

**Oilseeds Domestic Fundamentals:** In Indore, soybean plant prices went up amid tight arrivals as compared to previous day. Jaipur RM seed prices witnessed loss on record acreage in the country. RM seed prices likely to correct as arrivals pick up in second fortnight of February.

### Soybean

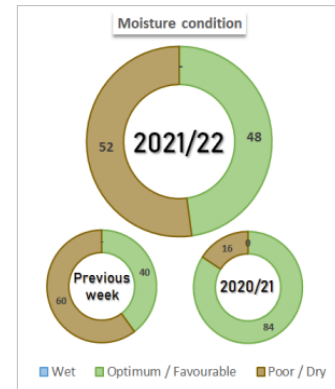
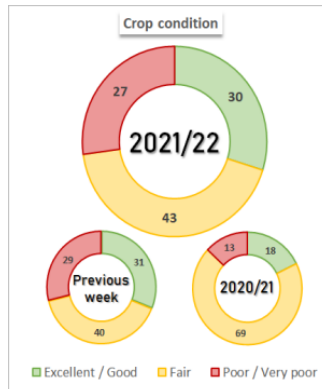
- Bullish rally in CBOT soybean on weather concern in Argentina and Brazil has pushed Indore plant soybean prices by 5.7% in last six days.
- On 03<sup>rd</sup> of Feb22, Department of Food and Public Distribution has issued a stock limit notification on oilseed and edible oil paralleled with the earlier 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 oilseed 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 (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 tonne as compared to 3.22 lakh tonne 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 tonne as compared to 33.5 lakh tonne previous year same period, while arrival too remained low by 23% at 40 lakh tonne 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 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 84.8 lakh tonne. Annual soymeal consumption stands between 60-65 lakh tonne while 15-18 lakh tonne soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.
- AgriWatch has estimated India's 2021-22 soybean output estimate at 12 million tonne, vs 10.45 million tonne 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 tonne vs 128.97 lakh tonne last year.

## International updates

- According to USDA, US soybean crush hit a record high of 5.95 MMT in Dec'21 up 3% YoY and 4% MoM.
- 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 tonne 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.
- 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

- RM seed remained volatile amid low availability and record acreage in the country Rs.7,200/Qtl still remains good support in near term.
- New crop arrival has begun in few mandis of Rajasthan with moisture content ranging between 10-20%.
- 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.
- As per AgriWatch estimates, 2022-23 RM seed production is pegged at 107.1 lakh tonne vs previous year at 85.40 lakh tonne.
- According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonne this season.
- According to Solvent Extraction Association of India Mustard crop production is estimated at 120 lakh tonne 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 tonne compared to 9,16,715 metric tonne during the same period previous marketing season.
- The export of rapeseed meal in December'21 is reported at 12,980 metric tonne against last year 1,41,566 metric tonne during the same period i.e., down by 91%. Rapeseed meal export remained lower due to lower 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, estimated Canada canola production estimates 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 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		

**Outlook:** Soybean (plant delivery, Indore) prices are expected to trade rangebound with weak bias amid low soymeal demand and tight crush margin. The prices are expected to be in the range of 6200-6700/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	07-Feb-22		05-Feb-22		
	Low	High	Low	High	
Indore –Plant	6600	6700	6400	6500	200
Indore–Mandi	6250	6500	6100	6400	100
Nagpur-Plant	6450	6620	6400	6550	70
Nagpur – Mandi	5100	6270	5900	6200	70
Latur – Mandi	NA	NA	5700	6300	-
Akola – Mandi	NA	NA	4900	6100	-
Kota-Plant	6500	6550	6400	6500	50
Kota – Mandi	6200	6450	6100	6350	100
Bundi-Plant	6250	6550	6200	6500	50
Bundi-Mandi	5850	6350	5800	6300	50
Baran-Plant	6500	6700	6400	6600	100
Baran-Mandi	6100	6600	6000	6500	100
Bhawani Mandi Jhalawar–Plant	6400	6570	6300	6500	70
Jhalwar-Mandi	6200	6620	6100	6550	70
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	7775	7800	7825	7850	-50
Alwar-(Condition)	7300	7400	7500	7600	-200
Sri Ganganagar-(Non-Condition)	6700	6800	6900	7000	-200
New Delhi–(Condition)	7250	7300	7450	7500	-200
Kota-(Condition)	7200	7300	7400	7500	-200
Agra-(Condition)	7619	7810	7810	8000	-190
Neewai-(Condition)	7000	7200	7200	7400	-200
Hapur (UP)-(Condition)	7400	7500	7500	7600	-100
<b>Groundnut Seed</b>					
Rajkot	931	931	920	920	11
<b>Sunflower Seed</b>					
Gulbarga	5000	5400	5000	5400	Unch
Latur	6200	6300	6100	6200	100
Sholapur	6200	6300	6100	6200	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/ctl.

**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/Qtl		Change
<b>Soybean</b>	<b>07-Feb-22</b>	<b>05-Feb-22</b>	
Madhya Pradesh	80000	130000	-50000
Maharashtra	100000	120000	-20000
Kota	7000	10000	-3000
Bundi (Raj)	40	100	-60
Baran (Raj)	1100	1600	-500
Jhalawar (Raj)	900	1500	-600
<b>Rapeseed/Mustard</b>			
Rajasthan	35000	35000	Unch
Alwar	1000	1800	-800
Sri Ganganagar	400	250	150
Kota	1000	700	300
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	4950	2400	2550
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	300	400	-100

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

Oilseeds	7-Feb-22	5-Feb-22	Change
Groundnut Kernel	6700	6700	Unch
Gr. Bolds 60/70	8400	8300	100
Gr. Javas 60/70	9900	9800	100
Gr Javas 70/80	9800	9700	100
Gr.Javas 80/90	9300	9200	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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