

Oilmeals Weekly Research Report

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Executive Summary

The domestic soybean and soymeal rebound on fresh buying of soybean from the oilseeds' crushers after fall in the moisture from the newly harvested bean.

The oilseeds' processors are keen on buying the bean at the current price levels anticipating increase in the prices in medium-term. Besides, festive demand in the edible oils remained supportive for the market.

The soybean harvesting has picked-up the pace and the bean supplies are gaining momentum across the key cash market centers. The soybean arrivals flooded in the mandi's of Madhya Pradesh after the traders in the *mandis* of the Madhya Pradesh have called off their strike after the state government agreed to their demand of reducing the *mandi* tax.

Further, the feed manufacturers are ready to cover their soymeal stock at the current price levels, in anticipation of increase in demand in medium-term. However, the poultry sector is still reeling under stress, with some signs of recovery. However, the soymeal exports sales continued to be weak.

Besides, the rapeseed-mustard continued upward trend on robust demand from the millers to meet the festive vegetable oil demand, but the rising kharif oilseeds' supplies will limit the gains in the rapeseed.

The Delhi High Court has already stayed the implementation of the order by FSSAI prohibiting blending of mustard oil, directed to the authority by the central government. This is after petition filed by BR Oil Industries Pvt. Ltd.

The active buying in soybean is witnessed in recent while with the fall in moisture in the bean, which is positive for the market by increase in supplies and bearish outlook will limit the gains in near-to-medium term.

While the rapeseed-mustard fundamentals will remain strong on better demand and good crush margin to crushers. However, we feel the seed prices will be under pressure with increase in the new crop soybean supplies.

We expect soybean and soymeal prices to witness gains but in near-term but bearish domestic and global supply outlook will limit the gains.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with firm bias on fresh buying ahead festivities. But increasing soybean supplies, weak soymeal demand and higher soyoil imports will limit the gains. Further, expectation of higher soybean production this season will continue to weigh on the soy prices. However, fresh buying will limit any major fall. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,000 – 4,300 level.

Outlook – Soy meal: Renewed buying at the current levels to cover the stock at the current price by the feed manufacturers pushed up the meal prices. However, persistent weak demand from poultry sector and poor overseas demand will continue pressuring the domestic soymeal. Soymeal prices are likely to witness range-bound movement with firm bias for short-term. 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 30,500– 33,500/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 of rapeseed-mustard oilcake. The seed arrivals are gradually falling week-on-week. The seed prices are likely to be under pressure with the commencement of newly harvested soybean supplies and witness the levels between 5,650– 5,700/Qtl; levels during the week.

International Highlights

- ❖ In the October'20 report, the USDA has slashed US 2020/21 soybean production to 116.1 million tonnes from 117.3 million tonnes forecast in September'20 report.
- ❖ US soybean shipments surged to a new September high of 6.4 Mn T. This is 2.5 Mn T or 63% above the volume reported by US Census for Sept 2019. China remained the biggest destination for US soybean export inspections in the week to Oct 1, 2020.
- ❖ US soybean exports may surge to 46-48 Mn T in Sept/Feb 2020/21. Huge exports to China will tighten supplies for the rest of the world.
- ❖ China's August imports of soybeans from Brazil increased by 22% from a year ago, China brought in 8.15 million tonnes of soybean from Brazil in August, up from 6.68 million tonnes last year, data from GAC.
- ❖ Brazilian farmers have disposed almost 53% of their 2020/2021 soybean crop, more than twice as much as the 25.4% historical average lead by stronger prices, according to data from Safras & Mercado.
- ❖ Considering projected outturn of 132.171 million tonnes of soybean, Brazilian farmers have sold an estimated 69.8 million tonnes, Safras said. Brazilian farmers have started planting soybean for the new season.
- ❖ **Revised September'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 (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T) and Conab (133.7 Mn T) and USDA has pegged it at 133 Mn T currently.
- ❖ 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).
- ❖ Brazil has harvested 125.5 million tonnes of soybean in 2019/20 which is slightly higher than 125 million tonnes in 2018/19.
- ❖ Argentina's 2020/21 soybean output is pegged at 50 million tonnes by Rosario Grain Exchange. The country harvested 50.7 million tonnes in 2019/20. The Buenos Aires Grains Exchange soy crop has estimated at 46.5 million tonnes vs 49.6 million tonnes last season. And increase the area under bean by 0.6% this year vs 17.3 million hectares.

Soybean

Soybean rebound on renewed buying with the newly harvested crop supplies and commencement of the kharif oilseeds' crushing season.

Crushers are the major buyers who are covering their stock for immediate crushing followed by festive vegoil demand as well as to process it in future at the current price levels.

Harvesting of the soybean and other kharif oilseeds has picked-up the pace ahead festivities.

The soybean arrivals surged in the mandis of Madhya Pradesh after the traders' body called-off the strike after Madhya Pradesh government agreed to their demanded to slash the *mandi* fee on the purchase of agriculture produce to 0.5% from 1.5% earlier.

However, the gains are restricted with the forecast of higher domestic soybean production estimates and weak soymeal exports outlook.

Besides, India's soyoil imports are higher this year, despite fall in the overall edible oil demand, which eventually created addition pressure in the domestic soy crush margins.

India's soyoil imports in September 2020 were up 28% at 3,16,323 metric tonnes compared to 2,47,665 metric tonnes in September 2019. However, at the same time India's edible oil imports fell by 12% to 11,95,050 metric tonnes compared to 13,58,148 metric tonnes.

Festive demand in edible oils ahead festivities will limit any sharp fall in soybean despite rising new crop supplies. The crushers are the active buyers to speed –up the crushing volume to cater fresh vegetable oil demand ahead festivities.

Soymeal exports are reported down by 24% during April-August 2020 compared to the same period last season. The exports worst performed in last two year in the recent years.

SOPA in it's second advance estimate, in the recent webinar, has pegged India's 2020 soybean estimate at 10.45 million tonnes down from 93.06 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

Agriwatch has revised its India's 2020/21 soybean output estimate to 11.50 million tonnes from 12.06 million tonnes earlier, up 31.6% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 Mn T, up from the 10.5 Mn T previous estimate.

Soybean plant delivery prices have improved in Indore cash market to Rs 3,900 – 4,200 a quintal compared Rs 3,700 – 3,975 to the previous week.

The supplies of bean surged to 17,25,000 bags in the cash market yards of Madhya Pradesh, during the week, which were 6,10,000 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:

Argentina has temporarily slashed soybean export duty by 3% points to 30% to help stimulate trade, the government announced, as the country struggles with recession and declining foreign reserves.

Soyoil and soymeal export taxes, which had been at 33%, will fall to 28% in October, then rise to 29.5% in November, 30% in December and 31% in January, as planned by the Economy Ministry.

In the latest USDA, September'20, report, the department has slashed US 2020/21 soybean production to 117.3 million tonnes from 120.4 million tonnes forecast in August'20 report.

Overall, the global soybean supplies for 2020/21 season is projected to be bearish.

Revised September'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 (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T) and Conab (133.5 Mn T) and USDA at 133 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. Their shipping lineup showed 5.3 million tonnes of soybeans scheduled for August. China will be the largest buyers from Brazil.

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

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 rebound on buying support by the feed manufacturers in anticipation of improvement in demand from poultry in medium-term.

The poultry sector is gradually recovering from the pandemic losses, but the poultry demand is way behind pre-COVID.

The poultry sector contributes about 60% of the total domestic soymeal demand. Lower foot fall in restaurants, eateries and hotels continued to hit the out of home poultry demand.

The volume of soybean crushing has improved, with the soy harvesting on full swing, on festive edible demand, this will subsequently improve the availability of the soymeal during peak crushing season (Oct-Jan).

The soybean crush margins have slightly improved after relative increase in the prices of soy products ahead festivities.

We feel the volume in soybean crushing to improve on seasonal fundamentals after rise in the availability of the bean with harvesting gaining momentum. Seasonally, India's soybean crushing is at peak during October-March.

India's soymeal exports worst performed in last two marketing years. India could export just 500,000 tonnes of soymeal in 2019-20 marketing year which is slightly above 464,000 tonnes exported during the same period last year.

Solvent Extractor's Association of India is yet to publish the oilmeal export data of the last month.

India's export of oilmeals for the month of August 2020 is reported at 171,515 tonnes compared to 228,484 tonnes in August, 2019 i.e. down by 25%.

The overall export of oilmeals during April to August 2020 is provisionally also reported down at 1,013,177 tonnes compared to 1,146,295 tonnes during the same period of previous year i.e. down by 12%.

The soymeal exports fell by 6% to 58,190 tonnes in August 2020 compared to 61,957 tonnes in the same period last year. Besides, it fell by 24% to 2,49,339 tonnes during the last five months (Apr.-Aug.) of financial year 2020-21 compared to 3,28,633 tonnes during the corresponding period last year.

The domestic average soymeal prices at Indore, witnessed gains to Rs. 31,333/MT and was quoted between Rs 30,000– 32,500/MT compared to the average of Rs 29,220/MT traded between the price range of Rs 28,800 – 29,800/MT previous week.

At Latur soymeal prices moved up to Rs 32,800– 33,500/MT from Rs 31,500 – 33,000/MT a week ago and in Nanded it was quoted higher at Rs. 32,800 - 35,000/MT compared to Rs. 32,000 - 33,000/MT a week ago. Besides, in Kota, the meal too posted gains to Rs 31,600 – 34,200/MT compared to Rs 31,000 – 32,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 30,000– 32,500/MT during the week compared to Rs 30,500 – 33,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 32,000 – 33,500/MT on slack in demand from poultry sector, in near to medium-term.

Previous updates:

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 continues to remain weak and given the bumper South American soybean crop and expectation of good US bean crop, 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.

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.

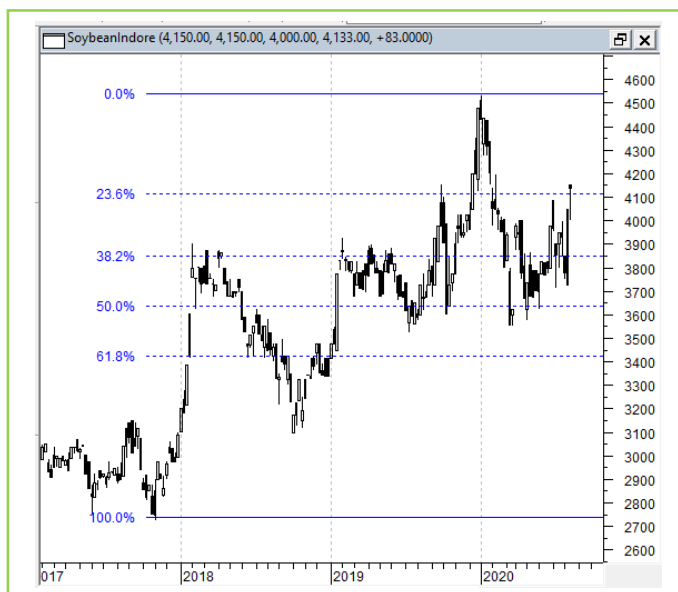
The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



***Note: Daily Chart**

Support & Resistance NCDEX Soybean – Nov. contract

S1	S2	PCP	R1	R2
3900	3800	4183	4350	4450

- Soybean rebound extended the previous gains in the market.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is rising in the positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Nov.) Week: **BUY** Above 4150. Levels: T1 – 4250; T2- 4350, SL - 4090.

Rapeseed - Mustard Seed

Rapeseed-mustard posted gains on robust buying ahead festivities to meet the edible oil demand during festivities. Further, good local and overseas demand in rapeseed extract continued to lend support to the seed.

Both the above factors kept the seed crush margin in the positive territory, encouraging the crushers to process the seed aggressively.

The volume of rape-oil (canola) imports have declined but it was imported 17,233 metric tonnes in September 2020, there was no imports for the same during the corresponding period last year.

Export of rapeseed meal performed well, during the last five months of financial year 2020-21 and reported at 487,060 tonnes against last year during the same period at 460,212 tonnes i.e. up by 6%.

However, the gains were restricted due the rise in the kharif oilseeds' supplies including soybean and groundnut seed.

Further, news that the Delhi High Court has stayed the implementation of the order by FSSAI (Food Safety and Standards Authority of India) prohibiting blending of rapeseed-mustard oil, directed to the authority by the central government.

In response to a petition filed by Delhi-based BR Oil Industries Pvt. Ltd, a single bench of Justice Navin Chawla has stayed the order by FSSAI, which was to come into effect from October 1, 2020.

The stay is given until December 18, 2020 the date of the next hearing, and the Central government has been asked to file a response on the writ petition.

We feel that rapeseed-mustard prices will remain under short-term pressure with the increase in kharif oilseeds' supplies. Overall, the rapeseed-mustard sentiments are strong with good buying support and high MSP for the seed.

NAFED and HAFED are disposing their rapeseed-mustard stock in the market. The Nafed has sold about 9.0 lakh tonnes of rapeseed-mustard combined together new and old stock while Hafed has offloaded around 3 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all India rapeseed-mustard supplies improved week-on-week and were reported at 8.0 lakh bags during the week compared to around 6.95 lakh bags, previous week. The supplies were 8.55 lakh bags during the corresponding period last year.

The rapeseed-mustard meal witnessed a weekly gains of +1.3% with the weekly average price of Rs. 2327/qrtl against the weekly average price of Rs. 2298/qrtl last week.

RM seed prices improved by 0.6% to Rs 5,630 – 5,685 a quintal from Rs 5,620 – 5,635 a quintal previous week and Rs 4,165 – 4,250 a quintal during the corresponding period last year in Jaipur.

At NCDEX futures, the November contract rapeseed-mustard posted gains at 5,555/Qtl compared to 5,462/Qtl previous week.

Previous Updates

The MSP for rapeseed-mustard has been increased in line with the recommendations of Swaminathan Commission to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

India had imported rapeseed oil (canola) of about 20,801 metric tonnes in August for the first time in last four months.

The total procurement of rapeseed-mustard by Nafed under PSS in 2020/21 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.

Total procurement of the seed by Hafed in 2020/21 stands at 5,30,000 metric tonnes.

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) has left unchanged its previous estimate.

Recent and expected favorable weather have raised 2020/21 Australia rapeseed outturn by above 2% to 3.4 from 3.0 million tons earlier.

Strategie Grains expects the planted area for the 2021 rapeseed crop in the European and Britain down compared with the current year harvest.

The farmers in Europe once again faced dry planting conditions during the late-summer sowing window for rapeseed, mainly in France.

Strategie Grains has kept this year's weather-hit rapeseed outturn for EU plus Britain unchanged at 17.1 million tonnes, slightly below 17.3 million tonnes estimated for 2019.

The consultancy has estimated EU and Britain rapeseed 2020-21 import to record 6.3 million tonnes, after estimating 6.2 million tonnes 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.*

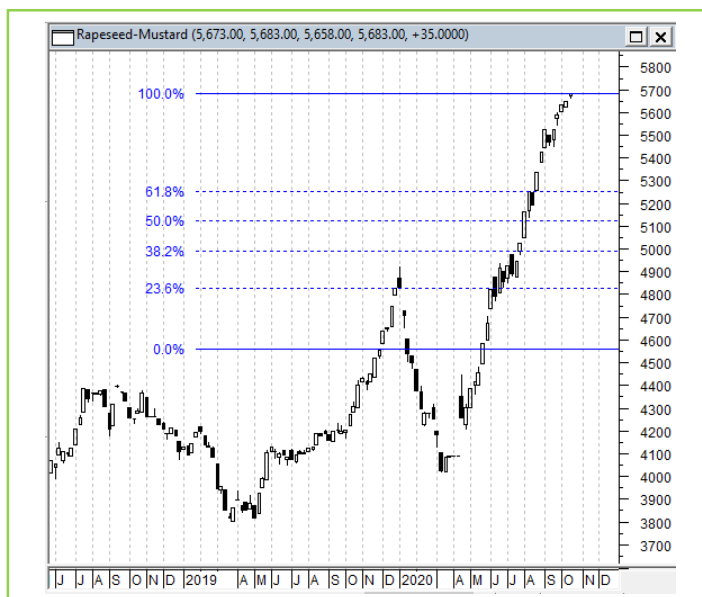
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Nov. contract

S1	S2	PCP	R1	R2
5350	5250	5555	5800	5900

- RM seed witnessed gains on buying interest.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD are rising in the positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Nov.) Week: **BUY** Above 5550. Levels: Target – 5650; T2- 5750, SL – 5490.

Annexure

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	15-Oct-20	09-Oct-20	Parity To
Indore - 45%, Jute Bag	32000	30000	Gujarat, MP
Kota - 45%, PP Bag	34200	31600	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	33000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33100	32500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34200	33000	Andhra, AP, Kar, TN
Latur	35000	33000	-
Sangli	32500	31800	Local and South
Solapur	32700	30400	Local and South
Akola – 45%, PP Bag	33500	32000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	33500	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	34000	31400	-

Soy DOC at Ports			
Centers	Port Price		
	14-Oct-20	09-Oct-20	Change
Kandla (FOR) (INR/MT)	34000	34000	Unch
Kandla (FAS) (USD/MT)	465	460	5
CNF Indonesia – Yellow SBM (USD/MT)	485	475	10

Rapeseed Meal	14-Oct-20	09-Oct-20	Change
FAS Kandla (USD/MT)	262	250	12
FOR Kandla (Rs/MT)	18500	18100	400
FOR Mundra (Rs/MT)	18800	18500	300

CNF Indonesia (USD/MT)	284	280	4
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International Soy DOC			
Argentina FOB USD/MT	14-Oct-20	09-Oct-20	Change
Soybean Pellets	423	420	3
Soybean Cake Flour	423	420	3
Soya Meal	423	421	2
Soy Expellers	423	421	2

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	15-Oct-20	09-Oct-20	Change
Adoni	23500	23500	Unch
Khamgaon	NA	0	-
Parli	NA	0	-
Latur	23000	23000	Unch

Groundnut Meal (Rs/MT)	15-Oct-20	09-Oct-20	Change
Basis 45%, Saurashtra	25500	24500	1000
Basis 40%, Saurashtra	23000	22500	500
GN Cake, Gondal	26000	25500	500

Mustard DOC	15-Oct-20	09-Oct-20	Change
Jaipur (Plant delivery)	17600	17300	300
Kandla (FOR Rs/MT)	18400	18100	300

Mumbai Oil Meal Quotes:			
Rs/M.T.	15-Oct-20	09-Oct-20	Change
G.N. Extr (45%)	26500	24500	2000
Kardi Extr	NA	0	-
Undec Cottonseed Exp	23000	23000	Unch
Rice Bran Extr.	NA	0	-
Sunflower Extr.	19000	18000	1000
Rapeseed Extr.	NA	0	-
Soymeal 48%	33391	30783	2608
Castor Extr.	NA	5450	-

MSP of Rabi Oilseeds for Marketing Season 2021-22- GOI

Sl. No	Crops	MSP for Rabi 2021-22	MSP for Rabi 2020-21	Increase in MSP (Absolute)
1	Rapeseed-mustard	4,650	4,425	225
2	Safflower	5,327	5,215	112

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 Rabi crops for marketing season 2021-22.

Government has increased the MSP of Rabi crops for marketing season 2021-22, to ensure remunerative prices to the growers for their produce. This increase in MSP is in line with the recommendations of Swaminathan Commission.

Among the Rabi oilseeds the MSP for rapeseed-mustard has been increased to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

The MSP of safflower to Rs. 5,327 a quintal from earlier Rs. 5,215 per quintal an increase of Rs 112 per quintal.

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.185 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 at 25.73 Mn T vs 22.32 Mn in 1st Adv Est. for 2020-21- GOI

The 1st Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22nd September, 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 Kharif Oilseeds during 2020-21 is as under:

Kharif Oilseeds – 257.29 lakh tonnes in 2020-21 vs 223.16 lakh tonnes in 2019-20

- Groundnut – 95.35 lakh tonnes vs 83.67 lakh tonnes in the 4th Advance Estimate.
- Castorseed – 17.24 lakh tonnes vs 18.49 lakh tonnes
- Sesamum – 7.49 lakh tonnes vs 7.50 lakh tonnes
- Nigerseed – 0.63 lakh tonnes vs 0.42 lakh tonnes
- Soybean – 135.83 lakh tonnes vs 112.15 lakh tonnes
- Sunflower – 0.75 lakh tonnes vs 0.94 lakh tonnes.

The production estimates does not include the Rabi oilseeds' (rapeseed-mustard, safflower, rabi groundnut, rabi sunflower and Linseed) output estimates as its marketing season starts from February.

Sown Area – Kharif Oilseeds, India

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 197.18 lakh hectares, an increase by 9.8% from 179.63 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 121.24 lha compared to 113.95 lha during the corresponding period of last year, groundnut at 50.98 lha vs 39.48 lha, sesamum 14.14 lha vs 13.73 lha, castor seed at 7.92 lha vs 9.44 lha and niger at 1.67 lha vs 2.04 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 8-9% this season.

Area in Lakh Hectares				
Crop	Normal Area (5 Year Avg.)	2020-21	2019-20	% Change
Groundnut	42.43	50.98	39.48	29.1
Soybean	111.49	121.24	113.95	6.4
Sunflower	1.84	1.23	0.99	24.2
Sesamum	14.13	14.14	13.73	3.0
Niger	2.41	1.67	2.04	-18.1
Castor	9.65	7.92	9.44	-16.1
Total Oilseeds	181.95	197.18	179.63	9.8

Source: MoA, GOI

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

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