

**Oilseeds Domestic Fundamentals:** In Indore soybean plant prices went up amid steady arrivals as compared to previous day. Bullish CBOT soybean is underpinning domestic prices in near term. Jaipur RM seed prices witnessed loss amid less availability and record acreage in the country. RM seed prices likely to correct as arrivals picks up in second fortnight of February.

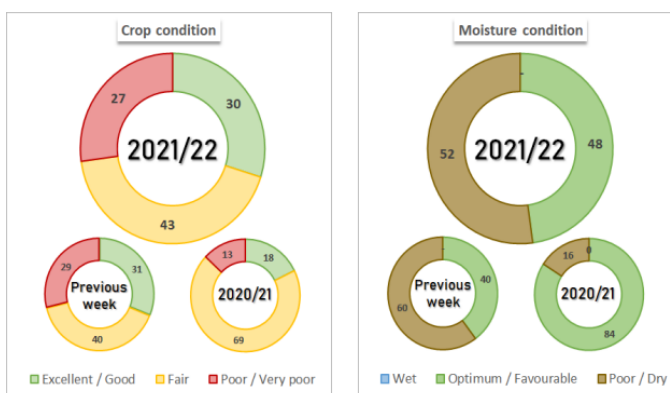
### **Soybean**

- 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 triggered by slacked soymeal demand and tight crush margin.
- SOPA has requested to govt. to consider 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 pick 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 05<sup>th</sup> of Jan'22 for edible oil and edible oilseed till 31<sup>st</sup> 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 86.9 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.

### **International updates**

- AgRural has slashed its previously estimated Brazil soybean production by 3.4 MMT. Earlier it was estimated to all-time record of 133.4 MMT but it has now been reduced to 130 MMT. Dry weather condition prevailing in Argentina and Brazil has adversely affected soy yield. As on 29th Jan, Brazil's 2021-22 soybean harvesting has reached to 10%.

- 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 2.54 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.
- 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 28th Jan'22, All India Mustard sowing is up by 25.1% at 91.44 Lakh Ha compared with 73.12 Lakh Ha last year.
- 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.
- According to Solvent Extraction Association of India Mustard crop production is estimated at 120 lakh tonnes assuming favourable weather condition in rabi

Rapeseed Mustard sowing progress		As on 28th 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	6.08	5.85	3.9%
Gujarat	1.96	3.40	2.15	58.5%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	4.00	4.31	-7.1%
Bihar	0.82	1.50	1.50	0.0%
Chattisgarh	0.44	1.37	1.40	-1.7%
Odisha	0.08	1.05	1.05	0.2%
Jammu And Kashmir	0.48	0.31	0.29	7.7%
Arunachal Pradesh	0.28	0.28	0.28	0.0%
Uttarakhand	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	91.44	73.12	25.1%
Data source-GOI		Area in Lakh ha		

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%. Rapeseed 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 slackened soybean demand and tight crush margin. The prices are expected to be in the range of 6200-6500/mt. 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/QtI)				Change
Soybean	03-Feb-22		02-Feb-22		
	Low	High	Low	High	
Indore –Plant	6400	6600	6300	6500	100
Indore–Mandi	6200	6400	6100	6300	100
Nagpur-Plant	6200	6600	6100	6300	300
Nagpur – Mandi	6000	6100	5500	5800	300
Latur – Mandi	6000	6250	5800	6100	150
Akola – Mandi	5200	6000	5200	6000	Unch
Kota-Plant	6400	6625	6300	6450	175
Kota – Mandi	6000	6525	5800	6350	175
Bundi-Plant	6100	6500	6000	6250	250
Bundi-Mandi	5900	6400	5700	6150	250
Baran-Plant	6300	6535	6200	6400	135
Baran-Mandi	6000	6435	6000	6300	135
Bhawani Mandi Jhalawar–Plant	6200	6500	6100	6300	200
Jhalwar-Mandi	6000	6450	5700	6200	250
Rapeseed/Mustard					
Jaipur-(Condition)	7975	8000	8250	8275	-275
Alwar-(Condition)	7500	7600	7800	7900	-300
Sri Ganganagar-(Non-Condition)	6800	6850	7000	7100	-250

New Delhi-(Condition)	7650	7700	7750	7800	<b>-100</b>
Kota-(Condition)	7400	7500	7800	7900	<b>-400</b>
Agra-(Condition)	8143	8286	8143	8286	<b>Unch</b>
Neewai-(Condition)	7300	7500	7550	7750	<b>-250</b>
Hapur (UP)-(Condition)	7650	7750	7900	8000	<b>-250</b>
<b>Groundnut Seed</b>					
Rajkot	910	910	910	910	<b>Unch</b>
<b>Sunflower Seed</b>					
Gulbarga	4800	5400	4800	5400	<b>Unch</b>
Latur	6100	6200	6100	6200	<b>Unch</b>
Sholapur	6100	6200	6100	6200	<b>Unch</b>
Soybean Prices are in INR/ctl. (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/ctl.					

**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/QtI		Change
<b>Soybean</b>	<b>03-Feb-22</b>	<b>02-Feb-22</b>	
Madhya Pradesh	110000	110000	<b>Unch</b>
Maharashtra	110000	110000	<b>Unch</b>
Kota	10000	10000	<b>Unch</b>
Bundi (Raj)	300	500	<b>-200</b>
Baran (Raj)	1500	2400	<b>-900</b>
Jhalawar (Raj)	1000	2800	<b>-1800</b>
<b>Rapeseed/Mustard</b>			
Rajasthan	40000	40000	<b>Unch</b>
Alwar	1500	1700	<b>-200</b>
Sri Ganganagar	200	200	<b>Unch</b>
Kota	1200	600	<b>600</b>
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	3450	3000	<b>450</b>
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	400	400	<b>Unch</b>

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

Oilseeds	3-Feb-22	2-Feb-22	Change
Groundnut Kernel	6700	6700	<b>Unch</b>



Gr. Bolds 60/70	8300	8200	100
Gr. Javas 60/70	9100	9000	100
Gr Javas 70/80	8900	8800	100
Gr.Javas 80/90	8700	8600	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

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

Oilseeds	2-Feb-22	1-Feb-22	Change
Groundnut Kernel	6700	6700	Unch
Gr. Bolds 60/70	8200	8300	-100
Gr. Javas 60/70	9000	9100	-100
Gr Javas 70/80	8800	8900	-100
Gr.Javas 80/90	8600	8700	-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

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