

Oilseeds Domestic Fundamentals: Soybean Indore plant prices closed up amid tight supply as compared to previous day in Madhya Pradesh. However, In Jaipur, RM seed prices closed up 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. Record rise in soybean continues, SOPA writes to the exchange, fears of betting.

Soyabean has is witnessing upper circuit in recent trading session. supply of soybean is very tight, while there is still more than two months left for the crop to arrive, but despite this, the industry does not consider such a rise in futures to be justified.

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 30, July (Area In lakh Ha)					
	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Madhya Pradesh	55.86	57.17	49.76	-13%	44%
Maharashtra	38.8	40.74	43.82	8%	39%
Rajasthan	10.39	10.21	9.73	-5%	9%
Karnataka	2.84	3.21	3.73	16%	3%
Gujrat	1.16	1.42	2.17	53%	2%
Telangana	1.98	1.56	1.39	-11%	1%
Others	1.85	1.82	1.55	-15%	1%
Total	112.88	116.13	112.15	-3%	100%

Groundnut sowing As On 30, July (Area In lakh Ha)					
	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Gujrat	15.74	20.18	18.68	-7%	46%
Rajasthan	6.23	7.06	7.35	4%	18%
Karnataka	4.12	3.57	3.06	-14%	7%
Maharashtra	2.27	1.85	1.83	-1%	4%
Madhya Pradesh	2.28	2.54	3.26	28%	8%
Tamilnadu	2.02	1.36	1.05	-23%	3%
Andhra Pradesh	7.03	6.77	3.27	-52%	8%
Others	2.01	2.42	2.55	5%	6%
Total	41.7	45.75	41.05	-10%	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 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 – 10,300/mt. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	+2.99	9412	9872	9300	9545
Sept-21	+2.13	8545	8925	8545	8695
Oct-21	+0.43	6500	6600	6500	6522

Contract	Volume	Change	OI	Change
Aug-21	8620	-4,145	13390	-365
Sept-21	11165	-6,475	15235	290
Oct-21	2180	-2,100	8615	875

Spread	Aug-21	Sept-21	Oct-21
Basis	10050		
Aug-21	505		
Sept-21		1355	
Oct-21			3528

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

Stocks	Demat	In-Process	Total	FED
	03-Aug-21	03-Aug-21	03-Aug-21	02-Aug-21
Akola	60	-	60	60
Indore	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	+2.11	7712	7910	7706	7734
Sept-21	+2.23	7721	7926	7721	7746
Oct-21	+2.06	7772	7942	7771	7772

Contract	Volume	Change	OI	Change
Aug-21	30220	7,830	23820	-2760
Sept-21	39390	16,340	29610	2960
Oct-21	2380	-920	11350	300

Spread	Aug-21	Sept-21	Oct-21
Basis	7962		
Aug-21	228		
Sept-21		216	
Oct-21			190

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

Stocks	Demat	In-Process	Total	FED
	03-Aug-21	03-Aug-21	03-Aug-21	02-Aug-21
Sri Ganganagar	1262	121	1383	1262
Bharatpur	-	-	-	-
Bikaner	680	10	690	-
Kota	5107	489	5596	5107
Jaipur	10441	378	10819	10440
Alwar	229	49	278	230
Hapur	-	-	-	-

*RMS Fed Stocks Expiry on ---

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	04-Aug-21		03-Aug-21		
	Low	High	Low	High	
Indore –Plant	9800	10300	9600	10000	300
Indore–Mandi	9500	10000	9500	9900	100
Nagpur-Plant	9875	10150	9875	10150	Unch
Nagpur – Mandi	9400	10000	9400	10000	Unch
Latur – Mandi	9200	10030	8000	10070	-40
Akola – Mandi	8900	9800	8400	9825	-25
Kota-Plant	10200	10300	9900	10000	300
Kota – Mandi	9900	10100	9600	9800	300
Bundi-Plant	9950	10150	9600	9800	350
Bundi-Mandi	9750	10050	9400	9700	350
Baran-Plant	10175	10275	9850	9950	325
Baran-Mandi	9575	10075	9250	9750	325
Bhawani Mandi Jhalawar–Plant	10035	10285	9720	9970	315
Jhalwar-Mandi	9635	10085	9320	9770	315
Rapeseed/Mustard					
Jaipur-(Condition)	7950	7975	7800	7825	150
Alwar-(Condition)	7400	7500	7350	7450	50
Sri Ganganagar-(Non-Condition)	7300	7350	7250	7300	50
New Delhi–(Condition)	7500	7530	7425	7475	55
Kota-(Condition)	7250	7350	7150	7250	100
Agra-(Condition)	7905	8048	7762	7905	143
Neewai-(Condition)	7200	7300	7100	7200	100
Hapur (UP)-(Condition)	7650	7700	7450	7500	200
Groundnut Seed					
Rajkot	1050	1050	1055	1055	-5
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
Latur	7400	7500	7400	7500	Unch
Sholapur	7400	7500	7400	7500	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	04-Aug-21	03-Aug-21	
Madhya Pradesh	20000	23000	-3000
Maharashtra	15000	15000	Unch
kota	10250	9950	300
Bundi (Raj)	80	100	-20
Baran (Raj)	800	1200	-400
Jhalawar (Raj)	70	100	-30
Rapeseed/Mustard			
Rajasthan	75000	75000	Unch
Alwar	2000	2200	-200
Sri Ganganagar	600	800	-200
Kota	300	300	Unch
Groundnut Seed			
Rajkot (Gujarat)	260	250	10
Sunflower Seed			
Sholapur (Maharashtra)	800	800	Unch

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

Oilseeds	4-Aug-21	3-Aug-21	Change
Groundnut Kernel	7425	7425	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	5200	Unch
Sesame White 98/2/1 FM	8200	8200	Unch
Whitish 95/5/FFA/1FM	8000	8000	Unch
Brown 48/2 FFA/4 FM	7900	7900	Unch
Brown 48/3 FFA/4 FM	7800	7800	Unch
Brown 48/4 FM/* No FFA Guarantee	7400	7400	Unch
Sunflower Seed	6900	6900	Unch
Niger Seed (4% FM)	8200	8200	Unch

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