

Oilseeds Domestic Fundamentals: Today soybean prices went down in Indore, despite tight arrival followed by decrease in CBOT soybean by 1.57%. In Nagpur too soybean prices went down as compared to previous day amid tight arrival. Domestic soy prices witnessed good rally in last few trading session supported by strength in CBOT soybean which is hovering at five months high. RM seed prices corrected as compared to previous day amid less availability in mandis and record acreage in the country.

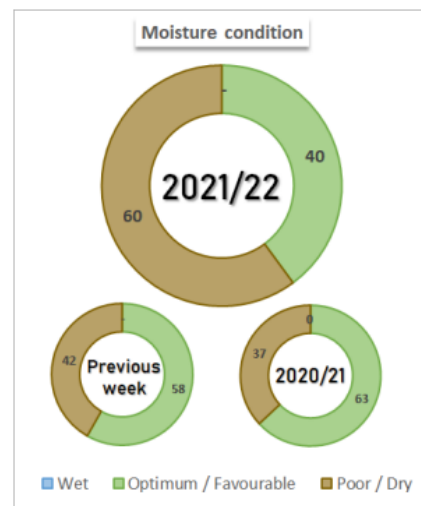
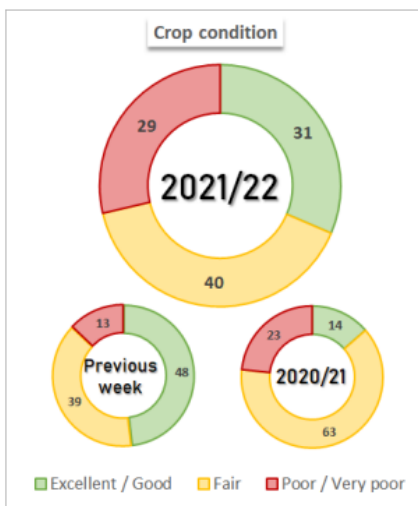
Soybean

- 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 and lower crush margin has 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. Earlier it was estimated to all-time record of 144 MMT but it has now been reduced to 133.4 MMT. Dry weather condition prevailing in Argentina and Brazil has adversely affected soy yield.

- According to USDA January'21 report, 2021-22 Soy production estimate for India kept unchanged at 11.9 million tonnes while last year it was 10.45 MMT. US soy production increased slightly higher at 120.70 MMT as compared to previous month at 120.42 MMT while last year it was 114.74 MMT.
- However, Argentina's 2021-22 soy production decreased by 3 MMT to 46.5 MMT while last year it was 46.20 MMT, Brazil soy production too reduced by 5 MMT to 139 MMT while last year it was 138 MMT. Dry weather condition in south America has resulted in production cut.
- 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.
- According to China's General Administration of customs data soybean import went down by 3.50% in Dec'21 to 8.87 MMT as compared to 8.57 MMT in November. Weak demand from massive hog industry triggered by tight hog margin pushed soy import slightly lower. As China accounts for 60% of global soybean imports. USDA has projected China's soybean import at 100 MMT as compared to 99.7 MMT previous year. Falling hog margin and weak crush margin may drag China's soybean import below 100 MMT.
- 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 13th Jan, according to Buenos Aires Grain Exchange, In Argentina, Soybean sowing progress stood at 92.5% Vs 97.5% last year same period and 98.4% five-year average.
- As on 13th January, according to Buenos Aires Grains Exchange, 31% soy crop is in excellent to good condition Vs 48% previous week, 40% soy crop is in fair condition Vs 39% previous week and 29% soy crop is in poor/very poor condition Vs 13% previous week. Dry weather condition has worsened soy crop condition and resulted in production cut by 3 MMT to 46.5 MMT.



RM seed

- Hailstorm In few pockets of eastern Uttar Pradesh has damaged standing mustard crop.
- Eastern Rajasthan has witnessed rainfall with hailstorm triggered by western disturbance has damaged standing crop.
- In few pockets of Haryana especially in Kurukshetra, Yamunanagar, Ambala, Karnal, Kaithal and Sonapat districts, high wind velocity has flattened mustard plant and in few region 10-15% flowers have fallen.
- 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.
- 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. Mustard sowing expected to end with 18-20% increase in acreage. New crop arrival likely to pick up from second fortnight of February.
- 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.
- According to Solvent Extraction Association of India Mustard crop production is estimated at 120 lakh tonnes assuming favourable weather condition in rabi season.
- 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.
- 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%.
- 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 January'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 17.3 MMT Vs 16.28 MMT.
- According to USDA January'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.

| 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% |
| Arunachal Pradesh | 0.28 | 0.00 | 0.00 | 6.7% |
| Uttarakhand | 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 | | |

Outlook: Soybean (plant delivery, Indore) prices are expected to trade rangebound with firm bias on the back of strength in CBOT soybean and tight arrival. 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 | 14-Jan-22 | | 13-Jan-22 | | |
| | Low | High | Low | High | |
| Indore –Plant | 6350 | 6450 | 6450 | 6550 | -100 |
| Indore–Mandi | 6100 | 6350 | 6200 | 6400 | -50 |
| Nagpur-Plant | 6600 | 6750 | 6650 | 6800 | -50 |
| Nagpur – Mandi | 5000 | 6500 | 5155 | 6560 | -60 |
| Latur – Mandi | Closed | Closed | 5995 | 6315 | - |
| Akola – Mandi | 5325 | 6705 | 5600 | 7125 | -420 |
| Kota-Plant | 6600 | 6700 | 6675 | 6775 | -75 |
| Kota – Mandi | Closed | Closed | 6375 | 6575 | - |
| Bundi-Plant | 6450 | 6600 | 6500 | 6650 | -50 |
| Bundi-Mandi | Closed | Closed | 6400 | 6550 | - |
| Baran-Plant | 6525 | 6825 | 6600 | 6900 | -75 |
| Baran-Mandi | Closed | Closed | 6500 | 6800 | - |
| Bhawani Mandi Jhalawar–Plant | 6320 | 6520 | 6400 | 6600 | -80 |
| Jhalwar-Mandi | Closed | Closed | 6100 | 6500 | - |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | Closed | Closed | 7625 | 7650 | - |
| Alwar-(Condition) | Closed | Closed | 7400 | 7500 | - |
| Sri Ganganagar-(Non-Condition) | 7150 | 7200 | 7200 | 7250 | -50 |
| New Delhi–(Condition) | 7300 | 7350 | 7350 | 7400 | -50 |
| Kota-(Condition) | Closed | Closed | 7400 | 7500 | - |
| Agra-(Condition) | Closed | Closed | 7619 | 7810 | - |
| Neewai-(Condition) | Closed | Closed | 7150 | 7250 | - |
| Hapur (UP)-(Condition) | 7250 | 7300 | 7250 | 7300 | Unch |
| Groundnut Seed | | | | | |
| Rajkot | Closed | Closed | 938 | 938 | - |
| Sunflower Seed | | | | | |
| Gulbarga | Closed | Closed | 4800 | 5400 | - |
| Latur | Closed | Closed | 6100 | 6200 | - |
| Sholapur | Closed | Closed | 6100 | 6200 | - |
| 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 | 14-Jan-22 | 13-Jan-22 | |
| Madhya Pradesh | 50000 | 130000 | -80000 |
| Maharashtra | 50000 | 120000 | -70000 |
| kota | 6650 | 6725 | -75 |
| Bundi (Raj) | Closed | 150 | - |
| Baran (Raj) | Closed | 2200 | - |
| Jhalawar (Raj) | Closed | 1800 | - |
| Rapeseed/Mustard | | | |
| Rajasthan | NA | 50000 | - |
| Alwar | Closed | 1000 | - |
| Sri Ganganagar | 500 | 700 | -200 |
| Kota | Closed | 500 | - |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | Closed | 4350 | - |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | Closed | 300 | - |

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

| Oilseeds | 14-Jan-22 | 13-Jan-22 | Change |
|----------------------------------|-----------|-----------|--------|
| Groundnut Kernel | 6700 | 6700 | Unch |
| Gr. Bolds 60/70 | 8400 | 8400 | Unch |
| Gr. Javas 60/70 | 9200 | 9200 | Unch |
| Gr Javas 70/80 | 9000 | 9000 | Unch |
| Gr.Javas 80/90 | 8800 | 8800 | Unch |
| KardiSeed 2% Exp Qly | 6400 | 6400 | 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 |



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