

Oilmeals Weekly Research Report

Contents

- ❖ **Executive Summary**
- ❖ **Outlook – Cash Market**
- ❖ **Sowing Status – Kharif Oilseeds 2019-20**
- ❖ **Weather Forecast and Current Status**
- ❖ **Soybean – Domestic & International**
- ❖ **Soy meal- – Domestic & International**
- ❖ **Technical Analysis - Soybean**
- ❖ **Rapeseed - Mustard**
- ❖ **Technical Analysis – RM Seed**
- ❖ **Annexure – Prices etc.**

Executive Summary

There is no major trading activities due to do lock down in India to prevent from spreading COVID-19. As on 6th April 2020, total 4314 cases of coronavirus have been identified in India including 118 death cases and 328 recovered cases. Crushing of oilseeds is likely to re-start to fulfill the regular demand of domestic users. However, millers can face big challenges like labors problem, transportation issues, less stocks availabilities due to lock down in India. Harvesting of mustard crop has been almost finished in Rajasthan state however farmers are not able to bring in the mandies with full speed. Time period for lock down has been decided until 14th April 2020. NCDEX Soybean & RM seed April contract declined on selling pressures in this week. While, CBOT prices declined amid rising concern of Coronavirus in the world.

As per the Mustard Oil Producers Association of India, India crushed 500,000 tonnes of oilseeds in February 2020 which is higher by 33.3% against previous year record after higher arrivals and robust demand of mustard meal exporters. Total crushing is also higher by 25% against Jan month record. In Feb month, around 200,000 tonnes of new mustard crop had hit the market including 60,000 tonnes of old crop. During Mar-Feb, total mustard seed supply was at 7.05 million tonnes. Arrivals in Rajasthan were reported at 2.55 million tonnes. While in UP, it was registered at 1.25 million tonnes and a combined 825,000 tonnes in Madhya Pradesh and Chhattisgarh. Total available stocks with processors, stockiest and state-run agencies stood at 200,000 tons as on February 28, 2020. 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

Agriwatch expects 7.21 million tonnes of Mustard crop for 2021-20 which is 8.73% lower from 7.90 million tonnes as estimated for 2019-20. Yield size may decline 8.4% to 1036.88 Kg/Hac. against 1133 Kg/Hac in 2019-20 due to non-seasonal rainfall in Jan 2020 and March 2020. India received 31% excess rainfall during 1st March 2020 to 5th April 2020 compared to Normal rainfall which may damage seed quality and also delay harvesting of this season. Heavy Rainfall and hailstorm in early Jan month 2020 have affected standing mustard crops in Rajasthan, Western Uttar Pradesh and Southern Haryana states of India as a result the stem rot and white rust disease were seen at growth stage. Area of India is reported 0.29% lower to 6.95 million hectares in this season as compared to 6.97 million hectares in last season as mustard area have shifted to Wheat, Garlic and Barley crops in few growing belts of India.

Recent rainfall may cause 15 to 20% total crop loss in UP. 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. Uttar Pradesh received 380% higher rainfall from 1st March 2020 to 5th April 2020 against normal rainfall.

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.

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

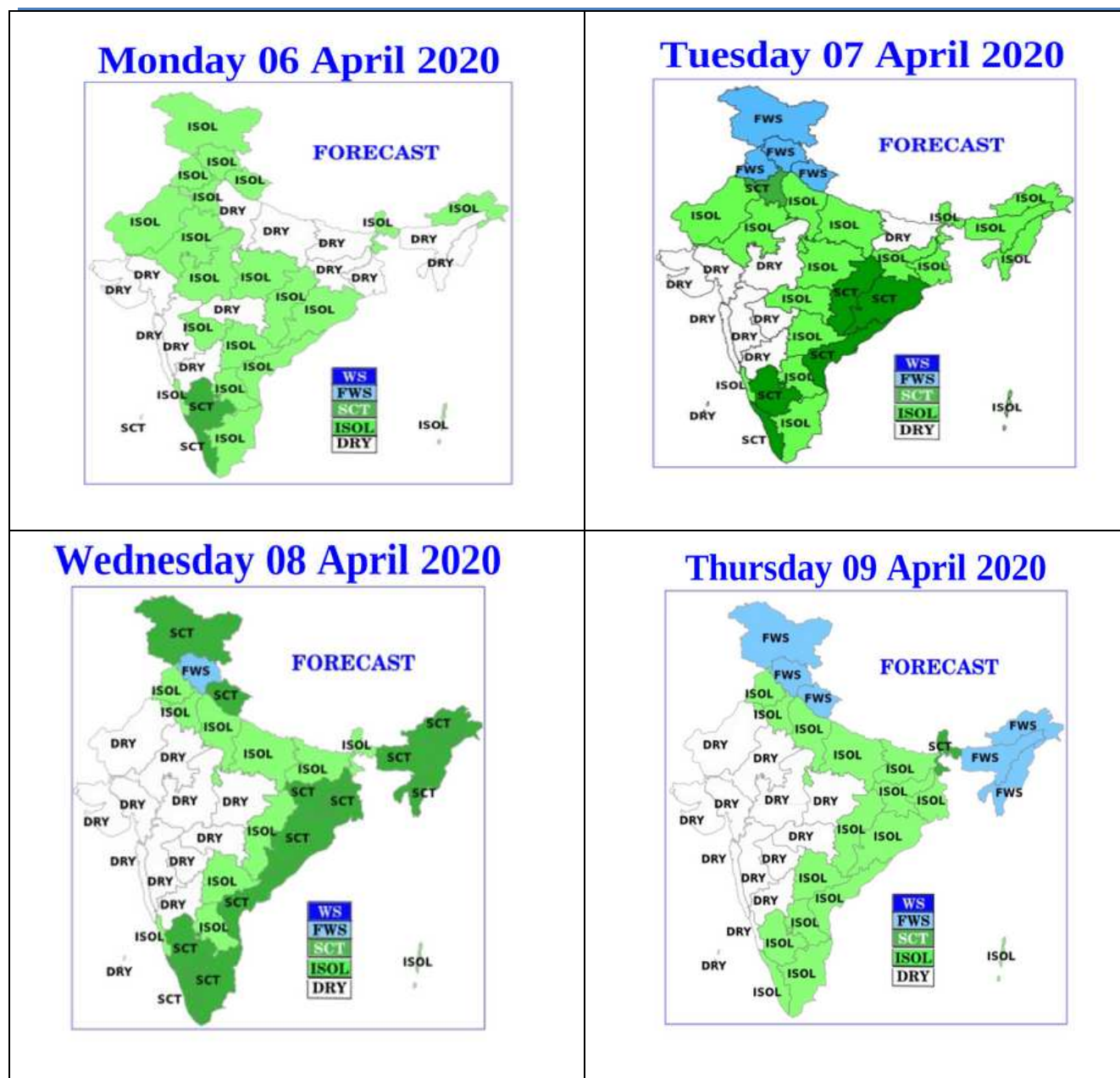
Outlook – Cash Market

Outlook-Soybean (Spot, Indore): Soybean Indore plants are remain closed amid lock down condition in India. Expected higher crushing ahead of rise in oil demand will support soybean prices to increase in future. 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 traded higher side amid good demand of organic millers. Lock down in India has curbed any major trading activities in the market. Soymeal prices are likely to trade higher side followed by expected price hike in soy oil complex in future.

Outlook-Rapeseed-Mustard (Spot, Jaipur basis) Jaipur markets are closed due to lock down in India. The quality of new harvested crops are very good in Rajasthan which may boost up domestic demand and support prices to rise in future. However, rainfall is the major concern for new mustard harvested as well as standing crops in the fields. NCDEX future prices of RM Seed may decline on sellers' interest.

Weekly Weather Report



Scattered to fairly widespread rainfall/thunderstorm likely over northeast India during 8th and 9th April and isolated squall over Assam & Meghalaya and Nagaland, Manipur, Mizoram and Tripura on 7th & 8th April. Isolated to scattered rainfall/ thunderstorm accompanied with lightning likely over eastern parts of India on 7th & 8th April and over southern peninsula during 6th 7th & 8th April 2020.

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

Markets are closed on account of lock down in India on coronavirus. The Solvent Extractor's Association may re-start soybean crushing from 1st April 2020. However, lack of labors, transportations issues and un-availability of raw material will be a big challenge for the plant to run smooth crushing on account of lock down in India. India may lock down until 14th April 2020.

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, Mandsaur, 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.

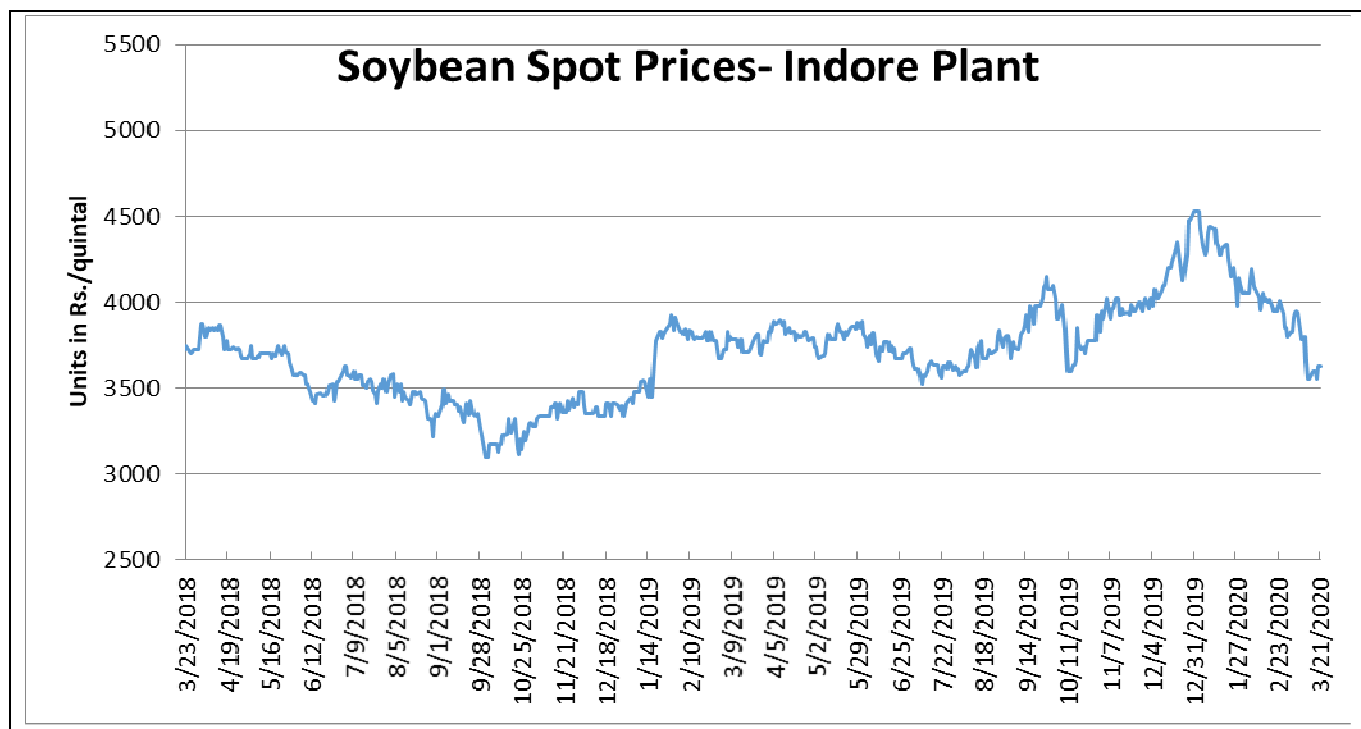
As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

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 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 tonnes 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 prices declined amid rising concern about coronavirus in the world. As per Reuter poll trade estimates, U.S. may plant 84.86 million acres which is higher from 76.10 million acres in 2019. Agmarket keeps its estimates at 85.50 million acres.

As per Ag Rural, farmers in Brazil have harvested 76% of the soybean area of 2019/20 season as on March 26, 2020 of this season. It is higher from 66% in last week and in line with last year's record during the same period of time. As per Safras and Mercado in Feb month review, Brazil may grow lower soybean to 124.2 million tonnes against 124.5 million tonnes in 2019/20.

Brazil shipped total 12.6 million tonnes in March 2020 which is 35% above last month and also 43% higher from last five years average March exports as supported by robust demand of China. China bought total 7.8 million tonnes in March 2020 which is higher by 2% from last year record i.e. 5.8 million tonnes in the corresponding period of time.

As per Abiove, Brazil is likely to harvest 123.7 million tonne in 2020 higher from 120.75 million tonnes in 2019. The country may ship total 73.5 million tonnes in 2020. As per Agroconsult, Brazil may harvest lower soybean 123.5 million tonnes in 2019-20 lower from 124.3 million tonnes in its earlier forecast due to drought which have damaged crop mainly in Rio Grande do Sul state.

Currently, 12.74 cases in the world have been identified under Coronavirus impact where 69,501 people could not survive and 265,883 people were recovered. The outbreak has reached almost whole of the world. This has led to lockdown of various countries leading to breakdown of global supply chain of soybean. Many countries have imposed complete lock down to prevent from COVID-19.

During this week (20th to 26th March 2020), US exported 6% higher soybean at 957,400 MT for 2019/2020 from the previous week and also 75% higher from the prior 4-week average. Increases primarily for Mexico (388,000 MT, including 47,500 MT switched from unknown destinations and decreases of 2,300 MT), China (131,000 MT), Bangladesh (108,300 MT, switched from unknown destinations and decreases of 300 MT), Indonesia (97,800 MT, including 68,000 MT switched from unknown destinations and decreases of 2,100 MT), and Egypt (55,000 MT), were offset by reductions for Barbados (1,200 MT). For 2020/2021, net sales of 114,000 MT were for unknown destinations (65,000 MT), Mexico (47,500 MT), and Japan (1,500 MT). Exports of 468,400 MT were down 23 percent from the previous week and 20 percent from the prior 4-week average. The destinations were primarily to Mexico (124,600 MT), Bangladesh (108,300 MT), Indonesia (86,400 MT), Japan (44,200 MT), and Malaysia (26,100 MT).

As per sources, European Union bought total 10.59 million tonnes of Soybean till March 29, 2020 (season started on July 1) which is lower by 3% from last year record in Mar 24, 2020. EU soymeal imports had reached higher by 3% to 13.25 million tonnes against the year-earlier period, while Rapeseed imports went up by 45% to 4.93 million tonnes against last year record. However, palm oil imports stood down by 15% to 4.16 million tonnes.

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.

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, 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 NOPA recent data, NOPA members have crushed total 166.28 million bushels of Soybeans in February 2020 which is lower from 176.94 million bushels in January 2020. However, it is higher from 154.49 million bushels in February 2019. Crushing is slightly lower than the average trade estimate of 164.95 million bushels, based on data gathered by Reuters from 8 analysts. Soybean oil stocks rose to 1.92 billion pounds at the end of February against 2.013 billion pounds in January month however higher from 1.752 billion pounds at the end of February 2019. Soybean exports has been reported higher in February 2020 at 762,745 tons against 931,061 tons in January 2020 and 784,660 tons exported in February 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 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.

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 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 tonnes. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million ha. and the production at 120.7 million tonnes in the current season. Exports of soybean in 2019-20 is expected to 77 million tons higher from 74.59 million tonnes in 2018-19.

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 126 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and also higher from previous month record i.e.125 million tonnes. As per the latest update from USDA, China soybean production is estimated at 18.10 million tonnes on higher-than-expected area. Total imports of China are estimated at 88 million tonnes for 2019/20 season higher from last year. While crushing is forecasted higher at 86 million tonnes against 85 million tonnes in previous year.

Soy meal

Soymeal prices showed firmness in the markets. However, there is limited trading activities on account of lock down in India.

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.20 to Mar 26, 2020) US sold lower soybean cake and meal to 125,200 MT for 2019/2020 from the previous week and 39% lower from prior 4-week average. Increases primarily for the United Kingdom (29,400 MT, switched from unknown destinations), Mexico (25,300 MT, including decreases of 100 MT), New Zealand (25,000 MT), Canada (22,600 MT), and Guatemala (11,200 MT, including decreases of 10,700 MT), were offset by reductions primarily for unknown destinations (30,000 MT), Nepal (5,000 MT), Honduras (4,700 MT), and Chile (4,500 MT). For 2020/2021, net sales reductions of 15,900 MT were for Guatemala (15,400 MT) and El Salvador (500 MT). Exports of 324,900 MT were up 12 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (66,200 MT), the Philippines (50,500 MT), Morocco (42,300 MT), the United Kingdom (29,400 MT), and Canada (25,900 MT).

As per recent report of USDA of March month, India may produce higher Soy meal 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, global production of soy meal is estimated at 238.49 million metric tonnes lower against last month estimates however it is higher as compared to last year record i.e. 233.33 million metric tonnes. Exports of soy meal may stand lower at 66.89 million metric tonnes against 67.80 million metric tonnes in Feb month estimates and 67.24 million metric tonnes from last year record.

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 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 soy meal, 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 \$52 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
3550	3600	3702	3790	3850

- Soybean Apr. contract depicts weak trend and likely to find support at 3600 and resistance at 3790
- On the upside, 3790 shall act as immediate resistance followed by INR 3850.
- On the downside, INR 3600 shall act as immediate support followed by 3550.
- Trade Recommendation (NCDEX-Soybean) - **Sell**

Weekly trade call: **Sell** below 3720 Target – T1-3650; T2-3600, SL – 3770

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	3-Apr-20	26-Mar-20	Parity To
Indore - 45%, Jute Bag	34000	31000	Gujarat, MP
Kota - 45%, PP Bag	35000	31500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35000	33500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32000	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32500	32500	Andhra, AP, Kar, TN
Latur	36500	34500	-
Sangli	33500	33500	Local and South
Solapur	35300	34000	Local and South
Akola – 45%, PP Bag	36300	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	34800	31300	-

Soy DOC at Ports			
Centers	Port Price		
	1-Apr-20	25-Mar-20	Change
Kandla (FOR) (INR/MT)	Unq	Unq	-
Kandla (FAS) (USD/MT)	Unq	Unq	-
CNF Indonesia – Yellow SBM (USD/MT)	Unq	Unq	-

Rapeseed Meal	1-Apr-20	25-Mar-20	Change
FAS Kandla (USD/MT)	Unq	Unq	-
FOR Kandla (Rs/MT)	Unq	Unq	-
FOR Mundra (Rs/MT)	Unq	Unq	-
CNF Indonesia (USD/MT)	Unq	Unq	-

International Soy DOC			
Argentina FOB USD/MT	1-Apr-20	25-Mar-20	Change
Soybean Pellets	365	365	Unch
Soybean Cake Flour	365	365	Unch
Soya Meal	354	357	-3
Soy Expellers	354	357	-3

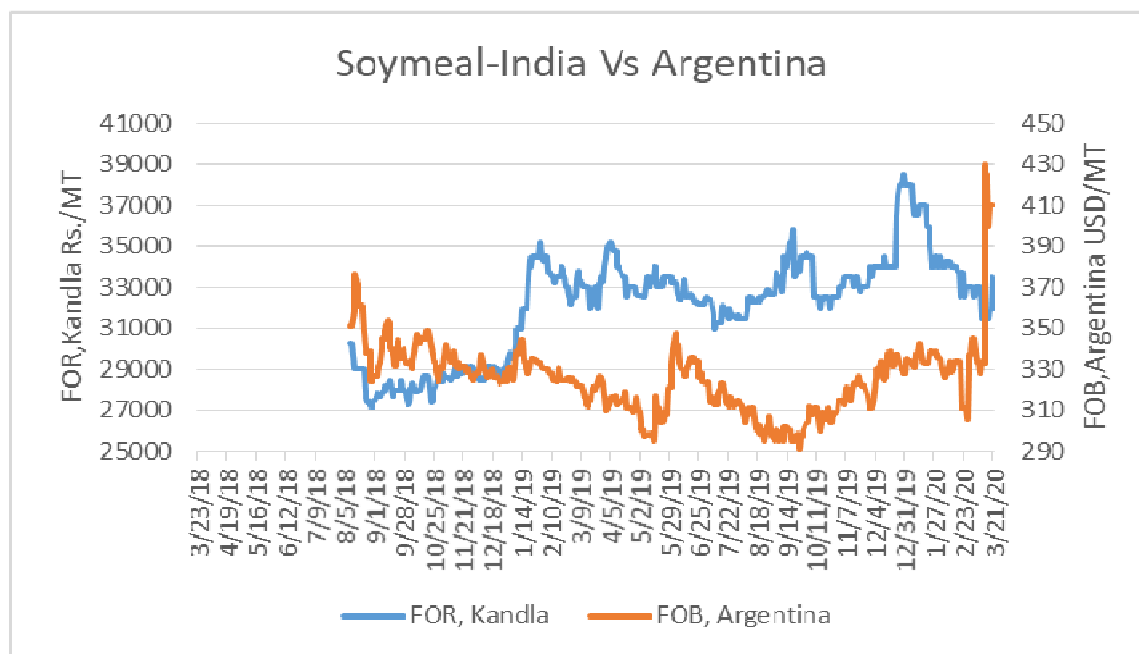
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	3-Apr-20	26-Mar-20	Change
Adoni	Closed	Closed	-
Khamgaon	Closed	Closed	-
Parli	Closed	Closed	-
Latur	Closed	Closed	-

Groundnut Meal (Rs/MT)	3-Apr-20	26-Mar-20	Change
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

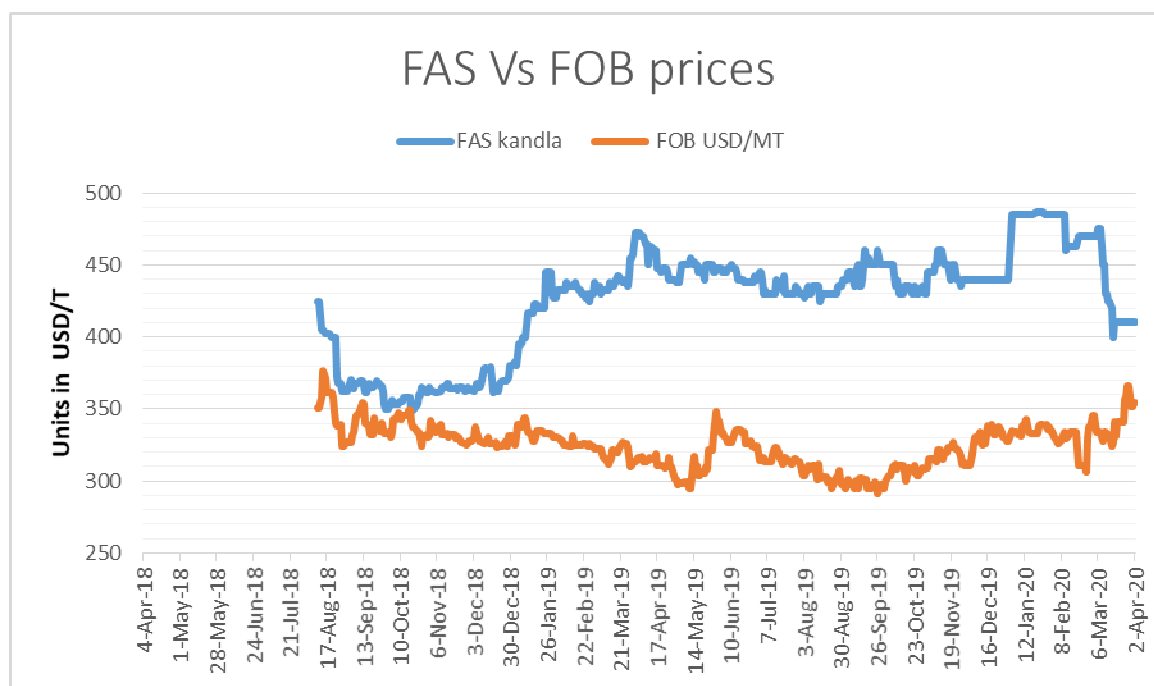
Mustard DOC	3-Apr-20	26-Mar-20	Change
Jaipur (Plant delivery)	Closed	Closed	-
Kandla (FOR Rs/MT)	Closed	Closed	-

Mumbai Oil Meal Quotes:			
Rs/M.T.	3-Apr-20	26-Mar-20	Change
G.N. Extr (45%)	Closed	Closed	-
KardiExtr	Closed	Closed	-
Undec Cottonseed Exp	Closed	Closed	-
Rice Bran Extr.	Closed	Closed	-
Sunflower Extr.	Closed	Closed	-
Rapeseed Extr.	Closed	Closed	-
Soymeal 48%	Closed	Closed	-
Castor Extr.	Closed	Closed	-

Soymeal - India Vs Argentina



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



Rapeseed - Mustard Seed

No major trading activities are happening due to lock down in India. Farmers in Rajasthan have completed harvesting now. While, 50% harvesting has been completed in UP state as harvesting was delayed due to rainfall in the last week.

COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year.

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.

Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20.

According to United States Department of Agriculture (USDA) March estimates, India may produce total 77 lakh tonnes 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
3880	3950	4045	4160	4210

- Mustard Apr. contract depicts weakness and further can get immediate support at INR 3950
- Prices have tested the lower level of 4012 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Sell**

Weekly trade call: **Sell** below –4090 Target – T1-4020 T2- 3970, SL –4140

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 On 10.10.2019

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2017 Indian Agribusiness Systems Pvt Ltd.