

# Oil Meal Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went up by 2.5% to INR 6,068/ Qtl. as compared to 5,920/qtl. previous week amid shrink in arrivals and firm soy oil prices. Prices were in the range of INR. 5,975-6,125/qtl during the period.

The weekly average prices of Indore soymeal witnessed gain and went up by 0.9% to INR 50,550/MT /MT as compared to last week at INR 50,083/MT amid soymeal import and squeeze in crush margin.

During the week under review, Jaipur RM seed remained sideways and went marginally up by 0.18% to INR. 6,875/qtl amid weak demand from crushers.

During the week under review, Rajkot groundnut bold prices went up by 3% by to INR 6,439/Qtl. as compared to previous week at INR 6,252/qtl. amid good demand in cash market and lag in acreage.

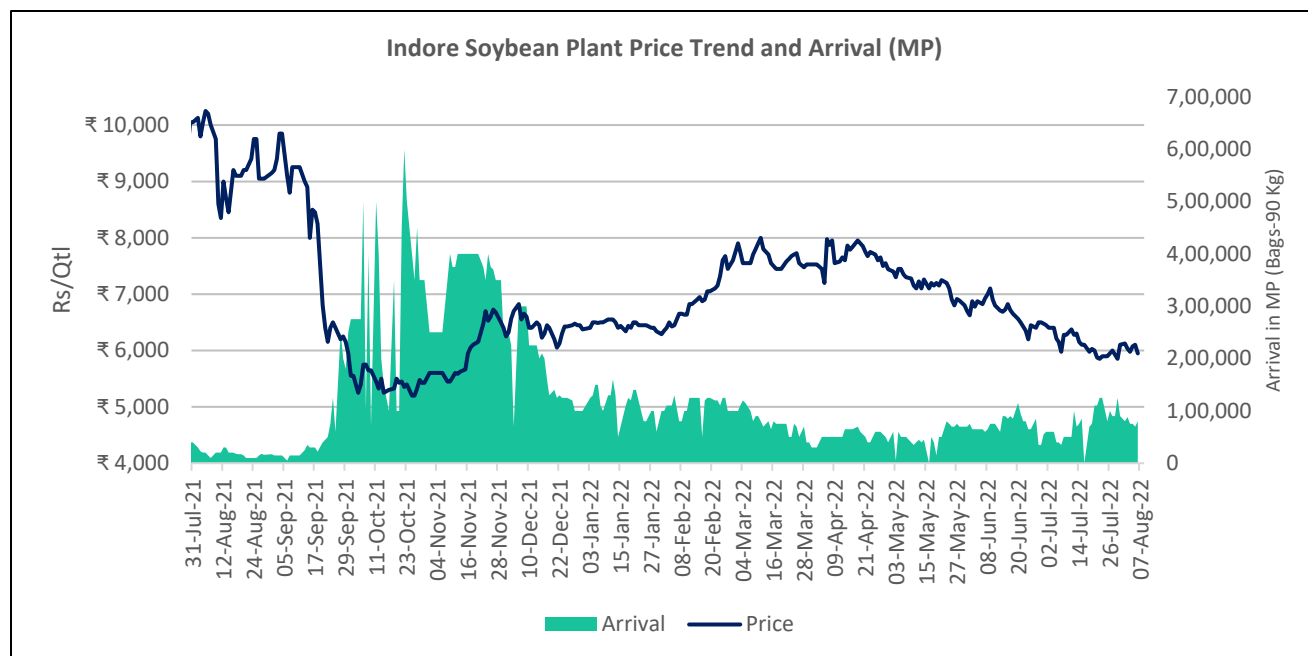
## Outlook – Cash Market

**Outlook - Soybean (Spot Indore):** In the coming week, soybean prices are expected to trade range bound with weak bias amid weak demand from crushers. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 5,900-6,200 levels in the near term.

**Outlook – Soy meal:**  
The soy meal prices (Indore) are likely to trade with weak bias tracking GM Soymeal import and sluggish soymeal export demand. Soy meal Indore prices are likely to trade in the range of 49,000 – 52,000/MT.

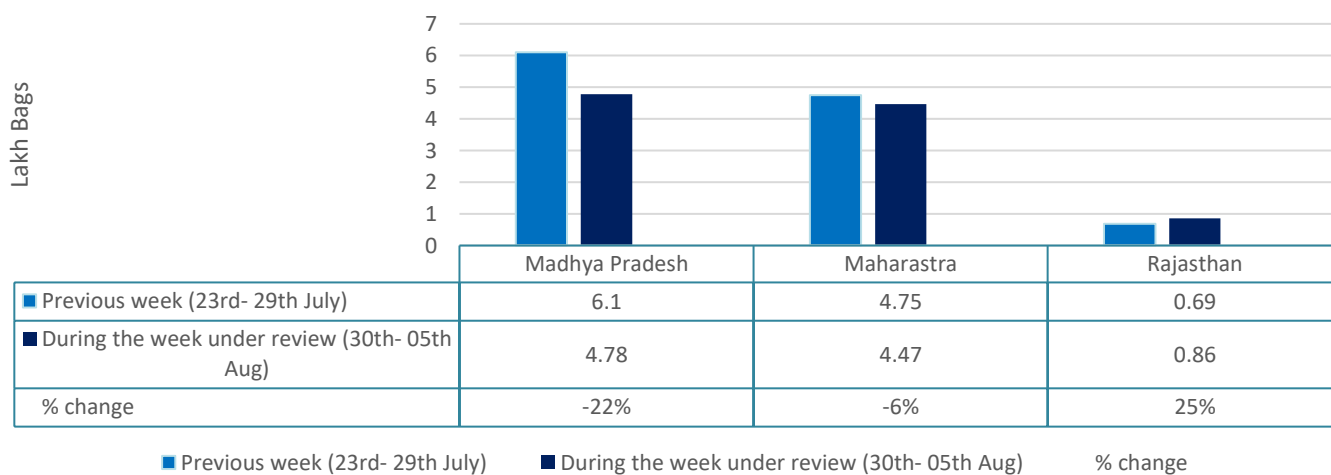
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers. The seed prices are likely to trade in the range between 6,800 – 7,000/Qtl. in the short-run.

## Soybean

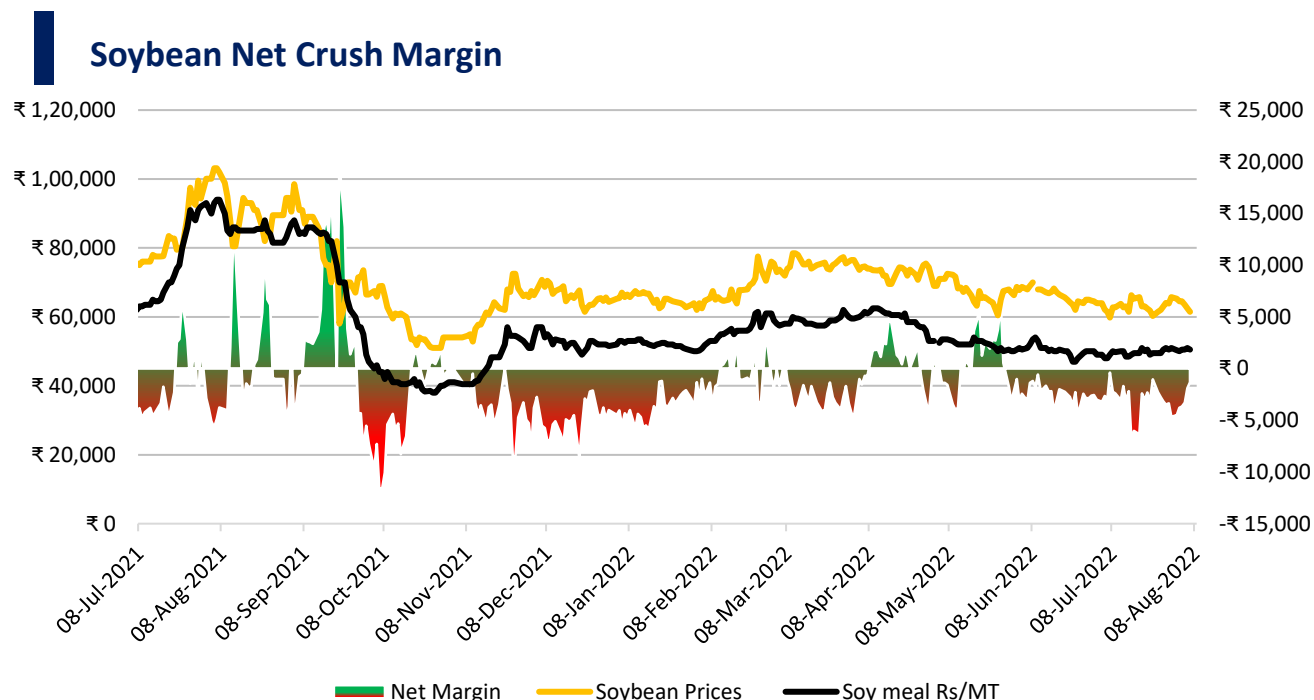


During the week under review, Soybean indore plant prices went up by 2.5% to INR 6068/ Qtl. as compared to 5,920/ qtl. previous week amid shrink in arrivals and gains in soy oil prices. Soy oil went up by 2.7% during the week under review amid rebound in CBOT soy oil.

## Weekly Soybean Arrivals



## Soybean Crush Margin-



Soybean net crush margin continue to remain negative during the week under review. Weekly average soybean net crush margin remained squeezed to INR -3,645/MT as compared to INR. -2,687/MT previous week amid improvement in Soy prices. We expect a tight crush margin in the upcoming week too on weak soy oil and meal prices.

State wise Soybean sowing progress as on 05th Aug'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 07th Aug'22
Maharashtra	47.10	44.49	6%	20%
Madhya Pradesh	49.83	51.67	-4%	4%
Rajasthan	11.33	10.03	13%	40%
Karnataka	4.13	3.78	9%	36%
Telangana.	1.41	1.40	1%	86%
Others	3.70	3.74	-1%	
<b>Total</b>	<b>117.51</b>	<b>115.10</b>	<b>2%</b>	

Source- Department of Agriculture & Farmers Welfare and IMD

As of July 5<sup>th</sup> Aug '22, all India Kharif soybean sowing progress is up by 2% to 117.51 lakh hectares as compared to 115.10 lakh hectares last year in the same period. Agri Watch expects soybean acreage to decline by 5–8% due to acreage shift to cotton and maize.

Cumulative rainfall in Soybean growing key districts in MP, Maharastra and Rajasthan.

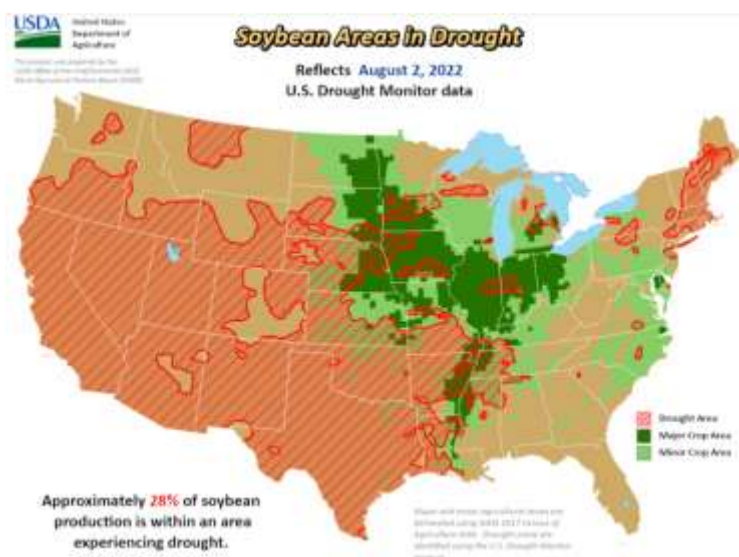
Major Soybean growing districts and cumulative rainfall (Period:01-06-2022 To 07-08-2022)				
	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.
<b>Madhya pradesh</b>	556.6	533.6	4%	N
Dewas	725.1	513	41%	E
Vidisha	763.8	583.1	31%	E
Rajgah	636.9	501.9	27%	E
Shajahpur	632.2	507.4	25%	E
Indore	499.8	481	4%	N
Ashok nagar	498.6	485.7	3%	N
Ujjain	479.1	497.7	-4%	N
Mandsaur	425.6	461.9	-8%	N
Dhar	418.6	461.3	-9%	N
Ratlam	431.2	504.9	-15%	N
<b>West Madhya Pradesh</b>	586.3	494.2	19%	N
<b>Maharastra</b>	734.1	612.5	20%	E
Nagpur	813.1	571.9	42%	E
Yavatmal	661.1	504.5	31%	E
Amrawati	525.7	490.7	7%	N
Washim	508.9	480.6	6%	N
Buldhana	394.5	384.7	3%	N
Akola	387	423.3	-9%	N
<b>Vidarbha</b>	713.3	566.6	26%	E
Latur	576.7	350.8	64%	LE
Parbhani	549.5	383	43%	E
Jalna	392.9	329	19%	N
Hingoli	487.6	456	7%	N
<b>Marathwada</b>	533.5	346.6	54%	E
<b>Rajasthan</b>	357.4	255.8	40%	E
Kota	641.1	421.5	52%	E
Bundi	475.7	374	27%	E
Jhalawar	598.7	489.7	22%	E
Baran	553.9	481.4	15%	N
Chittorgarh	451.1	402.4	12%	N
Pratapgarh	508.2	500.3	2%	N
<b>East Rajasthan</b>	438.8	359.9	22%	E

From 1st June'22-07th Aug'22, cumulative rainfall recorded up by 4% in MP, 20% in Maharashtra, and in Rajasthan cumulative rainfall remained above average at 40%.

As per sources, multiple crops including soybean have been damaged due to heavy rains, 1 lakh 31 thousand crops in Wardha districts and 1 lakh 22 thousand hectares in Yavatmal district have been affected. 55 thousand hectares in Chandrapur, 33 thousand hectares in Nagpur, 19 thousand hectares in Bhandara, 13 thousand hectares in Gadchiroli, 7 thousand hectares in Buldhana, 72 thousand hectares in Akola, 27 thousand hectares in Amravati, 16 thousand hectares in Hingoli, 3 thousand hectares in Pune district, 2 thousand hectares in Dhule., Nashik, two thousand hectares of crops have been affected.

## International:

According to USDA's latest report, 3% of Soybean crop is in very poor condition Vs 3% previous week, 8% is in poor condition Vs 8% previous week, 29% in fair condition Vs 30% in previous week, 49% in good condition Vs 49% in previous week and 11% in excellent condition Vs 10% in previous week.



Currently in US, 28% of Soybean production is within an area experiencing drought.

## Technical Analysis US Soybean futures

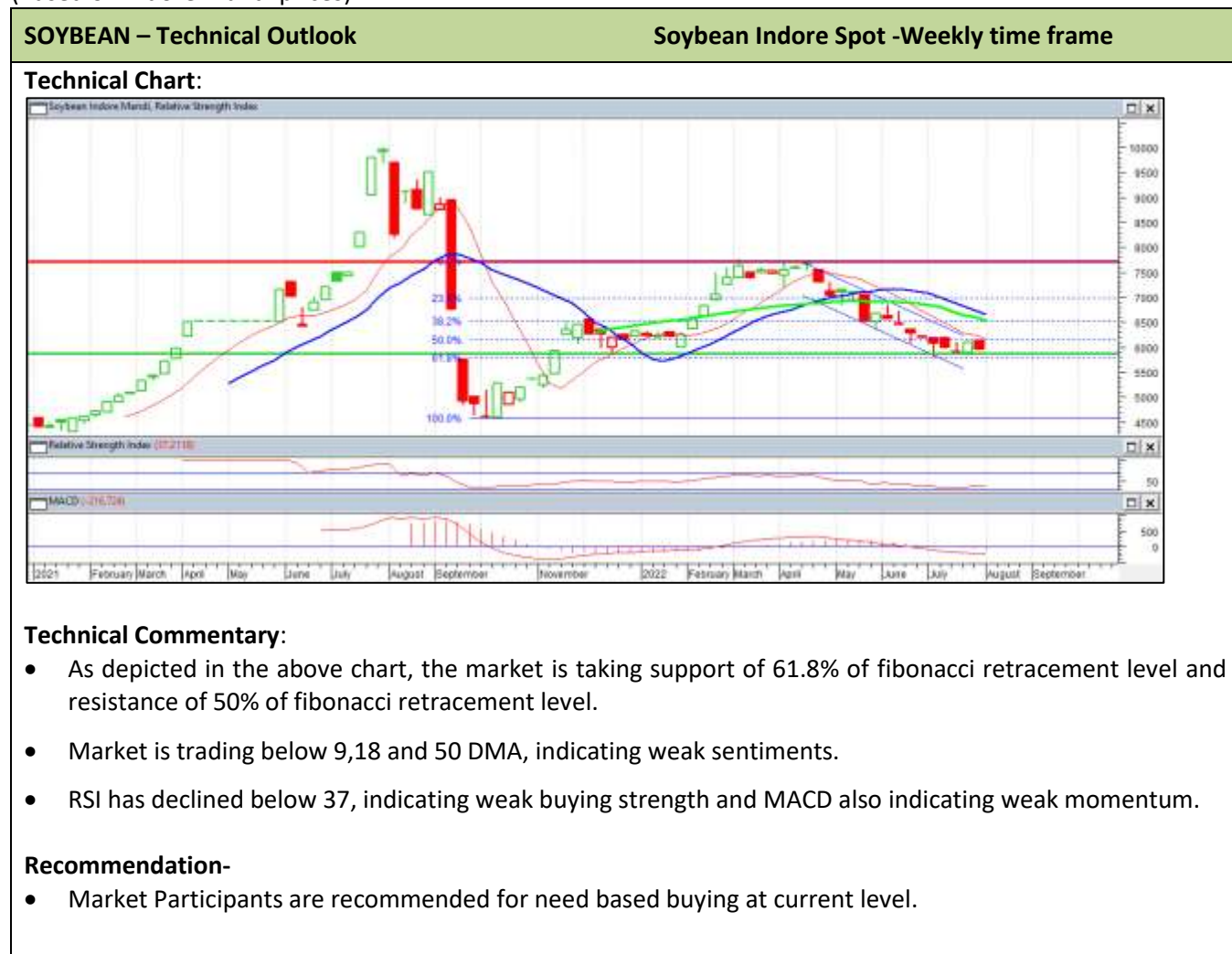


As depicted in the above chart, US Soybean US Soybean taking support from 61% fibonacci retracement level and golden cross over during the week indicating change in trend. However market is still trading below 50 and 100 DMA. RSI at 46 indicating steady buying strength. And MACD indicating firm momentum in short run. Over all market is expected to take support from 1360-1380 in short run and resistance from 1430-1450.



## Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

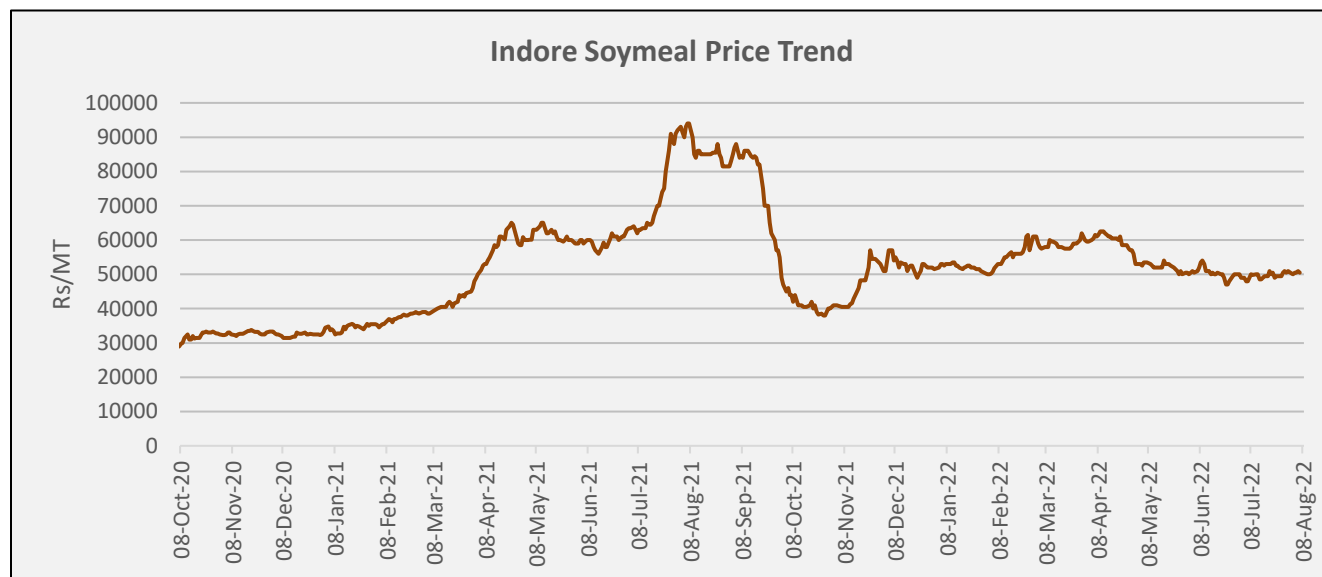


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 6,100/qtl. and are expected to trade with weak bias in the coming week.

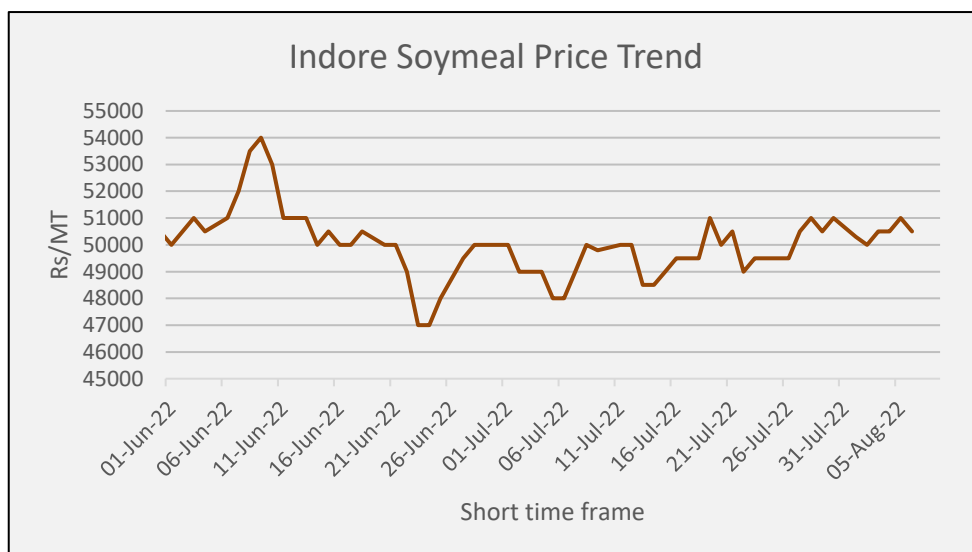
Soybean Mandi Price Outlook (INR./Qtl)	Week Under review 23rd July- 29th July'22	Week Under review 30th July- 05th Aug'22	Next week 06 <sup>th</sup> Aug'22- 12 <sup>th</sup> Aug'22
Weekly Average Price	5,850-6,000	5,975-6,125	5,900-6,200



## Soymeal

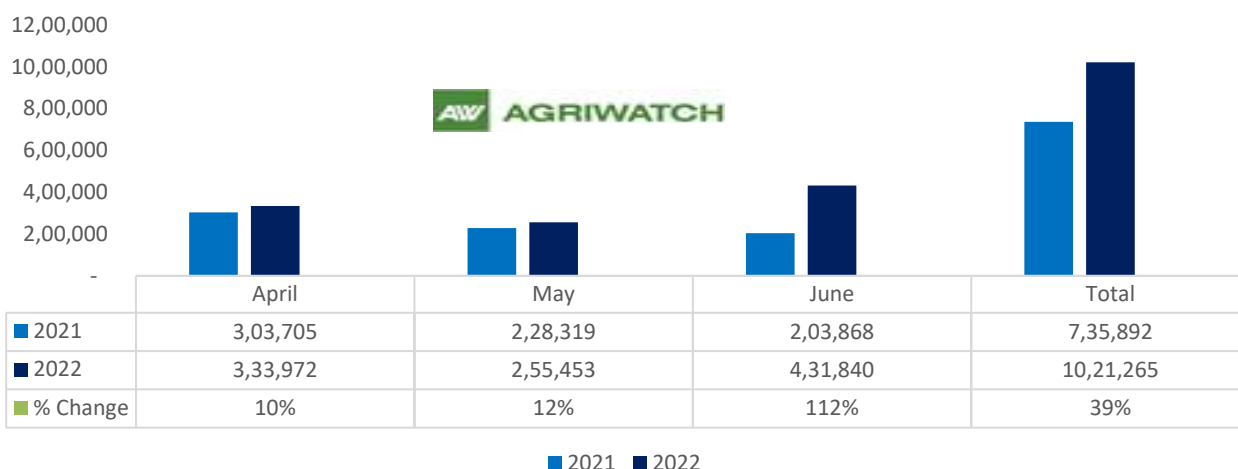


During the week under review, Indore Soymeal prices and weekly average prices of soymeal remained sideways and went marginally up by 0.9% to INR 50,550/MT as compared to last week at INR 50,083/MT. Overall the prices quoted between INR 50,000 – 51,000/MT throughout the week.

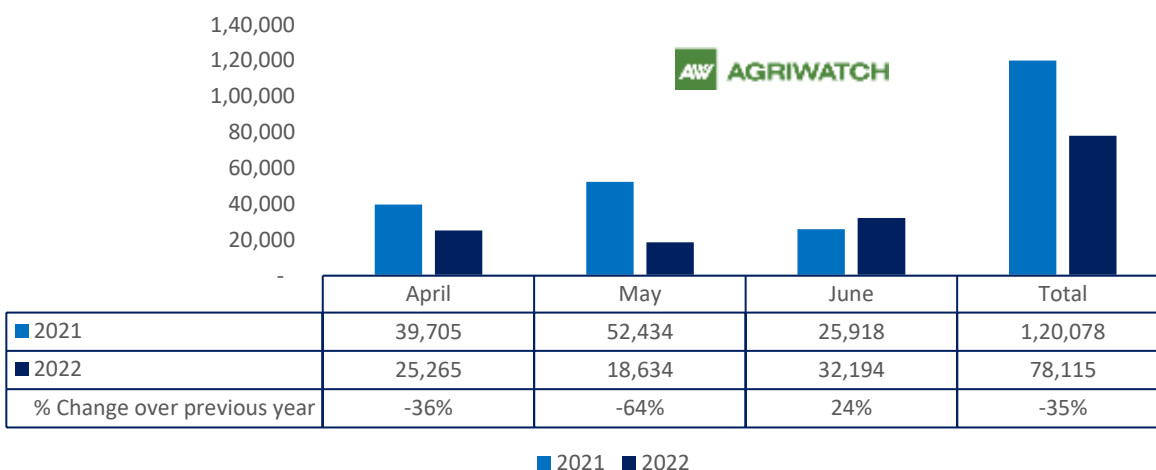


At Nanded, the weekly average prices traded at INR. 54,750/MT compared to INR. 55,000 MT a week ago. In Kota the meal prices were up at INR. 53,633/MT compared to INR. 52,700/MT previous week.

### Total oil meal export



### Soy meal export



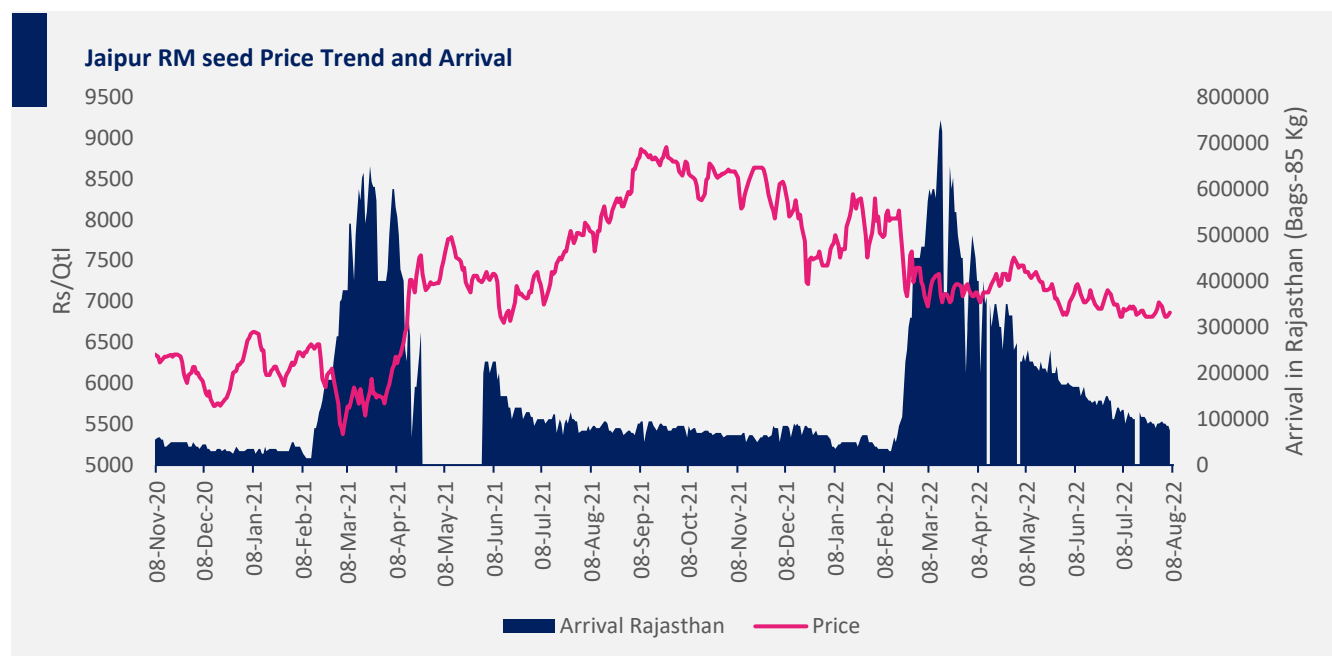
Total oil meal exports in April- June'22 went up by 39% to 10.21 Lakh tonnes vs 7.35 Lakh tonnes previous year same period. However, Soy meal exports went down by 35% to 0.78 Lakh tonnes in April-June'22 Vs 1.20 Lakh tonnes previous year same period. Soy meal exports went down due to over-priced Indian soy meal in the global markets.

USDA in its June 22 report, India's 2022-23 Soymeal production kept unchanged at 81.6 Lakh tonnes as compared to previous year estimates and Soymeal crushing for the year 2022-23 is kept unchanged at 102 Lakh tonnes as compared to previous year.

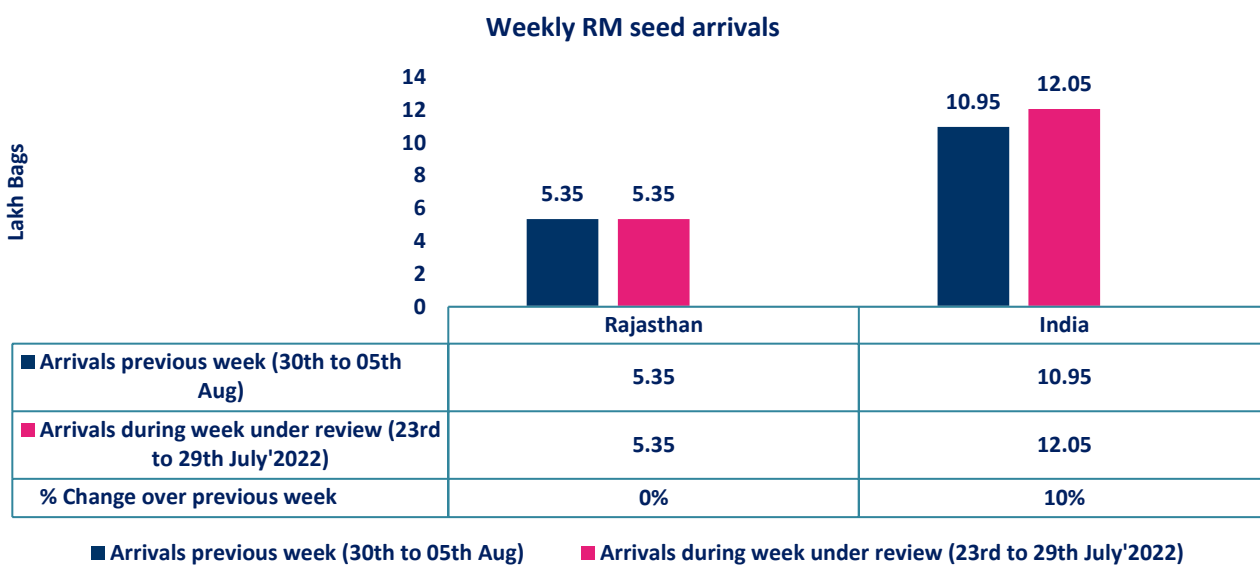
**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade range bound with weak bias tracking weak export demand and squeeze in crush margin.

Soymeal Indore Price Outlook (INR./MT)	Week Under review 23rd July- 29th July'22	Week Under review 30th July- 05th Aug'22	Next week 06 <sup>th</sup> Aug'22- 12 <sup>th</sup> Aug'22
Weekly Average Price	49,500-51,000	50,000-51,000	49,000-52,000

## Rapeseed - Mustard Seed

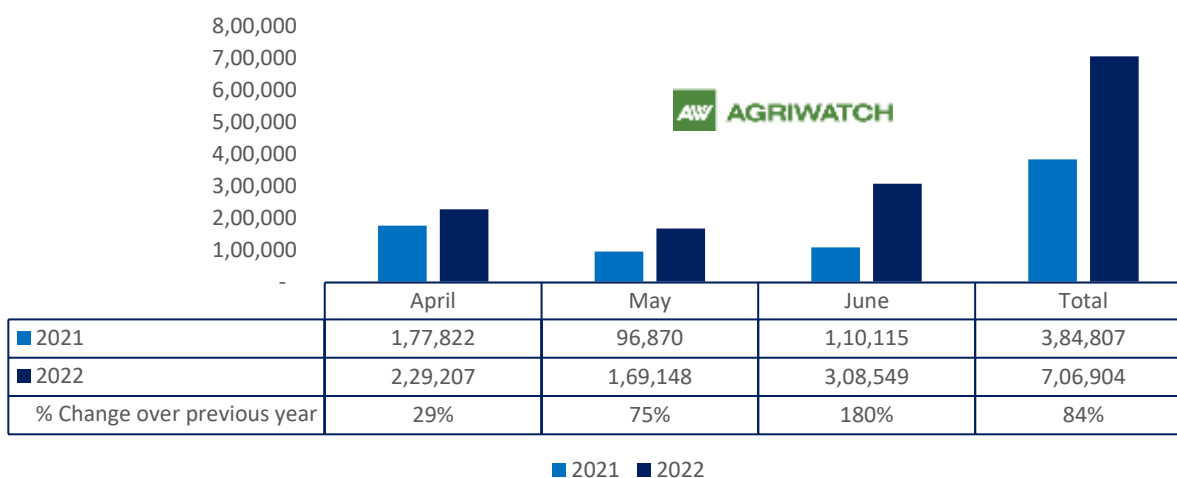


RM seed remained sideways during the week under review, Jaipur RM seed weekly average prices went marginally up by 0.18% to INR. 6,875/qrtl as compared to INR. 6,842/qrtl last week. Prices remained sideways amid weak demand from crushers due to disparity. Farmers are still holding new crops in anticipation of better prices in future.

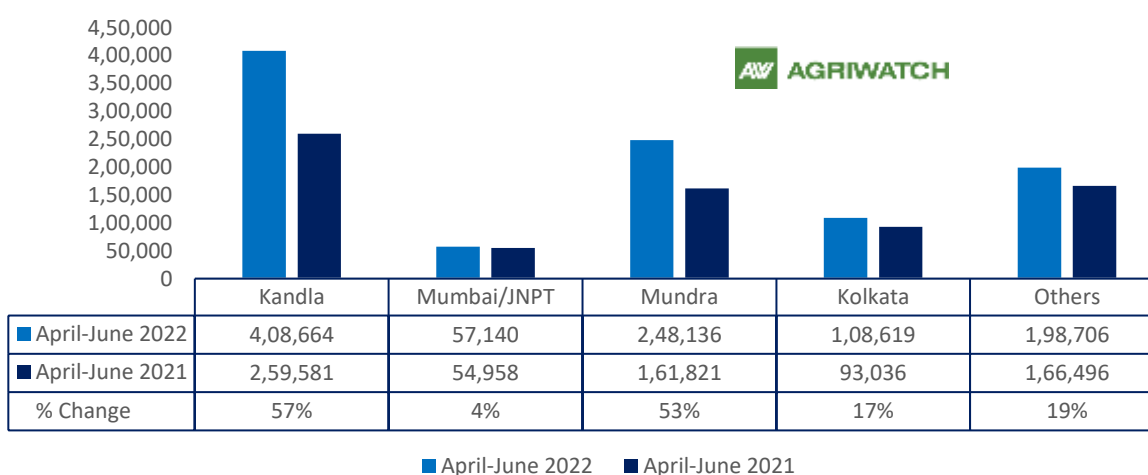


All India Arrivals remained stable during the week under review, in Rajasthan, total mustard arrivals remained steady at 5.35 Lakh bags. All India arrivals stood at 12.05 Lakh bags Vs 10.95 Lakh bags previous week. Most of the stockists/ traders are not aggressively buying due to stock limits and farmers are holding their stocks in anticipation of better prices.

## Rapeseed meal export



## Port wise Oil meal export



During the first three months of the current financial year, there is a significant jump in export of rapeseed meal and reported at 706,904 tons compared to 384,807 tons i.e., up by 84%. And in June 22 exports recorded up by 180% to 3.08 Lakh tonnes vs 1.10 Lakh tonnes in the previous year same period. Upon record crop of rapeseed

and crushing resulted in the highest processing, availability of rapeseed meal and export. Currently India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other Far East Countries. In upcoming months too, we expect good exports amid firm demand from South east Asia.

**Production-** As per Agriwatch, the production is expected to be 107.1 Lakh tonnes, which is all time high production. Rajasthan's mustard crop production is estimated at 45.1 Lakh tonnes, Madhya Pradesh at 11.7 Lakh tonnes, Uttar Pradesh at 14.10 Lakh tonnes. It is estimated that 102.5 Lakh tonnes will be crushed, which would translate into 43.05 Lakh tonnes oil and 59.45 Lakh tonnes RM seed DOC production.

According to USDA's April'22 reports India's 2021-22 RM seed production estimated at 108 Lakh tonnes as compared to last year estimates at 85 Lakh tonnes, crushing estimated at 96.50 Lakh tonnes as compared to 75 Lakh tonnes previous year.

As per 3rd Advance estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 117.54 Lakh tonnes Vs 114.59 Lakh tonnes in 2<sup>nd</sup> advance estimates and 102.1 Lakh tonnes last year.

Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes in Uttar Pradesh, 12.5 Lakh tonnes in Madhya Pradesh.

#### **International-**

According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.3 Mt, a drop of 20% from last year, while exports are expected to fall by 51% to 5.2 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union. Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to-date, Canadian canola prices are estimated at \$1,100/t vs \$730/t last year and the 5-year average of \$556/t. tight stocks.

For 2022-23, the area seeded to canola is expected to decrease by 7% to 8.5 million hectares (Mha) based on Statistics Canada's Seeding Intentions Survey.

According to USDA Attachae, 2022-23 global rapeseed supplies is projected to rise 10 percent to a record 100.5 MMT as production in Canada recovers from last year's devastating drought. Both global harvested area and production are projected to be records. Reduced carryover, the smallest in nearly 20 years, will necessitate some stock-building in the coming year and provide a measure of price support. Exports are projected to rise significantly above this year's current forecast but will fall short of the 2020/21 record volume as stock building and strong crush recovery in Canada restrict exportable supplies. Global rapeseed crush is forecast to reach a record 75.1 million tons.

## Technical Analysis

(Based on Jaipur Mandi prices)



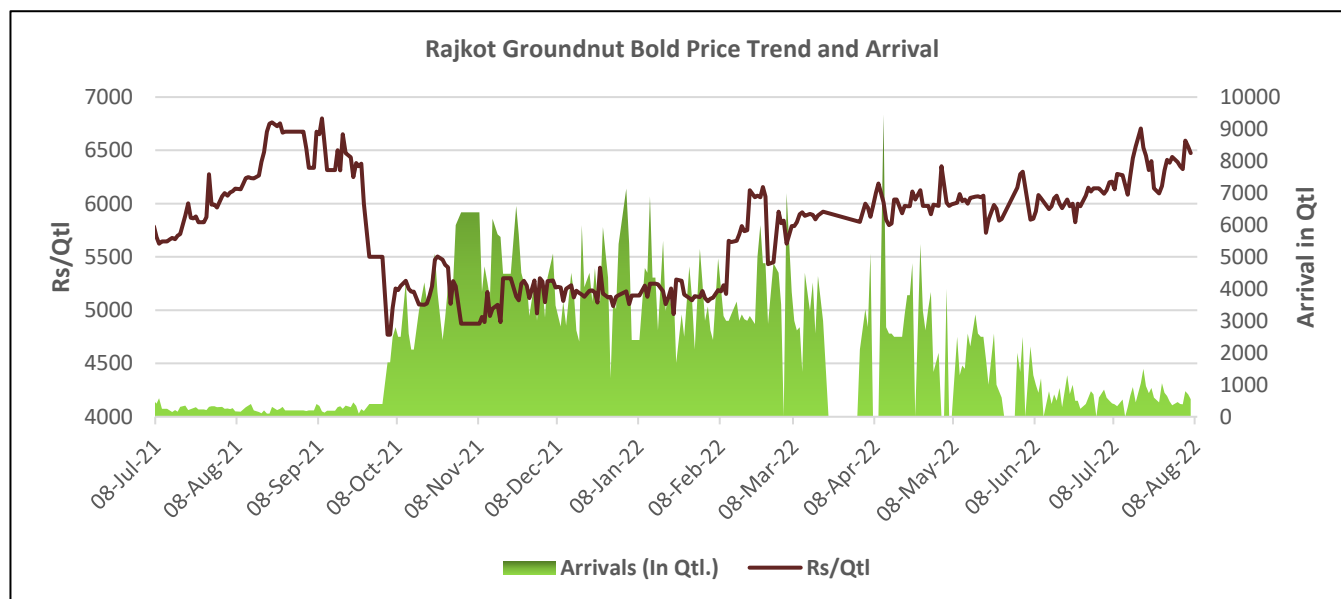
**RM seed Price Outlook for coming week:** RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Week Under review 23rd July- 29th July'22	Week Under review 30th July- 05th Aug'22	Next week 06 <sup>th</sup> Aug'22- 12 <sup>th</sup> Aug'22
Weekly Average Price	6,813-6,913	6,813-6,988	6,800-7,000



## Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices went up by 3% to INR 6,439/Qtl. as compared to previous week at INR 6,252/qtl. amid good demand in cash markets. However, all India arrivals recorded up by 5% to 47.3 thousand tonnes as compared to 45.1 thousand tonnes previous week.



Statewise Groundnut sowing progress as on 05th Aug'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 08th Aug'22
Gujarat	16.72	18.94	-12%	32%
Rajasthan	7.84	7.49	5%	40%
Karnataka	2.66	3.66	-27%	37%
Andhra Pradesh	4.07	4.08	0%	30%
Others	9.80	10.22	-4%	
<b>Total</b>	<b>41.09</b>	<b>44.39</b>	<b>-7%</b>	

As on 05th Aug'22 All India Kharif Groundnut sowing progress is lagging by 7% to 41.08 Lakh hectare as compared to 41.3 Lakh hectare last year in the same period. From 1st June'22 to 08th July'22 cumulative rainfall departure is up by 32% in Gujarat, 40% in Rajasthan, 37% in Karnataka and 30% in Andhra

Pradesh. Agriwatch expects Groundnut 2022-23 Kharif sowing acreage is likely to decline by 8-12%. Acreage is likely to shift to cotton on lucrative prices.

Major Groundnut growing districts and cumulative rainfall (Period:01-06-2022 To 07-08-2022)				
	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.
<b>Gujarat</b>	577.5	433.6	33%	E
Kutchh	501.4	235.2	113%	LE
Dwarka	642.4	361.7	78%	LE
Porbandar	678.5	465.2	46%	E
Gir somnath	856.6	613.1	40%	E
Junagarh	755	605.2	25%	E
Amreli	419.5	368.1	14%	N
Jamnagar	454.2	404.3	12%	N
Morbi	369.4	337	10%	N
Rajkot	444.3	408.4	9%	N
Surrendra nagar	319	308.2	4%	N
Bhavnagar	334	353.7	-6%	N
<b>SAURASHTRA &amp; KUTCH</b>	485.9	334.2	45%	E
Banaskatha	453.4	360.2	26%	E
Saberkantha	550.1	495.3	11%	N
Aravali	515.1	484.6	6%	N
<b>Rajasthan</b>	357.4	255.8	40%	E
Bikaner	345.5	158.3	118%	LE
Kota	641.1	421.5	52%	E
Jaipur	424.5	316.9	34%	E

**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to trade steady to firm amid good domestic demand and decline in acreage.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Week Under review 23rd July- 29th July'22	Week Under review 30th July- 05th Aug'22	Next week 06 <sup>th</sup> Aug'22- 12 <sup>th</sup> Aug'22
Weekly Average Price	6,095-6,413	6,325-6,593	6,300-6,600

## Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
<b>Soy DOC Rates at Different Centers</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
<b>Centres</b>		<b>Ex-factory rates (Rs/ton)</b>				parity To
Indore - 45%, Jute Bag	1%	51000	50500	48000	93000	Gujarat, MP
Kota - 45%, PP Bag	-1%	53500	54200	51500	94000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-3%	54500	56000	53000	97000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-4%	52000	54000	53000	98000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-2%	54500	55500	54000	98000	Andhra, AP, Kar, TN
Latur	-2%	55000	56000	53000	98000	-
Sangli	0%	51800	51800	51000	90000	Local and South
Solapur	4%	53500	51500	52500	82000	Local and South
Akola – 45%, PP Bag	-1%	50000	50500	50500	75000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-1%	55000	55500	54000	63500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-1%	53300	54000	51300	92000	-
<b>Soy DOC at Ports</b>						
<b>Centers</b>		<b>Port Price</b>				
		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
Kandla (FOR) (INR/MT)	3%	56500	55000	52000	-	
Kandla (FAS) (USD/MT)	2%	700	685	680	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	NA	-	-	

<b>Rapeseed Meal</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
FAS Kandla (USD/MT)	-	-	-	-	-	
FOR Kandla (Rs/MT)	-	-	-	-	-	
FOR Mundra (Rs/MT)	-	-	-	-	-	
CNF Indonesia (USD/MT)	-	-	-	-	-	
<b>International Soy DOC</b>						
<b>Argentina FOB USD/MT</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
Soybean Pellets	-	-	-	-	-	
Soybean Cake Flour	-	-	-	-	-	
Soya Meal	-	-	-	-	-	
Soy Expellers	-	-	-	-	-	
<b>Sunflower (DOC) Rates</b>		<b>Ex-factory rates (Rs/ton)</b>				
<b>Centers</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
Adoni	0%	35000	35000	40000	38000	
Khamgaon	-	-	-	-	-	
Parli	-	-	-	-	-	
Latur	0%	34000	34000	39000	37500	
<b>Groundnut Meal (Rs/MT)</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
Basis 45%, Saurashtra	5%	32500	31000	30500	58000	
Basis 40%, Saurashtra	0%	28000	28000	25500	54000	
GN Cake, Gondal	3%	33000	32000	31500	60000	
<b>Mustard DOC</b>		<b>05-Aug-22</b>	<b>29-Jul-22</b>	<b>05-Jul-22</b>	<b>05-Aug-21</b>	
Jaipur (Plant delivery)	-1%	19500	19700	19700	24800	
Kandla (FOR Rs/MT)	0%	20500	20500	21000	25900	
<b>Mumbai Oil Meal Quotes:</b>						

Rs/M.T.		05-Aug-22	29-Jul-22	05-Jul-22	05-Aug-21	
G.N. Extr (45%)	0%	32000	32000	30500	62000	
Kardi Extr	-	-	-	-	-	
Undec Cottonseed Exp	0%	34000	34000	33500	34000	
Rice Bran Extr.	-	-	-	-	-	
Sunflower Extr.	-2%	28000	28500	32000	39500	
Rapeseed Extr.	-	-	-	-	-	
Soymeal 48%	0%	53217	53217	51130	97043	
Castor Extr.	7%	12150	11350	11850	6650	

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