AGRIWATCH

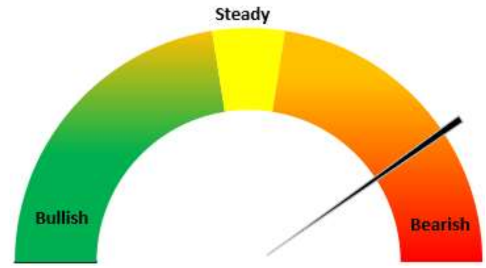
Oil Seed Daily Fundamental

16th Feb, 2023

Oilseeds Domestic Fundamentals:

Today's Update-

Today, In Indore Soybean plant prices went down by 0.88% to 5,600/Qtl as compared to previous day amid weak demand. Other market witnessed mixed sentiments with weak bias. So far Soybean prices are trading well above MSP of 4300. Soybean (plant delivery, Indore) prices are expected to trade sideways with upward bias in the range of 5,500-6,000/qtl levels in the near-term amid good demand from millers.



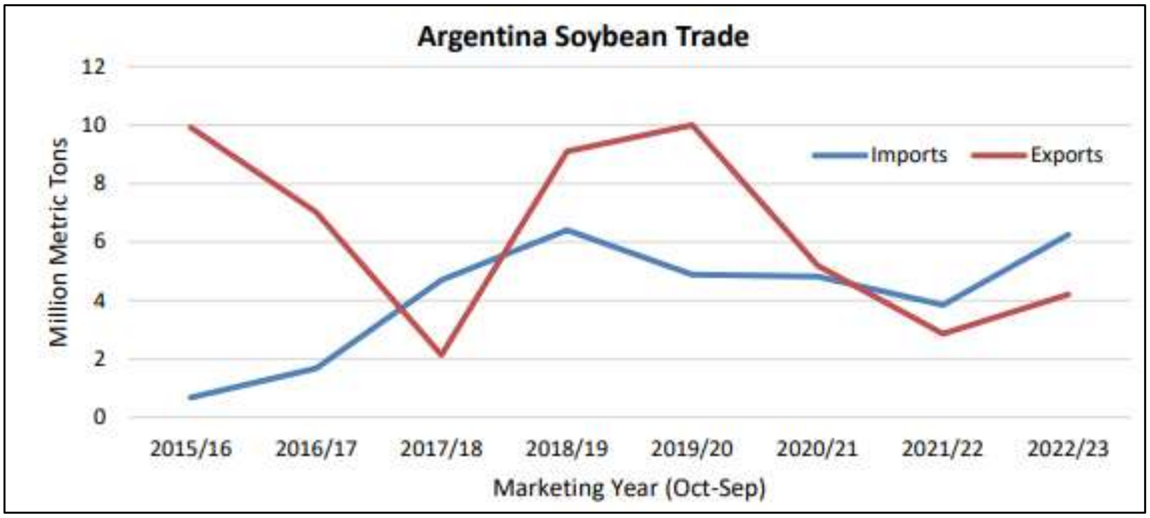
Crop	Season	2nd Adv est. 2022-23	4th Adv est. 2021-22	% Change over 4th Advance est.
Mustard	Rabi	128.18	117.46	9%
Soybean	Kharif	139.75	129.95	8%
Groundnut	Kharif	85.82	83.75	2%
Groundnut	Rabi	14.74	17.32	15%
Castor seed	Kharif	18.82	16.11	17%
Sesamum	Kharif	7.49	7.62	2%
Sunflower	Kharif	1.35	1.12	21%
Sunflower	Rabi	1.44	1.4	3%
Linseed	Rabi	1.4	1.33	5%
Safflower	Rabi	0.57	0.57	0%
Total nine oilseeds	Kharif	253.68	238.88	6%
Total nine oilseeds	Rabi	146.33	138.08	6%
In Lakh Tonnes	Source: Ministry of Agriculture (14th Feb'2023)			

As per govt. 2nd Adv. estimates, the total oilseeds production in the country for the year 2022-23 will reach a record high of 400.01 lakh tonnes, representing an increase of 20.38 lakh tonnes compared to the previous year's production.

International market update:

CBOT Soy bean Futures	$/ Bushels					
Contract	"+/-"	% Change	Open	High	Low	Close
Mar-23	-9'0	(-0.59%)	15.36	15.37	15.26	15.28
May-23	-9'4	(-0.62%)	15.28	15.29	15.18	15.20
Jul-23	-10'0	(-0.66%)	15.17	15.18	15.06	15.09
Aug-23	-11'2	(-0.76%)	14.80	14.80	14.70	14.71

Argentine soybean exports have decreased while imports have increased due to the contraction in production



The continuous reduction in Argentina's soybean production for the second consecutive month has been attributed to the drought and extreme temperatures in the main producing areas. The shrinking production is projected to bring the total supply to five-year lows, leading to a decline in exports and crush.

The difficulty in procuring soybeans due to slow selling by farmers, who are retaining their crops to hedge against inflation and political uncertainty, is another hindrance faced by exporters and crushers. The export forecast has been reduced by 1.5 million tons, with a year-over-year increase in the 2022/23 exports forecast of 3.0 million tons. However, exports during the final 10 months of the marketing year (Dec-Sep) are estimated at 1.2 million tons, which would be the lowest in nearly three decades.

The soybean crush has also decreased by 700,000 tons to 37.3 million (Oct-Sep) due to limited supplies. To counter the reduced domestic supply, crushers are expected to increase imports from Brazil and Paraguay. The imports have been raised to 6.3 million tons, marking the second-highest level in the USDA database

According to USDA Feb’23 report, 2021-22 Soy production estimate for India kept unchanged at 12 million tonnes as compared to previous month, however last year it was 11.9 MMT. US soy production kept unchanged at 116.3 MMT as compared to previous month’s estimate, while last year it was 121.52 MMT.

However, Argentina’s 2022-23 soy production reduced to 41 MMT Vs 45.5 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 153 MMT compared to previous month estimates while last year it was 129.5 MMT.

According to AgRural, 9% of Brazil's soybeans were harvested as of late last week, a 4% increase from the same time last year. Mato Grosso is ahead of the game with 24% of soybean harvest completed.

2022/23 Argentina Soybeans 99% Planted

As of last week, 98.8% of the 2022/23 soybeans in Argentina had been planted, falling short of last year's 100% and the 99.9% average. Despite the ideal planting window closing, recent rains may encourage farmers to plant the remaining soybeans. The soybeans' current rating stands at 54% poor/very poor, 39% fair, and 7% good/excellent, with the latter category increasing by 4% from the prior week. The soil moisture for the soybeans is rated 63% short/very short and 37% favourable/optimum, with the latter also seeing a 7% increase from the previous week.

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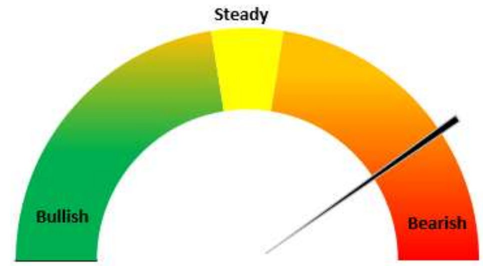
RM seed

Today's Update-



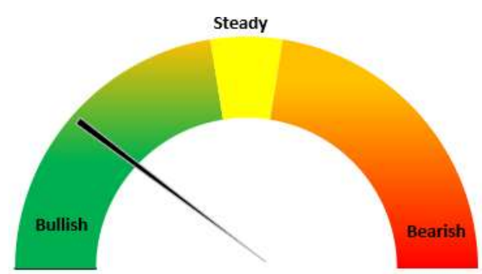
- Today RM Seed Jaipur average prices went down by 0.40% to INR 5,950/qtl. amid new crop arrivals.
- The mustard crop in the states of Rajasthan, Uttar Pradesh, and Madhya Pradesh has reached maturity and is poised for full-scale harvesting. At present, some mandis are receiving new crops with a moisture content ranging from 15-20%.

This season's record-high mustard seed sowing of 9.8 million hectare, combined with favorable weather conditions in key growing regions, is expected to result in a bumper output of mustard seed. This increase in production will reduce the country's dependence on imports for edible oils. Harvesting of mustard seed is set to begin at the end of this month, and prices are predicted to be at least 20% above the government's minimum support price of Rs 5,450/quintal. As per Agriwatch preliminary estimates mustard seed production is likely to exceed 11.2 million tonnes in the 2022-23 crop year, a 5% increase from the previous year. The higher area and productivity are expected to lead to increased oilseed production and lower demand for imported edible oils. India imports 56% of its annual edible oil consumption, valued at Rs 1.5 trillion in FY22. The country produces 44% of its domestic edible oil, with mustard being the largest contributor at 39%, followed by soybean (24%) and groundnut (7%).

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 3 February 2023			
State	**2022**	**2021**	**% Change**
Rajasthan	38.52	33.92	13.57%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	8.94	9.88	-9.52%
Haryana	7.32	7.56	-3.16%
West.Bengal	6.59	6.09	8.23%
Jharkhand	3.87	4.05	-4.44%
Assam	3.34	3.20	4.38%
Gujarat	3.05	3.40	-10.32%
Others	12.35	11.43	8.02%
Total	**98.02**	**91.25**	**7.42%**

Groundnut:

Rajkot Groundnut bold inshell prices went down by 1.8% to INR 7,565/Qtl amid weak demand in the market. In upcoming days, Groundnut is likely to trade in the range of INR 6,700-8,000/Qtl. The limited supply of groundnut available for crushing is causing groundnut seed prices to increase. Currently, Rajkot groundnut bold prices have risen by 20% from this season's low of INR 5,702/Qtl to INR 6,850/Qtl, and the market had made a high of INR 7,250/Qtl this season.



Rabi Groundnut			
Area Covered (Lakh Ha) as of 3 February 2023			
State	**2022**	**2021**	**% Change**
Karnataka	1.650	1.380	19.57%
Odisha	1.099	0.773	42.23%
Tamil Nadu	0.942	0.806	16.85%
Telangana	0.932	1.283	-27.37%
Andhra Pradesh	0.814	0.826	-1.42%
Others	0.240	0.160	50.00%
Total	**5.678**	**5.228**	**8.60%**

The winter crops in Gujarat and Rajasthan have ended early by three months due to imports of over 50,000 tons from China and Vietnam. The state trading agency only covered 35,000 tons of the main crop with the minimum support price. The summer crop in Gujarat is expected to expand in February with higher profits for farmers. However, current exports cannot match pricing and some are reserved for sowing. Despite high kernel prices, oil prices remain strong. Spanish crops have increased supply (45,000 bags/day) with the harvest, making prices ($1475/t) too high for exports or value addition. Prices are expected to fall due to a bumper crop supply from 4 major producing states in India, Andhra, Telangana, Karnataka and Tamil Nadu. A prolonged timeframe is anticipated for the bumper crop supply.

Sunflower:

Today, sunflower prices at Gulbarga traded with firm bias at INR 5,100/Qtl. amid sluggish trading activities in the market.

India's sun-oil imports rise to record as Russia-Ukraine compete for market share

India, the world's largest importer of vegetable oil, is expected to see a significant increase in its sunflower oil imports to a record 473,000 tonnes in January, according to sources. This is a nearly three-fold increase in average monthly imports. The reason for this surge is due to top exporters Russia and Ukraine looking to decrease their stockpiles. However, this increase in sunflower oil imports may have a negative impact on India's palm oil imports and affect prices for Malaysian palm oil. The discounted price of sunflower oil compared to soyoil in December made it an attractive option for Indian buyers.

As per the USDA oilseed January 2023 (monthly) report, the world total production of sunflower seed is estimated to decrease by 11% and reach 51.07 MMT as compared to 57.3 MMT in the previous year. While the estimation for Russia is up by 6%, however very low in Ukraine by 43%, down by 8% in the EU, 4% up in Argentinaand 9% up in Turkey. While in Russia it is projected to increase by 6%, however a drop of 43% is estimated in Ukraine while an increase of 4% in Argentina and the exports are estimated to be up by 240% in Russia at 0.8 MMT Vs 0.2 MMT previous year while 50% up in Ukraine at 2.4 MMT Vs 1.6 MMT in previous year. The world's total ending stocks are estimated to be down by 24% at 6 MMT Vs 7.9 MMT previous year. While in Russia it isestimated to be up by 28% at 1.2 MMT Vs 0.9 MMT, and down by 43% in Ukraine at 2.6 MMT as compared to previous year at 4.6 MMT.

Rabi Sunflower			
Area Covered (Lakh Ha) as of 3 February 2023			
State	**2022**	**2021**	**% Change**
Karnataka	0.460	0.720	-36.11%
Odisha	0.137	0.098	40.56%
Maharashtra	0.084	0.091	-8.51%
Telangana	0.066	0.108	-39.02%
Andhra Pradesh	0.065	0.062	5.40%
Others	0.100	0.090	11.11%
Total	**0.91**	**1.17**	**-21.98%**

The USDA has projected the Sunflower seed production in 2022-23 in India at 0.21 MT, that is up by 11% since last year that was at 0.19 MT. While the sunflower oil imports are forecast to go down by 5% at 1.8 MT as compared to 1.9 MT previous year.

Sesame

Today, sesame (White) prices at Mumbai traded firm at INR 13,000/Qtl as compared to previous day at INR 12,800/Qtl.

Sesamum			
Area Covered (Lakh Ha) as of 3 February 2023			
State	**2022**	**2021**	**% Change**
Odisha	0.320	0.300	6.51%
Tamil.Nadu	0.062	0.059	5.43%
Andhra.Pradesh	0.047	0.069	-32.17%
Meghalaya	0.024	0.024	0.46%
Telangana	0.023	0.046	-49.63%
Others	0.030	0.040	-25.00%
Total	**0.51**	**0.54**	**-6.00%**

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Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	15-Feb-23		14-Feb-23		
	Low	High	Low	High	
Indore –Plant	5500	5600	5550	5650	-50
Indore–Mandi	5200	5400	5350	5550	-150
Nagpur-Plant	5440	5520	5450	5550	-30
Nagpur – Mandi	5240	5420	5250	5450	-30
Latur – Mandi	5300	5450	5300	5450	Unch
Akola – Mandi	4900	5290	4900	5350	-60
Kota-Plant	5400	5600	5500	5700	-100
Kota – Mandi	5200	5400	5300	5500	-100
Bundi-Plant	5450	5550	5250	5450	100
Bundi-Mandi	5200	5450	5150	5250	200
Baran-Plant	5400	5600	5400	5600	Unch
Baran-Mandi	5300	5500	5300	5500	Unch
Bhawani / Jhalawar–Plant	5400	5600	5500	5600	Unch
Bhawani /Jhalwar-Mandi	5200	5500	5300	5500	Unch
Rapeseed/Mustard					
Jaipur-(Condition)	5925	5950	5950	5975	-25
Alwar-(Condition)	5700	5750	5600	5700	50
Sri Ganganagar-(Non-Condition)	5500	5600	5450	5550	50
New Delhi–(Condition)	5850	5900	5800	5850	50
Kota-(Condition)	5600	5800	5500	5700	100
Agra-(Condition)	6095	6143	6048	6095	48
Neewai-(Loose)	5500	5600	5500	5600	Unch
Hapur (UP)-(Condition)	5700	5750	5700	5750	Unch
Groundnut Seed (with shell)					
Rajkot	6150	7565	6200	7700	Unch
Jasdan	NA	NA	NA	NA	Unch
Bikaner	6000	7600	6000	7600	-135
Groundnut (Bold Without shell 40/50)					
Bikaner	10800	10800	10800	10800	Unch
Sunflower Seed					
Gulbarga	4525	5200	4515	5100	100
Latur	NA	NA	NA	NA	-
Sholapur	NA	NA	NA	NA	-

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/100 kg, Sunflower Seed in Rs/qtl.

Oilseed Arrivals in Key Centers:

Commodity / Centre	Arrivals in Bags/Qtl		Change
Soybean	**15-Feb-23**	**14-Feb-23**	
Madhya Pradesh	135000	125000	10000
Maharashtra	150000	160000	-10000
Rajasthan	30000	25000	5000
Indore(MP)	2500	1900	600
Latur(MH)	25000	20000	5000
Kota (Raj)	4000	5000	-1000
Rapeseed/Mustard			
All India	425000	375000	50000
Rajasthan	140000	125000	15000
Alwar	5000	5000	Unch
Sri Ganganagar	500	600	-100
Kota	15000	16000	-1000
Groundnut Seed			
Rajkot (Gujarat)	1500	1750	-250
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	15-Feb-23	14-Feb-23	Change
Groundnut Kernel	8450	8450	Unch
Gr. Bolds 60/70	10000	10000	Unch
Gr. Javas 60/70	10900	10900	Unch
Gr Javas 70/80	10800	10800	Unch
Gr.Javas 80/90	10600	10600	Unch
KardiSeed 2% Exp Qly	5400	5400	Unch
Sesame White 98/2/1 FM	13000	13000	Unch
Whitish 95/5/FFA/1FM	12800	12800	Unch
Brown 48/2 FFA/4 FM	12100	12100	Unch
Brown 48/3 FFA/4 FM	11900	11900	Unch
Brown 48/4 FM/* No FFA Guarantee	11500	11500	Unch
Sunflower Seed	6600	6600	Unch
Niger Seed (4% FM)	9000	9000	Unch

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