
Oilmeals Monthly Research Report

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Executive Summary

The domestic soybean and soymeal extended the rally on good demand from oilseeds' processors for bean and strong export sales in soymeal.

The current market price of soybean - plant delivery at Indore is quoted up by 4% at Rs. 5,930/qtl compared to Rs. 5,719/qtl last week. There are no prices to compare for soybean during the same period due to imposition of lockdown restrictions.

However, the rapeseed-mustard and rapeseed DOC continued to witness mild losses on increase in the arrivals, but good demand from oilseeds' crushers limited the fall in the prices.

The new rapeseed-mustard supplies have flooded in the market, but they fell during the week compared to the previous week due to festivities and year-end finance closing.

Besides, the groundnut seed too extended the losses after sharp rally in recent while. We feel the prices to recover after the correction on persistent overseas demand in the groundnut seed and groundnut oil, mainly from China.

The rapeseed-mustard prices fell by -0.4% while rapeseed meal improved by -1%, soybean increased by +4% and soymeal posted gains by +7% while groundnut seed eased by -3%, all compared to the second last week's level.

We feel the soy complex to remain bullish on improved overseas soymeal demand and strong international soy complex.

Rapeseed-mustard complex will rebound and remain strong on expected good buying support.

Bullish global soybean outlook will continue to support the soy prices at higher level in medium-term. Besides, groundnut prices will also feature range-bound movement with firm bias on bullish outlook following good overseas demand for Indian seed.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with firm bias on improved soymeal export sales in recent months, and spillover support from the international soybean market. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,600 – 7,000/Ql levels during the month.

Outlook – Soy meal: Soymeal prices are likely to feature gains in sync with soybean and strong CBOT soy complex. The soymeal exports continued to be strong during the recent months. Soy meal, Indore is expected to be in the range of 53,000 – 60,000/MT levels during the month.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-mustard is expected to feature range-bound movement on rising new crop arrival pressure followed by harvesting and expected bigger crop. The seed prices are likely to witness the price levels in the range of 6,300 – 7000/Qtl levels during the month.

International Highlights

- ❖ In the prospective planting report, released on March 31, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, (USDA), the soybean planted area for 2021 is estimated at 87.6 million acres, up 5 percent from last year (83.084 million acres). Compared with last year, planted acreage is up or unchanged in 23 of the 29 estimating States.
- ❖ According to the data released by NOPA, US crushed 155.158 million bushels of soybeans in February'21, lowest for a single month since September 2019. The soybean processing was down from 184.654 million bushels in January and 166.288 million bushels in February 2020.
- ❖ In the March'21 report, the USDA has kept US 2020/21 soybean estimates unchanged at 112.5 million tonnes compared to previous month. It has raised the Brazil's soybean production to 134 million tonnes from 133.0 million tonnes last month.
- ❖ Besides, India production estimates is increased to 10.7 million tonnes from 10.5 million tonnes while Argentina's soybean estimate is lowered to 47.5 million tonnes from 48.0 million tonnes previous month.
- ❖ The global 2020/21 soybean production estimate too increased to 361.8 million tonnes vs 361.0 million tonnes in the previous month report by USDA. World 2020/21 soymeal production is estimated slightly up at 254.1 million tonnes vs 252.9 million tonnes in its previous estimate.
- ❖ Brazil's soybean exports is estimated to reach to 16.1 million tonnes in March vs 16.4 million tonnes in the previous forecast – ANEC
- ❖ CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.131 million tonnes vs 133.817 million tonnes in February forecast and 124.845 million tonnes in 2019/20. The country's soybean yields are seen at 3,513 kg/ha vs 3,497 kg/ha in the previous season.
- ❖ Buenos Aires Gain Exchange has lowered the Argentine 2020/21 soybean crop harvest estimate to 44 million tonnes vs 46 million tonnes in its previous estimate.
- ❖ The Rosario exchange has slashed its Argentina's 2020/21 soy harvest forecast to 45 million tonnes from a previous 49 million tonnes, citing persistent high temperatures and scant rainfall.

Soybean

Soybean extended rally on strong soymeal export sales, supportive domestic edible oil prices and overall bullish international soybean market.

Robust Chinese soybean demand in the international market and lower US soybean inventories will limit the fall in the international soybean, despite increase in the South American supplies in the coming weeks.

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The soybean harvesting is underway in Brazil and it is in full-swing while the soybean crop is in the pod formation stage in Argentina.

In the virtual Price Outlook Conference (POC) organized by Bursa Malaysia Thomas Mielke is in view that, after establishing new multi-year highs, the global edible oil prices are likely to be close to their peak, as the bullish fundamentals should be largely discounted.

He added that the prices are set to start weakening in the Apr/June quarter followed by further setback in July/Dec, attributed to increasing South East Asian palm oil and South American soybean production as well as prospective sharp increase in oilseeds plantings in the Northern Hemisphere.

Further, the world soybean supplies will increase in April thru December with South American crop harvest in full swing and US soybean supplies later. We may further see competition in soybean prices between South America and US.

Buenos Aires Grain Exchange and Rosario exchange has slashed the Argentine 2020/21 soybean crop harvest estimate to 44 million tonnes vs 46 million tonnes and to 45 million tonnes from 49 million tonnes respectively, reduction citing persistent high temperatures and scant rainfall during the crop development phase.

Further, In the USDA's Foreign Agriculture Service post in Beijing China's soybean imports are forecast to reach a record 100 million tonnes in the marketing year 2021/22 and estimated 99 million tonnes in 2020/21 to meet the feed demand from the livestock and poultry sectors.

The USDA attaché has projected country's MY 2021/22 soybean production forecast at 18.6 million tonnes down from 19.6 million tonnes projected in USDA's March WASDE report.

The average monthly soybean plant delivery prices at Indore cash market improved by +13% to Rs. 5,548 a quintal compared to Rs. 4,910 a quintal a week ago.

The domestic soybean crushing is heading at a steady pace on good overseas soy meal export demand. currently, the daily arrivals in Madhya Pradesh is reported around 30,000 - 40,000 bags vs 40,000 - 45,000 bags, Maharashtra 60,000 - 65,000 bags vs 65,000 - 70,000 bags and in Rajasthan 7,000 - 8,000 vs 8,000 - 10,000 bags, all compared to the second last week of March.

In the March'21 report, the USDA has kept US 2020/21 soybean estimates unchanged at 112.5 million tonnes compared to previous month. It has raised the Brazil's soybean production to 134 million tonnes from 133.0 million tonnes last month.

Besides, India production estimates is increased to 10.7 million tonnes from 10.5 million tonnes while Argentina's soybean estimate is lowered to 47.5 million tonnes from 48.0 million tonnes previous month.

The global 2020/21 soybean production estimate too increased to 361.8 million tonnes vs 361.0 million tonnes in the previous month report by USDA. World soy meal production is estimated slightly up at 254.1 million tonnes vs 252.9 million tonnes for 2020/21.

AgResource raised Brazil's 2020/21 soybean harvest to 129.98 million tonnes from 128 million tonnes previously projected.

India's soy meal shipments improved by +115% to 14,18,454 metric tonnes in aggregate, during the last ten months (Apr.-Feb.) of financial year 2020-21 compared to 66,0065 metric tonnes during the corresponding period last year.

Agriwatch has estimated its India's 2020/21 soybean output estimate to 10.7 million tonnes, up 22% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 million tonnes,

SOPA has pegged India's 2020/21 soybean estimate at 10.45 million tonnes against 9.31 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

We expect India's soy meal exports to improve by 70-80% year-on-year for coming months, after fall in the soybean crushing in Argentina and Brazil as their stocks dried up.

India had imported 42,82,693 metric tonnes of edible oils in during Nov.'20 – Feb.'21 to meet the supply gap, down 4%, compared to 44,54,588 metric tonnes in during the same period last year.

Further, during February 2021, India's degummed soyoil imports fell by 11% to 2,85,973 metric tonnes compared to 3,22,48 metric tonnes same period last year. But the Nov.'20 - Feb.'21 imports in the same is up by 4% at 9,48,233 metric tonnes during the same period last year.

Higher edible oil imports could pressure the oils and fats market in medium-term.

The arrivals of bean in March fell to 12,40,000 bags in the cash market yards of Madhya Pradesh, compared to 15,25,000 bags a month ago.

The major buyers are as follows: Agrawal, Neemuch, Shanti Overseas, Living Food, Goyal Protein, Bansal-Bhopal, Vippy-Dewas, ABIS, Sneha, Ruchi Soya, Shalimar Katol, Vippy Dewas, Dhanuka Neemuch, Avi Agri Ujjain, M.S. Neemuch, RH Seoni, Prakash, Kriti Dewas, Mahakali, Prestige Dewas, Itarsi Oil, Sanwaria Itarsi, MS Solvex Neemuch, MS Soya Pachore, during the week.

The domestic soybean prices are likely to feature range-bound movement with firm bias on improved soymeal export sales from India and firm global cues.

International:

According to China's custom data, China's total soybean imports in 2020 stood around 101-105 million tonnes, compared to last year's 88.6 million tonnes.

USDA attache has projected China's 2020/21 soybean imports at 95 million tonnes which is lower than 98.5 million tonnes imported in 2019/20 by the country. The reason cited is the higher beginning stocks in the new marketing season following a buying spree in 2019/20.

Brazil eliminated import tariffs for soybean and corn on 16th October 2020, seeking to maintain the supply balance amid record domestic prices for both commodities. For soybean, tariff-free imports were valid until 15 January 2021, while for corn the license goes until 31 March 2021.

According to Safras & Mercado the tariffs suspension in Brazil is likely to push soy imports to a maximum of 1 million tonnes this year, as compared with a current projection of 850,000

Argentina has temporarily slashed soybean export duty by 3% points to 30% to help stimulate trade, as the country struggles with recession and declining foreign reserves.

Revised March'21: Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Agroconsult (132.4 Mn T), Rabobank (127.3 Mn T), Abiove (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T), and Conab (135.131 Mn T) and USDA has pegged it at 134 Mn T currently.

These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares which is up 1.3 – 2.5 million hectares estimated by these agencies for 2019/20.

Industry estimates suggest this year's Brazilian soybean export may reach 80 million tonnes or more, which means another 12 million tonnes could be exported over the next few months.

China's domestic soybean production is seen at 19.6 million tonnes in 2020/21, up 8% from the previous year (18.1 million tonnes), according to forecasts of the USDA. The country's soybean crushing volumes were pegged at 98 million tonnes this year.

The strong Chinese demand will continue to lend support to the international soy prices during the season.

Tight global soybean supply scenario and strong Chinese soybean demand and lower than expected global soybean production and inventories to keep the soybean prices strong in the medium-term.

Balance Sheet – Soybean, India

Soybean (Fig in Mn T)	Fig. in MnT	
	2019-20	2020-21
Carry In	0.50	0.45
Production	8.74	10.50
Imports	0.10	0.30
Total Availability	9.35	11.25
Processing/Crushing	7.20	9.00
Seeding/Retained for Sowing	1.00	1.00
Domestic Consumption	8.20	10.00
Exports	0.70	0.50
Total Usage	8.90	10.50
Carry Out	0.45	0.75
Monthly Use	0.74	0.88
Stock/Consumption Ratio	0.05	0.07
Stock to Month Use Ratio	1.67	1.17

Source: Agriwatch

- **Trade Observations:** Limited buying is featured in soybean at various cash markets, due to weak soymeal demand from poultry sector attributed to COVID-19 pandemic and ongoing lockdown. The solvent extractors and stockists are buying to cover their stock for future.
- India's 2020-21 soybean production was projected at 10.5 million tonnes against 8.74 million last season.
- India's 2020-21 soybean crush was estimated at 9.0 million tonnes vs 7.2 million in 2019-20.
- This translates into availability of 7.2 million tonnes of soy meal and 1.62 million tonnes of soy oil in 2020-21 MY.

Soymeal

The domestic soymeal posted gains by +11% in tandem with soybean supported by persistent overseas soymeal export sales from India. The near-term outlook for the market remains firm.

Higher 2021/22 US soybean planting estimates in the prospective planting report on March 31 indicates higher availability of the bean and subsequently meal if the crop yield stands at normal.

World 2020/21 soymeal production is estimated slightly up at 254.1 million tonnes vs 252.9 million tonnes in its previous estimate by USDA.

Overall, the global soymeal outlook is bullish on strong demand from China with rising China's pig herd which fell last year due to swine flu.

Robust Chinese soy demand, lower than expected soybean production estimates in US and Argentina will remain bullish for soymeal for some more time.

The gains in local soymeal will be supported by the strong and continued overseas soymeal demand of Indian origin.

India's February 2021 soymeal exports improved by +404% to 24,7085 metric tonnes compared to 48,990 metric tonnes in the same period last year. Further, the soymeal shipments improved by +115% to 14,18,454 metric tonnes in aggregate, during the last ten months (Apr.-Feb.) of financial year 2020-21 compared to 66,0065 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of February 2021 is reported at 39,33,09 metric tonnes compared to 12,8761 metric tonnes in February 2020 i.e. up by +205%.

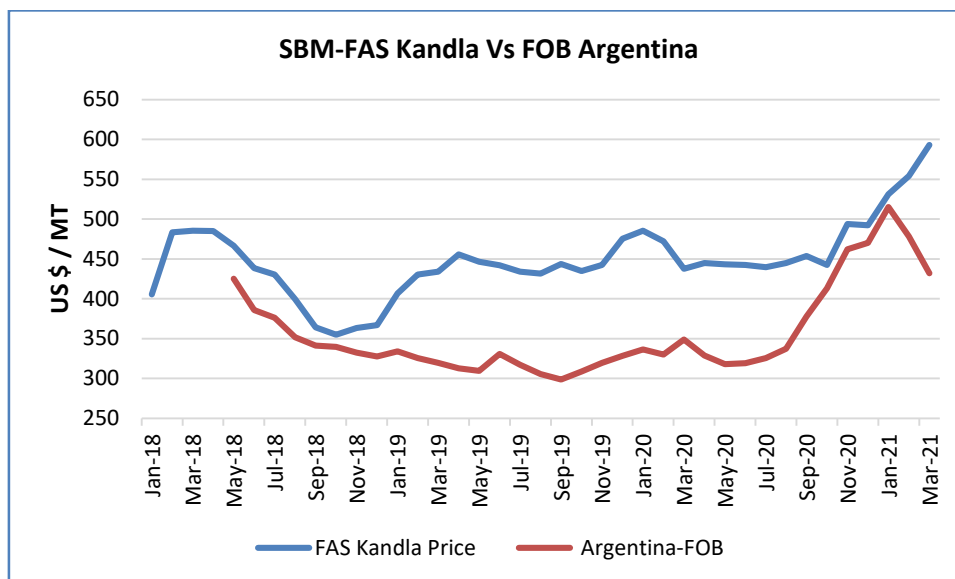
The overall export of oilmeals during April to February 2021 is also reported up by +49% at 33,58,649 metric tonnes compared to 22,56,641 metric tonnes during the same period last year.

Of the total soymeal exports of 66,00,65 metric tonnes in February 2021, US, Germany and Indonesia remained to top buyers with imports figures touching 2,14,889 metric tonnes, 14,2098 metric tonnes and 12,22,24 tonnes respectively.

India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%, and ricebran extraction exports is reported at 8,55,23 metric tonnes against last year 25,836 metric tonnes i.e. +231% higher compared to the same period last year.

However, the domestic demand has considerably recovering but still below pre-COVID levels. Poultry industry contributes more than 60% of the total domestic soymeal demand.



The international soymeal prices are getting competitive after rains in South America, improving the soybean crop prospect. The soymeal export price spread of India vs Argentina (FAS Kandla and FOB Argentina) have once again widened to US \$ 163/MT in March'21 vs US \$ 76/MT in February'21, leading uncompetitive for Indian soymeal price.

However, as expected, India's soymeal exports improved after lower soybean crushing in Argentina and Brazil providing fresh opportunities for India's exports.

In the March 2021, USDA report the world soymeal exports estimates are slightly higher at 67.26 million tonnes vs 66.50 million tonnes for 2020/21.

The domestic weekly average soymeal prices at Indore improved to Rs 45,400/MT and was quoted between Rs 43,500 – 48,000/MT compared to the weekly average of Rs 42,583/MT and was traded between the price ranges of Rs 40,500 – 44,000/MT in the second last week of March.

At Latur the weekly average soymeal prices improved to Rs 50,000/MT compared to Rs. 46,583/MT and in Nanded too it was quoted higher at Rs. 47,400/MT compared to Rs. 44,417/MT in the second last week of March. Besides, in Kota, the meal improved to Rs. 47,180/MT compared to Rs. 44,467/MT for the same period.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 43,500 – 48,000/MT during the last week of March compared to Rs 31,000 – 34,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 53,000 – 60,000/MT on cases strong overseas soymeal demand.

Previous updates:

The international soy market is strong on bullish global supply scenario due forecast to lower than expected soybean production and likely fall in the US soy inventories in August 2021 followed by the Chinese buying spree.

SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and the collapse of poultry sector. It has asked the Center to increase the import duty in edible oils.

Besides, the SOPA members have addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal, the same time.

Soy Meal Export (In Thd T)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Oct	224	50	183	29	4	31	71	150	64	120
Nov	398	517	503	111	9	98	208	186	69	199
Dec	798	511	451	194	6	241	169	170	72	251
Jan	475	620	364	104	28	155	106	86	42	283
Feb	344	578	184	65	30	208	74	132	49	247
Mar	460	302	232	47	27	107	39	193	33	
Apr	314	100	76	18	12	124	68	41	26	
May	143	98	8	14	10	49	41	53	47	
Jun	181	214	3	2	18	46	104	62	57	
Jul	168	107	7	1	12	81	64	76	62	
Aug	10	184	3	1	11	88	60	95	58	
Sep	7	173	1	7	12	102	45	35	69	
Total	3522	3454	2015	593	179	1330	1049	464	658	1100

Source: SEA

India's soy meal exports have improved on bullish global supply scenario on lower global soybean output and stock estimates, mainly on dry weather conditions in Argentina and surge in Chinese imports.

Soybean Crush Margin

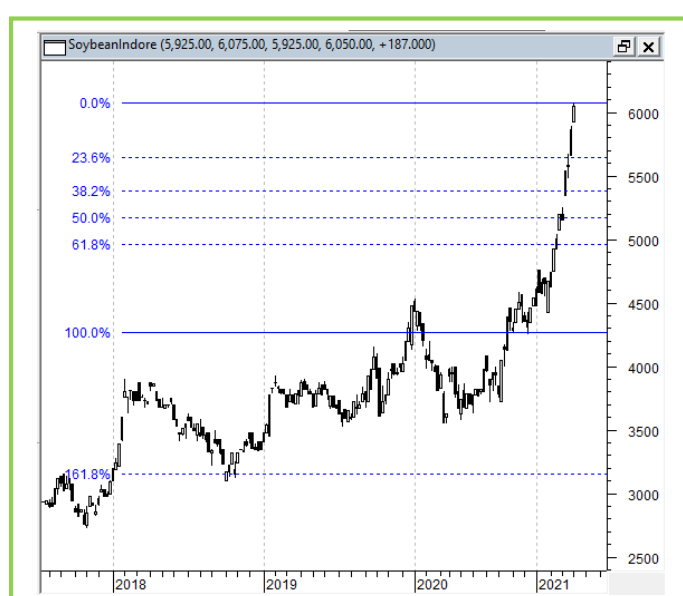
Avg Crush Margin – Mar 2021		Avg Crush Margin – Feb 2021		Avg Crush Margin – Mar 2020	
-2058		-1280		-1043	
Min	Max	Min	Max	Min	Max
-1200	-3395	-1960	-30	-1915	-110

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Daily Chart

Support & Resistance NCDEX- Soybean May Contract

S1	S2	PCP	R1	R2
5500	5400	5865	6700	6800

- Soybean extended the rally on good buying support in the market.
- Prices closed above 40-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is heading upwards in the positive territory.
- The prices are expected to feature gains during the month.
- Trade Recommendation (NCDEX Soybean – May) Month: **BUY** Above 5860. Levels: T1 – 6000; T2- 6150, SL - 5776.

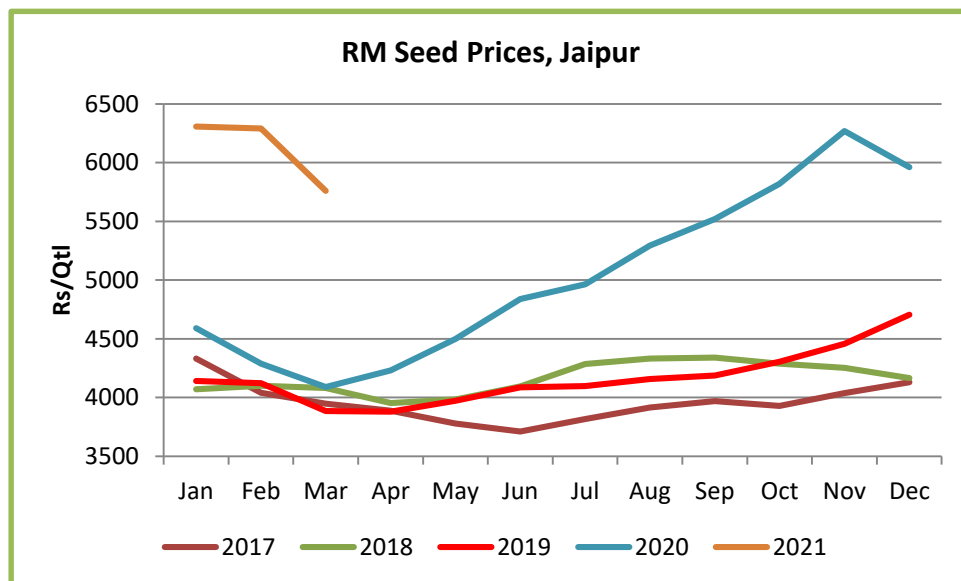
Rapeseed - Mustard Seed

Rapeseed-mustard fell on new crop supply pressure. However, the decline was mild on good demand for the seed from the crushers.

In Jaipur, RM seed prices witnessed losses by -8% to the weekly average price of Rs 5,761 a quintal from Rs 6,291 a quintal previous month.

In a major development, NAFED has commenced procuring the rapeseed-mustard and has procured 0.03 MT of rapeseed-mustard valued Rs 0.014 Lakh from Madhya Pradesh at MSP (Rs 4650/qrtl) under PSS, as on 01 March 2021.

The purchases have begun in Madhya Pradesh and we expect the federation's intervention in Rajasthan and Uttar Pradesh too in due course.



Besides, the rapeseed oilcake declined by -1% to the weekly average price of Rs. 2,398/qrtl compared to the the weekly average price of Rs. 2,413/qrtl previous week.

Further, AW has revised India's 2021/22 rapeseed-mustard production up to 8.54 million tonnes from 8.0 million tonnes estimated in its previous forecast and it is up 18% from 7.21 million tonnes estimated last season.

India has not imported any rape oil (canola) in February too as in last several months. India is unlikely to import the rape oil in coming months too. Lower imports in rape oil (canola) will lend support to the local rapeseed-mustard prices at the higher levels.

However, India's rapeseed meal exports in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%.

Besides, India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

At NCDEX futures, the May contract of rapeseed-mustard ended up at 6,135/QtI compared to 5,718/QtI previous month.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Mar.	1 Month Ago	Corresponding Period Last Year
2,04,85,000	64,00,000	47,35,000

The all India rapeseed-mustard arrivals surged to 204.0 lakh bags during March'21 compared to 64.0 lakh bags in February.

Previous Updates

The Food Safety and Standards Authority of India (FSSAI) has withdrawn the order prohibiting blending of mustard oil.

The food regulator has until now allowed 20% blending in mustard oil under the standards for blended edible oil under FSS (Food Product Standards and Food Additives) Regulations. The decision to withdraw the September order was taken after stakeholders made a representation to the authority.

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity of the rapeseed-mustard to improve in 2020-21 from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

The MSP for rapeseed-mustard has been increased in line with the recommendations of Swaminathan Commission to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

India had imported rapeseed oil (canola) of about 20,801 metric tonnes in August for the first time in last four months.

The total procurement of rapeseed-mustard by Nafed under PSS in 2020/21 from major seed producing states (Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh) stands at 8,03,853.33 metric tonnes with a total value of Rs. 3,55,705.10 Lakh and the total number of farmers benefiting from the scheme so far stands at 3,18,540.

Total procurement of the seed by Hafed in 2020/21 stands at 5,30,000 metric tonnes.

Favorable weather have raised 2020/21 Australia rapeseed outturn by above 2% to 3.4 from 3.0 million tons earlier.

Strategie Grains expects the planted area for the 2021 rapeseed crop in the European and Britain down compared with the current year harvest.

The farmers in Europe once again faced dry planting conditions during the late-summer sowing window for rapeseed, mainly in France.

Strategie Grains has kept this year's weather-hit rapeseed outturn for EU plus Britain unchanged at 17.1 million tonnes, slightly below 17.3 million tonnes estimated for 2019.

The consultancy has estimated EU and Britain rapeseed 2020-21 import to record 6.3 million tonnes, after estimating 6.2 million tonnes a month ago. EU had imported 6.0 million tonnes of rapeseed in 2019/20 season.

Outlook: *The rapeseed-mustard price will witness a supply pressure for short term with harvesting of the crop gaining momentum, the prices will feature range-bound movement with weak bias. Overall, the near-to-medium term fundamentals are strong.*

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2020-21	2021-22
Carry In	0.33	0.13
Production	7.21	8.54
Imports	0.00	0.00
Total Availability	7.53	8.6
Processing/Crushing	7.10	8.06
Exports	0.00	0.00
Retained for Sowing & Direct Consumption	0.30	0.30
Total Usage	7.40	8.36
Carry Out/Ending Stock	0.13	0.31
Monthly Use	0.62	0.70
Stock/Consumption Ratio	0.02	0.04
Stock to Month Use Ratio	0.21	0.45

(Source: AgriWatch)

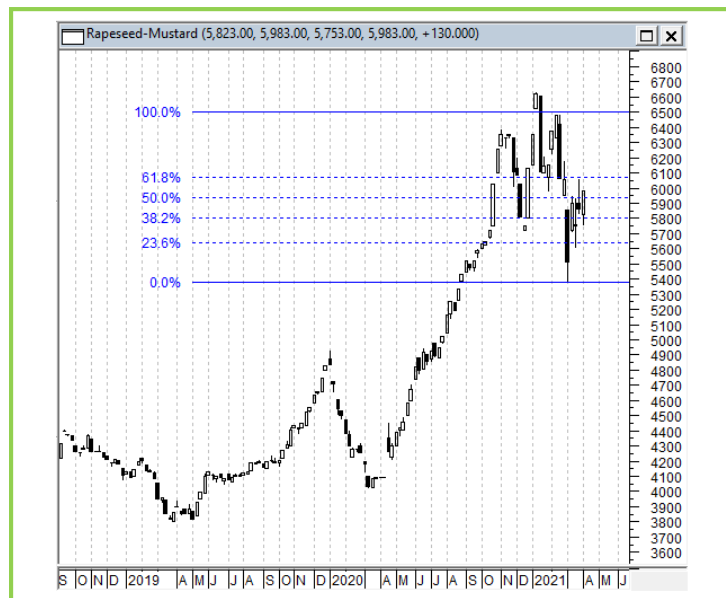
- We have pegged India's 2021/22 Rapeseed-mustard outturn at 8.54 million tonnes, higher by 18% compared to the 2020/21 production at 7.2 million tonnes.
- India's production is above 5 year average of around 6.7 million tonnes.
- **Trade Observations: India is an import dependent country in edible oils, hence the oilseeds produced almost gets crushed fully, prices to remain strong in 2021/22 season due to improved demand in mustard oil, post COVID, higher rapeseed meal export sales and sharp fall in the imports of canola/rape oil.**
- India's rapeseed-mustard prices rallied at the cash market in 2021/22 season and they are at all-time high in benchmark Jaipur.

Technical Analysis:

NCDEX RM Seed Futures



RM Seed Spot, Jaipur



*Daily Chart

Support & Resistance NCDEX - RM Seed May Contract

S1	S2	PCP	R1	R2
5300	5200	5718	6300	6400

- Rapeseed-mustard extended the rally during the month, in the market.
- Prices closed above 40-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are heading upwards in the neutral zone.
- Trade Recommendation (NCDEX RM Seed – May) – 1 Month: **BUY** Above 5715. T1 – 6000; T2 - 6100; SL – 5544.

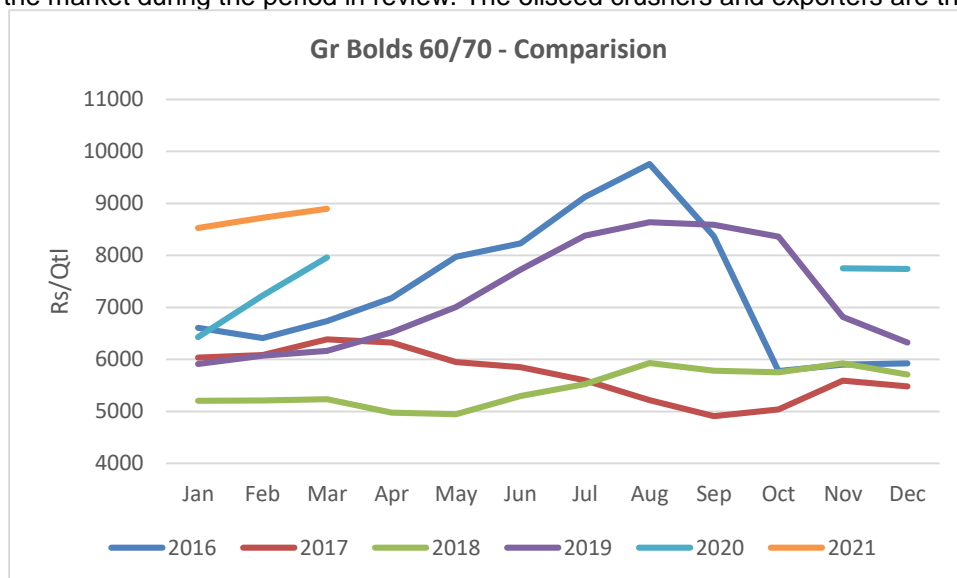
Groundnut

The groundnut seed prices witnessed gains by 12% y-o-y while it posted gains by 2% in March compared to February 2021.

There was no major activity in the market during the period in review. The oilseed crushers and exporters are the active participants in the market.

NAFED has procured about 2,84,733 metric tonnes of groundnut seed under PSS by 12th February 2021-valued at Rs. 1,502 crores including Gujarat (2,02,630 MT), Haryana (691 MT), Andhra Pradesh (257 MT), Rajasthan (74,511 MT) and UP (6528 MT) and Karnataka (116 MT).

NAFED is done with the procurement of the seed with the last above reported figures, the lowest procurement since 2016.



China continues to buy groundnut oil and seed aggressively from India to meet its the demand gap after its groundnut production was hit by 25-30% against the normal output of around 17 million tonnes of the output, due to the floods.

The groundnut seed crushing units in Rajkot are working overtime to meet the demand and the millers from Saurashtra are purchasing the seed from Rajasthan, said the President Saurashtra Oil Mills Association (SOMA). The groundnut oil exports to exceed 2 lakh tonnes this year.

India's export of groundnut has witnessed a continued upward journey hitting 19% growth in terms of volume followed by strong overseas demand.

Currently, Indonesia, Vietnam, Malaysia, Philippines, Thailand and China are the top buyers of India's groundnut seed. Few country's demand diverted to India due to short supplies from China.

Groundnut Kernel							
Center	Variety	% Change over	% Change over	As on	Month Ago	Year Ago	2 Year Ago
		Previous year	Previous month	Mar-21	Feb-21	Mar-20	Mar-19
Mumbai	GN Bolds 60/70	12	2	8894	8721	7959	6162

(Source: Bombay Commodity Association)

Annexure

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	31-Mar-21	27-Feb-21	Parity To
Indore - 45%, Jute Bag	46000	38500	Gujarat, MP
Kota - 45%, PP Bag	47500	41200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	49000	42300	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	48000	41500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	47500	41500	Andhra, AP, Kar, TN
Latur	50500	41000	-
Sangli	48000	41700	Local and South
Solapur	44500	40600	Local and South
Akola – 45%, PP Bag	46500	39000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	46500	41500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	47300	41000	-

Soy DOC at Ports			
Centers	Port Price		
	31-Mar-21	27-Feb-21	Change
Kandla (FOR) (INR/MT)	45000	40500	4500
Kandla (FAS) (USD/MT)	650	570	80
CNF Indonesia – Yellow SBM (USD/MT)	595	585	10

Rapeseed Meal	31-Mar-21	27-Feb-21	Change
FAS Kandla (USD/MT)	280	265	15
FOR Kandla (Rs/MT)	19700	19000	700
FOR Mundra (Rs/MT)	20100	19400	700
CNF Indonesia (USD/MT)	336	325	11

International Soy DOC			
Argentina FOB USD/MT	31-Mar-21	27-Feb-21	Change

Soybean Pellets	445	457	-12
Soybean Cake Flour	445	457	-12
Soya Meal	0	461	-461
Soy Expellers	0	461	-461

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	31-Mar-21	27-Feb-21	Change
Adoni	32500	27500	5000
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	32000	27000	5000

Groundnut Meal (Rs/MT)	31-Mar-21	27-Feb-21	Change
Basis 45%, Saurashtra	30500	30000	500
Basis 40%, Saurashtra	27000	27000	Unch
GN Cake, Gondal	30000	31000	-1000

Mustard DOC	31-Mar-21	27-Feb-21	Change
Jaipur (Plant delivery)	19300	19500	-200
Kandla (FOR Rs/MT)	20200	20500	-300

Mumbai Oil Meal Quotes:			
Rs/M.T.	31-Mar-21	27-Feb-21	Change
G.N. Extr (45%)	32000	29500	2500
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	28500	27000	1500
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	26500	28500	-2000
Rapeseed Extr.	0	0	Unch
Soymeal 48%	48000	40174	7826
Castor Extr.	3975	4250	-275

MSP of Rabi Oilseeds for Marketing Season 2021-22- GOI

Sl. No	Crops	MSP for Rabi 2021-22	MSP for Rabi 2020-21	Increase in MSP (Absolute)
1	Rapeseed-mustard	4,650	4,425	225
2	Safflower	5,327	5,215	112

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Rabi crops for marketing season 2021-22.

Government has increased the MSP of Rabi crops for marketing season 2021-22, to ensure remunerative prices to the growers for their produce. This increase in MSP is in line with the recommendations of Swaminathan Commission.

Among the Rabi oilseeds the MSP for rapeseed-mustard has been increased to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

The MSP of safflower to Rs. 5,327 a quintal from earlier Rs. 5,215 per quintal an increase of Rs 112 per quintal.

MSP of Kharif Oilseeds for Marketing Season 2020-21 - GOI

Sl. No	Crops	MSP for Kharif 2020-21	MSP for Kharif 2019-20	Increase in MSP (Absolute)
1	Groundnut	5275	5090	185
2	Sunflower seed	5885	5650	235
3	Soybean (yellow)	3880	3710	170
4	Sesamum	6855	6485	370
5	Nigerseed	6695	5940	755

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Kharif crops for marketing season 2020-21.

Government has increased the MSP of Kharif crops for marketing season 2020-21, to ensure remunerative prices to the growers for their produce.

Among the Kharif oilseeds the MSP for groundnut has been increased to Rs. 5275 per quintal for marketing season 2020-21 from Rs.5090 per quintal in 2019-20 an increase of Rs.185 a quintal.

The MSP of sunflower to Rs. 5885 a quintal from earlier Rs. 5650 per quintal an increase of Rs 235 per quintal, Soybean-yellow to Rs. 3880 a quintal to Rs. 3710 per quintal last season, an increase of Rs. 170 a quintal, Sesamum to Rs. 6855 a quintal from 6485 earlier, an increase of Rs. 370 a quintal and the MSP of Nigerseed have been increased to Rs. 6695 a quintal from Rs. 5940 a quintal earlier, increase of Rs 755 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for Nigerseed (Rs 755 per quintal) followed by Sesamum (Rs 370 per quintal), Urad (Rs 300 per quintal) and Cotton (long staple) (Rs 275 per quintal). The differential remuneration is aimed at encouraging crop diversification.

India's Oilseeds Production Seen at 25.73 Mn T vs 22.32 Mn in 1st Adv Est. for 2020-21- GOI

The 1st Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22nd September, 2020. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

The estimated production of major Kharif Oilseeds during 2020-21 is as under:

Kharif Oilseeds – 257.29 lakh tonnes in 2020-21 vs 223.16 lakh tonnes in 2019-20

- Groundnut – 95.35 lakh tonnes vs 83.67 lakh tonnes in the 4th Advance Estimate.
- Castorseed – 17.24 lakh tonnes vs 18.49 lakh tonnes
- Sesamum – 7.49 lakh tonnes vs 7.50 lakh tonnes
- Nigerseed – 0.63 lakh tonnes vs 0.42 lakh tonnes
- Soybean – 135.83 lakh tonnes vs 112.15 lakh tonnes
- Sunflower – 0.75 lakh tonnes vs 0.94 lakh tonnes.

The production estimates does not include the Rabi oilseeds' (rapeseed-mustard, safflower, rabi groundnut, rabi sunflower and Linseed) output estimates as its marketing season starts from February.

Sown Area – *Kharif* Oilseeds, India 2020-21

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 197.18 lakh hectares, an increase by 9.8% from 179.63 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 121.24 lha compared to 113.95 lha during the corresponding period of last year, groundnut at 50.98 lha vs 39.48 lha, sesamum 14.14 lha vs 13.73 lha, castor seed at 7.92 lha vs 9.44 lha and niger at 1.67 lha vs 2.04 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 8-9% this season.

Area in Lakh Hectares				
Crop	Normal Area (5 Year Avg.)	2020-21	2019-20	% Change
Groundnut	42.43	50.98	39.48	29.1
Soybean	111.49	121.24	113.95	6.4
Sunflower	1.84	1.23	0.99	24.2
Sesamum	14.13	14.14	13.73	3.0
Niger	2.41	1.67	2.04	-18.1
Castor	9.65	7.92	9.44	-16.1
Total Oilseeds	181.95	197.18	179.63	9.8

Source: MoA, GOI

Sown Area – *Rabi* Oilseeds, India 2020-21

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 83.60 lakh hectares, up 5% from 79.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 7% at 73.89 lha compared to 68.84 lha during the corresponding period of last year. Groundnut at 4.57 lha vs 4.65 lha, safflower at 0.58 lha vs 0.63 lha, sunflower at 1.01 lha vs 1.02 lha, sesamum 0.44 lha vs 0.56 lha, linseed at 2.90 lha vs 3.34 lha and other 0.21 lha vs 0.33 lha during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 22 Jan. 2021	As on 22 Jan. 2020	% Change
Rapeseed/Mustard	59.44	73.89	68.84	7.3
Groundnut	7.28	4.57	4.65	-1.7
Safflower	1.18	0.58	0.63	-7.9
Sunflower	2.41	1.01	1.02	-1.0
Sesamum	0.00*	0.44	0.56	-21.4
Linseed	2.75	2.90	3.34	-13.2
Others	0.13	0.21	0.33	-36.4
Total Oilseeds	73.19	83.60	79.37	5.3

Source: MoA, GOI

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