	256	237	19

International Soy DOC			
Argentina FOB USD/MT	28-Sep-19	28-Aug-19	Change
Soybean Pellets	295	305	-10
Soybean Cake Flour	295	305	-10
Soya Meal	297	307	-10
Soy Expellers	297	307	-10

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)
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Centers	30-Sep-19	30-Aug-19	Change
Adoni	26200	24800	1400
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	0	0	Unch

Groundnut Meal (Rs/MT)	30-Sep-19	30-Aug-19	Change
Basis 45%, Saurashtra	28000	28000	Unch
Basis 40%, Saurashtra	26000	26000	Unch
GN Cake, Gondal	28500	28000	500

Mustard DOC	30-Sep-19	30-Aug-19	Change
Jaipur (Plant delivery)	16500	15400	1100
Kandla (FOR Rs/MT)	16800	15600	1200

Mumbai Oil Meal Quotes:			
Rs/M.T.	30-Sep-19	30-Aug-19	Change
G.N. Extr (45%)	29000	27500	1500
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	38000	33800	4200
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	22000	23000	-1000
Rapeseed Extr.	0	0	Unch
Soymeal 48%	38609	32139	6470
Castor Extr.	6650	7000	-350

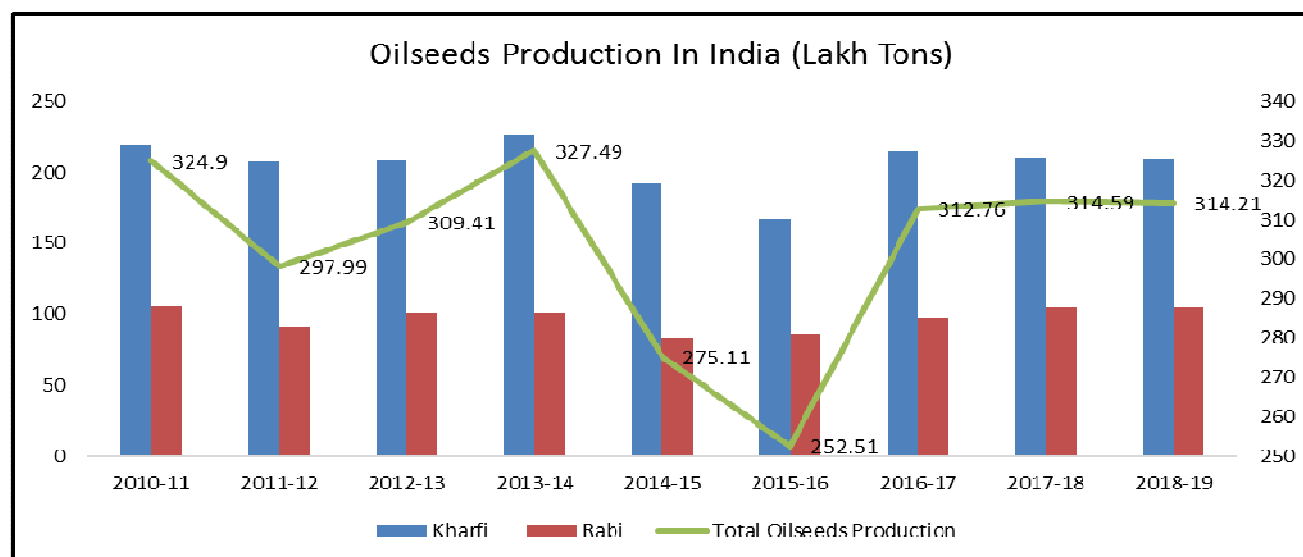
India's Total Oilseeds Production Seen at 322 Lakh Tons in 4th Adv. Est. - GOI (Kharif + Rabi + Summer)

The 4th Advance Estimates of production of major crops for 2018-19 have been released on 19th Aug, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received less rainfall. As a result, the production of oilseeds crops estimates for 2018-19 has witnessed below than their normal production. Oilseeds production of India is placed higher by 7.98 lakh tonnes to 322.57 lakh tonnes against the production of 314.59 lakh tonnes in Final Estimates of 2017-18. However, the estimated figure is high by 17.72 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2018-19 is as under:

Oilseeds – 322.57 Lakh tonnes

- Soybean – 137.86 Lakh Tons
- Groundnut – 66.95 Lakh Tons
- Rapeseed – 93.39 Lakh Tons
- Castorseed – 12.15 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.55 Lakh Tons
- Nigerseed – 0.65 Lakh Tons
- Sunflower – 2.19 Lakh tons
- Linseed - 1.59 Lakh Tons



Source: Ministry of Agriculture

Note: 2018-19 is based on 3rd Adv estimates.

Year includes Kharif, Rabi and summer (i.e. 2018-19 means kharif harvested in 2018, Rabi in 2019 and summer in 2019 and should not be considered as marketing year)

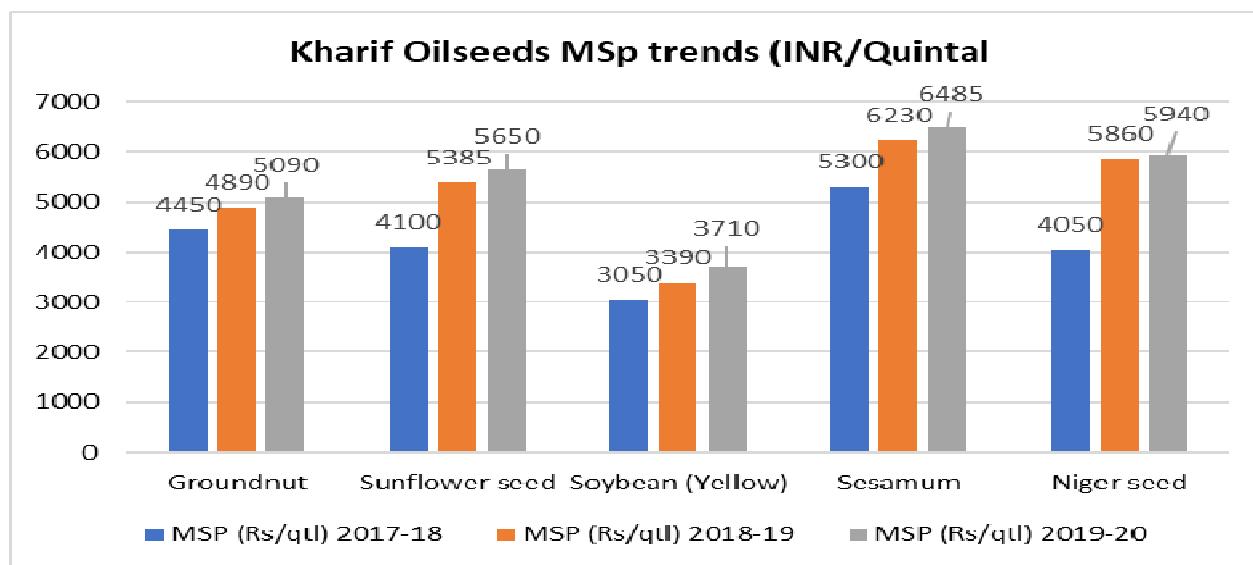
Oilseed Wise production in India (Kharif+Rabi) Lakh Tons									
Oilseed	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Soybean	127.36	122.14	146.66	118.61	103.74	85.7	131.59	109.33	137.43
Groundnut (In Shell)	82.65	69.64	46.95	97.14	74.02	67.33	74.62	92.53	65.02
Rapeseed & Mustard	81.79	66.04	80.29	78.77	62.82	67.97	79.17	84.3	87.82
Castorseed	13.5	22.95	19.64	17.27	18.7	17.52	13.76	15.68	11.98
Sesamum	8.93	8.1	6.85	7.15	8.28	8.5	7.47	7.55	7.46
Sunflower	6.51	5.17	5.44	5.04	4.34	2.96	2.51	2.22	2
Linseed	1.47	1.52	1.49	1.42	1.55	1.26	1.84	1.74	1.65
Nigerseed	1.08	0.98	1.01	0.98	0.76	0.74	0.85	0.7	0.63
Safflower	1.5	1.45	1.09	1.13	0.9	0.53	0.94	0.55	0.22

Source: Ministry of Agriculture.

Note: 2018-19 is based on 3rd Adv estimates.

MSP for 2019/20 Kharif Oilseeds

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qr in 2018-19 to Rs.3710/qr in 2019-20, Groundnut is increased by Rs.200 from Rs.4890/qr in 2018-19 to Rs.5090/qr in 2019-20, Sunflower is increased by Rs.262 from Rs.5388/qr in 2018-19 to Rs.5650/qr in 2019-20, Sesamum is increased by Rs.236/qr from Rs.6249/qr in 2018-19 to Rs.6485/qr in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qr in 2018-19 to Rs.5940/qr in 2019-20.



Source: MoA, GOI

MSP for 2018/19 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 200 from last year and kept it at INR 4200 per quintal. Last year the MSP of Mustard/rapeseed was INR 4000 per quintal including bonus of INR 200.

Safflower MSP has been increased to INR 4945 from INR 4100 per quintal of last year. Last year MSP includes a bonus of INR 200 per quintal.

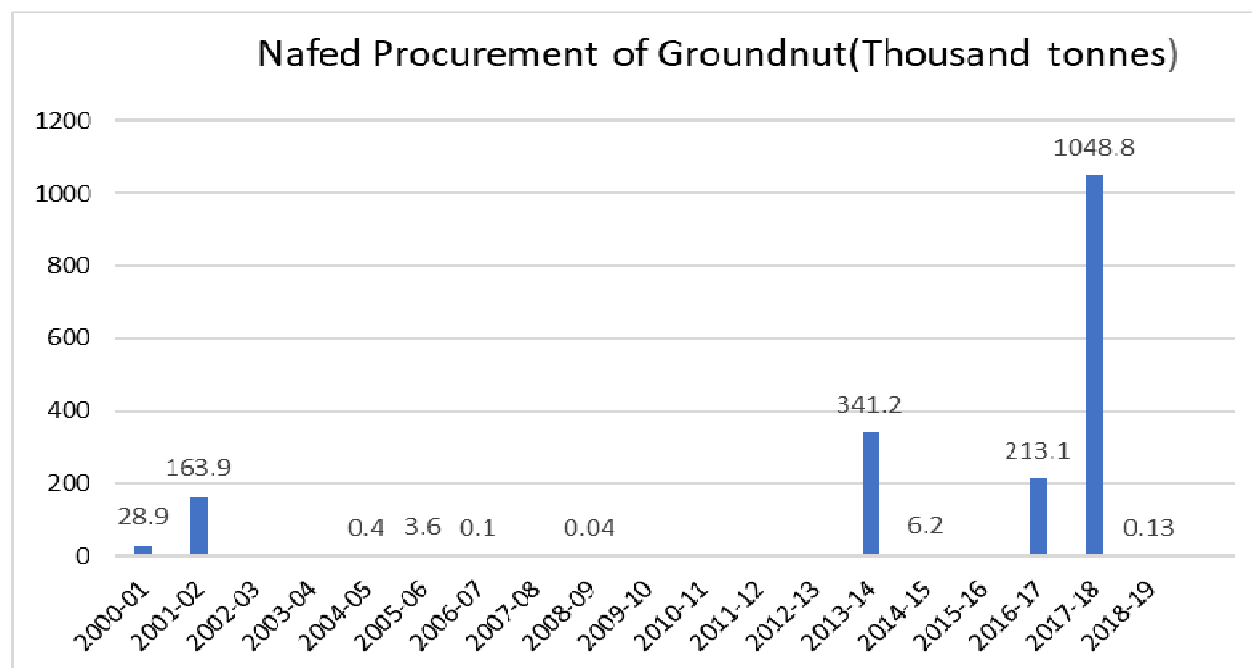
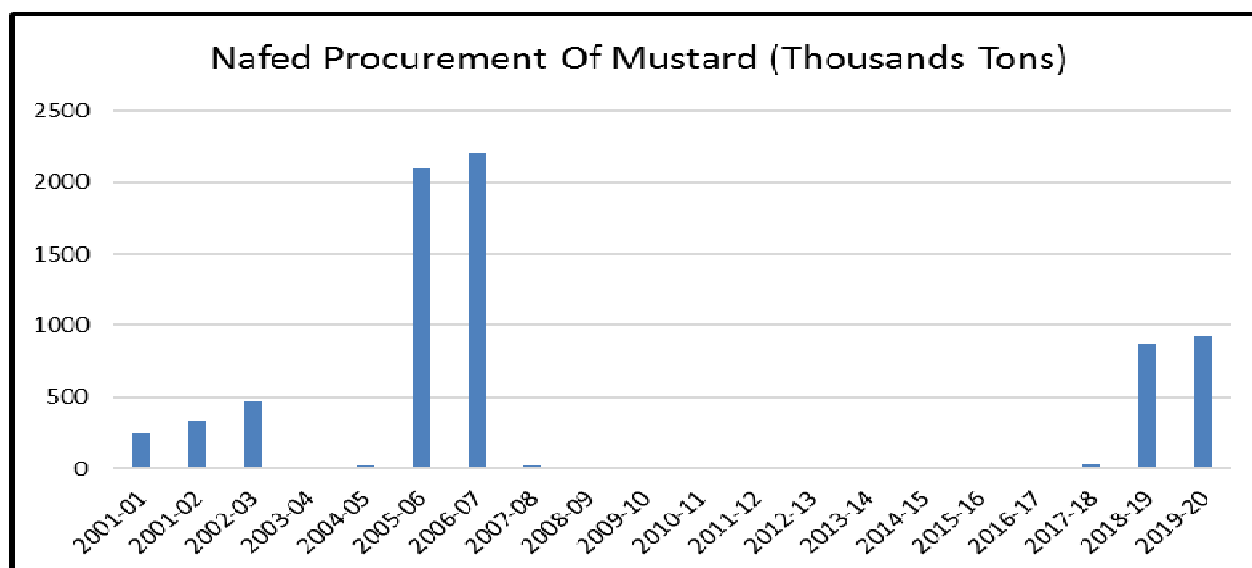
India's Kharif Oilseeds Production 2018-19 3rd Advanced Estimates

The 3rd Advance Estimates of production of major crops for 2018-19 have been released on 6th June, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

Kharif Oilseeds Production – 209.93 Lakh tonnes

- Soybean – 137.43 Lakh Tons
- Groundnut – 51.53 Lakh Tons
- Castor seed – 11.98 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.46 Lakh Tons
- Sunflower – 0.90 Lakh ton

NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically



SEA OILSEEDS APY ESTIMATES

Oilseeds	2017/18			2018/19		
	Area (Lakh Hac.)	Yield	Production (Lakh Tonnes)	Area (Lakh Hac.)	Yield	Production (Lakh Tonnes)
Groundnut	40.12	931	37.7	41.58	1269	52.75
Soybean	112.5	909	102.3	105.92	784	83
Sunflower	1.1	636	0.7	1.37	584	0.8
Sesame	13.84	170	2.35	14.19	282	4
Castor	7.27	1582	11.5	8.3	1754	14.43
Niger	2	350	0.7	2.06	340	0.7
Total	176.83	884	156.25	173.42	903	156.68

Source: SEA

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