

Oilseeds Domestic Fundamentals:

Today's Update-

Today, the Indore Soybean plant prices went marginally down by 0.57% to INR 5,200/Qtl. as compared to the previous day amid subdued in demand. Overall the market traded with steady sentiments.



MSP for Kharif Season (2023-24)

| Minimum Support Prices for Kharif Marketing Season (KMS) 2023-24 | | | | | | | |
|--|-------------|-------------|-------------|-------------------|------------------------------|------------------------------|-----------------------------------|
| Crops | MSP 2014-15 | MSP 2022-23 | MSP 2023-24 | Cost* KMS 2023-24 | Increase in MSP over 2022-23 | Margin over cost in per cent | Increase in MSP over 2022-23 in % |
| Groundnut | 4000 | 5850 | 6377 | 4251 | 527 | 50 | 9% |
| Sunflower Seed | 3750 | 6400 | 6760 | 4505 | 360 | 50 | 6% |
| Soybean (Yellow) | 2560 | 4300 | 4600 | 3029 | 300 | 52 | 7% |
| Sesamum | 4600 | 7830 | 8635 | 5755 | 805 | 50 | 10% |
| Nigerseed | 3600 | 7287 | 7734 | 5156 | 447 | 50 | 6% |

Government has increased the MSP of Kharif Crops for Marketing Season 2023-24, to ensure remunerative prices to the growers for their produce and to encourage crop diversification.

CBOT

| CBOT Soy bean Futures (\$/ Bushels) | | | | | | 13/Jun/2023 |
|-------------------------------------|---------------|-------|-------|-------|-------|-------------|
| Contract | % Change | Open | High | Low | Close | |
| Jul/2023 | -1'0 (-0.07%) | 13.98 | 13.99 | 13.93 | 13.98 | |
| Aug/2023 | -2'4 (-0.19%) | 13.21 | 13.21 | 13.16 | 13.19 | |
| Sep/2023 | -5'4 (-0.44%) | 12.50 | 12.51 | 12.44 | 12.46 | |
| Nov/2023 | -3'4 (-0.28%) | 12.38 | 12.40 | 12.33 | 12.36 | |

| CBOT Soy Oil Futures (Cent/pounds) | | | | | | 13/Jun/2023 |
|------------------------------------|----------------|------|------|------|-------|-------------|
| Contract | % Change | Open | High | Low | Close | |
| Jul/2023 | +0.11 (+0.20%) | 55.6 | 55.6 | 55.3 | 55.5 | |
| Aug/2023 | +0.08 (+0.15%) | 54.7 | 54.7 | 54.4 | 54.6 | |
| Sep/2023 | -0.10 (-0.18%) | 54.1 | 54.2 | 53.8 | 53.9 | |
| Oct/2023 | -0.12 (-0.22%) | 53.7 | 53.8 | 53.4 | 53.5 | |

International market update:

As of 11th June, 2023, the most recent report from the USDA reveals that the progress of soybean planting has reached a total of 96% completion vs 87% previous year same period. This surpasses the typical five-year average of 86% for this period in the year.

Severe drought in Argentina has led to a significant decline in soybean production, reaching the lowest level in over 20 years at 25.0 million tons. Despite this, crushing activity is projected to decrease by only 23 percent due to strong demand from Argentine crushers. The crushers have managed to secure soybeans through soy dollar exchange rate policies and increased imports, with 3.0 million tons imported from neighboring countries in the first four months of 2023. Paraguay is the largest supplier, benefiting from increased exportable supplies due to a doubled crop, reduced exports to Russia, and lower import demand from Brazil. Brazil's record production has also contributed to high exports. Argentina has expanded soybean imports from Bolivia to meet growing production and domestic demand. However, Uruguay will have limited exportable supplies due to the drought's impact. Despite the previous drought, the abundance of soybean supplies in Brazil reduces the need for Argentina to source outside South America.

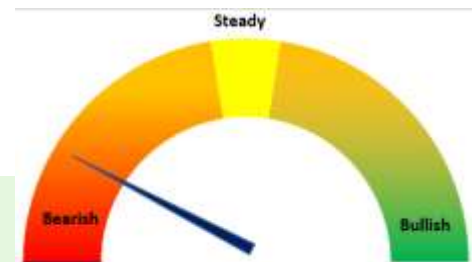
Currently, Indore Soybean plant prices is likely to remain subdued in the range of INR 5,200-5,500/Qtl in the short run.

RM seed

Today's Update-

The RM seed Jaipur prices went up by 1% at INR 5,250/Qtl. as compared to previous day amid decrease in arrivals. Across India, arrivals of RM seed were 7 lakh bags.

As of 13th June, 2023, NAFED's total procurement stands at 7,94,633.92 metric tonnes (MT), which holds a cumulative value of Rs. 4,330.75 Crores. The breakdown of the procurement reveals that NAFED has sourced 72,627.07 MT from Gujarat, 3,47,105.00 MT from Haryana, 1,92,531.22 MT from Rajasthan, 1,67,591.09 MT from Madhya Pradesh, and 14,736.45 MT from Uttar Pradesh.



International market update:

The canola area is projected to experience a slight increase to 8.8 million hectares in 2023-2024 due to favourable prices. However, this expansion is constrained by the similarly favourable prices of other crops like wheat and peas. If crop abandonment rates and yields continue to follow trends, the production is estimated to be around 18.5 million metric tons.

Both domestic crush and exports are forecasted to remain at similar levels as in 2022-23, with domestic crush predicted to be around 9.5 million metric tons and exports at 8.8 million metric tons. This projection is supported by the ongoing strong global demand for oilseeds, vegetable oils, and protein meals.

Assumptions for feed use, residue, and impurity levels are set at normal levels. Carry-out stocks are expected to slightly increase to 1.1 million metric tons, compared to 1.0 million metric tons in 2022-23 and the five-year average of 2.3 million metric tons.

The Canadian canola supply for the 2022-23 period is projected to reach 19.1 million metric tonnes (Mt), which is 22% higher compared to the previous year. This increase is primarily due to the recovery in production following the drought in 2021-22, although it was somewhat balanced by existing stocks. Canola cultivation covered an area of 8.7 million hectares (Mha) in Canada, with 8.6 Mha successfully harvested. Yields returned to nearly normal levels, averaging 2.11 tonnes per hectare (t/ha). The estimated production for the year is 18.2 Mt.

Mustard outlook

Currently, RM seed is trading at three years low tracking weak demand from oil millers amid disparity due to weak mustard oil prices. As per Agriwatch primary sources, upon disparity, most of the expeller are shut and only few kacchi ghani are operational. Farmers are reluctant to offload their stock at current levels in anticipation of better prices in future. And millers are buying as per their daily need for crushing.

Jaipur mustard is likely to remain weak in the range of INR 5,000-5,500/Qtl in the short run.

Groundnut:

Groundnut bold Rajkot market remained closed. In upcoming days, Groundnut average prices is likely to trade range bound in the range of INR 7,400-8,000/Qtl in short run amid low availability and good export demand.



In contrast to the sharp decline in prices of other oilseeds, groundnut prices have remained robust due to increased export demand and low production. The weak performance of summer season crops, including groundnuts, further contributes to the sustained high prices. There has been a year-long increase of over 20 percent in groundnut prices, with a recent 2.5 percent surge within the past month. Despite a significant decrease in the prices of other oilseeds, groundnut prices have remained strong, primarily due to extensive exports to Gulf countries and Chin.

The groundnut production is estimated to be lower this year in Argentina due to lower yield. The market price reference has been steadily rising over the past few months due to the continuous decline in production expectations. While substantial volumes of Crop 2022 are still being exported from Argentina, the full impact on availability has yet to be observed. Determining when the market will fully comprehend the situation is challenging. However, it is highly likely that Argentina will experience a 40 to 50% reduction in exported volume compared to the past three years.

| Groundnut Kharif Sowing Progress (as on 2nd June '23) | | | |
|--|-------------|-------------------|-----------------|
| State | 2023 | 2022 | % Change |
| Uttar.Pradesh | 1.26 | 1.15 | 10% |
| Maharashtra | 0.85 | 0.86 | -1% |
| Karnataka | 0.84 | 1.01 | -17% |
| West.Bengal | 0.70 | 0.64 | 10% |
| Gujarat | 0.54 | 0.61 | -12% |
| Others | 0.82 | 1.24 | -34% |
| Total | 5.01 | 5.51 | -9% |
| Source: MoA | | in Lakh Ha | |

Sunflower:

Today, Sunflower seed in Maharashtra/Karnataka remained stable at INR 6,000/Qtl. amid subdued trading activities.

Sesame

Today, sesame (White) sesame traded firm at INR 13,500/Qtl. amid subdued trading activities.

Oilseed Prices at Key Spot Markets:

| Commodity / Centre | Prices (Rs/Qtl) | | | | Change |
|--------------------------------|-----------------|--------|-----------|--------|--------|
| Soybean | 14-Jun-23 | | 13-Jun-23 | | |
| | Low | High | Low | High | |
| Indore –Plant | 5050 | 5250 | 5000 | 5200 | 50 |
| Indore–Mandi | 4900 | 5100 | 4900 | 5040 | 60 |
| Nagpur-Plant | 4950 | 5050 | 5000 | 5150 | -100 |
| Nagpur – Mandi | 4750 | 4900 | 4900 | 5000 | -100 |
| Latur – Mandi | 4800 | 5400 | 4800 | 5400 | Unch |
| Akola – Mandi | 4550 | 4950 | 4600 | 4950 | Unch |
| Kota-Plant | 5000 | 5200 | 5000 | 5200 | Unch |
| Kota – Mandi | 4800 | 5060 | 4600 | 4900 | 160 |
| Bundi-Plant | 4750 | 5050 | 4550 | 5000 | 50 |
| Bundi-Mandi | 4600 | 4900 | 4400 | 4850 | 50 |
| Baran-Plant | 4800 | 5100 | 4800 | 5000 | 100 |
| Baran-Mandi | 4700 | 4900 | 4500 | 4800 | 100 |
| Bhawani / Jhalawar–Plant | 4950 | 5150 | 5000 | 5150 | Unch |
| Bhawani /Jhalwar-Mandi | 4900 | 5050 | 4800 | 5100 | -50 |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | 5225 | 5250 | 5175 | 5200 | 50 |
| Alwar-(Condition) | 4950 | 5000 | 4900 | 4950 | 50 |
| Sri Ganganagar-(Non-Condition) | 4400 | 4650 | 4500 | 4660 | -10 |
| New Delhi–(Condition) | 4900 | 4950 | 4850 | 4900 | 50 |
| Kota-(Condition) | 4900 | 5100 | 4850 | 5050 | 50 |
| Agra-(Condition) | 5357 | 5405 | 5286 | 5333 | 71 |
| Neewai-(Loose) | 4850 | 4900 | 4750 | 4850 | 50 |
| Hapur (UP)-(Condition) | 4950 | 5000 | 4950 | 5000 | Unch |
| Groundnut Seed (with shell) | | | | | |
| Rajkot | Closed | Closed | Closed | Closed | - |
| Jasdan | NA | NA | NA | NA | - |
| Bikaner | 6800 | 7400 | 6500 | 7200 | 200 |

| Groundnut (Bold Without shell 40/50) | | | | | |
|--|-------|-------|-------|-------|------|
| Bikaner | 10700 | 10700 | 11500 | 11500 | -800 |
| Sunflower Seed | | | | | |
| Maharastra/Karnataka | 5720 | 5720 | 5720 | 5720 | 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/100 kg, Sunflower Seed in Rs/qtl. | | | | | |

Oilseed Arrivals in Key Centers:

| Commodity / Centre | Arrivals in Bags/Qtl | | Change |
|------------------------|----------------------|-----------|--------|
| Soybean | 14-Jun-23 | 13-Jun-23 | |
| Madhya Pradesh | 80000 | 80000 | Unch |
| Maharashtra | 70000 | 70000 | Unch |
| Rajasthan | 8000 | 12000 | -4000 |
| Indore(MP) | 1400 | 1400 | Unch |
| Latur(MH) | 6000 | 5000 | 1000 |
| Kota (Raj) | 4000 | 7000 | -3000 |
| Rapeseed/Mustard | | | |
| All India | 700000 | 725000 | -25000 |
| Rajasthan | 400000 | 425000 | -25000 |
| Alwar | 4000 | 5000 | -1000 |
| Sri Ganganagar | 1000 | 1500 | -500 |
| Kota | 2500 | 2500 | Unch |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | Closed | Closed | - |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | NA | NA | - |

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

| Oilseeds | 14-Jun-23 | 13-Jun-23 | Change |
|------------------------|-----------|-----------|--------|
| Groundnut Kernel | 8250 | 8125 | 125 |
| Gr. Bolds 60/70 | 10000 | 9900 | 100 |
| Gr. Javas 60/70 | 12000 | 11000 | 1000 |
| Gr Javas 70/80 | 10800 | 10700 | 100 |
| Gr.Javas 80/90 | 10500 | 10400 | 100 |
| KardiSeed 2% Exp Qly | 4500 | 4500 | Unch |
| Sesame White 98/2/1 FM | 13500 | 13500 | Unch |
| Whitish 95/5/FFA/1FM | 13300 | 13300 | Unch |
| Brown 48/2 FFA/4 FM | 12600 | 12600 | Unch |

| | | | |
|----------------------------------|-------|-------|------|
| Brown 48/3 FFA/4 FM | 12400 | 12400 | Unch |
| Brown 48/4 FM/* No FFA Guarantee | 12000 | 12000 | Unch |
| Sunflower Seed | 5800 | 5800 | Unch |
| Niger Seed (4% FM) | 10500 | 10500 | Unch |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Limited

