Oilseeds Domestic Fundamentals: In Indore soybean plant prices remained steady despite tight arrivals. Jaipur RM seed prices witnessed gains amid less availably in mandis and record acreage in the country. RM seed prices likely to correct as arrivals picks up in second fortnight of February.

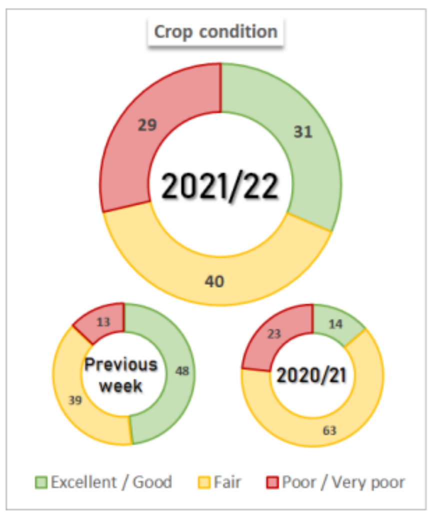
Soybean

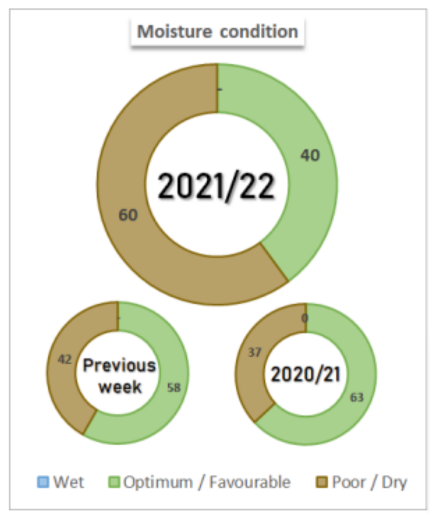
- SOPA has stated that govt. should consider to allow subsidy for inland freight to support exporters to compete for export of soy products as soymeal exports have fallen due to high prices in international market.
- SOPA reported Oct-Dec'21 soy crush down by 37% at 21 lakh tonnes as compared to 33.5 lakh tonnes previous year same period, while arrival too remained low by 23% at 40 lakh tonnes as compared to 52 lakh tonnes previous year same period. Additionally, estimated December'21 stock is at 90.86 lakh tonnes vs 65.93 lakh tonnes previous year. Slacked domestic and global soymeal demand and also lower crush margin and tight crushing kept 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 at 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 tonnes vs 128.97 lakh tonnes 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

- According to AgRural 2021/22 soybeans in Brazil were 1.2% harvested as compared to 0.4% last year and 1.1% average
- AgRural has slashed its previously estimated Brazil soybean production estimates by 11.3 million metric tonnes (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 Dec'21 stood at 2.28 MMT compared with 0.7 MMT 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

Rapeseed Mustard sowing progress	As on 14th Jan'22			
	Normal area	2021-22	2020-21	% Change
Rajasthan	25.51	35.27	25.66	37.5%
Uttar Pradesh	6.95	14.15	12.31	15.0%
Madhya Pradesh	6.91	11.61	7.81	48.7%
Haryana	5.63	7.67	6.10	25.7%
West Bengal	5.50	5.81	5.83	-0.3%
Gujarat	1.96	3.40	2.15	58.6%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	3.70	4.20	-11.7%
Bihar	0.82	1.48	1.47	0.7%
Chattisgarh	0.44	1.26	1.40	-9.8%
Odisha	0.08	0.90	1.04	-13.8%
Jammu And Kashmir	0.48	0.31	0.29	7.7%
Arunanchal Pradesh	0.28	0.28	0.28	-0.4%
Uttrakhand	0.15	0.18	0.18	0.0%
Nagaland	0.28	0.22	0.25	-14.2%
Sikkim	0.03	0.03	0.03	0.0%
Others	1.06	0.97	0.77	26.3%
Total	61.55	90.5	72.93	24.0%
Data source-GOI			Area in Lakh ha	

- Solvent Extractors Association has favoured to resume Mustard futures, stated that suspension has not served the purpose of curbing inflation. As despite ban in futures RM seed prices still trading above 8000/Qtl.
- According to GOI, as on 14th Jan'22, All India Mustard sowing is up by 24% at 90.5 Lakh Ha compared with 72.93 Lakh Ha last year.
- 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 Sonepat districts, high wind velocity has flattened mustard plant and in few regions 10-15% flowers have fallen.
- 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-Dec'2021 was down 22% at 7,13,593 metric tonnes compared to 9,16,715 metric tonnes during the same period previous marketing season.
- The export of rapeseed meal in December'21 is reported at 12,980 metric tonnes against last year 1,41,566 metric tonnes during the same period i.e., down by 91%. Rappeseed meal export remained lower due to less availability of seeds for crushing, new crop will be available from end of February or early of march for crushing.
- As per Agriwatch estimates, till 30th Nov' 21 76 lakh tonnes crushing has been completed, 10.8 lakh tonnes 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.

Outlook: Soybean (plant delivery, Indore) prices are expected to trade rangebound with weak bias amid slacked soymeal demand and tight crush margin. The prices are expected to be in the range of 6300-6500/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	24-Jan-22		22-Jan-22		
	Low	High	Low	High	
Indore –Plant	6400	6500	6400	6500	Unch
Indore–Mandi	6200	6400	6100	6375	25
Nagpur-Plant	6400	6500	6300	6750	-250
Nagpur – Mandi	5800	6100	5100	6255	-155
Latur – Mandi	5895	6290	5750	6330	-40
Akola – Mandi	5500	6500	5000	6930	-430
Kota-Plant	6350	6550	6400	6600	-50
Kota – Mandi	6050	6400	6100	6450	-50
Bundi-Plant	6200	6400	6200	6500	-100
Bundi-Mandi	6100	6300	6200	6400	-100
Baran-Plant	6300	6450	6400	6600	-150
Baran-Mandi	6200	6350	6300	6500	-150
Bhawani Mandi Jhalawar–Plant	6300	6425	6400	6500	-75
Jhalwar-Mandi	6100	6375	6200	6450	-75
Rapeseed/Mustard					
Jaipur-(Condition)	8250	8275	8225	8250	25
Alwar-(Condition)	7600	7800	7800	8000	-200
Sri Ganganagar-(Non-Condition)	7500	7550	7600	7800	-250
New Delhi–(Condition)	7850	7900	7700	7750	150
Kota-(Condition)	7625	7825	7600	7800	25
Agra-(Condition)	8143	8333	8190	8381	-48
Neewai-(Condition)	7550	7750	7600	7800	-50
Hapur (UP)-(Condition)	7750	7850	7800	7900	-50
Groundnut Seed					
Rajkot	950	950	950	950	Unch
Sunflower Seed					
Gulbarga	4500	5400	4500	5400	Unch
Latur	6100	6200	6000	6100	100
Sholapur	6100	6200	6000	6100	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	**24-Jan-22**	**22-Jan-22**	
Madhya Pradesh	80000	120000	-40000
Maharashtra	80000	100000	-20000
Kota	8000	8000	Unch
Bundi (Raj)	800	500	300
Baran (Raj)	1700	1200	500
Jhalawar (Raj)	2000	1600	400
Rapeseed/Mustard			
Rajasthan	60000	40000	20000
Alwar	4000	1800	2200
Sri Ganganagar	400	200	200
Kota	900	1200	-300
Groundnut Seed			
Rajkot (Gujarat)	3200	1680	1520
Sunflower Seed			
Sholapur (Maharashtra)	300	500	-200

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

Oilseeds	24-Jan-22	22-Jan-22	Change
Groundnut Kernel	6650	6600	50
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	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