Oilmeals Weekly Research Report

Contents

Executive Summary

Soybean prices declined during this week despite lower pace of arrivals at various spot markets. However, Mustard seed prices showed mixed trend due to mixed pace of arrivals. Harvesting of new mustard crop has been started but with a slow pace due to recent rainfall at many states. Soybean prices are highly affected by weak soymeal demand due to COVID-19 impact. Arrivals declined 70% in MP markets compared to previous year records. Crushing is very less in the markets. Carry out stock of Soybean may stay at 1.5 million tonnes. Due to lock down announcement at various states of India, there will be no major trading activities in spot markets until 25th March 2020. Time period for lock down may be extended up to 2nd April 2020. Mustard harvesting in Kota district is continued and farmers have completed 25% crop harvesting so far and likely to finish within 15 days. NCDEX Soybean & RMseed April contract rose amid buyer's interests. CBOT prices also rose due to supply concern of Soybean.

Overall crop condition is good in Rajasthan. However, production is likely to decline near 5 to 10% as area has been shifted to other crops like Wheat, Garlic & Barley. Recent rainfall was beneficial in few districts of Rajahatahan where water availability was less. Standing Crops are good in Kota, Ganganagar and Bikaner. Traders expect 65 to 70 lakh tonnes of mustard crop in India for 2020-21 and 30 to 35 Lakh tonnes in Rajasthan. Harvesting has been started slowly and new mustard seeds contain 2 to 5% moisture. There is minor loss in Alwar and Jaipur districts. Traders don't have old stocks in Rajasthan states.

Recent rainfall may cause 15 to 20% total crop loss in UP. Harvesting may delay for 30 days. In Bundelkhand, trader expect 15% crop loss on account of heavy rainfall and hailstorm. Heavy rainfall may cause the stem rot disease and leave the plant wilted which may reduce 10 to 15% yield size compared to last season.

Sopa has revised Soybean Kharif production for 2019 from 89.94 lakh tonnes to 93.06 lakh tonnes after its recent field survey in Maharashtra, Madhya Pradesh and Rajasthan states. The revision is only for Maharashtra from 36.295 lakh tonne to 39.416 lakh tonne as sowing area stood higher side at 37.36 lakh ha. in 2019 against 36.39 lakh ha. in 2018. India may harvest 14.85 per cent lower Soybean crop at 93.06 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes,31.1 per cent to 40.10 lakh tonnes respectively against last year record. Sopa has increased soymeal consumption at 50 lakh tones higher from 47.5 lakh tonnes from its earlier estimates.

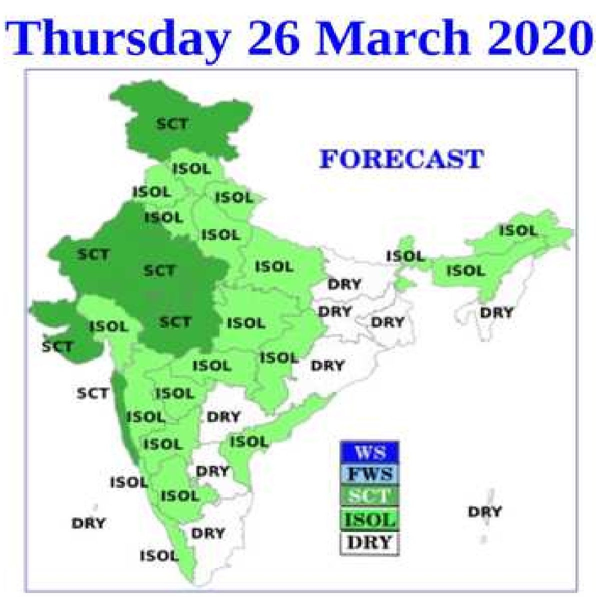
As per trade body, India is likely to grow at 7.8 million tonnes of Rapeseed crop in this season supported by higher yields on account of favorable weather condition. Agriwatch expect 7.46 million tonnes of Rapeseed crop in this season which is lower against 7.90 million tonnes in 2019-20. Farmers have covered total 6.9 million hac. of mustard seed in 2019-20 season lower by 0.24% against last year record as some parts of area has been shifted to Wheat crop. In 2019-20, we have estimated RM Seeds crop size at 7.9 MMT higher from 2018-19 due to higher sown area and good yield.

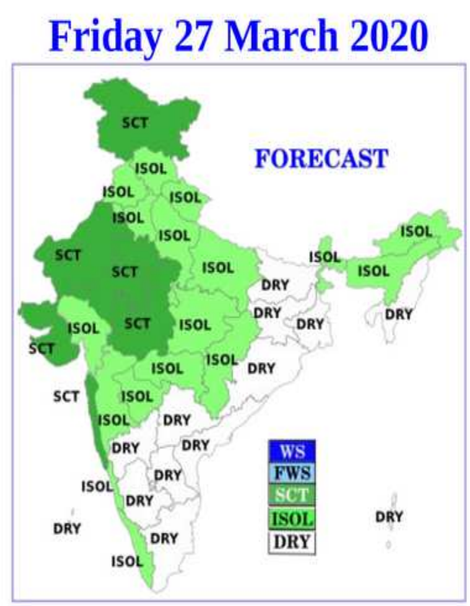
There will be no major trading activities due to lock down condition in India.

Outlook – Cash Market

Outlook-Soybean (Spot, Indore): *Soybean Indore plant prices declined due to weak demand of millers and crushers. Due to lock down in MP states, there will be no major trading activities for next week. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition, Kharif crop size estimates & global sentiments, condition of COVID-19 in India as well as in the World.*
Outlook –Soy meal (Spot, Indore): *Soymeal prices closed lower side on weak demand of south based traders. Lock down in India may curb any major trading activities in soymeal markets. Prices are being driven by announcement and actions against COVID-19.*
Outlook-Rapeseed-Mustard (Spot, Jaipur basis) *Mustard seed prices at Jaipur market showed steady trend. Firmness in mustard oil markets have supported mustard seed prices to rise at various trading centers. There is lock down announcement in Rajasthan market until 25th March 2020 therefore no major trading activities are expected in spots markets. NCDEX future prices of RM Seed may also increase on buyer's interest.*

Weekly Weather Report





Isolated light rainfall and thunderstorm accompanied with lightning, hail and gusty wind (speed reaching 30-40 kmph) likely over Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh and Rajasthan during 23rd -25th March with maximum intensity on 24th & 25th March.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 31.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	69.15	69.76	**-0.24**
Groundnut	7.76	4.76	4.59	**0.17**
Safflower	1.41	0.63	0.43	**0.20**
Sunflower	2.96	1.04	1.13	**-0.09**
Sesamum	3.12	0.56	0.71	**-0.15**
Linseed	2.99	3.46	3.44	**0.02**
Others Oilseeds	0.14	0.34	0.30	**0.04**
Total-Oilseeds (Nine)	**78.85**	**80.29**	**80.36**	**-0.07**

Soybean

Domestic Market

Soybean prices are continued at lower side on weak demand of crushers and millers. Weak soymeal demand is also one of the major factor to drive soybean prices. Soybean prices may trade in steady to weak zone in expectation of dull trading activities due to lock down condition in India.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaurm, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

Total balance stock of Soybean with Nafed is 10,677.68 MT consisting 10,651.45 MT in Telangana and 26.23 MT in Maharashtra.

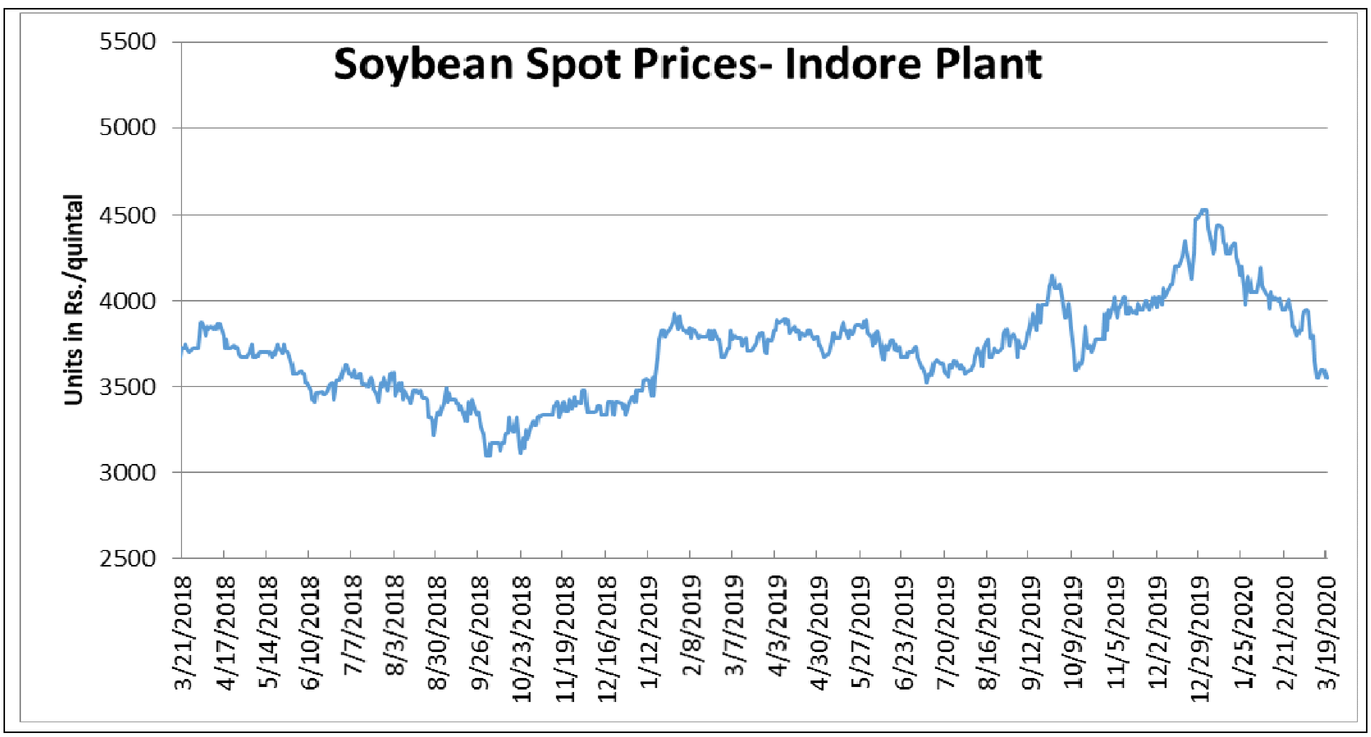
As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per SOPA, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and 1.54 lakh tonnes for carry forward in next year. Imports of India are likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tones compared to 10.46 lakh tonnes in previous year.

As per the second advanced crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated higher at 136.28 lakh tonnes as compared to 132.68 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.



Source: Agriwatch

International Market

CBOT futures prices closed on higher side due to supply concerns of soybean. Coronavirus related lockdown in Malaysia and delay cargoes at Argentina ports are the major factor to drive the prices. Malaysia has closed its borders and restricted internal movement by shutting schools and businesses from 18th March to March 31 to avoid Coronavirus impact. Firmness in soymeal markets is also supporting CBOT prices to rise.

Coronavirus has affected more than 10000 lives across the world. The outbreak has reached 198 countries including US, Italy, Iran, South Korea, India, Japan, Pakistan,UK, France, Germany, Malaysia, Indonesia, Brazil and Argentina. This has led to lockdown of various countries leading to breakdown of global supply chain of soybean. US has closed doors for travelers from Europe. China, Italy, Iran, South Korea are in state of complete shutdown. UK, France, Germany, Australia, Malaysia, Indonesia, Malaysia, Thailand and Indian have taken strong measures to control the epidemic

China has completely locked down many provinces and taken strong measures in various other measures provinces to control coronavirus. This has led to lower meat consumption in China leading to lower demand of soybean in the country. Moreover, lower swine count in China due to swine flu in 2019, which led to 40 percent drop in swine count led to lower demand of soybean by China.

During this week (6-12, 2020) US exported 71% higher soybean at 631,600 MT for 2019/2020 from the previous week and also 71 percent higher from the prior 4-week average. Increases primarily for unknown destinations (211,500 MT), Egypt (108,800 MT, including 102,000 MT switched from unknown destinations), Mexico (67,600 MT, including decreases of 1,300 MT), the Netherlands (64,800 MT, including 65,000 MT switched from unknown destinations and decreases of 200 MT), and Japan (64,300 MT, including 37,400 MT switched from unknown destinations and decreases of 5,300 MT), were offset by reductions for Niger (400 MT) and Peru (300 MT). For 2020/2021, net sales of 69,600 MT were for unknown destinations (68,000 MT), Canada (1,100 MT), and Japan (500 MT). Exports of 483,400 MT were down 15 percent from the previous week and 31 percent from the prior 4-week average. The destinations were primarily to Egypt (171,700 MT), Mexico (87,100 MT), the Netherlands (64,800 MT), Japan (41,800 MT), and Thailand (21,000 MT).

As per sources, European Union bought total 9.9 million tonnes of Soybean till March 15, 2020 (season started on July 1) which is lower by 4% from last year record in Mar 10, 2020. EU soymeal imports had reached higher by 2% to 12.50 million tonnes against the year-earlier period, while Rapeseed imports went up by 40% to 4.42 million tonnes against last year record. However, palm oil imports stood down by 14% to 3.93 million tonnes.

As per Arc Mercosul, farmers in Brazil have harvested 62.8% of the soybean area as on Mar 13, 2020 of this season. It is higher from last week and also from historical average of 62.6% as supported by dry weather condition. AgRural expects total 123.9 million tonnes of soybean harvest in 2019-20. There are reports of possibility of lockdown of Brazil as Covid-19 has reached the country.

As per recent Conab report, Brazil is likely to grow 0.81% higher soybean at 124.20 million tons in 2019-20 (crop year September-August) from its Feb month estimates i.e. 123.2 and also higher by 7.9% from last year record due to supportive weather condition. Soya yield is likely to stay higher at 3373 KG/ Ha. against 3349 Kg/Ha. in Feb month forecast and also higher from 3206 Kg/Ha. in last year. Planting area is estimated 0.05% higher to 36.82 million ha.against 36.80 million Ha. and 2.64% higher from 35.87 million Ha. in 2018-19. Brazil is likely to export total 72 million tonnes in 2019-20 higher by 3% against last year. Ending stocks are forecast 39% lower to 2.18 million tonnes.

Argentina may increase taxes on soybean, soyoil, and soymeal exports to 33% from the current 30%which may support CBOT price to rise.

According to China's General Administration of Customs (CNGOIC), China's Jan and Feb soybean imports rose 14.2 percent to 13.51 MMT from 11.83 MMT a year earlier. Imports in Dec were 9.54 million tonnes.

As per sources, Brazil has shipped 243% higher Soybean at 5.12 million tonnes in Feb 2020 compared to previous month record i.e.1.49 million tonnes. However, it is lower by 2.84% from 5.27 million tonnes in Feb 2019. Brazil exported 27% lower soymeal at 0.77 million tonnes in Feb month 2020 against 1.06 million tonnes in Jan 2020 and also lower by 14% from 0.9 million tonnes in Feb 2019.

Below table shows exports details of Brazil (as per Brazil's government monthly export released data as per):-

Brazil's Exports			
Products	**Feb-20**	**Jan-20**	**Feb-19**
Soybean (Mln Tons)	5.12	1.49	5.27
Soymeal (Mln Tons)	0.77	1.06	0.90
Soyoil (Tonnes)	60,400	12,600	36,100

As per Arc Mercosul, farmers in Brazil have harvested 43.1% of the soybean area as on Feb 28, 2020 of this season. It is lower from 56% in last year record during the same period of time. AgRural expects total 123.9 million tonnes of soybean harvest in 2019-20.

As per sources, Argentina may grow higher soybean crop at 54.5 million tonnes in 2019-20 compared to its previous forecast i.e.53.1 million tonnes on account of good rainfall.

As per IGC (International Grain Council), Global soybean output for 2019-20 may decline by 5 million tonne to 345 million tonnes due to slight shortfall in U.S Soybean output. In 2020-21, U.S. may cover 4% higher soybean planting area.

As per USDA report, U.S. is likely to plant 11.69% higher Soybean at 85 million acres in 2020 from 76.1 million acres in 2019.

As per Agroconsult, Brazil is likely to harvest 126.3 million tons of soybean in 2019-20 higher against 124.3 in its prior forecast. It forecasts soybean exports of Brazil for 2020 at 73 million tonnes for this season lower against 76-78 from its prior forecast.

As per NOPA recent data, NOPA members have crushed total 176.94 million bushels of Soybeans in January 2020 which is higher from 174.81 million bushels in December 2019. It is also higher from 171.63 million bushels in January 2019. Crushing is above than the average trade estimate of 173.74 million bushels, based on data gathered by Reuters from 8 analysts. Soybean oil stocks rose to 2.01 billion pounds at the end of January against 1.75 billion pounds in December month and 1.54 billion pounds at the end of January 2019. Soymeal exports has been reported higher in January 2020 at 931,061 tons against 902,534 tons in December 2019 and 905,923 tons exported in January 2019.

As per WASDE March report, world oilseed production for 2019/20 is projected at 580.13 million tons in Mar month, higher against 576.82 million tonnes in last month after larger crops of Soybean and sunflower. Total oilseeds crushing has been decreased by 1 million tons to 497.94 million tons against last month estimates due to higher crushing estimates in China and Maxico however it is higher from 488.59 million tonnes in previous year. Ending stocks for the world is kept 3.56 million tons higher to 117.37 million tonnes against 113.81 million tons in last month estimates however lower from 129.82 million tonnes in 2018/19 due to higher crop production estimates in Brazil and China stockpiling.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted unchanged at 96.84 million tons in March 2020 against previous month. Exports of U.S are unchanged at 49.66 million tonnes in this month against last month estimates however higher from 47.56 million tonnes in 2018-19. U.S crushing is unchanged at 57.28 million tonnes in March. Month and higher from 56.93 million tonnes in last year. Ending stocks of the country is expected to be lower at 11.55 million tonnes in Mar. month review against last month and lower from 24.74 million tonnes in 2018/19.

As per USDA, the soybean planted area in Brazil is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 9 million tonnes to 126 million tonnes in normal weather condition as compared to last year i.e.117 million tones. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million hac.and the production at 120.7 million tonnes in the current season.

As per USDA, U.S. Gulf FOB soybean export bids in February averaged $346/ton, lower $13 from January. Brazil Paranagua FOB averaged $346/ton down by $ 13 from January. Argentina Up River FOB averaged $347/ton, down $15.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 125 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and also higher from previous month record i.e.123 million tonnes. Exports of soybean in 2019-20 is expected to 77 million tons higher from 74.59 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 million tonnes on higher-than-expected area. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected. Total imports of China are estimated at 88 million tonnes for 2019/20 season higher from Jan. month. While crushing is forecasted higher at 86 million tonnes against 85 million tonnes in Jan. month estimates and also higher from 85 million tonnes in previous year.

As per USDA, U.S. soybean accumulated exports (shipments) to China totaled 11.4 million tons and 11.8 million to the rest of the world at the end of Jan month 2020. Outstanding sales were 611,000 tons to China and 3.3 million to the rest of the world. China had exported total 474,000 tons and 12.7 million to the rest of the world, and outstanding sales to China were 3.0 million tons and 12.3 million to the rest of the world in last season in the corresponding period of time. U.S. soybean export commitments (outstanding sales plus accumulated exports) to China totaled 12.0 million tons compared to 3.5 million a year ago. Total commitments to the world were 32.3 million tons, compared to 30.4 million for the same period last year.

Soy meal

Steady to weak tone are remained in soymeal complex after poor demand of south based traders. The impact of COVID-19 has affected poultry firms on a higher note and reduced soymeal demand in domestic as well as overseas markets. However, the demand for organic soymeal is good in the market which may curb any major fall. Fall in soymeal prices may affect soybean prices. There is no major impact on cattle feed demand as a result mustard and groundnut meal may hover in steady to firm tone.

According to trade source, one vessel (DODO) and one vessel (TROGIR) are expected to arrive at Tuticorin port for sunflower oil meal with total capacity of 31253 tons and 33000 tons respectively.

During the week (Mar.6 to Mar 12, 2020) US sold lower soybean cake and meal by 25% 129,100 MT for 2019/2020 from the previous week and 37% lower from prior 4-week average. Increases primarily for Canada (34,200 MT, including decreases of 3,500 MT), Mexico (34,100 MT), Ecuador (22,000 MT), Colombia (18,000 MT, including decreases of 200 MT), and Venezuela (13,900 MT, including 14,000 MT switched from unknown destination and decreases of 300 MT), were offset by reductions for unknown destinations (17,000 MT), the Dominican Republic (7,700 MT), French West Indies (3,000 MT), Chile (1,500 MT), and Burma (1,400 MT). Exports of 291,400 MT were down 15 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to the Philippines (52,900 MT), the Dominican Republic (37,300 MT), Canada (24,200 MT), Venezuela (23,900 MT), and Colombia (21,600 MT).

As per recent report of USDA of March month, India may produce higher Soymeal to 6.6 million tonnes in 2019/20 compared to 6.4 million tonnes in Feb month estimates however it is lower from 7.6 million tonnes in 2018-19 season. Domestic consumption is forecast at 5.49 million tonnes for this season higher from 5.35 million tonnes in last month estimates and also from 5.28 million tonnes in last season.

As per USDA, U.S. soybean meal export bids in February averaged $334/ton, down $6 from January. Brazil Paranagua FOB averaged $317/ton, down $4 from January, and Argentina Up River FOB averaged lower by $7 to $330/ton.

As per to Container Corporation of India Ltd (CONCOR), export consignment of soybean derivatives declined to almost half in December 2019 as compared to previous year in the corresponding period of time. Total shipments of soybean derivatives has fallen to 3000 containers during September to December 2019 compared to 3417 containers in last year in the same period of time. A lot of export consignment goes through road directly to the port however volumes was reported lower due to limited supplies and high prices in international market.

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export Sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent SEA report, India shipped Oilmeals lower by 74% to 76,017 tons in February 2020 against 294,510 tons in February 2019. India shipped total 20,309 tons of soymeal, 40,585 tons of Rapeseed meal, 3500 tons of Rice Bran Ext., 11,623 tons of castor seed meal in Feb 2020. The overall export of oilmeals during April-Feb. 2020 is reported 25% lower to 2,200,690 tons compared to 2,941,971 tons in April-Feb.2019 on account of disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased by 50% to 505,194 against 359,351 tons in Apr-to Feb 2020 compared to last season.

During April-February 2020, Vietnam imported 276,655 tons of oilmeals (compared to 592,697 tons); consisting of 6,417 tons of soybean meal, 167,643 tons of rapeseed meal and 102,595 tons of De-oiled Rice Bran Extraction. South Korea imported 809,733 tons of oilmeals (compared to 699,334 tons); consisting 51,098 tons of soybean meal, 365,243 tons of rapeseed meal and 393,392 tons of castor seed meal. Thailand imported 218,320 tons of oilmeals (compared to 298,400 tons) consisting 197,798 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2905 tons of soybean meal.

During April-February 2020, the export from Kandla is reported at 754,590 tons (34%), followed by Mundra handled 703,303 tons (32%), and Mumbai including JNPT handled 172,169 tons (8%) and Kolkata handled 131,269 tons (6%) and Others Ports handled 439,359 tons (20%).

As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes in November 2019 lower against 3.26 lakh tonnes in previous year during the corresponding period of time. Higher soybean meal prices has affected poultry sector demand. DOC buyers may switch to other alternative meal products due to higher soymeal prevailing prices.

Indian Soymeal premium quoted higher side by $79 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

Technical Analysis:

NCDEX Soybean FUTURE | ***Soybean Spot, Indore***

***Note: Daily Chart**

Support & Resistance NCDEX Soybean – Apr. Contract				
S2	**S1**	**PCP**	**R1**	**R2**
3400	**3450**	**3518**	**3620**	**3670**

- Soybean Apr. contract depicts firm trend and likely to find support at 3450 and resistance at 3620
- On the upside, 3620 shall act as immediate resistance followed by INR 3670.
- On the downside, INR 3450 shall act as immediate support followed by 3400.
- Trade Recommendation (NCDEX-Soybean) -Buy

Weekly trade call: **Buy** below 3500 Target – T1-3580; T2-3620, SL – 3460

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	19-Mar-20	12-Mar-20	Parity To
Indore - 45%, Jute Bag	29500	29500	Gujarat, MP
Kota - 45%, PP Bag	30200	30400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	30700	32500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	30500	31000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32000	32500	Andhra, AP, Kar, TN
Latur	31500	31800	-
Sangli	30300	31300	Local and South
Solapur	30200	31000	Local and South
Akola – 45%, PP Bag	31300	30500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	30000	30200	-

Soy DOC at Ports			
Centers	Port Price		
	18-Mar-20	11-Mar-20	Change
Kandla (FOR) (INR/MT)	32000	31500	500
Kandla (FAS) (USD/MT)	410	450	-40
CNF Indonesia – Yellow SBM (USD/MT)	425	0	425

Rapeseed Meal	18-Mar-20	11-Mar-20	Change
FAS Kandla (USD/MT)	220	219	1
FOR Kandla (Rs/MT)	16200	16350	-150
FOR Mundra (Rs/MT)	16600	16750	-150
CNF Indonesia (USD/MT)	242	242	Unch

International Soy DOC			
Argentina FOB USD/MT	18-Mar-20	11-Mar-20	Change
Soybean Pellets	338	334	4
Soybean Cake Flour	338	334	4
Soya Meal	341	334	7
Soy Expellers	341	334	7

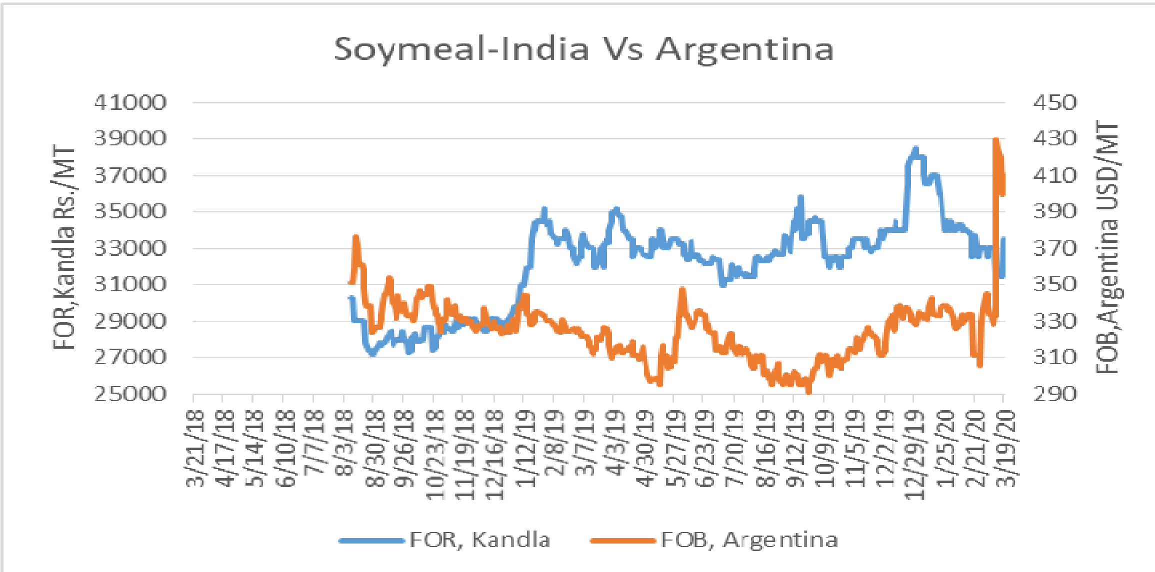
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	**19-Mar-20**	**12-Mar-20**	**Change**
Adoni	22000	22500	**-500**
Khamgaon	Unq	0	**-**
Parli	Unq	0	**-**
Latur	21500	22000	**-500**

Groundnut Meal (Rs/MT)	19-Mar-20	12-Mar-20	Change
Basis 45%, Saurashtra	26500	27000	**-500**
Basis 40%, Saurashtra	24000	24000	**Unch**
GN Cake, Gondal	26000	26500	**-500**

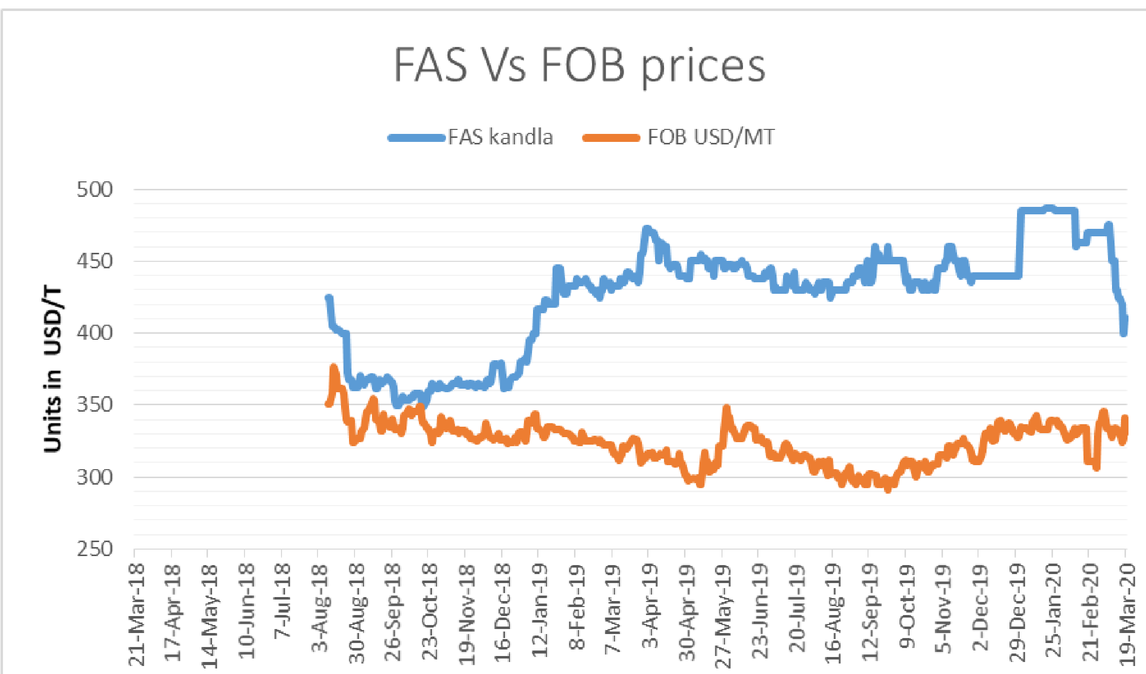
Mustard DOC	19-Mar-20	12-Mar-20	Change
Jaipur (Plant delivery)	15600	15500	**100**
Kandla (FOR Rs/MT)	16200	16200	**Unch**

Mumbai Oil Meal Quotes:			
Rs/M.T.	**19-Mar-20**	**12-Mar-20**	**Change**
G.N. Extr (45%)	25000	25000	**Unch**
KardiExtr	Unq	0	**-**
Undec Cottonseed Exp	21000	21000	**Unch**
Rice Bran Extr.	Unq	0	**-**
Sunflower Extr.	20000	20500	**-500**
Rapeseed Extr.	Unq	0	**-**
Soymeal 48%	30470	30783	**-313**
Castor Extr.	3550	3550	**Unch**

Soymeal - India Vs Argentina



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



Rapeseed - Mustard Seed

RM seed prices are unchanged in this week. While, arrivals have been reported higher side. Harvesting is likely to increase in next week in expectation of dry weather condition. Heavy rainfall in last week have slowed down harvesting pace and affected mustard crops quality. At the end of week, mustard seed prices stood unchanged at Rs. 4048 per quintal at the benchmark, Jaipur.

According to farm ministry recent data, India is likely to grow mustard crop at 9.34 million tonnes for 2019/20 season which is unchanged from last year record. Overall crop condition is good and likely to support mustard production to increase. However, hailstorm in early Jan month 2020 have affected standing mustard crops in some parts of northern and western part of India which may cause the stem rot disease and leave the plant wilted. In Rajasthan, western Uttar Pradesh and southern Haryana, white rust and stem rot diseases were reported which may curb any major rise in crop size. It pegged 6.2 million hectares of mustard sowing area for this season unchanged from last season. It expects total 2.7 million hectares of sowing area in Rajasthan. However, farmers may switch mustard area to wheat in MP, Haryana, Uttar Pradesh and West Bengal. Mustard yield for 2019-20 is likely to stay unchanged at 1.49 tonnes per hac. as compared to previous year. While, yield may increase to 1.9 tonnes per hac. in some parts of eastern UP.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares lower by 0.24 lakh hac. against 69.76 lakh hectares in last year. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. Farmers have covered total mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.81 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat. Sunflower has been planted on 1.04 lakh hectares lower against 1.13 lakh hectares in last year. Sesame has been planted on 0.56 lakh hectares lower from last year i.e.0.71 lakh hac. However, total covering area of groundnut stood at 4.76 lakh hectares higher against 4.59 lakh hectares in last year. Safflower has been planted on 0.63 lakh hectares higher from last year record i.e.0.43 lakh hectares. Linseed has been planted on 3.46 lakh hectares higher against 3.44 lakh hectares in last year.

Acreage of Mustard in the current season is lower against 2018-19. Mustard crop major growing states are Rajasthan, Madhya Pradesh, and Uttar Pradesh and Haryana state. In Rajasthan, traders expect total 2 to 5% lower mustard sowing area as mustard area may shift to garlic and wheat crop due to good price hike in last season compared to mustard seed prices. Recent rainfall will also support to increase yield of wheat and garlic crop compared to mustard crop. In Baran and Kota district, sowing is likely to be lower by 20%. While in Alwar and Bharatpur districts, it is likely to be equal like 2018 season. However, sowing area may increase nearly 2 to 5 % in Ganganagar district due to good water availability.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline as sowing has been delayed due to rainfall in October and November and late harvesting of Kharif crops. Farmers had waited water to dry up the sowing low lying land. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20. As per second advanced estimates of government, it estimates Mustard seed output at 91.13 lakh tonnes for 2019/20 lower by 1.43 lakh tonnes from lakh tonnes in 2018/19.

As per the Mustard Oil Producers Association of India data, India crushed 550,000 tonnes of mustard seed in December 2019 unchanged from previous month record and it is almost same as in last year during the corresponding period of time. Total supply of mustard in Rajasthan recorded at 100,000 tn in December 2019, 45,000 tn in Uttar Pradesh, and 30,000 tn in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.2 million tons in December 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

According to United States Department of Agriculture (USDA) March estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. It is unchanged from last month estimates. Ending stocks of mustard seed have been lowered to 1.69 lakh tonnes from 4.69 lakh tonnes in last year record. India’s 2019-20 Rapeseed oil production is revised higher at 26.60 lakh tonnes higher from previous year record i.e. 26.22 lakh tonnes. While, mustard oil import estimates are placed lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.

Technical Analysis:

RM Seed Futures Contract

Mustard Spot Jaipur

Support & Resistance NCDEX RM Seed – Apr. Contract				
S1	S2	PCP	R1	R2
3800	3830	3959	4050	4100

- Mustard Apr. contract depicts firmness and further can get immediate support at INR 3830
- Prices have tested the lower level of 3944 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Buy**

Weekly trade call: **Buy** below –3920 Target – T1-3960 T2- 4000, SL –3850

Annexure

India's Total Oilseeds Production Seen at 341.88 Lakh Tons in 2nd Adv. Est. - GOI (Kharif+Rabi)

The first Advance Estimates of production of major crops for 2019-20 have been released on 18th Feb 2020 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif and Rabi crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 26.66 lakh tonnes to 341.88 lakh tonnes against the production of 315.22 lakh tonnes in 2nd advanced estimates for 2019-20. The estimated figure is also higher by 47.67 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 341.9 Lakhtonnes

- Soybean – 136.28 Lakh Tons
- Groundnut – 82.44 Lakh Tons
- Castorseed – 20.43 akh Tons
- Sesame/Sesamum/Gingelly/Til – 6.64 Lakh Tons
- Nigerseed – 0.79 Lakh Tons
- Sunflower – 2.56 Lakh tons
- Mustard See-91.13
- Safflower-0.27
- Linseed-1.36

MSP for 2019/20 Kharif Oilseeds:

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

MSP for 2020/21 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 225 from last year and kept it at INR 4425 per quintal. Last year the MSP of Mustard/rapeseed was INR 4200 per quintal including bonus of INR 200. Safflower MSP has been increased by INR 270 to INR 5215 from INR 4945 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

SOPA Soybean Production Estimates Kharif 2019-20 As On10.10.2019

SOPA Soybean Estimates Kharif						
	2018-19			2019-20		
State	Area	Yield	Production	Area	Yield	Production
Gujarat	1.32	925	1.241	1.003	858	0.861
Maharashtra	36.39	944	34.34	37.363	971	36.295
Karnataka	3.19	911	2.90	3.302	816	2.694
Madhya Pradesh	54.1	1075	58.18	51.952	772	40.107
Chhattisgarh	1.281	865	1.108	0.742	726	0.539
Telangana	1.791	877	1.571	1.783	846	1.508
Rajasthan	9.212	971	8.945	9.627	681	6.56
Others	1.09	955	1.041	1.841	748	1.377
Total	108.4	940.4	109.3	107.6	802.3	89.9