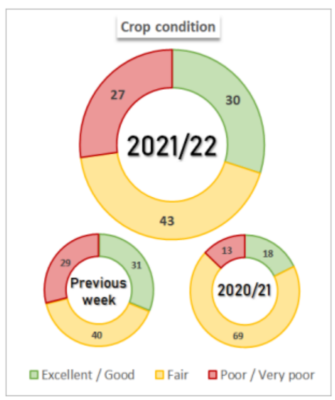
Oilseeds Domestic Fundamentals: In Indore soybean plant prices went down amid firm arrivals as compared to previous day. Jaipur RM seed prices witnessed rebound amid less availability and record acreage in the country. RM seed prices likely to correct as arrivals picks up in second fortnight of February.

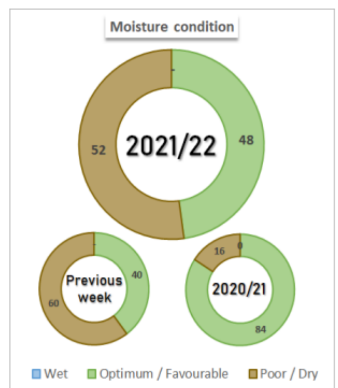
Soybean

- Solvent Extractors Association (SEA) reported India's Soy oil imports in Dec'21 up by 22% percent m-o-m to 3.92 lakh tons as compared to 3.22 lakh tons in Dec'20. Additionally, soy oil import in Dec'21 went down by 17% as compared to previous month. The import of soybean oil is up due to decline in domestic crushing trigged by slacked soymeal demand and tight crush margin.
- 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.
- As Crushing has been lower in first quarter of this season, if soymeal demand in rest of three quarter doesn't crushing doesn't pics up, carry out stocks may be much higher than previous year and prices may remain under pressure.
- 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.
- 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. We think the stock limit on soymeal will have minimal impact as generally crushers store soymeal for 10-15 days. As per Agriwatch estimates, total production of soymeal in the country for MY 2021-22 is likely to be 84.8 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.
- 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

- AgRural has slashed its previously estimated Brazil soybean production 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. As on 24th Jan, Brazil's 2021-22 soybean production has reached to 5%.
- 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 20th Jan, according to Buenos Aires Grain Exchange, Soybean sowing progress in Argentina stood at 94.8% Vs 98.6% last year same period and 99.3% five-year average.
- As on 20th January, according to Buenos Aires Grains Exchange, 30% soy crop is in excellent to good condition Vs 31% previous week, 43% soy crop is in fair condition Vs 40% previous week and 27% soy crop is in poor/very poor condition Vs 29% previous week. Dry weather condition has worsened soy crop condition and resulted in production cut by 3 MMT to 46.5 MMT.





RM seed

- According to GOI, as on 21st Jan'22, All India Mustard sowing is up by 24.5% at 91 Lakh Ha compared with 73.10 Lakh Ha last year.
- RM seed crop have been harmed by unseasonal rainfall and hailstorms in Rajasthan which may delay arrival.
- 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 Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonnes this season.

Rapeseed Mustard sowing progress		As on 21st Jan'22		
	Normal area	2021-22	2020-21	% Change
Rajasthan	25.51	35.27	25.66	37.5%
Uttar Pradesh	6.95	14.17	12.33	14.9%
Madhya Pradesh	6.91	11.72	7.81	50.1%
Haryana	5.63	7.67	6.10	25.7%
West Bengal	5.50	5.82	5.85	-0.5%
Gujarat	1.96	3.40	2.15	58.6%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	3.94	4.29	-8.3%
Bihar	0.82	3.20	3.16	1.0%
Chattisgarh	0.44	1.34	1.40	-4.4%
Odisha	0.08	0.99	1.05	-5.4%
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%
Total	61.55	91.00	73.10	24.5%
Data source-GOI			Area in Lakh ha	

- 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.
- 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 6200-6500/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	**31-Jan-22**		**29-Jan-22**		
	Low	**High**	**Low**	**High**	
Indore –Plant	6250	6325	6300	6380	**-55**
Indore–Mandi	5800	6200	6100	6300	**-100**
Nagpur-Plant	6300	6400	6100	6460	**-60**
Nagpur – Mandi	5700	6000	4800	5885	**115**
Latur – Mandi	6000	6180	5755	6160	**20**
Akola – Mandi	5300	6055	5300	6055	**Unch**
Kota-Plant	6250	6350	6450	6550	**-200**
Kota – Mandi	6150	6300	6350	6500	**-200**
Bundi-Plant	6100	6300	6300	6500	**-200**
Bundi-Mandi	6000	6200	6200	6400	**-200**
Baran-Plant	6200	6375	6350	6525	**-150**
Baran-Mandi	5800	6175	6150	6325	**-150**
Bhawani Mandi Jhalawar–Plant	6200	6370	6400	6620	**-250**
Jhalwar-Mandi	5900	6270	6200	6520	**-250**
Rapeseed/Mustard					
Jaipur-(Condition)	7825	7850	7675	7700	**150**
Alwar-(Condition)	7350	7400	7150	7200	**200**
Sri Ganganagar-(Non-Condition)	6900	7000	6750	6850	**150**
New Delhi–(Condition)	7400	7450	7050	7100	**350**
Kota-(Condition)	7400	7600	7300	7420	**180**
Agra-(Condition)	7952	8000	7762	7810	**190**
Neewai-(Condition)	7250	7450	7050	7250	**200**
Hapur (UP)-(Condition)	7400	7500	7350	7450	**50**
Groundnut Seed					
Rajkot	915	915	931	931	**-16**
Sunflower Seed					
Gulbarga	4800	5400	4800	5400	**Unch**
Latur	5900	6000	5900	6000	**Unch**
Sholapur	5900	6000	5900	6000	**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	**31-Jan-22**	**29-Jan-22**	
Madhya Pradesh	100000	60000	40000
Maharashtra	100000	60000	40000
Kota	10000	7000	3000
Bundi (Raj)	600	400	200
Baran (Raj)	3000	2000	1000
Jhalawar (Raj)	3500	2200	1300
Rapeseed/Mustard			
Rajasthan	50000	50000	Unch
Alwar	2000	2500	-500
Sri Ganganagar	500	600	-100
Kota	800	1100	-300
Groundnut Seed			
Rajkot (Gujarat)	5250	2100	3150
Sunflower Seed			
Sholapur (Maharashtra)	700	700	Unch

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

Oilseeds	31-Jan-22	29-Jan-22	Change
Groundnut Kernel	6700	6700	Unch
Gr. Bolds 60/70	8300	8400	-100
Gr. Javas 60/70	9100	9200	-100
Gr Javas 70/80	8900	9000	-100
Gr.Javas 80/90	8700	8800	-100
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	8800	8800	Unch
Brown 48/4 FM/* No FFA Guarantee	8500	8500	Unch
Sunflower Seed	6300	6300	Unch
Niger Seed (4% FM)	8200	8200	Unch