Oilseeds Monthly Research Report

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Executive Summary

Oilseeds complex closed remain on higher side during this month at various physical trading centers. Arrivals are less as traders and farmers are holding their stocks in expectation of good price hike in future. ITC, Olam, Cargil are continue buying soybean for the stock purpose. While, Ruchi soya, Dhenuka are actively buying for crushing to fulfill regular requirements. Traders in Maharashtra and Rajasthan have booked soybean consignment which will be delivered in Jan month majorly from Benin & Ethiopia. Traders are expected to import about 2 to 2.5 lakh tonnes of soybean. Farmers expect Soybean price hike upto Rs. 5000 per quintal. Traders expect remain bullish trend in soybean complex until the arrivals of the new oilseed crops of mustard in March 2020 which may affect overall edible oil segment and ease prices. NCDEX future prices of Soybean and Mustard seed prices increased after buying activities of speculators.

As per recent released data of Ministry, the total area under Oilseeds is reported higher by 0.01 lakh hectares to 77.38 lakh hectares as on 2nd Jan 2019 against 75.72 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 66.35 lakh hectares lower by 0.40 lakh hac. against 66.62 lakh hectares in last year. Total covering area of groundnut stood at 4.20 lakh hectares higher against 3.91 lakh hectares in last year. Safflower has been planted on 0.80 lakh hectares higher from last year record i.e.0.50 lakh hectares. Sunflower has been planted on 1.90 lakh hectares lower against 0.89 lakh hectares last year. Sesame has been planted on 0.46 lakh hectares higher from last year. Linseed has been planted on 3.32 lakh hectares higher against 3.07 lakh hectares in last year.

As per Skymet, India may get lower Soybean crop of this season and expect total 12.15 million tonnes lower by 12% against last year record on account of heavy rains during post monsoon season. Rainfall have damaged the soybean crop mainly in MP state when the crop was at flowering to pod formation. The poor pod formation could not produce good quality of seeds. Yield suffered around 50 to 70% crop loss in Indore, Ujjain, Neemuch, Mandsaur, Jhabua, which are major districts of MP. Few of districts like Sehore, Dewas, Ashok Nagar, Guna, Dhar, Vidisha and Rajgarh have suffered yield losses to the tune of 30-50 per cent. While other districts have suffered around 10 to 20 % yield damage. Maharashtra has also suffered major Soybean crop loss due to heavy rainfall.

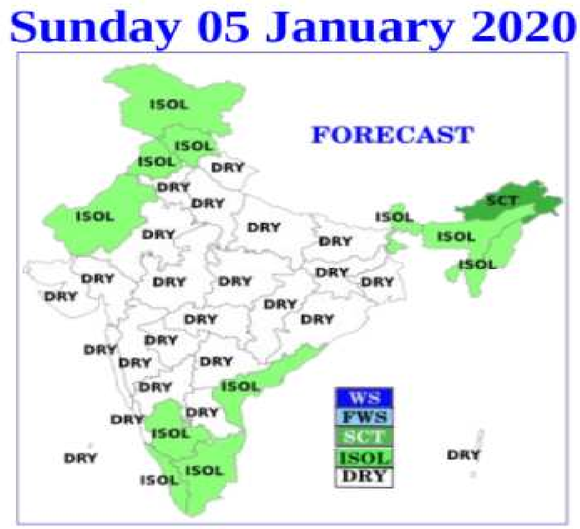
As per SOPA, India may harvest 17.7% lower Soybean crop to 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018 on account of heavy rainfall at maturity period of time. The major growing Soybean states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30% to 0.86 lakh tonnes, 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.

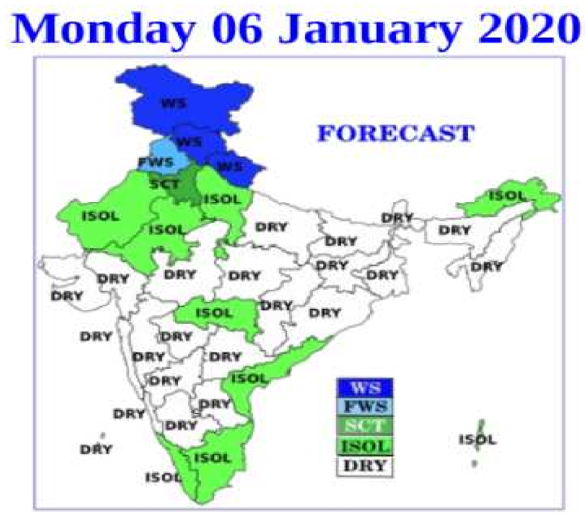
Overall soybean may trade in steady to higher side due to good demand of stockiest ahead of lower crop estimates for this season. Mustard may trade steady to firm tone on less supplies.

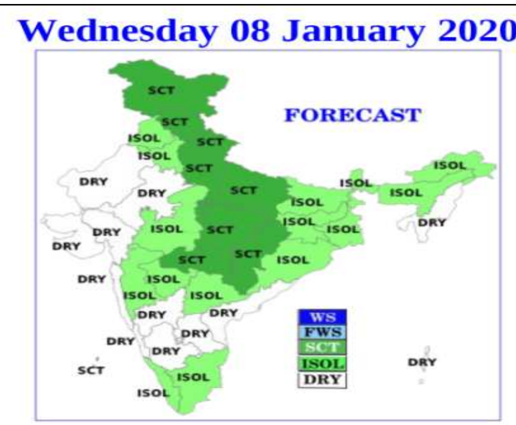
Outlook – Cash Market

Outlook - Soybean (Spot, Indore): *Soybean Indore plant prices are remained on higher side on lower crop estimates of this season. Prices may increase in expectation of less supplies against demand. Prices are likely to trade in the range of 4000 to 4500 in next month. The market sentiments are now depending on the stocks to be carried over to the next marketing year, & weather condition and Kharif crop size estimates, miller's demand. Nafed's Procurement activity.*
Outlook – Soy meal (Spot, Indore): *Soymeal prices closed higher side supported by price hike in soyoil and global markets. Prices may trade steady to firm in the coming days on good south based traders demand. Prices are also being driven by global market's outlook and may trade between Rs.31500 to 36500/MT in Indore market. Exporters are less active in the market.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis)*: Mustard seed prices at Jaipur market showed firm after strong demand of regular buyers. 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 4350 to 4700 in next month. NCDEX future prices of RM Seed may increase on buyers' interests.*

Weather Forecast (For Rabi Oilseeds)







Dense fog to very dense fog at isolated places like over Uttar Pradesh, North Madhya Pradesh, Bihar, and Dense fog over Punjab and Haryana, Chandigarh & Delhi Gangetic West Bengal Odisha, East Rajasthan during night/morning hours.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 2.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	66.62	67.03	**-0.40**
Groundnut	7.76	3.91	3.51	**0.40**
Safflower	1.41	0.50	0.36	**0.13**
Sunflower	2.92	0.89	0.99	**-0.10**
Sesamum	3.12	0.41	0.41	**Unch**
Linseed	2.99	3.07	3.15	**-0.08**
Total-Oilseeds (Nine)	78.85	77.38	75.72	**0.01**

Soybean

Domestic Market

Soybean prices increased after less supplies in Dec month as farmers and traders expect further good price hike in future. Soybean prices may trade in steady to firm tone in expectation of lower stock availabilities.

In MP, exports of soybean derivatives have been declined in this year followed by lower crop availabilities and reporting a fall of 250 containers per month. Normally, exports pick up higher side during harvesting period of time and reports around 400 to 500 containers per month. However, less crop availabilities of this season have declined exports volume of soybean derivatives up to 200 containers. MP is one of the biggest soybean producers in the country and likely to produce 4.13 million tons of soybean in 2019-20 lower by 31.19% from 5.79 million tonnes in previous year record due to excess rainfall.

Nafed has procured total 10675.16 MT so far including 10648.85 MT in Telangana states, 4.41 MT in Maharashtra VCMF and 26.31 MT in MAHAFPC.

Soybean Crop harvesting of Kharif season is now completed. Continuous heavy rainfall received during monsoon season has severely damaged the crop in Rajasthan and Madhya Pradesh.Incidence of sucking pest and yellow mosaic virus has been observed in the field. Overall crop condition is below normal and yield is expected to be below normal. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

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.

As per SOPA recent released data, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and 1.54 lakh tonnes for carry forward in next year. Imports of India are likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes,31.1 per cent to 40.10 lakh tonnes respectively against last year record.

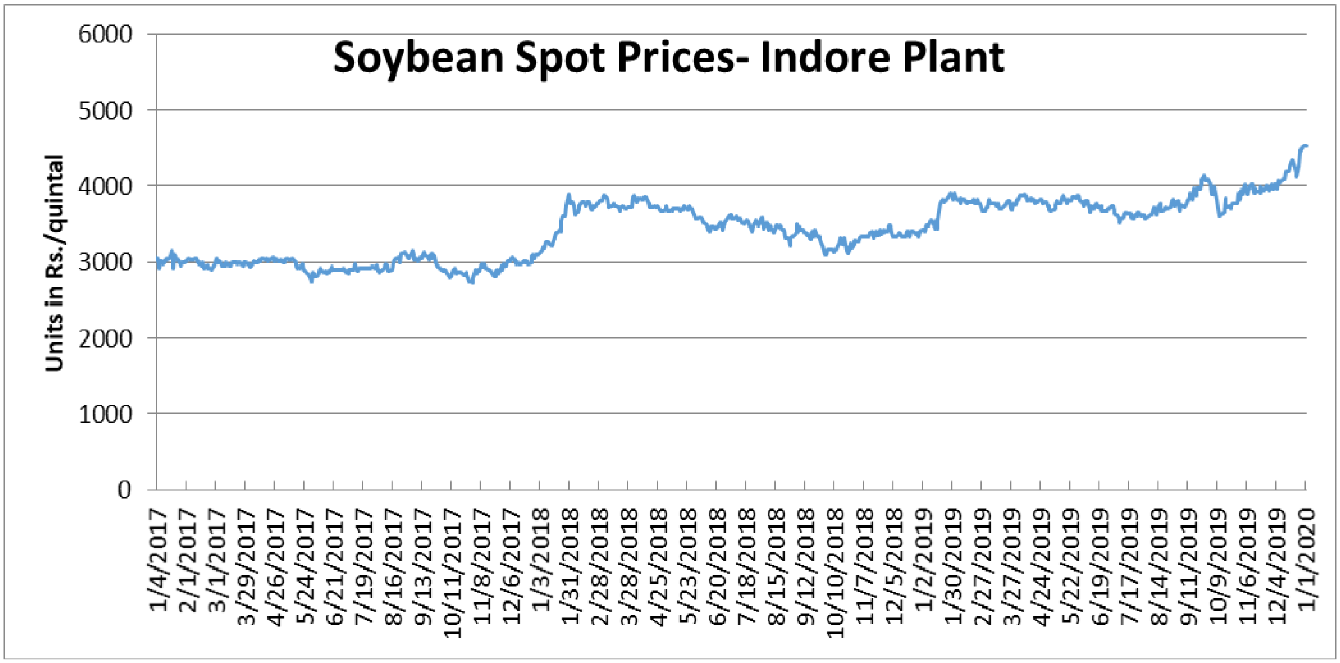
As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tones compared to 10.46 lakh tonnes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

As per the First Advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 135.05 lakh tonnes as compared to 137.86 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

The domestic soybean prices are likely to trade in steady to firm tone in coming days.

Soybean Indore price trends:



International:

CBOT prices rose supported by rally in Malaysian palm oil. Phase 1 trade deal between China and U.S. is likely to be signed on Jan 15, 2019.

During the week (Dec.20-Dec 26, 2019) US sold 55% lower soybeans to 330,300 MT for 2019/2020 from the previous week and 66% from the prior 4-week average. Increases were primarily for China (160,200 MT, including 132,000 MT switched from unknown destinations), Bangladesh (112,300 MT, including 60,000 MT switched from unknown destinations and decreases of 7,200 MT), Vietnam (84,600 MT, including 70,00 MT switched from unknown destinations), Spain (66,600 MT), and Japan (35,600 MT, including 26,800 MT switched from unknown destinations and decreases of 1,900 MT), were offset by reductions primarily for unknown destinations (202,900 MT). For 2020/2021, total net sales of 1,700 MT were for Japan. Exports of 1,076,400 MT were up 7 percent from the previous week, but down 20 percent from the prior 4-week average. The destinations were primarily to China (418,900 MT), Bangladesh (112,300 MT), Mexico (109,300 MT), Vietnam (77,400 MT), and Pakistan (68,300 MT).

As per source, China purchased total 2.56 million tonnes of US soybean higher from previous year record and October month record after Beijing issued waivers to exempt importers from hefty tariff for some American cargoes. In October month, the country bought total 1.14 million tonnes. China bought total 3.86 million tonnes of Brazilian Soybean which is lower by 24% from 5.07 million tonnes in the corresponding period of time in last year.

As per sources, European Union bought total 6.6 million tonnes of Soybean till Dec 22, 2019 (season started on July 1) which is lower by 2% from last year record in Dec.16. EU soymeal imports had reached higher by 15% to 9.3 million tonnes, the year-earlier period, while palm oil imports stood down by 19% to 2.6 million tonnes.

As per NOPA recent data, NOPA members have crushed total 164.90 million bushels of Soybeans in November 2019 which is lower from 175.39 million bushels in October 2019. It is also lower from 166.95 million bushels in November 2018. Crushing is below than the average trade estimate of 172.032 million bushels, based on data gathered by Reuters from 10 analysts. It was also below all trade estimates that ranged from 168.6 million to 178.028 million bushels, with a median of 170.5 million. Soybean oil stocks rose to 1.448 billion pounds at the end of November against 1.423 billion pounds in October month however lower from 1.484 billion pounds at the end of November 2018. Soymeal exports has been reported lower in November 2019 at 868,769 tons from 894,817 tons in November 2019 and 901,449 tons exported in November 2018.

As per sources, Argentina may grow higher soybean crop at 53.6 million tons in 2019/20 supported by stable weather condition. USDA kept unchanged production estimates i.e. 53 million tons in December month report. Farmers in country may plant total 18.2 million hectares in this season higher from 17.7 million hectares in last year record. As per ministry report, Argentina has covered 64% soybean planting area as on 12th Dec 2019 which is slightly lower from 66% in last year record and also below from the five years average of 67%.

As per sources, Farmers in Brazil have planted total 93% of soybean area as on 5th Dec. 2019 of this season lower against 96% in previous year record. However, it is 6% higher from last week record supported by good rainfall. As per USDA, the soybean planted area is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 5% to 123 million T in normal weather condition as compared to last year. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million hac.and the production at 120.7 million tonnes in the current season.

As per Conab, Brazil may harvest higher Soybean crop at 121.09 million tonnes in 2019/20 against 115.03 million tonnes in last year and 120.86 million tonnes in Nov. month estimates. Soybean area in Brazil is likely to stand higher at 36.79 million Ha. in 2019/20 against 36.71 million ha. in Nov. month estimates and 35.87 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.

USDA reduced soybean yield estimate of US due to weak crop condition in US in its Nov review. Soybean stocks estimate fell due to lowering of soybean crop in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean crop was below was reported at 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

Soybean harvest is expected to be completed in US Midwest on dry conditions in next week. Harvesting will be completed in normal time as dry conditions helped fast harvest. USDA forecast soybean crop in US at 96 MMT in Nov review.

China has opened soy meal market for imports from Argentina and Ukraine, in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020. China has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices. China has also allowed to import rapeseed meal from Ukrain. It is likely to give permission to import rice bran and palm meal from Thailand.

As per sources, China has bought total 8.28 million tonnes of U.S. soybean in November 2019 which is significantly higher by 54% against last year record i.e. 5.38 million tonnes. The export volume is also higher by 34% from October month record i.e. 6.18 million tonnes. Soybean demand of China was lower due to outbreak of African swine fever and trade war with U.S.

As per source, Argentina may increase soybean acreage by 100,000 hectares in expectation of shift of corn area to soybeans. Farmers are expecting a rise of export taxes of corn after new elected administration in power on December 10th 2019. So far, farmers have finished 1.7% lower soybean planted area to 39% as compared to previous year. However, it is higher by 7.7% from last week record. In southern Argentina 15-30% area have been planted so far while, soybean planting has not yet started in far northern Argentina.

As per Agro consult, Brazil is likely to ship to China between 54 million tons to 59 million tons in 2019/20 lower against 60 million tons in last year. Total shipment of the country may stand between 76.5 million tons to 78 million tons depend on trade war settlement between U.S. and China. Brazil may produce total 124 million tons of soybean in this year higher from 118 million tons in last year.

As per Abiove, Brazil is likely to produce total 122.8 million tons in 2020 higher from 117.8 million tonnes in 2019. The country may export total 75 million tonnes lower from 83.26 million tonnes in 2019. Soy processing is forecast at 44 million tonnes higher against 42.9 million tonnes in 2019. Soy crushing may increase in 2020 due to higher biodiesel mix in diesel. However, soy planting area is still lagging behind last year record.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly lower to 96.61 million tons in December unchanged from previous month. Exports of U.S are unchanged at 48.30 million tonnes in this month. U.S crushing is also unchanged at 57.28 million tonnes in Dec. month. Ending stocks of the country is expected at 12.92 million tonnes in Dec. month review.

As per WASDE report, world oilseed production for 2019/20 is projected at 574.6 million tons in Dec month, up 3.3 million tons from November due to higher sunflower seed, peanut, and soybean production offsetting lower rapeseed and cottonseed production. Sunflower seed production rises 2.3 million tons on larger crops in Russia and Ukraine. Soybean production is up nearly 1.0 million tons reflecting higher area and yield reported by China's National Bureau of Statistics. In response, oilseed crush is raised nearly 2.0 million tons to 496.5 million. Oilseed ending stocks also grew 1.6 million tons mainly on higher soybean stocks in Brazil offsetting declines in Bolivia and Vietnam.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged $357/ton, down $1 from October. Brazil Paranagua FOB averaged $369/ton, down $3 from October. Argentina Up River FOB averaged $320/ton, up $11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

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 and unchanged from previous month record. Exports of soybean in 2019-20 is expected to 76 million tones higher from 74.94 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 MMT on higher-than-expected area. 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. Total imports of China are estimated at 8.5 million tonnes for 2019/20 season unchanged Nov. month. While crushing is forecasted at 8.4 million tonnes lower from 8.5 million tonnes in 2018/19.

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.

Balance Sheet – Soybean, India

Soybean (Fig in MT) 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	1.91	1.97	1.97	5.47	3.81	2.90
Production	12.59	8.74	8.74	0	0	0
Imports	0.00	0.10	0	0	0.05	0.05
Total Availability	14.50	10.82	10.72	5.47	3.86	2.95
Processing/Crushing	11.40	8.65	5.00	1.41	0.46	0.37
Exports & Direct Consumption	0.13	0.05	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	12.53	9.70	5.25	1.66	0.96	0.87

Carry Out	1.97	1.12	5.47	3.81	2.90	2.07
Stock/Consumption Ratio	0.16	0.11				

Fig. in MnT

Source: Agriwatch

Soy meal

Soymeal prices rose after strong south based traders demand. Higher prices of soybean, soyoil and firm global sentiments are also affecting soymeal prices to rise.

During the week (Dec.20-Dec 26, 2019) US sold 31% lower soybean cake and meal to 94,700 MT for 2019/2020 from the previous week and 41% lower from the prior 4-week average. Increases primarily for Mexico (33,900 MT), Venezuela (15,000 MT), Morocco (15,000 MT), Colombia (6,600 MT), and Nepal (6,600 MT), were offset by reductions primarily for Ecuador (5,500 MT) and Oman (400 MT). For 2020/2021, total net sales of 1,500 MT were for Mexico. Exports of 201,100 MT were primarily to the Philippines (45,200 MT), Peru (30,100 MT), Colombia (29,700 MT), Mexico (25,100 MT), and the Dominican Republic (15,700 MT).

As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes in November 2019 lower against 3.26 lakh tonnes in previous year during the corresponding period of time. Higher soybean meal prices has affected poultry sector demand. DOC buyers may switch to other alternative meal products due to higher soymeal prevailing prices.

According to trade source, one vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of castorseed meal with total capacity of 13,000 tons. One vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of rapeseed meal with total capacity of 13,000 tons. One vessel (PHC MARITIME) at berth for discharge at Tuticorin port for import of sunflower cake with total capacity of 7,700 tons.

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export Sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per NOPA recent data, NOPA members have crushed total 164.90 million bushels of Soybeans in November 2019 which is lower from 175.39 million bushels in October 2019. It is also lower from 166.95 million bushels in November 2018. Crushing is below than the average trade estimate of 172.032 million bushels, based on data gathered by Reuters from 10 analysts. It was also below all trade estimates that ranged from 168.6 million to 178.028 million bushels, with a median of 170.5 million. Soybean oil stocks rose to 1.448 billion pounds at the end of November against 1.423 billion pounds in October month however lower from 1.484 billion pounds at the end of November 2018. Soymeal exports has been reported higher in November 2019 at 868,769 tons lower from 894,817 tons in November 2019 and 901,449 tons exported in November 2018.

As per recent report of USDA, India may produce lower Soymeal to 6.4 million tonnes in 2019/20 compared to 7.6 million tonnes in 2018/19 season. The estimate is unchanged from Nov. month estimates. Domestic consumption is forecast at 5.35 million tonnes for this season higher from 5.2 million tonnes in previous year record however it is unchanged from previous month record.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged $357/ton, down $1 from October. Brazil Paranagua averaged $369/ton, down $3 from October. Argentina Up River FOB averaged $320/ton, up $11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

As per recent SEA report, India shipped Oilmeals lower by 64% to 126,128 tons in November 2019 against 353.405 tons in September 2018. The overall export of oilmeals during April-Nov. 2019 is reported at 1,652,599 tons compared to 2,086,321 tons in April-Nov.2018 i.e. down by 21%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased to 431,692 against 275,281 tons.

During April-November 2019, Vietnam imported 212,546 tons of oilmeals (compared to 384,814 tons); consisting of 3782 tons of soybean meal, 134,412 tons of rapeseed meal and 74,352 tons of De-oiled Rice Bran Extraction. South Korea imported 678,171 tons of oilmeals (compared to 566,657 tons); consisting 29,451 tons of soybean meal, 294,964 tons of rapeseed meal and 353,756 tons of castor seed meal. Thailand imported 168,426 tons of oilmeals (compared to 217,143 tons) consisting 148,309 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2536 tons of soybean meal.

During April-November 2019, the export from Kandla is reported at 655,910 tons lower (40%), followed by Mundra handled 509,578 tons (31%), and Mumbai including JNPT handled 114,035 tons (7%) and Kolkata handled 100,315 tons (7%) and Others Ports handled 272,761 tons (17%).

Indian Soymeal premium quoted higher side by $112 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.

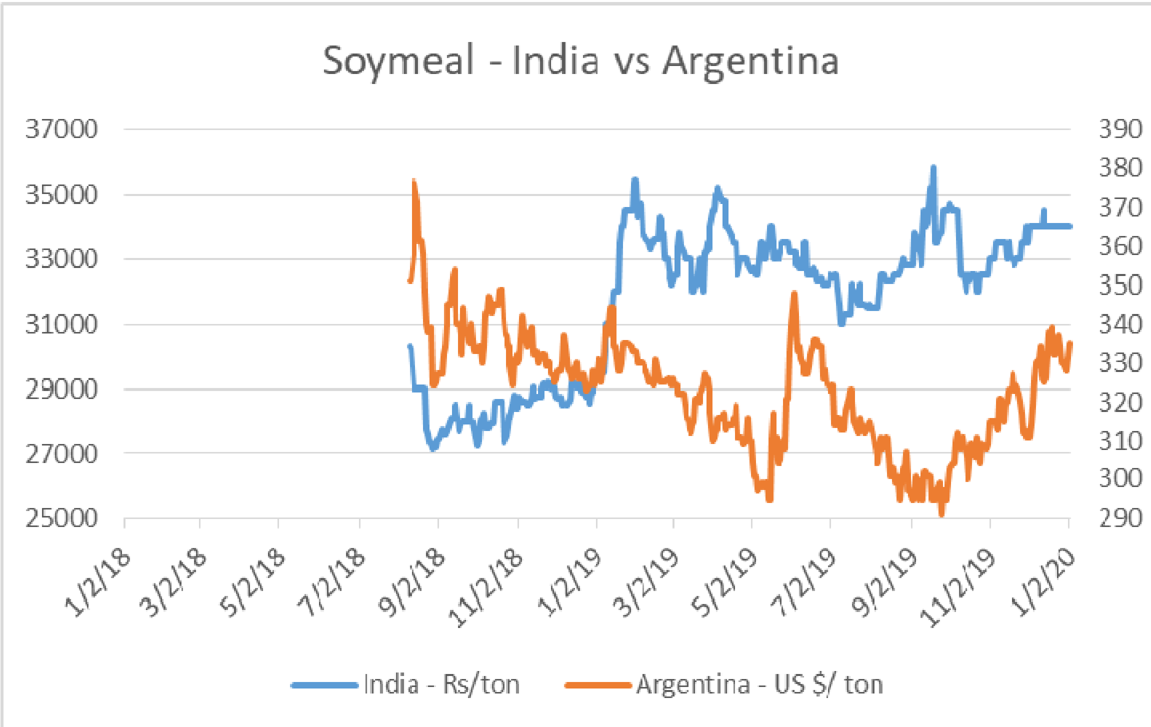
Soy Meal Export (In Thousand Tons)

	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

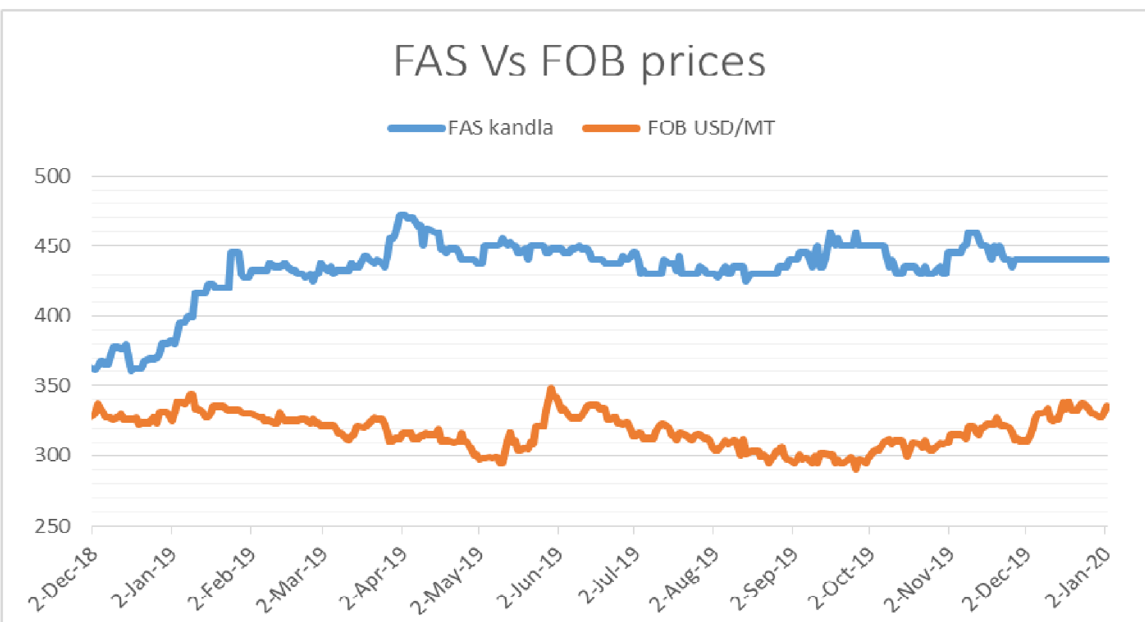
Source: SEA

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 negative zone and RSI has been inching towards higher in neutral zone.
- Trade Recommendation (NCDEX Soybean –Feb.): **Buy- Above 4200** Levels: Target –T1 4320; T2-4420, SL –4070.
- In Reverse case, traders can start selling on above 4400 and can add on positions on every 20 points below.

Support & Resistance NCDEX Soybean Jan. contract

		Jan. contract as on 6th Jan		
S1	S2	PCP	R1	R2
3900	3980	4184	4320	4420
		Feb. contract as on 6th Jan.		
S1	S2	PCP	R1	R2
4100	4180	4220	4400	4520

Rapeseed - Mustard Seed

RM seed prices closed on higher side after weak supplies. Arrivals may rise as traders and farmers may book their profit at the current market price. At the end of month, mustard closed higher at 4903 per quintal as compared to 4553 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 66.35 lakh hac. of Mustard area as on 2nd Jan. 2020 which is lower by 0.40 lakh hac. against 66.40 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 24.22 lakh hac. higher against 23.23 lakh hac. followed by 12.23 lakh in Uttar Pradesh, 7.03 lakh hac. in MP, 5.20 lakh hac. in West Bengal, 1.70 lakh hac. in Gujarat,5.62 lakh hac. in Haryana, 2.15 lakh hac in Jharkhand.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers had waited 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 seasons to Rs.4425 against Rs. 4200 in 2019-20.

According to United States Department of Agriculture (USDA) October estimates, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year. Domestic consumption lowered to 27 lakh tonnes from 27.30 lakh tonnes in previous year record. Ending stocks have been lowered to 1.44 lakh tonnes from 1.43 lakh tonnes in last year record. India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19.

As on 16thOct 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, and 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, and 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.

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

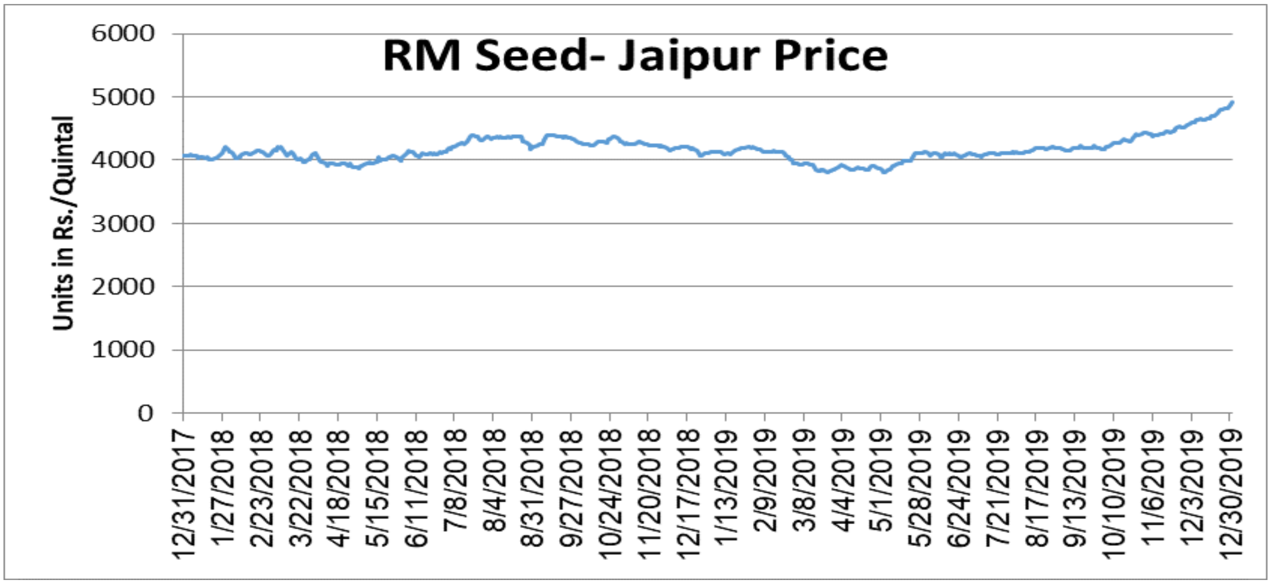
Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

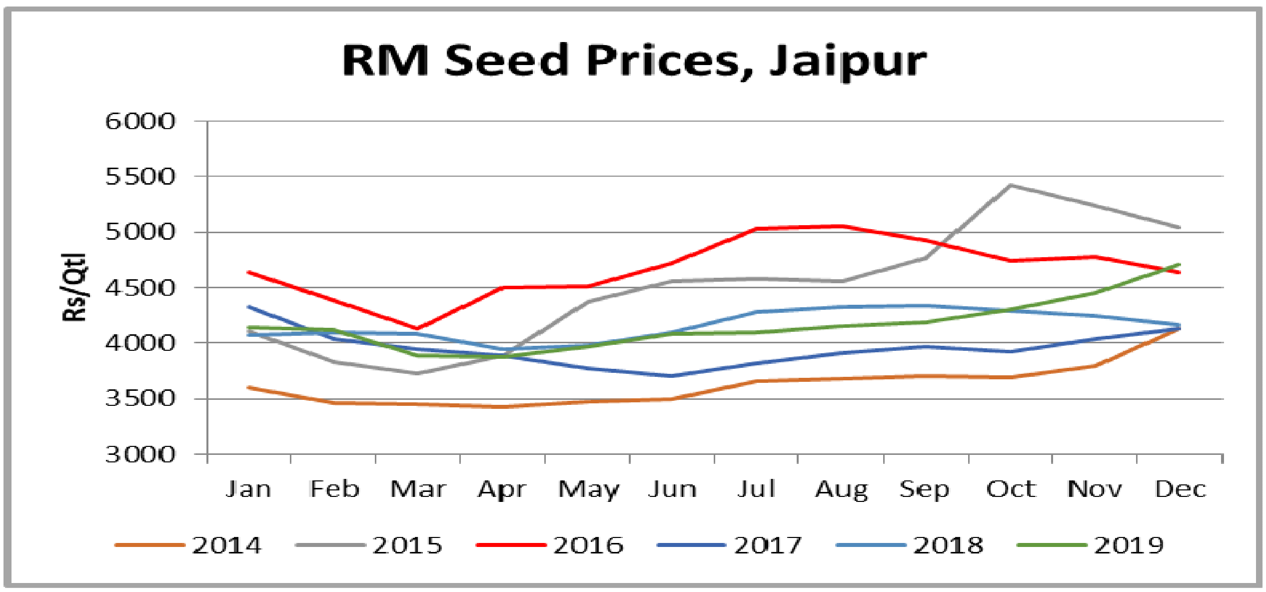
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2018-19	2019-20	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	**0.10**	**0.15**	**0.15**	**4.10**	**2.13**	**1.14**
Production	**7.10**	**7.90**	**7.90**	**0.00**	**0.00**	**0.00**
Imports	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Availability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

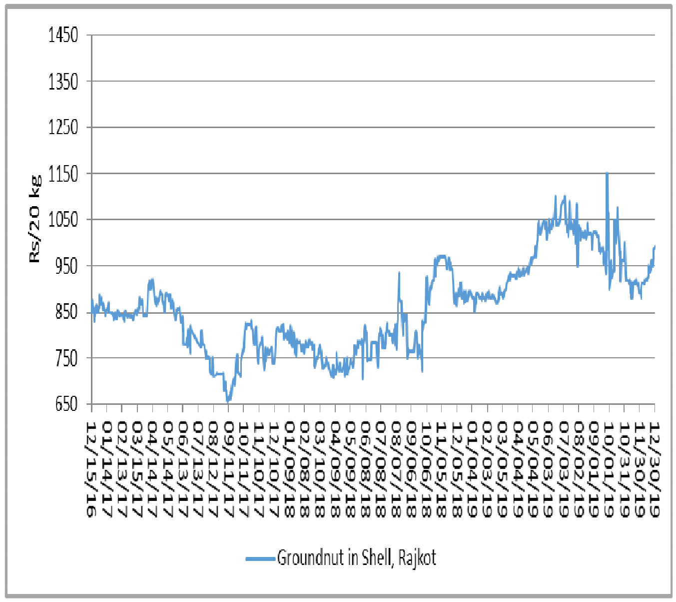
NCDEX RM Seed Futures Daily C1 Chart

RM Seed Spot, Jaipur Weekly Chart

- ➢ The Candlestick depicts firmness in the market on buyer's interests.
- ➢ MACD has been in the negative zone and RSI is in neutral zone.
- ➢ Trade Recommendation (NCDEX RM seed – Feb.):
- ➢ **Buy- Above- 4505** Levels: Target –T1 4610; T2-4720, SL –above 4400.
- ➢ In Reverse case, traders can start buying on above 4350 and can add on positions on every 20 points above.

Support & Resistance NCDEX RM Seed – Jan. contract as on 6th Jan.				
S1	S2	PCP	R1	R2
4150	4250	4495	4680	4800
Support & Resistance NCDEX RM Seed – Feb. contract as on 6th Jan.				
S1	S2	PCP	R1	R2
4240	4350	4505	4700	4790

Groundnut



Groundnut in Shell auction prices at Rajkot APMC fetched at 4200 per quintal in Dec. month and likely to increase in the entire month after less supplies against good demand. Groundnut prices on monthly basis is increasing due to less supplies in domestic market. The quality of seeds is good. 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.

Outlook: Higher crop estimates may weigh on prices. Quality of the harvested crop and Nafed's procurement are the important price driven factor at the current level. Price are ruling under MSP, may continue in the coming days and weeks.

Fundamentals:

NAFED purchase of K-19 groundnut has been started and total progressive purchase in 2019-20 is 4.38 lakh tons. Purchase in Gujarat is 3.11 lakh tons, purchase in Rajasthan is 1.15 lakh tons while purchase in Andhra Pradesh is 12239.55 MT. NAFED stocks of K-18 and K-17 groundnut is 1.67 lakh tons at the end of sale of groundnut in October. Therefore, total stocks of groundnut with NAFED is 6.05 lakh tons. Total 2.07 lakh farmers have benefitted from NAFED purchase of K-19 groundnut.

As per recent released data by GOI, total groundnut Rabi sowing area in all over the country is reported at 3.90 lakh ha. on 2nd Jan. 2020 higher against 3.50 lakh ha. In previous year. Farmers have sown 0.55 lakh ha. in Andhra Pradesh higher from previous year 0.45 lakh ha., 0.95 lakh ha. in Karnataka against 0.72 lakh ha. in previous year, 0.74 lakh ha. in Tamil Nadu higher against 0.65 lakh ha. in previous year, 1.15 lakh ha. in Telangana higher against 0.93 lakh ha. in last season in the corresponding period of time.

In Odisha, Nafed is likely to purchase 3330 tonnes of groundnut at minimum support prices for 2019-20 kharif season. The procurement will be in the districts like Ganjam, Baragarh, Nuapada, Kalahandi, Angul, Mayubhanj, Boudh, Balangir, Sundargarh, Rayagada and Koraput where surplus is estimated during the current kharif season.

As per Apeda report, India has exported total 189736 MT of groundnut with the value of Rs. 1512 crore during April to October (2019-2020) which is lower by 23.70% against 248679 MT of groundnut with the value of Rs. 1644 crore during April to October (2018-2019).

As per SEA of India latest report, the exports of Groundnut meal are reported at 697 MT during April- November, 2019 lower from 7730 MT from April-November 2018.

As per DGCIS data, India has exported total 1.88 lakh tone including groundnut seed, other groundnut nut in shell, Kernel H.P.S kernels others so far of this season during Apr to Oct 2019-20. The country has exported total 4.85 lakh tonnes in 2018-19 marketing season of groundnut. Agriwatch expects total 3.5 lakh tones of exports for this season lower against 4.85 lakh tones in previous year record in expectation of less export demand of this season.

In Rajkot, farmers are expecting losses of groundnut crop due to excess recent rainfall. As per rough estimates the groundnut worth Rs 2.50 crore was damaged in unexpected rain. The farmers are asking government to survey the area and pay the compensation.

Unseasonal rainfall in Gujarat reported severs impact on groundnut harvested crop. Farmers are asking more compensation for their heavy losses. Heavy rainfall in last month and first week of November due to Cyclone Maha affected so many farmers in Gujarat. Government has announced a relief package of Rs. 700 crores for the damages of crop in Gujarat. The relief package will be more than the crop insurance as provided by the companies. Rs. 13,500 per hectare will be given for irrigated crop and Rs. 6,800 for non-irrigated crops where losses are more than 33%.

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.

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.

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 1stadvanced estimates of ministry report, Kharif groundnut crop size during 2019-20may standhigher 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. Gujarat may produce 32 lakh tonnes of groundnut for Kharif 2019-20 which is just double from 15.9 lakh tonnes in previous year.

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	52.44
Apr	48.6	50.4	54.5	45	46.5	49.49
May	55.2	38.6	41.3	19.1	39.6	35.84

Jun	50	30.7	58.4	25.4	40.1	39.64
Jul	42.7	25	39.2	37.2	39.4	43.36
Aug	40.8	35.8	16.8	30.6	35.5	32.92
Sep	23.8	16.1	12.2	20.1	17.1	15.46

* Estimated Exports Value and EXIM data

Groundnut Prices in Shell

Groundnut							
Center	Variety	% Change over Previous year	% Change over Previous month	As on 31-Dec-19	Month Ago, 30-Nov-19	Year Ago, 31-Dec-18	2 Year Ago, 31-Dec-17
Rajkot	GN in Shell (Rs/20kg)	11.57	10.94	993	895	890	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-Dec-20		30-Nov-19		
	Low	High	Low	High	
Indore –Plant	4500	4560	4000	4050	510
Indore–Mandi	4400	4500	3750	3950	550
Nagpur-Plant	4470	4515	3850	3950	565
Nagpur – Mandi	4000	4350	3200	3800	550
Latur – Mandi	NA	NA	3150	3900	NA
Akola – Mandi	3000	4260	3000	3750	510
Kota-Plant	4400	4450	3950	4000	450
Kota – Mandi	4300	4400	3700	3975	425
Bundi-Plant	4450	4500	3900	3950	550
Bundi-Mandi	4300	4385	3500	3900	485
Baran-Plant	4400	4450	3900	3950	500
Baran-Mandi	4300	4400	3800	3900	500
Bhawani Mandi Jhalawar–Plant	4500	4550	4100	4125	425
Jhalwar-Mandi	4450	4500	3700	4050	450

Rapeseed/Mustard					
Jaipur-(Condition)	4920	4925	4550	4555	370
Alwar-(Condition)	4650	4700	4250	4300	400
Sri Ganganagar-(Non-Condition)	4375	4475	4050	4075	400
New Delhi–(Condition)	4725	4750	4300	4320	430
Kota-(Condition)	4300	4400	4000	4050	350
Agra-(Condition)	4690	4786	4286	4333	453
Neewai-(Condition)	4550	4600	4200	4250	350
Hapur (UP)-(Condition)	4600	4650	4200	4250	400
Groundnut Seed					
Rajkot	840	840	740	740	**100**
Sunflower Seed					
Gulbarga	3302	3904	3000	3625	**279**
Latur	NA	NA	NA	NA	**NA**
Sholapur	NA	NA	4050	4100	**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
		Dec-2019	**Nov-2019**	
Soybean	Madhya Pradesh	135500	7915000	-7779500
	Maharashtra	4435000	5980000	-1545000
	Rajasthan	1041000	1705000	-664000
	Bundi (Raj)	6520	24000	-17480
	Baran (Raj)	93500	227000	-133500
	Jhalawar (Raj)	66800	183700	-116900
Rapeseed/Mustard	Rajasthan	1041000	1540000	-499000
***Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg**				

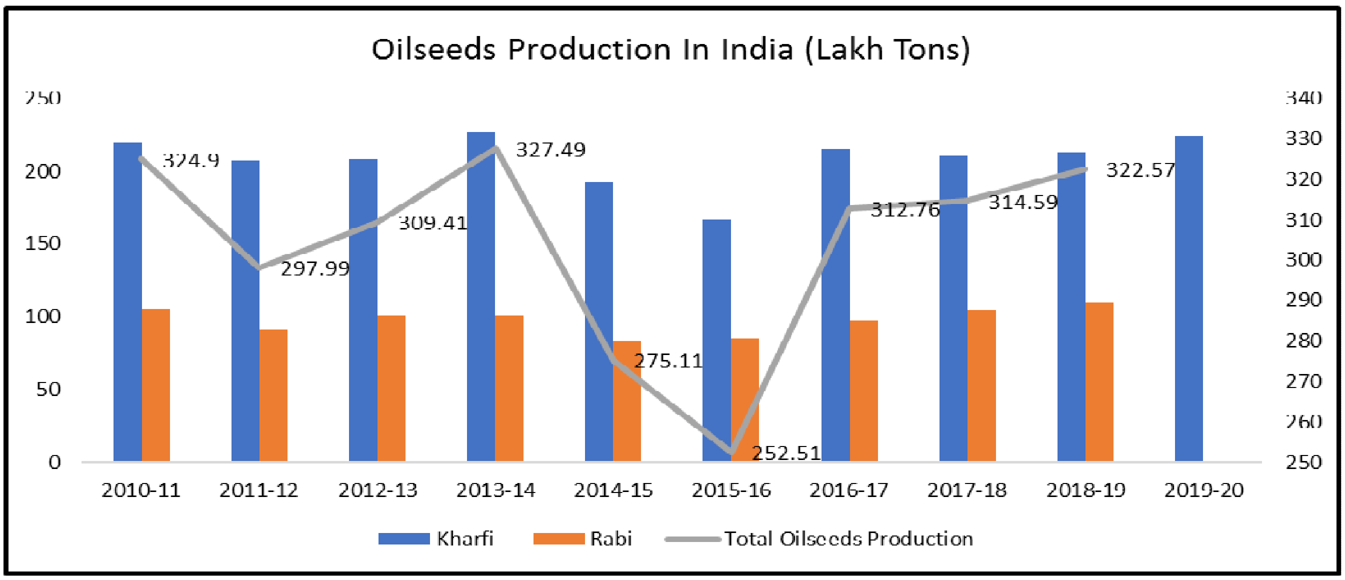
India's Total Oilseeds Production Seen at 322 Lakh Tons in 4th Adv. Est. - GOI (Kharif + Rabi + Summer)

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.

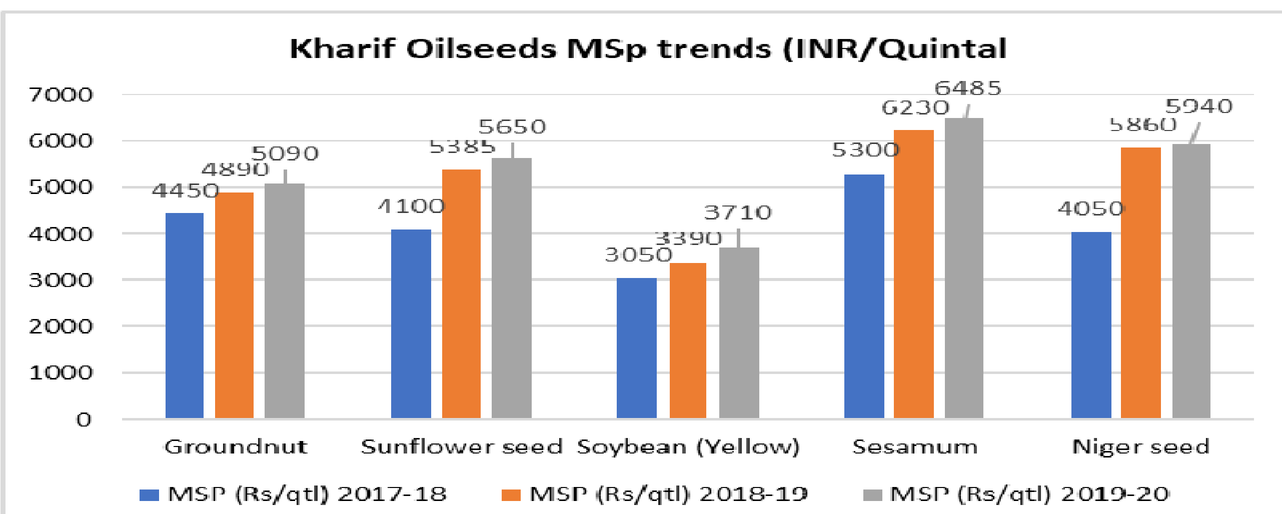
Year includes Kharif, Rabi and summer (i.e. 2018-19 means kharif harvested in 2018, Rabi in 2019 and summer in 2019 and should not be considered as marketing year)

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 for2019/20 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)

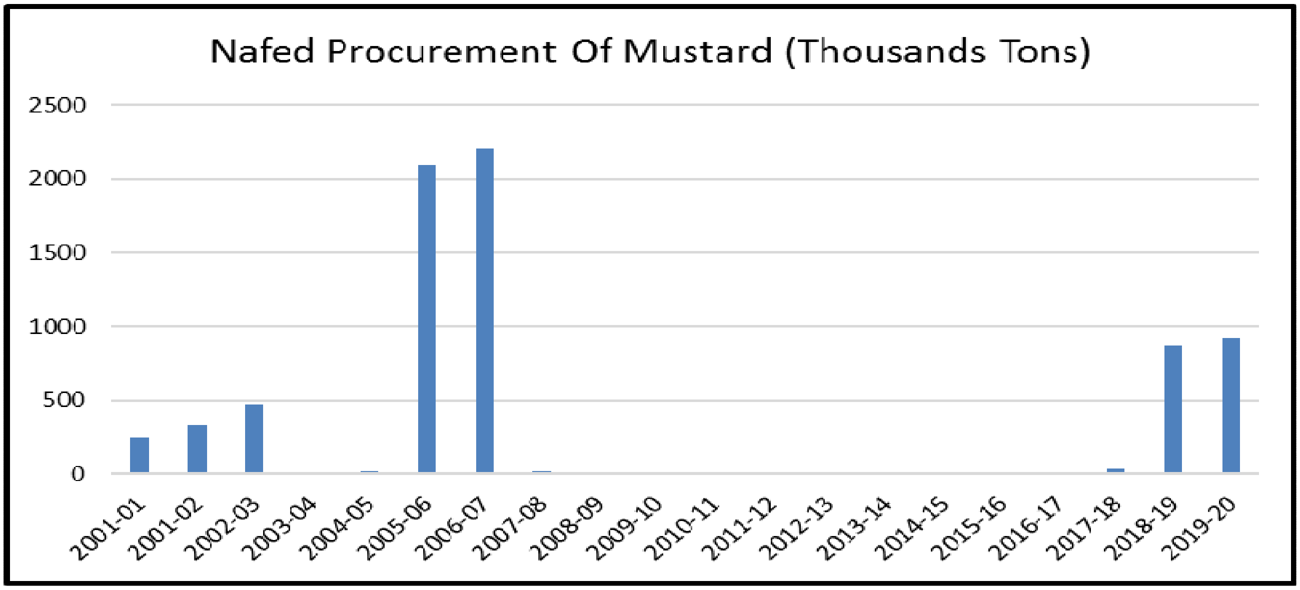
The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available 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.

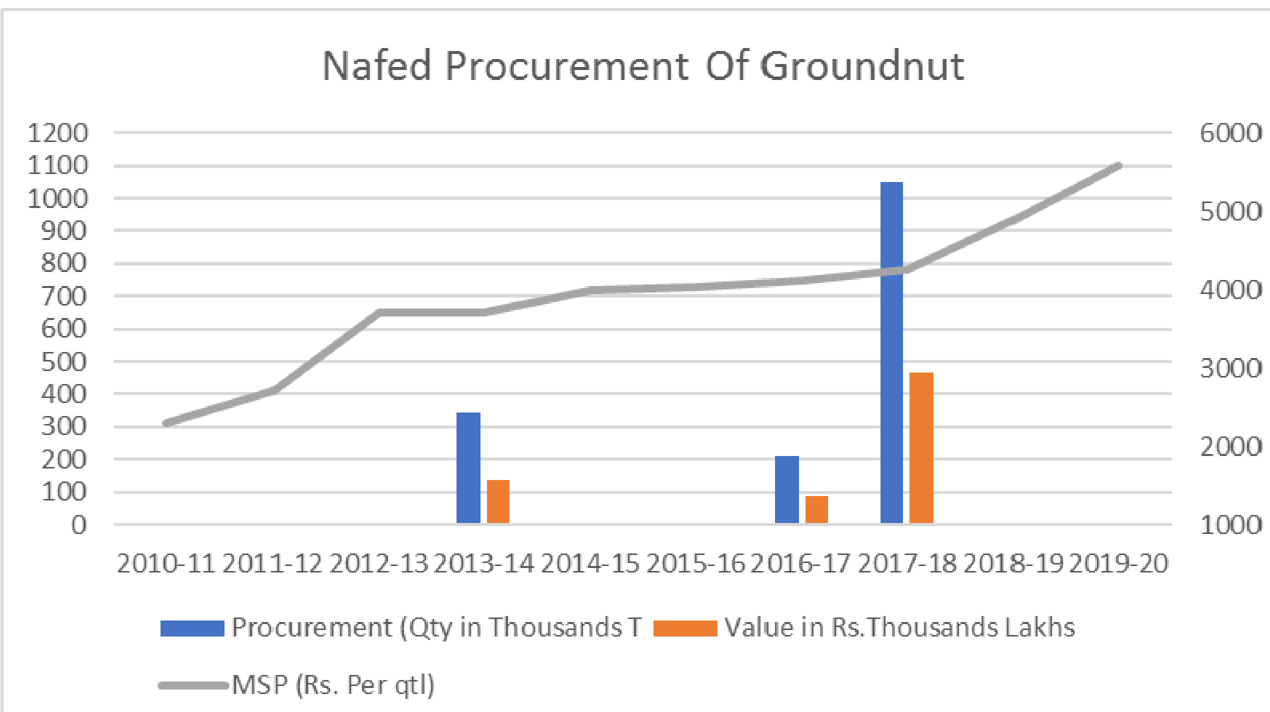
The estimated production of major Oilseeds during 2019-20 is as under:

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