

Oilseeds Domestic Fundamentals:

Today's Update-

Today, the Indore Soybean plant prices remained steady at INR 5,200/Qtl. as compared to the previous day amid increase in arrivals.



The Department of Revenue under the Ministry of Finance has issued Notification No. 39/2023-Customs dated 14th June 2023 notifying the cut in import duty of refined soy oil and refined sunflower oil to match it with the import duty of RBD palm olein and RBD palm oil. India mainly imports crude soy oil and crude sunflower oil; however, it may shift the demand toward import of refined soft oils, weighing on edible oil basket prices.

Soybean Kharif Sowing Progress (as on 9th June '23)			
State	Area Covered		% Change
	(Lakh Ha)		
	2023	2022	
Gujarat	0	0.014	-100%
Karnataka	0.019	0.089	-79%
Nagaland	0.128	0.128	0%
Uttarakhand	0.04	0.01	300%
Total	0.187	0.241	-22%
Source: MoA		in Lakh Ha	

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)					14/Jun/2023
Contract	% Change	Open	High	Low	Close
Jul/2023	+1'6 (+0.13%)	13.89	13.93	13.87	13.90
Aug/2023	+2'2 (+0.17%)	13.18	13.22	13.18	13.20
Sep/2023	+3'0 (+0.24%)	12.52	12.56	12.51	12.54
Nov/2023	+2'2 (+0.18%)	12.40	12.45	12.40	12.42

CBOT Soy Oil Futures (Cent/pounds)					14/Jun/2023
Contract	% Change	Open	High	Low	Close
Jul/2023	-0.01 (-0.02%)	55.9	56.0	55.8	55.9
Aug/2023	+0.04 (+0.07%)	54.9	55.0	54.8	54.9
Sep/2023	+0.03 (+0.06%)	54.3	54.4	54.1	54.3
Oct/2023	-0.07 (-0.13%)	53.8	53.9	53.7	53.8

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.

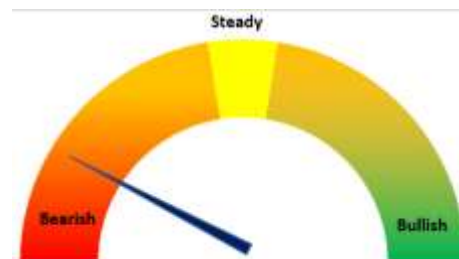
Currently, Indore Soybean plant prices is likely to remain subdued in the range of INR 5,200-5,500/Qtl in the short run.

RM seed

Today's Update-

The RM seed Jaipur prices went marginally down by 0.5% at INR 5,225/Qtl. as compared to previous day amid weak demand from millers. 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 China.

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 9th June '23)			
State	Area Covered (Lakh Ha)		Change
	2023	2022	
Gujarat	0.176	0.36	-51%
Karnataka	0.02	0.049	-59%
Nagaland	0.02	0.018	11%
Uttar.Pradesh	0.052	0.034	53%
Total	0.268	0.462	-42%
Source: MoA			in Lakh Ha

Sunflower:

Today, Sunflower seed in Maharashtra/Karnataka remained stable at INR 5,720/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					
Maharashtra/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

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