

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

NCDEX Soybean slumped on meal import talk; drags Soy oil, Mustard. With the poultry industry hit badly due to rising feed meal prices, the Central government is all set to allow import of 1.2-1.5 million tonnes of genetically modified soymeal.

Indian government is set to launch an oil seeds mission owing to the recurring instances over decades of surging edible oil prices stoking food inflation and high imports of these items straining the country's current account. The mission will encompass investments of Rs 11000 crore in the cooking oil eco system.

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 06 Aug (Area In lakh Ha)					
	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Madhya Pradesh	55.86	57.81	51.67	-11%	45%
Maharashtra	38.8	41.8	44.48	6%	39%
Rajasthan	10.39	10.33	10.39	1%	9%
Karnataka	2.84	3.21	3.78	18%	3%
Gujrat	1.16	1.47	2.19	49%	2%
Telangana	1.98	1.59	1.39	-13%	1%
Others	1.85	1.866	1.24	-34%	1%
Total	112.88	118.076	115.14	-2%	100%

Groundnut sowing As On 06 Aug (Area In lakh Ha)					
	Normal Area	2019-20	2020-21	% Change	% of total sowing (2020-21)
Gujrat	15.74	20.37	18.93	-7%	43%
Rajasthan	6.23	7.06	7.49	6%	17%
Karnataka	4.12	3.57	3.66	3%	8%
Maharashtra	2.27	1.88	1.91	2%	4%
Madhya Pradesh	2.28	2.54	3.82	50%	9%
Tamilnadu	2.02	2.12	1.71	-19%	4%
Andhra Pradesh	7.03	6.93	4.082	-41%	9%
Others	2.01	2.6	2.788	7%	6%
Total	41.7	47.07	44.39	-6%	100%

International Oilseeds Fundamentals:

China's July soybean imports fall on year on weak crushing margins.

The world's top buyer of the oilseed brought in 8.67 million tonnes of soybeans in July, down 14.1% from 10.09 million tonnes the previous year.

Brazilian soybean exports reached 11.1 mmt in Jun 2021, 13% down from Jun 2020. Accum Jan-Jun 2021 at 59.4 mmt vs 58.8 mmt a year ago.

✦ *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.

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 weak tone amid profit booking by trader, however arrival has gone down at all trading markets. The prices are expected to be in the range of 7,500 – 9,000/mt. levels in the near-term.

NCDEX Soybean Futures:

Contract	+/-	Open	High	Low	Close
Aug-21	-6.00	9499	9499	8695	9250
Sept-21	-5.99	8148	8189	7591	8075
Oct-21	-6.00	6332	6365	5957	6337

Contract	Volume	Change	OI	Change
Aug-21	4410	-5,010	4050	-1600
Sept-21	18410	-3,060	17795	960
Oct-21	6755	-135	11095	1395

Spread	Aug-21	Sept-21	Oct-21
Basis	9000		
Aug-21	-250		
Sept-21		925	
Oct-21			2663

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

Stocks	Demat 11-Aug-21	In-Process 11-Aug-21	Total 11-Aug-21	FED 09-Aug-21
Akola	-	-	-	60
Indore	-	-	-	-
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	-1.29	7680	7710	7514	-1.29
Sept-21	-1.74	7742	7805	7602	-1.74
Oct-21	-1.64	7800	7844	7651	-1.64

Contract	Volume	Change	OI	Change
Aug-21	7680	7210	-2,400	10050
Sept-21	7773	36650	-4,070	37050
Oct-21	7811	4840	610	16350

Spread	Aug-21	Sept-21	Oct-21
Basis	7862		
Aug-21	182		
Sept-21		89	
Oct-21			51

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

Stocks	Demat 11-Aug-21	In-Process 11-Aug-21	Total 11-Aug-21	FED 09-Aug-21
Sri Ganganagar	1576	40	1616	1576
Bharatpur	-	-	-	-
Bikaner	690	-	690	-
Kota	5886	101	5987	5866
Jaipur	11279	50	11329	11128
Alwar	279	-	279	279
Hapur	-	-	-	-

*RMS Fed Stocks Expiry on ---

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	12-Aug-21		11-Aug-21		
	Low	High	Low	High	
Indore –Plant	8700	9300	8000	8700	600
Indore–Mandi	8500	9000	7900	8500	500
Nagpur-Plant	8000	8100	8600	9000	-900
Nagpur – Mandi	7300	7600	7800	8500	-900
Latur – Mandi	7200	8705	7200	8705	Unch
Akola – Mandi	7000	8350	7200	8100	250
Kota-Plant	9200	9300	9000	9100	200
Kota – Mandi	8900	9100	8700	8900	200
Bundi-Plant	8900	9100	8600	8800	300
Bundi-Mandi	8700	9000	8400	8700	300
Baran-Plant	8900	9000	8400	8500	500
Baran-Mandi	8300	8800	7800	8300	500
Bhawani Mandi Jhalawar–Plant	8800	9200	8350	8600	600
Jhalwar-Mandi	8000	9000	8000	8400	600
Rapeseed/Mustard					
Jaipur-(Condition)	7850	7875	7725	7750	125
Alwar-(Condition)	7450	7550	7350	7450	100
Sri Ganganagar-(Non-Condition)	7200	7250	7150	7200	50
New Delhi–(Condition)	7450	7500	7370	7400	100
Kota-(Condition)	7200	7300	7100	7200	100
Agra-(Condition)	7857	8000	7667	7810	190
Neewai-(Condition)	7300	7400	7200	7300	100
Hapur (UP)-(Condition)	7550	7600	7450	7500	100
Groundnut Seed					
Rajkot	NA	NA	1105	1105	-
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	12-Aug-21	11-Aug-21	
Madhya Pradesh	30000	20000	10000
Maharashtra	15000	15000	Unch
kota	9250	9050	200
Bundi (Raj)	400	250	150
Baran (Raj)	1400	500	900
Jhalawar (Raj)	600	200	400
Rapeseed/Mustard			
Rajasthan	80000	80000	Unch
Alwar	2500	1600	900
Sri Ganganagar	700	400	300
Kota	500	600	-100
Groundnut Seed			
Rajkot (Gujarat)	NA	300	-
Sunflower Seed			
Sholapur (Maharashtra)	1000	1000	Unch

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

Oilseeds	12-Aug-21	11-Aug-21	Change
Groundnut Kernel	7500	7425	75
Gr. Bolds 60/70	9150	9100	50
Gr. Javas 60/70	10000	9950	50
Gr Javas 70/80	9700	9650	50
Gr.Javas 80/90	9400	9350	50
KardiSeed 2% Exp Qly	5600	5600	Unch
Sesame White 98/2/1 FM	8600	8600	Unch
Whitish 95/5/FFA/1FM	8400	8400	Unch
Brown 48/2 FFA/4 FM	8300	8300	Unch
Brown 48/3 FFA/4 FM	8200	8200	Unch
Brown 48/4 FM/* No FFA Guarantee	7800	7800	Unch
Sunflower Seed	7300	7300	Unch
Niger Seed (4% FM)	8600	8600	Unch

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