

Oilseeds Domestic Fundamental

- Weak tone is witnessed in Oilseeds complex due to heavy supplies. New Soybean crops arrived in the market in a full pace. Stockiest are not much active due to higher prevailing prices. Traders have started to buy new harvested Soybean crop due to lower prices as compared to old seeds prices. To remove the moisture of new crops, traders are following the process to dry it first then adding new seeds along with old seeds further to sell in the market. Prices are expected to decline in coming days in expectation of full pace of harvesting.
- As per source, Soybean crops are already grown for 50 to 75 days and are in pod formation to beginning seed stage. Those early varieties of crops are at maturity stage and farmers have started to harvest now, however quality is low due to continue rainfall at the time of harvesting. Water stagnation in MP and Rajasthan may result 10 to 15 % damages of soybean crop so far. The progress of crops is below normal to normal in India. In 2019, Soybean growers have increased area as compared to previous year record. As per traders, total 10 to 15% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. As per Skymet, from June 1 to September 28, West Madhya Pradesh is rain surplus by 61%, while East Madhya Pradesh by 22%. New harvested crops are in slow pace and less in demand due to moisture.
- As per recent released data of Ministry, the total area under Oilseeds is reported lower at 179.48 lakh hectares as on 27th Sep 2019 against 179.28 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of groundnuts to 39.32 lakh hectares against 40.20 lakh hectares last year. Total covering area of Soybean stood at 113.99 lakh hectares against 113.10 lakh hectares last year. Castor has been planted on 9.38 lakh hectares against 8.77 lakh hectares last year. Sunflower has been planted on 1.03 lakh hectares against 1.12 lakh hectares last year. Sesame has been planted on 13.72 lakh hectares against 14.19 lakh hectares last year, Nigerseed has been planted on 2.05 lakh ha against 1.90 lakh ha last year.
- The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.
- Madhya Pradesh received 38% more rainfall than the average since the start of four-month long monsoon season on June 1. India is likely to receive above-average monsoon rains in 2019 for the first time in six years as seasonal rainfall continues longer than expected. Recent rainfall in MP, resulted more soybean crop damages in most of its major districts. If rain will be continued, harvesting may delay almost 10 days ahead. New crop arrivals have started in MP however quality is not so good as containing more moisture. Farmers and traders are releasing their old crops in a full pace on account of good prevailing prices. As per traders, total 20 to 25% of Soybean crops have damaged in Mandsaur, Neemuch and Ujjain districts. They expect overall 10 to 15% crop damages in MP states so far on account of heavy rainfall.

Oilseeds International Fundamentals

- CBOT Soybean future prices declined amid selling pressures.
- During this week (September 13 to 19, 2019), US sold total 1,038,000 MT for 2019/2020, primarily for China (391,400 MT), Indonesia (95,700 MT, including 68,000 MT switched from unknown destinations), the Netherlands (69,800 MT, including 60,000 MT switched from unknown destinations), Japan (66,600 MT, including 45,000 MT switched from unknown destinations and decreases of 800 MT), and Pakistan (66,000 MT), were partially offset by reductions for unknown destinations (32,000 MT) and the Philippines (18,200 MT). Exports of 950,900 MT were primarily to China (207,400 MT), Mexico (104,400 MT), Indonesia (99,300 MT), the Netherlands (69,800 MT), and Taiwan (69,300 MT).
- Soybean planting in Brazil is very slow in absence of rain. As per state's Department of Rural Economics, only 3% of the expected area in the southern state has been planted on account of dry weather condition which is lower from 18% in previous year in the corresponding period of time. Parana is expected to sow 5.5mn hectares (13.585mn acres) of soybean in the current 2019-20 season, up by 1pc from a year earlier, Despite the current situation, Parana is likely to get 23% higher soybean output in 2019-20 versus last year, to 19.8mn metric tonnes (t). The expected gain is because a severe drought between December-January - a critical time for crop development - heavily affected production in the prior cycle.
- As per USDA recent released report, U.S. oilseed production for 2019/20 is forecasted lower at 110.2 million tons from last month with lower soybean and cottonseed production partly offset by a higher peanut forecast. U.S may get soybean yield at 47.9 bushels per acres in 2019/20 which is lower than the projection of 48.5 bushels per acres in August however it is above from 47.2 bushels per acres as projected by Reuter analyst poll. USDA reported lower production estimate at 3.63 billion bushels from 3.68 billion in August month. Soybean supplies are projected lower by 2 percent followed by less production and beginning stocks estimates. With soybean crush and exports unchanged, ending stocks are projected at 640 million bushels, down 115 million from last month.

Outlook: The Indore (Plant Delivery) prices are expected to trade in the range of 3950 to 4050 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4100 and 4150 per quintal ahead of a day.

Soybean Future Price									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-19	-54.00	3992	3992	3905	3917	27740	-20,940	31640	-3160
Nov-19	+23.00	3738	3790	3720	3761	23240	-9,930	67450	250
Dec-19	+17.00	3745	3800	3740	3771	4530	-5,980	39990	1130
Mustard Future Prices									
Oct-19	-29.00	3983	3993	3950	3950	11220	-4,270	28700	42050
Nov-19	-22.00	4047	4050	4015	4018	8820	-2,630	33410	23710
Dec-19	-20.00	4040	4042	4020	4020	130	-480	2630	1210
Soybean Basis -183					Mustard Basis-245				
Spread					Spread				
	Oct-19	Nov-19	Dec-19			Oct-19	Nov-19	Dec-19	
Oct-19	183				Oct-19	245			
Nov-19		339			Nov-19		177		
Dec-19			329		Dec-19			175	

Soybean Stock Position & Fed:

Stocks	Demat	In-Process	Total	FED
	28-Sept-19	28-Sept-19	28-Sept-19	28-Sept-19
Akola	-	-	-	-
Indore	-	-	-	-
Kota	-	-	-	-
Sagar	-	-	-	-
Nagpur	-	-	-	-

Rapeseed Stock Position & Fed:

Stocks	Demat	In-Process	Total	FED
	28-Sept-19	28-Sept-19	28-Sept-19	28-Sept-19
Sri Ganganagar	973	0	973	993
Bharatpur	-	-	-	-
Bikaner	7353	-	7353	7353
Kota	2824	0	2824	4802
Jaipur	823	0	823	873
Alwar	436	0	436	1104
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	30-Sep-19		28-Sep-19		
	Low	High	Low	High	
Indore –Plant	4050	4100	4050	4100	Unch
Indore–Mandi	3950	4000	Closed	Closed	-
Nagpur-Plant	4020	4050	4060	4100	-50
Nagpur – Mandi	3610	3830	3625	3850	-20
Latur – Mandi	NA	NA	Closed	Closed	-
Akola – Mandi	3100	3960	Closed	Closed	-
Kota-Plant	4150	4200	4250	4300	-100
Kota – Mandi	4100	4150	4200	4250	-100
Bundi-Plant	4100	4150	4200	4250	-100
Bundi-Mandi	4000	4100	4100	4200	-100
Baran-Plant	4150	4200	4200	4250	-50
Baran-Mandi	4050	4075	4100	4125	-50
Bhawani Mandi Jhalawar–Plant	4200	4250	4250	4300	-50
Jhalwar-Mandi	3900	4200	Closed	Closed	-
Rapeseed/Mustard					
Jaipur-(Condition)	4190	4195	4195	4200	-5
Alwar-(Condition)	4000	4050	4000	4050	Unch
Sri Ganganagar-(Non-Condition)	3720	3820	3750	3850	-30
New Delhi–(Condition)	3980	4000	3980	4000	Unch
Kota-(Condition)	3660	3710	3700	3750	-40
Agra-(Condition)	4167	4214	4167	4214	Unch
Neewai-(Condition)	3850	3880	3850	3880	Unch
Hapur (UP)-(Condition)	3900	3950	3900	3950	Unch
Groundnut Seed					
Rajkot	825	1065	750	1025	40
Sunflower Seed					
Gulbarga	3350	3800	Closed	Closed	-
Latur	NA	NA	Closed	Closed	-
Sholapur	NA	NA	Closed	Closed	-
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
Soybean	30-Sep-19	28-Sep-19	
Madhya Pradesh	40000	Closed	-
Maharashtra	35000	20000	15000
Rajasthan	7000	5000	2000
Bundi (Raj)	15	15	Unch
Baran (Raj)	800	100	700
Jhalawar (Raj)	1500	Closed	-
Rapeseed/Mustard			
Rajasthan	55000	35000	20000
Alwar	1500	1500	Unch
Sri Ganganagar	200	500	-300
Kota	700	400	300
Groundnut Seed			
Rajkot (Gujarat)	90	210	-120
Sunflower Seed			
Sholapur (Maharashtra)	NA	Closed	-

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

Oilseeds	30-Sep-19	28-Sep-19	Change
Groundnut Kernel	5300	5300	Unch
Gr. Bolds 60/70	9150	8950	200
Gr. Javas 60/70	11100	10900	200
Gr Javas 70/80	10700	10500	200
Gr.Javas 80/90	10400	10200	200
KardiSeed 2% Exp Qly	5000	5000	Unch
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9200	9200	Unch
Brown 48/3 FFA/4 FM	8900	8900	Unch
Brown 48/4 FM/* No FFA Guarantee	8600	8600	Unch
Sunflower Seed	3600	3600	Unch
Niger Seed (4% FM)	5600	5600	Unch

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