

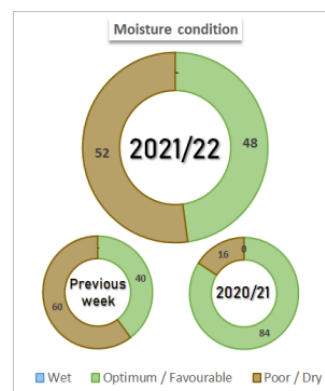
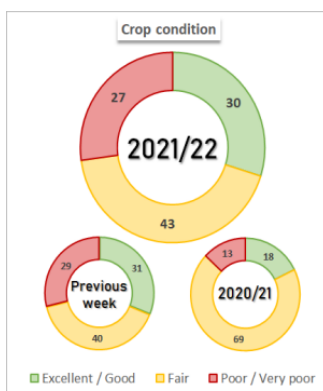
**Oilseeds Domestic Fundamentals:** In Indore soybean plant prices went down amid steady arrivals as compared to previous day. Jaipur RM seed prices witnessed gains amid less availability and record acreage in the country. RM seed prices likely to correct as arrivals picks up in second fortnight of February.

### Soybean

- On 03<sup>rd</sup> of Feb22, Department of Food and Public Distribution has issued a stock limit notification on oilseed and edible oil paralleled with the earlier stock limit which was issued on 8<sup>th</sup> oct'21 and was expected to expire on 31<sup>st</sup> march'22. In its recent notification Govt. has imposed stock limit on edible oil and oil seed with specified quantity till 30<sup>th</sup> June22. However, six states, Uttar Pradesh, Karnataka, Himachal Pradesh, Telangana, Rajasthan and Bihar are exempted from the quantities specified, as they have already imposed stock limit. And few exceptions have been given to importer and exporter.
- | Name of Essential Commodity | Retail       | Wholesale     | Bulk consumers<br>(Big chain retailers shops) |               | Processor   |
|-----------------------------|--------------|---------------|---|---------------|---|
|                             |              |               | Retail outlets                                | Depot         |   |
| Edible Oil                  | 30 Quintals  | 500 Quintals  | 30 Quintals                                   | 1000 Quintals | 90 days of storage capacity   |
| Edible Oilseeds             | 100 Quintals | 2000 Quintals | --  |               | 90 days production of edible oils, as per daily input production capacity |
- 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 has 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

- As per Agriwatch estimates, 2022-23 RM seed production is pegged at 107.1 lakh tonnes vs previous year at 85.40 lakh tonnes.
- 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

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		

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 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 slacked soymeal demand and tight crush margin. The prices are expected to be in the range of 6200-6600/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	04-Feb-22		03-Feb-22		
	Low	High	Low	High	
Indore –Plant	6350	6500	6400	6600	-100
Indore–Mandi	6200	6400	6200	6400	Unch
Nagpur-Plant	6000	6500	6200	6600	-100
Nagpur – Mandi	5000	6040	6000	6100	-60
Latur – Mandi	5700	6305	5900	6260	45
Akola – Mandi	4900	6100	5000	6160	-60
Kota-Plant	6400	6650	6400	6625	25
Kota – Mandi	6000	6550	6000	6525	25
Bundi-Plant	6100	6525	6100	6500	25
Bundi-Mandi	5900	6425	5900	6400	25
Baran-Plant	6300	6525	6300	6535	-10
Baran-Mandi	6000	6425	6000	6435	-10
Bhawani Mandi Jhalawar–Plant	6200	6470	6200	6500	-30
Jhalwar-Mandi	6000	6420	6000	6450	-30
Rapeseed/Mustard					

Jaipur-(Condition)	8025	8050	7975	8000	50
Alwar-(Condition)	7600	7700	7500	7600	100
Sri Ganganagar-(Non-Condition)	7100	7150	6800	6850	300
New Delhi-(Condition)	7550	7600	7650	7700	-100
Kota-(Condition)	7500	7600	7400	7500	100
Agra-(Condition)	7905	8095	8143	8286	-190
Neewai-(Condition)	7400	7600	7300	7500	100
Hapur (UP)-(Condition)	7700	7800	7650	7750	50
<b>Groundnut Seed</b>					
Rajkot	915	915	910	910	5
<b>Sunflower Seed</b>					
Gulbarga	4800	5400	4800	5400	Unch
Latur	6100	6200	6100	6200	Unch
Sholapur	6100	6200	6100	6200	Unch
Soybean Prices are in INR/ctl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/ct (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/Qtl		Change
<b>Soybean</b>	<b>04-Feb-22</b>	<b>03-Feb-22</b>	
Madhya Pradesh	110000	110000	Unch
Maharashtra	110000	110000	Unch
Kota	10000	10000	Unch
Bundi (Raj)	100	300	-200
Baran (Raj)	2000	1500	500
Jhalawar (Raj)	1200	1000	200
<b>Rapeseed/Mustard</b>			
Rajasthan	35000	40000	-5000
Alwar	2000	1500	500
Sri Ganganagar	300	200	100
Kota	900	1200	-300
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	2700	3450	-750
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	400	400	Unch

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

Oilseeds	4-Feb-22	3-Feb-22	Change
Groundnut Kernel	6700	6700	Unch
Gr. Bolds 60/70	8300	8300	Unch
Gr. Javas 60/70	9800	9100	700
Gr Javas 70/80	9700	8900	800
Gr.Javas 80/90	9200	8700	500
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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