

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

The domestic soybean and rapeseed-mustard extended gains on good buying support from the crushers post-festivities. The soybean crushing is in full swing and it is within the peak crushing window period, which will on a good momentum for next six months and it will gradually ease thereafter.

Further, improved demand in the rapeseed-mustard oil and continued export sales in rapeseed meal remained supportive for the seed. The last official rabi oilseeds' sowing progress report suggests that the rapeseed-mustard planting is up by 9% compared to the same period last year.

The groundnut seed too featured firm tone on good demand from the crushers.

Soymeal too witnessed gains on improved overseas demand since last two months. India's soymeal exports surged by 89% month-on-month and about 3% year-on-year. It is a sign of gradual recovery in the meal.

The rapeseed-mustard meal prices remained flat compared to the previous week's level on steady demand and exports.

Soybean edged-up by 2.2%, rapeseed-mustard posted mild gains by 0.40%, groundnut seed prices improved by 1.3%, soymeal rose by 2.3% while rapeseed DOC remained flat all compared to the previous week's level.

Soybean may not sustain at higher levels on weak soymeal demand and India's higher soyoil imports at competitive prices.

The domestic soymeal showed some signs of recovery after improved export sales in recent days this will limit any sharp fall in the meal and the bean prices in short-term. Besides, rapeseed extract will witness steady to firm tone on continued demand in the same.

We feel almost all the oilseeds' and oilmeals' will witness gains in short-term. Groundnut seed and rapeseed-mustard have strong sentiments for medium to long term too.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with firm bias for some time on supportive buying by the oilseeds' crushers, to cover their stock for future. However, Increasing soybean supplies, weak soymeal demand and higher soyoil imports will limit the upside in soy prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,450 – 4,550 level.

Outlook – Soy meal: Soymeal prices are likely to feature gains on buying support by the feed manufacturers. Besides, 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 in the short-term. 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 33,800 – 34,800/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 6,350 – 6,450/Qtl; levels during the week.

International Highlights

- ❖ National Oilseed Processors Association (NOPA) said its members have processed record high soybean in October 2020. The NOPA members which handle about 95% of US soybean crushed 185.245 million bushels of soybean in October'20 which is up from 161.491 million bushels in September 2020 and 175.397 million bushels in October 2019. It was the largest crush in terms of volume after previous record of 181.374 million bushels processed in March 2020.
- ❖ In the November'20 report, the USDA has slashed US 2020/21 soybean production to 113.5 million tonnes from 116.1 million tonnes forecast in October'20 report. 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.
- ❖ USDA attache has projected China's 2020/21 soybean imports at 95 million tonnes which is lower than 98.5 million tonnes imported in 2019/20 by the country. The reason cited is due to the higher beginning stocks in the new marketing season following a buying spree in 2019/20.
- ❖ Brazil's soybean planted area in 2020/21 is expected to increase by 3% to 37.9 - 38.2 million hectares and the country is expected to harvest 132.6 million tonnes of soybean by AgRural and others. This marks an increase of 7% increase from the last season, according to StoneX. Brazilian farmers have sold about 55% of the projected soybean crop on forward booking which stands about 70 million tonnes(StoneX).
- ❖ Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation.
- ❖ 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 has estimated the soy crop 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 last year.
- ❖ EU and UK Imports: According to the official EU data, European Union and Britain's 2020/21 soybean imports stood at 5.29 million tonnes, the figures are between the season which started on 1st July to 12th November. The figure is up 2% from the same period last season. The imports for rapeseed in 2020/21 are down by 18% to 2.6 million tonnes compared to 2019/20. Soymeal imports in 2020/21 was also down by 8% to 6.70, while palm oil purchases were up 7% to 2.31 million tonnes.

Sown Area – *Rabi* Oilseeds, India 2020-21

In the latest official Rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under Rabi oilseeds is reported at 49.36 lakh hectares, up 7.2% from 46.06 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 9% at 46.82 lha compared to 43.00 lha during the corresponding period of last year. Groundnut at 0.99 lha vs 1.36 lha, safflower at 0.16 lha vs 0.13 lha, sunflower at 0.34 lha vs 0.50 lha, sesamum 0.03 vs 0.18 and linseed at 0.94 lha vs 0.79 lha during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 13 Nov. 2020	As on 13 Nov. 2019	% Change
Rapeseed/Mustard	59.44	46.82	43.00	8.9
Groundnut	7.28	0.99	1.36	-27.2
Safflower	1.18	0.16	0.13	23.1
Sunflower	2.41	0.34	0.50	-32.0
Sesamum	0.00*	0.03	0.18	-83.3
Linseed	2.75	0.94	0.79	19.0
Others	0.13	0.08	0.10	-20.0
Total Oilseeds	73.19	49.36	46.06	7.2

Source: MoA, GOI

Soybean

Soybean posted gains on buying support by the crushers post festivities, followed by improved soymeal exports and decline in the soyoil imports in the month of October 2020.

The domestic soybean prices improved by 2.2% compared to the previous week.

Further, downward revision of soybean production estimates for US, Brazil and Argentina due to dry weather, by various agencies lowered the global soy supply estimates compared to a couple of months back.

Besides, US soybean inventories are likely to fall to a 7-year low in August 2021, due to a downward revision in the soy crop to 113.5 Mn T in November 2020 compared to 116.2 Mn T in October 2020 and record US soybean processing and exports is yet another international and domestic bullish factor.

The global soybean consumption is expected to exceed production in 2020/21, and stocks at the end of the season will decline for the second consecutive year worldwide, mainly due to Chinese spree buying.

According to China's custom data, China's total soybean imports in 2020 will likely range between 101-105 million tonnes, compared to last year's 88.6 million tonnes.

China imported 83 million tonnes of soybeans during January-October, up 17% from same period last year. Soybean shipments of 9.7 million tonnes heading to China and will arrive during November and 7.8 million tonnes in December.

Agriwatch has estimated its India's 2020/21 soybean output estimate to 10.7 million tonnes, up 22% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 million tonnes,

SOPA has pegged India's 2020 soybean estimate at 10.45 million tonnes down from 9.31 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

India had imported 2,77,955 metric tonnes of soyoil in October 2020 to meet the supply gap but the figure is, down 29%, compared to 3,94,086 metric tonnes in September 2019.

Besides, during the oil year (Nov-Oct), India's edible oil imports for the year is down by 12% at 13,175,446 metric tonnes compared to 14,913,407 metric tonnes.

The decline in imports will support to the domestic soybean crushing, but this seems short lived as import parity for soyoil may lose the opportunity after peak soybean crushing window.

Soybean plant delivery prices have improved in Indore cash market to Rs 4,400 – 4,565 a quintal compared to Rs 4,250 – 4,500 to the previous week.

The arrivals of bean fell on festivities to 3,95,000 bags in the cash market yards of Madhya Pradesh, during the week, which were 11,45,000 bags a week ago. We feel the arrivals to resume to the recent levels.

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 firm bias on fall in soyoil imports and slight increase in the soymeal exports.

International:

Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation, as these are the major contributors.

According to Safras & Mercado the tariffs suspension in Brazil is likely to push soy imports to a maximum of 1 million tonnes this year, as compared with a current projection of 850,000

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.

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.

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 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.

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 demand will continue to lend support to the international soy prices during the season.

The international soybean prices are expected to feature range bound movement with firm bias on bullish supply outlook on dry weather condition in South America and strong Chinese soybean demand.

Soymeal

The domestic soymeal rebound post festivities on buying support from the feed manufacturers and higher oilmeals' export sales figure.

The soymeal prices improved by 2.2% compared to the previous week. Recovery in the soymeal exports in past two months coupled with improving local soymeal demand remained positive for the market.

Need based buying in soymeal is featured among feed manufacturers.

The global soy outlook is bullish with forecast of sharp fall in the inventories and lower production projections for top producing countries in the new season due to spree Chinese buying and dry weather conditions in Latin America.

Further, India's October 2020 soymeal exports improved by 89% to 120,290 metric tonnes compared to 63,800 metric tonnes in the same period last year. Further, it improved by 2.5% to 438,205 metric tonnes in aggregate, during the last six months (Apr.-Oct.) of financial year 2020-21 compared to 427,701 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of October 2020 is reported at 317,394 metric tonnes compared to 238,992 metric tonnes in October 2019 i.e. up by 33%.

The overall export of oilmeals during April to October 2020 is also reported up by 6% at 1,617,528 metric tonnes compared to 1,526,471 metric tonnes during the same period last year.

US has turned out to be potential market for Indian organic soymeal. US was the largest importer of soymeal of Indian origin. In October 2020 India has shipped 131,394 metric tonnes of soymeal to the country. US is the largest producer of Genetic Modified (GM) soybean in the world, looking to India for supply of organic soybean meal.

In-spite of tough competition in world market, export of rapeseed meal and ricebran extraction performed well, during the last seven months of financial year 2020-21.

The export of rapeseed meal is reported at 729,799 metric tonnes against last year 607,786 metric tonnes during the same period i.e. up by 20%, and ricebran extraction is reported at 229,712 metric tonnes against last year 108,160 metric tonnes i.e. more than doubled (112%), higher processing of rapeseed oilcake and de-oiled ricebran increased availability for the export. The export of soybean meal is stagnant, while export of castorseed meal is still suffering.

The domestic weekly average soymeal prices at Indore, witnessed gains to Rs 33,240/MT and was quoted between Rs 32,700 – 33,800/MT compared to the weekly average of Rs 32,500/MT traded between the price ranges of Rs 32,000 – 33,000/MT previous week.

At Latur soymeal prices posted gains to Rs 35,000 – 36,500/MT from Rs 34,200 – 35,500/MT a week ago and in Nanded it was quoted up to Rs. 35,000 – 36,500/MT compared to Rs. 34,000 – 35,000/MT a week ago. Besides, in Kota, the meal too posted gains to Rs 35,200 – 36,000/MT compared to Rs 34,200 – 35,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 32,700 – 33,800/MT during the week compared to Rs 31,000 – 32,200/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 33,800 – 34,700/MT on slack in demand.

Previous updates:

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.

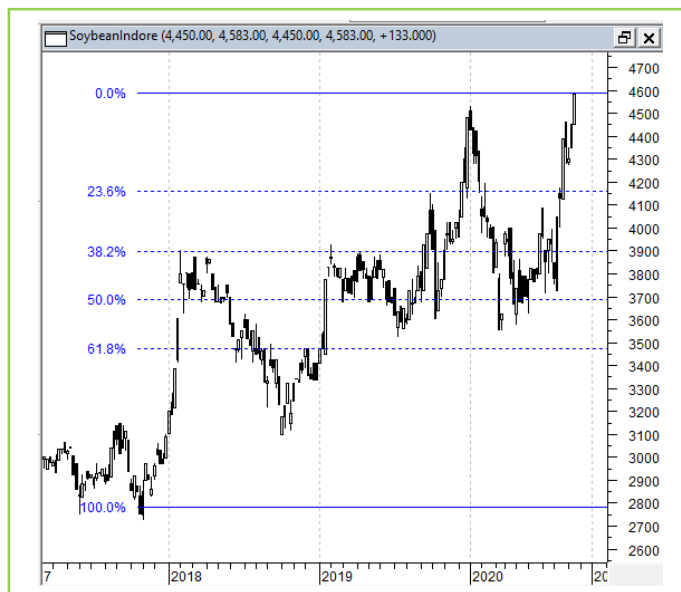
The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Dec. contract

S1	S2	PCP	R1	R2
4200	4000	4489	4800	5000

- Soybean posted gains on buying support.
- 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 – Dec.) Week: **BUY** Above 4480. Levels: T1 – 4580; T2- 4630, SL - 4420.

Rapeseed - Mustard Seed

Rapeseed-mustard continued uptrend on good demand support from the crushers to meet the improved local demand in the rapeseed-mustard oil and surge in rapeseed-mustard meal exports during the year.

Currently the seed prices are at all-time high but the gains are capped on expectation of farmers' higher planting intention in the seed this season. We expect area under the seed to increase by 10% to 76 lakh hectares this season from 69 lakh hectares last year.

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 9% at 46.82 lha compared to 43.00 lha during the corresponding period of last year.

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity of the seed to improve from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

Further, India didn't import rape oil (canola) in the month of October 2020. However, the imports of the same during April-October 2020 were down 7% at 55,036 metric tonnes compared to 59,171 metric tonnes during the same period in the previous season.

Again, of the total oilmeals' exports, rapeseed meal contributes the highest in volume.

India's rapeseed extract exports in October 2020 surged by 6% to 1,01,909 metric tonnes compared to 96,442 metric tonnes during the corresponding period last year.

Besides, India's exports for rapeseed extract during April-October 2020 was up 20% at 7,29,799 metric tonnes compared to 6,07,786 metric tonnes during the same period previous marketing season.

Overall, the rapeseed-mustard sentiments are strong with good buying support from the millers, however, a correction can't be ruled out since prices are in overbought territory.

NAFED and HAFED have gradually disposing rapeseed-mustard. The Nafed has sold about 10.0 lakh tonnes of old and new stocks while Hafed has offloaded around 3.5 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all India rapeseed-mustard arrivals fell week-on-week and were reported at 4.5 lakh bags during the week compared to around 6.30 lakh bags, previous week, the fall was mainly due to the festivities. The supplies for the same were 8.30 lakh bags during the corresponding period last year.

RM seed prices improved by +0.40% to Rs 6,320 – 6,355 a quintal from Rs 6,250 – 6,355 a quintal previous week and Rs 4,420 – 4,455 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal remained flat at the weekly average price of Rs. 2,636/qtl compared to the previous week.

At NCDEX futures, the December contract rapeseed-mustard declined to 6,191/Qtl compared to 6,225/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.

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.*

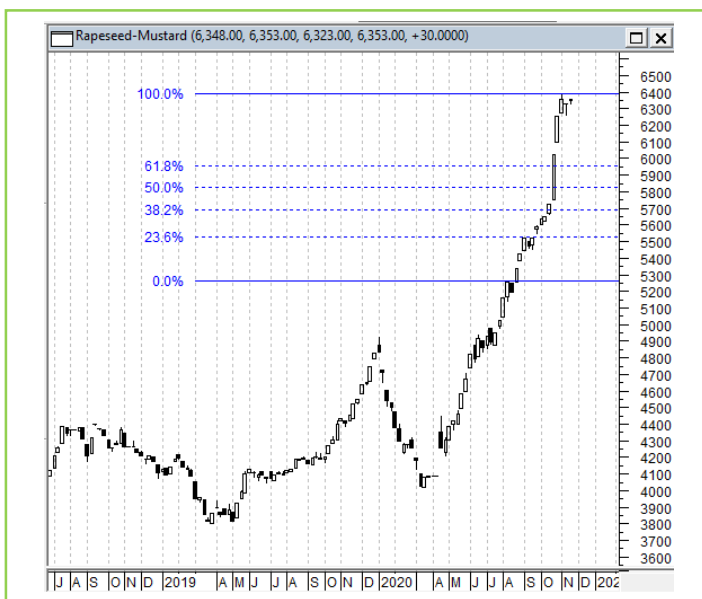
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Dec. contract

S1	S2	PCP	R1	R2
5800	5700	6186	6500	6700

- RM seed ended below previous week's level.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the overbought zone.
- MACD are rising in the positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Dec.) Week: **BUY** Above 6180. Levels: Target – 6280; T2- 6330, SL – 6120.

Annexure

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	19-Nov-20	13-Nov-20	Parity To
Indore - 45%, Jute Bag	33800	32700	Gujarat, MP
Kota - 45%, PP Bag	36000	35200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	36300	35500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	35500	35000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	35000	34500	Andhra, AP, Kar, TN
Latur	36500	35000	-
Sangli	35300	34500	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	35000	33700	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34700	34500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	35800	35000	-

Soy DOC at Ports			
Centers	Port Price		
	19-Nov-20	13-Nov-20	Change
Kandla (FOR) (INR/MT)	37000	36000	1000
Kandla (FAS) (USD/MT)	515	500	15
CNF Indonesia – Yellow SBM (USD/MT)	505	500	5

Rapeseed Meal	19-Nov-20	13-Nov-20	Change
FAS Kandla (USD/MT)	290	283	7
FOR Kandla (Rs/MT)	21000	20700	300
FOR Mundra (Rs/MT)	21400	21100	300
CNF Indonesia (USD/MT)	318	316	2

International Soy DOC			
Argentina FOB USD/MT	19-Nov-20	13-Nov-20	Change
Soybean Pellets	463	463	Unch
Soybean Cake Flour	463	463	Unch
Soya Meal	464	464	Unch
Soy Expellers	464	464	Unch

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	19-Nov-20	13-Nov-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	0	-
Parli	NA	0	-
Latur	23500	23500	Unch

Groundnut Meal (Rs/MT)	19-Nov-20	13-Nov-20	Change
Basis 45%, Saurashtra	26000	26000	Unch
Basis 40%, Saurashtra	23000	23000	Unch
GN Cake, Gondal	26500	26500	Unch

Mustard DOC	19-Nov-20	13-Nov-20	Change
Jaipur (Plant delivery)	20500	20200	300
Kandla (FOR Rs/MT)	21000	20800	200

Mumbai Oil Meal Quotes:			
Rs/M.T.	19-Nov-20	13-Nov-20	Change
G.N. Extr (45%)	25000	25500	-500
Kardi Extr	NA	0	-
Undec Cottonseed Exp	22500	23500	-1000
Rice Bran Extr.	NA	0	-
Sunflower Extr.	23500	23500	Unch
Rapeseed Extr.	NA	0	-
Soymeal 48%	34957	35165	-208
Castor Extr.	NA	5100	-

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 2019-20

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.