

Executive Summary

Soybean and meal slightly edged-up with some buying support while RM seed fell on increasing new crop supply pressure during the week under review. The underlying factors continue to remain weak for the soy complex.

Soy meal:

- ❖ Soy meal posted mild gains in tandem with soybean followed by some fresh domestic demand in the meal, during the period under review.
- ❖ However, the meal prices are lower since the beginning of the season followed by bearish global supply scenario and weak export sales of Indian origin, disparity on domestic crushing and lower crude. The scenario will limit any sharp rise in the meal prices during the season.
- ❖ India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.
- ❖ In a latest development SOPA has requested MP government to withdraw taxes on the industry. The soy industry is disappointed at the budget proposals of MP State Government to levy one percent tax on soy meal / de-oiled cake. Being a highly competitive agro based industry, it should not be burdened with additional taxation, which significantly contributes to the agro-economy of the state, says SOPA.
- ❖ Neighboring state Maharashtra has no tax on soy meal/De-oiled cake and units in MP will become uncompetitive in comparison.
- ❖ *Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.*
- ❖ *The soy meal prices are likely to feature range-bound movement in near-term.*

Soybean:

- ❖ The soybean witnessed mild gains in anticipation of demand in soy oil ahead Holi during the week under review. The gains were despite the fall in CBOT soybeans during the period.
- ❖ The soybean prices fell with the decline in crude and with the end of trucker's strike in Brazil protesting against the new fuel tax. The event disrupted the soybean supply which is under harvest in Brazil. As

expected the event not only increased the congestion on roads but also at ports in near-term, though the concern has eased.

- ❖ The shipment delays of soybeans and soya meal in South America are keeping supplies in the importing countries at lower than expected levels reports the Oil World. Three of the Argentina's four largest farm groups will halt the sale of grains including soy for 72 hours from Wednesday.
- ❖ Argentina's key soy growing areas are hit by flood which is likely to negatively affect the soybean yield in pod formation stage. The analyst may cut their Argentine soybean production forecast in coming weeks.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ The Brazil's soybean harvesting is in full swing in key growing states including Mato Grosso, the harvesting is done above 20% of the total area under soy. The harvesting is behind year ago period and behind five-year average.
- ❖ *The domestic soybean prices will remain under global supply pressure, lower crude and weak India's soy meal export sales with disparity on crushing the bean.*

RM Seed:

- ❖ RM seed fell primarily on new crop supply pressure during the week under review. Weakness in BMD CPO has lent additional pressure to the seed market.
- ❖ However, intermittent unfavorable rains in the rapeseed-mustard growing region since last couple of weeks limited the losses. There are further forecast of rains in coming days. The rains have already hit the potential yield output in the seed, though it is premature to comment on the losses. The
- ❖ The all India seed arrivals were reported at 12,55,000 bags during the week under review compared to 10,85,000 bags previous week. In Rajasthan the supplies fell to 58,5000 bags due to rains compared to 6,65,000 bags in the previous week.
- ❖ The domestic rapeseed-mustard harvesting is gaining momentum and it is expected to pick-up with festivities got over. The seasonal rise in arrivals will continue in coming weeks, which will continue to

weigh on the seed prices. Bearish global oilseeds supply scenario will remain a negative factor for the seed.

- ❖ The market is expecting Malaysia's monthly MPOB data on palm oil inventories, production and consumption for the month of February this week, the palm oil stocks are expected to ease for February.
- ❖ *Increasing seasonal arrivals of the rapeseed-mustard with harvesting gaining momentum and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed prices in near-term.*

International Highlights

- ❖ Flooding in some of the soy-growing areas of Argentina including Cordoba, Entre Rios and Santa Fe provinces has become the matter of concern to the government as farmers get ready to start harvesting the 2014/15 crop, the agriculture ministry said this week.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ Brazilian truck strike has ended and key highway in top soy state Mato Grosso opened after two weeks of protests. 500 trucks had arrived at Brazil's port of Paranagua where recent roadblocks depleted soy stocks.
- ❖ As per Oil World, Indonesia palm oil production seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysia palm oil production seen at 19.4 million tons for 2014-15, down one million tons from last year. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 seen at USD 770 /T and USD 750/T respectively.
- ❖ Reports by Oil World reveals EU-28 imports of soya meal increased to 5.3 Mn T in Oct/Dec 2014.
- ❖ Oil World has estimated, Argentina's shipments of vegetable oils are expected to improve by approximately 0.6 Mn T this season.
- ❖ EU-28 crushings of rapeseed rose above expectations and touched a record 13.5 Mn T in July/Dec 2014, as reported by Oil World.
- ❖ On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year.
- ❖ Brazil's 2014/15 soybean production is estimated at 92.3 million tonnes by Abiove in the new forecast in Feb., which is up 1.6 million tonnes from its previous estimate of 91.9 million tonnes.
- ❖ The shipments and the volume of Argentine soybeans in 2015 are expected to be similar to December's estimate at 48 million tonnes, said Abiove.
- ❖ The consolidated soya oil shipments of the US, Argentina, Brazil and Paraguay increased by 2% to 2.1 Mn T in Oct/Jan 2014/15, as reported by Oil World.
- ❖ The surge in G-4 soybean shipment by 2.4 Mn T in Sept/Jan 2014/15 indicates record global demand (Source: Oil World).

- ❖ Brazil based analyst Safras & Mercado forecast a 2014/15 Brazilian soybean output at 95.0 million tonnes, down from 95.9 million tonnes estimated in December.
- ❖ Brazil's Agriculture Ministry's crop supply agency Conab has estimated its 2014/15 soybean production at record 95.8 million tonnes, higher than the USDA. It also said Brazil is expected to export a record 49.6 million tonnes of the soybean, which is sharply higher from the 45.6 million tonnes estimated to be exported during the current season.
- ❖ USDA's announcement marked the third cancellation of soybean sales to China in January due to a seasonal shift to South America countries from US. USDA announced soybean sales cancellation to China details as follow - On 27 Jan. about 120,000 tons, 20 Jan. about 174,000 tons and on 16 Jan. 285,000 tons.
- ❖ Pakistan's importers bought about 66,000 tonnes of soybeans from US and it is currently in talks about buying about 60,000 tonnes from Brazil also.
- ❖ The global production of soybeans has been raised by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, by Oil World, above last season – Oil World.
- ❖ India's 2013/14 soyoil imports stood at 1.95 Mn T against 1.09 Mn T in 2012/14 season. Palm oil purchases were slightly lower at 7.29 Mn T against 8.29 Mn T last season. Sunflower oil imports were recorded at 1.51 Mn T against 0.97 Mn T in 2012/13.
- ❖ As per Oil World, the global supplies of palm oil is expected to rise by only 2.2 Mn T in Oct/Sept 2014/15, which is down from an average annual growth of 3.9 Mn T in the past 3 seasons.
- ❖ China's soybean import is estimated to 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ As per Abiove, Brazil's soybean crop for 2014/15 is estimated at 91 million tons and exports forecast at 48 million tons. As per Oil World, oilseed production may rise to 519.7 million tons, up 4.31 percent from 2013-1. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rests others.
- ❖ The total oilmeals consumption of five N. African countries in 2014/15 is estimated at 6.2-6.3 Mn, which has more than doubled within 10 years.
- ❖ India's import requirements of vegetable oils are set to increase to a new high of 12.2 Mn T in 2014/15, as reported by Oil World.
- ❖ Oil World has estimated a combined soya meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
- ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates. Moreover, Argentina soybean crop output for 2014-15 seen at 56.6 millions tons.
- ❖ The palm oil production in Malaysia is estimated to reach a record 19.7 million tons to 19.9 million tons. Further, Indonesia's output is likely an all-time high of 30.5 million tons or more this year. Production is estimated by Dorab Mistry, Director at Godrej International Ltd. Both the countries account for 86% of world total supplies.
- ❖ Germany's winter rapeseed output is estimated at 5.8 million tonnes in 2014, up from 5.7 million tonnes in 2013, German farmer's association, DBV said.
- ❖ Oil World has estimated the Canadian canola crop at 14.7 Mn T in 2014 which is considerably below the record 17.96 Mn T last year.
- ❖ EU-28 rapeseed outturn has turned out higher than expected there is an upward revision to 23.5 Mn T. EU rapeseed exports are also improving.

Oil Meal Prices at Key Spot Markets:
Soy DOC Rates at Different Centers

| Centres | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|-------------|---|
| | 5-Mar-15 | 27-Feb-15 | Parity To |
| Indore (MP) | 28500-29000 | 28500 | Gujarat, MP |
| Kota | 28100-28200 | 28000 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna | 29500 | 29100 | Mumbai, Maharashtra |
| Nagpur (42/46) | 29500 | 28500-29100 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 29600 | 29600 | Andhra, AP, Kar ,TN |
| Latur | 29500 | 29700 | - |
| Sangli | 30000 | 30100 | Local and South |
| Sholapur | 29300 | 29300 | Local and South |
| Akola | 28600 | 28700 | Andhra, Chattisgarh, Orrisa,Jharkhand, WB |
| Hingoli | 29400 | 29400 | Andhra, Chattisgarh, Orrisa,Jharkhand, WB |
| Bundi | 28100 | 28200 | - |

Soy DOC at Port

| Centers | Port Price | |
|-----------------------|------------|-----------|
| | 5-Mar-15 | 27-Feb-15 |
| Kandla (FOR) (INR/MT) | 29150 | 29500 |
| Kandla (FAS) (USD/MT) | 469 | 477 |

International Soy DOC

| Argentina FOB USD/MT | 4-Mar-15 | 26-Feb-15 | Change |
|----------------------|----------|-----------|--------|
| Soybean Pellets | 372 | 411 | -39 |
| Soybean Cake Flour | 372 | 411 | -39 |
| Soya Meal | 380 | 419 | -39 |
| Soy Expellers | 380 | 419 | -39 |

Sunflower (DOC) Rates

| Centers | Ex-factory rates (Rs/ton) | | |
|----------|---------------------------|-----------|--------|
| | 5-Mar-15 | 27-Feb-15 | Change |
| Adoni | 20000 | 19900 | 100 |
| Khamgaon | NA | NA | - |

| | | | |
|-------|-------|-------|-----|
| Parli | 20000 | 19900 | 100 |
| Latur | 19700 | 19500 | 200 |

| Groundnut Meal (Rs/MT) | 5-Mar-15 | 27-Feb-15 | Change |
|------------------------|----------|-----------|--------|
| Basis 45%, Saurashtra | 24500 | 24500 | Unch |
| Basis 40%, Saurashtra | 21500 | 21500 | Unch |
| GN Cake, Gondal | 25000 | 25000 | Unch |

| Mustard DOC/Meal | 5-Mar-15 | 27-Feb-15 | Change |
|-------------------------|----------|-----------|--------|
| Jaipur (Plant delivery) | 15000 | 15000 | Unch |
| Kandla (FOR Rs/MT) | 15700 | 16000 | -300 |

Progress of Sown Area – Rabi Oilseeds, India

In the official *rabi oilseeds* planting report (week ending 26 Feb. 2015), the area coverage under *Rabi* oilseeds is reported at 81.69 lakh hectares, down 10.1% from 90.84 lakh ha during the same period last year. Of the major oilseeds, rapeseed/mustard seed sowing is reported down by 8.6% at 65.17 lha compared to 71.28 lha during the same period last year. Groundnut at 7.26 lha vs 8.35 lha, safflower at 0.95 lha vs 1.78 lha, sunflower at 3.09 lha vs 4.31 lha, sesamum 1.43 lha vs 1.02 lha, linseed 3.21 lha vs 3.57 lha during the same period last year.

| Crop | As on 26 Feb. 2015 | As on 26 Feb. 2014 | % Change |
|-----------------------|--------------------|--------------------|--------------|
| Rapeseed/Mustard | 65.17 | 71.28 | -8.6 |
| Groundnut | 7.26 | 8.35 | -13.1 |
| Safflower | 0.95 | 1.78 | -46.6 |
| Sunflower | 3.09 | 4.31 | -28.3 |
| Sesamum | 1.43 | 1.02 | 40.2 |
| Linseed | 3.21 | 3.57 | -10.1 |
| Others | 0.58 | 0.53 | 9.4 |
| Total Oilseeds | 81.69 | 90.84 | -10.1 |

(Area in lakh hectares) Source: GOI

Soybean

The soybean witnessed mild gains in anticipation of demand in soy oil ahead *Holi* during the week under review. The gains were despite the fall in CBOT soybeans during the period.

The soybean prices fell with the decline in crude and with the end of trucker's strike in Brazil protesting against the new fuel tax. The event disrupted the soybean supply which is under harvest in Brazil. As expected the event not only increased the congestion on roads but also at ports in near-term, though the concern has eased.

The shipment delays of soybeans and soya meal in South America are keeping supplies in the importing countries at lower than expected levels reports the Oil World. Three of the Argentina's four largest farm groups will halt the sale of grains including soy for 72 hours from Wednesday.

Argentina's key soy growing areas are hit by flood which is likely to negatively affect the soybean yield in pod formation stage. The analyst may cut their Argentine soybean production forecast in coming weeks.

The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.

The Brazil's soybean harvesting is in full swing in key growing states including Mato Grosso, the harvesting is done above 20% of the total area under soy. The harvesting is behind year ago period and behind five-year average.

Record global soybean production estimates, this season, mainly in the major growing regions will eventually weight on the bean prices. Every fresh estimate is indicating new high in the production estimate.

Besides, Brazil's 2014/15 soybean production estimates vary from record 93.9 - 95.5 million tonnes.

Brazil's 2014/15 soybean crop is estimated at 94.7 million tonnes which is up 828,000 tonnes from a January forecast, Agroconsult analysts said in the week.

But as discussed, Conab has cut trimmed its Brazilian forecast for the 2014/15 soybean crop, which is under harvest, to 94.6 million tonnes from its earlier estimate of 95.9 million tonnes. However, production estimates are all time high.

The Conab also estimated Brazil's likely soybean shipments to 47.8 million tonnes, which lower from 49.6 million tonnes in January'15.

U.S. area under soybean in 2015 is forecast lower at 83.5 million acres by USDA, which is lower by 200,000 acres from last 2014, a bulls for short-term.

However, consistent Chinese buying remained supportive to the market to some extent. China imported 4.26 million tonnes of soybeans in February, down 38.1% from 6.88 million tonnes in January, as reported by the General Administration of Customs of China.

China bought 230,000 tonnes of vegetable oils in February, down 48.9% from the previous month.

The domestic soybean prices will remain under global supply pressure, lower crude and weak India's soy meal export sales with disparity on crushing the bean.

Soy meal

Soy meal posted mild gains in tandem with soybean followed by some fresh domestic demand in the meal, during the period under review.

However, the meal prices are lower since the beginning of the season followed by bearish global supply scenario and weak export sales of Indian origin, disparity on domestic crushing and lower crude. The scenario will limit any sharp rise in the meal prices during the season.

India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.

In a latest development SOPA has requested MP government to withdraw taxes on the industry. The soy industry is disappointed at the budget proposals of MP State Government to levy one percent tax on soy meal / de-oiled cake. Being a highly competitive agro based industry, it should not be burdened with additional taxation, which significantly contributes to the agro-economy of the state, says SOPA.

Neighboring state Maharashtra has no tax on soy meal/De-oiled cake and units in MP will become uncompetitive in comparison.

Soybean is an industrial crop and the additional taxation will ultimately hurt the interest of lakhs of farmers who depend on soybean crop in Kharif for their economic well-being. We have already requested the government to exempt the soybean industry from Mandi fee and entry tax on soybean, as stated by SOPA.

The domestic soy meal demand has been already hit due to recent incidents of bird flu in some parts of Kerala, affecting poultry production in several other parts of South India where there are highest number of poultry units, and poultry is the largest consuming industry of soy meal in India.

The domestic solvent extractors continued to face the crisis followed by wide disparity on crushing the beans and sharp fall in the meal exports from the beginning of the season which is certainly restricting the gains in soy meal.

The overseas soy meal exports eased m-o-m as well as y-o-y this season primarily due to the competitive international meal prices, including the meal of US, Brazil and Argentine origin compared the meal of Indian origin. India's soy meal exports this season are sharply lower as compared to the previous years.

Exports of Soybean meal during February, 2015 was 64,515 tons as compared to 1,83,551 tons in February, 2014 showing a decrease by 64.85% over the same period of last year.

On a financial year basis, the export during April'2014 to February'2015 is 5,99,818 tons as compared to 26,08,698 tons in the same period of previous year showing a decrease of 77%.

During current Oil year, (October – September), total exports during October 2014 to February, 2015 are 5,02,958 tons as against 17,32,404 tons last year, showing a decrease by 70.96%.

Iran, Indonesia and Myanmar remained the top 3 buyers of Indian soy meal in February 2015.

The average monthly soy meal price spread between FAS Kandla and FOB Argentina has widened in Feb. and was recorded at US \$45/MT in Feb. 2015 compared to US \$30/MT in Jan. 15. Argentine soy meal export prices continued to be attractive as compared to the India's.

India's soy meal exports declined to 64,514 tonnes in February from 104,426 tonnes in Jan., the Solvent Extractors' Association of India. Of total oilmeal shipments in Feb., soy meal comprised of 64,514 tonnes, rapeseed meal (62,545 tonnes), ricebran extraction (3380 tonnes) and castorseed meal was (51,494 tonnes).

Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.

The soy meal prices are likely to feature range-bound movement in near-term.

Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal will continue to lend support to the domestic soy meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea could be seen as the major destinations for Indian soy meal exports.

India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (Mar – Apr delivery) was quoted between Rs 29,150– 29,600/MT compared to Rs 38,375– 38,800/MT during the same period last year.

Recommendation: *India's soy meal prices are under global supply pressure. Indian meal exporters are advised to aggressively explore the lost markets last season especially traditional South and Far-East Asian destinations and Iran. India is into the period of higher exports considering seasonality. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Mar. – Apr. delivery) is expected to feature range-bound movement and the quotes will continue to be between the range of Rs.29000– 29,500/MT levels in the upcoming week.*

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Apr. contract

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3314 | 3235 | 3349 | 3464 | 3513 |

- The weekly candlestick chart pattern reveals fall in the prices.
- Prices closed below 9-day and 18-day EMA.
- RSI and stochastic are easing in neutral zone.
- MACD is easing in negative territory.
- The prices are expected to feature losses in coming week.
- Trade Recommendation (NCDEX Soybean – Apr.) Week: SELL Below 3352. Levels: Target – 3300; T2- 3280, SL -3383.

Trade Recommendation Soybean - Spot: Soybean prices will remain under pressure but may witness mild gain after it fell last week. The prices are likely to be in the band of 3300 – 3400 levels (Indore, Plant basis) during the week.

Rapeseed - Mustard Seed

RM seed fell primarily on new crop supply pressure during the week under review. Weakness in BMD CPO has lent additional pressure to the seed market.

However, intermittent unfavorable rains in the rapeseed-mustard growing region since last couple of weeks limited the losses. There are further forecast of rains in coming days. The rains have already hit the potential yield output in the seed, though it is premature to comment on the losses. The

The all India seed arrivals were reported at 12,55,000 bags during the week under review compared to 10,85,000 bags previous week. In Rajasthan the supplies fell to 58,5000 bags due to rains compared to 6,65,000 bags in the previous week.

The domestic rapeseed-mustard harvesting is gaining momentum and it is expected to pick-up with festivities got over. The seasonal rise in arrivals will continue in coming weeks, which will continue to weigh on the seed prices. Bearish global oilseeds supply scenario will remain a negative factor for the seed.

The market is expecting Malaysia's monthly MPOB data on palm oil inventories, production and consumption for the month of February this week, the palm oil stocks are expected to ease for February.

India is expected to harvest 7.36 million tonnes of rapeseed in the current crop year down from last year. Lower rapeseed production in the current season mainly attributed to the drop in India's mustard acreage (down 8.6% y-o-y) in the current season and dryness in the initial days of sowing – Ministry of Agriculture.

India's area under rapeseed-mustard this season is reported lower over 8.6% at 65.17 lha compared to 71.28 lha previous season. India's area under RM seed was 71.4 lakh hectares in 2013. Lower area is a bullish factor for the domestic RM seed.

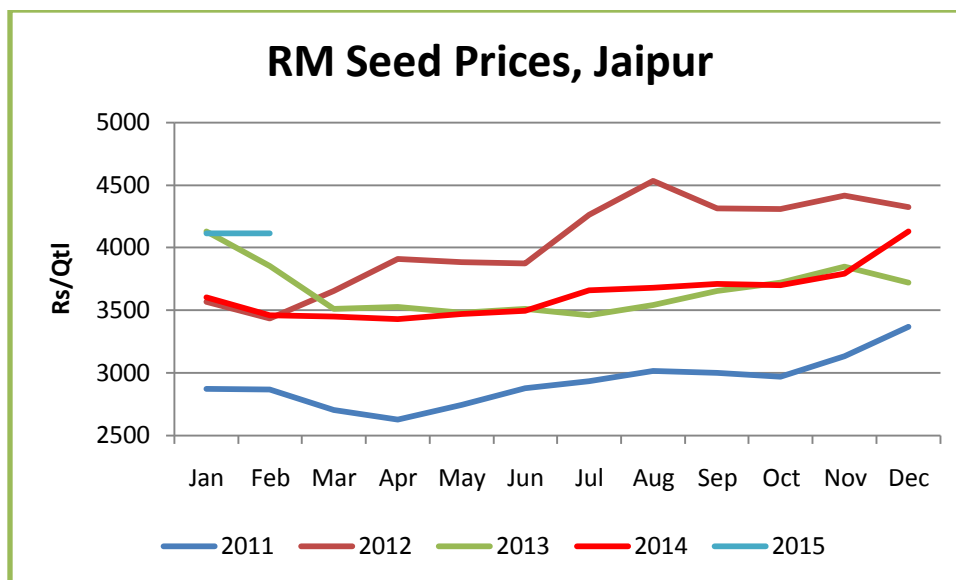
Exports of Malaysian palm oil products for February declined by 10.4% to 993,376 tonnes from 1,109,188 tonnes exported during January, cargo surveyor Societe Generale de Surveillance. Country wise export details – India imported 246,575 (162,900) tons, China 43,312 (209,800) tons and European Union 260,435 (185,706) tons. Values in brackets depict same period of the last month.

The domestic RM seed closely tracks Malaysian palm oil (BMD CPO) which witnessed gains in recent days.

Malaysian government has decided to continue exemption on export duty in March on palm oil. The availability and Imports of palm oil for India will be cheaper and weigh on the RM seed prices.

On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year. This is again a bearish factor for India's rapeseed-mustard.

Increasing seasonal arrivals of the rapeseed-mustard with harvesting gaining momentum and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed prices in near-term.



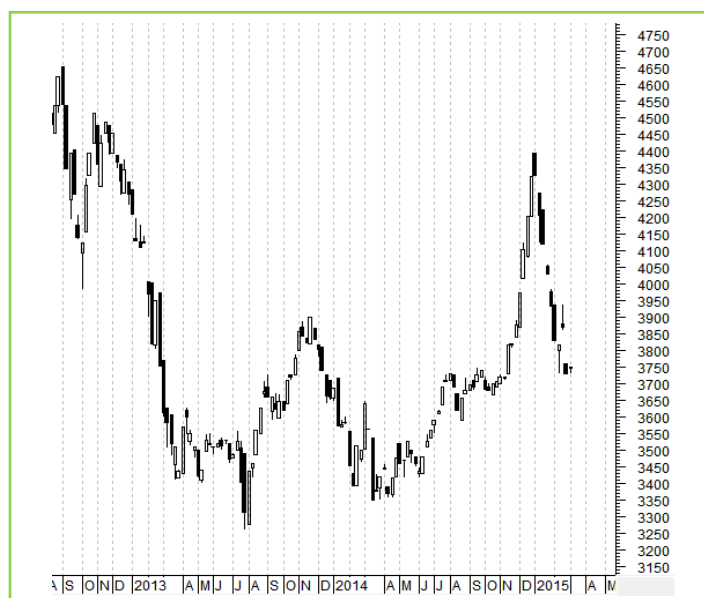
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Apr. contract

| S2 | S1 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3250 | 3282 | 3382 | 3389 | 3431 |

- The weekly candlestick chart pattern reveals sideways movement in the seed.
- The prices closed below 9-day and 18-day EMA.
- RSI is flatter while stochastic is easing in the neutral territory.
- MACD is rising in the negative territory.
- Prices are expected to feature losses in the near-term.
- **Trade Recommendation (NCDEX RM SEED - Apr) Week: SELL** Below 3388 for a Target – 3300; T2- 3280; SL -3440.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed continues to be under palm oil and domestic new RM seed supply pressure. Prices of seed are expected to be between 3700 – 3800 levels during the week. They were between 3730 – 3755 levels during the week under review.

Annexure

Progress of Sown Area – Kharif Oilseeds, India

In the official *kharif oilseeds* planting report (week ending 09 Oct 2014), the area coverage under *Kharif* oilseeds is reported at 178.47 lakh hectares, down 8.4% from 194.90 lakh ha previous year. Of the major oilseeds, soybean sowing is reported down by 10% at 110.22 lha compared to 122.20 lha during the same period last year. Groundnut at 37.25 lha vs 43.19, sunflower at 2.05 lha vs 2.43 lha, sesamum 16.31 vs 14.91, niger 2.28 lha vs 2.33 lha and castor at 10.35 lha vs 9.84 lha during the same period last year.

| Crop | As on 09 Oct 2014 | As on 09 Oct 2013 | % Change |
|-----------------------|--------------------------|--------------------------|-----------------|
| Groundnut | 37.25 | 43.19 | -13.8 |
| Soybean | 110.22 | 122.20 | -9.8 |
| Sunflower | 2.05 | 2.43 | -15.6 |
| Sesamum | 16.32 | 14.91 | 9.5 |
| Niger | 2.28 | 2.33 | -2.1 |
| Castor | 10.35 | 9.84 | 5.2 |
| Total Oilseeds | 178.47 | 194.90 | -8.4 |

(Area in lakh hectares) Source: GOI

Rabi MSP 2014-15

- ❖ The Cabinet Committee on Economic Affairs has approved the Minimum Support Prices (MSPs) for Rabi Oilseeds Crops of 2014-15 season to be marketed in 2015-16 as follows: The MSP of Rapeseed/Mustard is raised by Rs. 50/Qtl to Rs. 3100/Qtl from Rs. 3050/Qtl earlier. For Safflower too it is increased by Rs. 50/Qtl to Rs. 3050/Qtl from Rs. 3000/Qtl in 2013-14.

Kharif MSP

- ❖ Government has increased minimum support price (MSP) of sunflower seed by Rs 50 to 3750 a quintal, further a hike of Rs 100 on sesamum and nigerseed at Rs 46,00 and 36,00 a quintal respectively. However, the MSP of soybean and groundnut seeds remained unchanged at Rs 2500-60 and Rs 4000 a quintal respectively this season.

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