

# Oilmeals Weekly Research Report

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## Executive Summary

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Domestic soybean and soymeal rebound on buying support in the market. Range bound movement is witnessed in last several weeks and both bean and meal move in sync as they are closely co-related.

Weak soymeal exports and higher soyoil imports by India continues to pressure the domestic soy market, and limiting the upside.

The domestic soymeal demand is still weak mainly due to the sluggish demand in the poultry amidst COVID-19.

Currently, the soybean crush margins are bad and discouraging the millers to crush aggressively.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 16%. This year the country's soybean area is up as expected and area coverage under soybean is 118.07 lha, up 7.5% from 109.84 lha normal area. The standing soybean crop is in the good condition across the key growing regions.

However, the rapeseed-mustard extended gains on continued good demand from millers supported by good demand in rapeseed-mustard and improved rapeseed-mustard oilcake exports.

We expect soybean and soymeal to feature range-bound movement with weak-bias on bearish domestic and global supply outlook. However, the rapeseed-mustard prices will remain strong on good demand.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** *The soybean prices will feature range-bound movement with weak bias, given the weak soymeal demand and higher soyoil imports. Further, expectation of higher soybean production this season will continue to weigh on the soy prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 3700 – 3900 level.*

**Outlook – Soy meal:** *Persistent weak demand from poultry sector and poor overseas demand with expectation of higher stock during the season will continue pressuring the domestic soymeal. Soymeal prices are likely to witness range-bound movement with weak bias Indian meal exporters are advised to explore new markets aggressively and try to regain the lost markets especially traditional South and Far-East Asian destinations including Japan in the coming days. The domestic meal prices are likely to remain under supply pressure and feature range bound movement in near-term. Soy meal, Indore is expected to be in the range of 28,200 – 29,000/MT levels during the week.*

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *The rapeseed-mustard is expected to feature range-bound movement with firm bias, on good crushing demand backed by good demand in rapeseed-mustard oil and improved exports in rapeseed-mustard oilcake. The seed arrivals are gradually falling week-on-week. The seed prices are likely to feature gains and witness the levels between 5,150 – 5,300/Qtl; levels during the week.*

## International Highlights

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- ❖ USDA has projected US 2020/21 soybean outturn at 112.5 million tonnes, up from 96.7 million tonnes estimated for 2019/20 in its last FAS oilseeds' monthly report.
- ❖ US soybean export sales in July totaled 7.6 million tonnes, which is double the 10-year average for July and well above the exports of any previous July.
- ❖ China's soybean imports increased 18% this year through July compared to same period last year. This is after soybean offered at competitive price by the top supplier Brazil, according to data from the General Administration of Customs.
- ❖ China bought 10.09 million tonnes of soybean in July, up 17% from 8.63 million tonnes in July 2019, still below June's record 11.16 million tonnes, GAC data showed.
- ❖ Further, China's soybean imports surged by 17.7% in the first seven months of the year 2020 compared to the corresponding period in 2019 to 55.14 million tonnes.
- ❖ The above data reveals that China is aggressively buying soy to cover its strategic stock and likely further
- ❖ As per the forecast of Abiove, Brazil is expected to harvest 130.5 million tonnes of soybean in 2020/21 and the exports are projected at 80 million tonnes the same year.
- ❖ Brazil has harvested 125.5 million tonnes of soybean in 2019/20 which is slightly higher than 125 million tonnes in 2018/19.
- ❖ Rabobank has projected the Brazilian 2020/21 soybean crop at 127.3 million tonnes, up 5.3% from the previous season. The planted area under soybean is forecast to increase by 3% from 2019/20 to 38 million hectares.
- ❖ It is evident all eyes are on the Brazilian next soybean crop. Given the Brazil's 2020/21 soybean production figures by various agencies there will be a bumper all time high soybean production in the country which will once again prove to be competitive in the soybean market, in 2020/21 season.
- ❖ Argentina's 2019/20 soybean yield is estimated an average of 2.96 tonnes per hectare and the country's soybean production is pegged at 49.5 million tonnes, said the Buenos Aires Grains Exchange. The reduction is mainly due to the dry weather during the crop development phase.

## Sown Area – *Kharif* Oilseeds, India

In the progressive official Kharif oilseeds planting report dated 07<sup>th</sup> August 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 181.19 lakh hectares, an increase by 16% from 156.88 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 7.5% at 118.07 lha compared to 109.84 lha during the corresponding period of last year, groundnut at 47.29 lha vs 32.86 lha, sesamum 11.67 lha vs 10.94 lha, castor seed at 2.76 lha vs 1.89 lha and niger at 0.62 lha vs 0.61 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season.

Area in Lakh Hectares

<b>Crop</b>	<b>Normal Area (5 Year Avg.)</b>	<b>As on 07 Aug 2020</b>	<b>As on 07 Aug 2019</b>	<b>% Change</b>
Groundnut	42.43	47.29	32.86	<b>43.9</b>
Soybean	111.49	118.07	109.84	<b>7.5</b>
Sunflower	1.84	0.78	0.74	<b>5.4</b>
Sesamum	14.13	11.67	10.94	<b>6.7</b>
Niger	2.41	0.62	0.61	<b>1.6</b>
Castor	9.65	2.76	1.89	<b>46.0</b>
<b>Total Oilseeds</b>	<b>181.95</b>	<b>181.19</b>	<b>156.88</b>	<b>15.5</b>

Source: MoA, GOI

## Soybean

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Soybean edged up on some buying support from the millers to cater the soyoil and soymeal demand.

The soybean crush margins are deeply negative and the bean crushers are discouraged to in processing the same. This is mainly due to the weak soymeal prices on sharp fall in exports and decline in local demand.

Besides, increase in the soyoil imports at the competitive prices is continuously hurting the domestic crush margins.

Further, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this will deny the soymeal exporters the benefit of 5% incentive which helped to compete in the world market to some extent.

This is after Revenue Department, Ministry of Finance and NITI Ayog debated and argued that the incentive failed to bear the objective in reducing the import bill related to the product, we have seen soyoil and other edible oils' imports are continuously increasing.

The government wants to divert the scheme cost or financial resources into new Production-Linked Incentive (PLI) schemes in select sectors with core competency and potential for global exports.

SOPA has written to the government to revoke the suspension of the MEIS benefit immediately.

Country's area coverage under soybean crop has surpassed the normal area of 111.49 lha by 11.5% last week.

In the last progressive planting report by the Ministry of Agriculture dated August 07, 2020, India's soybean sowing is reported up by 7.5% at 118.07 lha compared to 109.84 lha during the corresponding period of last year.

Given the increase in the sown area, the country is expected to harvest higher bean crop this season compared to last couples of years.

All the key soybean growing regions have received deficit monsoonal rainfall during 01 June 2020 to 09 August 2020.

IMD's subdivision rainfall data of 09 August 2020 reveals that the West Madhya Pradesh has received 439.9 mm of rainfall vs 491.1mm (-10% departure), Vidarbha 484.2 mm vs 581.7 mm (-17% departure) and East Rajasthan received 253.6 mm rainfall vs 355.6 mm normal (-29% departure).

This reveals none of the soybean growing region received normal rains and most of the standing soy crop is under flowering stage. The crop immediately needs rainfall to overcome the moisture stress.

The country is expected to start the new marketing year with soybean carry-in stocks of 1.3-1.5 million tonnes, up from 150,000 - 170,000 tonnes a year ago.

Need based buying in soybean continues across key soybean mandis like, Indore, Nagpur, Latur and Akola on poor crush margin.

The crush margin of the soy crushers are badly hurt and they are still not eager to quote higher for the bean in a bid to keep the meal prices attractive for domestic as well as the foreign buyers and keep the exports prices competitive which are already struggling to match the South American soymeal prices.

Soybean plant delivery price improved in Indore cash market to Rs 3,700 - 3,850 a quintal from Rs 3,600 - 3,800 a quintal previous week, on some buying support.

The supplies of bean further delined in various cash market yards of Madhya Pradesh to 2,00,000 bags during the week from 3,45,000 bags a week ago.

Government has set the MSP of soybean for kharif marketing season at Rs. 3880/Qtl vs Rs. 3710/Qtl last season. This will lend some support to the bean.

*The major buyers are as follows: Agrawal, Neemuch, Shanti Overseas, Living Food, Goyal Protein, Bansal-Bhopal, Vippy-Dewas, ABIS, Sneha, Ruchi Soya, Shalimar Katol, Vippy Dewas, Dhanuka Neemuch, Avi Agri Ujjain, M.S. Neemuch, RH Seoni, Prakash, Kriti Dewas, Mahakali, Prestige Dewas, Itarsi Oil, Sanwaria Itarsi, MS Solvex Neemuch, MS Soya Pachore, during the week.*

***The domestic soybean prices are likely to feature range-bound movement with weak bias on slack in soymeal demand, higher soybean oil imports and expectation of good crop this season.***

## **International:**

In the Jul'20 WASDE report by USDA, the US 2020/21 soybean area is projected up at 83.8 million acres compared to 76.1 million acres in 2019/20. US soybean yield for 2020/21 is projected at same at 49.8 bushels per acre vs 47.4 bushels per estimated in 2019/20 and the total US soybean production is pegged up at 4135 million bushels compared to 3557 million bushels (96.79 Mn T) estimated in 2019/20.

The above scenario along with higher South American soy output forecast suggests bearish global supply scenario in the new season.

Industry estimates suggest this year's Brazilian soybean export to reach around 80 million tonnes or even more, which means another 12 million tonnes would be exported over the next few months. Shipping lineup, in the last week of July, showed 5.3 million tonnes of soybeans scheduled to depart in August.

Brazilian agriculture consultancy Datagro has pegged Brazil's 2020/21 soybean at 131.69 million tonnes up 6% from the last season.

Brazil's 2020/21 soybean planted area is seen at 37.99 million hectares, up 2.5% from previous season, said Datagro.

Agribusiness consultancy Celeres, in its first Brazilian soybean output projection for the 2020/21 season, starting September, has pegged it at 130.8 million tonnes, based on higher farmers' planting intention.

Brazil's soybean planted area is expected to rise by 1.3 million hectares to 38.2 million hectares in the 2020/21 season. As per the estimates of Celeres, Brazil's produced 124.7 million tonnes of soybean, making the country world's largest producer.

Consultancy StoneX has projected increase in Brazil's soybean planted area for 2020/21 to over 38 million hectares, from 37 million in 2019/20, backed by strong demand for the oilseed, the planting will kick off in mid-September.

Brazil's solvent extractors' group ABIOVE has raised the country's soybean export forecast at 79.5 million tonnes from 78 million from its previous forecast. It has also raised Brazil's 2020 soybean production estimate to 125 million tonnes compared to 124.5 million tonnes in previous forecast.

China's domestic soybean production is seen at 18.81 million tonnes in 2020, up 3.9% from the previous year, according to forecasts of the agriculture ministry. The country's soybean crushing volumes were pegged at 85.98 million tonnes this year.

The strong Chinese buying will continue to lend support to the international soy prices during the season.

Brazil 2020 soybean export forecast has been revised to 76 million tonnes vs 74.07 million tonnes in previous forecast by INTL FCSTONE. China will be the largest buyers from Brazil.

Strategie Grains has raised its forecast for 2020-21 rapeseed production in the European Union plus Britain to 16.79 million tonnes from 16.54 million in its previous estimates.

The upward revision, after six consecutive downward monthly projections was mainly due to favourable weather condition in Poland and Lithuania.

The rapeseed outturn is estimated to be still below previous year's poor crop harvest of 17.12 million tonnes, due to weak output in France, Britain, Central and Eastern Europe.

The production is hit mainly due to the very dry spring in parts of Europe as well widespread damage due to insects.

Strategie Grains has estimated EU rapeseed 2020-21 import to record 6.1 million tonnes, this is despite the agency has slightly trimmed from 6.2 million tonnes forecast a month ago. EU had imported 6.0 million tonnes of rapeseed in 2019/20 season.

The above statements with data reveal bearish global oilseeds supply scenario in the upcoming season.

*The international soybean prices are expected to feature range bound movement with weak bias on better US soybean crop prospect and South American supply scenario. However, strong Chinese buying will limit the downside.*



## Soymeal

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The domestic soymeal posted gains in association with soybean on some overseas and domestic demand, though the demand was not enough to boost the crush margin in soybean.

The Indian soymeal market is facing a tough time at domestic as well as at the international front. There is no major developments in the domestic soymeal market.

In a major blow to the domestic soymeal market, which was already reeling under pressure, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this week, on its portal from exports undertaken 01.04.2020 onwards.

This will result in further decline in soymeal exports from India, as MEIS benefit of 5% is a significant incentive to compete in the world market. SOPA has made a representation to the government to revoke the suspension of the MEIS benefit immediately.

The revenue department have argued against continuing the MEIS, calling it wasteful and inefficient.

Instead of extending the Merchandise Exports of India Scheme, which cost Rs 43,500 crore in 2019-20, the NITI Aayog and the Ministry of Finance have called for putting financial resources into new Production-Linked Incentive (PLI) schemes in select sectors with core competency and potential for global exports.

Contrary to this SOPA has urged the government to restore 10% incentive for soymeal exports to support soybean prices, a couple of weeks back. Besides, the SOPA members in a letter addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal, the same time.

India's soymeal export sales are weak after being outpriced in the global market by South America. India has lost the traditional South East Asian markets to South America in recent years.

Soymeal exports to SE Asian countries are continued to remain weak and given the bumper South American soybean crop and expectation of good US bean crop and it is unlikely India's soymeal export prices could compete with them.

The domestic soymeal demand continues to be weak mainly due to the weak demand in poultry attributed to the COVID-19 pandemic.

The domestic average soymeal prices at Indore, witnessed gains to Rs. 28,760/MT and was quoted between Rs 28,500 – 29,000/MT compared to the average of Rs 28,533/MT traded between the price range of Rs 28,300 – 28,700/MT previous week.

At Latur soymeal improved to Rs 31,600 – 32,500/MT from Rs 31,500 – 32,000/MT a week ago and in Nanded it was quoted higher at Rs. 31,800 - 32,200/MT compared to Rs. 31,700 - 32,000/MT a week ago. Besides, in Kota, the meal witnessed some gains and was quoted at Rs 30,000 – 30,500/MT compared to Rs 29,500 – 30,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 28,500 – 29,000/MT during the week compared to Rs 29,800– 30,000/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 28,500 – 29,000/MT on slack in demand from poultry sector, in near to medium-term.*

## Previous updates:

We feel the manufacturing of feed will be negatively impacted in Tamil Nadu, as the state has re-imposed lockdown amidst the COVID-19. There are several large feed manufacturers in Tamil Nadu.

India's oilmeal shipments fell 60% in April from a year earlier, as higher government-set oilseed MSP made the shipments uncompetitive.

India exported 102,001 tonnes of oilmeal in April 2020, said the Solvent Extractors' Association of India.

India's soymeal shipments may fall to around 500,000 MT in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to subdued demand from traditional overseas buyers amid ongoing countrywide lockdown, said Soybean Processors Association of India Chairman Davish Jain.

SOPA is concerned about the falling demand from the traditional buyers like France, Japan, Iran, Korea and Nepal of soymeal of Indian origin.

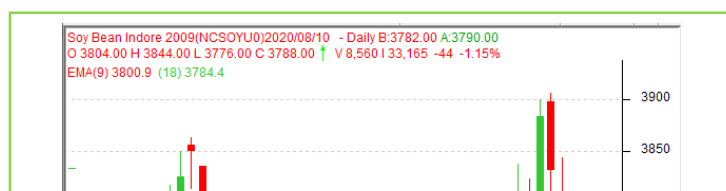
SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and collapse of poultry sector.

The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

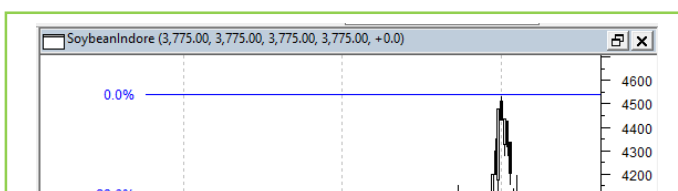
The association has urged the Centre to increase the soymeal export incentive to 7.5% from 5.0% currently to ramp up the shipments.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

Support & Resistance NCDEX Soybean – Sep contract				
S1	S2	PCP	R1	R2
3700	3600	3832	4000	4100

- Soybean posted gains on buying support in the market.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is heading upwards in the positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Sep) Week: **BUY** Above 3800. Levels: T1 – 3900; T2- 3950, SL - 3740.

## Rapeseed - Mustard Seed

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Rapeseed-mustard extended the rally on continued strong buying support by the crushers.

Decline in rapeseed oil imports and increase in rapeseed-mustard oilcake exports remained supportive for the crushers leading better crush margin to the millers.

Better local demand in the rapeseed-mustard oil continued to remain supportive for the seed. India's rapeseed oil imports fell by 62% during Nov. 2019 – June 2020 from same period last season (17,000 vs 44167 tons).

The rapeseed-mustard meal exports almost doubled in last couple of months lending support to the seed crushers.

There is no report of Nafed's rapeseed-mustard procurement last week. Nafed had procured the seed in last couple of months from various key producing locations like Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh.

As on 01 Aug. 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,03,853.33 metric tonnes with a total value of Rs. 3,55,705.10 Lakh and the total number of farmers benefiting from the scheme so far stands at 3,18,540.

Overall, the rapeseed-mustard sentiments are strong with good buying support and high MSP for the seed.

Better crush margin in the seed remain encouraging for the crushers and currently the rapeseed-mustard crushing is in full swing and it is also higher in volume than same period last year.

RM seed prices improved by 2% to Rs 5130 – 5225 a quintal from Rs 4980 – 5125 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies are falling week-on-week and they were reported 6.45 lakh bags during the week compared to around 7.85 lakh bags a day, previous week. The supplies were 7.65 lakh bags during the corresponding period last year.

The new crop seed is quoted at around Rs 5130 – 5225 a quintal compared to Rs 4110 – 4125 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the September contract edged-up from previous week's level at 5,118/Qtl compared to 4,980/Qtl previous week.

### **Previous Updates**

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The government has fixed the Minimum Support Price for rapeseed-mustard at Rs 4425/Qtl.

Agriwatch has projected India's MY 2020/21 rapeseed production at 7.2 million tonnes while Solvent Extractors of India has estimated the seed production at 7.7 million tonnes.

India's 2019/20 rapeseed oil import estimate has been reduced to 0.25 lakh tons from 1.2 lakh tons in its earlier estimate, lower by 79.2 percent. Rapeseed oil consumption have been reduced to 27.30 lakh tons from 27.80 lakh tons in its earlier estimate, lower by 1.8 percent. End stocks of rapeseed oil in 2019/20 raised to 1.89 lakh ton from 1.38 lakh tons, lower by 36.95 percent, United States Department of Agriculture (USDA) kept same as previous estimate.

*Outlook: The rapeseed-mustard is expected to stay strong and feature range-bound movement as the stockists and the solvent extractors have almost covered their stocks, in the cash market. Good rapeseed-mustard oil demand and improved overseas demand in rapeseed extract will continue to lend support to the seed prices are higher levels.*

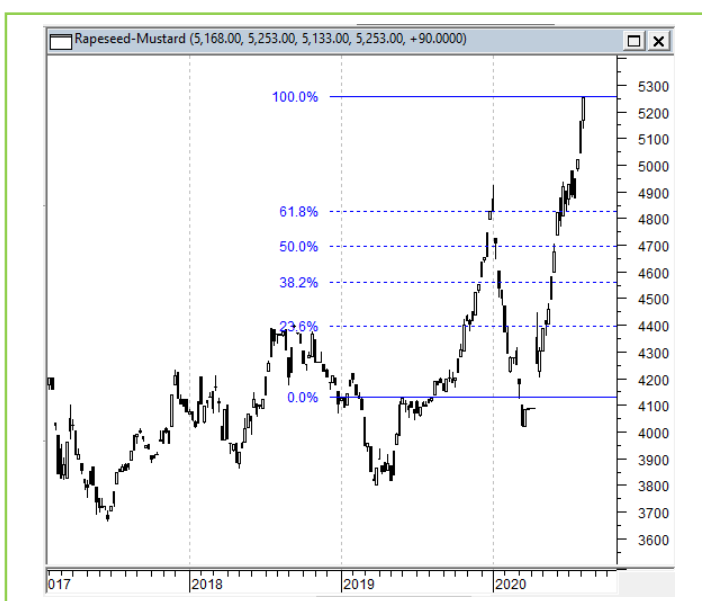
### Technical Analysis:

#### NCDEX RM Seed Futures



\*Note: Daily Chart

#### RM Seed Spot, Jaipur



#### Support & Resistance NCDEX RM Seed – Sep contract

S1	S2	PCP	R1	R2
4800	4700	5118	5300	5400

- RM seed posted gains on buying interest, during the week.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is heading in positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Sep.) Week: **BUY** Above 5100. Levels: Target – 5300; T2- 5350, SL – 4980.

## Annexure

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	06-Aug-20	31-Jul-20	Parity To
Indore - 45%, Jute Bag	28800	28500	Gujarat, MP
Kota - 45%, PP Bag	30500	30000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31000	30700	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31500	30800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32000	31800	Andhra, AP, Kar ,TN
Latur	32200	31600	-
Sangli	31000	31000	Local and South
Solapur	31500	31000	Local and South
Akola – 45%, PP Bag	30200	30000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	31800	31800	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	30300	29800	-

Soy DOC at Ports			
Centers	Port Price		
	06-Aug-20	31-Jul-20	Change
Kandla (FOR) (INR/MT)	32500	32500	Unch
Kandla (FAS) (USD/MT)	445	445	Unch
CNF Indonesia – Yellow SBM (USD/MT)	420	415	5

Rapeseed Meal	06-Aug-20	31-Jul-20	Change
FAS Kandla (USD/MT)	222	215	7
FOR Kandla (Rs/MT)	16800	16200	600
FOR Mundra (Rs/MT)	17200	16600	600
CNF Indonesia (USD/MT)	250	247	3

International Soy DOC			
Argentina FOB USD/MT	06-Aug-20	31-Jul-20	Change
Soybean Pellets	329	334	-5
Soybean Cake Flour	329	334	-5
Soya Meal	328	332	-4
Soy Expellers	328	332	-4

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	06-Aug-20	31-Jul-20	Change
Adoni	22700	22700	Unch
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	22300	22300	Unch

Groundnut Meal (Rs/MT)	06-Aug-20	31-Jul-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25000	25000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC	06-Aug-20	31-Jul-20	Change
Jaipur (Plant delivery)	16000	15700	300
Kandla (FOR Rs/MT)	16700	16400	300

Mumbai Oil Meal Quotes:			
Rs/M.T.	06-Aug-20	31-Jul-20	Change
G.N. Extr (45%)	26000	26000	Unch
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	22000	22500	-500
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	18500	18500	Unch
Rapeseed Extr.	0	0	Unch
Soymeal 48%	30052	29739	313
Castor Extr.	4750	4150	600



## MSP of Kharif Oilseeds for Marketing Season 2020-21 - GOI

Sl. No	Crops	MSP for Kharif 2020-21	MSP for Kharif 2019-20	Increase in MSP (Absolute)
1	Groundnut	5275	5090	185
2	Sunflower seed	5885	5650	235
3	Soybean (yellow)	3880	3710	170
4	Sesamum	6855	6485	370
5	Nigerseed	6695	5940	755

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Kharif crops for marketing season 2020-21.

Government has increased the MSP of Kharif crops for marketing season 2020-21, to ensure remunerative prices to the growers for their produce.

Among the Kharif oilseeds the MSP for groundnut has been increased to Rs. 5275 per quintal for marketing season 2020-21 from Rs.5090 per quintal in 2019-20 an increase of Rs.18 a quintal.

The MSP of sunflower to Rs. 5885 a quintal from earlier Rs. 5650 per quintal an increase of Rs 235 per quintal, Soybean-yellow to Rs. 3880 a quintal to Rs. 3710 per quintal last season, an increase of Rs. 170 a quintal, Sesamum to Rs. 6855 a quintal from 6485 earlier, an increase of Rs. 370 a quintal and the MSP of Nigerseed have been increased to Rs. 6695 a quintal from Rs. 5940 a quintal earlier, increase of Rs 755 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for Nigerseed (Rs 755 per quintal) followed by Sesamum (Rs 370 per quintal), Urad (Rs 300 per quintal) and Cotton (long staple) (Rs 275 per quintal). The differential remuneration is aimed at encouraging crop diversification.

## India's Oilseeds Production Seen Record at 34.2 Mn T vs 31.5 Mn in 2nd Adv Est. for 2019-20 - GOI

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The 2nd Advance Estimates of production of oilseeds for 2019-20 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 18<sup>th</sup> February, 2020. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

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

Oilseeds – 34.2 million tonnes in 2019-20 vs 31.5 million tonnes in 2018-19

- Soybean – 13.62 million tonnes vs 13.27 million tonnes in 2018-19
- Rapeseed-Mustard - 9.11 million tonnes vs 9.26 million tonnes in 2018-19
- Groundnut - 8.24 million tonnes vs 6.73 million tonnes in 2018-19

India's total oilseeds production during 2019-20 is estimated at 34.19 million tonnes which is higher by 2.67 million tonnes than the production of 31.52 million tonnes during 2018-19.

The production of oilseeds during 2019-20 is also higher by 4.54 million tonnes than the five year average oilseeds production.

## Sown Area – *Rabi* Oilseeds, India

In the final official Rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under Rabi oilseeds is reported at 80.3 lakh hectares, slightly down 0.1% from 80.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported down by 0.4% at 69.51 lha compared to 69.76 lha during the corresponding period of last year. Groundnut at 4.76 lha vs 4.59 lha, safflower at 0.63 lha vs 0.43 lha, sunflower at 1.04 lha vs 1.13 lha, sesamum 0.56 vs 0.71 and Linseed at 3.46 lha vs 3.44 lha during the same period last year.

Area in Lakh Hectares

<b>Crop</b>	<b>Normal Area (5 Year Avg.)</b>	<b>2019-20</b>	<b>2018-19</b>	<b>% Change</b>
Rapeseed/Mustard	60.48	69.51	69.76	<b>-0.4</b>
Groundnut	7.76	4.76	4.59	<b>3.7</b>
Safflower	1.41	0.63	0.43	<b>46.5</b>
Sunflower	2.96	1.04	1.13	<b>-8.0</b>
Sesamum	3.12	0.56	0.71	<b>-21.1</b>
Linseed	2.99	3.46	3.44	<b>0.6</b>
Others	0.14	0.34	0.31	<b>9.7</b>
<b>Total Oilseeds</b>	<b>78.86</b>	<b>80.3</b>	<b>80.37</b>	<b>-0.1</b>

Source: MoA, GOI

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