

Oilmeals Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ AW Oilseeds Index
- ❖ International Highlights
- ❖ Planted Area
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

Executive Summary

Domestic soybean, rapeseed-mustard and soymeal extended gains on kharif oilseeds' output concerns. Heavy rains, overcast and humidity conditions in the groundnut bowl of India since last couple of weeks and higher than normal rainfall in the soybean growing belt dampened the chances of good yield this season.

The reports of increasing planted area under oilseeds' will offset the yield losses this season.

However, weak soymeal demand and increasing soyoil and other competing edible oil imports restricted the gains. Further, we don't expect soybean yield to negatively affect much.

The rapeseed-mustard fundamentals continued to remain strong on robust domestic oil and international oilcake demand leading to better crush margins for millers. .

The soybean crush margins continued to remain weak and discouraging the millers to crush the bean aggressively, on weak meal and oil prices.

Agriwatch has pegged India's 2020/21 soybean output up 38% from previous season after increase in the sown area under the bean. We are not making any changes in forecast due to heavy rains as the sown area reported under soybean is still increasing.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 12%. This year area coverage under soybean is 120.62 lha, up by 7% from the 112.77 lha normal area.

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 oil and rape-meal demand.

Outlook – Cash Market

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 3950 – 410 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. **(Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined are forecast to import 19.75 Mn T of soymeal in 2020/21 from Argentina, Brazil and US).** 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 31,000 – 31,500/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 5,520 – 5,630/Qtl; levels during the week.

International Highlights

- ❖ US soybean at CBOT hit two-year highest price since June 2018 and touched its \$9.66-3/4, most active contract of November, mainly on unfavorably dry US crop weather.
- ❖ US soybean crushings improved to a four-month high in July 2020, according to National Oilseed Processors Association (NOPA) which has recently published the data. August data is yet to be released.
- ❖ The data shows that US processed 172.794 million bushels of soybean in July, the largest July soybean crush on record, up from 167.263 million bushels in June and the 168.09 million bushels processed in July 2019.
- ❖ Besides, US soymeal exports in July 2020 increased to 876,159 tons, from 835,403 tons in June 2020 but down slightly from 879,319 tons in July 2019, according to NOPA
- ❖ USDA in its August 2020 FAS report, has raised its projection of US 2020/21 soybean crop to 120.423 million tonnes, up from 112.5 million tonnes projected in July'20 and larger than the 96.7 million tonnes estimated for 2019/20.
- ❖ Chinese state-owned trading firms have bought 480,000 tonnes of US soybean (in eight bulk shipments) for December and January delivery.
- ❖ According to the Brazilian government's trade data, Brazil's August'20 soybean exports reached 6.2 million tonnes versus 5 million tonnes during the same period last year.
- ❖ Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Rabobank (127.3 Mn T), Abiove (133.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (129.3 Mn T) and Conab (133.5 Mn T).
- ❖ These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares (an increase of 1.3 – 2.5 million hectares over the 2019/20 final estimates).
- ❖ Given the Brazil's 2020/21 soybean production figures by various agencies, it will be an all-time high soybean production in the country which will once again prove to be competitive in the soybean market, in 2020/21 season. Brazil has harvested 125.5 million tonnes of soybean in 2019/20 which is slightly higher than 125 million tonnes in 2018/19.

Sown Area – *Kharif* Oilseeds, India

In the progressive official Kharif oilseeds planting report dated 04th September 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 194.75 lakh hectares, an increase by 12% from 174.01 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 7% at 120.62 lha compared to 112.77 lha during the corresponding period of last year, groundnut at 50.73 lha vs 38.14 lha, sesamum 13.67 lha vs 13.12 lha, castor seed at 7.12 lha vs 7.64 lha and niger at 1.44 lha vs 1.39 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

| Crop | Normal Area (5 Year Avg.) | As on 04 Sep. 2020 | As on 04 Sep. 2019 | % Change |
|-----------------------|--------------------------------------|-------------------------------|-------------------------------|-----------------|
| Groundnut | 42.43 | 50.73 | 38.14 | 33.0 |
| Soybean | 111.49 | 120.62 | 112.77 | 7.0 |
| Sunflower | 1.84 | 1.17 | 0.95 | 23.2 |
| Sesamum | 14.13 | 13.67 | 13.12 | 4.2 |
| Niger | 2.41 | 1.44 | 1.39 | 3.6 |
| Castor | 9.65 | 7.12 | 7.64 | -6.8 |
| Total Oilseeds | 181.95 | 194.75 | 174.01 | 11.9 |

Source: MoA, GOI

Soybean

Soybean extended gains mainly on output concerns followed by heavy rains in some pockets of the key growing belt, in recent days and on expectation of fresh overseas soymeal demand.

A slight gains in the crush margin is witnessed on relative increase in soymeal and soyoil prices in recent days due to the weather situation.

IMD sub-division of West Madhya Pradesh received +14% higher than the normal rains while Vidarbha -12% and East Rajasthan. Hence, we expect minor crop damage due the higher in a very limited growing area.

The domestic soybean crop is under pod formation stage across key growing region and the standing crop needs sunlight in Madhya Pradesh and it is under moisture stress in Vidarbha.

Overall, the soybean fundamentals are weak on decline in soymeal exports (-18%) and increasing soyoil imports (+52%).

Country's area coverage under soybean crop is well above normal area of 111.49 lha by 8% last week.

In the last progressive planting report by the Ministry of Agriculture dated September 04, 2020, India's soybean sowing is reported up by 7% at 120.62 lha compared to 112.77 lha during the corresponding period of last year.

The country is expected to harvest higher bean crop this season compared to the last couple of years.

Agriwatch has pegged India's 2020/21 soybean output at 12.06 million tonnes, up 38% from 8.74 million tonnes in 2019/20. SOPA has pegged India's 2020 soybean output at 12.25 Mn T after a recent crop survey.

IMD's subdivision rainfall data of 06 September 2020 reveals that the West Madhya Pradesh has received 852 mm of rainfall vs 749 mm (+14% departure), Vidarbha 737 mm vs 838 mm (-12% departure) and East Rajasthan received 537 mm rainfall vs 543 mm normal (-1% departure).

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.

Soybean plant delivery price slightly improved in Indore cash market at Rs 3,925 – 4,125 a quintal compared Rs 3,775 – 4,000 to the previous week.

The supplies of bean declined in various cash market yards of Madhya Pradesh to 2,20,000 bags during the week from 2,90,000 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 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.

Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Rabobank (127.3 Mn T), Abiove (13.5 Mn T), Datagro (131.69 Mn T), Celeres (130.8 Mn T), AgRural (129.3 Mn T) and Conab (133.5 Mn T).

These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares which is up 1.3 – 2.5 million hectares estimated by these agencies for 2019/20.

Industry estimates suggest this year's Brazilian soybean export may reach 80 million tonnes or more, which means another 12 million tonnes could be exported over the next few months. Shipping lineup, showed 5.3 million tonnes of soybeans scheduled for August.

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.

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

China is aggressively buying soy to cover its strategic stock and is likely to buy further. It bought 10.09 million tonnes of soybean in July, up 17% from 8.63 million tonnes in July 2019, due to the competitive pricing by the top supplier Brazil, but still below June's record 11.16 million tonnes, GAC data showed. China's total 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.

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.

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.

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

Soymeal extended gains for third week on soybean output concerns and some fresh local and overseas demand in last couple of weeks.

Overall, the factors for soymeal are bearish on lower than normal local meal demand from poultry sector, weak exports sales and bearish supply scenario with higher soybean output estimates this season.

The soybean crush margins have slightly recovered but still continued to remain negative due to the weak factors and we expect them to further recover if the demand in meal picks up and the soyoil imports fall (which surged by 52% in July'20). Given the bearish global soybean supply outlook for the season, both demand in meal and reduction in soyoil import are unlikely in short-to-medium-term.

India's July 2020 soymeal exports improved by 9% to 61,957 metric tonnes compared to 56,638 metric tonnes in July 2019.

However, it fell during April-July'20 by 22% to 1,91,149 metric tonnes compared to 2,33,183 metric tonnes during the same period last year.

However, we expect the local soymeal demand to gradually pick-up with reducing COVID fear.

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

India has lost the traditional South East Asian markets to South America in recent years as the markets have switched to GM soymeal and India has lost its non-GM advantage it enjoyed until recently. Japan was the biggest buyer of non-GM soymeal of Indian origin earlier. 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.

Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined together is forecast to import 19.75 Mn T of soymeal in 2020/21 mainly from Argentina, Brazil and US.

The domestic average soymeal prices at Indore, witnessed gains to Rs. 31,667/MT and was quoted between Rs 31,000 – 32,500/MT compared to the average of Rs 30,083/MT traded between the price range of Rs 29,500 – 31,500/MT previous week.

At Latur soymeal improved to Rs 34,300 – 35,500/MT from Rs 32,000 – 32,400/MT a week ago and in Nanded it was quoted higher at Rs. 34,300 - 35,000/MT compared to Rs. 32,400 - 34,000/MT a week ago. Besides, in Kota, the meal too improved to Rs 33,500 – 35,000/MT compared to Rs 31,200 – 33,500/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 31,000 – 32,500/MT during the week compared to Rs 30,800 – 31,300/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 31,000 – 31,500 /MT on slack in demand from poultry sector, in near to medium-term.

Previous updates:

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

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.

However, SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and the collapse of poultry sector. It has asked the Center to increase the import duty in edible oils.

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.

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.

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.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean - Oct. contract

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3630 | 3530 | 3876 | 4200 | 4300 |

- Soybean fell on selling pressure in the market.
- Prices closed above 18-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is rising in the positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Oct.) Week: **SELL** Below 3880. Levels: T1 – 3780; T2- 3700, SL - 3940.

Rapeseed - Mustard Seed

Rapeseed-mustard extended the rally on strong demand from the millers attributed to good mustard oil demand and improved rapeseed extract exports in recent months.

Decline in rapeseed oil imports continued to lend support to the domestic rapeseed-mustard complex. India has not imported rapeseed oil in July and August 2020.

Further, export of rapeseed meal performed well, during the last four months (Apr.-July) up by 17% and 21% year-on-year.

Both the factors kept the crush margin in seed viable to the crushers. Better crush margin in the seed remain encouraging for the crushers.

Nafed and Hafed are gradually selling the seed key market centers which has significance for millers.

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

The all India rapeseed-mustard supplies fell week-on-week and were reported at 7.05 lakh bags during the week compared to around 4.2 lakh bags, previous week. The supplies were 7.90 lakh bags during the corresponding period last year.

RM seed prices improved by just 2% to Rs 5,320 – 5,405 a quintal from Rs 5,320 – 5,405 a quintal previous week and Rs 4,180 – 4,205 a quintal during the corresponding period last year in Jaipur.

At NCDEX futures, the October contract posted gains to 5,442/Qtl compared to 5,251/Qtl previous week.

Previous Updates

The total procurement of rapeseed-mustard by Nafed under PSS from major seed producing states (Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh) 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.

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.

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

Outlook: *The rapeseed-mustard is expected to stay strong and feature range-bound movement with firm bias, 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.*

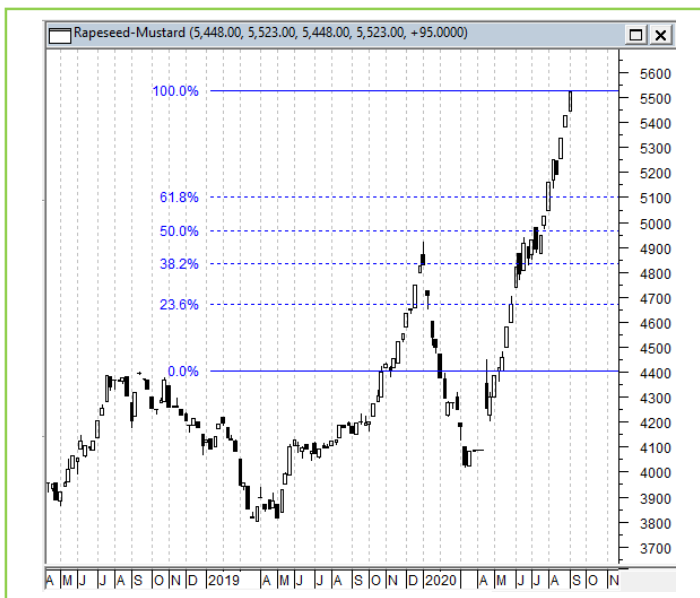
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Oct. contract

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 5200 | 5100 | 5442 | 5600 | 5700 |

- RM seed posted gains on strong buying interest.
- 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 – Oct.) Week: **BUY** Above 5440. Levels: Target – 5540; T2- 5640, SL – 5380.

Annexure

| Soy DOC Rates at Different Centers | | | |
|------------------------------------|---------------------------|-----------|-----------------------------------------------------|
| Centres | Ex-factory rates (Rs/ton) | | |
| | 03-Sep-20 | 28-Aug-20 | Parity To |
| Indore - 45%, Jute Bag | 31000 | 31500 | Gujarat, MP |
| Kota - 45%, PP Bag | 34200 | 33500 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 34800 | 35000 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 34200 | 34500 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 34800 | 34300 | Andhra, AP, Kar, TN |
| Latur | 34300 | 34600 | - |
| Sangli | 34000 | 32600 | Local and South |
| Solapur | 33200 | 33000 | Local and South |
| Akola – 45%, PP Bag | 33600 | 32200 | Andhra, Chattisgarh, Orrisa, Jharkhand, WB |
| Hingoli | 35000 | 34500 | Andhra, Chattisgarh, Orrisa, Jharkhand, WB |
| Bundi | 34000 | 33300 | - |

| Soy DOC at Ports | | | |
|-------------------------------------|------------|-----------|--------|
| Centers | Port Price | | |
| | 03-Sep-20 | 28-Aug-20 | Change |
| Kandla (FOR) (INR/MT) | 33000 | 32500 | 500 |
| Kandla (FAS) (USD/MT) | 450 | 445 | 5 |
| CNF Indonesia – Yellow SBM (USD/MT) | 410 | 410 | Unch |

| Rapeseed Meal | 03-Sep-20 | 28-Aug-20 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 234 | 240 | -6 |
| FOR Kandla (Rs/MT) | 17500 | 17600 | -100 |
| FOR Mundra (Rs/MT) | 17900 | 18000 | -100 |
| CNF Indonesia (USD/MT) | 270 | 265 | 5 |

| International Soy DOC | | | |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT | 03-Sep-20 | 28-Aug-20 | Change |
| Soybean Pellets | 355 | 353 | 2 |
| Soybean Cake Flour | 355 | 353 | 2 |
| Soya Meal | 354 | 351 | 3 |

| | | | |
|---------------|-----|-----|---|
| Soy Expellers | 354 | 351 | 3 |
|---------------|-----|-----|---|

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) | | |
|-----------------------|---------------------------|-----------|--------|
| Centers | 03-Sep-20 | 28-Aug-20 | Change |
| Adoni | 23000 | 23000 | Unch |
| Khamgaon | NA | 0 | - |
| Parli | NA | 0 | - |
| Latur | 21800 | 22600 | -800 |

| Groundnut Meal (Rs/MT) | 03-Sep-20 | 28-Aug-20 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra | 29000 | 28000 | 1000 |
| Basis 40%, Saurashtra | 26500 | 24500 | 2000 |
| GN Cake, Gondal | 28500 | 28500 | Unch |

| Mustard DOC | 03-Sep-20 | 28-Aug-20 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 17000 | 16900 | 100 |
| Kandla (FOR Rs/MT) | 17500 | 17600 | -100 |

| Mumbai Oil Meal Quotes: | | | |
|-------------------------|-----------|-----------|--------|
| Rs/M.T. | 03-Sep-20 | 28-Aug-20 | Change |
| G.N. Extr (45%) | 28000 | 27500 | 500 |
| Kardi Extr | NA | 0 | - |
| Undec Cottonseed Exp | 23000 | 23500 | -500 |
| Rice Bran Extr. | NA | 0 | - |
| Sunflower Extr. | 19000 | 18500 | 500 |
| Rapeseed Extr. | NA | 0 | - |
| Soymeal 48% | 32348 | 32870 | -522 |
| Castor Extr. | 5150 | 5150 | Unch |

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

The 2nd Advance Estimates of production of oilseeds for 2019-20 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 18th 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

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

Source: MoA, GOI

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>
 © 2020 Indian Agribusiness Systems Pvt Ltd.