

Oilseeds Domestic Fundamentals: In Indore, soybean plant prices remained stable at Rs. 7775/qrtl amid tight arrivals. CBOT soybean went down by 2.75% amid weakness in crude oil prices. Upon low soymeal export demand coupled with tight crush margin there is muted demand by crushers at higher prices. Jaipur RM seed prices remained sideways and went marginally up by 0.3% at Rs 7,212/qrtl amid new crop arrivals and strong RM seed demand by oil millers. In Rajasthan RM seed remained at 3 Lakh bags Vs 2 Lakh bags previous day.

Soybean

- GOI has extended the period of stock limit, imposed on edible oils and oilseeds till 31st December, 2022 which was previously extended till 30th June 22. Exceptions have been given for exporters and importers. This will impact the prices in long term. The quantity specified are-

Name of Essential Commodity	Retail	Wholesale	Bulk Customers (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

- India imports usually 1.75-2 Lakh tonnes of sunflower oil per month from Russia and Ukraine. The Russia-Ukraine conflict has disturbed Sunflower oil supply. Additionally, Indonesia announced to increase limit of domestic sell from 20% to 30% on 9th March. Tight domestic edible oil supply pushed higher Soy prices too. However, In the Upcoming week, any negotiation talks between Russia and Ukraine may ease domestic soy prices in tandem with CBOT soybean prices and crude oil prices.
- Arrivals are decreasing and despite firm prices, farmers are still holding Soybean in anticipation of better prices.
- 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

- Amid Russia Ukraine conflict, India may face 25% or 4-6 lakh tonnes sunflower oil shortage, around 70% crude sunflower oil is imported from Ukraine and 20% from Russia. Refined sunflower oil constitutes 10% of the countries total consumption of 230-240 Lakh tonnes of edible oil annually and around 60% of demand is met from imports. However, Mustard oil is expected to fill the gap as this season Mustard oil production is estimated up by 27% at 43.6 Lakh tonnes as compared to previous year at 36.4 Lakh tonnes.

March RM seed Arrivals in Bags			
	Mar-22	Mar-21	% Change
All India	24920000	20485000	22%
Rajasthan	13290000	12125000	10%
Baran	885000	506500	75%
Newai	389000	497000	-22%
Alwar	300000	308000	-3%
Dabra	261000	84000	211%
Sri ganganagar	204150	60000	240%
Morena	111000	187500	-41%
Bhind	72000	66000	9%
Haathras	44650	30550	46%
Hapur	4950	17100	-71%

- 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 7500-7800/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	01-Apr-22		31-Mar-22		
	Low	High	Low	High	
Indore –Plant	7700	7850	7700	7850	Unch
Indore–Mandi	Closed	Closed	Closed	Closed	-
Nagpur-Plant	7350	7950	7300	7900	50
Nagpur – Mandi	6450	7450	6400	7400	50
Latur – Mandi	Closed	Closed	Closed	Closed	-
Akola – Mandi	Closed	Closed	Closed	Closed	-
Kota-Plant	7250	7850	7200	7800	50
Kota – Mandi	7450	7750	7400	7700	50
Bundi-Plant	7150	7750	7100	7700	50
Bundi-Mandi	7350	7650	7300	7600	50

Baran-Plant	7350	7900	7300	7870	30
Baran-Mandi	7400	7800	7200	7770	30
Bhawani Mandi Jhalawar-Plant	7450	7950	7400	7900	50
Jhalwar-Mandi	Closed	Closed	Closed	Closed	-
Rapeseed/Mustard					
Jaipur-(Condition)	7200	7225	7175	7200	25
Alwar-(Condition)	6500	6800	6485	6785	15
Sri Ganganagar-(Non-Condition)	6000	6400	6225	6525	-125
New Delhi-(Condition)	6950	7000	7050	7100	-100
Kota-(Condition)	6350	6650	6300	6600	50
Agra-(Condition)	7190	7286	7190	7286	Unch
Neewai-(Condition)	6600	6900	6550	6850	50
Hapur (UP)-(Condition)	6750	6850	6750	6850	Unch
Groundnut Seed					
Rajkot	Closed	Closed	Closed	Closed	-
Sunflower Seed					
Gulbarga	Closed	Closed	6000	6850	-
Latur	Closed	Closed	Closed	Closed	-
Sholapur	Closed	Closed	7500	7700	-
Soybean Prices are in INR/qrt. (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/qrt.					

Oilseed Arrivals in Key Centers:

Commodity / Centre	Arrivals in Bags/QtI		Change
Soybean	01-Apr-22	31-Mar-22	
Madhya Pradesh	30000	30000	Unch
Maharashtra	40000	40000	Unch
Kota	7000	7000	Unch
Bundi (Raj)	50	70	-20
Baran (Raj)	300	600	-300
Jhalawar (Raj)	Closed	Closed	-
Rapeseed/Mustard			
Rajasthan	300000	200000	100000
Alwar	15000	17000	-2000
Sri Ganganagar	15000	15000	Unch
Kota	14000	20000	-6000

Groundnut Seed			
Rajkot (Gujarat)	Closed	Closed	-
Sunflower Seed			
Sholapur (Maharashtra)	Closed	800	-

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

Oilseeds	1-Apr-22	31-Mar-22	Change
Groundnut Kernel	8050	8050	Unch
Gr. Bolds 60/70	8800	8800	Unch
Gr. Javas 60/70	9900	9900	Unch
Gr Javas 70/80	9800	9800	Unch
Gr.Javas 80/90	9400	9400	Unch
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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