

**Oilseeds Domestic Fundamentals:** In Indore, soybean plant prices went up amid steady arrivals as compared to previous day. Jaipur RM seed prices remained steady in spite of new crop arrivals. RM seed prices likely to correct as arrivals pick up in second fortnight of February.

### Soybean

- According to SOPA, Oct'21-Jan'22 soy crush went down by 40% at 27.5 lakh tonne as compared to 46 lakh tonne previous year same period, while arrival too remained low by 25% at 48 lakh tonne as compared to 64 lakh tonne same period last year. Low domestic and export soymeal demand and lower crush margin has resulted into crushing being low and kept soy prices checked.
- Despite higher production in MY 2021-22, soy arrivals remained low in the first four months of this season. In Jan'22, arrivals remained low by 33% at 8 lakh tonne as compared to 12 lakh tonne same period previous year.
- Given the squeeze in crush margins and low soymeal export demand, soybean crush too remained lower in Jan'22 by 48% at 6.5 lakh tonne as compared to 12.5 lakh tonne previous year and kept soy prices sluggish.
- According to USDA February'22 report, 2021-22 Soy production estimate for India has been kept unchanged at 11.9 million tonne as compared to Jan'22 and last year at 10.45 MMT.
- On 03rd 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 8th Oct'21 and was expected to expire on 31st March'22. In its recent notification, Govt. has imposed

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

stock limit on edible oil and oilseed with specified quantity till 30th 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.

- Solvent Extractors Association (SEA) reported India's Soy oil imports in Dec'21 increased 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 low 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 per AgriWatch estimates, total availability of soymeal in the country for MY 2021-22 is likely to be 80 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 80 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.

- 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 million metric tonne (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 had reached to 10%.
- According to USDA February'22 report, 2021-22 US soy production kept unchanged at 120.70 MMT as compared to previous month while last year it was 114.74 MMT.
- However, Argentina's 2021-22 soy production decreased by 1.5 MMT to 45 MMT as compared to previous month at 46.5MMT while last year it was 46.20 MMT, Brazil soy production too reduced by 5 MMT to 134 MMT as compared to previous month at 139 MMT while last year it was 138 MMT. Dry weather condition in south America has resulted in production cut.
- USDA in its Feb'22 estimates, it has slashed China's 2021-22 soybean import by 3 MMT at 97 MMT as compared to previous months estimates and previous year at 99.7 MMT. Oct'21 to Dec'21 soybean import is down by 13% .The pace of soybean processing has slowed since October 2021 as margins are squeezed and crushers have been hampered by high input costs and low feed demand.
- According to National Association of Grain Exporters (ANEC), Brazil's soy export in Jan'22 stood at 2.4 MMT compared with 0.51 MMT in the same month last year.
- As on 10th Feb, according to Buenos Aires Grain Exchange (BAGE), Soybean sowing progress in Argentina stood at 100% Vs 100% last year same period and 100% five-year average. And BAGE has estimated 37% soy crop is in excellent to good condition Vs 37% previous week, 46% soy crop is in fair condition Vs 45% previous week and 17% soy crop is in poor/very poor condition Vs 18% previous week. On long time frame weather condition has worsened soy crop condition and resulted in production cut by 1.5 MMT to 45 MMT by USDA in its Feb'22 estimates.

**RM seed**

- Today all India mustard arrivals stood at 2.15 lakh bags and new mustard arrival was 65,000 bags. New RM seed traded between Rs. 7,950-7,975/qtl.
- According to USDA Feb'22 report, India's 2021-22 RM seed production estimated at 10.8 MMT as compared to 9.5 MMT in Jan'22 estimates and previous year production estimated at 8.5 MMT.
- According to GOI, as on 04th Feb'22, All India Mustard sowing is up by 25.3% at 91.63 Lakh Ha compared with 73.12 Lakh Ha last year.
- 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.

	Normal area	As on 04th Feb'22		% Change
		2021-22	2020-21	
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	6.09	5.85	4.1%
Gujarat	1.96	3.40	2.15	58.5%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	4.05	4.31	-6.0%
Bihar	0.82	1.52	1.50	1.3%
Chattisgarh	0.44	1.41	1.40	1.1%
Odisha	0.08	1.11	1.05	5.8%
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	0.24	0.26	-7.8%
Sikkim	0.03	0.03	0.03	0.0%
Total	61.55	91.63	73.12	25.3%
Data source-GOI			Area in Lakh ha	

- 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 Feb'22 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 Feb'22 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 low soymeal demand and tight crush margin. The prices are expected to be in the range of 6500-7000/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	15-Feb-22		14-Feb-22		
	Low	High	Low	High	
Indore –Plant	6850	7050	6825	6975	75
Indore–Mandi	6650	6950	6525	6725	225
Nagpur-Plant	6500	7100	6200	6800	300
Nagpur – Mandi	5400	6800	5000	6500	300
Latur – Mandi	6165	6625	6165	6625	Unch
Akola – Mandi	5500	6560	5100	6470	90
Kota-Plant	7000	7100	6800	6900	200
Kota – Mandi	6600	7000	6400	6800	200
Bundi-Plant	6800	7070	6600	6945	125
Bundi-Mandi	6600	6920	6400	6795	125
Baran-Plant	6900	7050	6700	6865	185
Baran-Mandi	6500	6950	6300	6765	185
Bhawani Mandi Jhalawar–Plant	6900	7050	6650	6850	200
Jhalwar-Mandi	6600	7000	6400	6800	200
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	8000	8025	8000	8025	Unch
Alwar-(Condition)	7850	7900	7700	7800	100
Sri Ganganagar-(Non-Condition)	7115	7215	7080	7180	35
New Delhi–(Condition)	7650	7700	7450	7500	200
Kota-(Condition)	7250	7350	7350	7450	-100
Agra-(Condition)	7952	8143	8238	8429	-286
Neewai-(Condition)	7300	7500	7100	7300	200
Hapur (UP)-(Condition)	7450	7550	7500	7600	-50
<b>Groundnut Seed</b>					
Rajkot	940	940	930	930	10
<b>Sunflower Seed</b>					
Gulbarga	4500	5600	4500	5600	Unch
Latur	6400	6500	6400	6500	Unch

Sholapur	6400	6500	6400	6500	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 Centres:**

Commodity / Centre	Arrivals in Bags/Qtl		Change
<b>Soybean</b>	<b>15-Feb-22</b>	<b>14-Feb-22</b>	
Madhya Pradesh	125000	125000	Unch
Maharashtra	120000	120000	Unch
Kota	13000	13000	Unch
Bundi (Raj)	120	100	20
Baran (Raj)	2000	1500	500
Jhalawar (Raj)	2500	1500	1000
<b>Rapeseed/Mustard</b>			
Rajasthan	50000	60000	-10000
Alwar	1000	800	200
Sri Ganganagar	400	400	Unch
Kota	1300	800	500
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	NA	3600	-
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	600	600	Unch

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

Oilseeds	15-Feb-22	14-Feb-22	Change
Groundnut Kernel	6825	6750	75
Gr. Bolds 60/70	8500	8500	Unch
Gr. Javas 60/70	10000	10000	Unch
Gr Javas 70/80	9900	9900	Unch
Gr.Javas 80/90	9400	9400	Unch
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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