

### Oilseeds Domestic Fundamentals:

#### Today's Update-

Today in Indore, soybean plant prices remained stable at Rs. 7,400/qrtl. However, in other cash markets soybean traded with firm sentiments amid good demand in cash market on lower level. In MP and MH arrivals stood at 0.5 and 0.4 Lakh bags respectively. Soybean (plant delivery, Indore) prices are expected to trade with weak bias on the back of Soymeal import in the range of 7200-7500/qrtl levels in the near-term.

#### STATE-WISE RAINFALL DISTRIBUTION

		Day:08-05-2022				Period:01-03-2022 To 08-05-2022			
S NO	MET. SUBDIVISION/UT/STATE/DISTRICT	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.
REGION : EAST AND NORTH EAST INDIA									
1	ARUNACHAL PRADESH	1.3	6.0	-78%	LD	554.8	549.2	1%	N
2	ASSAM	0.6	7.7	-92%	LD	386.2	329.1	17%	N
3	MEGHALAYA	2.1	10.5	-80%	LD	567.1	425.3	33%	E
4	NAGALAND	1.3	3.8	-65%	LD	242.8	231.3	5%	N
5	MANIPUR	2.6	5.9	-55%	D	226.5	227.3	0%	N
6	MIZORAM	1.3	8.4	-85%	LD	122.3	301.9	-59%	D
7	TRIPURA	0.0	12.4	-99%	LD	143.7	384.0	-63%	LD
8	SIKKIM	1.4	6.6	-79%	LD	505.7	388.2	30%	E
9	WEST BENGAL	2.0	3.9	-48%	D	108.2	122.2	-11%	N
10	JHARKHAND	1.2	1.5	-17%	N	23.8	44.5	-47%	D
11	BIHAR	0.8	1.5	-50%	D	30.0	34.6	-13%	N
REGION : NORTH WEST INDIA									
1	UTTAR PRADESH	0.3	0.5	-36%	D	4.6	17.0	-73%	LD
2	UTTARAKHAND	2.0	1.9	3%	N	23.9	102.5	-77%	LD
3	HARYANA	0.0	0.3	-100%	NR	3.7	23.3	-84%	LD
4	CHANDIGARH (UT)	0.0	0.1	-100%	NR	6.8	50.5	-86%	LD
5	DELHI (UT)	0.0	0.3	-100%	NR	6.0	27.5	-78%	LD
6	PUNJAB	0.0	0.5	-100%	NR	4.4	41.1	-89%	LD
7	HIMACHAL PRADESH	0.1	2.0	-95%	LD	23.7	192.6	-88%	LD
8	JAMMU & KASHMIR (UT)	0.0	3.6	-100%	NR	61.3	275.7	-78%	LD
9	LADAKH (UT)	0.0	0.3	-100%	NR	6.3	22.2	-72%	LD
10	RAJASTHAN	0.0	0.4	-100%	NR	3.0	10.2	-71%	LD
REGION : CENTRAL INDIA									
1	ODISHA	0.5	1.9	-75%	LD	36.0	70.6	-49%	D
2	MADHYA PRADESH	0.0	0.1	-100%	NR	2.3	11.4	-80%	LD
3	GUJARAT	0.0	0.2	-100%	NR	0.1	2.1	-96%	LD
4	DADAR & NAGAR HAVELI (UT)	0.0	0.0	-100%	NR	0.0	0.0	-100%	NR
5	DAMAN & DIU (UT)	0.0	0.0	-100%	NR	0.9	0.3	198%	LE
6	GOA	0.0	0.5	-100%	NR	54.3	20.9	160%	LE
7	MAHARASHTRA	0.0	0.3	-100%	NR	4.6	14.5	-69%	LD
8	CHHATTISGARH	0.1	0.4	-81%	LD	13.4	27.8	-52%	D
REGION : SOUTH PENINSULA									
1	ANDAMAN & NICOBAR (UT)	41.4	5.7	626%	LE	322.2	165.3	95%	LE
2	ANDHRA PRADESH	0.4	1.8	-78%	LD	27.7	43.9	-37%	D
3	TELANGANA	0.2	0.5	-60%	LD	18.9	34.7	-46%	D
4	TAMIL NADU	1.7	1.9	-10%	N	95.4	78.8	21%	E
5	PUDUCHERRY (UT)	0.0	1.3	-100%	NR	72.2	66.0	9%	N
6	KARNATAKA	2.2	1.4	60%	LE	98.8	56.3	76%	LE
7	KERALA	4.0	5.9	-33%	D	275.2	180.2	53%	E
8	LAKSHADWEEP (UT)	0.0	2.0	-100%	NR	112.7	72.6	55%	E
COUNTRY :		0.7	1.6	-59%		60.9	83.0	-27%	

#### CATEGORYWISE DISTRIBUTION OF NO.OF STATES

CATEGORY	Day:06-05-2022	Period:01-03-2022 To 08-05-2022
	NO.OF STATES	NO.OF STATES
Large Excess	2	4
Excess	0	5
Normal	3	7
Deficient	5	6
Large Deficient	12	14
NoRain	15	1
NoData	0	0

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**Previous Updates-**

As per latest data, Argentina soybeans were 46% harvested as of late last week compared to 33% last year and 54% average.

- According to USDA latest planting report USA Soybean sowing progress stood at 8% Vs 22% previous year and 13% five year average. And approximately, 15% of Soybean production is within an area of experiencing drought.
- The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya mills for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects.
- SOPA has urged the Central government not to allow the import of genetically modified (GM) soyabean meal citing that it will adversely impact the local processors and farmers since the country does not allow cultivation of GM food crops.
- 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.

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**International updates**

- According to USDA latest planting report USA Soybean sowing progress stood at 3% Vs 7% previous year and 5% 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-**

Today Jaipur RM seed prices went down by 1% at Rs. 7,375/qtl. amid subdued demand in cash market, However, traders have stocked 2000 qtl and holding in anticipation of better prices in future. In other cash markets too traded with mixed weak sentiments. RM seed prices are expected to trade with firm bias tracking palm oil and CPO export ban by Indonesia in the range of 7,350-7550 in near term.

**Previous Updates-**

- RM seed crushers are facing challenges as farmers hold back anticipating higher price which has resulted into almost 45% decline in market arrivals in April'22 compared with March which is affecting the crushing of the oil seed.
- Currently, Mustard is trading at three months high, tracking Palm oil export ban by Indonesia coupled with shrinking arrivals. The premium of mustard oil over CPO has been to reversed to discount due to low palm oil supply side. Currently, CPO to Mustard spread has become positive at INR 70-100/ 10 Kg. This is likely to push the demand for Mustard oil, as it's been seen that at palm oil demand at higher prices is usually substituted with comparatively discounted oils. It is inferred that discounted mustard oil price will boost crushing and so the RM seed demand which is likely to underpin RM seed prices.
- Indonesia's flip-flops in export ban policy have sent global prices into turmoil. Indonesia is the world's biggest producer of palm oil-producing 59% of the global supply. Indonesia's Minister for Economic Affairs Airlangga Hartarto cleared in a media briefing on 27th April, that Indonesia has widened its export ban and has included Crude Palm Oil (CPO) and Refined Palm Oil (RPO) in addition to Refined Bleached Deodorized Palm Oil (RBDPO) in its new export policy. Upon palm oil export ban by Indonesia, oilseed complex likely to remain bullish.
- Statistics Canada on Tuesday pegged Canada's 2022 canola plantings at 20.9 million acres, down 7% from last year, 6% below the five-year average and lighter than analyst expectations of 22.1 million.

- In Haryana, government agencies have not procured even a single quintal of mustard so far, as private players have offered rates much more than the MSP (Rs 5,050 /qtl).
- 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 sunflower seed 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	07-May-22		06-May-22		
	Low	High	Low	High	
Indore –Plant	7200	7400	7300	7400	Unch
Indore–Mandi	6800	7250	6800	7200	50
Nagpur-Plant	7200	7300	7000	7200	100
Nagpur – Mandi	6000	7000	6000	6900	100
Latur – Mandi	6300	7360	6800	6900	460
Akola – Mandi	5500	6895	6200	6895	Unch
Kota-Plant	7300	7450	7350	7400	50
Kota – Mandi	7100	7400	7000	7400	Unch
Bundi-Plant	7000	7200	7000	7100	100
Bundi-Mandi	6800	7000	6600	6800	200
Baran-Plant	7400	7500	7300	7500	Unch
Baran-Mandi	6800	7400	7000	7350	50
Bhawani Mandi Jhalawar–Plant	7100	7200	7000	7200	Unch
Jhalwar-Mandi	6900	7000	6600	6900	100
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	7350	7375	7425	7450	-75
Alwar-(Condition)	6900	7000	7000	7150	-150
Sri Ganganagar-(Non-Condition)	6700	6800	6900	6950	-150
New Delhi–(Condition)	7100	7150	7100	7200	-50
Kota-(Condition)	6900	7000	6900	7100	-100
Agra-(Condition)	7143	7333	7190	7381	-48
Neewai-(Condition)	6800	7000	6800	7050	-50
Hapur (UP)-(Condition)	7100	7150	7100	7150	Unch
<b>Groundnut Seed</b>					
Rajkot	1085	1085	1060	1060	25
<b>Sunflower Seed</b>					
Gulbarga	5200	5500	5200	5500	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.					

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