

Oilseeds Domestic Fundamentals: Soybean Indore plant prices closed steady amid steady supply as compared to previous day in Madhya Pradesh. However, In Jaipur, RM seed prices closed up amid tight supply.

The government has sent a proposal to the Centre to reduce the germination capacity of soybean seeds from 70 percent to 60 percent. The area under soybean planting is likely to increase by 5-7 Percent across the country this kharif season despite speculation in the market over the shortage of certified seeds. Farmers, however, are hoping for a revival of the monsoon to ensure a good crop, D N Pathak, executive director, Soybean Processors Association of India (SOPA) said. Pathak also said that the area under soybean cultivation will definitely increase in Maharashtra and Rajasthan but is likely to go down to some extent in Madhya Pradesh (MP).

Floods cause crop losses on 1.5 lakh hectares in Maharashtra, the preliminary crop loss is pegged at 1.5 lakh hectares but may increase. As of now, crop damage has been reported in Pune, Kolhapur, Sangli, Raigad, Ratnagiri, Palghar, Thane, Parbhani, Nanded, Akola, Washim, Nagpur and Wardha. Agricultural land has been submerged in in Konkan, Kolhapur and Sangli.

As per sources about 60-65 percent of soybean oil plants have been closed due to shortage of soybean seeds.

Soybean sowing As On 22, July (Area In lakh Ha)

	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Madhya Pradesh	55.86	55.07	44.65	-19%	44%
Maharashtra	38.8	39.47	42.13	7%	41%
Rajasthan	10.39	9.96	7.3	-27%	7%
Karnataka	2.84	3.21	3.67	14%	4%
Gujrat	1.16	1.31	2.01	53%	2%
Telangana	1.98	1.56	1.37	-12%	1%
Others	1.85	1.76	1.39	-21%	1%
Total	112.88	112.34	102.52	-9%	100%

Groundnut sowing As On 22 July (Area In lakh Ha)

	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Gujrat	15.74	19.7	17.64	-10%	49%
Rajasthan	6.23	6.96	6.89	-1%	19%
Karnataka	4.12	3.05	2.51	-18%	7%
Maharashtra	2.27	1.8	1.69	-6%	5%
Madhya Pradesh	2.28	2.12	2.03	-4%	6%
Tamilnadu	2.02	0.95	0.78	-18%	2%
Andhra Pradesh	7.03	5.16	2.34	-55%	6%
Others	2.01	1.82	2.21	21%	6%
Total	41.7	41.56	36.09	-13%	100%

International Oilseeds Fundamentals:

- ★ US Soybean 2020/21 production is projected at 119.88 mmt, unchanged from last month. Harvested area, forecast at 86.7 million acres in the June 30 Acreage report, is unchanged.
- ★ USDA pegged the 2020/2021 Brazilian soybean production at 137.0 mmt vs. the trade's expectation of 136.1 mmt and the USDA's estimate last month of 137.0 mmt.
- ★ For Argentina's soybean 2020/2021 output, the USDA pegged its crop at 46.5 mmt. vs. the trade's expectation of 48.8 mmt and the USDA's June estimate of 48.8 mmt.
- ★ For India Production Is projected at 11.20 mmt Unchanged from Last month.

China's June soybean imports jump 11.6% from May on surging demand.

- 10.7 mmt June (+11.6% mom) (-4% yoy)
- Jan-Jun totals 49 mmt (+9% yoy)
- Recovery from ASF boosting soy demand Pig herd to cross 440M heads in 2021 (+22% yoy)

July soybean shipments are expected to drop on declining Brazilian shipments since the bulk of the country's harvest has been collected. Soybeans out of the United States typically dominate the market in the fourth quarter of the year as they are harvested in September and October.

Global oilseed production is raised 2.5 million tons to 635.4 million, with higher sunflower seed, rapeseed, cottonseed, and peanuts partly offset by lower soybean output. Russian sunflower seed production is increased 2.0 million tons to 16.5 million, mainly on higher area shown in government planting progress reports

World 2021/22 soybean ending stocks came in at 94.49 million tonnes, above the average expectation of 92.60 million (range 91.20-93.50 million) and up from 92.55 million last month as higher stocks for Brazil and Argentina are partly offset by lower Chinese stocks. The USDA revised its estimates for China's soybean imports, with the current 2020-21 season easing 2 million metric tons to 98 million and the upcoming season by 1 million to 102 million metric tons.

Canadian canola production is lowered from 20.5 Mmt to 20.2 Mmt as early-season drought conditions impact yields and offset an increase to area, However Chinese Rapeseed production increased 13.8 Mmt to 14 Mmt.

Exports for Brazil and Argentina for 2020/21 are reduced as high prices lead to lower shipments to China. China's imports are reduced 2 million tons to 98 million and 1 million tons to 102 million for 2020/21 and 2021/22, respectively.

Officials in Argentina's have ordered obligatory talks amid protesting port workers and companies to try and end a ports obstruction that is preventing grain shipments, Workers represented by the UOCRA union claim that construction companies serving agro-export companies pay higher wages at the port facilities. Argentina is the world's top exporter of soybean meal and a major international soybean.

The Argentina government approved a measure allowing a reduction in the amount of soy-based biofuel to be mixed into diesel. The new law will likely show a minimum use of biodiesel of 5%, and could drop to 3%, from a 10% blend previous. Lowering the blend rate is likely to spark a jump in soybean oil exports.

The Argentina government approved a measure allowing a reduction in the amount of soy-based biofuel to be mixed into diesel. The new law will likely show a minimum use of biodiesel of 5%, and could drop to 3%, from a 10% blend previous. Lowering the blend rate is likely to spark a jump in soybean oil exports.

The Brazilian government raised the mandatory blend of biodiesel into diesel to 12% from 10%, below this year's target of 13% in a bid to rein in fuel inflation amid high soybean prices.

The heavy rains that pounded Henan province in central China will cause damage to some hog farms in the major pork-producing region and potentially trigger fresh cases of African swine fever.

As of 19th July, the US soybean condition for week ending 19 July stood at 11% Excellent, 49% good, 29% fair, 8% poor and 3% Very poor.

Canola futures soared recent week because of heatwave looked to affect harvest scenario for canola in Canada. High temperature forecast in coming weeks may cause the canola flowers to drop prematurely, lead to drop in yield. Canadian farmers planted an estimated 22.5 million acres of canola for the 2021-22 crop year, the highest since 2018. This is up from the April forecast of 21.5 million acres and up 8.2% from last year.

Outlook: Soybean (plant delivery, Indore) prices are likely to feature firm tone amid good demand by miller and crusher, however arrival has gone down at all trading markets. The prices are expected to be in the range of 8,000 – 8,900/qtl. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	+5.99	8178	8616	8160	8129
Sept-21	+6.00	7732	8148	7726	7687
Oct-21	+2.22	6320	6440	6320	6299

Contract	Volume	Change	OI	Change
Aug-21	38695	4,060	39245	-2755
Sept-21	11755	1,605	11165	845
Oct-21	1730	70	5130	655

Spread	Aug-21	Sept-21	Oct-21
Basis	8650		
Aug-21	521		
Sept-21		963	
Oct-21			2351

**Far Month Contract - Near Month Contract. Basis: Spot –Future (Indore).*

Stocks	Demat	In-Process	Total	FED
	22-July-21	22-July-21	22-July-21	19-July-21
Akola	60	-	60	60
Indore	20	-	20	20
Kota	260	0	260	210
Sagar	-	-	-	-
Nagpur	-	-	-	-

**SBN Fed Stocks Expiry on ----*

**RM Seed Fed Stocks Expiry on ----*

NCDEX RM Seed Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	+2.20	7498	7629	7490	7464
Sept-21	+2.23	7494	7629	7487	7459
Oct-21	+2.43	7541	7667	7517	7484

Contract	Volume	Change	OI	Change
Aug-21	46990	12,780	44490	-690
Sept-21	15300	5,210	16430	-90
Oct-21	600	-420	8340	330

Spread	Aug-21	Sept-21	Oct-21
Basis	7612		
Aug-21	188		
Sept-21		194	
Oct-21			161

**Far Month Contract - Near Month Contract. Basis: Spot – Future (Jaipur).*

Stocks	Demat	In-Process	Total	FED
	22-July-21	22-July-21	22-July-21	19-July-21
Sri Ganganagar	989	71	1060	927
Bharatpur	-	-	-	-
Bikaner	260	101	361	-
Kota	6242	132	6374	6079
Jaipur	11554	261	11815	11184
Alwar	519	-		
Hapur	-	-	-	-

**RMS Fed Stocks Expiry on ---*

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	24-Jul-21		23-Jul-21		
	Low	High	Low	High	
Indore –Plant	8500	8800	8500	8800	Unch
Indore–Mandi	8200	8400	8200	8400	Unch
Nagpur-Plant	7850	8150	7850	8150	Unch
Nagpur – Mandi	7450	8000	7450	8000	Unch
Latur – Mandi	7500	8745	7500	8555	190
Akola – Mandi	7500	8000	6800	8000	Unch
Kota-Plant	8900	9000	8675	8775	225
Kota – Mandi	8600	8800	8500	8750	50
Bundi-Plant	8500	8600	8500	8700	-100
Bundi-Mandi	8200	8500	8400	8650	-150
Baran-Plant	8600	8700	8535	8775	-75
Baran-Mandi	8000	8500	8085	8675	-175
Bhawani Mandi Jhalawar–Plant	8700	8900	8600	8800	100
Jhalwar-Mandi	8000	8700	7900	8600	100
Rapeseed/Mustard					
Jaipur-(Condition)	7700	7725	7600	7625	100
Alwar-(Condition)	7400	7500	7350	7400	100
Sri Ganganagar-(Non-Condition)	7100	7200	7000	7150	50
New Delhi–(Condition)	7450	7500	7445	7450	50
Kota-(Condition)	7200	7300	7300	7400	-100
Agra-(Condition)	7619	7762	7571	7667	95
Neewai-(Condition)	7100	7300	7000	7100	200
Hapur (UP)-(Condition)	7400	7450	7450	7500	-50
Groundnut Seed					
Rajkot	1005	1005	1011	1011	-6
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
Latur	7000	7100	7000	7100	Unch
Sholapur	7000	7100	7000	7100	Unch
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	24-Jul-21	23-Jul-21	
Madhya Pradesh	25000	25000	Unch
Maharashtra	20000	20000	Unch
Rajasthan	4000	4000	Unch
Bundi (Raj)	200	200	Unch
Baran (Raj)	3000	600	2400
Jhalawar (Raj)	1500	1000	500
Rapeseed/Mustard			
Rajasthan	90000	100000	-10000
Alwar	5000	3000	2000
Sri Ganganagar	800	1300	-500
Kota	700	1000	-300
Groundnut Seed			
Rajkot (Gujarat)	200	300	-100
Sunflower Seed			
Sholapur (Maharashtra)	600	600	Unch

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

Oilseeds	24-Jul-21	23-Jul-21	Change
Groundnut Kernel	7300	7300	Unch
Gr. Bolds 60/70	8650	8650	Unch
Gr. Javas 60/70	9500	9500	Unch
Gr Javas 70/80	9200	9200	Unch
Gr.Javas 80/90	8900	8900	Unch
KardiSeed 2% Exp Qly	5000	5000	Unch
Sesame White 98/2/1 FM	8000	8000	Unch
Whitish 95/5/FFA/1FM	7800	7800	Unch
Brown 48/2 FFA/4 FM	7700	7700	Unch
Brown 48/3 FFA/4 FM	7600	7600	Unch
Brown 48/4 FM/* No FFA Guarantee	7200	7200	Unch
Sunflower Seed	6700	6700	Unch
Niger Seed (4% FM)	8000	8000	Unch

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> © 2021 Indian Agribusiness Systems Pvt Ltd.