Oilseeds Monthly Research Report

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Contents

Executive Summary

Firm trends are featured at various centers of oilseeds complex on strong miller's demand in May month. Recent rise in Soybean oil prices and increase demand of south based plants supported soybean prices to increase. RM seed prices rose on local crushers demand and active procurement process of Nafed at MSP prices. Supplies in Mustard market noted down as farmers and traders are expecting further more rise in prices. NCDEX prices of Soybean closed lower amid speculators selling activities however Mustard prices rose on good demand perspective. The RMSeed market is mainly being driven by crop arrivals and local crushers & stockiest demand and Nafed procurement activities. CBOT prices closed remain lower on weak global sentiments.

As per third advance estimates of government, total oilseeds output is placed higher by 1.77 million tonnes to 31.42 million tonnes during 2018/19 as compared to five years average oilseeds production.

As per sources, India is likely to cover higher Soybean planting area in 2019 crop year on account of higher Soybean prevailing prices which prompted farmers to switch from other competing commodities like cotton and pulses. It will be helpful to vegetable oil importers of India as they are buying costly oils from Brazil, Argentina, Indonesia and Malaysia in the current season. It could also help to boost Indian exports of animal feed ingredient soymeal to places such as Bangladesh, Japan, Vietnam and Iran. Domestic soybean prices have gained nearly 14 percent to 3,716 rupees ($53.31) per 100 kg since the start of the 2018 crop year on Oct. 1, after India raised the duty on importing Soyoil, palm oil and other cooking oils.

The state government got the approval from ministry of Agriculture to procure groundnut and Sunflower seed of Rabi season in Odisha. The proposal for procurement of shelled ground nut has been approved for 6580 tonnes at MSP prices i.e. 4890 per quintal and 10,500 tonnes of Sunflower seeds at MSP price Rs. 5388 per quintal from registered farmers. The procurement operation, which will start on May 24 2019 and will continue for two months till July 27,2019. All the process will be undertaken by National Agricultural Cooperative Marketing Federation of India Ltd (Nafed) through two State agencies - Odisha State Cooperative Marketing Federation (Markfed) and Tribal Development Cooperative Corporation of Odisha Limited (TDCCL). Payments will be made directly to the bank accounts of farmers within three days from the actual delivery of their products to the procuring agency.

CBOT Soybean July future contract closed in green followed by delay sowing activities in U.S. As per recent USDA report, US has completed 39% of its Soybean acres as on 2nd June 2019 lower from previous year record i.e. 86%. It is also lower from 79% of average 5-year record as well. U.S. farmers may be paid $ 2 per bushel to offset losses from the U.S China trade war which may support CBOT price to rise in future. However lower export sale data of USDA may add bearish trend in the market.

Overall soybean may trade in steady to lower side on higher crop estimates and normal monsoon forecast. Mustard is expected to go high on good demand against less supplies.

Outlook – Cash Market

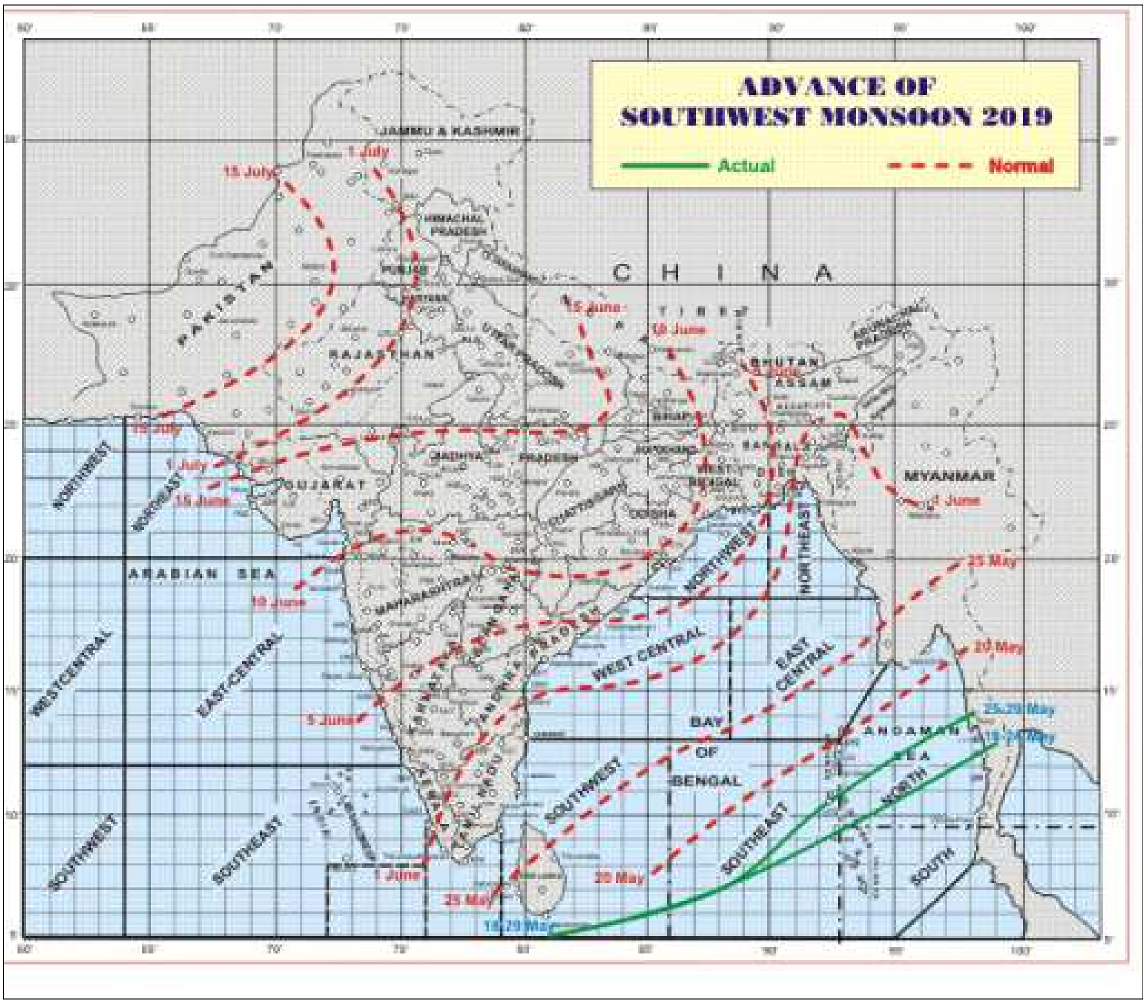
Outlook - Soybean (Spot, Indore): *Soybean Indore plant showed firm trend on less supplies. We expect steady to weak trend in coming days due to higher crop estimates and normal monsoon forecast by IMD. Prices are likely to trade in the range of 3600 to 3750 in June month. The market sentiments are now depending on the surplus bean stocks to be carried over to the next marketing year and millers and exporters demand. As we move to July contract, NCDEX soybean is likely to trade in weak zone due to lack of buyers' interests on weak sentiments.*
Outlook – Soy meal (Spot, Indore): *Meal prices is expected to trade in steady to weak zone as the exports has not been enough and International meal prices are not bullish enough. As the domestic demand declines in coming months as we move to summer, domestic price is expected to fall in fear of ample availability.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis)*: Strong local demand and buying activities of Nafed are weighing in the RM seed market & further likely to support prices to rise from the current level. Supplies are also less as sellers expect higher prices of Mustard seed in coming days. Higher crop estimates and normal monsoon forecast may curb any major rally in prices.*

Weather Forecast (For Kharif Oilseeds)

Monsoon 2019-IMD Forecast

Widespread rainfall over Northeast India with isolated heavy to very heavy falls likely over Tripura & neighbourhood and Isolated to scattered rainfall likely over Western Himalayan region, south Peninsular India and Islands.

Heat wave to severe heat wave conditions in many parts are very likely to continue over Vidarbha; in some parts over Madhya Pradesh; at isolated pockets over Haryana, Chandigarh & Delhi, Rajasthan and Uttar Pradesh during next 2-3 days.



Rabi Oilseed Sowing Progress

Rabi Oilseeds Sowing as on 22.02.2019						
	Normal Area	Average Area Sowing as on Date	2017-18	2018-19	% Change (Y-o-Y)	% Average Area as on Date
Rapeseed & Mustard	61.25	67.76	67.06	69.37	2.3	1.6
Groundnut	7.85	6.67	6.27	4.81	-1.5	-2.0
Safflower	1.62	1.08	0.81	0.45	-0.4	-0.6
Sunflower	3.68	2.80	1.75	1.14	-0.6	-1.7
Sesamum	3.04	0.85	0.70	0.79	0.1	-0.1
Linseed	2.93	3.56	4.02	3.48	-0.5	-0.1
Total Oilseed (Nine)	80.36	83.42	80.98	80.40	-0.6	-3.0

Soybean

Soybean prices firmed up on improved demand. Ups and downs pace of arrivals have been noticed in market. Some of sellers are ready to book profit at the current level.

In the third advanced estimates, ministry expects higher Indian Soybean crop (Kharif) at 137.43 lakh tonnes for 2018/19 season against 109.33 lakh tonnes in 2017/18. Normal rainfall at the maturity stage of crop improved yield of crop. The estimates are higher than 2016/17 crop size i.e. 131.59 lakh tonnes.

As per recent forecast of NCML, India may produce oilseeds in the range of 28 to 29.5 million metric tonnes (both Kharif and Rabi season) in 2019/20 in expectation of below normal monsoon. Total oilseeds for 2018/19 was estimated at 31.50 million metric tonnes including 21.25 million metric tonnes of Kharif crop and 10.25 million metric tonne of Rabi crop as per ministry second advanced estimate. Soybean crop size are expected in the range of 10 to 11million metric tonnes for this year lower by 20 to 27 percent from 13.7 million metric tonnes in 2018/19 estimates in hope of less rainfall. Out of the 50 districts which contribute to around 86 per cent of the total soybean production, 45 districts are in Madhya Pradesh, Rajasthan and Maharashtra, which are vulnerable to below-normal monsoon. Farmers in Maharashtra and Telangana had already shifted its Soybean crop area to Maize and cotton on account of higher profit margin, which may also lower soybean production for 2019/20.

As per Agriwatch estimates, soybean production in the current Kharif season is expected to be 105 lakh metric tonnes compared to 98.1 lakh metric tonnes in the previous season. Higher soybean production will curb any major rally in the market. However comfortable carry-in stocks and record soybean crop in U.S. Midwest will continue to be the limiting factor.

The total sown area under Rabi oilseeds, as on 22nd February 2019, is lower compared to the previous year's level which is down by 0.58% at 80.40 lakh hectares compared to 80.98 lakh hectares during the corresponding period last year.

As per SOPA, Soybean production of India may rise by 38% to 11.48 million tons this year against 8.36 million tonnes in last year record as supported by better yield, favorable weather condition in the major soybean crop growing states like Madhya Pradesh, Maharashtra and Rajasthan. Soybean acreage rose to 10.48 million hectares compared to 10.16 million hectares in the last season. Average yield jumped by 29 per cent to 1059 kg per hectare for the current harvesting season from 823 kg per hectare in the previous season. Soybean production in Madhya Pradesh may inch up by 41% to 5.92 million tonnes for the current season from 4.2 million tonnes last year. Total yield in the state is estimated to rise by 30.5 per cent to 1094 kg per hectare for the current season from 838 kg from the previous season.

The domestic soybean prices are likely to notice in steady to weak tone.

International:

As per IGC report, Soybean global production is likely to decline at 358 million tonnes in 2019/20 against 363 million tonnes in 2018/19. It expects global consumption at 359 million tonnes for 2019/20.

As per Germany's oil and protein plants association, farmers in U.S. may plant total soybean at 34.3M ha with a decline of 2M against previous year. Most of the farmers in U.S. holds an ample stock of soybean on farms at 36.6M tonnes as of 1st March 2019 which is higher by 50% during the same period of time in previous year.

During the week (May 17-23, 2019) US sold lower by 15% at 455,800 MT for 2018/2019 against the previous week, however up 92 percent from the prior 4-week average. Increases were reported for China (135,700 MT, including 136,000 MT switched from unknown destinations and decreases of 2,300 MT), Spain (57,000 MT), the Netherlands (56,800 MT, including 66,000 MT switched from unknown destinations and decreases of 9,200 MT), Canada (47,700 MT), and Japan (33,800 MT, including decreases of 200 MT). Reductions were reported for Mexico (2,600 MT). For 2019/2020, net sales of 22,000 MT were for unknown destinations (21,000 MT), Vietnam (600 MT), and Japan (400 MT). Exports of 469,000 MT were down 18 percent from the previous week and 16 percent from the prior 4-week average. The destinations were primarily to China (203,700 MT), the Netherlands (56,800 MT), Egypt (50,800 MT), Canada (35,200 MT), and Mexico (31,300 MT).

EU imported total 9% higher soybean at 13.4 million tonnes of the season 2018/19 so far (26th May 2019) against last year record. The country imported 6% lower to 15.9 million tonnes of Soymeal. It imported 1% higher palm oil at 5.7 million tonnes. as compared to last year record.

According to National Oilseed Processors Association (NOPA), U.S. April 2019 soybean crush declined by 6 percent to 159.99 million bushels from 170.01 million bushels in March 2019. Crush of soybean in April 2019 was lower by 1.0 percent compared to April 2018 figure of 161.01 million bushels. Soy oil stocks in U.S. at the end of April 2019 rose 1 percent to 1.787 billion lbs compared to 1.761 billion lbs in end March 2019. Stocks of soy oil in end March was lower by 15 percent compared to end April 2018, which was reported at 2.092 million lbs.

As per source Rifinitiv trade flows, China has imported total 7.8 million tons of Soybean in April 2019 from U.S, Brazil & Argentina which is very close to the 3 years average. China may import lower Soybean from these destinations in the range of 6.2- 7.5 million tonnes in May 2019 as compare to 10.4 million tons in previous year record during the corresponding period of time. China imported 2 million tons in April 2019 from U. S higher from 1.8 million tons from 2018 & 2017.However, U.S. Soybean arrivals are likely to decline in May 2019. The trade war between the U.S. and China has cut over 80% of US soybean exports to China so far this market year (September-August). On the other hand, Soybean arrivals of Brazil increased at 5.8 million tons as new crop started hitting in market. However, it is likely to decline and stand in the range of 5.2 to 6.6 million tonnes in May 2019 against 10 million tonnes in May 2018 due to the outbreak of African swine fever and resulting losses in Chinese demand.

As per sources, sunflower oil production of Ukraine is likely to stand at 6.4 million tonnes supported by higher sunflower seed harvesting. It expects exports volume at 5.95 million tonnes higher from 5.93 million tonnes in 2018/19. Ukraine may harvest 14.9 million tonnes sunflower seed in 2019 which is very close to 14.96 million in 2018.

As per CASDE (Chinese Agriculture Supply and Demand), China is likely to grow higher Soybean at 86.6 million tonnes in 2019/20. It forecast china's import at 84.9 million tonnes.

Balance Sheet – Soybean, India

Soybean (Fig in Mn T) MY-Oct.-Sep.	2018-19F	2019-20 F	Oct-Dec'19 F	Jan-Mar'20 F	Apr-Jun'20 F	July-Sep 20 F
Carry In	0.23	0.38	0.38	4.38	2.48	1.38
Production	10.55	10.01	10.01	0	0	0
Imports	0.00	0.00	0	0	0	0
Total Availability	10.78	10.39	10.39	4.38	2.48	1.38
Processing/Crushing	8.40	8.40	5.76	1.65	0.60	0.50
Exports & Direct Consumption	1.00	1.00	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	10.40	10.10	6.01	1.90	1.10	1.00
Carry Out	0.38	0.29	4.38	2.48	1.38	0.38
Monthly Use	0.87	0.84				
Stock/Consumption Ratio	0.04	0.04				
Stock to Month Use Ratio	0.44	0.34				

Fig. in MnT
Source: Agriwatch

Soy meal

Soymeal prices increased on firm demand. Improved Global sentiments and firm Soybean prices supported Soymeal prices to rise in May. However, ample stock availability may curb any significant rise in coming days.

Soymeal exports volume of India is recorded at 12,265 tonnes in April 2019 lower than 68,264 tonnes in April 2018. Overall Soymeal shipments in financial year (2018-19) stood at 1,358,083 tonne higher from 1,1878,18 tonnes in FY 2017-18. Total shipment of Rapeseed meal in April 2019 declined at 94,462 tons against 97,891 tonnes in April 2018. However, cumulative exports volume of Rapeseed meal is recorded higher at 1,094,015 tonnes during FY 2018-19 against 663,988 tonnes in previous year supported by major buyers like South Korea, Vietnam and Thailand.

As per recent SEA report, India exported 8.96% higher Oilmeals to 3.32 million tonnes in the FY 2018/19 against 3.02 million tonnes in last financial year. Rapeseed meal exports is recorded higher at 10,94,015 tonnes against 663,988 tonnes followed by good demand of South Korea, Vietnam and Thailand. Soybean meal exports also increased to 1,358,083 tonnes in the 2018/19 fiscal year from 11,87,818 tonnes in last FY year. Vietnam bought total 17,575 tonnes of oilmeals in April 2019 and South Korea at 94,847 tonnes, Thailand at 32,337 tonnes, Iran at 9,890 tonnes. Iranian buyers are ready now to buy Indian soybean meal.

According to recent WASDE report, Soybean meal production of India is estimated at 7.20 million metric tonnes for 2018/19 higher from previous year record i.e. 6.16 million metric tonnes. Ending stocks is placed at 0.23 million metric tonnes for this year higher from 0.11 million metric tonnes of previous year record.

During week (May 17-23,2019) U.S. sold lower Soybean meal and cake by 2% at 183,800 MT for 2018/2019 against previous week, but up 20 percent from the prior 4-week average. Increases were reported for the Philippines (70,900 MT), Mexico (43,900 MT, including decreases of 200 MT), Canada (26,800 MT), Honduras (7,100 MT), and Guatemala (6,900 MT, switched from unknown destinations). Reductions were primarily for Ecuador (7,000 MT), French West Indies (2,900 MT), and unknown destinations (2,300 MT). For 2019/2020, net sales of 65,000 MT were primarily for unknown destinations (30,000 MT) and the Dominican Republic (27,900 MT). Exports of 243,100 MT were up 17 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to the Philippines (72,200 MT), Colombia (61,000 MT), Mexico (30,500 MT), and Guatemala (21,600 MT).

Indian Soymeal premium quoted higher side by $131 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

The soy meal prices are likely to notice seasonal weakness in June month and prices is expected to remain range-bound after fall.

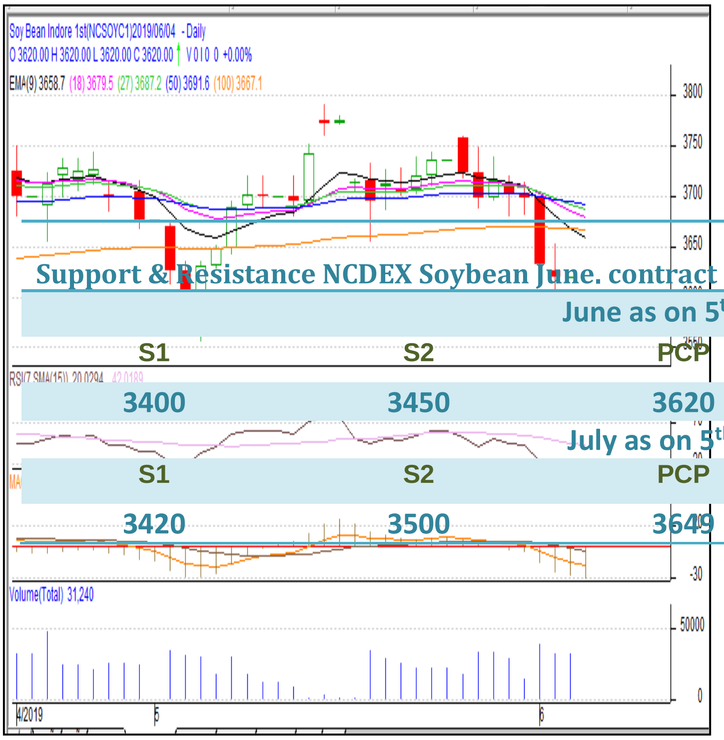
Soy Meal Export (In Thousand Tons)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Oct	405	224	50	183	29	4	31	71	150
Nov	443	398	517	503	111	9	98	208	186
Dec	611	798	511	451	194	6	241	169	170
Jan	575	475	620	364	104	28	155	106	86
Feb	540	344	578	184	65	30	208	74	132
Mar	411	460	302	232	47	27	107	39	193
Apr	305	314	100	76	18	12	124	68	12
May	177	143	98	8	14	10	49	41	
Jun	118	181	214	3	2	18	46	104	
Jul	140	168	107	7	1	12	81	64	
Aug	166	10	184	3	1	11	88	60	
Sep	226	7	173	1	7	12	102	45	
Total	4116	3521	3453	2015	592	180	1331	1049	

Source: SEA

Technical Analysis:

NCDEX Soybean Futures C1 Chart ***Soybean Spot, Indore weekly Chart***



- ➢ The Candlestick depicts weakness in the market on sellers' interests.
- ➢ MACD has been in the negative zone and RSI has been inching towards lower in oversold zone.
- ➢ Trade Recommendation (NCDEX Soybean –June): **Sell-Below-3620** Levels: Target –T1 3520; T2-3480, SL –above 3700
- ➢ In Reverse case, traders can start buying on above 3710 and can add on positions on every 20 points down.

Rapeseed - Mustard Seed

Mustard fundamentals are firmed up currently. Supplies are very less in the market as traders and farmers are expecting more hike in Mustard seed prices in coming days. Traders and other sources expect bumper crop in this season which may curb any major rise in future. However, aggressive procurement process of Nafed at MSP prices and strong local crushers demand against less supplies are leading prices to make a new high record.

As on 29th May 2019, Nafed procured total 21871.26 lakh tonnes of Mustard seed R-19 including 14516.80 tonnes in Rajasthan, 6511.56 tonnes in MP, 805.15 tonne in Gujarat, 37.75 tonnes in Uttar Pradesh states of India. It has procured total 8.57 lakh tonnes of mustard seed so far of this season from 388721 Farmers.

Agriwatch estimated rapeseed crop at 7.1 MMT in MY 2018-19. However, new rapeseed crop for 2019-20 is estimated at 7.9 MMT above last year due to higher rapeseed sown area and yields. This will lead to lower rapeseed prices in future thereby adversely affecting rapeseed oil prices. New rapeseed crop harvest has peaked. SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keeps its forecast at 8.7 MT for this season. According to NBHC (National Bulk Handling Corporation) Rabi crop recent report, crop size of Mustard seed is likely to go up by 0.30% than last estimate to 8.72 million metric tonne. The figure is also higher by 4.78% over last year record due to favorable weather condition resulting in higher yields in major producing states.

SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keep its forecast at 8.7 MT for this season. In the second advanced estimates, ministry expects higher Indian Rapeseed & Mustard crop (Rabi) at 83.97 lakh tonnes for 2018/19 season against 75.40 lakh tonnes in 2017/18. Normal rainfall at the maturity stage of crop improved yield of crop. The estimates are higher than 2016/17 crop size i.e. 79.17 lakh tonnes.

USDA expects India’s oilseeds production higher by 8% in 2019/20 in expectation of normal weather condition. Higher oilseeds supply may increase oilseeds meal production by 5.5% to 18 million tonnes. It projects oil meals exports at 3.2 million tonne with an increase of 10% in normal market condition and competitive pricing.

MOPA expects mustard crop output at 8.1 million tonnes in 2018/19 which is lower than farm ministry's second advance estimates of 8.4 million tonnes. Farm ministry quoted higher mustard acreage at 6.58 million hac. due to higher minimum support price, better realizations.

In view of NBHC (National Bulk Handling Corporation) Mustard crop size is likely to go up by 0.30% than its last estimate to 8.72 million metric tonne. The figure is also higher by 4.78% over last year record due to favorable weather condition resulting in higher yields in major producing states.

As per recent ministry report, Rabi Oilseeds crop sowing area in 2018/19 season stood slightly down by 0.6% to 80.40 lakh Ha. in India as compared to 80.98 Lakh Ha. in 2017-18. Currently, farmers have covered total 80.36 lakh Ha. normal area as on 22nd Feb 2019. However, Rapeseed sowing area of this year is recorded higher by 2.3% to 69.37 Lakh Ha. against 67.06 Lakh Ha. in last year.

Outlook: The rapeseed-mustard is likely to notice range –bound to firm tone on strong demand.

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2018-19	2019-20	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	**0.10**	**0.15**	**0.15**	**4.10**	**2.13**	**1.14**
Production	**7.10**	**7.90**	**7.90**	**0.00**	**0.00**	**0.00**

Imports	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Availability	**7.20**	**8.05**	**8.05**	**4.10**	**2.13**	**1.14**
Processing/Crushing	**6.75**	**7.30**	**3.90**	**1.93**	**0.89**	**0.89**
Exports	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Retained for Sowing & Direct Consumption	**0.30**	**0.30**	**0.05**	**0.05**	**0.10**	**0.10**
Total Usage	**7.05**	**7.60**	**3.95**	**1.98**	**0.99**	**0.99**
Carry Out/Ending Stock	**0.15**	**0.45**	**4.10**	**2.13**	**1.14**	**0.15**
Monthly Use	**0.59**	**0.63**				
Stock/Consumption Ratio	**0.02**	**0.06**				
Stock to Month Use Ratio	**0.26**	**0.71**				

(Source: AgriWatch

Technical Analysis:

NCDEX RM Seed Futures Daily C1 Chart

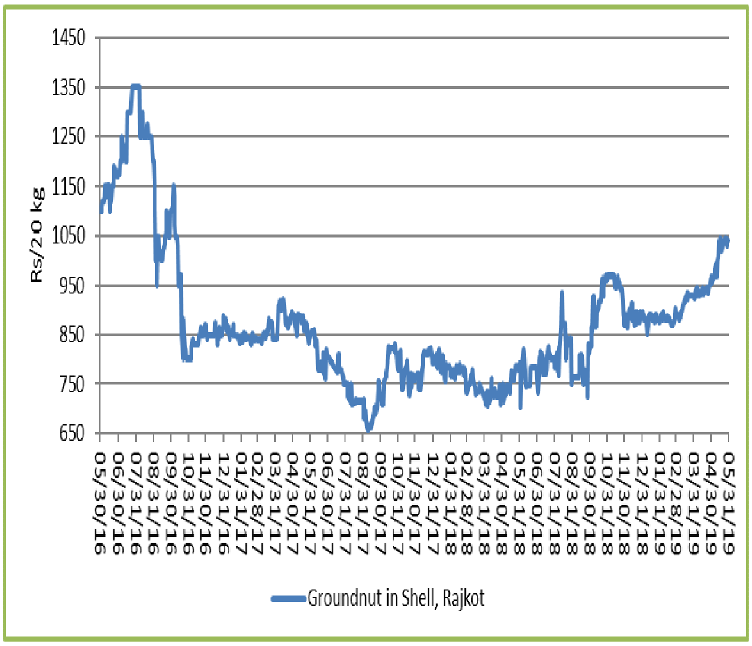
RM Seed Spot, Jaipur Weekly Chart

- Mustard daily 1M Continuous chart finding trend line resistance at 4020-4050. Breaching this will shift the overall trend. The trend line forms a strong resistance and more than above is expected which forms good selling levels. June contract is new crop.
- Trade Recommendation (NCDEX Rapeseed-Mustard – June and July):
  Be open for taking longs at 3920 and anything below it. Any further bullishness in the prices is buying opportunity and add on can be taken. However, any daily close below 3850 will change the trend and hence taking stop loss of 3840 can be good level. Traders are advised to be critical in taking the stop loss as one of two trades can breach the trend line support without changing the trend. Traders can further can exit 50% of their positions at 3970.
  A Stop loss 3840 can be used for minimizing the losses.

Support & Resistance NCDEX RM Seed – May contract as on 4th June				
S1	S2	PCP	R1	R2
3790	3820	3920	4030	4060
Support & Resistance NCDEX RM Seed – July contract as on 4th June				
S1	S2	PCP	R1	R2
3800	3850	3943	4040	4075

Buy- Above 3920. Levels: Target – 3990; T2- 4020, SL –3840

Groundnut



Groundnut in Shell auction prices at Rajkot APMC fetched between INR 4780 and 5240 per quintal and likely to increase in the entire month. Groundnut prices on monthly basis is rising on lower crop estimates. The prices have adjusted to the fundamentals and thus have been looking towards Rabi and summer supplies as well as the pace of NAFED procurement. NAFED has closed the auction of groundnut stocks and is probably using as the buffer for the 2018-19 MY. Summer crop is also expected to be low due to poor rains at initial stage. Good Rainfall at maturity stage supported to improve standing crops of Rabi season.

Outlook: Lower Kharif and Rabi crop estimates may support groundnut prices continue to rise in coming weeks as well. However, an aggressive Nafed sale activities may limit major price hike. Thus, the market is poised witness an uptick in prices in coming months. NAFED has started to sale its groundnut stocks of 2017 & 2018 season in the market at MSP price.

Fundamentals:

As on 28th May 2019, Nafed sold total groundnut K-17 & K-18 at 2530 MT and 3191 MT respectively in India. It has disposed total 8.95 lakh tonnes of groundnut K-17 and holds remaining balance at 1.21 lakh tonnes so far in Gujarat market only. Additionally, Nafed has sold total 2.13 lakh tonnes of groundnut K-18 and holds remaining balance at 4.89 lakh tonnes so far. During May 2019, Nafed disposed total groundnut K-17 and K-18 at 47925 MT and 28302.6 MT respectively higher from previous month record.

As per sources, Odisha State Co-operative Marketing Federation Ltd (Markfed-Odisha) and large area multi-purpose cooperative societies (LAMPS) is likely to start procurement of groundnut soon in Malkangiri district of Odisha. Total groundnut output in Malkangiri was higher at 1.5 lakh quintal against 30,000 quintals last year. The district covered total 12,000 hectares of groundnut in this season. The agencies may buy one quintal of average fair quality (AFQ) groundnut at MSP price i.e. Rs. 4890 per quintal. A farmer is eligible to sell 30 quintals of groundnuts.

As per APEDA data, groundnut shipment reported lower by 3.13% to 488233 MT during April-March 2019 amounting total Rs. 3296 crores as compared to 504038 MT in last year during the same period of time. However, the shipment is higher by 26.290% as compared to 386594 MT in April to February 2019.

According to SEA report, groundnut crop area in India will stand at 40.12 lakh ha. in 2018/19 down from 41. 35 lakh ha. in last year. Production and yield are estimated at 37.70 lakh tonnes and 931 kgs/ha. respectively against 52.75 lakh tonnes and 1269 kg s/ha. respectively in previous year record.

We expect AP groundnut crop size at 4.21 lakh metric tonnes for 2018/19 season lower from 2017/18-year crop size i.e. 5.48 lakh metric tonnes on lower sowing area. In 2019/20, we expect crop size higher at 5.53 lakh metric tonnes in expectation of normal monsoon.

In the third advanced estimates, ministry expects lower Indian groundnut crop (Kharif and Rabi) at 65.02 lakh tonnes for 2018/19 season against 92.53 lakh tonnes in 2017/18. Kharif groundnut crop size during 2018-19 is estimated at 51.53 lakh tonnes which is lower by 32.15% than the production of 72.15 million tonnes in 3rd Advance Estimates of 2017-18. Less rainfall at initial stage of crop and lower acreage are the main reason to cut output of Groundnut.

The state government got the approval from ministry of Agriculture to procure groundnut and Sunflower seed of Rabi season in Odisha. The proposal for procurement of shelled ground nut has been approved for 6580 tonnes at MSP prices i.e. 4890 per quintal and 10,500 tonnes of Sunflower seeds at MSP price Rs. 5388 per quintal from registered farmers. The procurement operation, which will start on May 24 2019 and will continue for two months till July 27,2019. All the process will be undertaken by National Agricultural Cooperative Marketing Federation of India Ltd (Nafed) through two State agencies - Odisha State Cooperative Marketing Federation (Markfed) and Tribal Development Cooperative Corporation of Odisha Limited (TDCCL). Payments will be made directly to the bank accounts of farmers within three days from the actual delivery of their products to the procuring agency.

Indian Oilseeds & Produce Export Promotion Council (IOPEPC) is planning to develop cluster-based production mainly for groundnut and sesame seed which will be pesticide-free. It is also targeting to cultivate other varieties of oilseeds to fulfil global demand as well. It focuses towards drip irrigation facilities so that monsoon dependency for better crop growth could be reduced. In the meeting, council can discuss the expected crop size of groundnut and sesame for Rabi 2019.

Groundnut Exports (In Thousand Tons)

Groundnut Exports (Includes In Shell, Blanched and Normal Groundnuts (Thousand Tons)						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Oct	21.8	21	22.9	25.8	30.4	30.4
Nov	71.1	92.6	50	80.9	109.6	68.9
Dec	79.1	135.9	91.3	145.1	69.4	30.8
Jan	47.3	82.2	67.7	105.2	31.7	39.4
Feb	48	54	53.7	78.8	30.7	38.6
Mar	52.6	61.7	55.7	67.5	54.8	48.8
Apr	48.6	50.4	54.5	45	46.5	
May	55.2	38.6	41.3	19.1	39.6	
Jun	50	30.7	58.4	25.4	40.1	
Jul	42.7	25	39.2	37.2	39.4	
Aug	40.8	35.8	16.8	30.6	35.5	
Sep	23.8	16.1	12.2	20.1	17.1	

* Estimated Exports Value

Groundnut Prices in Shell

Groundnut							
Center	Variety	% Change over Previous year	% Change over Previous month	As on 30-May-19	Month Ago, 30-Apr-19	Year Ago, 30-May-18	2 Year Ago, 30-May-17
Rajkot	GN in Shell (Rs/20kg)	23.07	7.66	1040	966	789	845
Saurashtra	GN Seed Kernel (Rs/MT)	NA	NA	NA	NA	NA	NA
							(Source: AW)

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	30-May-19		30-Apr-19		
	Low	High	Low	High	
Indore –Plant	3845	3860	3780	3800	60
Indore–Mandi	3625	3725	3675	3725	Unch
Nagpur-Plant	3820	3850	3780	3800	50
Nagpur – Mandi	3410	3670	3410	3590	80
Latur – Mandi	3600	3770	3580	3730	40
Akola – Mandi	3200	3670	2900	3650	20
Kota-Plant	3750	3800	3700	3750	50
Kota – Mandi	3675	3775	3650	3700	75
Bundi-Plant	3770	3820	3680	3720	100
Bundi-Mandi	3600	3700	3470	3530	170
Baran-Plant	3700	3750	3720	3750	Unch
Baran-Mandi	3600	3620	3550	3575	45
Bhawani MandiJhalawar–Plant	3650	3700	3750	3800	-100
Jhalwar-Mandi	3520	3660	3600	3745	-85
Rapeseed/Mustard					
Jaipur-(Condition)(New Crop)	4115	4120	3865	3870	250
Alwar-(Condition)(New Crop)	3950	4000	3600	3650	350
SriGanganagar-(Non-Condition-Unpaid)	3550	3750	3400	3450	300
New Delhi–(Condition)(New Crop)	4045	4075	3690	3700	375
Kota-Non-(Condition)(New Crop)	3760	3800	3550	3600	200

Agra-(Condition)(New Crop)	4119	4167	3762	3810	357
Neewai(New Crop)	3810	3860	3480	3550	310
Hapur (UP)(New Crop)	3925	3975	3625	3675	300
Groundnut Seed					
Rajkot	800	1040	780	966	74
Sunflower Seed					
Gulbarga	NA	NA	3250	3500	NR
Latur	NA	NA	NA	NA	NR
Sholapur	NA	NA	NA	NA	NR
Sesame Seed					
Mumbai Sesame White 98/2/1 FM	NR	NR	11005	11775	**NR**
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 Cumulative Arrivals in Key Centres

Commodity	Centre	Monthly Arrivals in Bags/Qtl		Change
		May,2019	**Apr,2019**	
Soybean	Madhya Pradesh	986000	1030000	-44000
	Maharashtra	1580000	1562000	18000
	Rajasthan	281000	354000	-73000
	Bundi (Raj)	776	999	-223
	Baran (Raj)	27860	10140	17720
	Jhalawar (Raj)	31300	27700	3600
Rapeseed/Mustard	Rajasthan	3905000	6785000	-2880000
***Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg**				

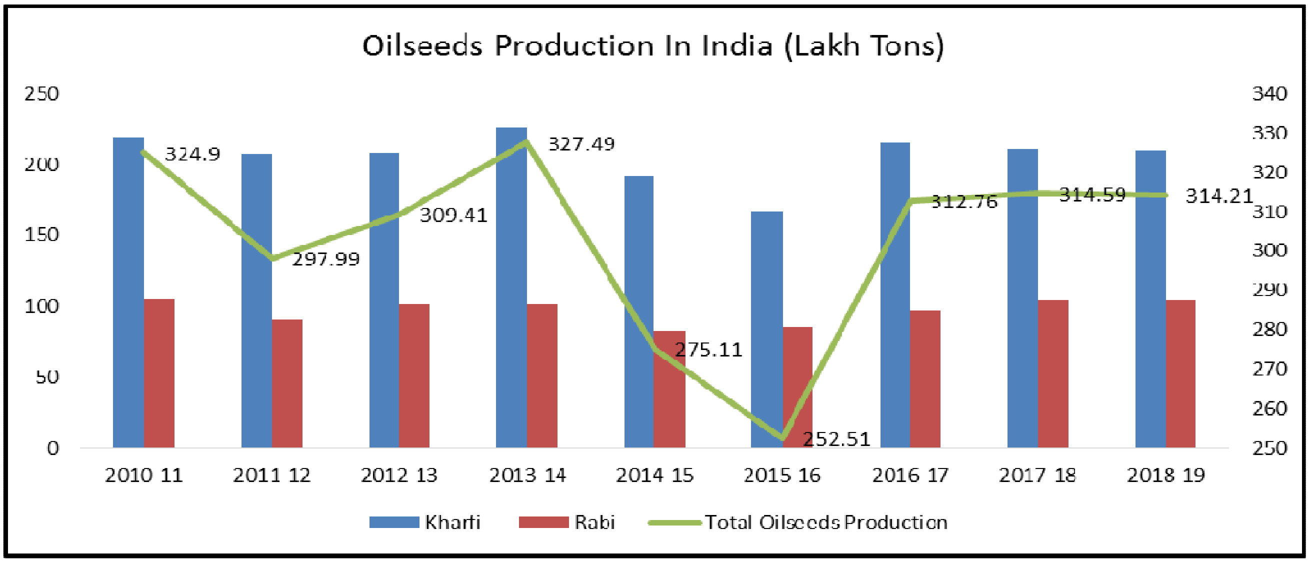
India's Total Oilseeds Production Seen at 315 Lakh Tons in 3rd Adv. Est. - GOI (Kharif + Rabi + Summer)

The 3rd Advance Estimates of production of major crops for 2018-19 have been released on 3rd June, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received less rainfall. As a result, the production of oilseeds crops estimates for 2018-19 has witnessed below than their normal production. Oilseeds production of India is placed lower by 0.4% to 314.21 lakh tonnes against the production of 314.59 lakh tonnes in Final Estimates of 2017-18. However, the estimated figure is high by 17.72 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2018-19 is as under:

Oilseeds – 314.21 Lakhtonnes

- Soybean – 137.43 Lakh Tons
- Groundnut – 65.02 Lakh Tons
- Rapeseed – 87.82 Lakh Tons
- Castorseed – 11.98 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.46 Lakh Tons
- Nigerseed – 0.63 Lakh Tons
- Sunflower – 2 Lakh tons
- Linseed - 1.65 Lakh Tons



Source: Ministry of Agriculture
Note: 2018-19 is based on 3rd Adv estimates.
Year includes Kharif, Rabi and summer (i.e. 2018-19 means kharif harvested in 2018, Rabi in 2019 and summer in 2019 and should not be considered as marketing year)

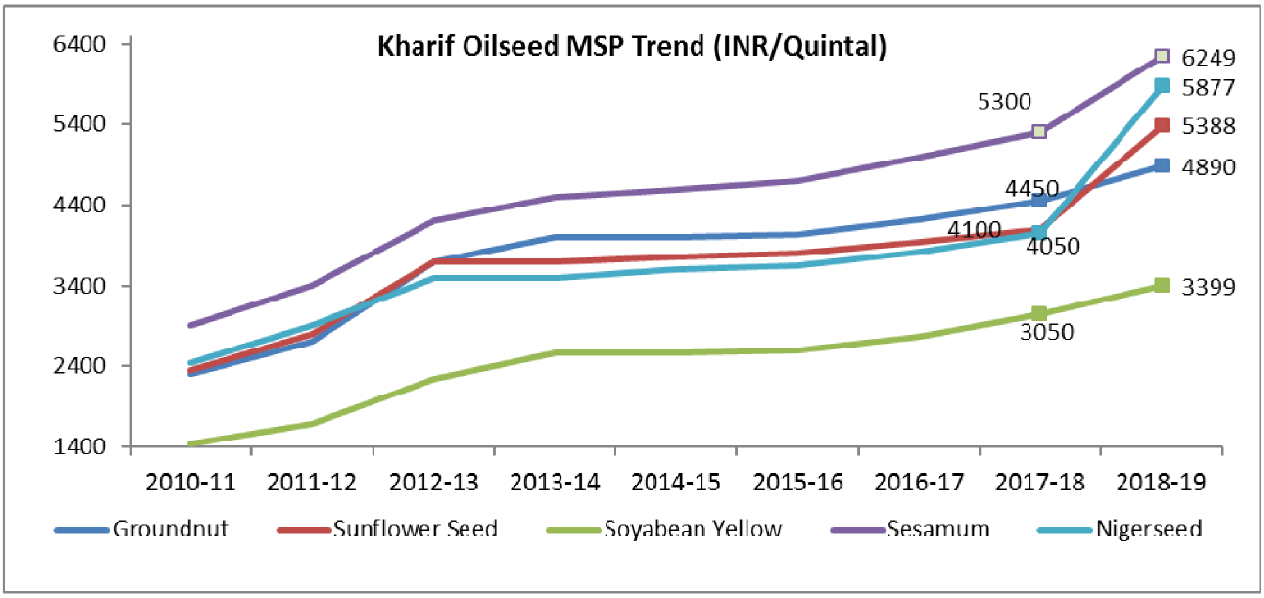
Oilseed Wise production in India (Kharif+Rabi) Lakh Tons									
Oilseed	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Soybean	127.36	122.14	146.66	118.61	103.74	85.7	131.59	109.33	137.43
Groundnut (In Shell)	82.65	69.64	46.95	97.14	74.02	67.33	74.62	92.53	65.02
Rapeseed & Mustard	81.79	66.04	80.29	78.77	62.82	67.97	79.17	84.3	87.82
Castorseed	13.5	22.95	19.64	17.27	18.7	17.52	13.76	15.68	11.98
Sesamum	8.93	8.1	6.85	7.15	8.28	8.5	7.47	7.55	7.46
Sunflower	6.51	5.17	5.44	5.04	4.34	2.96	2.51	2.22	2
Linseed	1.47	1.52	1.49	1.42	1.55	1.26	1.84	1.74	1.65
Nigerseed	1.08	0.98	1.01	0.98	0.76	0.74	0.85	0.7	0.63
Safflower	1.5	1.45	1.09	1.13	0.9	0.53	0.94	0.55	0.22

Source: Ministry of Agriculture
Note: 2018-19 is based on 3rd Adv estimates.

MSP for2018/19Kharif Oilseeds

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2018-19 season, the MSPs of all the Kharif oilseeds are raised for this season.

The MSP of Yellow Soybean is increased by 9.0% to Rs 3325/Qtl for 2018-19 season from Rs. 3050/Qtl (including Rs 100 bonus) in 2017-18, Groundnut -in- shell by 5.2% to Rs 4,680/Qtl from Rs 4,450Qtl (including Rs 100 bonus), Sunflower seed by 3.7% to Rs 4,250/Qtl from Rs 4,100/Qtl (including Rs 200 bonus), Nigerseed by 5.5% to 4,275/Qtl from Rs 4,050/Qtl (including Rs 100 bonus) and Sesamum by 5.7% to Rs 5,600/Qtl from Rs 5,300/Qtl (including Rs 200 bonus).



Source: MoA, GOI

MSP for2018/19 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 200 from last year and kept it at INR 4200 per quintal. Last year the MSP of Mustard/rapeseed was INR 400 per quintal including bonus of INR 100.

Safflower MSP has been increased to INR 4945 from INR 4100 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

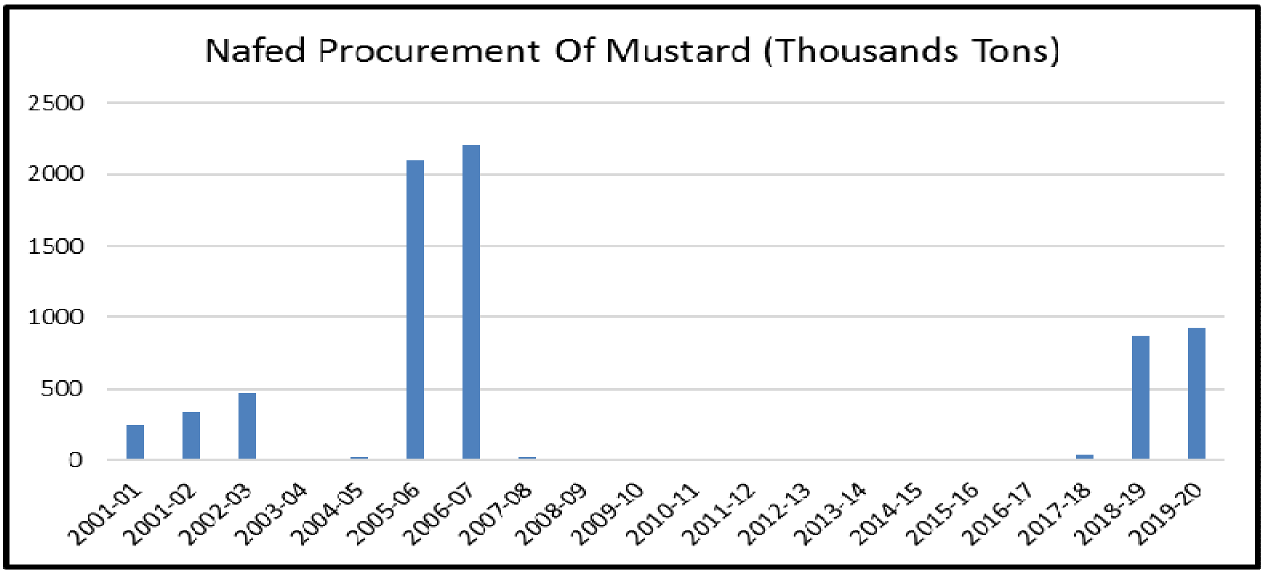
India's Kharif Oilseeds Production 2018-19 3rd Advanced Estimates

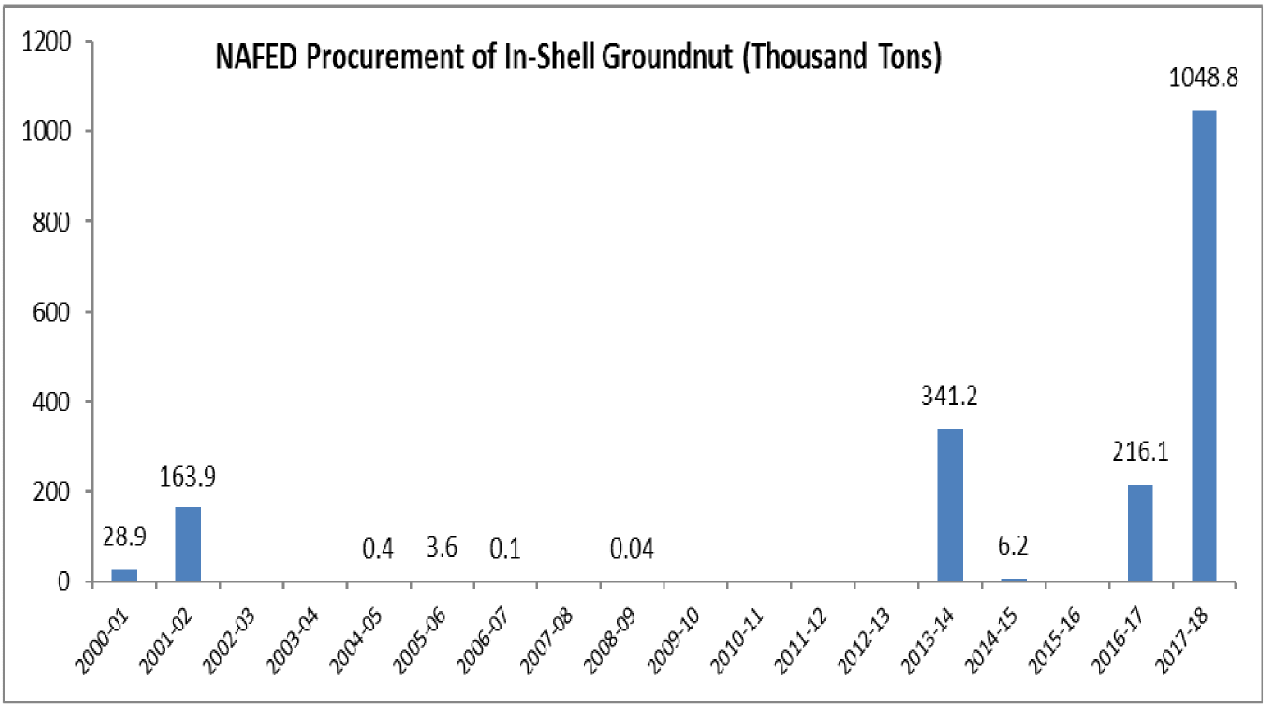
The 3rd Advance Estimates of production of major crops for 2018-19 have been released on 6th June, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

Kharif Oilseeds Production – 209.93 Lakh tonnes

- Soybean – 137.43 Lakh Tons
- Groundnut – 51.53 Lakh Tons
- Castor seed – 11.98 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.46 Lakh Tons
- Sunflower – 0.90 Lakh ton

NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically





SEA OILSEEDS APY ESTIMATES

Oilseeds	2017/18			2018/19		
	Area (Lakh Hac.)	Yield	Production (Lakh Tonnes)	Area (Lakh Hac.)	Yield	Production (Lakh Tonnes)
Groundnut	40.12	931	37.7	41.58	1269	52.75
Soybean	112.5	909	102.3	105.92	784	83
Sunflower	1.1	636	0.7	1.37	584	0.8
Sesame	13.84	170	2.35	14.19	282	4
Castor	7.27	1582	11.5	8.3	1754	14.43
Niger	2	350	0.7	2.06	340	0.7
Total	176.83	884	156.25	173.42	903	156.68

Source: SEA