

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

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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 8,500 – 9,300/mt. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	+6.00	9388	9652	9305	9106
Sept-21	+4.17	8626	9095	8625	8626
Oct-21	+1.30	6830	6980	6600	6752

Contract	Volume	Change	OI	Change
Aug-21	40505	-16,755	26410	-8675
Sept-21	26355	2,785	15920	1440
Oct-21	3830	-265	7185	1600

Spread	Aug-21	Sept-21	Oct-21
Basis	9900		
Aug-21	794		
Sept-21		1274	
Oct-21			3148

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

Stocks	Demat 24-July-21	In-Process 24-July-21	Total 24-July-21	FED 26-July-21
Akola	60	-	60	60
Indore	20	-	20	20
Kota	260	-	260	260
Sagar	-	-	-	-
Nagpur	-	-	-	-

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

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

NCDEX RM Seed Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	-0.84	7790	7790	7577	7720
Sept-21	-0.71	7793	7794	7592	7729
Oct-21	-0.66	7823	7823	7630	7736

Contract	Volume	Change	OI	Change
Aug-21	45110	-2,150	41950	-1540
Sept-21	13910	400	16970	-60
Oct-21	3290	1,200	8080	-270

Spread	Aug-21	Sept-21	Oct-21
Basis	7787		
Aug-21	67		
Sept-21		58	
Oct-21			51

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

Stocks	Demat 24-July-21	In-Process 24-July-21	Total 24-July-21	FED 26-July-21
Sri Ganganagar	989	253	1242	988
Bharatpur	-	-	-	-
Bikaner	340	340	680	-
Kota	5304	111	5415	5303
Jaipur	11595	714	12309	11594
Alwar	449	-	449	450
Hapur	-	-	-	-

**RMS Fed Stocks Expiry on ---*

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	27-Jul-21		26-Jul-21		
	Low	High	Low	High	
Indore –Plant	9800	10000	9300	9700	300
Indore–Mandi	9500	9800	8800	9300	500
Nagpur-Plant	9600	9900	8750	9050	850
Nagpur – Mandi	9200	9750	8350	8900	850
Latur – Mandi	8900	9855	7800	9145	710
Akola – Mandi	7200	8700	7000	8400	300
Kota-Plant	10000	10100	9600	9700	400
Kota – Mandi	9700	9900	9300	9500	400
Bundi-Plant	9800	9900	9300	9400	500
Bundi-Mandi	9500	9800	9000	9300	500
Baran-Plant	9700	9800	9400	9500	300
Baran-Mandi	9100	9600	8800	9300	300
Bhawani Mandi Jhalawar–Plant	9725	9900	9350	9525	375
Jhalwar-Mandi	9000	9700	8900	9325	375
Rapeseed/Mustard					
Jaipur-(Condition)	7775	7800	7850	7875	-75
Alwar-(Condition)	7300	7400	7350	7450	-50
Sri Ganganagar-(Non-Condition)	6950	7000	7000	7100	-100
New Delhi–(Condition)	7460	7510	7450	7500	10
Kota-(Condition)	7000	7100	7100	7200	-100
Agra-(Condition)	7667	7810	7810	7952	-143
Neewai-(Condition)	6950	7150	7000	7200	-50
Hapur (UP)-(Condition)	7600	7650	7600	7650	Unch
Groundnut Seed					
Rajkot	1015	1015	NA	NA	-
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
Latur	7300	7400	7300	7400	Unch
Sholapur	7300	7400	7300	7400	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	27-Jul-21	26-Jul-21	
Madhya Pradesh	25000	20000	5000
Maharashtra	15000	15000	Unch
Rajasthan	5000	4000	1000
Bundi (Raj)	500	300	200
Baran (Raj)	7000	4000	3000
Jhalawar (Raj)	2000	2500	-500
Rapeseed/Mustard			
Rajasthan	100000	115000	-15000
Alwar	8000	6000	2000
Sri Ganganagar	1200	1000	200
Kota	900	500	400
Groundnut Seed			
Rajkot (Gujarat)	210	NA	-
Sunflower Seed			
Sholapur (Maharashtra)	600	600	Unch

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

Oilseeds	27-Jul-21	26-Jul-21	Change
Groundnut Kernel	7450	7450	Unch
Gr. Bolds 60/70	8950	8650	300
Gr. Javas 60/70	9800	9500	300
Gr Javas 70/80	9500	9200	300
Gr.Javas 80/90	9200	8900	300
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



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