
Oilmeals Monthly Research Report

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Executive Summary

Soybean showed mixed trends amid mixed sentiments in May'21. Various markets were shut down from April mid to mid of May amid lockdown restrictions. Therefore, thin trading activities was seen in the markets. Ease in lockdown restrictions may support arrivals and may limit any major gain in prices near medium term.

Soybean and soymeal extended the rally at its benchmark on good local demand. The average monthly soybean plant delivery price at Nagpur is quoted up by +3% at Rs. 7,153/qtl in May'21 compared to Rs. 6,913/qtl April'21.

Besides, the rapeseed-mustard and rapeseed oilcake continued upward movement on good demand for the mustard oil and the improved overseas demand for the rapeseed-mustard meal.

The groundnut prices also increased after strong exporters and regular demand despite rise in supplies. Persistent overseas demand in the groundnut seed and groundnut oil, mainly from China will inch prices higher side.

The rapeseed-mustard prices increased sharply by +9% and rapeseed oilcake rose by 1.89%, soybean surged by +3% and soymeal improved by +7%, however groundnut seed price was negligibly changed, all compared to the previous month-April level.

We feel the soy and rapeseed-mustard complex to improve after ease in lock down restricons.Also, strong overseas soymeal and rapeseed meal demand and overall strong international soy complex will support the prices in medium term.

As per recent USDA report, Soybean production in the world is likely to increase by 6% to 386 million tonnes in next season (September- 2021- August 2020) in expectation of higher crop size in US and India. Total crop size in India may stand higher by 750,000 tonnes to 11.2 Million tonnes against 10.45 Million tonnes in this season. Higher soybean prices in this season will encourage farmers in India to cover higher soybean area.

India's export of oilmeals for the month of April 2021 is reported at 303,458 metric tonnes compared to 102,150 metric tonnes in April 2020 i.e. up by +197%.

India's Apr 2021 soymeal exports increased by 53% to 39,705 metric tonnes compared to 25,940 metric tonnes in the same period last year.

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 in coming days, on bullish outlook following good overseas demand for Indian seed.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): The soybean prices will feature range-bound movement with firm bias on improved in crushing demand for seed at the current level. Higher international soybean market will also support prices. The prices (Nagpur, Plant basis) are expected to feature range bound movement in the price band of 7,200 – 7,900 level.

Outlook – Soy meal: Soymeal prices are expected to rise on higher offtake from the poultry and feed manufacturers. Strong soymeal export sales and strength in CBOT soy complex will also support the prices. The soymeal exports continued to be strong since the commencement of marketing season. Soy meal, Indore is expected to be in the range of 61,000 – 68,000/MT levels during the month.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-mustard is expected to feature range-bound movement on firm-bias on robust demand in domestic market. The seed prices are likely to witness the price levels between 6,500 – 7,800 Qtl; levels during the month.

International Highlights

- ❖ CBOT July soybean futures closed 33 cents up at \$ 15.82 1/4. New crop November soybean futures closed 30 cents up at \$ 14.33 3/4, on the last trading session.
- ❖ US soybean planting, as on May 23, 2021, stood at 87% down from 90% same period last year however up from 5-year average of 80%. Further, the US soybean emerged by 63% lower from 75% same period last season however up from 5-year average of 54%.
- ❖ According to the data released by NOPA, US crushed drops to 160.310 million bushels of soybeans in April21, second consecutive month of reduction also slightly less than expected. The soybean processing was down from 171.75 million bushels in April 2020 also lower from 177.98 million bushels in March 2021. The market is expected lower US soybean crush figure for May'21 on dwindling stocks.
- ❖ In the May'21 report, the USDA, US 2020/21 soybean estimates increased to 112.54 million tonnes compared to previous year i.e. 96.66 million tonnes. It has raised the Brazil's soybean production to 136 million tonnes from 128.50 million tonnes in last year.
- ❖ Further, India's and Argentina production estimates is kept at 10.45 million tonnes and 47 million tonnes respectively.
- ❖ The global 2020/21 soybean production estimate to decrease at 362.94 million tonnes vs 363.18 million tonnes in the previous month report by USDA. In 2019-20, it is estimated at 339.41. World 2020/21 soymeal production is estimated slightly down at 253.3 million tonnes vs 254.14 million tonnes in its previous estimate.
- ❖ CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.54 million tonnes vs 135.131 million tonnes in March forecast and 124.845 million tonnes in 2019/20.
- ❖ Buenos Aires Gain Exchange has kept the Argentina 2020/21 soybean crop harvest estimate higher at 43.5 million tonnes vs 43 million tonnes from its previous estimates in expectation of better crop yield. So far, farmers have harvested total 91.4% of this season's soy crop.

Soybean

Soybean rose after good demand in local markets as lock down restrictions has been removed from various states of India. Depleting stock of this season is also supporting prices to rise.

Soybean witnessed higher prices in May'21 with an average monthly prices of Rs 7153/Qtl with monthly high of Rs 7650/Qtl and low of Rs 6600/Qtl. against Rs.7650/Qtl. against Rs. 6913/Qtl. with monthly high of Rs. 8200/Qtl. low of Rs. 5937.5/Qtl.

CBOT July soybean futures closed 33 cents up at \$ 15.82 1/4. New crop November soybean futures closed 30.20 cents up at \$ 14.33 3/4 on Friday.

CBOT soy complex continued to be strong and the prices are near seven-year high despite record soybean production, persistent strong demand, mainly Chinese demand remained supportive for the international soy market.

Strong Chinese demand lower than expected US soybean planting intentions of 87.6 million acres, thought it is 5% higher compared to the previous year, and lower US soybean inventory number of 1.56 billion bushels in March 01 which 31% lower compared to same period last year kept the international soybean market strong.

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Further, India's and Argentina production estimates is kept at 10.45 million tonnes and 47 million tonnes respectively.

The global 2020/21 soybean production estimate to decrease at 362.94 million tonnes vs 363.18 million tonnes in the previous month report by USDA. In 2019-20, it is estimated at 339.41. World 2020/21, soymeal production is estimated slightly down at 253.3 million tonnes vs 254.14 million tonnes in its previous estimate. For, soybeans, the world ending stocks in 2021/22 are estimated at 91.09 million tonnes against 86.54 million tonnes in 2020/21.

CONAB has once again raised Brazil's 2020/21 soybean crop estimate to 135.54 million tonnes vs. 135.131 million tonnes in March forecast and 124.845 million tonnes in 2019/20.

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 attached 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 last WASDE report.

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

Indian Meteorological Department in its 1st long range forecast for 2021 Southwest monsoon season has predicted India's Southwest monsoon seasonal (June to September) rainfall over the country as a whole is most likely to be normal (96 to 104 % of Long Period Average (LPA)).

Quantitatively, the monsoon seasonal (June to September) rainfall is likely to be 98% of the Long Period Average (LPA) with a model error of $\pm 5\%$. The LPA of the season rainfall over the country as a whole for the period 1961-2010 is 88 cm. If it realizes the kharif oilseeds' crop production, including soybean, will be within normal.

India's Apr 2021 soymeal exports increased by 53% to 39,705 metric tonnes compared to 25,940 metric tonnes in the same 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 soymeal exports to remain strong by 90-100% year-on-year for coming months, after fall in the soybean crushing in Argentina and Brazil as their stocks dried up.

India had imported 6,270,238 metric tonnes of edible oils in during Nov.'20 – Apr.'21 to meet the supply gap, higher 1.27%, compared to 6,191,390 metric tonnes in during the same period last year.

Further, during April 2021, India's degummed soyoil imports fell by -21% to 1, 44,020 metric tonnes compared to 183,762 metric tonnes same period last year. Also, during Nov.'20 - Apr.'21 imports in the same is down by 1.16% at 1,376,453 metric tonnes during the same period last year. The rise in prices of soy oil in international markets has rose disparity in mid of the month in review. Supply of soy oil in India in April was low and May shipments may lower down compared to March and April. While, June shipments will rise on firm demand.

Rise in edible oil imports may limit any major gain in the edible oils prices due to ample availabilities in short run.

The domestic soybean crushing is heading at a steady pace on good overseas soymeal export demand. Currently, the arrivals in Maharashtra is reported around 3,27,000 bags in May '21 lower against 8,68,000 bags in April'21.

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 good soymeal export sales from India and firm global cues. However, extremely higher prices are making the crushing unviable and hence correction inevitable.

International:

Brazil's soybean exports is estimated to reach to 16.1 million tonnes in March vs 16.4 million tonnes forecast in previous week – ANEC

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 soyoil 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.

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.

Revised April'21: Argentina's 2019/20 soybean yield is estimated an average of 2.96 tonnes per hectare and the country's soybean production is pegged at 49.5 million tonnes, said the Buenos Aires Grains Exchange. The reduction is mainly due to the dry weather during the crop development phase.

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 (135.54 Mn T) and USDA has pegged it at 136 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.

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 surged in tandem with the soybean on spillover support from the international benchmark CBOT. The domestic soymeal rose by 7.04% compared to the previous month.

The soymeal along with other oil meal exports continued remain strong in May 2021, as in the recent months.

During May'21 the soymeal prices witnessed higher prices where the average monthly price stood at Rs. 61,408/MT with low price at Rs 59,000/MT and high Rs 65,000/MT during the month.

The industry market participants were in view that there is an unnatural price run due to technical reasons and alleged price rigging by speculators leading to the disparity in crushing, the fall in prices was inevitable.

In this regard, the solvent Extractors' Association of India has already urged SEBI for the intervention on NCDEX soy futures to maintain orderly development in soybean contract. The association believes that the market is widely dominated by the speculators and it's heading upwards every day.

In the letter to SEBI, Atul Chaturvedi, President of SEA of India, said both soy crushing and poultry industry is negatively hit in the process.

World 2021/22 soymeal production is estimated higher at 385.525 million tonnes vs 362.94 million tonnes against last year record, in its May report.

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

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 Apr 2021 soymeal exports increased by 53% to 39,705 metric tonnes compared to 25,940 metric tonnes in the same period last year. Further, the soymeal shipments improved by +126% to 15,64,833 metric tonnes in aggregate, during the last ten months (Apr.-Mar.) of financial year 2020-21 compared to 69,2833 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of April 2021 is reported at 303,458 metric tonnes compared to 102,150 metric tonnes in April 2020 i.e. up by +197%.

The overall export of oilmeals during April to March 2021 is also reported up by +51% at 36,80,084 metric tonnes compared to 24,33,617 metric tonnes during the same period last year.

Of the total soymeal exports of 3,21,435 metric tonnes in March 2021, Germany, Vietnam and South Korea remained top buyers with imports figures touching 73,700 metric tonnes, 66,044 metric tonnes and 44,240 tonnes respectively.

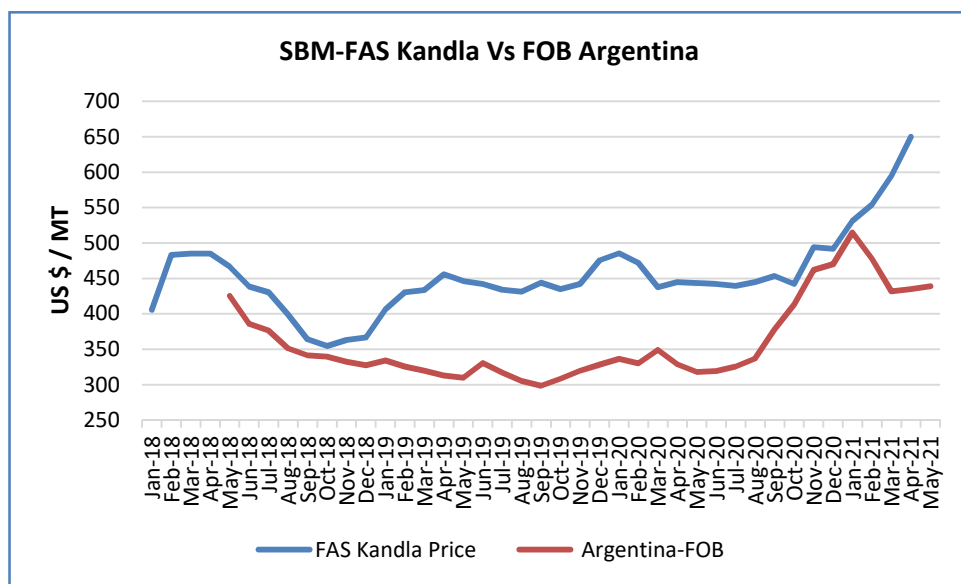
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The domestic soymeal demand has considerably recovered in previous months, from poultry sector, but still below pre-COVID levels. Poultry industry contributes more than 60% of the total domestic soymeal demand.

During May'21 the soymeal prices witnessed all time high prices where the average monthly price stood at Rs. 61,408/MT with low price at Rs 59,000/MT and high Rs 65,000/MT during the month.



At Latur the monthly average soymeal prices improved to Rs 64,600 /MT compared to Rs 62,140/MT a month ago and in Nanded too it was quoted higher at Rs. 64,900 /MT compared to Rs. 60,992/MT a month ago. Besides, in Kota the meal prices slightly improved to Rs. 63,176 /MT compared to Rs.59,116/MT previous month.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 59,000 – 65,000/MT during the month compared to Rs 30,000– 32,200/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 61,000 – 68,000/MT on good demand at the current prices, for short-term. Strong overseas soymeal demand will also support the prices in medium-term.

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	146
Apr	314	100	76	18	12	124	68	41	26	39
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	1285

Source: SEA

India's soy meal exports have improved on bullish global supply scenario on lower global soybean output and estimated lower US soybean inventories, mainly on strong Chinese demand and lower than expected soybean production estimates in top producing countries.

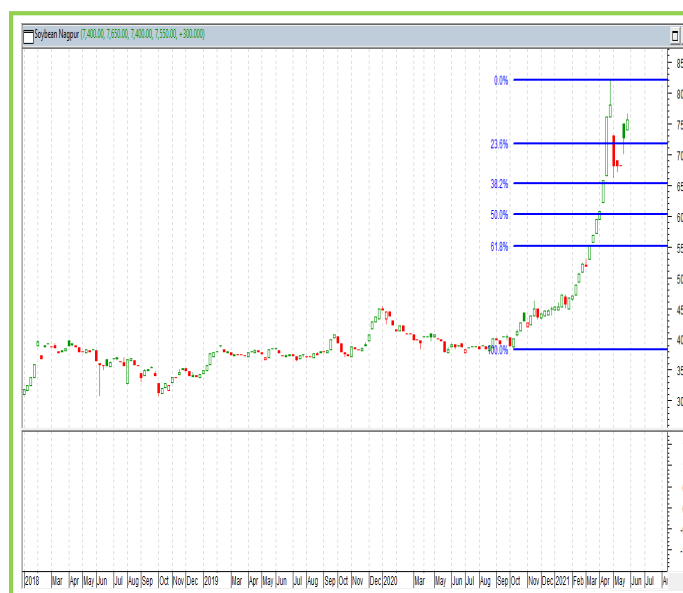
Soybean Crush Margin

Avg Crush Margin – Apr 2021		Avg Crush Margin – Mar 2021		Avg Crush Margin – Apr 2020	
-664		-2058		NR	
Min	Max	Min	Max	Min	Max
-6040	6400	-1200	-3395	NR	NR

Technical Analysis:

NCDEX Soybean Futures (July contract)

Soybean Spot, Indore



*Daily Chart

Support & Resistance NCDEX- Soybean Jul. Contract				
S1	S2	PCP	R1	R2
6200	6500	7050	7700	7800

- Jul contract of soybean closed higher side.
- Prices closed near 18-day EMA.
- RSI and stochastic are up in the neutral zone.
- However, MACD is in negative territory.
- Trade Recommendation (NCDEX Soybean – July) Month: **BUY** Above 7000. Levels: T1 – 7300; T2- 7500, SL - 6700.

Rapeseed - Mustard Seed

Rapeseed-mustard featured firm tone on oilseeds' crushers demand during the month in review.

All the domestic oilseeds prices rallied to the levels which market participants strongly feel are unrealistic which doesn't commensurate demand and supply. The substantial rise in the seed prices is gradually leading the crush margin to deeper in negative zone, hence, the prices of the seed declined as expected.

In Jaipur, RM seed prices witnessed posted sharp gain by +9% to the monthly average price of Rs 7399 a quintal from Rs 6,783 a quintal previous month.

The crushing of the seed is at the steady pace on better mustard oil demand including demand for Public Distribution System in recent past.

NAFED had 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/qtl) under PSS. However, the procurement couldn't pick-up the pace due to COVID lockdown restrictions.

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.

Further, the rapeseed oilcake inched up by +1.89% to the monthly average price of Rs. 2,853/qtl compared to the the Monthly average price of Rs. 2,795/qtl previous month.

India has not imported any rape oil (canola) in March 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 exports for rapeseed meal during April-March 2021 was up +16% at 11,13,021 metric tonnes compared to 96,1312 metric tonnes during the same period previous marketing season.

India's export of oilmeals for the month of April 2021 is reported at 303,458 metric tonnes compared to 102,150 metric tonnes in April 2020 i.e. up by +197%.

At NCDEX futures, the July contract of rapeseed-mustard ended up at 7,149/Qtl compared to 6,998/Qtl previous month.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– May.	1 Month Ago	Corresponding Period Last Year
2,06,000	3,55,000	2,50,961

The all India rapeseed-mustard arrivals declined to 2.06 lakh bags during May'21 compared to 3.55 lakh bags in April'21.

Previous Updates

The Solvent Extractors' Association (SEA) of India has urged the government to include rational provision in ASEAN agreement to restrict or regulate the imposition of export duty by the palm oil exporting countries. SEA feels that this will ensure a level-playing field for both the countries that export and import palm oil.

In a letter to its members, Atul Chaturvedi, President of SEA, said that there is always a bound rate for imposing highest export duty on palm oil and products imported by India under ASEAN agreement and Comprehensive Economic Cooperation Agreement with Malaysia.

He said the palm oil exporting countries seem to be free to impose export duty and levy as agreements overlook this issue. Indonesia has imposed US \$33 as export duty plus \$180 as a biodiesel levy making crude palm oil (CPO) expensive. Following this, India is compelled to pay high price for the same.

To support their local industry, that country has kept export duty and levy low on finished goods such as RBD palmolein.

Higher palm oil imports by India has always hit the domestic mustard oil demand and the rapeseed-mustard crush margins.

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

The food regulator had 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'20 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.

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.

Agriwatch has projected India's MY 2021/22 rapeseed production at 8.54 million tonnes vs 7.2 million tonnes last season while COOIT has estimated the seed production at 8.95 million tonnes vs 7.5 million tonnes last season.

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 weather-hit rapeseed outturn for EU plus Britain unchanged at 17.1 million tonnes for 2020-21, slightly below 17.3 million tonnes estimated for 2019-20.

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 new crop rapeseed-mustard supplies are rising firm-on-firm demand, also the mustard oil demand is good, both the factors will support the prices. The rapeseed-mustard prices will feature range-bound movement with firm-bias in near-to-medium-term.*

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 Future July Contract



RM Seed Spot, Jaipur



*Daily Chart

Support & Resistance NCDEX - RM Seed Jul. Contract

S1	S2	PCP	R1	R2
6000	6500	7149	7700	8100

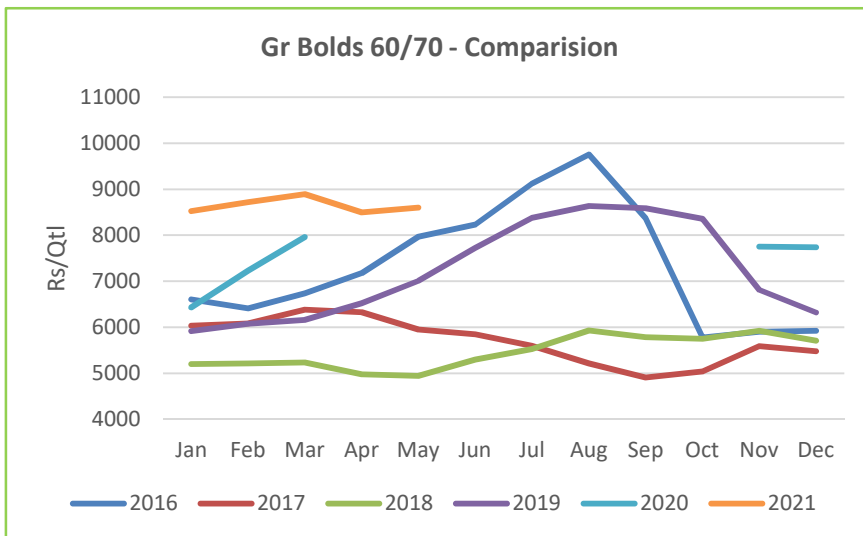
- Rapeseed-mustard closed upside on buyer's interest.
- Prices closed above 18-day EMA.
- MACD is showed weak movement.
- RSI and stochastic are heading upwards in the neutral zone.
- Trade Recommendation (NCDEX RM Seed – July) – 1 Month: BUY **Below** 7050. T1 –7400; T2 – 7600; SL – 6600.

Groundnut

The monthly average groundnut seed prices stood at Rs 5568 /Qtl while last year in May 2020. Most of the market were closed due to lockdown restrictions.

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).

China continues to buy groundnut oil and seed 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	May-21	April-21	May-20	May-19
Mumbai	GN Bolds 60/70	NA	Unchanged	8600	8600	NR	7350
(Source: Bombay Commodity Association)							

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	31-May-21		30-Apr-21		
	Low	High	Low	High	
Indore –Plant	7025	7100	Closed	Closed	-
Indore–Mandi	Closed	Closed	Closed	Closed	-
Nagpur-Plant	7050	7650	6400	6800	850
Nagpur – Mandi	6650	7400	6000	6500	900
Latur – Mandi	7070	7170	6655	7195	-25
Akola – Mandi	6800	7115	6200	7000	115
Kota-Plant	6600	7000	6900	7100	-100
Kota – Mandi	6800	6900	6800	7000	-100
Bundi-Plant	6600	6700	Closed	Closed	-
Bundi-Mandi	6400	6500	Closed	Closed	-
Baran-Plant	7050	7100	Closed	Closed	-
Baran-Mandi	6800	7000	Closed	Closed	-
Bhawani Mandi Jhalawar–Plant	Closed	Closed	Closed	Closed	-
Jhalwar-Mandi	Closed	Closed	Closed	Closed	-
Rapeseed/Mustard					
Jaipur-(Condition)	7225	7250	7200	7225	25
Alwar-(Condition)	6800	6850	Closed	Closed	-
Sri Ganganagar-(Non-Condition)	Closed	Closed	Closed	Closed	-
New Delhi–(Condition)	7050	7100	Closed	Closed	-
Kota-(Condition)	6600	6700	Closed	Closed	-
Agra-(Condition)	7000	7190	6952	7143	48
Neewai-(Condition)	7100	7200	Closed	Closed	-
Hapur (UP)-(Condition)	6600	6800	6700	6800	Unch
Groundnut Seed					
Rajkot	1050	1050	0	0	1050
Sunflower Seed					
Gulbarga	NA	NA	0	0	-
Latur	7400	7500	6950	7350	150
Sholapur	7450	7550	6950	7350	200

Soybean Prices are in INR/qtl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/qt (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/qtl.

Oilseed Arrivals in Key Centers:

Commodity / Centre	Arrivals in Bags/Qtl		Change
Soybean	31-May-21	30-Apr-21	
Madhya Pradesh	18000	NA	-
Maharashtra	14000	20000	-6000
Rajasthan	11000	10000	1000
Bundi (Raj)	800	Closed	-
Baran (Raj)	1500	Closed	-
Jhalawar (Raj)	Closed	Closed	-
Rapeseed/Mustard			
Rajasthan	NA	NA	-
Alwar	800	Closed	-
Sri Ganganagar	Closed	Closed	-
Kota	5000	Closed	-
Groundnut Seed			
Rajkot (Gujarat)	3700	0	3700
Sunflower Seed			
Sholapur (Maharashtra)	400	600	-200

Other Oilseed Prices at Mumbai (INR/100 Kg):

Oilseeds	31-May-21	30-Apr-21	Change
Groundnut Kernel	7450	7850	-400
Gr. Bolds 60/70	8600	8600	Unch
Gr. Javas 60/70	9450	9450	Unch
Gr Javas 70/80	9150	9150	Unch
Gr.Javas 80/90	8850	8850	Unch
KardiSeed 2% Exp Qly	5000	5000	Unch
Sesame White 98/2/1 FM	8300	8700	-400
Whitish 95/5/FFA/1FM	8100	8500	-400
Brown 48/2 FFA/4 FM	8000	7800	200
Brown 48/3 FFA/4 FM	7700	7500	200

Brown 48/4 FM/* No FFA Guarantee	7400	7200	200
Sunflower Seed	6650	7100	-450
Niger Seed (4% FM)	7600	7600	Unch

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	31-May-21	30-Apr-21	Parity To
Indore - 45%, Jute Bag	59000	60800	Gujarat, MP
Kota - 45%, PP Bag	61200	62000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	64000	64000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	63500	63500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	63500	62500	Andhra, AP, Kar, TN
Latur	64000	62000	-
Sangli	63000	64000	Local and South
Solapur	63000	61000	Local and South
Akola – 45%, PP Bag	60000	60000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	63500	60000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	61000	61800	-

Soy DOC at Ports			
Centers	Port Price		
	31-May-21	30-Apr-21	Change
Kandla (FOR) (INR/MT)	NR	NR	-
Kandla (FAS) (USD/MT)	NR	NR	-
CNF Indonesia – Yellow SBM (USD/MT)	NR	NR	-

Rapeseed Meal	31-May-21	30-Apr-21	Change
FAS Kandla (USD/MT)	-	-	-
FOR Kandla (Rs/MT)	-	-	-

FOR Mundra (Rs/MT)	-	-	-
CNF Indonesia (USD/MT)	-	-	-

International Soy DOC			
Argentina FOB USD/MT	31-May-21	30-Apr-21	Change
Soybean Pellets	421	445	-24
Soybean Cake Flour	421	445	-24
Soya Meal	-	-	-
Soy Expellers	-	-	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	31-May-21	30-Apr-21	Change
Adoni	34000	35000	-1000
Khamgaon	-	-	-
Parli	-	-	-
Latur	33500	34500	-1000

Groundnut Meal (Rs/MT)	31-May-21	30-Apr-21	Change
Basis 45%, Saurashtra	40000	Closed	-
Basis 40%, Saurashtra	37500	Closed	-
GN Cake, Gondal	41000	Closed	-

Mustard DOC	31-May-21	30-Apr-21	Change
Jaipur (Plant delivery)	19500	22800	-3300
Kandla (FOR Rs/MT)	20500	23200	-2700

Mumbai Oil Meal Quotes:			
Rs/M.T.	31-May-21	30-Apr-21	Change
G.N. Extr (45%)	41500	44000	-2500
Kardi Extr	-	-	-
Undec Cottonseed Exp	31500	32000	-500
Rice Bran Extr.	-	-	-
Sunflower Extr.	30000	32000	-2000
Rapeseed Extr.	-	-	-
Soymeal 48%	61565	62609	-1044
Castor Extr.	4450	4900	-450

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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