

Oilseeds Domestic Fundamentals: *In Indore, soybean plant prices went up by 1.92% on tight arrivals in the market. CBOT soybean went down by 2.69% on Russia Ukraine negotiation talks. Upon low soymeal export demand coupled with tight crush margin there is muted demand by crushers at higher prices. Jaipur RM seed prices amif new crop arrivals and strong RM seed demand by oil millers. In Rajasthan RM seed arrivals remained at 4.5 lakh bags. All India RM seed arrivals stood at 7.5 lakh bags. Crude oil prices slipped at USD 101/Barrels on Russia Ukraine negotiation talks.*

Soybean

- Amid Russia Ukraine negotiation talks soybean may ease on the back of expectation of sunflower oil import and decline in crude oil prices.
- In Madhya pradesh, Soybean arrival has declined by 35-40%, In Maharastra, arrivals is low by 35-40% and in Rajasthan arrivals is low by 25-30% as compared to previous month. Bullish CBOT soybean and tight arrivals underpinning Soybean prices.
- 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 tonne as compared to 2,85,973 tonne in Feb'21. Additionally, soy oil import in Nov-Feb'22 went up by 74% to 16,34,383 tonne as compared to 9,38,233 tonne 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 tonne as compared to 8 lakh tonne previous year same period. While soybean crushing till February this Oil Year was low by 37% at 34 lakh tonne compared to 54 lakh tonne previous year. Additionally, soymeal production is expected to be lower at 27.14 lakh tonne in the ongoing Oil Year compared to 43.10 lakh tonne 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 tonne in MY 2021-22 from previous year at 6 lakh tonne. In the Oct'21-Feb'22, soymeal offtake in food sector was estimated at 3.45 lakh tonne from 2.55 lakh tonne in same period last year.
- USDA, in its March'22 report, kept India's soybean 2021-22 production estimate unchanged at 11.9 million metric tonne (MMT) compared to previous month estimates. Soybean crush is increased by 2 lakh tonne at 102 lakh tonne Vs 100 lakh tonne 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 tonne sunflower oil annually.
- 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.
- 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.

International updates

- According to CONAB, Brazil's 2021-22 soybean harvesting has reached to 69% as compared to 59% last year same period.
- 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 from 1.03 MMT.
- 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 45 MMT 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.

RM seed

- In March, All india arrivals is up by 30-35%, In Rajasthan, arrivals is up by 30-35%, In Kota arrivals is low by 40-50%, In Newai, Rajasthan arrivals is 15-20% less as compared to previous year.
- Upon supply crunch in edible oils, there is good demand of RM seed from oil millers and are running at full pace, currently, 65-70% of arrivals getting crushed.
- Madhya Pradesh government has decided to buy 3.48 lakh tonne of mustard in MY 2021-22.
- USDA has estimated India's 2021-22 ending stock higher at 5.19 lakh tonne against last year at 3.69 lakh tonne.
- Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated mustard Rabi 2022 crop at 113 lakh tonne marginally up from 110 lakh tonne last month, total production includes

taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 lakh tonne, 17 lakh tonne in Uttar Pradesh, 12.5 lakh tonne in Madhya Pradesh.

- USDA, in its March'22 reports, kept India's 2021-22 production estimate at 108 lakh tonne, crushing estimate at 96.50 lakh tonne as compared to 75 lakh tonne.
- Mustard traders are seeking for stock limit removal, as arrivals is picking up in mandis and between 15th March to 30th 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 31st 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.
- 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 7400-7800/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 6700-7200 in near term.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	29-Mar-22		28-Mar-22		
	Low	High	Low	High	
Indore –Plant	7750	7950	7650	7800	150
Indore–Mandi	7400	7650	7300	7650	Unch
Nagpur-Plant	7550	7800	7500	7750	50
Nagpur – Mandi	6500	7500	5200	7465	35
Latur – Mandi	NA	NA	6800	7440	-
Akola – Mandi	Closed	Closed	6000	7190	-
Kota-Plant	7625	7925	7500	7800	125
Kota – Mandi	7525	7825	7400	7700	125
Bundi-Plant	7650	7850	7550	7750	100
Bundi-Mandi	7550	7800	7450	7700	100
Baran-Plant	7500	7970	7400	7900	70
Baran-Mandi	7400	7870	7300	7800	70
Bhawani Mandi Jhalawar–Plant	7500	7975	7450	7950	25
Jhalwar-Mandi	Closed	Closed	6550	7750	-
Rapeseed/Mustard					
Jaipur-(Condition)	7050	7075	7175	7200	-125
Alwar-(Condition)	6500	6800	6650	6950	-150
Sri Ganganagar-(Non-Condition)	6235	6535	6350	6650	-115
New Delhi–(Condition)	6950	7000	7050	7100	-100
Kota-(Condition)	6450	6750	6600	6900	-150
Agra-(Condition)	7190	7286	7238	7333	-48
Neewai-(Condition)	6450	6750	6500	6800	-50
Hapur (UP)-(Condition)	6700	6800	6750	6850	-50
Groundnut Seed					
Rajkot	Closed	Closed	Closed	Closed	-
Sunflower Seed					
Gulbarga	5850	6500	5800	6500	Unch
Latur	7500	7700	7500	7700	Unch
Sholapur	7500	7700	7500	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
Soybean	29-Mar-22	28-Mar-22	
Madhya Pradesh	40000	70000	-30000
Maharashtra	50000	70000	-20000
Kota	7000	10000	-3000
Bundi (Raj)	60	90	-30
Baran (Raj)	400	1000	-600
Jhalawar (Raj)	Closed	1200	-
Rapeseed/Mustard			
Rajasthan	450000	450000	Unch
Alwar	20000	16000	4000
Sri Ganganagar	17000	20000	-3000
Kota	22000	15000	7000
Groundnut Seed			
Rajkot (Gujarat)	Closed	Closed	-
Sunflower Seed			
Sholapur (Maharashtra)	800	800	Unch

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

Oilseeds	29-Mar-22	28-Mar-22	Change
Groundnut Kernel	8100	8000	100
Gr. Bolds 60/70	8900	9000	-100
Gr. Javas 60/70	10000	10100	-100
Gr Javas 70/80	9900	10000	-100
Gr.Javas 80/90	9500	9600	-100
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	6600	6600	Unch
Niger Seed (4% FM)	8400	8400	Unch

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