

### Oilseeds Domestic Fundamentals

- Weak trends are witnessed in Oilseeds complex at most of the trading centers due to increased supplies and declined demand. NCDEX soybean and RM seed future prices dropped and ended with profit bookings.
- As per the sources, India's soybean output is seen rising this year, on increase in acreage and copious rains in the key growing regions of Madhya Pradesh, Rajasthan. Soybean production will be higher this year and we expect it to be at least around 14 million tonnes. Farmers in MP and Rajasthan have planted more area while the area has shrunk in Maharashtra. However, last week, SOPA maintained that there was no widespread or excessive damage to the crop from excess rains. The harvesting of the early maturing varieties will begin by September 20-25 and full-scale harvesting will be from October 15.
- As per Mustard Oil Producers Association of India mills crushed 575,000 tn mustard seed in August, up 15% on year, around 10% higher than 525,000 tn mustard crushed in July. A rise in demand for mustard meal from exporters and a pick-up in purchases by oil millers led to higher crushing. Farmers brought 515,000 tn mustard to markets in August, lower than 685,000 tn in the year-ago period. In Rajasthan, the top producer, total supply of mustard seed was 190,000 tn in August, in Uttar Pradesh 85,000 tn, and in Madhya Pradesh 60,000 tn. Stock with farmers, processors, stockists and state-run agencies were at 3.8 mln tn in August, compared with 2.6 mln tn in the year-ago period. The association has estimated mustard output in the country at 8.1 mln tn in 2018-19, up from 7.1 mln tn in the previous year. However, this is lower than 9.3 mln tn, which is what the farm ministry forecast in its fourth advance estimate.
- As per USDA recent release estimates, soybean production for marketing year 2019/20 (Oct.-Sept.) is revised lower to 10.5 million metric tons (MMT) on 11.2 million hectares. The national average yield will settle below last year's level due to concerns over prevailing weather conditions. During the period of heavy rainfall in the second week of August, short-duration cultivars were in their reproductive stage (full flowering and pod development) and susceptible to both biotic and abiotic stress. Late planted and long-duration soybean cultivars may benefit from recent heavy rainfall activity, if excessive rains do not continue. The proportion of late-planted soybeans may be slightly higher than usual due to the late monsoon and extended planting window through July.
- Announcement of a higher minimum support price (MSP) for MY 2019/20 likely encouraged additional oilseed planting during an extended planting window in anticipation of higher returns, stable yields, and relatively lower crop maintenance compared to cotton. The GOIs MSP announcement claims that farmers receive 1.5 times the production cost of planting a crop.
- As per the sources, recovery of monsoon this season in August has pulled down the prices of agricultural commodities during the past three days on expectations of a recovery in kharif output and favorable climatic condition for the rabi harvest for 2020. Although crop damages have been reported in few areas due to excess rain, which is minimal. However, for rabi crops, including mustard seed, good rain in September (as forecast by weather agencies), would provide better soil moisture for sowing. Besides, there are huge procured stocks of mustard seed with government, and the prices Mustard will remain under pressure.
- As per USDA, the latest planting report indicates that kharif groundnut were planted on 3.5 million hectares compared to 3.6 million hectares planted last season. Post estimates that both winter and summer planting of groundnuts will likely be normal. During the current season, an additional 85,000 hectares came from Gujarat, Maharashtra, Tamil Nadu, and Madhya Pradesh, but 42 percent of the net decline reported from Andhra Pradesh, Karnataka, Rajasthan, Odisha, and other states.

### Oilseeds International Fundamentals

- CBOT Soybean future ended on lower side due to improved crop condition.
- As per Commodity brokerage INTL FC Stone late Wednesday raised its forecast of the US 2019 soybean yield to 48.3 bushels per acre, from its Aug. 1 figure of 47.2. The US soybean production at 3.661 billion bushels, down from 3.743 billion previously, reflecting a smaller harvested acreage figure from last month.
- As per the sources, China's customs said on Thursday that it has allowed imports of soybean meal, rapeseed meal, sunflower meal and sugar beet pulp from Russia. Exporters of these animal feed ingredients must be inspected and approved by Russian authorities and also registered with the Chinese regulator. The trade move came after China approved more soybean, wheat and barley imports from Russia, as a festering Sino-U.S. trade war curbed American agricultural shipments.
- As per the sources, the area planted with soybeans in Brazil for 2019/2020 season, which starts this month, will grow by 1.1% to 36.3 million ha, the smallest increase in 13 years, as a global trade war and swine fever in China cloud the outlook for farmers.
- Brazilian soybean exports fell by 23% to 7.82 million tonnes in July month and down by 11.4% in the first eight months of the year, compared to the same period of 2018. Due to China's demand for soya, which is used to make animal feed, has fallen as the spread of African swine fever has wiped out millions of hogs in the Asian country.
- As per the sources, the soybean cultivation is expected to increase in Argentina because it requires more investment in fertilizers and new seeds each season, which is around 70% more than soya. Estimated farmers would likely to cut the area intended for corn this season by 200,000 hectares. Soybeans would take that area to reach 17.7 million hectares.
- As per the sources, Germany's rapeseed harvest will fall 21.9% on the year to about 2.9 million tonnes. A sharp drop had been generally expected because of a big reduction in rapeseed plantings following dry weather in autumn 2018.
- **Outlook:** The Indore (Plant Delivery) prices are expected to trade in the range of 37 to 3800 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4140 and 4150 per quintal ahead of a day.

Soybean Future Price									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Sept-19	-21	3740	3748	3701	3722	11070	-3930	14580	-2630
Oct-19	-41	3579	3580	3522	3540	22710	9410	40570	-1620
Nov-19	-34	3515	3520	3482	3490	6780	4620	30160	2300
Mustard Future Prices									
Sept-19	-15	3879	3885	3865	3871	11740	-7340	27490	-4380
Oct-19	-20	3957	3968	3940	3947	15010	560	60770	1880
Nov-19	-29	4010	4016	3990	4000	6670	70	18470	2940
Soybean Basis - 28					Mustard Basis-284				
Spread					Spread				
	Sep-19	Oct-19	Nov-19			Sep-19	Oct-19	Nov-19	
Sept-19	28				Sept-19	284			
Oct-19		210			Oct-19		208		
Nov-19			260		Nov-19			155	

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	5-Sept-19	5-Sept-19	5-Sept-19	2-Sept-19
Akola	485	41	526	485
Indore	100	0	100	100
Kota	10	0	10	10
Sagar	10	0	10	10
Nagpur	-	-	-	-

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	5-Sept-19	5-Sept-19	5-Sept-19	2-Sept-19
Sri Ganganagar	1214	0	1214	1296
Bharatpur	-	-	-	-
Bikaner	7907	0	7907	7907
Kota	20881	0	20881	23512
Jaipur	1364	0	1264	1295
Alwar	1561	0	1561	1764
Hapur	-	-	-	-

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	06-Sep-19		05-Sep-19		
	Low	High	Low	High	
Indore –Plant	3720	3750	3750	3780	-30
Indore–Mandi	3600	3725	3500	3650	75
Nagpur-Plant	3770	3800	3770	3800	Unch
Nagpur – Mandi	Closed	Closed	3410	3700	-
Latur – Mandi	Closed	Closed	3645	3755	-
Akola – Mandi	3050	3650	3000	3650	Unch
Kota-Plant	3600	3670	3680	3740	-70
Kota – Mandi	3600	3650	3660	3700	-50
Bundi-Plant	3600	3620	3650	3670	-50
Bundi-Mandi	3450	3500	3500	3540	-40
Baran-Plant	3420	3500	3470	3550	-50
Baran-Mandi	3400	3450	3450	3500	-50
Bhawani Mandi Jhalawar–Plant	3450	3550	3500	3600	-50
Jhalwar-Mandi	3370	3500	3420	3560	-60
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4150	4155	4160	4165	-10
Alwar-(Condition)	3900	3950	3900	3950	Unch
Sri Ganganagar-(Non-Condition)	Closed	Closed	Closed	Closed	-
New Delhi–(Condition)	3945	3975	3920	3950	25
Kota-(Condition)	3570	3680	3600	3700	-20
Agra-(Condition)	4143	4167	4143	4167	Unch
Neewai-(Condition)	3740	3840	3740	3840	Unch
Hapur (UP)-(Condition)	3925	3975	3925	3975	Unch
<b>Groundnut Seed</b>					
Rajkot	780	1021	775	1019	2
<b>Sunflower Seed</b>					
Gulbarga	NA	NA	NA	NA	-
Latur	NA	NA	NA	NA	-
Sholapur	NA	NA	NA	NA	-
Soybean Prices are in INR/qtl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/qt (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/qtl.					

**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/Qtl		Change
<b>Soybean</b>	<b>06-Sep-19</b>	<b>05-Sep-19</b>	
Madhya Pradesh	30000	30000	Unch
Maharashtra	25000	20000	5000
Rajasthan	5000	7000	-2000
Bundi (Raj)	10	10	Unch
Baran (Raj)	1500	1200	300
Jhalawar (Raj)	1300	1100	200
<b>Rapeseed/Mustard</b>			
Rajasthan	60000	70000	-10000
Alwar	2000	2000	Unch
Sri Ganganagar	Closed	Closed	-
Kota	750	700	50
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	100	140	-40
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	NA	NA	-

**Other Oilseed Prices at Mumbai (INR/100 Kg):**

Oilseeds	6-Sep-19	5-Sep-19	Change
Groundnut Kernel	5350	5400	-50
Gr. Bolds 60/70	8450	8450	Unch
Gr. Javas 60/70	10400	10400	Unch
Gr Javas 70/80	10000	10000	Unch
Gr.Javas 80/90	9700	9700	Unch
KardiSeed 2% Exp Qly	5000	5000	Unch
Sesame White 98/2/1 FM	10700	10700	Unch
Whitish 95/5/FFA/1FM	10500	10500	Unch
Brown 48/2 FFA/4 FM	9900	9900	Unch
Brown 48/3 FFA/4 FM	9600	9600	Unch
Brown 48/4 FM/* No FFA Guarantee	9300	9300	Unch
Sunflower Seed	4300	4300	Unch
Niger Seed (4% FM)	5600	5600	Unch

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