
Oilseeds Monthly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ IMD Monsoon Forecast and Current Rainfall Status
- ❖ Soybean – Domestic & International
- ❖ Balance Sheet – Soybean, India
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Balance Sheet – Rapeseed-Mustard, India
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

Executive Summary

Weak tone is witnessed in Soybean complex during this week after heavy supplies in the market. Farmers in MP and Rajasthan have finished their Soybean crops harvesting of this season. In Maharashtra, harvesting pace is slow due to earlier election activities and late sowing varieties of soybean crop. Farmers may complete all over harvesting up to 10th November. NAFED procurement process of Soybean and lower crop estimates of this season may support Soybean prices from any major fall. Mustard seed prices are closed continued on higher side amid strong demand of retailers in festive seasons. NCDEX future prices of Soybean and RM Seed settled higher side the end of the week due to buyers' interests in the market. CBOT prices rose supported by higher U.S. exports Soybean sales of this week and positive progress for trade deal between U.S. & China.

As per sources, unseasonal rainfall is damaging the Kharif soybean crops mainly in Maharashtra. The quality of groundnut crops and soybean is damaging due to excess rain both during growth time and in harvest time. In Madhya Pradesh, it has been reported that kharif crops have been damaged on about 60 lakh hectares. Similarly, in Maharashtra, standing crops have been damaged on over 13 lakh hectares. In Karnataka, crops have been affected on over 9 lakh hectares. As per IMD, rainfall triggered under the influence of Cyclone Maha, continues in parts of Central and Western India. Post-monsoon rains till date have been 232 per cent in excess in Gujarat, while Maharashtra and Rajasthan have received a surplus of 143 per cent and 119 per cent, respectively. In Karnataka, the post-monsoon rains have been 103 per cent more and in Telangana, 70 per cent. Across the country as a whole, the South-West Monsoon was 10 per cent more than normal.

Mustard seed sowing for Rabi season is likely to begin soon in full pace. High water level in most reservoirs will support to increase yield. However, acreage may decline less as sowing is delaying due to recent rainfall in September and October and late harvesting of Kharif crops. Farmers are waiting water to dry up the sowing low lying land. The government expects Mustard seed production at 8.24 MT for 2019-20 lower than last year record. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 season to Rs.4425 against Rs. 4200 in 2019-20.

According to IOPEPC (The Indian Oilseeds and Produce Export Promotion Councils) survey report, India is likely to harvest groundnut crop at 68.60 lakh tons during Kharif 2019 higher against 51.96 lakh tons in previous year. It expects higher groundnut's yields at 1745 Kg/Ha compared to 1336 Kg/Ha for this season. India may harvest bumper Sesame seeds approx. 3.97 lakh tons during Kharif ,2019 as compared to 1.77 lakh tonnes in previous year record due to good rise of yield i.e. 298 Kg/Ha higher from 134 Kg/Ha in last year record. Groundnut seed and oil exports is expected to be high in this season as China is encouraging imports of groundnut oil instead of soybean oil. Relatively, Indian government has approved to bulk export of groundnut oil. Bumper groundnut crop expectation in India and lower crop prospectus in Africa will support Indian exporters to ship higher volume this year.

As per trade body, India may grow 18% lower Soybean crop to 9 million tonnes in 2019 due to excess rainfall at the time of maturity stage. Madhya Pradesh received 44% above average rainfall which resulted water logging and badly affected soybean matured crops. As per SOPA survey, Soybean crops have damaged in Rajasthan and Maharashtra states as well.

Overall soybean may trade in steady to higher side due to good demand of stockiest ahead of lower crop estimates for this season. Mustard may trade steady to firm tone on less supplies.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore) : Soybean Indore plant prices closed lower side after heavy supplies of new harvested crop. However, prices may increase in expectation of good planters and stockiest demand in fear of less crop availabilities. Prices are likely to trade in the range of 3900 to 4150 in next month. The market sentiments are now depending on the surplus bean stocks to be carried over to the next marketing year, millers demand & weather condition, Nafed's Procurement activity.

Outlook – Soy meal (Spot, Indore): Soymeal prices showed weak trend on weak sentiments. Sellers are unable to get any buyers at the current prevailing prices. Prices may trade steady to weak tone in the coming days on dull South based traders demand. Prices are also being driven by global soymeal prices and domestic Soybean sentiments. Exporters are less active in the market.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Mustard seed prices at Jaipur market traded in firm zone after good retailer's demand. Prices may increase in coming week against less supplies. Selling activity of Nafed may weigh on mustard seed prices in coming days. Prices are likely to trade in the range of 4300 to 4500 in next month. RM seed likely to trade on higher side in coming week. NCDEX future prices of RM Seed may increase on buyers' interests.

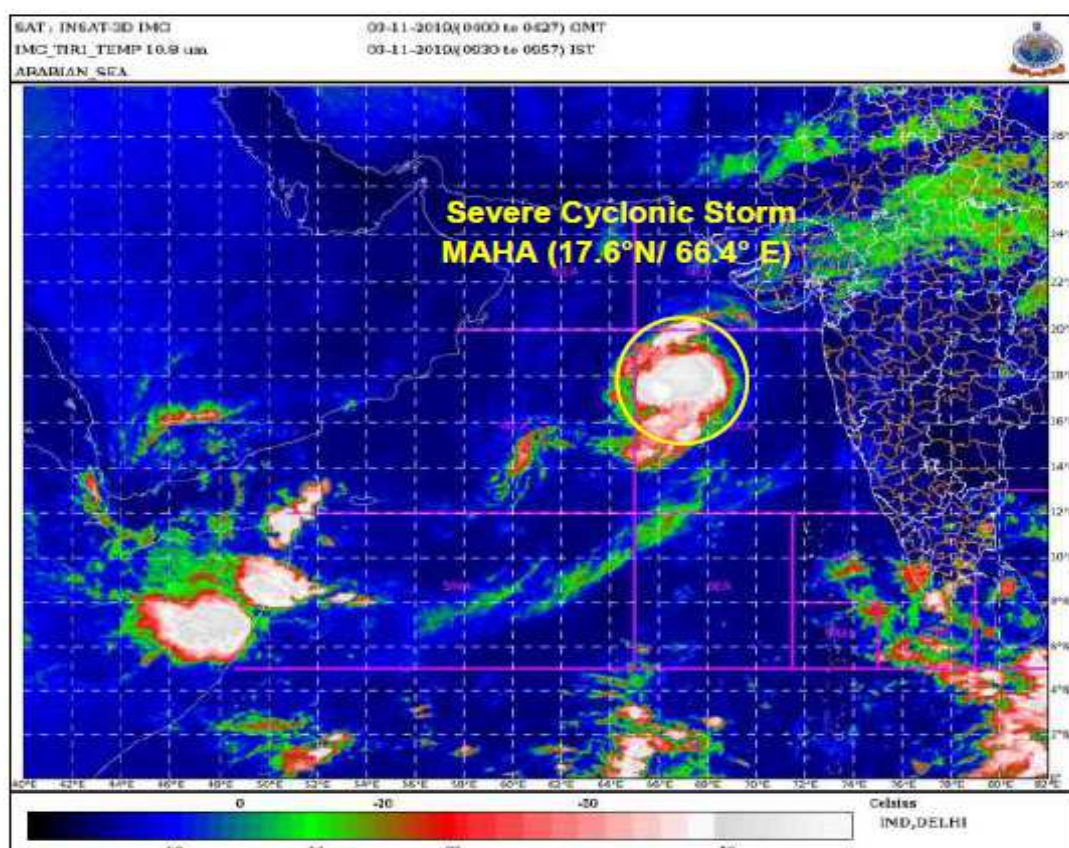
Weather Forecast (For Kharif Oilseeds)

Monsoon 2019-IMD Forecast

It is very likely to intensify into a Very Severe Cyclonic Storm over east central Arabian Sea during next 06 hours. It is very likely to move west-northwestwards till 04th November, re-curve east northeastwards, thereafter and weaken gradually from 5th November onwards. It is very likely to cross Gujarat coast between Diu and Dwarka as a Severe Cyclonic Storm with a maximum sustained wind speed of 100-110 Kmph gusting to 120 Kmph around mid-night of 6th November/ early hours of 7th November, 2019.

Rainfall: • Light to moderate rainfall at most places with heavy to very heavy falls at a few places very likely over Saurashtra and Gujarat region during 6th & 7th November.

• Light to moderate rainfall at most places with isolated heavy falls very likely over north Madhya Maharashtra and north Konkan during 6th & 7th November.



Kharif Oilseed Sowing Progress

Kharif Oilseeds Sowing as on 04.10.2019 (In lakh Hectare)						
	Normal Area	Normal area as on date	2019	2018	Change (Y-o-Y)	% change of normal area
Groundnut	42.43	40.75	39.40	40.49	-1.09	-1.3
Soybean	111.49	112.42	114.24	113.10	1.1	1.8
Sunflower	1.91	1.54	1.12	1.17	0.0	-0.4
Sesamum	17.25	15.77	13.79	14.47	-2.0	-0.7
Niger	2.51	2.13	2.31	2.04	0.3	0.2
Castor	9.69	9.47	9.55	8.89	0.7	0.1
Total Oilseed	185.28	182.09	180.41	180.16	0.3	-1.7

Soybean

Soybean prices settled lower side at most of the trading centers after heavy pace of arrivals. Arrivals are likely to increase further in market as farmers may bring new crops in full pace due to higher prevailing prices. Nafed's procurement activity and lower crop estimates of this season may support prices from any major fall.

As on 1st & 2nd Nov. 2019, Nafed has procured total 131 MT from various trading centers of Telangana farmers. Total 2323.45 MT has been procured so far from 1312 farmers. The State government has requested the Centre to increase the quantity of procurement of the Soybean crop produced in Telangana than the approved quota since the market price has been ruling below the minimum support price of ₹3,710 per quintal. Centre has agreed to procure 58,608 tonnes about 30.2% of the estimated production, of Soybean.

As per recent updates of SOPA, India may harvest 17.7% lower Soybean crop to 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018 on account of heavy rainfall at maturity period of time. The major growing Soybean states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30% to 0.86 lakh tonnes, 7.1% to 2.69 lakh tonnes, 31.1% to 40.10 lakh tonnes respectively against last year record. However, Farmer may get 5.7% higher Soybean to 36.29 lakh tonnes in Maharashtra in the current season.

Farmers in MP have completed their Soybean crop harvesting of this season. In Rajasthan, 90% harvesting has been completed. In Maharashtra, harvesting pace is slow and it has been completed up to 70% so far on account of elections activities and rainfall in the last week. Farmers may complete all over harvesting up to 10th November. Water stagnation in MP and Rajasthan may result 20 to 25 % damages of soybean crop of this season. In 2019, Soybean growers have increased area as compared to previous year record. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Madhya Pradesh received 38% more rainfall than the average since the start of four-month long monsoon season on June 1. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

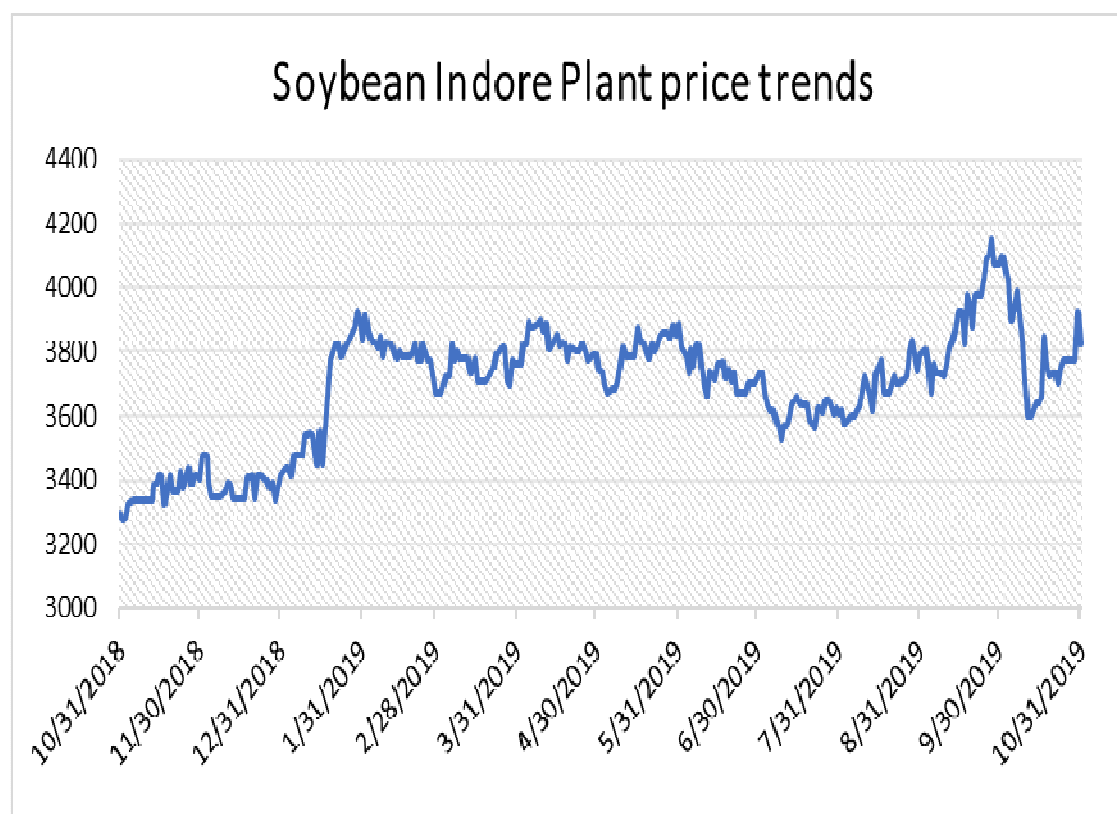
As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tonnes compared to 10.46 lakh tonnes in previous year.

Announcement of a higher minimum support price (MSP) for MY 2019/20 likely encouraged additional oilseed planting during an extended planting window in anticipation of higher returns, stable yields, and relatively lower crop maintenance compared to cotton. The GOIs MSP announcement claims that farmers receive 1.5 times the production cost of planting a crop.

As per the sources, recovery of monsoon this season in August has pulled down the prices of agricultural commodities during few days on expectations of a recovery in kharif output and favorable climatic condition for the Rabi harvest for 2020. Although crop damages have been reported in few areas due to excess rain. However, for Rabi crops, including mustard seed, good rain in September (as forecast by weather agencies), would provide better soil moisture for sowing. Besides, there are huge procured stocks of mustard seed with government, and the prices Mustard will remain under pressure.

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

Soybean Indore price trends:



International:

CBOT Soybean future prices rose supported by good exports sales report and positive progress of trade deal between China and U.S. As per sources, the president of both countries will sign a “Phase One” trade deal around Mid-November. Private exporters sold total 132,000 tonnes of U.S. soybeans to China on Friday. As per USDA, China may buy total 6.322 million tonnes of U.S. Soybean for the marketing year (Sep.1 to Aug 31). Since Sept. 1, the beginning of the marketing year, 1.64 million tonnes of U.S. soybeans have been exported to China.

As per USDA, Farmers in U.S have harvested 75% soybean crops so far of this season while traders expect between 71 to 80% of total harvesting.

Farmers in Brazil have completed 34% of Soybean planting area lower against 49% in last year record so far of this season. It is also lower from 36% of five years average planting area due to less rainfall. Planting has improved in Brazil especially in the state of Mato Grosso. However, it is still slow in dried areas like south-central Brazil and the states of Parana, Mato Grosso do Sul, Sao Paulo and surrounding areas. Soybean yields in Brazil could still be OK as long as the planting is not delayed past about mid-November. Rainfall volume is the major factor to estimates actual yield of this season.

During the week (Oct 18 -24, 2019) US sold 99% higher Soybean at 943,600 MT for 2019/20 marketing compared to previous week however it is down by 39% from the prior 4- week average. Increases primarily for China (481,000 MT, including 68,000 MT switched from unknown destinations and decreases of 7,100 MT), Germany (135,900 MT, switched from the Netherlands), Thailand (95,400 MT, including 65,000 MT switched from unknown destinations and decreases of 400 MT), Japan (90,400 MT, including 90,700 MT switched from unknown destinations and decreases of 2,100 MT), and Spain (87,500 MT, including 83,000 MT switched from unknown destinations), were partially offset by reductions for unknown destinations (351,500 MT). Exports of 1,723,300 MT were up 25 percent from the previous week and 63 percent from the prior 4-week average. The destinations were primarily to China (536,000 MT), Mexico (207,500 MT), the Netherlands (141,200 MT), Germany (135,900 MT), and Egypt (105,200 MT).

As per sources, European Union bought total 4.25 million tonnes of Soybean till Oct 27,2019 (season started on July 1) which is 2% higher than the volume as shipped on October 21 last year. EU soymeal imports had reached higher by 20% to 6.3 million tonnes, the year-earlier period, while palm oil imports stood at 1.7 million tonnes, down 12%.

As per IGC (International Grain Council), Global soybean output may decline by 18 million tonne to 341 million tonnes due to slight shortfall in U.S Soybean output for this season and lower planting area so far in Brazil.

As per Conab, Brazil may harvest higher Soybean crop by 4.7% to 120.39 Million tonnes in 2019/20 against 115.03 million tonnes in last year. Soybean area in Brazil is likely to stand higher by 1.9% to 36.571 Million Ha. in 2019/20 against 35.874 Million Ha. in 2018/19 season. Brazil may export total 72 Million tonnes in 2019/20 higher from 70 Million tonnes in 2018/2019 however the projected figure is lower from 83.257 million tonnes in 2017/2018. The state of Mato Grosso will increase its soybean acreage by 2.6% to 9.95 million hectares (27.2% of the total) followed by Rio Grande do Sul which will increase 1.0% to 5.83 million hectares (15.9% of the total), Parana will increase 0.9% to 5.48 million hectares (14.9% of the total), Goias will increase 2.0% to 3.54 million hectares (9.6% of the total), and Mato Grosso do Sul will increase 3.4% to 2.95 million hectares

(8.0% of the total.

As per sources, Ukraine may export lower soybean by 19.8% to 2 million tonnes in 2019/20 against previous year record. While, it may export higher sunoil by 0.8% to 6.1 million tonnes in 2019/20 from last year record. The country may export 16.7% higher Rapeseed to 2.86 million tonnes in 2019/20 against 2018/19 season.

As per USDA recent released report, U.S. oilseed production for 2019/20 is forecasted lower by 2.3 million tons at 107.9 million tons from last month with lower soybean, peanuts and cottonseed production partly offset by a higher canola and sunflower seed. U.S. Soybean production is forecast at 3.6 billion bushels, down 83 million, mainly on lower yields. U.S may get soybean yield at 46.9 bushels per acres in 2019/20 which is lower than the projection of September month however it is also lower from 47.2 bushels per acres as projected by Reuter analyst poll. Harvested area is reduced slightly to 75.6 million acres. Soybean supplies for 2019/20 are forecast at 4.5 billion bushels down 175 million on lower production and beginning stocks. With a small increase in soybean crush, ending stocks are projected at 460 million bushels, down 180 million.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast at \$9.00 per bushel, up 50 cents reflecting smaller supplies. The soybean meal price is forecast at \$325.00 per short ton, up \$20.00. The soybean oil price forecast is raised 0.5 cents to 30.0 cents per pound.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition. Exports of soybean in 2019-20 is expected to 76.50 million tonnes higher from 75.80 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 17.1 MMT on higher-than-expected area. Most industry sources forecast the crop at 17 MMT or above. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected.

As per WASDE report, world oilseed production for 2019/20 is projected at 574.8 million tons, down 4.6 million tons from September on lower soybean, sunflower seed, rapeseed, and peanut production. Soybean production is projected at 339 million tons, down by 2.4 million tons to a 4-year low, mainly reflecting lower production for the United States. Global rapeseed production is forecast lower on reductions for Canada, Australia, the EU, and the United States. Canadian rapeseed production is reduced on lower yield prospects resulting from an unseasonably heavy snow and a season-ending freeze. Other production changes include lower sunflower seed production for Ukraine, lower cottonseed production for Pakistan and Brazil, and higher cottonseed production for India. With lower global oilseed supplies only partly offset by reduced crush, global oilseed stocks are projected at 109.8 million tons, down 4.6 million. Soybeans account for most of the change with lower stocks in the United States only partly offset by increases for Argentina and Brazil.

As per sources, Philippines bought 120,000 tonnes of Soybean in a tender on 25th Oct 2019. The soybeans were expected to be sourced from the United States and were for shipment between January and March 2020.

Balance Sheet – Soybean, India

Soybean (Fig in lakh T) MY-Oct.-Sep.			Q3	Q4	Q1	Q2
	2018-19 E	2019- 20 F	Oct- Dec'19 F	Jan- Mar'20 F	Apr- Jun'20 F	July-Sep 20 F
Carry In	1.41	1.70	1.70	5.63	3.76	2.68
Production	12.59	9.83	9.83	0	0	0
Imports	0.00	0.00	0	0	0	0
Total Availability	14.00	11.53	11.53	5.63	3.76	2.68
Processing/Crushing	10.80	8.75	5.65	1.62	0.58	0.48
Exports & Direct Consumption	0.50	0.50	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	12.30	10.25	5.90	1.87	1.08	0.98
Carry Out	1.70	1.28	5.63	3.76	2.68	1.70
Stock/Consumption Ratio	0.14	0.12				

Fig. in MnT
 Source: Agriwatch

Soy meal

Soymeal prices declined on poor demand of south based traders during this week. Prices is highly affected by Soybean domestic markets and positive global sentiments.

As per NOPA recent data, NOPA members have crushed total 152.56 million bushels of Soybeans in September 2019 which is lower than 168.08 million bushels in August 2019. It is also lower from 160.77 million bushels in September 2018. Soybean oil stocks increased to 1.442 billion pounds at the end of September lower against 1.401 billion pounds at the end of August 2019 and 1.53 billion pounds at the end of September 2018. Soymeal exports has been reported up in September 2019 to 844,584 tons from 699,212 tons in August 2019 and 785,267 tons exported in August 2018.

During the week (Oct 18 -24, 2019) US sold total 179,100 MT of Soymeal and cakes for 2019/20 marketing primarily for Mexico (80,500 MT), the Dominican Republic (33,600 MT), the Philippines (20,000 MT, including decreases of 100 MT), Burma (16,000 MT), and Canada (12,700 MT), were partially offset by reductions for unknown destinations (12,200 MT), Panama (3,000 MT), and Qatar (1,000 MT). For 2020/2021, total net sales of 400 MT were for Canada. Exports of 147,900 MT were primarily to Colombia (54,600 MT), Mexico (30,000 MT), Italy (25,800 MT), Canada (21,200 MT), and Sri Lanka (4,200 MT).

As per recent SEA report, India shipped Oilmeals lower by 39% to 105,232 tons in September 2019 against 172,423 tons in September 2018. The overall export of oilmeals during April-Sep. 2019 is reported at 1251527 tons compared to 1499049 tons in April-Sep.2018 i.e. down by 17%. This is mainly due to higher price of domestic produce soybean meal. The export of castor seed meal has increased to 301,666(210,371) tons, mainly exported to South Korea.

During April-September 2019, Vietnam imported 170,705 tons of oilmeals (compared to 293,001 tons); consisting of 3070 tons of soybean meal, 107,183 tons of rapeseed meal and 59,933 tons of De-oiled Rice Bran Extraction. South Korea imported 505,290 tons of oilmeals (compared to 463,145 tons); consisting 23,288 tons of soybean meal, 237,930 tons of rapeseed meal and 244,072 tons of castor seed meal. Thailand imported 125,472 tons of oilmeals (compared to 187,159 tons) consisting 106,342 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1549 tons of soybean meal.

The export from Kandla is reported at 483770 tons lower (39%), followed by Mundra handled 385699 tons (31%), and Mumbai including JNPT handled 88895 tons (7%) and Kolkata handled 85313 tons (7%) and Others Ports handled 207850 tons (17%).

As per recent WASDE report, Soybean meal production of India is estimated remain lower at 7.76 million tons for 2019/20 compared to previous year record i.e. 7.85 million tons. It is higher from 6.16 million tons in 2017/18 season. India may export 1.90 million tons Soymeal in 2019/20 lower from 2.35 million tons as in previous year. Domestic consumption of the country may stand at 5.80 million tons higher from 5.48 million tons in 2018/19.

During Indian Soymeal premium quoted higher side by \$124 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 expected to decline in near future due to less buying interest.

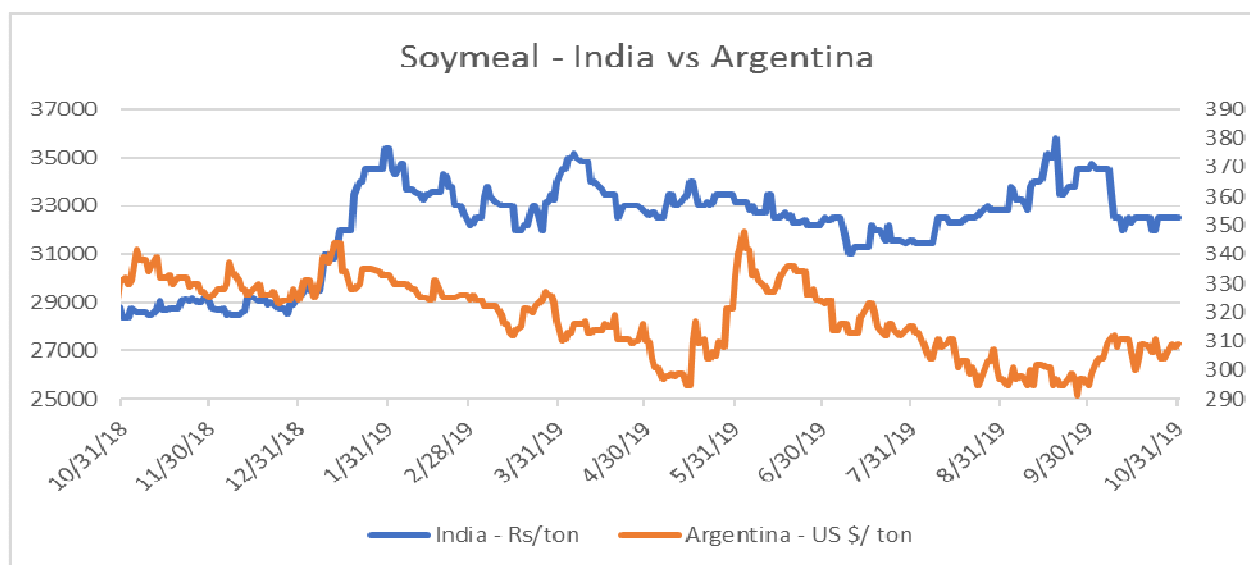
Soy Meal Export (In Thousand Tons)

	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	40
May	177	143	98	8	14	10	49	41	53
Jun	118	181	214	3	2	18	46	104	62
Jul	140	168	107	7	1	12	81	64	76
Aug	166	10	184	3	1	11	88	60	95
Sep	226	7	173	1	7	12	102	45	19
Total	4116	3521	3453	2015	592	180	1331	1049	429

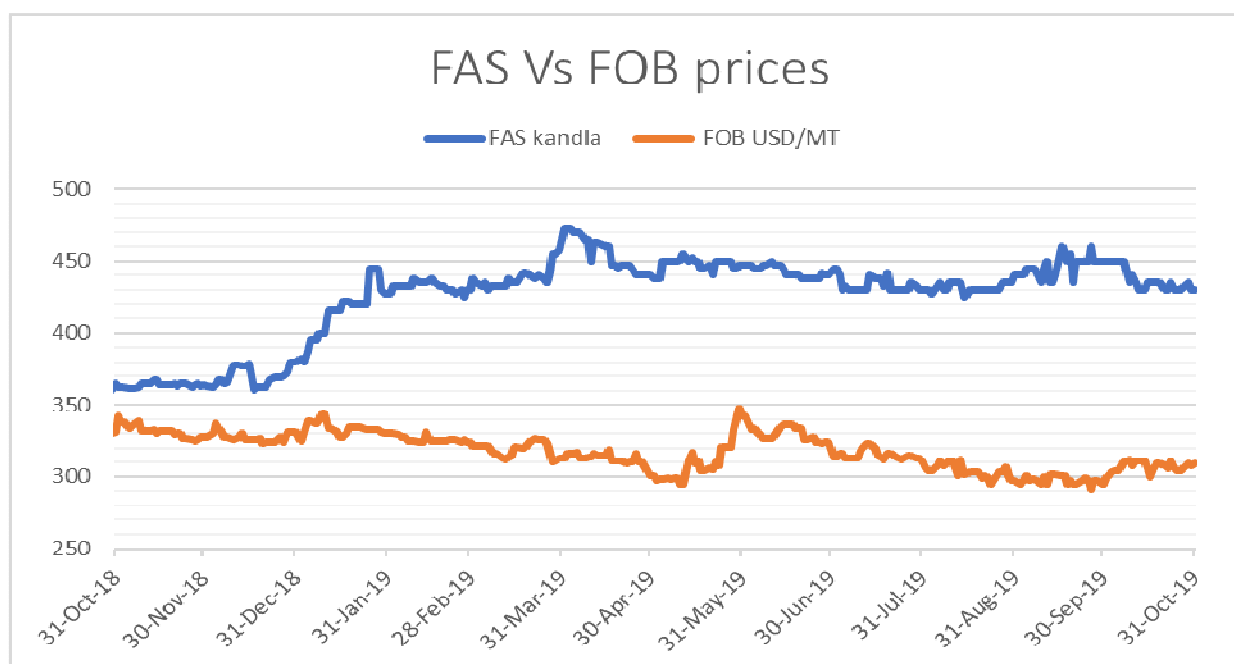
Source: SEA

Soymeal prices:

Soymeal India vs Argentina:



FAS SBM, Kandla Vs FOB SBM, Argentina – (US \$/tonne)

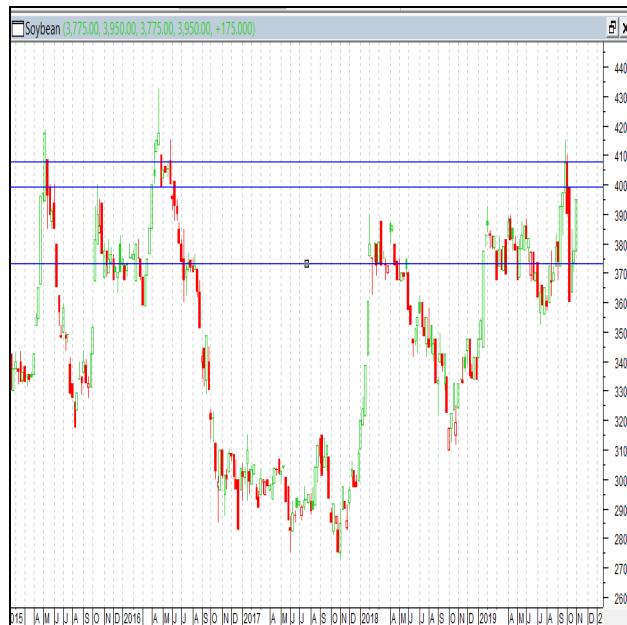


Technical Analysis:

NCDEX Soybean Futures C1 Chart



Soybean Spot, Indore weekly Chart



- The Candlestick depicts firmness in the market on buyers' interests.
- MACD moved in the positive zone and RSI has been inching towards higher in overbought zone.
- Trade Recommendation (NCDEX Soybean –Nov.): **Buy-Above- 3950** Levels: Target –T1 4050; T2- 4200, SL –3800.
- In Reverse case, traders can start selling on above 4100 and can add on positions on every 20 points below.

Support & Resistance NCDEX Soybean Nov. contract

Nov. contract as on 4 th Nov				
S1	S2	PCP	R1	R2
3700	3800	3994	4250	4450
Dec. contract as on 4 th Nov.				
S1	S2	PCP	R1	R2
3700	3850	4059	4280	4480

Rapeseed - Mustard Seed

RM seed prices are continued on higher side supported by strong local crushers demand on Diwali occasion ahead of less supplies. At the end of week, mustard closed higher at 4438 per quintal as compared to 4423 per quintal in last week at the benchmark, Jaipur.

As on 16th Oct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19, 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, Chandigarh & Ahmedabad. It may sell total 1938.67 MT in Lucknow, 1.20 lakh tonnes in Indore, 4.35 lakh tonnes in Jaipur, 1.45 lakh tonnes in Chandigarh, 45541.18 MT in Ahmedabad during Nov. Month to Jan 2020.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

As per Fourth advanced estimates of government, it estimates Mustard seed output at 93.9 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

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. 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.

According to United States Department of Agriculture (USDA) September estimate, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.5 lakh tonnes from 2.0 lakh tonnes in earlier estimate, lower by 33 per cent. Domestic consumption lowered to 27.30 lakh tonnes from 27.80 lakh tonnes in its earlier estimate lower by 1.8 per cent. End stocks have been lowered to 1.44 lakh tonnes from 1.69 lakh tonnes in its earlier estimate, lower by 15.4 per cent.

The area sown with rapeseed for next year's harvest in the European Union will likely fall after dry weather disrupted seeding in a number of countries, the EU's crop monitoring unit MARS said. The rapeseed sowing campaign was mainly hampered in northern France, Germany, Romania, Bulgaria, Hungary and Spain due to low soil moisture levels, along with a rainfall deficit recorded in August and September.

Outlook: The rapeseed-mustard is likely to notice range –bound to firm tone after less supplies.

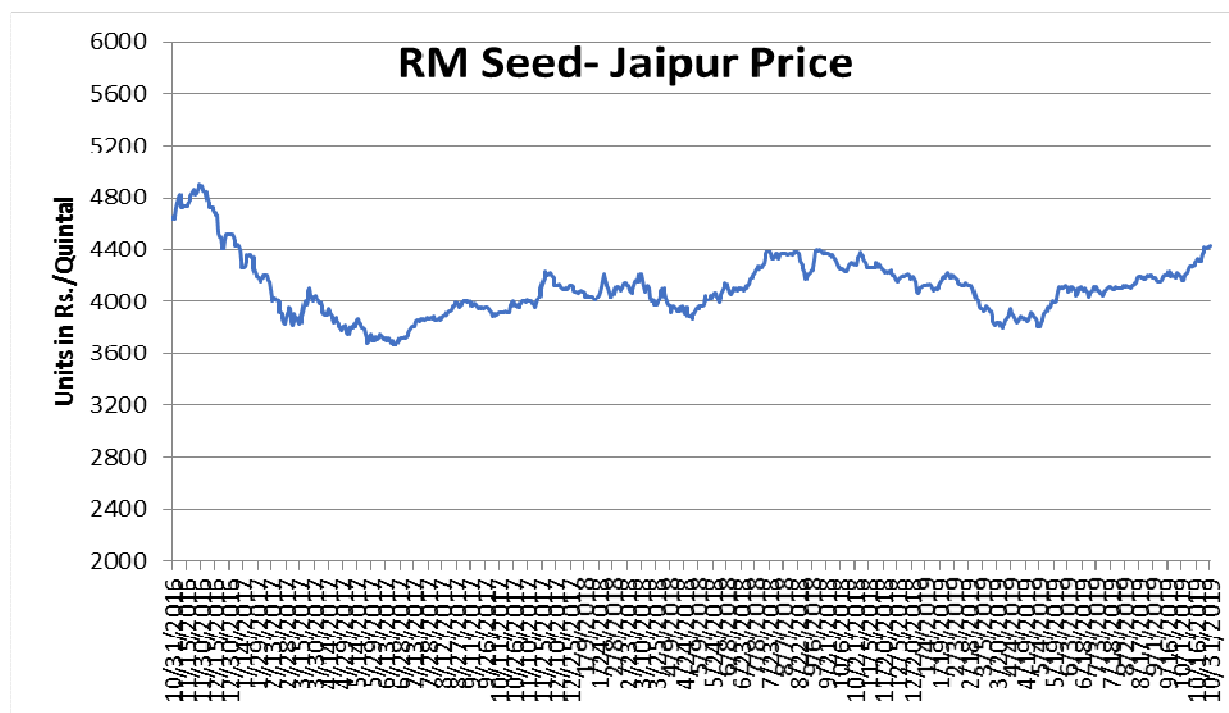
Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

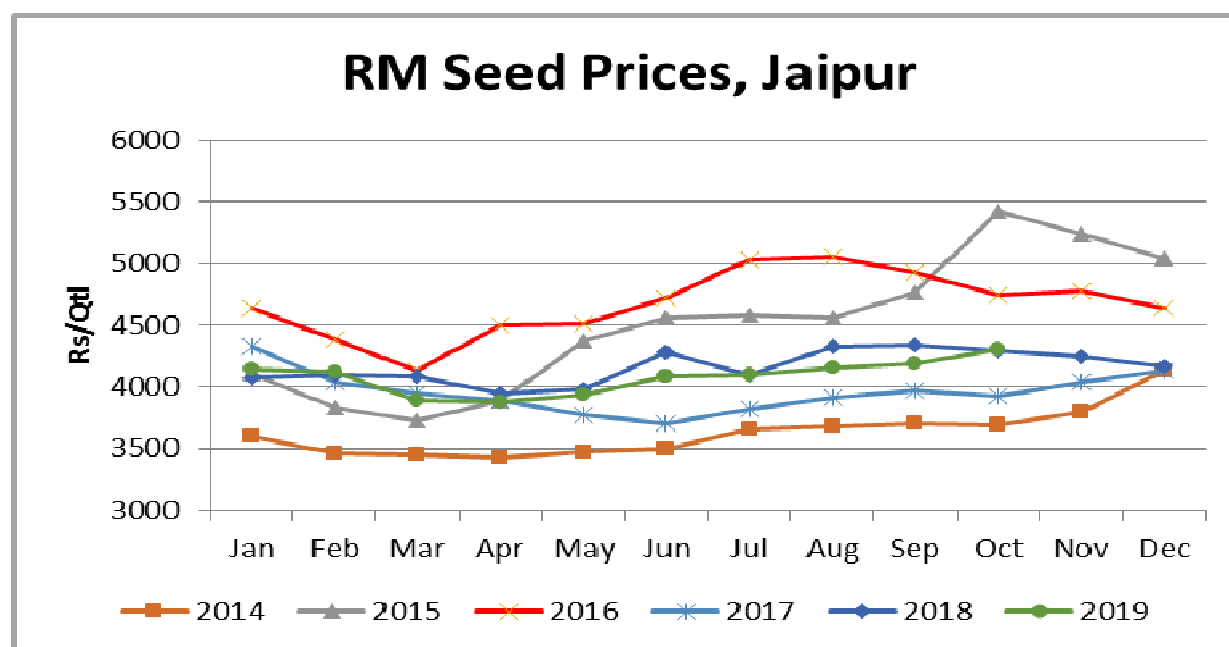
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2018-19	2019-20	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	0.10	0.15	0.15	4.10	2.13	1.14
Production	7.10	7.90	7.90	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	7.20	8.05	8.05	4.10	2.13	1.14
Processing/Crushing	6.75	7.30	3.90	1.93	0.89	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)

Mustard seed price trends of Jaipur:



Mustard Monthly average price trends of Jaipur:



Technical Analysis:

NCDEX RM Seed Futures Daily C1 Chart



RM Seed Spot, Jaipur Weekly Chart



- The Candlestick depicts firmness in the market on buyers' interests.
- MACD has been in the positive zone and RSI is in overbought zone.
- Trade Recommendation (NCDEX RM seed – Nov.):
- **Sell- Above- 4350** Levels: Target –T1 4250; T2-4100, SL –above 4380.
- In Reverse case, traders can start buying on below 4050 and can add on positions on every 20 points above.

Support & Resistance NCDEX RM Seed – Nov. contract as on 4th Nov.

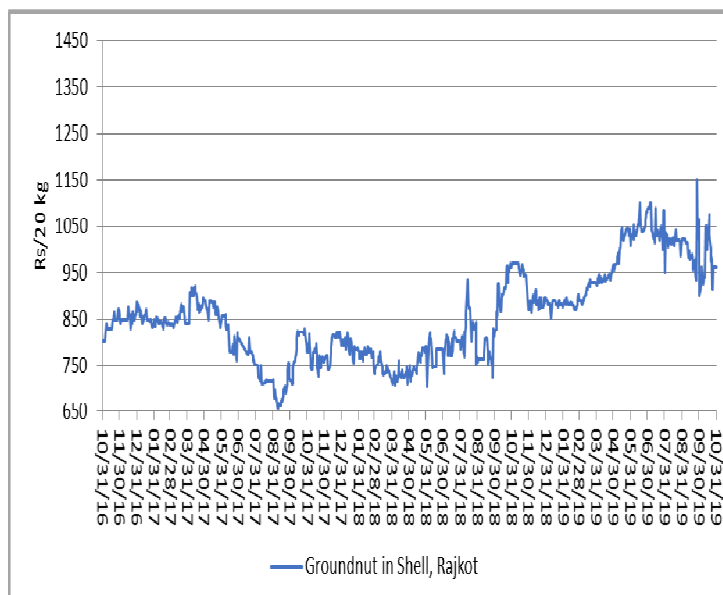
S1	S2	PCP	R1	R2
3880	4100	4310	4480	4580

Support & Resistance NCDEX RM Seed – Dec. contract as on 4th Nov.

S1	S2	PCP	R1	R2
3950	4100	4320	4480	4580

Groundnut

Groundnut in Shell auction prices at Rajkot APMC fetched between INR 4500 and 5375 per quintal and likely to decrease in the entire month. Groundnut prices on monthly basis is declining due to heavy supplies in domestic market. Traders of AP are importing groundnut Kernel from Rajkot market due to better quality. 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. Rabi crop is also expected to be high due to good rainfall. Good Rainfall at maturity stage supported to improve standing crops of Kharif season and expectation of good crop in coming Rabi season. However, recent non-seasonal rainfall may damage quality of harvested crop of this season.



Outlook: Higher crop estimates may weigh on prices. Quality of the harvested crop is the important price driven factor at the current level. Non-seasonal rainfall may reduce crop quality. Price are ruling under MSP, may continue in the coming days and weeks.

Fundamentals:

NAFED has commenced procurement of Kharif groundnut of K-19 in Gujarat state from 1st November 2019. So far, it has procured 493.47 MT at MSP rate Rs. 5090 per quintal from 240 farmers of Gujarat states.

As per IMD, The Extremely Severe Cyclonic Storm 'Maha' (Pronounced as M'maha) over west central & adjoining east central Arabian Sea moved northwards with a speed of 04 kmph during past 06 hours, weakened into a Very Severe Cyclonic Storm and lay cantered at 0830 hours IST of today, the 5th November, 2019 over west-central & adjoining east- central Arabian Sea near Latitude 19.7°N and Longitude 63.6°E, about 660 km west-southwest of Porbandar (Gujarat), 720 km west-southwest of Veraval (Gujarat) and 770 km west-southwest of Diu. It is very likely to move rapidly east-north eastwards with gradual weakening. It is very likely to cross Gujarat coast between Diu and Porbandar as a Cyclonic Storm with a maximum sustained wind speed of 70-80 kmph gusting to 90 Kmph by early hours of 7th November, 2019. Farmers are expecting 40 to 50% damages of groundnut crop if heavy rainfall starts again.

NAFED sale of K-18 groundnut is over and total progressive sale in 2018-19 is 5.74 lakh and balance quantity after sale is 1.40 lakh tons. Total stocks of groundnut of 2017-18 season with NAFED is 0.16 lakh tons and sold total 10.29 lakh tons so far. Therefore, total stock in NAFED is 1.56 lakh tons at the end of sale of groundnut in the state.

Recent rainfall on 29th Oct until next Morning damaged already harvested groundnut and sesame crops of the field in Saurashtra and Kutch districts. Farmers are in worries about rejection of their crops due to mismatch quality at the required standards by the State government.

According to IOPEPC (The Indian Oilseeds and Produce Export Promotion Councils) survey report, India is likely to harvest groundnut crop at 68.60 lakh tons during Kharif 2019 higher against 51.96 lakh tons in previous year. It expects higher groundnut's yields at 1745 Kg/Ha compared to 1336 Kg/Ha for this season.

Groundnut seed and oil exports is expected to be high in this season as China is encouraging imports of groundnut oil instead of soybean oil. Relatively, Indian government has approved to bulk export of groundnut oil. Bumper groundnut crop expectation in India and lower crop prospectus in Africa will support Indian exporters to ship higher volume this year.

The state government in Andhra Pradesh may give compensation to those farmers who have suffered groundnut crop losses. So far, 63,000 farmers have been identified and Rs 75 crore has been paid to them. Rest farmers who are suffering crop loss, may get compensation at the month end or in November 2019.

As per SOMA (Saurashtra Oil Mills Association), Farmers in Gujarat are likely to produce 30.19 lakh tonnes for the current season lower against 32 lakh tonnes in First Advanced estimates of government. However, it is significantly higher from 15 lakh tonnes in previous year record. Ample rainfall of this season helped the groundnut crop mainly in districts of Junagadh, Rajkot, Gir Somnath and Dev Bhumi Dwarka. Farmers have started to harvest their crops in a full speed now.

As per recent report of SEA, Groundnut crop for Kharif season is projected at 51 lakh tonnes for this season in India which is 36.54% higher than 37.35 lakh tonne in previous year. The crop area in Gujarat state is estimated at 15.52 lakh tonnes higher against 14.68 lakh hac. in 2018-19. Total yield of the state is forecasted higher by 90.78% to 2070 kg. per hectare from 1085 kg. per hectares in last year due to good rainfall of this season. Farmers in Gujarat may harvest total 32.15 lakh tonnes in 2019/20 which is just double against previous year record.

As per SEA of India latest report, the exports of Groundnut meal in September 2019 is reported at 101 MT, and total 586 MT from April -September, 2019 had been exported which is lower than 5737 MT from April-September 2018.

As per 1st advanced estimates of ministry report, Kharif groundnut crop size during 2019-20 may stand higher at 63.11 lakh tonnes against 53.63 lakh tons from its 4th advanced estimates on account of good rainfall at maturity time. However, it is reported lower from 75.95 lakh tonnes in 2017-18. Good rainfall at maturity stage may improve groundnut crop yield of this season.

As per recent released data by GOI, total groundnut kharif sowing area all over the country is reported at 39.40 lakh ha. as on 4th Oct 2019 slightly lower by 1.09 lakh ha. from 40.49 lakh ha. in previous year. Farmers have sown 5.38 lakh ha. in Andhra Pradesh lower against 6.65 lakh ha. previous year, 15.52 lakh ha. in Gujarat higher against 14.68 lakh ha. previous year, 3.89 lakh ha. in Karnataka lower against 4.11 lakh ha. previous year, 1.93 lakh ha. in Tamilnadu against 1.70 lakh ha. previous year, 1.12 lakh ha. in Uttar Pradesh higher against 1.09 lakh ha. in previous year, 2.22 lakh ha. in Madhya Pradesh lower against 2.35 lakh ha. in previous year, 1.90 lakh ha. in Maharashtra lower against 1.96 lakh ha. previous year, 5.74 lakh ha in Rajasthan lower against 6.07 lakh ha, 0.05 lakh ha. in other parts of India higher against 0.01 lakh ha. Lower sowing area reported in few states compared to the previous year record due to declined monsoon activity in June month.

As per Apeda report, India has exported total 154012 MT of groundnut with the value of Rs. 1220 crore during April to August (2019-2020) which is lower from 201193 MT of groundnut with the value of Rs. 1307 crore during April to August (2018-2019).

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	42.3
May	55.2	38.6	41.3	19.1	39.6	43.1
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	% Change over	As on	Month Ago,	Year Ago,	2 Year Ago,
		Previous year	Previous month	31-Oct-19	30-Sep-19	31-Oct-18	31-Oct-17
Rajkot	GN in Shell (Rs/20kg)	-1.03	-9.85	960	1065	970	NA
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	31-Oct-19		30-Sep-19		
	Low	High	Low	High	
Indore –Plant	3750	3900	4050	4100	-200
Indore–Mandi	3400	3800	3950	4000	-200
Nagpur-Plant	3700	3730	4020	4050	-320
Nagpur – Mandi	3000	3300	3610	3830	-530
Latur – Mandi	NA	NA	3800	3960	NA
Akola – Mandi	2400	3555	3100	3960	-405
Kota-Plant	3650	3700	4150	4200	-500
Kota – Mandi	3400	3650	4100	4150	-500
Bundi-Plant	3600	3700	4100	4150	-450
Bundi-Mandi	3300	3600	4000	4100	-500
Baran-Plant	3750	3800	4150	4200	-400
Baran-Mandi	3650	3750	4050	4075	-325
Bhawani Mandi Jhalawar–Plant	3750	3800	4200	4250	-450
Jhalwar-Mandi	Closed	Closed	3900	4200	Closed
Rapeseed/Mustard					
Jaipur-(Condition)	4425	4430	4190	4195	235
Alwar-(Condition)	4200	4300	4000	4050	250
Sri Ganganagar-(Non-Condition)	4000	4125	3720	3820	305
New Delhi–(Condition)	4225	4250	3980	4000	250
Kota-(Condition)	3950	4050	3660	3710	340
Agra-(Condition)	4333	4405	4167	4214	191
Neewai-(Condition)	4150	4200	3850	3880	320
Hapur (UP)-(Condition)	4100	4150	3900	3950	200
Groundnut Seed					
Rajkot	Closed	Closed	825	1065	Closed
Sunflower Seed					
Gulbarga	NA	NA	3350	3800	NA
Latur	NA	NA	0	0	NA
Sholapur	3950	4000	0	0	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/20 kg, Sunflower Seed in Rs/qtl.					

Commodity	Centre	Monthly Arrivals in Bags/Qtl		Change
		Oct-2019	Sept – 2019	
Soybean				
	Madhya Pradesh	4780000	739000	4041000
	Maharashtra	3135000	655000	2480000
	Rajasthan	1273000	147000	1126000
	Bundi (Raj)	16926	329	16597
	Baran (Raj)	214000	19800	194200
	Jhalawar (Raj)	81300	23625	57675
Rapeseed/Mustard	Rajasthan	1260000	1400000	-140000
*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg				

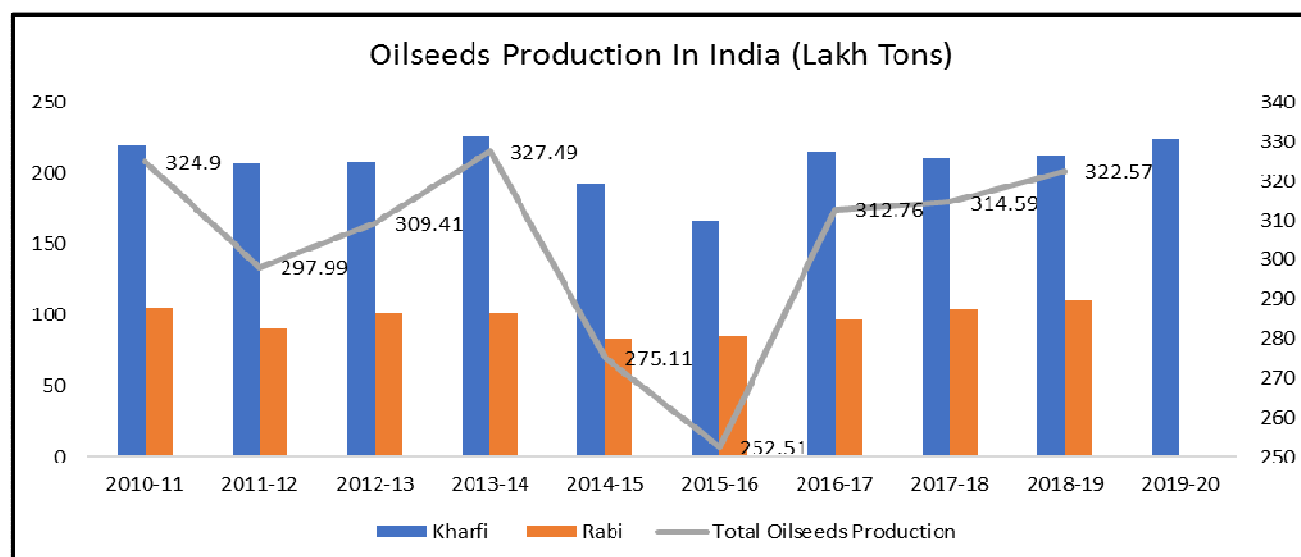
India's Total Oilseeds Production Seen at 322 Lakh Tons in 4th Adv. Est. - GOI (Kharif + Rabi + Summer)

The 4th Advance Estimates of production of major crops for 2018-19 have been released on 19th Aug, 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 higher by 7.98 lakh tonnes to 322.57 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 – 322.57 Lakh tonnes

- Soybean – 137.86 Lakh Tons
- Groundnut – 66.95 Lakh Tons
- Rapeseed – 93.39 Lakh Tons
- Castorseed – 12.15 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.55 Lakh Tons
- Nigerseed – 0.65 Lakh Tons
- Sunflower – 2.19 Lakh tons
- Linseed - 1.59 Lakh Tons



Source: Ministry of Agriculture

Note: 2018-19 (Rabi =Kharif) and 2019-20 (Kharif) is based on 4th 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)

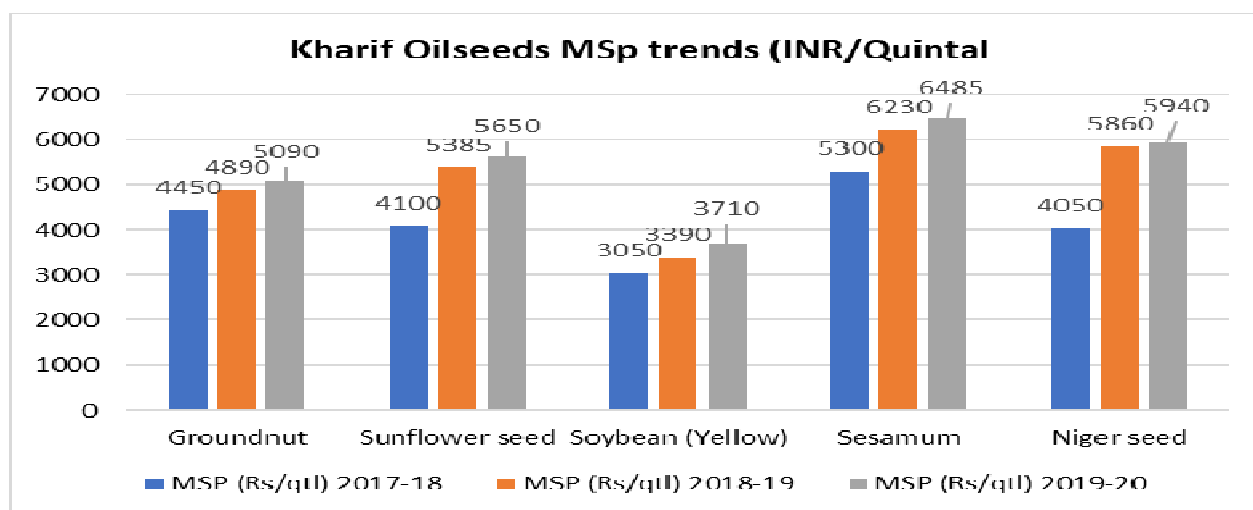
Oilseed Wise production in India (Kharif+Rabi) Lakh Tons										
Oilseed	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Soybean	127.4	122.1	146.7	118.6	103.7	85.7	131.6	109.33	137.86	135.05
Groundnut (In Shell)	82.7	69.6	47	97.1	74	67.3	74.6	92.53	66.95	
Rapeseed & Mustard	81.8	66	80.3	78.8	62.8	68	81	84.3	93.39	
Castorseed	13.5	23	19.6	17.3	18.7	17.5	13.8	15.68	12.15	17.37
Sesamum	8.9	8.1	6.9	7.2	8.3	8.5	7.5	7.55	7.55	6.86
Sunflower	6.5	5.2	5.4	5	4.3	3	3	2.22	2.19	0.67
Linseed	1.5	1.5	1.5	1.4	1.6	1.3	2	1.74	1.59	0.83
Nigerseed	1.1	1	1	1	0.8	0.7	0.9	0.7	0.65	
Safflower	1.5	1.5	1.1	1.1	0.9	0.5	1	0.55	0.24	

Source: Ministry of Agriculture.

Note: 2018-19 & 2019-20 is based on 4th Adv. estimates.

MSP for 2019/20 Kharif 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 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qt in 2018-19 to Rs.3710/qt in 2019-20, Groundnut is increased by Rs.200 from Rs.4890/qt in 2018-19 to Rs.5090/qt in 2019-20, Sunflower is increased by Rs.262 from Rs.5388/qt in 2018-19 to Rs.5650/qt in 2019-20, Sesamum is increased by Rs.236/qt from Rs.6249/qt in 2018-19 to Rs.6485/qt in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qt in 2018-19 to Rs.5940/qt in 2019-20.



Source: MoA, GOI

India's Total Oilseeds Kharif Production Seen at 223.89 Lakh Tons in 1st Adv. Est. - GOI (Kharif)

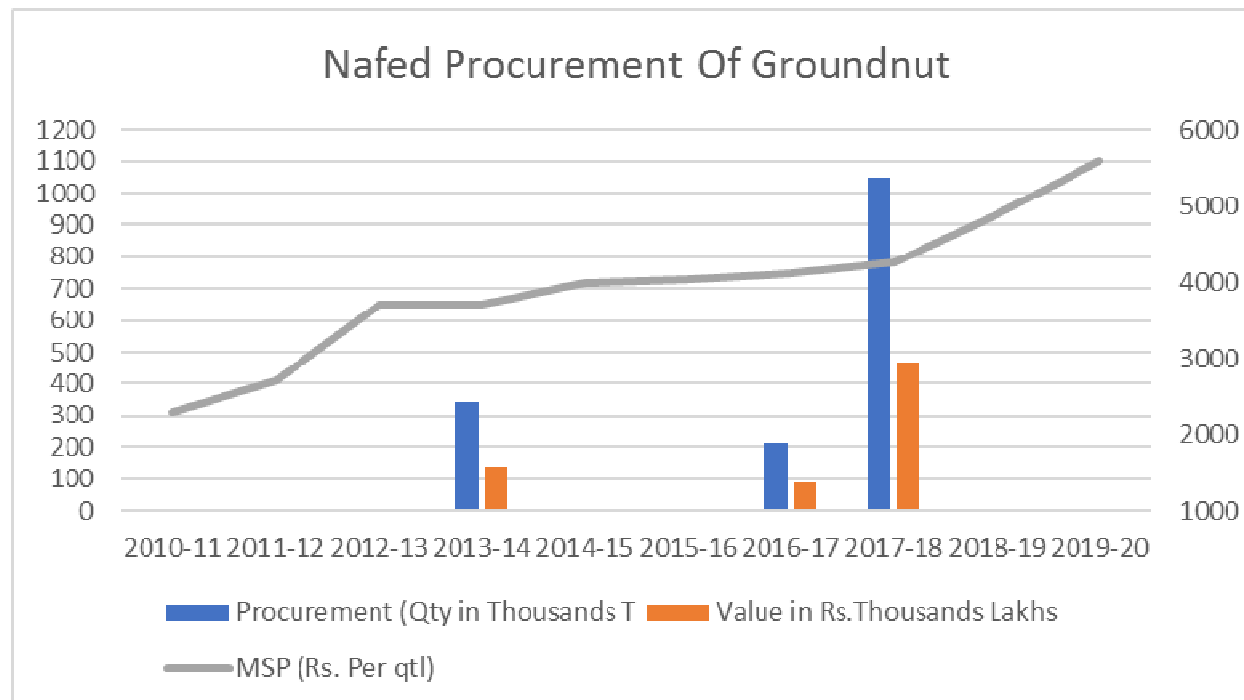
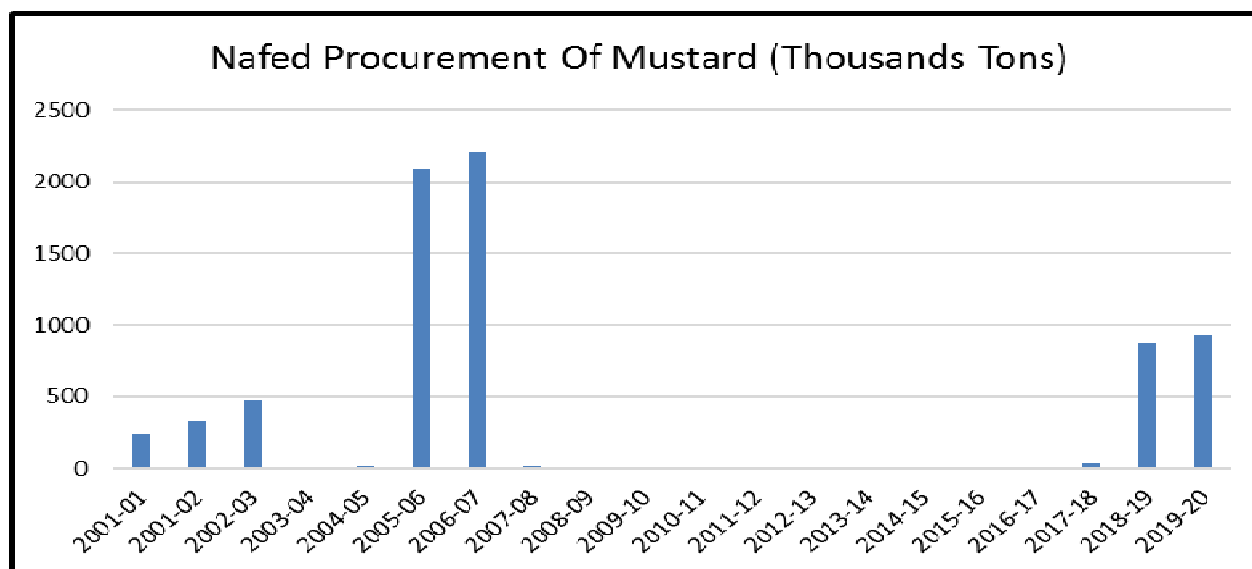
The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 223.89 Lakh tonnes

- Soybean – 135.05 Lakh Tons
- Groundnut – 63.11 Lakh Tons
- Castorseed – 17.37 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.86 Lakh Tons
- Nigerseed – 0.83 Lakh Tons
- Sunflower – 0.67 Lakh tons

NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically



SOPA Soybean Production Estimates Kharif 2019-20 As On 10.10.2019

SOPA Soybean Estimates Kharif						
	2018-19			2019-20		
State	Area	Yield	Production	Area	Yield	Production
Gujarat	1.32	925	1.241	1.003	858	0.861
Maharashtra	36.39	944	34.34	37.363	971	36.295
Karnataka	3.19	911	2.90	3.302	816	2.694
Madhya Pradesh	54.1	1075	58.18	51.952	772	40.107
Chhattisgarh	1.281	865	1.108	0.742	726	0.539
Telangana	1.791	877	1.571	1.783	846	1.508
Rajasthan	9.212	971	8.945	9.627	681	6.56
Others	1.09	955	1.041	1.841	748	1.377
Total	108.4	940.4	109.3	107.6	802.3	89.9

Source: SEA

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