

**Oilseeds Domestic Fundamentals:** *In Indore, soybean plant prices went up by 2% amid increase in export tax rate by Argentina on soymeal and soy oil. CBOT soybean too went up by 2% in its first hour of trading. Jaipur RM seed prices went down by 1.4% amid heavy crop arrivals. In Rajasthan RM seed arrivals stood at 6.5 lakh bags Vs 3.75 lakh bags previous day. All India RM seed arrivals stood at 12 lakh bags Vs 6.5 lakh bags previous day. Crude oil prices climbed above USD 109/Barrels, driven by supply concern. USD/INR depreciated by 0.12% to 75.95 as compared to previous day at 75.86.*

### Soybean

- Amid high inflation and decrease in forex, Argentina has raised the export tax rate on soy oil and meal by two percentage points to 33% until the end of the year.
- Solvent Extractors Association (SEA) reported India's Soy oil imports in Feb'22 up by 32% to 3,76,594 tons as compared to 2,85,973 tons in Feb'21. Additionally, soy oil import in Nov-Feb'22 went up by 74% to 16,34,383 tonnes as compared to 9,38,233 previous year same period. The import of soybean oil is up due to decline in domestic crushing triggered by low soymeal demand and tight crush margin. We expect higher imports in upcoming months too due to sunflower oil import disruption because of Russia Ukraine conflict.
- SOPA reported, February'22 crushing 19% lower at 6.5 lakh tonnes as compared to 8 lakh tonnes previous year same period. While soybean crushing till february this oil year was remained low by 37% at 34 lakh tonnes compared to 54 lakh tonnes previous year. Additionally, soymeal production is expected to be lower at 27.14 lakh tonnes in the ongoing oil year compared to 43.10 lakh tonnes previous year. We expect lower crushing in March too on low export demand.
- According to SOPA estimates, soymeal demand in food sector is up by 33% to 8 lakh tonnes in MY 2021-22 from previous year at 6 lakh tonnes. In the Oct'21-Feb'22 soymeal offtake in food sector was estimated at 3.45 lakh tonnes from 2.55 lakh tonnes in same period last year.
- USDA in its March'22 report India's soybean 2021-22 production Unchanged at 11.9 MMT compared to previous month estimates. Soybean crush is increased by 2 lakh tonnes at 102 lakh tonnes Vs 100 lakh tonnes in previous month estimates.
- Government is monitoring demand and supply situation to fill the edible oil void created due to Russia Ukraine conflict as India imports 25 lakh tonnes sunflower oil annually.
- Overall Oilseed complex is likely to remain bullish due to supply concern, as India imports 90% of sunflower oil from Russia and Ukraine. Also, 85% of soy oil is imported from Argentina and Brazil where weather concern has resulted into production cuts. Besides, all palm oil demand is met from Indonesia and Malaysia where less production coupled with export restriction by government underpinning prices. Additionally, higher crude oil prices pushing soy oil prices higher.
- Ukraine & Russia conflict may disrupt soybean supply chain, Russia Imports soybean majorly from Argentina, Brazil and Paraguay. Higher crude oil prices due to supply concern and geopolitical crisis pushing soy oil even higher.
- Upon lower supplies in Brazil, Argentina and Paraguay, CBOT soybean is trading near nine month high. Crop short fall due to weather concern in South American continent already pushing soy prices higher.
- As per 2nd Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of soybean during 2021-22 is 131.16 lakh tonne vs 128.97 lakh tonne last year.

- According to SOPA, Oct'21-Jan'22 soy crush remained low 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.
- 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 March'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 million metric tonne (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 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.
- 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.

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

#### International updates

- According to China's customs data, China soybean import from Brazil in the first two months of 2022 rose by 241% to 3.51 MMT to 1.03 MMT.
- According to CONAB, Brazil's 2021-22 soybean harvesting has reached to 67% as compared to 46% last year same period.
- Upon spikes in soy complex prices, Argentina government has stated that there will be halt on registration of export sales of soy oil and meal, India imports 70-80% soy oil from Argentina, rest is imported from Brazil and USA. Export restrictions coupled with low crop production in south American countries underpinning soy oil prices.
- According to USDA March'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 slashed by 1.5 MMT to 43.5 MMT as compared to previous month at 45MMT while last year it was 46.20 MMT, Brazil soy production too slashed by 7 MMT to 127 MMT as compared to previous month at 134 MMT while last year it was 138 MMT. Dry weather conditions in south America have resulted in production cut.
- USDA in its March'22 estimates, China's 2021-22 soybean import slashed by 3 MMT at 94 MMT as compared to previous months estimates at 97 MMT and previous year at 99.7 MMT.
- AgRural has slashed its previously estimated Brazil soybean production by 5.7 MMT. Earlier it was estimated to 128.5 MMT but it has now been reduced to 122.8 MMT. Dry weather condition prevailing in Argentina and Brazil has adversely affected soy yield.
- According to China's customs data, China's soybean imports in Jan-Feb'22 rise 4.1% to 13.94 MMT as compared to previous year at 13.41 MMT.
- CONAB in its March'22 estimates, again slashed Brazil 2021-22 soybean production by 2.7 MMT to 122.7 MMT.
- 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.

### **RM seed**

- Oil mills are running at full pace, currently, 65-70% getting crushed.
- Madhya Pradesh government has decided to buy 3.48 lakh tonnes of mustard in MY 2021-22.
- USDA has estimated India's 2021-22 ending stock higher at 5.19 lakh tonnes against last year at 3.69 lakh tonnes.
- Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated mustard Rabi 2022 crop at 113 lakh tonnes marginally up from 110 lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 lakh tonnes, 17 lakh tonnes in Uttar Pradesh, 12.5 lakh tonnes in Madhya Pradesh.
- USDA in its March'22 reports India's 2021-22 production estimated at 108 lakh tonnes, crushing estimated at 96.50 lakh tonnes as compared to 75 lakh tonnes.
- Mustard traders are seeking for stock limit removal, as arrivals is picking up in mandis and between 15<sup>th</sup> March to 30<sup>th</sup> April around 60% of produce arrives in the market, In Oct'21 Rajasthan government had imposed stock holding limit of 2000 qtl for whole seller and 200 qtl for retailer till 31<sup>st</sup> March 2022.
- Upon higher acreage, for MY 2022-23 RM seed production, AgriWatch estimated a 25% higher production at 107.1 lakh tonne, this compares with 85.40 lakh tonne in 2021-22.
- New crop arrivals have commenced in early sowing regions. Eastern Rajasthan districts such as Alwar and Bharatpur is expected to witness new crop arrivals in first fortnight of March and peak arrivals is likely to be after mid-March. While Western and North Rajasthan is likely to witness new crop arrivals from first week of March and peak arrivals is likely to be around last week of March.
- As per 2nd Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of RM seed during 2021-22 is 114.59 lakh tonne vs 102.1 lakh tonne last year.

- 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.
- USDA in its March'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 17.15 MMT Vs 16.2 MMT previous year.
- According to USDA March'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.
- According to Agriculture and Agri-Food Canada's (AAFC) For 2021-22, canola supplies have tightened as compared to last year, declining 37% to 14.5 MMT, due to a 49% drop in carry-in stocks and 35% lower production following last summer's drought-reduced production in Canada.
- Moreover, tight supplies and strong demand in Canada is underpinning record high prices for canola processing of canola is estimated down by 18% from last year to 8.5 Mt, by comparison exports are expected to fall by 49%, to 5.4 Mt, due to the tight supplies.
- Global rapeseed production is revised upwards to 71.11 MMT in USDA's March report from 70.6 MMT in previous report, whereas, on y-o-y comparison it is at downward compared to the 73.16 MMT last year. Global rapeseed oil production is also revised in latest report to 28.30 MMT compared to previous estimate of 28.27 MMT in February while, on y-o-y comparison it is lower compared to 29.16 MMT last year. Production is down for the year due to prolonged heat stress in Canada, whereas upward monthly revision in oil and oilseed is due to record production in India.

**Outlook:** Soybean (plant delivery, Indore) prices are expected to trade rangebound with firm bias on the back of bullish CBOT soybean and oilseed complex. The prices are expected to be in the range of 7400-7700/qtl levels in the near-term. RM seed prices are expected to correct from higher level amid new crop arrivals Jaipur RM seed expected to trade in the range of 6500-7200 in near term.

### Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	21-Mar-22		19-Mar-22		
	Low	High	Low	High	
Indore –Plant	7500	7650	7400	7500	150
Indore–Mandi	7400	7600	7300	7450	150
Nagpur-Plant	7450	7650	7400	7600	50
Nagpur – Mandi	Closed	Closed	Closed	Closed	-
Latur – Mandi	Closed	Closed	Closed	Closed	-
Akola – Mandi	6200	7030	6100	7060	-30
Kota-Plant	7200	7600	7100	7500	100
Kota – Mandi	7100	7550	7000	7450	100

Bundi-Plant	7100	7600	7100	7575	25
Bundi-Mandi	7000	7300	7000	7275	25
Baran-Plant	7350	7720	7300	7680	40
Baran-Mandi	7200	7550	7200	7480	70
Bhawani Mandi Jhalawar-Plant	7250	7600	7200	7560	40
Jhalwar-Mandi	Closed	Closed	Closed	Closed	-
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	6975	7000	7075	7100	-100
Alwar-(Condition)	6550	6650	6750	6850	-200
Sri Ganganagar-(Non-Condition)	6200	6400	6560	6650	-250
New Delhi-(Condition)	6750	6800	6950	7000	-200
Kota-(Condition)	6400	6600	6450	6650	-50
Agra-(Condition)	7048	7095	Closed	Closed	-
Neewai-(Condition)	6450	6550	6700	6800	-250
Hapur (UP)-(Condition)	6500	6600	6700	6800	-200
<b>Groundnut Seed</b>					
Rajkot	NA	NA	1020	1020	-
<b>Sunflower Seed</b>					
Gulbarga	6500	7000	6500	7000	Unch
Latur	Closed	Closed	Closed	Closed	-
Sholapur	7600	7700	7600	7700	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
<b>Soybean</b>	<b>21-Mar-22</b>	<b>19-Mar-22</b>	
Madhya Pradesh	75000	75000	Unch
Maharashtra	70000	70000	Unch
Kota	10000	10000	Unch
Bundi (Raj)	40	60	-20
Baran (Raj)	600	1000	-400
Jhalawar (Raj)	Closed	Closed	-
<b>Rapeseed/Mustard</b>			
Rajasthan	650000	375000	275000

Alwar	15000	5000	10000
Sri Ganganagar	25000	6000	19000
Kota	33000	12000	21000
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	NA	3000	-
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	700	700	Unch

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

Oilseeds	21-Mar-22	19-Mar-22	Change
Groundnut Kernel	8000	8000	Unch
Gr. Bolds 60/70	8750	8800	-50
Gr. Javas 60/70	10150	10200	-50
Gr Javas 70/80	10050	10100	-50
Gr.Javas 80/90	9550	9600	-50
KardiSeed 2% Exp Qly	5900	5900	Unch
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9400	9400	Unch
Brown 48/3 FFA/4 FM	9100	9100	Unch
Brown 48/4 FM/* No FFA Guarantee	8800	8800	Unch
Sunflower Seed	6300	6300	Unch
Niger Seed (4% FM)	8600	8600	Unch

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