

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

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

The government has sent a proposal to the Centre to reduce the germination capacity of soybean seeds from 70 percent to 60 percent.

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.

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 – 10,500/mt. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	-5.62	10149	10280	9512	10119
Sept-21	-5.48	9143	9200	8565	9099
Oct-21	-2.11	6666	6666	6408	6630

Contract	Volume	Change	OI	Change
Aug-21	9050	795	10420	-1870
Sept-21	16470	6,640	17420	1695
Oct-21	3845	1,915	9795	535

Spread	Aug-21	Sept-21	Oct-21
Basis	10200		
Aug-21	81		
Sept-21		1101	
Oct-21			3570

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

Stocks	Demat	In-Process	Total	FED
	05-Aug-21	05-Aug-21	05-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	-0.90	7870	7875	7711	7858
Sept-21	-0.94	7881	7925	7752	7894
Oct-21	-0.92	7941	7945	7784	7918

Contract	Volume	Change	OI	Change
Aug-21	11920	-210	23070	-120
Sept-21	27780	4,460	29970	200
Oct-21	3740	2,470	11420	0

Spread	Aug-21	Sept-21	Oct-21
Basis	7912		
Aug-21	54		
Sept-21		18	
Oct-21			-6

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

Stocks	Demat	In-Process	Total	FED
	05-Aug-21	05-Aug-21	05-Aug-21	02-Aug-21
Sri Ganganagar	1403	81	1484	1262
Bharatpur	-	-	-	-
Bikaner	690	-	690	-
Kota	5586	211	5797	5107
Jaipur	10829	-	10829	10440
Alwar	259	20	279	230
Hapur	-	-	-	-

*RMS Fed Stocks Expiry on ---

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	07-Aug-21		06-Aug-21		
	Low	High	Low	High	
Indore –Plant	9800	10200	10000	10400	-200
Indore–Mandi	9800	10000	9800	10200	-200
Nagpur-Plant	10000	10380	10175	10450	-70
Nagpur – Mandi	9500	10230	9600	10300	-70
Latur – Mandi	8500	10350	9600	10605	-255
Akola – Mandi	8100	10100	8000	10000	100
Kota-Plant	9900	10000	9950	10050	-50
Kota – Mandi	9600	9800	9650	9850	-50
Bundi-Plant	9650	9850	9700	9900	-50
Bundi-Mandi	9450	9750	9500	9800	-50
Baran-Plant	9650	9750	9700	9800	-50
Baran-Mandi	9050	9550	9100	9600	-50
Bhawani Mandi Jhalawar–Plant	9580	9830	9630	9880	-50
Jhalwar-Mandi	9180	9630	9230	9680	-50
Rapeseed/Mustard					
Jaipur-(Condition)	7850	7875	7900	7925	-50
Alwar-(Condition)	7450	7550	7500	7600	-50
Sri Ganganagar-(Non-Condition)	7300	7350	7350	7400	-50
New Delhi–(Condition)	7370	7400	7395	7425	-25
Kota-(Condition)	7300	7400	7300	7400	Unch
Agra-(Condition)	7905	8048	7905	8048	Unch
Neewai-(Condition)	7350	7450	7400	7500	-50
Hapur (UP)-(Condition)	7550	7600	7550	7600	Unch
Groundnut Seed					
Rajkot	1070	1070	1060	1060	10
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
Latur	7300	7400	7400	7500	-100
Sholapur	7300	7400	7400	7500	-100
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	07-Aug-21	06-Aug-21	
Madhya Pradesh	10000	15000	-5000
Maharashtra	10000	12000	-2000
kota	9950	10000	-50
Bundi (Raj)	40	40	Unch
Baran (Raj)	800	750	50
Jhalawar (Raj)	700	500	200
Rapeseed/Mustard			
Rajasthan	75000	85000	-10000
Alwar	5000	4000	1000
Sri Ganganagar	900	900	Unch
Kota	400	400	Unch
Groundnut Seed			
Rajkot (Gujarat)	170	270	-100
Sunflower Seed			
Sholapur (Maharashtra)	500	800	-300

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

Oilseeds	7-Aug-21	6-Aug-21	Change
Groundnut Kernel	7350	7350	Unch
Gr. Bolds 60/70	9050	9050	Unch
Gr. Javas 60/70	9900	9900	Unch
Gr Javas 70/80	9600	9600	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

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.