

Oilseeds Domestic Fundamentals:**Today's Update-**

In Indore, soybean plant average prices went down by 1.23% to Rs. 7820/qtl. In other cash markets too prices traded with firm sentiments. In MP arrivals stood at 0.4 Lakh bags and in MH arrivals stood at 0.5 Lakh bags. Indonesia has planned to ban palm oil exports from 28th April'22. Oilseed complex is already skyrocketing due to Russia Ukraine war and low production and surprising export ban by Indonesia is likely to push oilseed and edible oil prices even higher. Soybean (plant delivery, Indore) prices are expected to trade with firm bias on the back of palm oil export ban by Indonesia in the range of 7800-8000/qtl levels in the near-term.

Previous Updates-

- Solvent Extractor Association of India has said the storage control order of government is not serving the purpose of checking price of edible oil, but it is creating problems in maintaining a smooth supply chain and suggested to revisit norms of storage for whole sellers and retailers and fix a limit of 15 days of storage based on average sale of retailer or whole seller for the last six months sales based on GST returns filed by them.
- According to Solvent Extractor Association of India, country's March'2022 soymeal exports declined by 25% to 2,42,043 metric tonnes compared to 3,22,850 metric tonnes in the same period last year. Low arrivals, tight crush margin and weak export demand has resulted into decline in exports, in April and May too, exports likely to remain weak.
- SOPA reported Soybean Crushing low by 24% to 6.5 Lakh tonnes as compared to 8.5 Lakh tonnes previous years. Crushing remained low on low export demand and tight crush margin.
- However, arrivals recorded 26% higher at 6 lakh tonnes as compared to 4.75 Lakh tonnes previous years. Farmers released stocks on better prices in March.
- Skymet has forecasted South west Mon soon for 2022. Skymet expects the upcoming monsoon to be normal to the tune of 98% of LPA. In terms of geographical risk, Skymet expects Rajasthan, Gujarat, Nagaland, Manipur, Mizoram, and Tripura to be at risk of being rain deficit throughout the season.
- Upon low soymeal export demand, there is sluggish Soy demand by the crushers, arrivals has declined to seven months low. Farmers are still not releasing their holdings. Traders are more interested to buy Rabi crops such as mustard than Soybean at higher level, However stock limit is a hurdle to buy new stuff beyond 2000 Qtl.

International updates

- As per latest data, Argentina soybeans were 14.4% harvested as of late last week compared to 7.2% last year and 27% average. High fuel cost attributed to the slow harvesting.
- According to USDA latest planting report USA Soybean sowing progress stood at 1% Vs 3% previous year and 2% five year average.
- China's 2022 Soybean demand may fall up to 6% on dip in feed requirement. Negative crush margin since Feb'22 too attributed to dip in demand.
- According to China's General Administration of Customs data, world's top importer of soybeans, China brought in 3.37 million tonnes, down sharply from 7.18 million a year earlier.

- According to NOPA, Soy crushing in US is up by 10.1% to (181.75 Million Bushels) from feb'22 and 2.1% up from March'22.
- According to CONAB, Brazil's 2021-22 soybean harvesting has reached to 80.4% as compared to 76.2% last year same period.

RM seed

Today's Update-

Todat RM seed traded with firm sentiment on the back of palm oil export ban by Indonesia. Jaipur RM seed average prices went up by 1.7% to Rs 7,350/qtl. In Rajasthan RM seed arrivals recorded low at 2.5 Lakh bags as compared to 3 Lakh bags previous day. Farmers are continued holding crop produce which has resulted into low arrivals. ICE canola trading near all time high on tight global supply. RM seed prices are expected to trade with firm bias tracking palm oil export ban by Indonesia in the range of 7,200-7500 in near term.

Previous Updates-

According to of Agriculture and Agri-Food Canada's (AAFC), Demand for Canadian Canola remains firm on a strong world oilseed crush and high prices for competing oilseeds and vegetable oils. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.5 Mt, a drop of 18% from last year, while exports are expected to fall by 49% to 5.4 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union.

In order to check blending of mustard oil with other edible oil, FSSAI has directed state food safety officials. And has also sought an action taken report from the states by May 15, 2022, and added that the enforcement department should be informed at regular intervals about the same.

Union Ministry of Consumer Affairs, Food and Public Distribution has stated "Inspections have revealed very large hoardings of soyabean and mustard seeds in Dewas, Shajapur & Guna districts of Madhya Pradesh. Besides, large quantities of edible oils have been found in excess of the prescribed quantities of the control order in Maharashtra and Rajasthan. Upon hoarding of large quantities, prices went up in the domestic markets.

USDA, in its April'22 reports, kept India's 2021-22 production estimate at 108 lakh tonnes, crushing estimate at 96.50 lakh tonne as compared to 75 lakh tonnes.

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 country's 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.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	23-Apr-22		22-Apr-22		
	Low	High	Low	High	
Indore –Plant	7675	7820	7625	7725	95
Indore–Mandi	7500	7800	7400	7700	100
Nagpur-Plant	7200	7550	6900	7500	50
Nagpur – Mandi	6300	7350	6000	7300	50
Latur – Mandi	NA	NA	6505	7415	-
Akola – Mandi	6400	7250	6500	7335	-85
Kota-Plant	7600	7725	7400	7650	75
Kota – Mandi	7400	7575	7200	7500	75
Bundi-Plant	7300	7700	7000	7600	100
Bundi-Mandi	7200	7400	7000	7300	100
Baran-Plant	7000	7650	6700	7500	150
Baran-Mandi	7100	7450	6800	7300	150
Bhawani Mandi Jhalawar–Plant	7100	7770	6900	7700	70
Jhalwar-Mandi	7000	7670	6700	7600	70
Rapeseed/Mustard					
Jaipur-(Condition)	7325	7350	7200	7225	125
Alwar-(Condition)	6700	6800	6800	6900	-100
Sri Ganganagar-(Non-Condition)	6500	6900	6400	6900	Unch
New Delhi–(Condition)	7000	7100	6900	7000	100
Kota-(Condition)	6800	7050	6600	6925	125
Agra-(Condition)	7238	7429	7095	7286	143
Neewai-(Condition)	6600	7100	6475	6975	125
Hapur (UP)-(Condition)	7150	7200	6900	6950	250
Groundnut Seed					
Rajkot	1060	1060	1100	1100	-40
Sunflower Seed					
Gulbarga	4500	5500	4500	5500	Unch
Latur	7100	7300	7100	7300	Unch
Sholapur	7100	7300	7100	7300	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/QtI		Change
Soybean	23-Apr-22	22-Apr-22	
Madhya Pradesh	40000	40000	Unch
Maharashtra	50000	50000	Unch
Kota	7000	7000	Unch
Bundi (Raj)	1000	700	300
Baran (Raj)	900	600	300
Jhalawar (Raj)	1500	1200	300
Rapeseed/Mustard			
Rajasthan	250000	300000	-50000
Alwar	2000	1500	500
Sri Ganganagar	3000	1000	2000
Kota	11000	9000	2000
Groundnut Seed			
Rajkot (Gujarat)	6037.5	6112.5	-75
Sunflower Seed			
Sholapur (Maharashtra)	500	500	Unch

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

Oilseeds	23-Apr-22	22-Apr-22	Change
Groundnut Kernel	8250	8200	50
Gr. Bolds 60/70	8750	8800	-50
Gr. Javas 60/70	9850	9900	-50
Gr Javas 70/80	8850	8900	-50
Gr.Javas 80/90	9350	9400	-50
KardiSeed 2% Exp Qly	5700	5700	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	6800	6800	Unch
Niger Seed (4% FM)	8500	8500	Unch

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