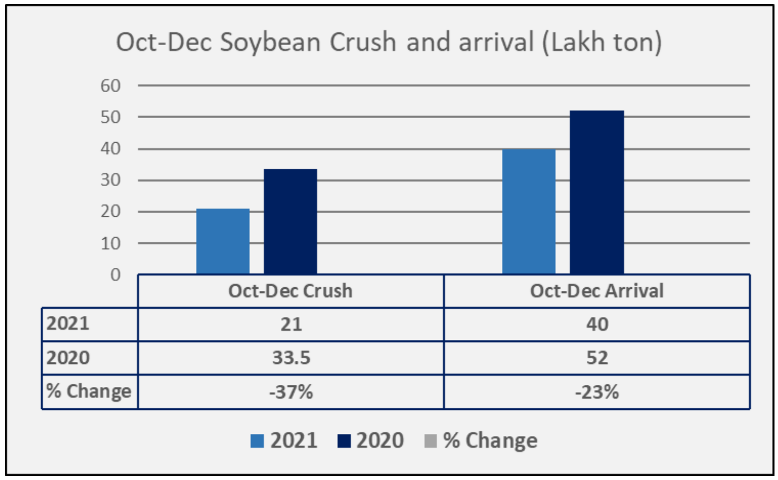
Oilseed Daily Fundamental Report
Thursday, January 13, 2022

Oilseeds Domestic Fundamentals: Today soybean prices remained steady in Indore, amid firm arrival in mandis. In Nagpur, soybean prices went up as compared to previous day. In Kota soy prices went up as compared to previous day. Domestic soy prices remain underpinned by strength in CBOT soybean which is hovering at five months high. RM seed prices went up as compared to previous day amid less availably in mandis.

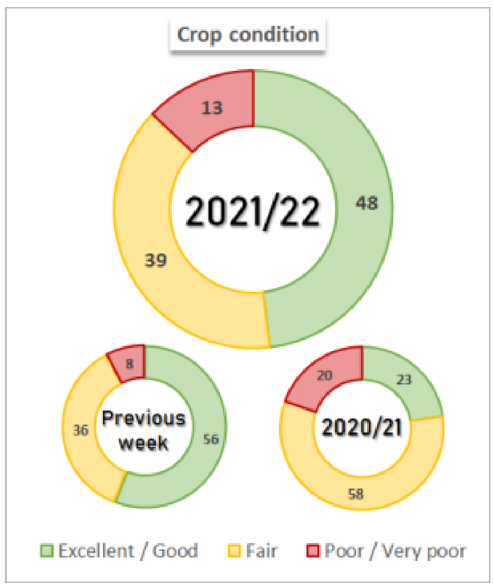
Soybean

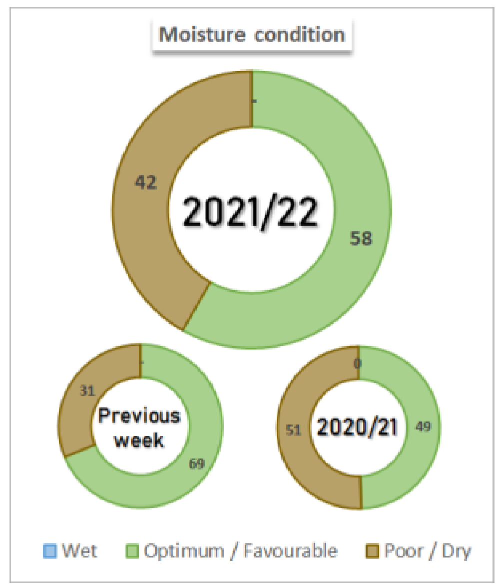


- According to SOPA, Oct-Dec'21 soy crush went down by 37% at 21 lakh tonnes as compared to 33.5 lakh tonne previous year same period, while arrival too remained low by 23% at 40 lakh tonnes as compared to 52 lakh tonne previous year same period. Additionally, estimated December'21 stock is at 90.86 lakh tonne vs 65.93 lakh tonne previous year. Slacked domestic and global soymeal demand triggered tight crushing and kept prices soy prices checked.
- It is inferred from SOPA data that arrivals are slower as farmers are expecting better prices for soybean, but on the other hand industry is unable to find sufficient demand for soybean deoiled cake even at current prices. This has resulted into prices of soybean DOC as well as those of soybean declining despite of low arrivals.
- As per Agriwatch estimates, total availability of soymeal in the country for MY 2021-22 is likely to be 88.80 lakh tonnes. Annual soymeal consumption stands between 60-65 lakh tonnes while 15-18 lakh tonnes soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.
- Bihar government as imposed stock limit on 05th of Jan'22 for edible oil and edible oilseed till 31st March'22. For municipal corporation areas stock limit on edible oil is at 500 quintal and on edible oil seed is at 1000 quintal. However, for all other areas, stock limit on edible oil is at 250 quintal and on edible oilseed is at 500 quintals.
- Agriwatch has estimated India's 2021/22 soybean output estimate to 12 million tonnes, vs 10.45million tonnes in 2020/21.
- Department of consumer affairs, food and public distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include soymeal in the category.
- Upon directions from the Government, SEBI has asked the exchanges to suspend trading in seven commodities, including soybean. Accordingly, no new contracts of soybean would be launched on NCDEX until further notice and only squaring off of positions is allowed in existing contracts.
- As per sources, farmers are willing to hold more soy produce in anticipation of higher prices in future as a result sale to soy processors remained low, October crush total was 37% below last years, according to SOPA and is expected to remain below normal in November. However, declining imports of edible oil may rebound crushing demand of soybean.
- As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of soybean during 2021-22 is 127.20 lakh tons vs 128.97 lakh tons last year.
- According to department of commerce, India's soybean import decreased in the month of September 2021 by 45% to 63,612.49 tonnes compared to 116384.93 tonnes during previous month. Further, the soybean imports were up by 235% in September'2021 compared to the same period last year. Of the total exported quantity, around 19,519.57 tonnes exported by Mozambique, Malawi 17,762.66 tonnes, Tanzania 11,639.32 tonnes.

International updates

- CBOT January soybeans witnessed gain of 5.48% to $ 14.01 a bushel for the week ended 08th Dec. March futures too increased by 5.30% to $ 14.10 a bushel. Dry weather condition in Argentina and Brazil pushed CBOT soybean at five months high. In upcoming USDA report we expect a soy production cut for Brazil and Argentina.
- AgRural has slashed its previously estimated Brazil soybean production estimates by 11.3 MMT due to drought. Earlier it was estimated to all-time record of 144 MMT but it has now been reduced to 133.4 MMT.
- US soybean harvesting is almost completed and expected estimated production pegged at 120.42 MMT.
- According to USDA December’21 report, Soy production estimate for India kept unchanged at 11.9 million tonnes, US soy production unchanged at 120.42 MMT, Argentina’s production unchanged at 49.5 million on a lower harvested area, Brazil soy production is estimated unchanged at 144 MMT.
- According to National Association of Grain Exporters (ANEC) Brazil’s soy export in Nov’21 stood at 2.28 million MT compared with 0.7 million MT in the same month last year
- As per USDA forecasts, China is set to import record soybean, triggered by herd recovery in 2021 and 2022. Additionally, improved crush margin will also support soy import. USDA estimates China's 2021-22 soybean imports at 100 MMT Vs 99.76 MMT last year.
- U.S. November Soybean Crush Seen at 181.64 Million Bushels: NOPA
- According to NOPA, U.S. November’21 soybean crush is seen at 181.64 million bushels compared to 183.99 million bushels in October, down by 1.3 percent. On yearly comparison it is up by 0.34 percent from 181.01 million bushels crushed last year in November 2020.
- As on 06th Jan, according to Buenos Aires Grains Exchange, In Argentina, Soybean sowing progress stood at 86.8% sowing have been completed V 93.5% last year same period and 94.7% five-year average.
- As on 06th January, according to Buenos Aires Grains Exchange, 48% soy crop is in excellent to good condition Vs 56% previous week, 39% soy crop is in fair condition Vs 36% previous week and 13% soy crop is in poor/very poor condition Vs 8% previous week.





RM seed

- According to GOI, as on 31st Dec, All India Mustard sowing is up by 22.5% at 88.54 Lakh Ha compared with 72.30 Lakh Ha last year.
- According to Department of agriculture, Rajasthan, as on 27th Dec, Rapeseed Mustard sowing is up by 37% and stood at 33.87 lakh hectare vs 24.7 lakh hectare last year same period.New crop arrival likely to pick up from second fortnight of February.
- As per Agriwatch estimates, this season all India RM seed acreage likely to remain above 84 lakh hectare and production at 97 to 100 lakh tonnes.
- According to Solvent extractors association of India, India's exports for rapeseed meal during April-Nov'2021 was down 10% at 7,00,613 metric tonnes compared to 7,74,849 metric tonnes during the same period previous marketing season.

Rapeseed Mustard sowing progress		As on 31st Dec'21		
	Normal area	2021-22	2020-21	% Change
Rajasthan	25.51	35.27	25.66	37.5%
Uttar Pradesh	6.95	14.08	12.33	14.2%
Madhya Pradesh	6.91	11.36	7.79	45.8%
Haryana	5.63	7.67	6.10	25.7%
West Bengal	5.50	5.40	5.72	-5.6%
Gujarat	1.96	3.35	2.14	56.7%
Assam	2.89	3.08	3.16	-2.4%
Jharkhand	2.60	3.01	3.91	-23.1%
Bihar	0.82	1.46	1.41	3.5%
Chattisgarh	0.44	1.16	1.40	-16.7%
Odisha	0.08	0.80	0.95	-15.7%
Jammu And Kashmir	0.48	0.31	0.28	8.6%
Arunanchal Pradesh	0.28	0.00	0.00	6.7%
Uttrakhand	0.15	0.17	0.17	0.0%
Nagaland	0.28	0.20	0.25	-22.8%
Sikkim	0.03	0.03	0.03	-0.9%
Others	1.06	1.19	1.00	18.9%
Total	61.55	88.54	72.30	22.5%
Data source-GOI			Area in Lakh ha	

- The export of rapeseed meal in November'21 is reported at 42,383 metric tonnes against last year 45,050 metric tonnes during the same period i.e., down by 6%.
- According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonnes this season.
- As per sources, overall crop condition seems good in Rajasthan.
- Mustard sowing expected to end with 18-20% increase in acreage.
- As per Agriwatch estimates, till 30th Nov'21 76 lakh tonne crushing has been completed, 10.8 lakh tonne is with farmers, processors and stockists. There is no procurement by NAFED and HAFED. ending stock is estimated at 3.2 lakh tonne.
- USDA in its December'21 report, Canada canola production estimates pegged at 12.6 MMT Vs 19.48 MMT previous year, China at 14 MMT Vs 14 MMT last year, EU at 17.25 MMT Vs 16.28 MMT.
- According to USDA December'21 report, Canada canola exports estimated down to 5.3 MMT Vs 10.51 MMT last year.
- Lower canola production in Canada has disrupted exports and major importers likely turn to Australia to offset displaced imports.

Outlook: Soybean (plant delivery, Indore) prices are expected to trade rangebound with firm bias on the back of strength in CBOT soybean. The prices are expected to be in the range of 6300-6700/qtl. levels in the near-term. RM seed prices are expected to correct from higher level amid higher acreage.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	**12-Jan-22**		**11-Jan-22**		
	Low	**High**	**Low**	**High**	
Indore –Plant	6500	6600	6500	6600	Unch
Indore–Mandi	6200	6450	6100	6450	Unch
Nagpur-Plant	6600	6750	6600	6725	25
Nagpur – Mandi	5000	6500	5400	6475	25
Latur – Mandi	5700	6400	5700	6400	Unch
Akola – Mandi	5900	6800	5400	6900	-100
Kota-Plant	6550	6650	6400	6500	150
Kota – Mandi	6250	6450	6100	6300	150
Bundi-Plant	6300	6535	6200	6400	135
Bundi-Mandi	6200	6435	6100	6300	135
Baran-Plant	6450	6750	6300	6600	150
Baran-Mandi	6350	6650	6200	6500	150
Bhawani Mandi Jhalawar–Plant	6600	6700	6400	6550	150
Jhalwar-Mandi	6200	6570	6000	6450	120
Rapeseed/Mustard					
Jaipur-(Condition)	7625	7650	7525	7550	100
Alwar-(Condition)	7100	7200	6900	7000	200
Sri Ganganagar-(Non-Condition)	7050	7100	6900	6950	150
New Delhi–(Condition)	7250	7300	7350	7400	-100
Kota-(Condition)	7200	7300	7100	7200	100
Agra-(Condition)	7524	7714	7524	7714	Unch
Neewai-(Condition)	7150	7250	7050	7150	100
Hapur (UP)-(Condition)	6850	7000	6850	7000	Unch
Groundnut Seed					
Rajkot	924	924	912	912	12
Sunflower Seed					
Gulbarga	4800	5400	5000	5200	200
Latur	6100	6200	6100	6200	Unch
Sholapur	6100	6200	6100	6200	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-Jan-22**	**11-Jan-22**	
Madhya Pradesh	160000	130000	30000
Maharashtra	125000	110000	15000
kota	6600	6450	150
Bundi (Raj)	250	200	50
Baran (Raj)	2800	2500	300
Jhalawar (Raj)	2500	2000	500
Rapeseed/Mustard			
Rajasthan	50000	45000	5000
Alwar	4000	7000	-3000
Sri Ganganagar	400	400	Unch
Kota	700	1300	-600
Groundnut Seed			
Rajkot (Gujarat)	6900	4500	2400
Sunflower Seed			
Sholapur (Maharashtra)	300	300	Unch

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

Oilseeds	12-Jan-22	11-Jan-22	Change
Groundnut Kernel	6700	6700	Unch
Gr. Bolds 60/70	8500	8500	Unch
Gr. Javas 60/70	9300	9300	Unch
Gr Javas 70/80	9100	9100	Unch
Gr.Javas 80/90	8900	8900	Unch
KardiSeed 2% Exp Qly	6300	6300	Unch
Sesame White 98/2/1 FM	9700	9700	Unch
Whitish 95/5/FFA/1FM	9500	9500	Unch
Brown 48/2 FFA/4 FM	9100	9100	Unch
Brown 48/3 FFA/4 FM	9000	9000	Unch
Brown 48/4 FM/* No FFA Guarantee	8600	8600	Unch
Sunflower Seed	6500	6500	Unch
Niger Seed (4% FM)	8200	8200	Unch