

Oilmeals Weekly Research Report

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Executive Summary

The domestic soybean and soymeal posted gains on better crushers' demand in the bean and improved overseas demand in soymeal.

Good export enquiries for soymeal of Indian origin, followed by lower crushing in Brazil and Argentina owing to the fall in soybean inventories remained positive for local soymeal and thus soybean.

Besides, groundnut seed edged-up on better demand from exporters and the oilseeds' processors.

However, rapeseed-mustard fell on expectation of bigger rapeseed-mustard crop and decline in the crushing of the seed followed by some demand diversion of mustard oil after a sharp rise in the same, in recent past.

Besides, rapeseed-mustard meal too declined in sync with the seed in anticipation of further fall in the same. However, the overseas demand for the rapeseed-mustard DOC continues to remain good.

The rapeseed-mustard prices fell by -3.5% while the rapeseed meal declined by -4.7%, the soybean posted gains by +1.3% while the soymeal edged up by +0.5% and groundnut seed rose by 2.2%, all compared to the previous week's level.

We feel rapeseed-mustard complex to feature range bound movement with weak bias, soybean complex will feature range bound movement with firm bias on bullish global supply scenario in recent weeks. Groundnut prices will feature range-bound movement with firm bias on bullish outlook followed by improved overseas demand for Indian seed.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with steady buying by the oilseeds' crushers, to cover their stock for future. Recovery in soymeal export sales in recent months and decline in the soyoil import should also lend support to the bean prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,250 – 4,550 level.

Outlook – Soy meal: Soymeal prices are likely to feature range bound movement with flat demand. Dull demand from poultry sector will remain negative for the market. However, some export demand in last couple of months may help it continue to regain some of the recent decline. Soy meal, Indore is expected to be in the range of 31,000 – 32,000/MT levels during the week.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-mustard is expected to feature range-bound movement with weak bias on expectation of bigger rapeseed-crop and the sharp rise in the mustard oil prices, leading demand diversion to other edible oils to some extent. The seed prices are likely to witness the price levels between 5,650 – 5,700/Qtl; levels during the week.

International Highlights

- ❖ US soybean processors have marked their largest November crush on record of 181.018 million bushels surpassing previous mark of 166.959 million bushels in November 2018. According to data released by the National Oilseed Processors Association (NOPA). However, the figure is down from the record 185.245 million bushels in October 2020 but up from 164.909 million bushels in November 2019.
- ❖ In the December'20 report, the USDA has kept US 2020/21 soybean production unchanged to 113.5 million tonnes compared to previous month. It has also kept Brazil's soybean production unchanged at 133.0 million tonnes compared to the last month. Similarly for India the estimates are unchanged at 10.5 million tonnes from previous month. However, it has slashed the Argentina's 2020/21 soybean production to 50.0 million tonnes from 51.0 million tonnes last month.
- ❖ The global 2020/21 soybean production is estimated at 362.1 million tonnes vs 362.6 million tonnes in the last report by USDA.
- ❖ World soy meal exports is expected to decline by 3.1 Mn T in 2020. Deficient Argentine export supplies will be offset only partly by other countries.
- ❖ 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 the higher beginning stocks in the new marketing season following a buying spree in 2019/20.
- ❖ **According to the Safras and Mercado, an agribusiness consultancy, Brazil's soybean farmers have sold 56.5% of their soybean in advance through 4th December 2020. Considering the crop output of 133.517 Mn T this season the volume of pre-sold soybean stands to an estimated 75.403 million tonnes.**
- ❖ 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.

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 76.99 lakh hectares, up 6.2 % from 72.48 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 8% at 69.94 lha compared to 64.52 lha during the corresponding period of last year. Groundnut at 3.08 lha vs 3.36 lha, safflower at 0.48 lha vs 0.42 lha, sunflower at 0.73 lha vs 0.83 lha, sesamum 0.29 lha vs 2.71 lha and linseed at 2.29 lha vs 2.71 lha during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 18 Dec. 2020	As on 18 Dec. 2019	% Change
Rapeseed/Mustard	59.44	69.94	64.52	8.4
Groundnut	7.28	3.08	3.36	-8.3
Safflower	1.18	0.48	0.42	14.3
Sunflower	2.41	0.73	0.83	-12.0
Sesamum	0.00*	0.29	0.37	-21.6
Linseed	2.75	2.29	2.71	-15.5
Others	0.13	0.18	0.27	-33.3
Total Oilseeds	73.19	76.99	72.48	6.2

Source: MoA, GOI

Soybean

Soybean rebound on improved soymeal exports enquiries in recent days. The average weekly soybean plant delivery price at Indore edged-up by +1.3% to Rs . 4385 a quintal compared to Rs. 4328 a quintal previous week.

Further, the improvement of local edible oil demand during winter, the bullish global soy supply scenario, lean soybean season in Latin America lend some support to the local soybean. Argentine oilseed workers continue to strike after wage talk failed, it has been a fortnight since they on strike.

We expect India's soymeal exports to improve by 50-60% year-on-year for coming months, after fall in the soybean crushing in Argentina and Brazil after their dried-up stocks. However, Solvent Extractor's of Association of India is yet to publish the oilmeal exports data for the month of November'20.

There is still uncertainty in the market and market talks that the Indian government may slash import duty from soybean oil and sunflower seed oil, after duty cuts on crude palm oil, lead to cautious buying in the bean and bargain hunting by the soybean millers.

Any such move could further lead to cheaper import of soyoil.

However, Soybean Processors Association has requested the government to maintain the existing duty structure on soybean oil and sunflower seed oil in the interest of Indian oilseed farmer, as reduction will benefit only the importers and exports of the edible oil. SOPA has cited the recent case where Indonesia has raised the export duty on CPO by US \$30 per tonne immediately after Indian government reduced the import duty by 10% on CPO.

CONAB, in its December 2020 report, has forecast Brazil's 2020/1 soybean production estimate to 134.451 Mn T vs 134.953 Mn T in November 2020 and 124.845 Mn T in 2019/20.

The agency cites dryness as the major factor which has hit the soybean yield this season. The soybean yield projected at 3,522 kg/ha vs 3,528 kg/ha in November forecast and 3,379 kg/ha last year.

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 2,50,784 metric tonnes of crude soyoil in November 2020 to meet the supply gap, up +52%, compared to 1,64,750 metric tonnes in October 2020. This is mainly a seasonal surge.

Further, during November 2020, India's edible oil imports fell by -2% to 11,02,899 metric tonnes compared to 11,27,220 metric tonnes same period last year.

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.

The average weekly soybean plant delivery prices at Indore cash market edged-up by +1.3% to Rs, 4385 a quintal (Rs 4250-4475/Qtl) from Rs. 4328 a quintal (Rs 4200-4400/Qtl) a week ago.

The arrivals of bean fell to 4,95,000 bags in the cash market yards of Madhya Pradesh, during the week against 5,50,000 bags a week ago.

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 recover on improved winter edible oil demand and possible soymeal exports opportunities for India, in near-term.

International:

Refinitive's trade flows have recorded 9.7 million tonnes of soybean imports by China during November 2020, the highest volume over the past three years during the same period.

Of the total about 6.8 million tonnes (70%) were shipped from the US which is double compared to October's US soybean imports by China.

China's soybean purchases are likely to remain strong over the next couple of months. It also said, in December, imports from the US will continue to increase to 7.6 million tonnes.

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.

Brazil eliminated import tariffs for soybean and corn on 16th October 2020, seeking to maintain the supply balance amid record domestic prices for both commodities. For soybean, tariff-free imports are valid until 15 January 2021, while for corn the license goes until 31 March 2021.

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, as the country struggles with recession and declining foreign reserves.

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.

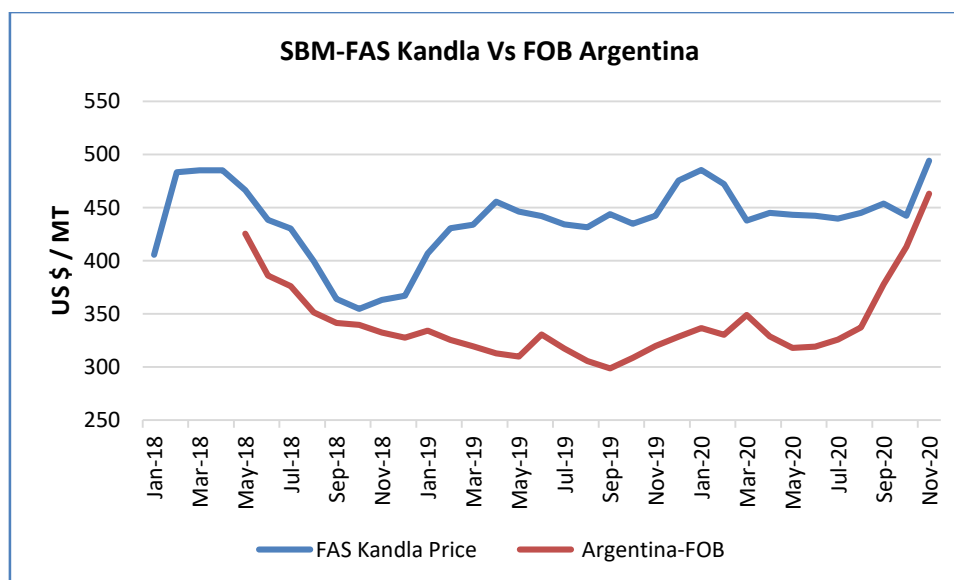
The international soybean prices are expected to feature range bound movement with firm bias on bullish supply outlook on dry weather condition in South America and strong Chinese soybean demand.

Soymeal

The domestic soymeal prices improved by +0.5% compared to the previous week, in sync with soybean on better soymeal exports and improved exports enquiries in recent days.

Further, international soymeal prices are appreciating due to the supply concerns and decline in Argentine soybean crushings and shipments in December 2020, following strike at crushing plants and export terminals. It has been over a fortnight since the workers have called on the strike on wage woes.

The Argentine soymeal prices have got dearer in last couple of months due to lean season, this has narrowed down the price spread of India vs Argentina, opening some exports window for India.



As expected, India's soymeal exports improved after lower soybean crushing in Argentina and Brazil leading fresh opportunity for India's export in the same. India's soymeal exports improved by +28% to 6,36,981 metric tonnes during last seven months (Apr.-Nov.) of the financial year 2020-21 compared to 4,97,116 metric tonnes during the corresponding period last year.

However, the local demand for soymeal continues to be steady and are below pre-COVID levels on dull demand from poultry sector.

We feel India's soymeal exports to improve by 50-60% year-on-year for a short period with improved seasonal crushing and reduced Brazil and Argentine crushings.

World exports of soymeal are estimated to fall by 0.4-0.5 Mn T from a year ago in Oct-Dec 2020. Shipments from South America are even seen declining by 1.1 Mn T, mainly due to reduced crushings in Brazil and Argentina.

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 fell to Rs 32,067/MT and was quoted between Rs 31,500 – 33,000/MT compared to the weekly average of Rs 31,917/MT traded between the price ranges of Rs 31,500 – 32,500/MT previous week.

At Latur soymeal prices fell to Rs 33,500 – 35,000/MT from Rs 34,000 – 34,700/MT a week ago and in Nanded it was quoted lower at Rs. 33,700 – 35,000/MT compared to Rs. 34,000 – 34,500/MT a week ago. Besides, in Kota, the meal slightly fell to Rs 32,800 – 34,000/MT compared to Rs 33,000 – 34,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted between Rs 31,500 – 33,000/MT during the week compared to Rs 33,000 – 34,800/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 31,000 – 32,000/MT on slack in demand.

Previous updates:

The international soy market is strong on bullish global supply scenario due forecast to lower than expected soybean production and likely fall in the US soy inventories in August 2021 followed by the spree Chinese buying.

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 have addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal, the same time.

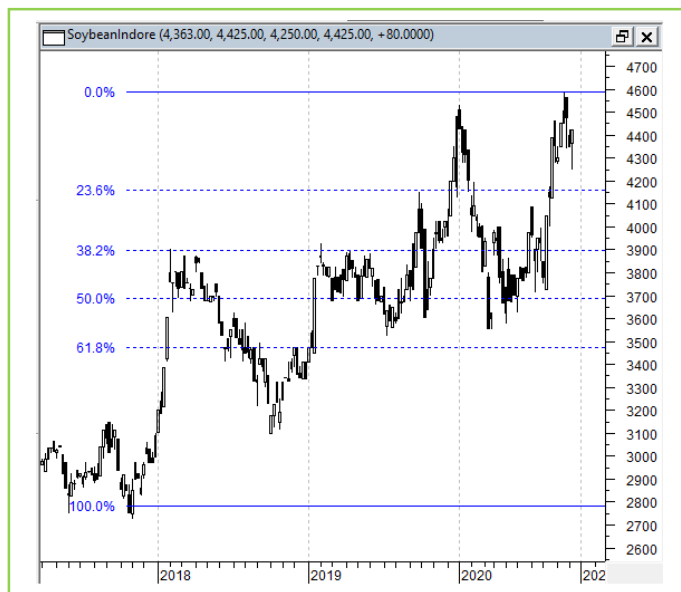
The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean - Jan. contract

S1	S2	PCP	R1	R2
4100	4000	4428	4700	4800

- Soybean rebound on buying support 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 – Jan.) Week: **BUY** Above 4420. Levels: T1 – 4520; T2- 4620, SL - 4360.

Rapeseed - Mustard Seed

Rapeseed-mustard extended previous losses on expectation of bigger seed crop in the upcoming season followed by increase in the acreage under the seed.

Besides, several households have partially diverted their demand to the other cheaper edible oil alternates from mustard oil after it got dearer in recent while.

Further, uncertainty and market talks that the Indian government could slash import duty in other edible oils kept the seed market under pressure.

Indian importers couldn't get the desirable benefit of the government of India's recent decision of import duty cut on crude palm oil as Indonesia had raised the export duty on CPO by US \$30 per tonne immediately after Indian government reduced the import duty by 10% on CPO.

In yet another major event, the Food Safety and Standards Authority of India (FSSAI) has withdrawn the order prohibiting blending of mustard oil.

The food regulator has until now allowed 20% blending in mustard oil under the standards for blended edible oil under FSS (Food Product Standards and Food Additives) Regulations. The decision to withdraw the September order was taken after stakeholders made a representation to the authority.

In the latest official rabi oilseeds planting report dated 18 December 2020, by the Ministry of Agriculture, the rapeseed-mustard sowing is reported up by 8% at 69.94 lha compared to 64.52 lha during the corresponding period last year.

We expect the final acreage under the seed to increase by 8-9% to around 75 lakh hectares, this season from 69 lakh hectares last year.

Further, India didn't import rape oil (canola) in the month of November 2020 in anticipation of decline in the demand.

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 meal 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.

HAFED, official spokesperson said the High Commissioner of Malawi assured that mutual cooperation between the country and Hafed for the export of rice and mustard oil would be materialized in near future.

NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 12.0 lakh tonnes of old and new stocks while Hafed has offloaded around 4 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 4.0 lakh bags during the week compared to around 4.10 lakh bags, previous week. The supplies for the same were 7.60 lakh bags during the corresponding period last year.

RM seed prices fell by -3.5% to the weekly average of Rs 5,777 a quintal from Rs 5,985 a quintal previous week and Rs 4,655 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal fell by -4.7% to the weekly average price of Rs. 2,439/qrtl compared to the the weekly average price of Rs. 2,558/qrtl previous week.

At NCDEX futures, the January contract rapeseed-mustard declined to 5,470/Qtl compared to 5,527/Qtl previous week.

Previous Updates

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity of the rapeseed-mustard to improve in 2020-21 from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

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 weak bias, as the stockists and the solvent extractors refrained from aggressive buying after mustard oil demand witnessed gradual fall followed by steep rise in the prices in the cash market.

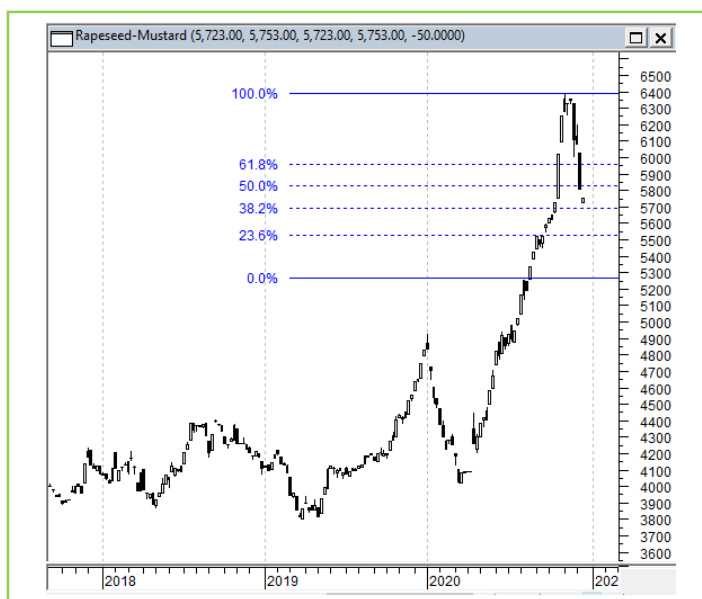
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Jan. contract

S1	S2	PCP	R1	R2
5100	5000	5462	5780	5900

- RM seed fell on selling pressure, during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is falling in the positive territory.
- The prices are expected to feature losses during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Jan.) Week: **SELL** Below 5470. Levels: Target – 5370; T2- 5270, SL – 5530.

Annexure

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	17-Dec-20	11-Dec-20	Parity To
Indore - 45%, Jute Bag	32800	31500	Gujarat, MP
Kota - 45%, PP Bag	34000	33200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34800	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34200	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34000	Andhra, AP, Kar ,TN
Latur	35000	34000	-
Sangli	34000	33800	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33700	32700	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	34000	33500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	33800	33000	-

Soy DOC at Ports			
Centers	Port Price		
	17-Dec-20	11-Dec-20	Change
Kandla (FOR) (INR/MT)	35500	34500	1000
Kandla (FAS) (USD/MT)	495	485	10
CNF Indonesia – Yellow SBM (USD/MT)	503	505	-2

Rapeseed Meal	17-Dec-20	11-Dec-20	Change
FAS Kandla (USD/MT)	272	280	-8
FOR Kandla (Rs/MT)	19000	20000	-1000
FOR Mundra (Rs/MT)	19400	20400	-1000
CNF Indonesia (USD/MT)	312	318	-6

International Soy DOC			
Argentina FOB USD/MT	17-Dec-20	11-Dec-20	Change
Soybean Pellets	470	444	26
Soybean Cake Flour	470	444	26
Soya Meal	466	438	28
Soy Expellers	466	438	28

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	17-Dec-20	11-Dec-20	Change
Adoni	24000	24000	Unch
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	23600	23600	Unch

Groundnut Meal (Rs/MT)	17-Dec-20	11-Dec-20	Change
Basis 45%, Saurashtra	25000	24500	500
Basis 40%, Saurashtra	22000	21500	500
GN Cake, Gondal	26000	25000	1000

Mustard DOC	17-Dec-20	11-Dec-20	Change
Jaipur (Plant delivery)	18600	19200	-600
Kandla (FOR Rs/MT)	19600	20200	-600

Mumbai Oil Meal Quotes:			
Rs/M.T.	17-Dec-20	11-Dec-20	Change
G.N. Extr (45%)	24000	24000	Unch
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	22000	22000	Unch
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	25000	25500	-500
Rapeseed Extr.	0	0	Unch
Soymeal 48%	34226	32870	1356
Castor Extr.	4500	4650	-150

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

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