Oil Seed Monthly Research Report

Contents

Executive Summary

Indore soybean prices declined by more than 9% in October as compared to last month on new crop arrival, GM soymeal import and weak global cues.

The arrivals of bean increased in Oct'21 and witnessed 78.70 lakh bags and average daily arrival stood 3.14 lakh bags per day in the cash market yards of Madhya Pradesh during the month against 15.87 lakh bags in Sept'21.

In Madhya Pradesh, from 1st to 30th oct'21 average daily soybean arrival stood at 314,800 Bags Vs 206,600 Bags last year same period and total arrival in oct'21 till 30th oct stood at 787,0000 Bags Vs 516,5000 Bags last year same period, overall, in MP arrival is 52% Higher as compared to last year in October.

In Maharashtra, from 1st to 30th oct'21 average daily soybean arrival stood at 214,200 Bags Vs 173,600 Bags last year same period and total arrival in oct'21 till 30th oct stood at 535,5000 Bags Vs 434,0000 Bags last year same period, overall, in MH arrival is 23% Higher as compared to last year in October.

Domestic soybean prices are likely to trade lower amid new crop arrival, GM soymeal import and weak global cues.

This month, Indore soymeal price went down as compared to previous month on weakness in soybean price. Additionally, GOI decision to import GM soymeal too dragged soymeal price lower.

As on 30th Oct, Indore monthly soymeal prices went 18% down to Rs 40,000/MT and was quoted monthly high at 49,000/MT and low at 38,000/MT compared to the previous month at Rs 55,000/MT and was made high at 88,000 and low at 55,000/ MT.

The soy meal prices (Indore) are likely to trade lower level and we expect to trade in the range of Rs. 35,000/MT – 45,000/MT on GM soymeal import and new crop arrival, and weak global cues.

As on 30th October, Rapeseed Mustard price went down at Rs.8,563/Qtl this month as compared to Rs 8,713/Qtl last month. Additionally, arrival remains tight. In Sri Ganganagar, rapeseed oilcake went up to Rs 3,262/Qtl to Rs 3,187/Qtl previous month.

RM Seed is expected to trade higher due to tight domestic supply and firm mustard oil demand, lower global RM seed production and bullish global dynamics.

In Rajkot, the monthly average groundnut bold seed prices witnessed loss and stood at Rs 5,202 /Qtl in Aug21 against 6,304/Qtl last month. Prices are expected to come down on new crop arrival.

Groundnut price is expected to trade steady to weak on new crop arrival.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): *The soybean prices is expected to trade range bound with weak bias amid new crop arrival and weak global cues. The prices (Nagpur, Plant basis) are expected to feature range bound movement in the price band of 5,100 – 5,800 level.*
Outlook – Soy meal: *Soymeal prices are likely to trade lower on weakness in soybean and GM soymeal import. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 35,000 – 40,000 /MT.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis)*: Tight inventory in the country continues which is supporting the prices, there is huge shortage of mustard seed to crushers. Additionally, Rapeseed-mustard is expected to feature firm tone in near term due to international factors. The seed prices are likely to witness the price levels between 8,000 –9,000/Qtl. in short-run.*

International Highlights

- This month CBOT November soybeans decreased 20.2 cents (1.61%) to $ 12.35 a bushel for the month. January futures too declined by 16 cents (1.26%) to $ 12.49 a bushel on new crop arrival and USDA stock report.

- Argentina soy planting of 2021/22 soy has commenced, with 4.6% of the 16.5 million hectares in expected sowing area covered so far. It will be the lowest soy planting area for 15 years.

- According to UDSA, as on 25th oct, 73% US soybean has been harvested vs 82% last year and 70% five-year average.

- As of 20th October, According to Ag Rural, Brazilian soybeans sowing is going on, 22% of the soybeans had been planted compared to 8% last year Vs 16% average.

- According to USDA, as on 19th oct, approximately 20% of US soybean production is within an area experiencing drought, 3% less than last week.
- According to National Oilseed Processors Association (NOPA) crushed 153.8 million bu. of soybeans in September 21, down 3.2% from August Vs 4.8% below last year.

- In the October'21 report, the USDA has increased US 2021/22 soybean estimates at 121.06 million tonnes compared to previous month 119.03 million tonnes. It has kept the Brazil's 2021/22 soybean production unchanged to 144 million tonnes compared to previous month. Argentina 2021/22 Soy production estimated at 51 MMT vs 52 MMT last month estimates. India's 2021/22 Soy production estimated at 11 MMT vs 11.2 MMT last month estimates.
- In the October'21 report, the USDA has decreased 2021/22 Canada Rapeseed production estimates at 13 million tonnes compared to previous month at 14 million tonnes.
- According to CONAB, brazil soybean area expected to increase from 38.9 million hectares to 39.91 million hectares, a slight increase of 2.5%. Brazil 2021-22 Soybean production estimate pegged at 140.75 MMT.
- US soy futures slide on USDA stock report, according to USDA stock report U.S. Farmers produced more soybeans, hold more stocks, the quarterly grain stocks were pegged at 256 million bushels vs. the avg. trade estimate of 174 million. The 2020-21 soybean production is pegged at 4.21 billion bushels vs. the trade's expectation of 4.13 billion bushels vs USDA's previous estimate of 4.13 billion bushels.

- According to market sources, china's soybean demand is expected to subdued in the fourth quarter of 2021 amid widespread power outages faced by local crushing plants.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- According to National Association of Grain Exporters (ANEC) brazil September soybean export estimated at 4.83 MMT, 23% up as compared to last year same month at 3.91MMT.
- Falling Canadian canola production leading to global tight supply and reduced Canadian supply has increased demand for Australian canola.
- Besides, India soybean 2021/22 production estimates kept unchanged to 11.2 million tonnes. while Argentina's soybean estimate kept unchanged to 52 million tonnes from previous month.
- CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.

Soybean

This month Indore soybean prices declined by more than 9% as compared to last month on new crop arrival, GM soymeal import and weak global cues.

Indore Soybean witnessed lower prices in Oct’21. As on 30th Oct, soybean prices stood at Rs 5,425/Qtl with monthly high of Rs 5,750/Qtl and low of Rs 5,200/Qtl. against Rs.5,950/Qtl. with monthly high of Rs. 9,850/Qtl. low of Rs. 5,950/Qtl. Previous month.

The arrivals of bean increased in Oct’21 and witnessed 78.70 lakh bags and average daily arrival stood 3.14 lakh bags per day in the cash market yards of Madhya Pradesh during the month against 15.87 lakh bags in Sept’21.

In Madhya Pradesh, from 1st to 30th oct’21 average daily soybean arrival stood at 314,800 Bags Vs 206,600 Bags last year same period and total arrival in oct’21 till 30th oct stood at 787,0000 Bags Vs 516,5000 Bags last year same period, overall, in MP arrival is 52% Higher as compared to last year in October.

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According to GOI, as on 17rd September, all India soybean sowing is up by .47%. In MP sowing is lagging by 5%, in Maharashtra sowing is up by 6%, in Rajasthan sowing is down by 3%, in Karnataka sowing is up by 15%, in Gujrat sowing is up by 50%.

According to IMD, the rainfall from June to September is likely to be closer to 96% of the average rainfall. The IMD has revised down the forecast to 96 percent from 101 percent. However, rainfall in August has been deficient by 24% so far while in July it was 7% less than normal. In September, excess rainfall witnessed by various states.

As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of soybean during 2021-22 is 127.20 lakh tons vs 128.97 lakh tons last year.

Agriwatch has estimated its India’s 2021/22 soybean output estimate to 12 million tonnes, up from 10.50 million tonnes in 2020/21.

India had imported 367,585 Metric tons of soybean during Oct’20-July’21 down compared to 477,540 MT during same period last year. However, India had exported 31,530 metric tons of soybean during Oct’20-July’21 down compared to 70691 metric tons during same period last year.

According to Solvent Extractors Association (SEA), India’s August Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020.

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.

Outlook: Domestic soybean prices are likely to trade range bound on lower side amid new crop arrival, GM soymeal import and weak global cues.

International:

- As of 20th October, According to Ag Rural, Brazilian soybeans sowing is going on, 22% of the soybeans had been planted compared to 8% last year Vs 16% average.

- US soy futures continued trading lower on USDA stock report, according to USDA stock report U.S. Farmers produced more soybeans, hold more stocks, the quarterly grain stocks were pegged at 256 million bushels vs. the avg. trade estimate of 174 million. The 2020-21 soybean production is pegged at 4.21 billion bushels vs. the trade's expectation of 4.13 billion bushels vs USDA's previous estimate of 4.13 billion bushels.
- According to market sources, china's soybean demand is expected to subdued in the fourth quarter of 2021 amid widespread power outages faced by local crushing plants.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- According to UDSA, as on 25th oct, 73% US soybean has been harvested vs 82% last year and 70% five-year average.
- According to National Association of Grain Exporters (ANEC) brazil September soybean export estimated at 4.83 MMT, 23% up as compared to last year same month at 3.91MMT.
- However, USDA has estimated export of 2020-21 brazil soybean at 82 MMT and US 2020-21 soy export at 61.50 MMT.
- According to the data released by NOPA, US crushed increased in Aug'21 by 2.38% to 158.84 million bushels (4.32 MMT) of soybeans in Aug'21 vs last month 155.15 million bushels (4.22 MMT). However, it has declined by 3.79% YoY.
- Falling Canadian canola production leading to global tight supply and reduced Canadian supply has increased demand for Australian canola.
- CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.
- According to National Oilseed Processors Association (NOPA) crushed 153.8 million bu. of soybeans in September 21, down 3.2% from August Vs 4.8% below last year.
- In the October'21 report, the USDA has increased US 2021/22 soybean estimates at 121.06 million tonnes compared to previous month 119.03 million tonnes. It has kept the Brazil's 2021/22 soybean production unchanged to 144 million tonnes compared to previous month. Argentina 2021/22 Soy production estimated at 51 MMT vs 52 MMT last month estimates. India's 2021/22 Soy production estimated at 11 MMT vs 11.2 MMT last month estimates.
- Global soybean prices likely to trade lower on new crop arrival, bearish quarterly stock report by USDA and uncertainty in energy crisis in china.

Balance Sheet – Soybean, India

Fig. in MnT

Soybean (Fig in Mn T) MY-Oct.-Sep.	2020-21 F	2021-22 F
Carry In	0.55	0.81
Production	10.50	12.00
Imports	0.43	0.38
Total Availability	11.48	13.19
Processing/Crushing	9.65	11.34
Exports & Direct Consumption	0.03	0.09
Seeding/Retained for Sowing	1.00	1.00
Total Usage	10.68	12.43
Carry Out	0.81	0.76
Monthly Use	0.89	1.04
Stock/Consumption Ratio	0.08	0.06
Stock to Month Use Ratio	1.10	1.37

Source: Agriwatch

- Trade Observations: Stockist buying aggressively on lower level amid new crop arrival.
- India's 2021-22 soybean production was projected at 12 million tonnes against 10.50 MMT last seasons.
- India's 2021-22 soybean crush was estimated at 11.34 million tonnes vs 9.65 million tonnes in 2020-21.
- This translates into availability of 8.84 million tonnes of soy meal and 2.04 million tonnes of soy oil in 2021-22 MY.

Soymeal

This month, Indore soymeal price went down as compared to previous month on weakness in soybean price. Additionally, GOI decision to import GM soymeal too dragged soymeal price lower.

According to USDA October'21 report, India's 2021/22 soymeal production is estimated higher at 7.70 million tonnes vs 7.62 million tonnes last year.

According to USDA October'21 report, World 2021/22 soymeal production is estimated higher at 258.13 million tonnes vs 249.75 million tonnes last year.

According to Solvent extractor association of india, India's September'2021 soymeal exports declined by 91% to 5,831 metric tonnes compared to 68,576 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 49% to 161,588 metric tonnes in aggregate, during the months (April-Sept.) of financial year 2020-21 compared to 317,915 metric tonnes during the corresponding period last year.

Additionally, Export of oilmeals for the month of September'2021 provisionally reported at 183,625 tons compared to 287,247 tons in 2020 i.e., down by 36%. The overall export of oilmeals during April – September 2021 is reported at 1,275,764 tons compared to 1,300,516 tons i.e., down by 2%.

In addition to existing two ports Nhava sheva and and LCS petrapole, GOI has allowed to import GM soymeal via three additional port - Mumbai sea port, Tuticorin sea port and Visakhapatnam sea port.

As on 30th Oct, Indore monthly soymeal prices went 18% down to Rs 40,000/MT and was quoted monthly high at 49,000/MT and low at 38,000/MT compared to the previous month at Rs 55,000/MT and was made high at 88,000 and low at 55,000/ MT.

As on 30th October, at Latur the monthly soymeal prices decreased to Rs 42,000 /MT compared to Rs 66,000/MT a month ago and in Nanded too it was quoted lower at Rs. 41,500/MT compared to Rs. 65,000/MT a month ago. Besides, in Kota the meal prices too went lower to Rs. 64,000/MT compared to Rs.64,000/MT previous month.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 38,000 – 49,000/MT during the month compared to Rs 28,800– 33,300/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to trade lower level and we expect to trade in the range of Rs. 35,000/MT – 45,000/MT on GM soymeal import and new crop arrival, and weak global cues.

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	52
Jun	181	214	3	2	18	46	104	62	57	25
Jul	168	107	7	1	12	81	64	76	62	26.7
Aug	10	184	3	1	11	88	60	95	58	10.9
Sep	7	173	1	7	12	102	45	35	69	5.83
Total	**3522**	**3454**	**2015**	**593**	**179**	**1330**	**1049**	**464**	**658**	**1406.33**

Source: SEA

India's soy meal exports have declined on tight crushing and non-competitive price to global markets. 2020-21 domestic soymeal export stood at 14.06 Lakh tonnes.

Soybean Crush Margin

Avg Crush Margin – Oct 2021		Avg Crush Margin – Sept 2021		Avg Crush Margin – Oct 2020	
-3806		**4074**		**-1303**	
Min	Max	Min	Max	Min	Max
-11750	**2180**	**-7780**	**19720**	**-2805**	**20**

Technical Analysis:

NCDEX Soybean Futures (November contract) ***Soybean Spot, Nagpur***

***Daily Chart**

Support & Resistance NCDEX- Soybean Jul. Contract				
S2	S1	PCP	R1	R2
4900	5100	5310	5550	5800

- October contract of soybean closed lower on seller's pressure.
- Prices closed below 9 day and 18-day EMA.
- RSI and stochastic indicating bearish momentum.
- MACD Crossover also giving bearish cues.
- Trade Recommendation (NCDEX Soybean – Nov) Month: Buy Above 5100. Levels: T1 – 5450; T2- 5600, SL - 5050

Rapeseed - Mustard Seed

Rapeseed-mustard prices remained elevated, however witnessed gains in October as compared to previous month and likely to trade higher on tight domestic supply and bullish global cues and firm festive demand.

According to Department of agriculture, Rajasthan, as on 2nd Nov, Rapeseed Mustard sowing is up by 44% and stood at 22.99 lakh hectare vs 16.35 lakh hectare last year same period.

According to GOI, as on 22 Oct, Mustard sowing is up by 30% as compared to last year same period at 14.48 Lakh Ha compared with 11.10 Lakh Ha last year.

Overall Mustard Acreage is likely to go up this season on lucrative prices, however fertilizer availability still remains a major concern for the farmers.

According to Solvent extractors association of India, the export of rapeseed meal in September'21 is reported at 62,725 metric tonnes against last year 140,830 metric tonnes during the same period i.e., down by 55%,

As per recent USDA reports, Canada 2021-22 export is projected at 6,300 MMT vs 10,518 MMT last year.

Mustard prices likely to underpinned by, firm demand, declining stock and arrival, strength in mustard oil, and strength in CME canola futures on lower production due to prolonged heatwave in Canada.

As on 30th October, Rapeseed Mustard price went down at Rs.8,563/Qtl this month as compared to Rs 8,713/Qtl last month. Additionally, arrival remains tight. In Sri Ganganagar, rapeseed oilcake went up to Rs 3,262/Qtl to Rs 3,187/Qtl previous month.

This month all India mustard arrival remained lower to 40.1 lakh as compared to previous month at 47.5 lakh bags.

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. The Government estimation of mustard crop is high at 10.4 MT. The COOIT has estimated mustard production at 8.90 MT.

According to Solvent Extractor Association of India, Rapeseed (canola) oil import stood at 12,437 lakh tons imports in Aug compared to 20,801 lakh tons in last year for same period.

Canada canola production is down by 31% as compared to five-year average, yield down by 32%. However, area stood 1% up as compared to five-year average. Canola importers may switch to other countries such as Ukraine, Australia, for substitutes amid lower production. There will be very little canola left for export in Canada.

Stats Canada has estimated Canada 2021/22 Canola crop at 12.8 MMT.

In the October'21 report, the USDA has decreased 2021/22 Canada Rapeseed production estimates at 13 million tonnes compared to previous month at 14 million tonnes.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Oct	**1 Month Ago**	**Corresponding Period Last Year**
4010000	4750000	3115000

The arrivals of RM seed in the country increased in Oct'21 and witnessed 4010000 bags and average daily arrival stood at 160400 bags per day against 4750000 bags in previous month.

Previous Updates

As on 30th September, Rapeseed Mustard price went up at Rs.8,713/Qtl this month as compared to Rs 8,338/Qtl last month. Additionally, arrival remains tight. In Sri Ganganagar, rapeseed oilcake too went up to Rs 3187/Qtl to Rs 3,112/Qtl previous month.

This month all India mustard arrival witnessed gains to 47.5 lakh as compared to previous month at 43.7 lakh bags.

India's exports for rapeseed meal during April-Aug'2021 was up 11% at 542,630 metric tonnes compared to 487,060 metric tonnes during the same period previous marketing season. The export of rapeseed meal in Aug'21 is reported at 63,058 metric tonnes against last year 50,580 metric tonnes during the same period i.e. up by 25%, However 14% down as compared to Aug20.

As of July 29, Ukrainian farmers had completed the harvest on 568,500 ha, 56.5% of the expected area, and gathered 1.48 million MT of rapeseed. The Ukrainian export potential of rapeseeds this season, according to USDA expectations, will increase to 2.7 million MT, which is 10.7% higher than the 2020/21 season, but below the record of 3 million MT in the 2019/20 season.

India imported 1033.06 tons rapeseed (Canola) oil in Apr 2021 v/s 506.00 tons imports in Apr 2020. While, for the period of April2020-March2021 imports rose to 42,720.05 tons compared to 54,426.39 tons in last oil year.

As of July 29, Ukrainian farmers had completed the harvest on 568,500 ha, 56.5% of the expected area, and gathered 1.48 million mt of rapeseed. The Ukrainian export potential of rapeseeds this season, according to USDA expectations, will increase to 2.7 million mt, which is 10.7% higher than the 2020/21 season, but below the record of 3 million mt in the 2019/20 season.

India's rapeseed-mustard demand is very much influenced by the palm oil imports. Imports of palm oil by India declined in June by 24% from a month ago to 587,467 tonnes. However, Palm oil imports are likely to jump in July. Palm oil exports from Malaysia are expected to rise due to firm buying by importing countries especially India and China. Crude palm oil (CPO) showed rising trend at its benchmark market at Kandla as its price are supported by firm demand and tight supply in international market. Lower June imports are also supporting the domestic price rise along with taking positive cue from international market. CPO prices for coming week is expected to trade sideways as demand from China is slow whereas labor problem in Malaysia and Indonesia is creating problems in harvesting process will support the price.

Improved rapeseed-oilcake shipments to the traditional destinations will continue to lend support to the oilcake prices at higher levels. South Korea, Vietnam, Thailand, Bangladesh and few other south-east Asian countries were the major buyers of mustard meal of Indian origin.

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.

Outlook: RM Seed is expected to trade higher due to tight domestic supply and firm mustard oil demand, lower global RM seed production and bullish global dynamics.

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)

- Agriwatch has 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 (October) Contract

RM Seed Spot, Jaipur

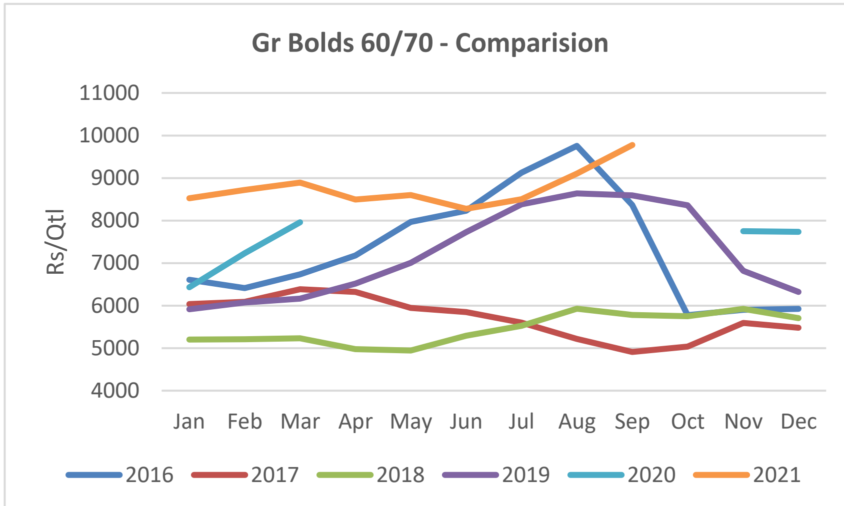
***Daily Chart**

Support & Resistance NCDEX - RM Seed Jul. Contract				
S1	S2	PCP	R1	R2
8000	8200	8265	8600	9000

- Rapeseed-mustard closed down on seller's pressure.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic indicating good buying strength.
- Trade Recommendation (NCDEX RM Seed – November) –: BUY Above 8250 T1 –8550; T2 – 8700; SL – 8220

Groundnut

In Rajkot, the monthly average groundnut bold seed prices witnessed loss and stood at Rs 5,202 /Qtl in Aug21 against 6,304/Qtl last month. Prices are expected to come down on new crop arrival.



As on 17th September kharif groundnut sowing lagging by 3.6%. In Gujarat sowing is down by 7.6%. as compared to last year.

NAFED has procured 2.86 Lakh metric tons groundnut pod in 2020-21 as compared to last year's 7.21 lakh metric tons.

The MSP for groundnut seed has been raised to Rs 5,550 per quintal for 2021-22, up from Rs 5,275 per

quintal in 2020-21.

Indian Oilseeds & Produce Export Promotion Council (IOPEPC) presented Kharif crop Scenario 2021 for Sesame Seeds and Groundnut in their 3rd IOPEPC Global Oilseed Conference (IGOC) held on 21st October 2021. As per their estimates, all India coverage of Kharif-2021 Groundnut stood at 49,14,300 ha. The production is estimated to be 82,03,490 tonnes with an average yield of 1669 kg/ha. The highest groundnut producing state, Gujarat's groundnut production is estimated at 39.55 lakh tonnes with an average yield of 2071 kg/ha. IOPEPC's groundnut Kharif-2021 crop estimates are in close conformity with the government's First Advance estimate of 82.54 lakh tonnes. As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of kharif groundnut during 2021-22 is 82.54 lakh tons vs 85.56 lakh tons last year.

Solvent Extractor Association of India (SEA) has also estimated Gujarat's Kharif Groundnut crop production at 39.94 Lakh tons from an acreage of 19.14 Lakh ha. Gujarat's present year's average yield for groundnut stands at 2087 kg/ha against the average yield of 1897 kg/ha last year.

As of 17th September, report from the Department of Agriculture (which is the last available), Kharif Groundnut sowing trailed by 3.6% from previous year. A total of 49.14 lakh hectare of groundnut has been planted in India as compared to 50.98 lakh hectare last year and 41.7 lakh hectare of normal sowing by this time. In Gujarat, sowing has lagged by 7.6% (19.09 lakh ha against 20.65 lakh ha same time last year). In Rajasthan, groundnut sowing is 6.3% higher as compared to last year (7.76 lakh ha against 7.30 lakh ha same time last year), In Karnataka sowing is down by 11.5% (4.75 lakh ha against 5.37 lakh ha same time last year), In Maharashtra groundnut sowing is up by 1% (2.02 lakh ha Vs 2.0 lakh ha same time last year). Madhya Pradesh groundnut sowing is up by 36.4% (3.82 lakh ha vs 2.80 lakh ha last year). Andhra Pradesh sowing is down by 16.3% (6.27 lakh ha vs 7.49 lakh ha last year).

According to IMD, between 1st June and 22nd September, Rajkot district of Gujarat has received 29% Excess rainfall, Junagadh has received 17% above normal rainfall Devbhumi Dwarka has received 44% excess rainfall, and Amreli has received 6% above normal rainfall. These four districts together account for more than 45% of the state's kharif groundnut acreage. In Gujarat, majority of the groundnut crop is in maturity and harvesting stages, farmers are harvesting the crop and kept in the field for sun drying thereafter threshing and grading processes would be carried out. Early sown crop has witnessed drought like situation in July and August. Further, the excess rains in September have affected the crop in districts such as Dwarka and Surendranagar. While other districts have reported overall good yield as compared to last year.

There is no report of the export of groundnut DOC in September 2021 but the total exports for Marketing year 2020-21 stands at 6,357 metric tonnes compared to 1,097 metric tonnes for the marketing year 2019-20. India witnessed last groundnut DOC export of 475 MT in July 2021.

According to the Department of Commerce, India shipped 5.34 lakh tonnes of groundnut for the marketing year 2020-21(Oct-Sep) up from Exports of 5.29 lakh tonnes in last marketing year 2019-20. In August 2021, the country exported a total of 0.33 lakh tonnes, down by 3.76% from 0.34 lakh tonnes in August 2020.

India exported 1,022.32 tons Groundnut oil in August 2021 v/s 6,061.25 tons export in August 2020 lowered by 83.13 percent. Of this, the largest importer was China at 868.62 tons. Gujarat accounts for about 85% of the groundnut oil exported from the country. High demand from China on account of damage to its domestic crop due to flooding mainly resulted in higher exports of groundnut oil from India. Additionally, the total groundnut meal exports in April-Sept 2021 decreased to 808 Metric tonnes compared to 1,394 tonnes during the same period last year.

Henan province of China witnessed flood for two consecutive years and is expected to continue remaining a top destination for groundnut seed and groundnut oil of Indian origin. Last year China's groundnut crop was damaged by 25-30%, which consequently lowered country's production by 40 lakh tonnes from the normal. As a result, China was a large importer of Indian groundnut seed and groundnut oil during the current marketing year. This year again, China has witnessed severe flood in Henan province which contributes more than 30% of the total groundnut production in the country. As per Chinese government estimates 2 lakh ha of maturing peanut crop was hit by flooding in the province. So, groundnut production in China is likely to remain lower than normal and exports of groundnut and groundnut oil to the country from India will likely continue at a strong pace into the next year.

Currently, Indonesia, Vietnam, Malaysia, Philippines, Thailand, and China are the top buyers of India's

groundnut seed. However, slow demand affected exports in August.

As per USDA recent report, China imported 1.39 MMT peanut in 2020-21 vs 1.35 MMT in 2019-20 and is estimated to import 1.1 MMT of peanut in 2021-22.

As per USDA, the United States is expected to produce 2.85 million tons of peanuts this year as against 2.79 million tons in previous crop. China is estimated to harvest 18.2 million tons of peanuts against 17.99 million metric tons previous year. Nigeria is expected to produce 4.7 million metric ton against 4.5 million metric ton last season.

Outlook: Groundnut price is expected to trade steady to weak on new crop arrival.

Groundnut Kernel							
Center	Variety	% Change over	% Change over	Latest	Month Ago	Year Ago	2 Year Ago
		Previous year	Previous month	Oct-21	Sept-21	Aug-20	Aug-19
Mumbai	GN Bolds 60/70	**NA**	**-12%**	8700	9900	NR	NR
(Source: Bombay Commodity Association)							

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	**30-Oct-21**		**30-Sep-21**		
	Low	**High**	**Low**	**High**	
Indore –Plant	5350	5500	5700	6200	-700
Indore–Mandi	5000	5400	4000	5800	-400
Nagpur-Plant	5300	5500	7000	7700	-2200
Nagpur – Mandi	4000	5300	4800	6700	-1400
Latur – Mandi	3865	5350	5100	6800	-1450
Akola – Mandi	4200	5050	4200	6000	-950
Kota-Plant	5400	5800	5600	6400	-600
Kota – Mandi	4400	5500	4200	5600	-100
Bundi-Plant	5500	5800	5500	5700	100
Bundi-Mandi	5200	5400	4600	5400	Unch
Baran-Plant	4700	5700	5000	5800	-100
Baran-Mandi	4800	5500	3800	5300	200
Bhawani Mandi Jhalawar–Plant	5650	6250	5400	6000	250
Jhalwar-Mandi	5250	5750	5000	5500	250
Rapeseed/Mustard					
Jaipur-(Condition)	8550	8575	8700	8725	-150
Alwar-(Condition)	8100	8200	8350	8400	-200
Sri Ganganagar-(Non-Condition)	7625	7650	7925	8025	-375
New Delhi–(Condition)	8275	8300	8350	8400	-100
Kota-(Condition)	7975	8075	7900	8000	75
Agra-(Condition)	8667	8857	8667	8952	-95
Neewai-(Condition)	7950	8150	8050	8150	Unch
Hapur (UP)-(Condition)	8200	8300	8250	8400	-100
Groundnut Seed					
Rajkot	970	970	1000	1000	-30
Sunflower Seed					
Gulbarga	5000	5500	4000	5550	-50

Latur	5900	6000	5600	5700	300
Sholapur	5900	6000	5600	5700	300
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.					

Soy DOC Rates at Different Centers				
Centres	**Ex-factory rates (Rs/ton)**			
	30-Oct-21	**30-Sep-21**	Change	**Parity To**
Indore - 45%, Jute Bag	40000	55000	-15000	Gujarat, MP
Kota - 45%, PP Bag	41500	64000	-22500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	41500	72500	-31000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	41000	66000	-25000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	41000	65000	-24000	Andhra, AP, Kar ,TN
Latur	42000	66000	-24000	-
Sangli	40000	60000	-20000	Local and South
Solapur	39600	56000	-16400	Local and South
Akola – 45%, PP Bag	39000	75000	-36000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	40000	63500	-23500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	41300	62000	-20700	-

Soy DOC at Ports			
Centers	**Port Price**		
	29-Oct-21	**29-Sep-21**	**Change**
Kandla (FOR) (INR/MT)	NR	NR	-
Kandla (FAS) (USD/MT)	NR	NR	-
CNF Indonesia – Yellow SBM (USD/MT)	NR	NR	-

Rapeseed Meal	29-Oct-21	29-Sep-21	Change
FAS Kandla (USD/MT)	0	0	Unch
FOR Kandla (Rs/MT)	0	0	Unch

FOR Mundra (Rs/MT)	0	0	Unch
CNF Indonesia (USD/MT)	0	0	Unch

International Soy DOC			
Argentina FOB USD/MT	**29-Oct-21**	**29-Sep-21**	**Change**
Soybean Pellets	388	403	-15
Soybean Cake Flour	388	403	-15
Soya Meal	0	0	Unch
Soy Expellers	0	0	Unch

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	**30-Oct-21**	**30-Sep-21**	**Change**
Adoni	25000	35000	-10000
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	24000	33000	-9000

Groundnut Meal (Rs/MT)	30-Oct-21	30-Sep-21	Change
Basis 45%, Saurashtra	30000	44000	-14000
Basis 40%, Saurashtra	28000	42000	-14000
GN Cake, Gondal	31000	45000	-14000

Mustard DOC	30-Oct-21	30-Sep-21	Change
Jaipur (Plant delivery)	23500	21700	1800
Kandla (FOR Rs/MT)	24500	22200	2300

Mumbai Oil Meal Quotes:			
Rs/M.T.	**30-Oct-21**	**30-Sep-21**	**Change**
G.N. Extr (45%)	31000	44000	-13000
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	32500	33000	-500
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	26000	26000	Unch
Rapeseed Extr.	0	0	Unch
Soymeal 48%	42260	55304	-13044
Castor Extr.	12450	8650	3800

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 2021-22 - GOI

Sl. No	Crops	MSP for Kharif 2021-22	MSP for Kharif 2020-21	Increase in MSP (Absolute)
1	Groundnut	5550	5275	275
2	Sunflower seed	6015	5885	130
3	Soybean (yellow)	3950	3880	70
4	Sesamum	7307	6855	452
5	Nigerseed	6930	6695	235

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 2021-22.

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. 5500 per quintal for marketing season 2020-21 from Rs.5275 per quintal in 2019-20 an increase of Rs.275 a quintal.

The MSP of sunflower to Rs. 6015 a quintal from earlier Rs. 5885 per quintal an increase of Rs 130 per quintal, Soybean-yellow to Rs. 3950 a quintal to Rs. 3880 per quintal last season, an increase of Rs. 70 a quintal, Sesamum to Rs. 7307 a quintal from 6855 earlier, an increase of Rs. 452 a quintal and the MSP of Nigerseed have been increased to Rs. 6930 a quintal from Rs. 6695 a quintal earlier, increase of Rs 235 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for sesamum (Rs 452 per quintal) followed by Tur (Rs 300 per quintal) and Urad (Rs 300 per quintal). The differential remuneration is aimed at encouraging crop diversification.

India's Oilseeds Production Seen at 361.0 Lakh Tonnes vs 365.7 Lakh Tonnes in 4nd Adv Est. for 2020-21- GOI

The 4nd Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 11th Aug, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

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

Total Oilseeds production in the country during 2020-21 is estimated at record 36.10 million tonnes which is higher by 2.88 million tonnes than the production during 2019-20. Further, the production of oilseeds during 2020-21 is higher by 5.56 million tonnes than the average oilseeds production of 30.55 million tonnes.

- Groundnut – 102.1 lakh tonnes vs 99.52 lakh tonnes in 2019-20.
- Castorseed – 17.76 lakh tonnes vs 18.42 lakh tonnes
- Sesamum – 8.12 lakh tonnes vs 6.58 lakh tonnes
- Nigerseed – 0.41 lakh tonnes vs 0.41 lakh tonnes (No difference)
- Soybean – 129 lakh tonnes vs 112.26 lakh tonnes
- Sunflower – 2.24 lakh tonnes vs 2.13 lakh tonnes
- Rapeseed-mustard – 10.11 lakh tonnes vs 91.24 lakh tonnes
- Linseed – 1.40 lakh tonnes vs 1.21 lakh tonnes
- Safflower – 0.34 lakh tonnes vs 0.44 lakh tonnes.

The 1st Advance Estimates of production of soybean and groundnut for 2021-22 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 21st September, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

- Groundnut – 8.25 million tonnes vs 8.55 million tons last year.

- Soyabean – 12.72 million tonnes vs 11.2 million tons last year.

Total kharif oilseeds production in the country during 2021-22 is estimated at 23.39 million tonnes which is higher by 2.96 million tonnes than the average oilseeds production of 20.42 million tonnes.

Sown Area – *Kharif* Oilseeds, India 2021-22

In the lastest official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 193.95 lakh hectares, an decrease by 1.27% from 196.45. lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 0.47% at 121.77 lha compared to 121.20 lha during the corresponding period of last year, groundnut at 49.14 lha vs 50.98 lha, sesamum 13.31 lha vs 13.99 lha, castor seed at 6.96 lha vs 7.34 lha and niger at 1.13 lha vs 1.57 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season

As on 17th September

	Normal Area	2019-20	2020-21	% Change
Groundnut	41.7	50.98	49.14	-3.60%
Soybean	112.88	121.20	121.77	0.47%
Sunflower	1.42	1.23	1.51	23.20%
Sesamum	13.13	13.99	13.31	-4.91%
Niger	1.95	1.57	1.13	-28.06%
Castor	8.95	7.34	6.96	-5.13%
Total Oilseeds	180.03	196.45	193.95	-1.27%

Area in Lakh Hectares

Source- 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