

Oilseeds Domestic Fundamentals: Soybean Indore plant prices closed down amid heavy supply as compared to previous day in Madhya Pradesh. However, In Jaipur, RM seed prices closed down amid steady 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 8,500 – 10,000/mt. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	-6.00	9750	9750	8980	9553
Sept-21	-5.99	8866	8999	8335	8866
Oct-21	-5.89	6670	6750	6338	6742

Contract	Volume	Change	OI	Change
Aug-21	38295	-2,210	22995	-3415
Sept-21	23875	-2,480	16485	565
Oct-21	5140	1,310	5940	-1245

Spread	Aug-21	Sept-21	Oct-21
Basis	9750		
Aug-21	197		
Sept-21		884	
Oct-21			3008

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

Stocks	Demat	In-Process	Total	FED
	24-July-21	24-July-21	24-July-21	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	-1.39	7644	7661	7511	7617
Sept-21	-1.51	7606	7655	7515	7634
Oct-21	-1.63	7626	7657	7532	7657

Contract	Volume	Change	OI	Change
Aug-21	35930	-9,180	37450	-4500
Sept-21	14230	320	18240	1270
Oct-21	3020	-270	8560	480

Spread	Aug-21	Sept-21	Oct-21
Basis	7712		
Aug-21	95		
Sept-21		78	
Oct-21			55

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

Stocks	Demat	In-Process	Total	FED
	24-July-21	24-July-21	24-July-21	26-July-21
Sri Ganganagar	1181	60	1241	988
Bharatpur	-	-	-	-
Bikaner	380	300	680	-
Kota	5354	91	5445	5303
Jaipur	12178	211	12389	11594
Alwar	449	-	449	450
Hapur	-	-	-	-

**RMS Fed Stocks Expiry on ---*

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	28-Jul-21		27-Jul-21		
	Low	High	Low	High	
Indore –Plant	9700	9800	9800	10000	-200
Indore–Mandi	9200	9600	9500	9800	-200
Nagpur-Plant	9200	9500	9600	9900	-400
Nagpur – Mandi	7500	9350	9200	9750	-400
Latur – Mandi	8500	9895	8900	9855	40
Akola – Mandi	7400	9300	7200	8700	600
Kota-Plant	9650	9750	10000	10100	-350
Kota – Mandi	9350	9550	9700	9900	-350
Bundi-Plant	9350	9450	9800	9900	-450
Bundi-Mandi	9050	9350	9500	9800	-450
Baran-Plant	9500	9600	9700	9800	-200
Baran-Mandi	8900	9400	9100	9600	-200
Bhawani Mandi Jhalawar–Plant	9500	9700	9725	9900	-200
Jhalwar-Mandi	9000	9500	9000	9700	-200
Rapeseed/Mustard					
Jaipur-(Condition)	7700	7725	7775	7800	-75
Alwar-(Condition)	7250	7350	7300	7400	-50
Sri Ganganagar-(Non-Condition)	6900	6950	6950	7000	-50
New Delhi–(Condition)	7325	7375	7460	7510	-135
Kota-(Condition)	6900	7000	7000	7100	-100
Agra-(Condition)	7571	7714	7667	7810	-95
Neewai-(Condition)	6900	7000	6950	7150	-150
Hapur (UP)-(Condition)	7575	7625	7600	7650	-25
Groundnut Seed					
Rajkot	1125	1125	1015	1015	110
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	28-Jul-21	27-Jul-21	
Madhya Pradesh	40000	25000	15000
Maharashtra	25000	15000	10000
Rajasthan	5000	5000	Unch
Bundi (Raj)	800	500	300
Baran (Raj)	6000	7000	-1000
Jhalawar (Raj)	3000	2000	1000
Rapeseed/Mustard			
Rajasthan	100000	100000	Unch
Alwar	5000	8000	-3000
Sri Ganganagar	600	1200	-600
Kota	1200	900	300
Groundnut Seed			
Rajkot (Gujarat)	310	210	100
Sunflower Seed			
Sholapur (Maharashtra)	600	600	Unch

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

Oilseeds	28-Jul-21	27-Jul-21	Change
Groundnut Kernel	7450	7450	Unch
Gr. Bolds 60/70	8950	8950	Unch
Gr. Javas 60/70	9800	9800	Unch
Gr Javas 70/80	9500	9500	Unch
Gr.Javas 80/90	9200	9200	Unch
KardiSeed 2% Exp Qly	5200	5000	200
Sesame White 98/2/1 FM	8200	8000	200
Whitish 95/5/FFA/1FM	8000	7800	200
Brown 48/2 FFA/4 FM	7900	7700	200
Brown 48/3 FFA/4 FM	7800	7600	200
Brown 48/4 FM/* No FFA Guarantee	7400	7200	200
Sunflower Seed	6900	6700	200
Niger Seed (4% FM)	8200	8000	200

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.