Oilseeds Monthly Research Report

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Contents

Executive Summary

Mixed tone are seen in Oilseeds complex in Feb month on account of mixed sentiments. Soybean traders and farmers are busy in trading activities of new crops like Wheat and Chana at spot markets therefore dull trading activities are seen in Soybean complex. Farmers and traders hold total 20 to 30 lakh tons of soybean seed and likely to release in March end or April 2020. While, mustard seed traded in mixed zone due to mixed sentiments amongst buyers. New crops of Mustard seed have started to arrive in mandies however in a slow pace and likely to report good quantity after mid of March 2020.Heavy rainfall in Jan month delayed harvesting pace of mustard seed of this season. Mustard seed prices may come under pressures once new crop supplies will increase. NCDEX soybean & RM seed future contracts closed higher side on buyer's interests at lower price side. CBOT future soybean prices rose on improved global sentiments.

As per trade body, India is likely to grow 7.8 million tonnes of Rapeseed crop in this season supported by higher yields on account of favorable weather condition. Agriwatch expect 7.46 million tonnes of Rapeseed crop in this season which is lower against 7.90 million tonnes in 2019-20 season as some of area has been shifted to wheat crop. Farmers have covered total 6.95 million hac. Of mustard seed area in 2019-20 season lower by 0.24 lakh hac. against 6.97 last year record.

As per second advanced estimates of ministry, India is likely to grow 22.55% higher groundnut seed at 82.44 lakh tonnes in 2019-20 compared to 67.27 lakh tonnes in 2018-19. India may get 69.49 lakh tones of kharif crop of groundnut which is higher from 53.87 lakh tonnes however 3.3% lower Rabi season groundnut crop at 12.95 lakh tonnes in 2019-20 against last season. Mustard output of Rabi season is expected to stay at 91.13 lakh tonnes in 2019-20 which is 1.54% lower from 92.56 lakh tonnes in last year. Soybean crop size for kharif season is estimated at 136.28 lakh tonnes higher by 2.71% against 132.68 lakh tonnes in 2018-19. Total oilseeds crop size is placed at 341.88 lakh tonnes in 2019-20 higher against 315.22 in last year supported by higher kharif season crop size.

According to farm ministry recent data, India is likely to grow mustard crop at 9.34 million tonnes for 2019/20 season which is unchanged from last year record. Overall crop condition is good and likely to support mustard production to increase. However, hailstorm in early Jan month 2020 have affected standing mustard crops in some parts of northern and western part of India which may cause the stem rot disease and leave the plant wilted. In Rajasthan, western Uttar Pradesh and southern Haryana, white rust and stem rot diseases were reported which may curb any major rise in crop size. It pegged 6.2 million hectares of mustard sowing area for this season unchanged from last season. It expects total 2.7 million hectares of sowing area in Rajasthan. However, farmers may switch mustard area to wheat in MP, Haryana, Uttar Pradesh and West Bengal. Mustard yield for 2019-20 is likely to stay unchanged at 1.49 tonnes per hac. as compared to previous year. While, yield may increase to 1.9 tonnes per hac. in some parts of eastern UP.

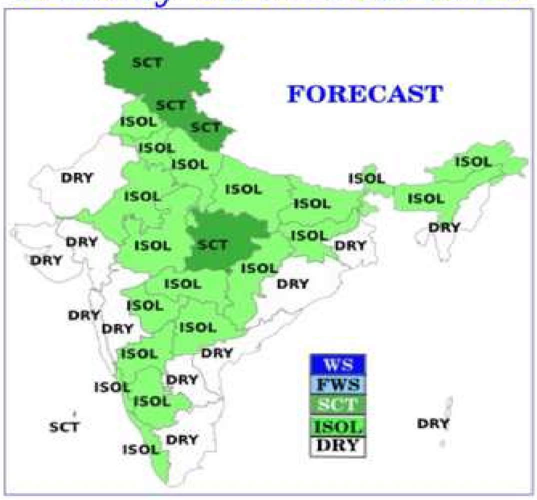
Soybean may trade in steady to weak tone on weak demand of crushers while Mustard seed may trade lower side after good supplies of new crop.

Outlook – Cash Market

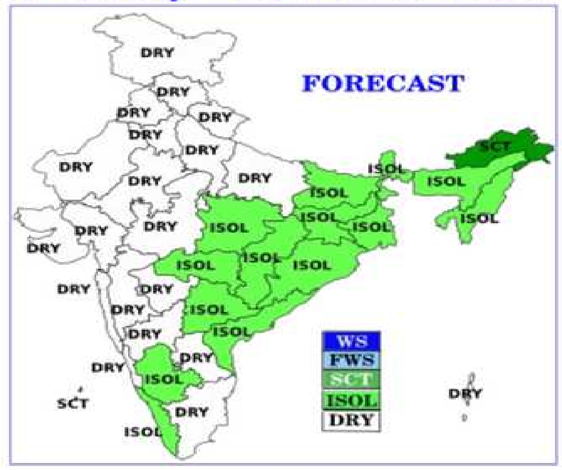
Outlook - Soybean (Spot, Indore): *Soybean Indore plant prices closed on lower side on weak demand. Prices may come under pressures in next month in expectation of weak demand of millers as seasonal demand is over and likely to increase in May or June. Prices are likely to trade in the range of 3600 to 3750 in next month. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition and Kharif crop size estimates and global sentiments.*
Outlook – Soy meal (Spot, Indore): *Soymeal prices closed lower side on weak demand of south based traders. Prices may trade steady to weak tone in the next month due to weak sentiments in the global markets. Prices are also being driven by global market's outlook and may trade between Rs.29000 to 30000/MT in Indore market. Exporters are remain less active in the market.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis) *Mustard seed prices at Jaipur market showed weak trend on weak demand of millers. Prices may decline in the next month after heavy supplies of new crops. Prices are likely to trade in the range of 4050 to 4150 in next month. However, NCDEX future prices of RM Seed may increase in expectation on speculating buying activities at exchange.*

Weather Forecast (For Rabi Oilseeds)

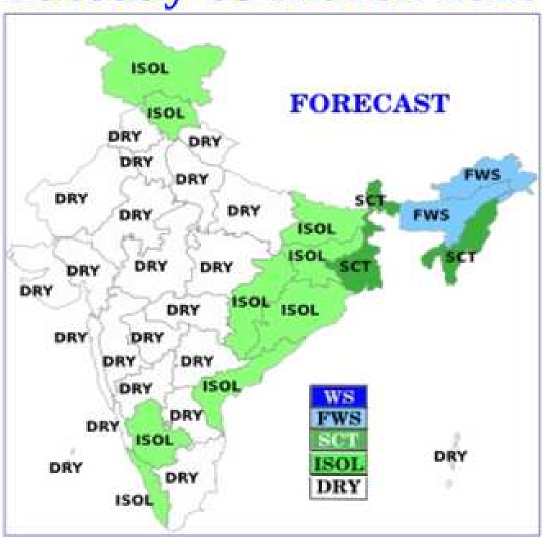
Sunday 01 March 2020



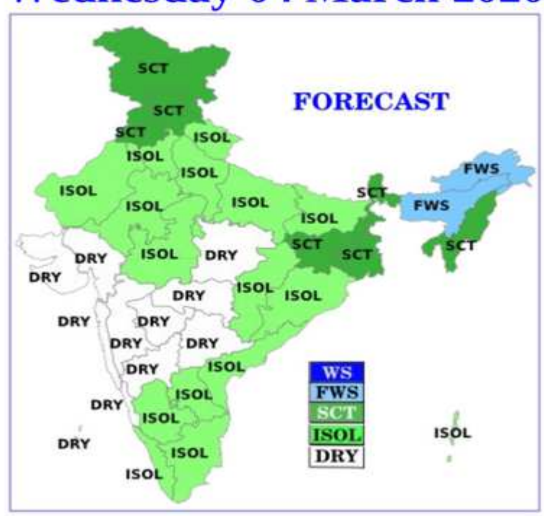
Monday 02 March 2020



Tuesday 03 March 2020



Wednesday 04 March 2020



A fresh western Disturbances is very likely to affect Western Himalaya Region from the night of 3rd March and plains of northwest India from 4th March. It is very likely to cause moderate fairly widespread to widespread rainfall/ snowfall with isolated thunderstorm & lightning over western Himalayan region and over Punjab, Haryana, Chandigarh, Delhi, & Uttar Pradesh during 5th to 7th March 2020.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 31.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	69.15	69.76	**-0.24**
Groundnut	7.76	4.76	4.59	**0.17**
Safflower	1.41	0.63	0.43	**0.20**
Sunflower	2.96	1.04	1.13	**-0.09**
Sesamum	3.12	0.56	0.71	**-0.15**
Linseed	2.99	3.46	3.44	**0.02**
Others Oilseeds	0.14	0.34	0.30	**0.04**
Total-Oilseeds (Nine)	**78.85**	**80.29**	**80.36**	**-0.07**

Soybean

Domestic Market

Soybean prices traded lower side during this month despite lower supplies. Soybean prices may trade in steady to weak tone on dull trading activities as farmers and traders are busy in new crop like Wheat and Chana.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaurm, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

Total balance stock of Soybean with Nafed is 10,677.68 MT consisting 10,651.45 MT in Telangana and 26.23 MT in Maharashtra.

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 SOPA, 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.

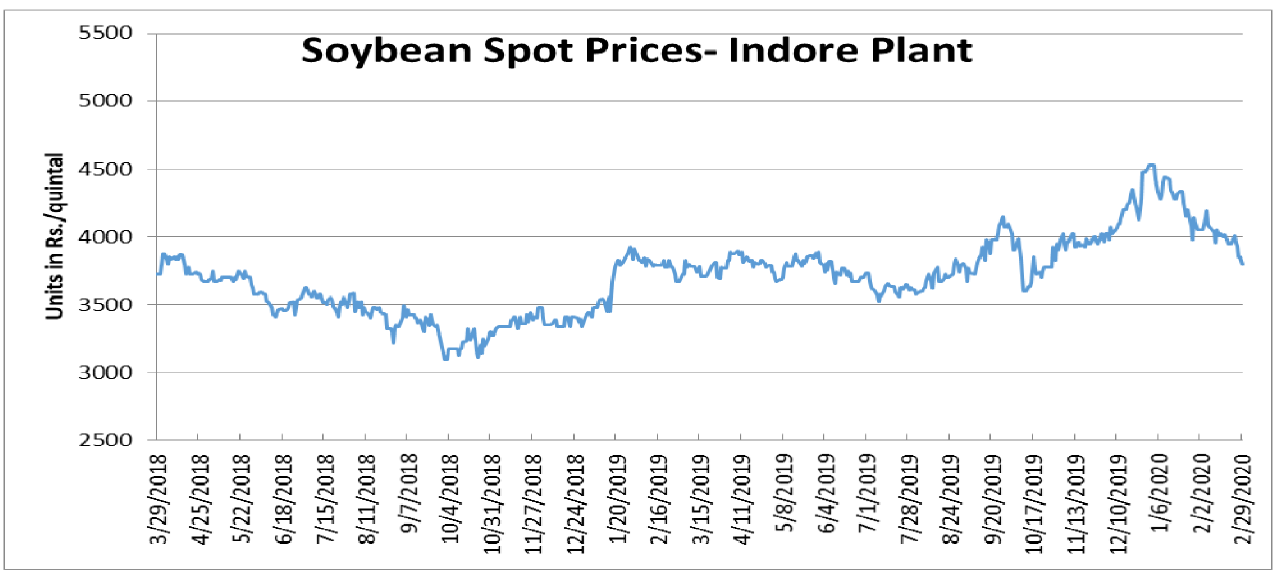
As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tones compared to 10.46 lakh tonnes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

As per the second advanced crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated higher at 136.28 lakh tonnes as compared to 132.68 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 weak tone in coming days.

The domestic Soybean Price trend:-



International Market:

CBOT futures prices closed at higher side as stimulus measures to cushion the economic fallout of a coronavirus outbreak. Argentina may increase taxes on soybean, soyoil, and soymeal exports to 33% from the current 30% which may support CBOT price to rise.

As per Arc Mercosul, farmers in Brazil have harvested 43.1% of the soybean area as on Feb 28, 2020 of this season. It is lower from 56% in last year record during the same period of time. AgRural expects total 123.9 million tonnes of soybean harvest in 2019-20.

As per sources, Argentina may grow higher soybean crop at 54.5 million tonnes in 2019-20 compared to its previous forecast i.e.53.1 million tonnes on account of good rainfall.

As per IGC (International Grain Council), Global soybean output for 2019-20 may decline by 5 million tonne to 345 million tonnes due to slight shortfall in U.S Soybean output. In 2020-21, U.S. may cover 4% higher soybean planting area.

As per USDA report, U.S. is likely to plant 11.69% higher Soybean at 85 million acres in 2020 higher from 76.1 million acres in 2019.

During (February 21 to 27, 2020) US sold 2% higher soybean to 345,000 MT for 2019-20 from the previous week and 35% from the prior four week average. Increases primarily for Mexico (164,000 MT, including decreases of 800 MT), Egypt (91,500 MT, including 90,000 MT switched from unknown destinations and decreases of 600 MT), the Netherlands (56,200 MT, including 60,000 MT switched from unknown destinations and decreases of 3,800 MT), Malaysia (50,300 MT, including 34,000 MT switched from unknown destinations), and Japan (42,300 MT, including decreases of 1,000 MT), were offset by reductions primarily for unknown destinations (135,200 MT). For 2020/2021, total net sales of 1,400 MT were for Japan. Exports of 695,600 MT were up 16 percent from the previous week, but down 22 percent from the prior 4-week average. The destinations were primarily to Egypt (171,500 MT), China (132,000 MT), Mexico (88,200 MT), the Netherlands (56,200 MT), and Bangladesh (52,800 MT).

As per sources, European Union bought total 9.01 million tonnes of Soybean till Feb 23, 2020 (season started on July 1) which is lower by 3% from last year record in Feb.17. EU soymeal imports had reached higher by 2% to 11.57 million tonnes against the year-earlier period, while Rapeseed imports went up by 46% to 4.25 million tonnes against last year record. However, palm oil imports stood down by 16% to 3.51 million tonnes.

As per recent Conab report, Brazil is likely to grow 0.8% higher soybean at 123.2 million tons in 2019-20 (crop year September-August) from its previous month estimates and also higher by 7% from last year record due to supportive weather condition. Soy yield is likely to stay higher by 4.4% to 3.35 MT/ hectare on sufficient rainfall across the region in since October. Planting area is estimated 2.6% higher to 36.8 million ha. on good weather condition. Brazil is likely to export total 72 million tonnes in 2019-20 higher by 3% against last year. Ending stocks are forecast 39% lower to 2.18 million tonnes.

As per Agroconsult, Brazil is likely to harvest 126.3 million tons of soybean in 2019-20 higher against 124.3 in its prior forecast. It forecasts soybean exports of Brazil for 2020 at 73 million tonnes for this season lower against 76-78 from its prior forecast.

Below table shows exports details of Brazil (as per Brazil's government monthly export released data as per):-

Brazil's Exports			
Products	**Feb-20**	**Jan-20**	**Feb-19**
Soybean (Mln Tons)	5.12	1.49	5.27
Soymeal (Mln Tons)	0.77	1.06	0.90
Soyoil (Tonnes)	60,400	12,600	36,100

According to China's General Administration of Customs (CNGOIC), China's Dec soybean imports rose 15.3 percent to 9.54 MMT from 8.28 MMT in Nov 2019. Imports in Dec are 66.80 percent higher than Dec 2018 import of 5.72 MMT. Year to date soybean imports rose 0.5 percent to 88.511 MMT.As per agriculture ministry, soybean import in China may increase in 2020. Total soybean import from U.S. declined in 2019 due to trade war between U.S. and China. The country bought total 88.51 million tonnes soybean in 2019 higher from 88.03 million tonnes in 2018 however lower from 95.53 million tonnes in 2017 before the trade war was broke. African swine fever disease in China has also affected total volume of China's imports.

As per NOPA recent data, NOPA members have crushed total 176.94 million bushels of Soybeans in January 2020 which is higher from 174.81 million bushels in December 2019. It is also higher from 171.63 million bushels in January 2019. Crushing is above than the average trade estimate of 173.74 million bushels, based on data gathered by Reuters from 8 analysts. Soybean oil stocks rose to 2.01 billion pounds at the end of January against 1.75 billion pounds in December month and 1.54 billion pounds at the end of January 2019. Soymeal exports has been reported higher in January 2020 at 931,061 tons against 902,534 tons in December 2019 and 905,923 tons exported in January 2019.

As per WASDE February report, world oilseed production for 2019/20 is projected at 576.82 million tons in Feb month, higher against 574.63 million tonnes in last month after larger crops of Soybean and sunflower. Total oilseeds crushing has been increased at 2 million tons to 498.07 million tons due to higher crushing estimates in China and Maxico. Ending stocks for the world is kept 1.32 million tons higher at 113.81 million tonnes against 112.32 million tons last month estimates due to higher crop production estimates in Brazil and China stockpiling.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted unchanged at 96.84 million tons in February 2020 against previous month. Exports of U.S are increased at 49.66 million tonnes in this month against 48.30 million tonnes in January. U.S crushing is unchanged at 57.28 million tonnes in Feb. month. Ending stocks of the country is expected to be lower at 11.55 million tonnes in Feb. month review against 12.92 million tonnes in Jan. Month estimates.

USDA kept unchanged production estimates i.e. 53 million tons in February month report and lower from previous year record i.e 55.30 million tonnes. 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 USDA, the soybean planted area in Brazil is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 6.83% to 125 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 USDA, U.S. Gulf FOB soybean export bids in January averaged $361/ton, lower $2 from December. Brazil Paranagua FOB averaged $359/ton down by $ 10 from December. Argentina Up River FOB averaged $361/ton, down $6.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 125 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and also higher from previous month record i.e.123 million tonnes. Exports of soybean in 2019-20 is expected to 77 million tons higher from 74.59 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 million tonnes 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 88 million tonnes for 2019/20 season higher from Jan. month. While crushing is forecasted higher at 86 million tonnes against 85 million tonnes in Jan. month estimates and also higher from 85 million tonnes in previous year.

As per USDA, U.S. soybean accumulated exports (shipments) to China totaled 11.4 million tons and 11.8 million to the rest of the world at the end of Jan month 2020. Outstanding sales were 611,000 tons to China and 3.3 million to the rest of the world. China had exported total 474,000 tons and 12.7 million to the rest of the world, and outstanding sales to China were 3.0 million tons and 12.3 million to the rest of the world in last season in the corresponding period of time. U.S. soybean export commitments (outstanding sales plus accumulated exports) to China totaled 12.0 million tons compared to 3.5 million a year ago. Total commitments to the world were 32.3 million tons, compared to 30.4 million for the same period last year.

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, 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.

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	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

Weak tone are continued in soymeal complex after limited buying activities of south based traders and weak global sentiments in Feb month.

According to trade source, one vessel (DODO) is expected to arrive at Tuticorin port for sunflower oil meal with total capacity of 31253 tons.

During the week (Feb.21 to Feb 27, 2020) US sold higher soybean cake and meal by 6% 316,700 MT for 2019/2020 from the previous week 64% higher from prior 4-week average. Increases primarily for the Philippines (138,500 MT), unknown destinations (90,000 MT), Canada (54,100 MT, including decreases of 500 MT), Denmark (35,000 MT, including 30,900 MT switched from Germany), and the United Kingdom (24,100 MT, switched from Germany), were offset by reductions primarily for Germany (55,000 MT). For 2020/2021, total net sales of 4,900 MT were for Canada. Exports of 338,300 MT--a marketing-year high--were up 22 percent from the previous week and 42 percent from the prior 4-week average. The destinations were primarily to the Philippines (66,200 MT), Bangladesh (51,000 MT), Denmark (35,000 MT), the United Kingdom (24,100 MT), and Canada (23,200 MT).

As per to Container Corporation of India Ltd (CONCOR), export consignment of soybean derivatives declined to almost half in December 2019 as compared to previous year in the corresponding period of time. Total shipments of soybean derivatives has fallen to 3000 containers during September to December 2019 compared to 3417 containers in last year in the same period of time. A lot of export consignment goes through road directly to the port however volumes was reported lower due to limited supplies and high prices in international market.

As per USDA, U.S. soybean meal export bids in January averaged $340/ton, down $4 from December. Brazil Paranagua FOB averaged $321/ton, higher $5 from December, and Argentina Up River FOB averaged higher by $5 to $336/ton.

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 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 Jan. 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 recent SEA report, India shipped Oilmeals lower by 78% to 51,393 tons in January 2020 against 236,213 tons in January 2019. India shipped total 6107 tons of soymeal, 35,664 tons of Rapeseed meal, 4200 tons of Rice Bran Ext., 5422 tons of castor seed meal in Jan 2020. The overall export of oilmeals during April-Jan. 2020 is reported 24% lower to 2,006,669 tons compared to 2,647,461 tons in April-Jan.2019 on account of 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 by 46% to 485,245 against 332,031 tons in Apr-to Jan 2020 compared to last season.

During April-January 2020, Vietnam imported 254,655 tons of oilmeals (compared to 531,132 tons); consisting of 6,227 tons of soybean meal, 155,199 tons of rapeseed meal and 91,185 tons of De-oiled Rice Bran Extraction. South Korea imported 730,431 tons of oilmeals (compared to 633,797 tons); consisting 46,576 tons of soybean meal, 298,739 tons of rapeseed meal and 385,116 tons of castor seed meal. Thailand imported 211,062 tons of oilmeals (compared to 276,340 tons) consisting 190,696 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2785 tons of soybean meal.

During April-January 2020, the export from Kandla is reported at 681,207 tons lower (34%), followed by Mundra handled 651,792 tons (32%), and Mumbai including JNPT handled 152,978 tons (8%) and Kolkata handled 119,461 tons (6%) and Others Ports handled 401,231 tons (20%).

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.

Indian Soymeal premium quoted higher side by $125 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.

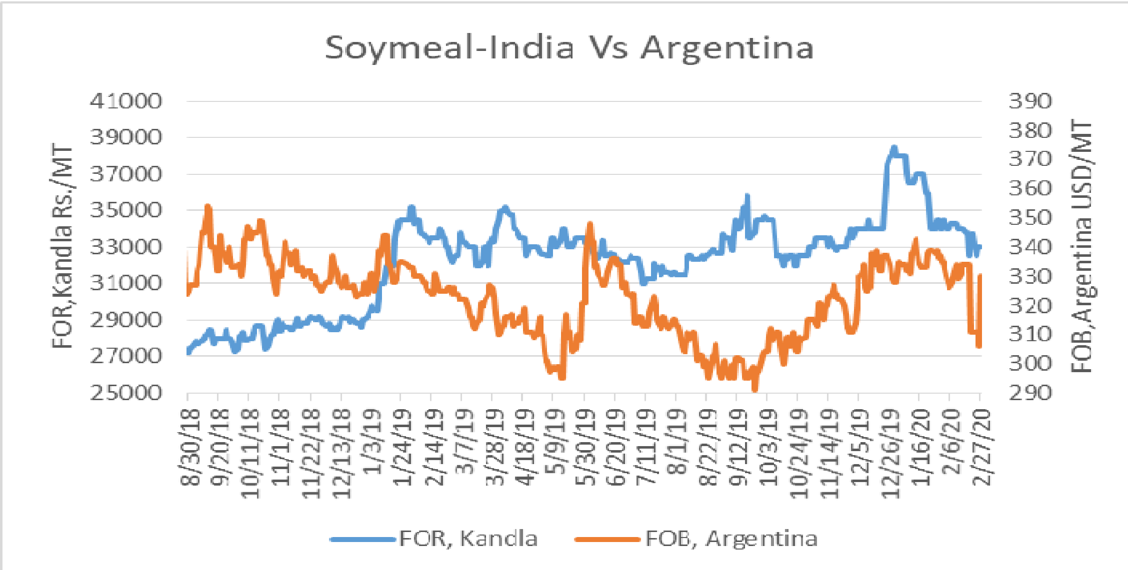
Soy Meal Export (In Thousand Tons)

Soy Meal Export (In Thousand Tons)										
	2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Oct	405	224	50	183	29	4	31	71	150	63
Nov	443	398	517	503	111	9	98	208	186	69
Dec	611	798	511	451	194	6	241	169	170	72
Jan	575	475	620	364	104	28	155	106	86	6
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	35	
Total	4116	3521	3453	2015	592	180	1331	1049	464	

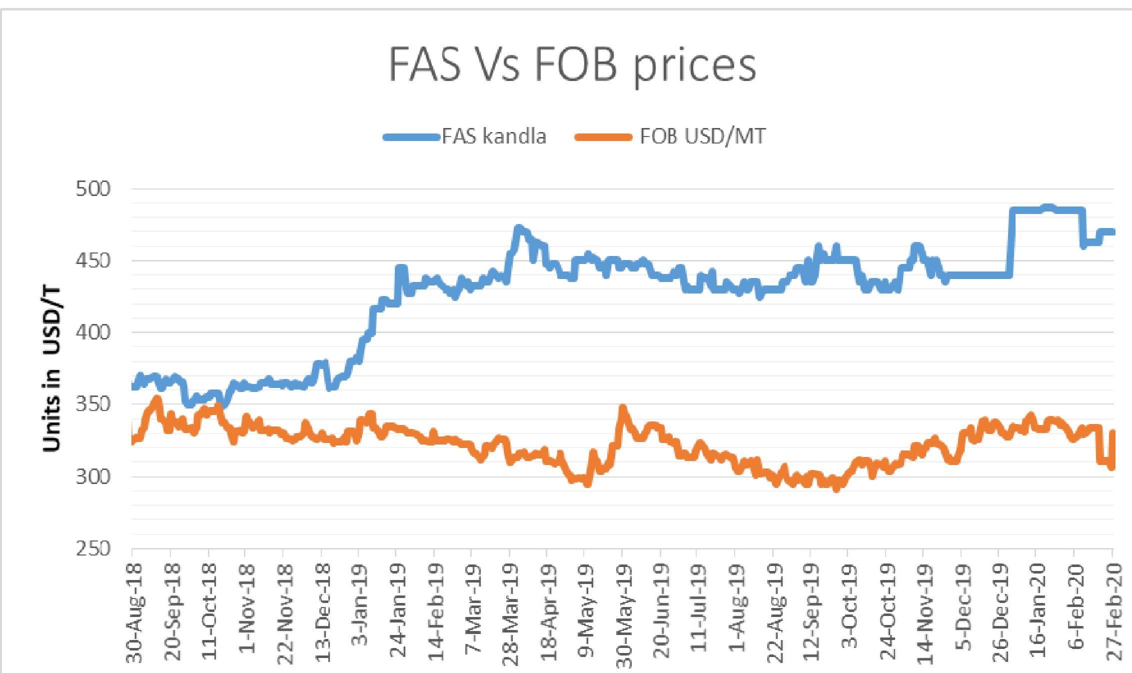
Source: SEA

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 –Apr.): **Buy- Above 3750** Levels: Target –T1 3850; T2-3900 SL –3600.
- In Reverse case, traders can start selling on below 3950 and can add on positions on every 20 points below.

Support & Resistance NCDEX Soybean March. contract

Mar. contract as on 5th March				
S1	S2	PCP	R1	R2
3595	3650	3770	4081	4194
		Apr. contract as on 5th March.		
S1	S2	PCP	R1	R2
3550	3620	3746	4050	4150

Rapeseed - Mustard Seed

RM seed prices closed lower side at various trading centers due to slow demand of millers. Arrivals are also lower side in the market. At the end of month, mustard seed prices closed lower at 4240 per quintal as compared to 4395 per quintal in last month at the benchmark, Jaipur.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares lower by 0.24 lakh hac. against 69.76 lakh hectares in last year. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. Farmers have covered total mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.81 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat. Sunflower has been planted on 1.04 lakh hectares lower against 1.13 lakh hectares in last year. Sesame has been planted on 0.56 lakh hectares lower from last year i.e.0.71 lakh hac. However, total covering area of groundnut stood at 4.76 lakh hectares higher against 4.59 lakh hectares in last year. Safflower has been planted on 0.63 lakh hectares higher from last year record i.e.0.43 lakh hectares. Linseed has been planted on 3.46 lakh hectares higher against 3.44 lakh hectares in last year.

Acreage of Mustard in the current season is lower against 2018-19. Mustard crop major growing states are Rajasthan, Madhya Pradesh, and Uttar Pradesh and Haryana state. In Rajasthan, traders expect total 2 to 5% lower mustard sowing area as mustard area may shift to garlic and wheat crop due to good price hike in last season compared to mustard seed prices. Recent rainfall will also support to increase yield of wheat and garlic crop compared to mustard crop. In Baran and Kota district, sowing is likely to be lower by 20%. While in Alwar and Bharatpur districts, it is likely to be equal like 2018 season. However, sowing area may increase nearly 2 to 5 % in Ganganagar district due to good water availability.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline as sowing has been delayed due to rainfall in October and November and late harvesting of Kharif crops. Farmers had waited water to dry up the sowing low lying land. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20. As per second advanced estimates of government, it estimates Mustard seed output at 91.13 lakh tonnes for 2019/20 lower by 1.43 lakh tonnes from lakh tonnes in 2018/19.

As per the Mustard Oil Producers Association of India data, India crushed 550,000 tonnes of mustard seed in December 2019 unchanged from previous month record and it is almost same as in last year during the corresponding period of time. Total supply of mustard in Rajasthan recorded at 100,000 tn in December 2019, 45,000 tn in Uttar Pradesh, and 30,000 tn in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.2 million tons in December 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.

According to United States Department of Agriculture (USDA) February estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. Ending stocks of mustard seed have been lowered to 4.69 lakh tonnes from 5.69 lakh tonnes in last year record. India’s 2019-20 Rapeseed oil production is expected at 25.84 lakh tonnes unchanged from previous year while mustard oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.

Outlook: The rapeseed-mustard is likely to notice range –bound to weak tone after rise in supplies.

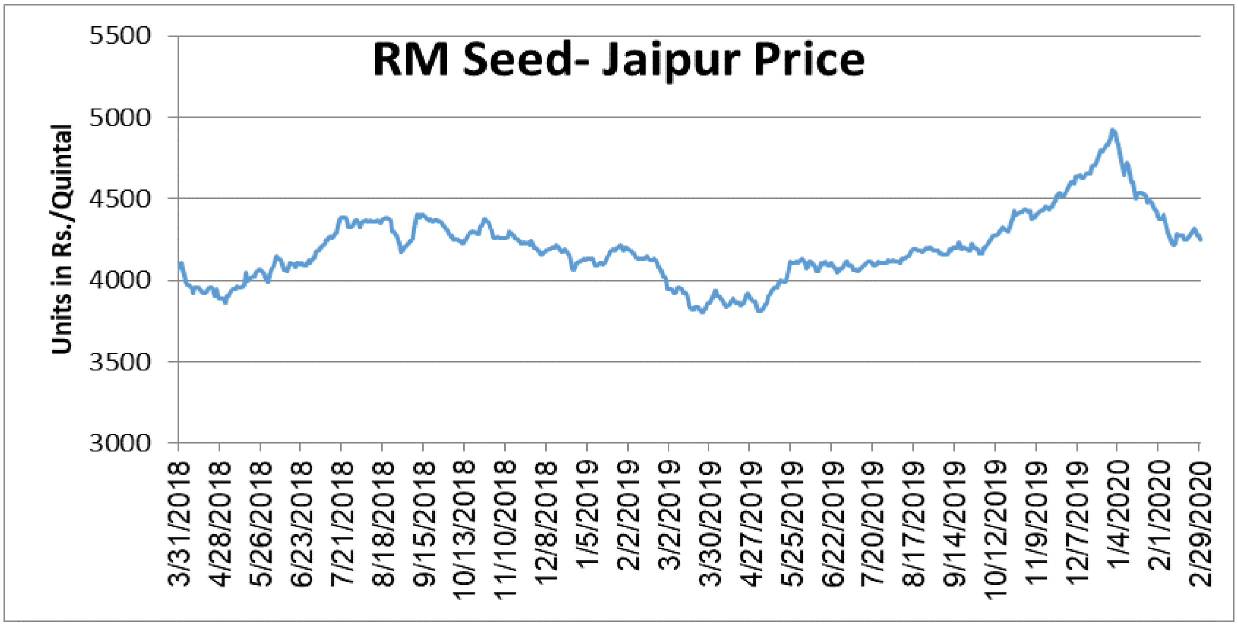
Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

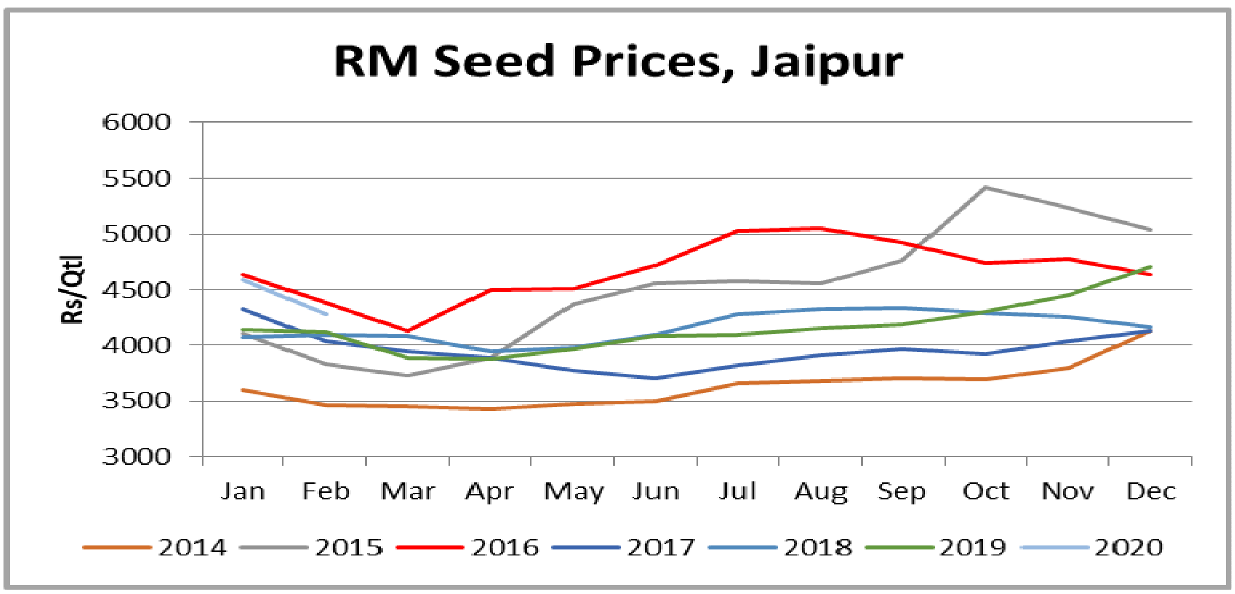
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2019-20	2020-21	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	0.24	0.34	0.34	4.07	2.20	1.27
Production	7.90	7.46	7.46	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	8.14	7.80	7.80	4.07	2.20	1.27
Processing/Crushing	7.50	7.30	3.68	1.82	0.83	0.83
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	7.80	7.60	3.73	1.87	0.93	0.93
Carry Out/Ending Stock	0.34	0.20	4.07	2.20	1.27	0.34
Monthly Use	0.65	0.63				
Stock/Consumption Ratio	0.04	0.03				
Stock to Month Use Ratio	0.52	0.32				

(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***
	

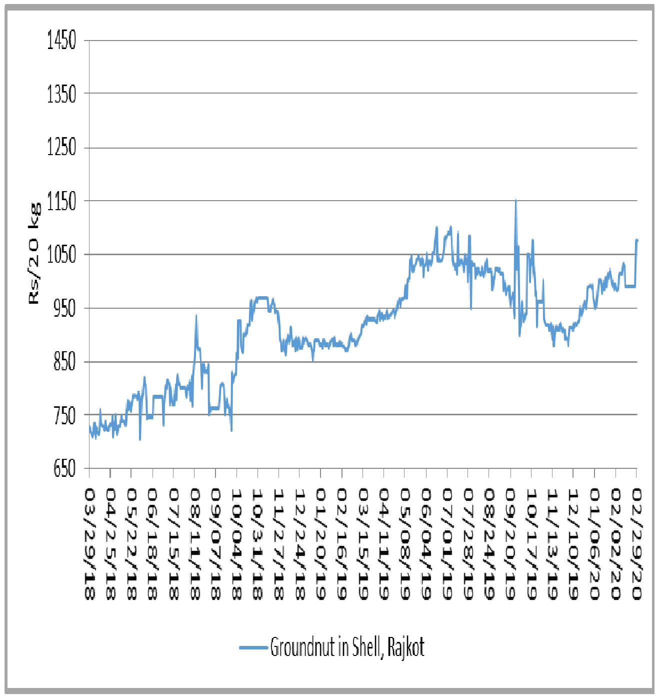
- The Candlestick depicts firmness in the market on buyer's interests.
- MACD has been in the positive zone and RSI is in neutral zone.
- Trade Recommendation (NCDEX RM seed – Apr.):
- **Buy- Above- 4030** Levels: Target –T1 4120; T2-4200, SL –above 3950
- In Reverse case, traders can start selling on below 4000 and can add on positions on every 20 points above.

Support & Resistance NCDEX RM Seed – Apr. contract as on 5th Mar.				
S1	**S2**	**PCP**	**R1**	**R2**
3800	**3931**	**4052**	**4243**	**4280**

Support & Resistance NCDEX RM Seed – May. contract as on 5th Mar.				
S1	**S2**	**PCP**	**R1**	**R2**
3830	**3960**	**4074**	**4280**	**4320**

Groundnut

Groundnut in Shell auction prices at Rajkot APMC fetched at 4350 per quintal in Feb. month and likely to trade in steady to firm tone amid good demand. Groundnut prices on monthly basis is increasing due to good demand in domestic market ahead of less stock availability. The prices have adjusted to the fundamentals and thus have been looking towards Rabi and summer supplies as well as the pace of NAFED disposable activities. Rabi crop is also expected to be high due to supportive weather condition. Groundnut crop condition of Rabi season is good as of now.



Outlook: Rabi crop condition of this season is good due to ample water availability. Less stocks availability with farmers and traders are supporting groundnut prices to rise. As of now, farmers don't have groundnut stocks in some of districts like Parchur, chirala, bapatla,ongole of Andhra Pradesh states. Exporters are also active at the current level. Buyers in Telangana and Odisha states are actively buying groundnut seeds from AP markets due to good quality of seeds. However, Nafed's disposable activities may curb any major rise.

Fundamentals:

Total progressive purchase of Nafed in 2019-20 is 7.19 lakh tons. Nafed has closed procurement of this season at many states. Purchase in Gujarat was 5 lakh tons, 1.93 lakh tons in Rajasthan, 0.21 lakh tons in Andhra Pradesh and 2546.19 MTs in UP. Currently, Nafed is buying in Karnataka only and bought total 2321.09 MTs so far. 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 8.86 lakh tons. Total 3.45 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 4.75 lakh ha. on 31st Jan. 2020 higher against 4.59 lakh ha. in previous year. Farmers have sown 0.66 lakh ha. in Andhra Pradesh higher from previous year 0.54 lakh ha., 1.07 lakh ha. in Karnataka against 0.72 lakh ha. in previous year, 1.16 lakh ha. in Telangana higher against 1.07 lakh ha. in the last season in the corresponding period of time. While, sowing area has been reported in Chhattisgarh at 0.12 lakh hac lower against 0.15 lakh hac., in Odisha at 0.70 lakh hac. lower against 0.84 lakh hac., in Tamilnadu at 0.99 lakh hac. lower against 1.16 lakh hac., in West Bengal at 0.04 lakh hac. lower against 0.079 lakh hac.

As per DGCIS data, India has exported total 5.33 lakh tone including groundnut seed, other groundnut nut in shell, Kernel H.P.S, kernels others so far of this season during Apr to Jan 2019-20 which is higher by 8.92% against 4.89 lakh tonnes of groundnut in the last season. Agriwatch expects total 6 lakh tones of exports for this season higher from last year record in expectation bumper crop of this season.

As per second advanced estimates of ministry, India is likely to grow 22.55% higher groundnut seed at 82.44 lakh tonnes in 2019-20 compared to 67.27 lakh tonnes in 2018-19. India may get 69.49 lakh tones of kharif crop of groundnut which is higher from 53.87 lakh tonnes however 3.3% lower Rabi season groundnut crop at 12.95 lakh tonnes in 2019-20 against last season.

As per recent released data by GOI, total groundnut Rabi sowing area in all over the country is reported at 4.75 lakh ha. on 31st Jan. 2020 higher against 4.59 lakh ha. in previous year. Farmers have sown 0.66 lakh ha. in Andhra Pradesh higher from previous year 0.54 lakh ha., 1.07 lakh ha. in Karnataka against 0.72 lakh ha. in previous year, 1.16 lakh ha. in Telangana higher against 1.07 lakh ha. in the last season in the corresponding period of time. While, sowing area has been reported in Chhattisgarh at 0.12 lakh hac lower against 0.15 lakh hac., in Odisha at 0.70 lakh hac. lower against 0.84 lakh hac., in Tamilnadu at 0.99 lakh hac. lower against 1.16 lakh hac., in West Bengal at 0.04 lakh hac. lower against 0.079 lakh hac.

As per SEA of India latest report, the exports of Groundnut meal are reported at 697 MT during April- January 2020 lower from 8693 MT from April-January 2019.

As per Farm ministry, Groundnut output for Kharif season in 2019-20 will reach at 6.3 million tonnes higher against 5.4 million tonnes in last season.

According to second advance estimate for Kharif 2019-20, issued by Gujarat's Department of Agriculture for Groundnut, the area, production and yield are 15.51 lakh hac. , 32.61 tonnes and 2101 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Groundnut the area, production and yield are 15.66 lakh hac., 21.43 lakh tonnes and 1368.35 kg/hectare respectively.

According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Groundnut, the area, production and yield are 7.34 lakh hectares, 15.65 tonnes and 2131 kg/hectare respectively.

In Gujarat, around 5-7% crop in Gujarat was totally lost while 10-20% of groundnut crop is reported to be of inferior quality. Kernels are discoloured and damaged due to moisture and shell is damaged due to fungus. Kesod and Junagad district reported major damage to the crop while Rajkot, Jamnagar and Gondal and Amreli reported little to no damage. Major crop losses were also reported to groundnut in costal Karnataka districts with Dharwad reporting major losses to the tune of 30%. Crop was discolored and shell is affected with fungus and quality loss reported in 20% of the crop. Agriwatch expects total groundnut crop of this season at 75.54 lakh tonnes higher against 66.95 lakh tonnes in 2018-19. Kharif crop may stand at 59.13 lakh tonnes higher against 53.63 lakh tonnes in previous year. While, Farmers may harvest total 16.41 lakh tonnes of Rabi crop in 2019-20 higher against 13.31 lakh tonnes in last season on ample water availability and good price hike in last season.

As per 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.

Groundnut Exports (In Thousand Tons)

Groundnut Exports (Includes in Shell, Kernels, Blanched and Normal Groundnuts (Thousand Tons)							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Oct	21.8	21	22.9	25.8	30.4	32.59	28.54
Nov	71.1	92.6	50	80.9	109.6	65.18	126.22
Dec	79.1	135.9	91.3	145.1	69.4	44.86	113.75
Jan	47.3	82.2	67.7	105.2	31.7	33.85	64.63
Feb	48	54	53.7	78.8	30.7	39.16	
Mar	52.6	61.7	55.7	67.5	54.8	56.44	
Apr	48.6	50.4	54.5	45	46.5	48.73	
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 29-Feb-20**	**Month Ago, 31-Jan-20**	**Year Ago, 28-Feb-19**	**2 Year Ago, 28-Feb-18**
Rajkot	GN in Shell (Rs/20kg)	47.26	9.13	1075	985	890	730
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	**29-Feb-20**		**31-Jan-19**		
	Low	**High**	**Low**	**High**	
Indore –Plant	3750	3850	4000	4100	-250
Indore–Mandi	3650	3800	3900	4050	-250
Nagpur-Plant	4050	4100	4120	4150	-50
Nagpur – Mandi	3300	3610	3610	3930	-320
Latur – Mandi	3580	3950	3800	4145	-195
Akola – Mandi	2400	3800	3050	3825	-25
Kota-Plant	3700	3750	4050	4100	-350
Kota – Mandi	3650	3700	3850	3950	-250
Bundi-Plant	3650	3700	4050	4100	-400
Bundi-Mandi	3570	3670	3900	4000	-330
Baran-Plant	3700	3800	4100	4200	-400
Baran-Mandi	3650	3750	3950	3980	-230
Bhawani Mandi Jhalawar–Plant	3800	3850	4100	4150	-300
Jhalwar-Mandi	3500	3800	4000	4050	-250
Rapeseed/Mustard					
Jaipur-(Condition)	4235	4240	4390	4395	-155
Alwar-(Condition)	3800	3900	3950	4000	-100
Sri Ganganagar-(Non-Condition)	3700	3750	3700	3750	Unch
New Delhi–(Condition)	4150	4200	4200	4300	-100
Kota-(Condition)	3830	3930	3800	3900	30
Agra-(Condition)	4048	4238	4143	4190	48
Neewai-(Condition)	3870	3920	3850	3980	-60
Hapur (UP)-(Condition)	4050	4150	4175	4225	-75
Groundnut Seed					
Rajkot	870	870	820	820	50
Sunflower Seed					
Gulbarga	3152	3652	3002	3678	-26
Latur	-	-	-	-	-
Sholapur	-	-	-	-	-
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
		Feb-2020	**Jan-2020**	
Soybean	Madhya Pradesh	1095000	2355000	-1260000
	Maharashtra	1025000	2220000	-1195000
	Rajasthan	344000	603000	-259000
	Bundi (Raj)	1424	2582	-1158
	Baran (Raj)	28600	60000	-31400
	Jhalawar (Raj)	32500	45700	-13200
Rapeseed/Mustard	Rajasthan	960000	1320000	-360000
***Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg**				

India's Total Oilseeds Production Seen at 315.22 Lakh Tons in 2nd Adv. Est. - GOI (Kharif + Rabi)

The 2nd Advance Estimates of production of major crops for 2018-19 have been released on 18th Feb, 2020 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 0.62 lakh tonnes to 315.22 lakh tonnes against the production of 314.60 lakh tonnes in Final Estimates of 2017-18. However, the estimated figure is high by 21.2 lakh tonnes than five years average oilseeds production.

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

Oilseeds – 315.22 Lakh tonnes

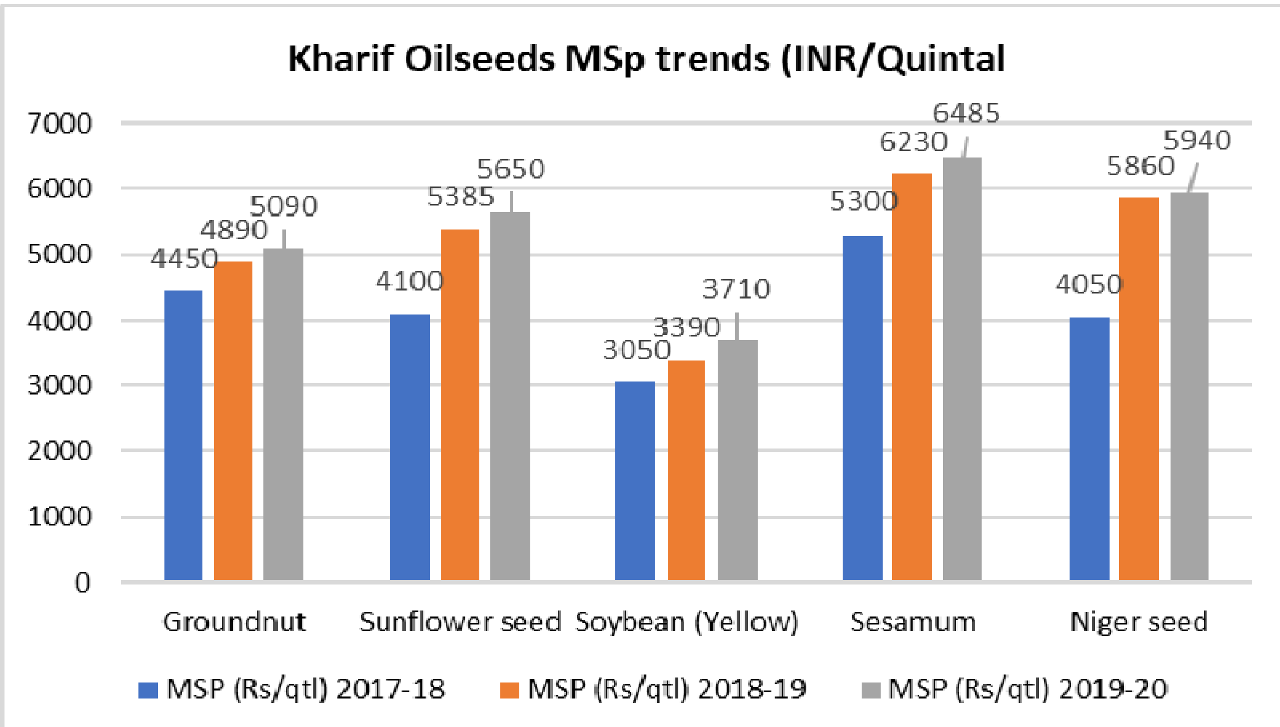
- Soybean – 132.68 Lakh Tons
- Groundnut – 67.27 Lakh Tons
- Rapeseed – 92.56 Lakh Tons
- Castorseed – 11.97 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.89 Lakh Tons
- Nigerseed – 0.45 Lakh Tons
- Sunflower – 2.16 Lakh tons
- Linseed – 0.99 Lakh Tons

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	127.36	122.14	146.66	118.61	103.74	85.7	131.59	109.33	132.68	136.28
Groundnut (In Shell)	82.7	69.6	47	97.1	74	67.3	74.6	92.53	67.27	82.44
Rapeseed & Mustard	81.79	66.04	80.29	78.77	62.8	67.97	79.17	84.3	92.56	91.13
Castorseed	13.5	22.95	19.64	17.27	18.7	17.52	13.76	15.68	11.97	20.43
Sesamum	8.93	8.1	6.85	7.15	8.28	8.5	7.47	7.55	6.89	6.64
Sunflower	6.51	5.17	5.44	5.04	4.34	2.96	2.51	2.22	2.16	2.56
Linseed	1.42	1.55	1.49	1.42	1.55	1.26	1.84	1.74	0.99	1.36
Nigerseed	1.08	0.98	1.01	0.98	0.76	0.74	0.85	0.7	0.45	0.79
Safflower	1.5	1.45	1.09	1.13	0.9	0.53	0.94	0.55	0.25	0.27
Total	324.79	297.98	309.47	327.47	275.07	252.48	312.73	314.6	315.22	341.9

Source: Ministry of Agriculture.
Note: 2018-19 & 2019-20 is based on 2nd 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 Production Seen at 341.88 Lakh Tons in 2nd Adv. Est. - GOI (Kharif+Rabi)

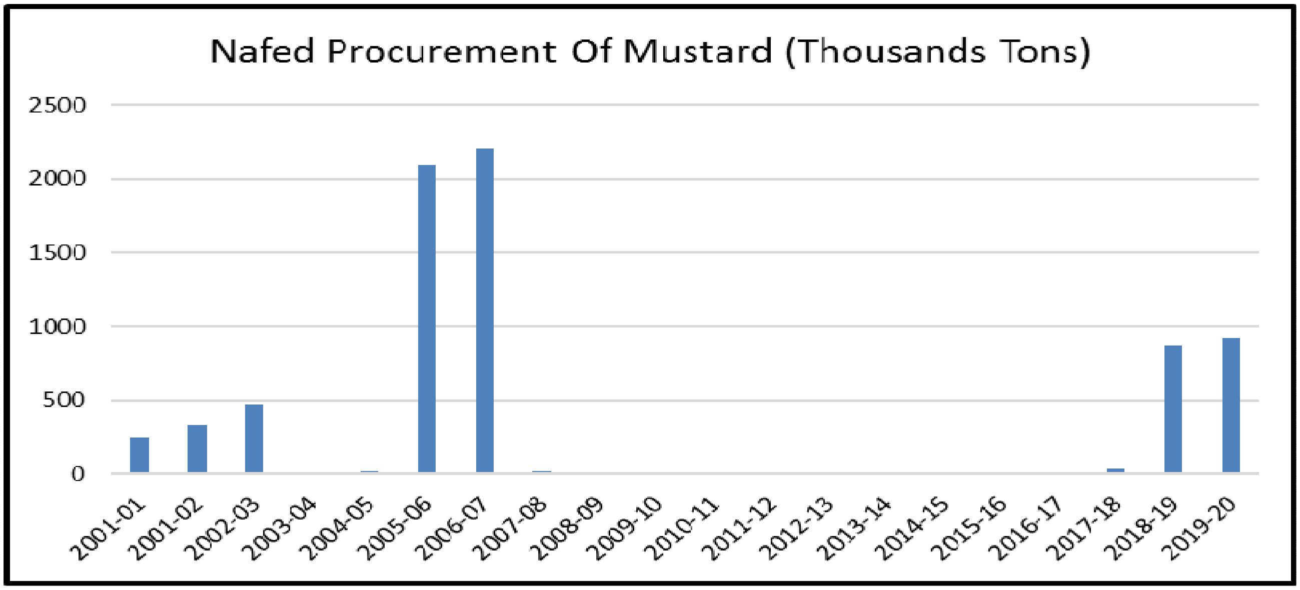
The first Advance Estimates of production of major crops for 2019-20 have been released on 18th Feb 2020 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif and Rabi crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 26.66 lakh tonnes to 341.88 lakh tonnes against the production of 315.22 lakh tonnes in 2nd advanced estimates for 2019-20. The estimated figure is also higher by 47.67 lakh tonnes than five years average oilseeds production.

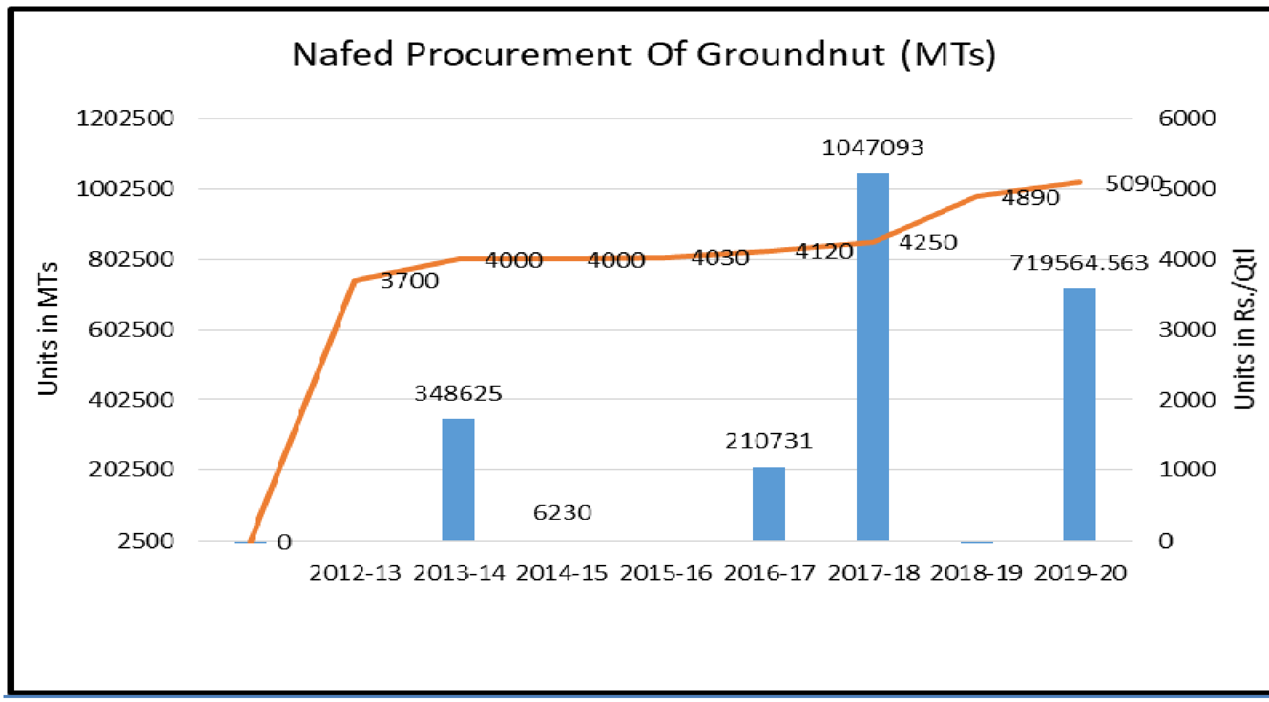
The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 341.9 Lakhtonnes

- Soybean – 136.28 Lakh Tons
- Groundnut – 82.44 Lakh Tons
- Castorseed – 20.43 akh Tons
- Sesame/Sesamum/Gingelly/Til – 6.64 Lakh Tons
- Nigerseed – 0.79 Lakh Tons
- Sunflower – 2.56 Lakh tons
- Mustard See-91.13
- Safflower-0.27
- Linseed-1.36

NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically





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