

---

# Oilseeds Monthly Research Report

---

## Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ AW Oilseeds Index
- ❖ International Highlights
- ❖ Soybean – Domestic & International
- ❖ Balance Sheet – Soybean, India
- ❖ Soy meal
- ❖ Soybean Crush Margin
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Balance Sheet – Rapeseed-Mustard, India
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

## Executive Summary

---

The domestic oilseeds continued upward movement in tandem with oilmeals backed by strong buying support in the market.

Soybean, rapeseed-mustard and groundnut prices posted gains on good demand from millers with the start in the new crushing season and fresh edible oil demand ahead of festivities and onset of winter.

Soybean gained by 4%, rapeseed-mustard edged up by 2%, groundnut seed surged by 8%, soymeal moved up by 2.4% while rapeseed extract posted gains by 3.5% compared to the previous week.

Improved soymeal demand after a long period, post-Covid, and continued overseas demand rapeseed extract have lend support to the prices at higher level.

India's rapeseed-mustard planting have commenced and have picked up the pace, we expect the planted area under the rapeseed-mustard to increase this rabi season, higher seed price during the season has raised the planting intention among the farmers.

Soybean, Rapeseed-mustard and groundnut prices will continued to witness gains on fresh demand from the oilseeds' crushers to cater the festive and winter edible oil demand.

## Outlook – Cash Market

---

**Outlook - Soybean (Spot, Indore):** The soybean prices will feature range-bound movement with weak bias after ease in festive buying, but winter demand in edible oils will limit the losses to some extent. Increasing soybean supplies, weak soymeal demand, and higher soyoil imports will continue to pressure the soy prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,000 - 4,400 level.

**Outlook – Soy meal:** Renewed buying to cover the stock at the current levels by the feed manufacturers, have pushed up the meal prices. However, persistent weak demand from poultry sector and poor overseas demand will continue pressuring the domestic soymeal. Soymeal prices are likely to witness range-bound movement with firm bias in the short-term. The domestic meal prices are likely to remain under supply pressure and feature range bound movement in near-term. Soy meal, Indore is expected to be in the range of 33,500 – 35,000/MT levels during the week.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** The rapeseed-mustard is expected to feature range-bound movement with firm bias, on good crushing demand backed by good demand in rapeseed-mustard oil and improved exports of rapeseed-mustard oilcake. However, correction in the prices is imminent after prices are in overbought territory. The seed arrivals are gradually falling week-on-week. The seed prices are likely to be under pressure with the commencement of newly harvested soybean supplies and witness the levels between 6,350 – 6,500/Qtl; levels during the week.

## International Highlights

---

- ❖ In the October'20 report, the USDA has slashed US 2020/21 soybean production to 116.1 million tonnes from 117.3 million tonnes forecast in September'20 report.
- ❖ US soybean exports may surge to 46-48 Mn T in Sept/Feb 2020/21. Huge exports to China will tighten supplies for the rest of the world.
- ❖ Brazil's soybean planted area in 2020/21 is expected to increase by 3% and the country is expected to harvest 132.6 million tonnes of soybean. This marks an increase of 7% increase from the last season, according to StoneX. Brazilian farmers have sold about 55% of the projected soybean crop on forward booking which stands about 70 million tonnes, StoneX.
- ❖ Agribusiness consultancy AgRural data showed that Brazil's soybean farmers have planted 23% of the estimated 2020/21 crop this week, after rains. It is about 5.6 million hectares of the total estimated area.
- ❖ According to the agency, despite initial planting delays the potential yield output are expected to be good and it has estimated Brazil's 2020/21 soybean crop at 132 million tonnes, if realised, it will be record production.
- ❖ Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation, as these are the major contributors.
- ❖ AgRural has kept the Brazil's soybean import projection unchanged at 800,000 tonnes of soy imports in 2020. The country imported 528,000 tonnes of soy during January- September.
- ❖ Considering projected outturn of 132.171 million tonnes of soybean, Brazilian farmers have sold an estimated 69.8 million tonnes by now, Safras said. Brazilian farmers have started planting soybean for the new season.
- ❖ These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares (an increase of 1.3 – 2.5 million hectares over the 2019/20 final estimates).
- ❖ Argentina's 2020/21 soybean output is pegged at 50 million tonnes by Rosario Grain Exchange. The country harvested 50.7 million tonnes in 2019/20. The Buenos Aires Grains Exchange has estimated the soy crop at 46.5 million tonnes vs 49.6 million tonnes last season. And increase the area under bean by 0.6% this year vs 17.3 million hectares last year.

## Soybean

---

Soybean posted gains on fresh buying support from the solvent extractors on festive and winter edible oil demand. The new soybean crushing season is gaining momentum leading to the increase in the soymeal supplies besides the rise in the availability of soyoil.

The feed manufacturers have already started to cover their soymeal stock to cater the expected future demand. This should lend support to soybean for short-term.

Besides, bullish global soybean outlook on forecast of LA-Nina which will may lead to flood in Malaysia and Indonesia and dryness in South America and strong Chinese demand in soy will certainly lend support to the domestic soy market.

China's import of soybean has increased by 17.7% year-on-year and this is to strengthen its reserves ahead of 2021-25 five year plan period. Such Chinese buying spree is to lend support to India' soy market.

Further, downward revision of India's soybean production by several agencies from their previous estimates too has led to the boost in the bean prices recently.

Agriwatch has revised its India's 2020/21 soybean output estimate to 10.7 million tonnes from 12.06 million tonnes earlier, up 22% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 million tonnes, up from the 10.5 million tonnes in the previous estimate.

SOPA in it's second advance estimate, has pegged India's 2020 soybean estimate at 10.45 million tonnes down from 93.06 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

The festive edible oil demand was strong and India had to import 3,16,323 metric tonnes of soyoil in September 2020, up 28%, compared to 2,47,665 metric tonnes in September 2019.

However, at the same time, altogether, India's edible oil imports fell by 12% to 11,95,0501 metric tonnes compared to 13,58,1481 metric tonnes.

India's September 2020 soymeal exports improved by 94% to 68,576 metric tonnes compared to 35,268 metric tonnes in the same period last year.

This indicates the recovery in the export sales with the start in new crushing season and we hope India's soymeal demand will rise in the medium-term.

Soybean plant delivery prices have improved in Indore cash market to Rs 4,250 – 4,500 a quintal compared Rs 4,100 – 4,350 to the previous week.

The arrivals of bean fell to 12,00,000 bags in the cash market yards of Madhya Pradesh, during the week, which were 15,85,000 bags a week ago. We feel the arrivals to further improve from the current levels.

*The major buyers are as follows: Agrawal, Neemuch, Shanti Overseas, Living Food, Goyal Protein, Bansal-Bhopal, Vippy-Dewas, ABIS, Sneha, Ruchi Soya, Shalimar Katol, Vippy Dewas, Dhanuka Neemuch, Avi Agri Ujjain, M.S. Neemuch, RH Seoni, Prakash, Kriti Dewas, Mahakali, Prestige Dewas, Itarsi Oil, Sanwaria Itarsi, MS Solvex Neemuch, MS Soya Pachore, during the week.*

***The domestic soybean prices are likely to feature range-bound movement with firm bias on festive crushers' demand to cater the fresh edible oil demand, besides onset of winter too will lead in the rise of the vegetable oil demand.***

## **International:**

Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation, as these are the major contributors.

The soybean inventories have run down in Brazil following the strong exports this season taking advantage of higher global soy prices and weak Real against the US dollar. AgRural has kept the Brazil's soybean import projection unchanged at 800,000 tonnes of soy imports in 2020. The country imported 528,000 tonnes of soy during January- September.

According to Safras & Mercado the tariffs suspension is likely to push soy imports to a maximum of 1 million tonnes this year, as compared with a current projection of 850,000

Argentina has temporarily slashed soybean export duty by 3% points to 30% to help stimulate trade, the government announced, as the country struggles with recession and declining foreign reserves.

Soyoil and soymeal export taxes, which had been at 33%, will fall to 28% in October, then rise to 29.5% in November, 30% in December and 31% in January, as planned by the Economy Ministry.

Argentina's 2019/20 soybean yield is estimated an average of 2.96 tonnes per hectare and the country's soybean production is pegged at 49.5 million tonnes, said the Buenos Aires Grains Exchange. The reduction is mainly due to the dry weather during the crop development phase.

Overall, the global soybean supplies for 2020/21 season is projected to be bearish.

**Revised September'20:** Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Rabobank (127.3 Mn T), Abiove (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T) and Conab (133.7 Mn T) and USDA has pegged it at 133 Mn T currently.

These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares which is up 1.3 – 2.5 million hectares estimated by these agencies for 2019/20.

Industry estimates suggest this year's Brazilian soybean export may reach 80 million tonnes or more, which means another 12 million tonnes could be exported over the next few months.

China's domestic soybean production is seen at 18.81 million tonnes in 2020, up 3.9% from the previous year, according to forecasts of the agriculture ministry. The country's soybean crushing volumes were pegged at 85.98 million tonnes this year.

The strong Chinese demand will continue to lend support to the international soy prices during the season.

*The international soybean prices are expected to feature range bound movement with weak bias on better US soybean crop prospect and South American supply scenario. However, strong Chinese buying will limit the downside.*

## Balance Sheet – Soybean, India

Fig. in MnT

Soybean (Fig in Mn T)	2019-20	2020-21
Carry In	0.50	0.45
Production	8.74	10.50
Imports	0.10	0.30
<b>Total Availability</b>	<b>9.35</b>	<b>11.25</b>
Processing/Crushing	7.20	9.00
Seeding/Retained for Sowing	1.00	1.00
<b>Domestic Consumption</b>	<b>8.20</b>	<b>10.00</b>
Exports	0.70	0.50
<b>Total Usage</b>	<b>8.90</b>	<b>10.50</b>
<b>Carry Out</b>	<b>0.45</b>	<b>0.75</b>
Monthly Use	0.74	0.88
Stock/Consumption Ratio	0.05	0.07
Stock to Month Use Ratio	1.67	1.17

Source: Agriwatch

- **Trade Observations: Limited buying is featured in soybean at various cash markets, due to weak soymeal demand from poultry sector attributed to COVID-19 pandemic and ongoing lockdown. The solvent extractors and stockists are buying to cover their stock for future.**
- India's 2020-21 soybean production was projected at 10.5 million tonnes against 8.75 million last season.
- India's 2020-21 soybean crush was estimated at 9.0 million tonnes vs 7.2 million in 2019-20.
- This translates into availability of 7.2 million tonnes of soy meal and 1.62 million tonnes of soy oil in 2020-21 MY.



## Soy meal

---

Soymeal continued upward movement on renewed local demand and recent increase in the export sales. The meal prices have witnessed gains of about 2.5-3.0% in recent weeks.

The feed manufacturers are keen in covering their stock for future demand, at the current price levels, with the start in new soy crushing season.

This is after India's poultry industry showed some signs of recovery, warranting possibility of renewed demand in poultry subsequently leading to the increase in the soymeal demand for feed. Poultry sector contributes 60% of the soymeal demand.

The global soy outlook is bullish with forecast of dry weather in Latin America and downward revision of the US 2020/21 crop which have been recently harvested and strong Chinese soy demand.

India's September 2020 soymeal exports improved by 94% to 68,576 metric tonnes compared to 35,268 metric tonnes in the same period last year. However, it fell by 13% to 3,17,915 metric tonnes in aggregate, during the last five months (Apr.-Sept.) of financial year 2020-21 compared to 3,63,901 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of September 2020 is reported at 2,86,957 metric tonnes compared to 1,41,184 metric tonnes in September, 2019 i.e. up by 103%.

The overall export of oilmeals during April to September 2020 is also reported up by 1% at 13,00,134 metric tonnes compared to 12,87,479 metric tonnes during the same period last year.

US has turned out to be potential market for Indian Organic Soymeal. In 2019-20, India had shipped over 193,000 metric tonnes of organic soymeal. In current year, from April-Sept. (6 months), India shipped over 115,000 metric tonnes to US. US is the largest producer of Genetic Modified (GM) soybean in the world, looking to India for supply of organic soybean meal.

Overall India's soymeal exports were too low consecutive second year, during 2019-20 marketing year it stood at 5 lakh tonnes which was 4.6 lakh tonnes in 2018-19.

The domestic average soymeal prices at Indore, witnessed gains to Rs 33,066/MT and was quoted between Rs 32,800 – 33,300/MT compared to the average of Rs 32,100/MT traded between the price range of Rs 31,300– 33,000/MT previous week.

At Latur soymeal prices moved up to Rs 34,800 – 36,000/MT from Rs 32,800– 33,500/MT a week ago and in Nanded it was quoted higher at Rs. 34,500 – 35,200/MT compared to Rs. 33,600 – 35,000/MT a week ago. Besides, in Kota, the meal too posted gains to Rs 34,400 – 35,500/MT compared to Rs 33,800 – 35,000/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 32,800 – 33,300/MT during the week compared to Rs 30,800– 32,000/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 33,500 – 34,000/MT on good buying support by the feed manufacturer, in near to medium-term.*

---

**Previous updates:**

---

In a major blow to the domestic soymeal market, which was already reeling under pressure, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this week, on its portal from exports undertaken 01.04.2020 onwards.

This will result in further decline in soymeal exports from India, as MEIS benefit of 5% is a significant incentive to compete in the world market. SOPA has made a representation to the government to revoke the suspension of the MEIS benefit immediately.

The revenue department have argued against continuing the MEIS, calling it wasteful and inefficient.

Instead of extending the Merchandise Exports of India Scheme, which cost Rs 43,500 crore in 2019-20, the NITI Aayog and the Ministry of Finance have called for putting financial resources into new Production-Linked Incentive (PLI) schemes in select sectors with core competency and potential for global exports.

However, SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and the collapse of poultry sector. It has asked the Center to increase the import duty in edible oils.

Besides, the SOPA members in a letter addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal, the same time.

The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

## Soy Meal Export (In Thd T)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Oct</b>	405	224	50	183	29	4	31	71	150	64
<b>Nov</b>	443	398	517	503	111	9	98	208	186	69
<b>Dec</b>	611	798	511	451	194	6	241	169	170	72
<b>Jan</b>	575	475	620	364	104	28	155	106	86	42
<b>Feb</b>	540	344	578	184	65	30	208	74	132	49
<b>Mar</b>	411	460	302	232	47	27	107	39	193	33
<b>Apr</b>	305	314	100	76	18	12	124	68	41	26
<b>May</b>	177	143	98	8	14	10	49	41	53	47
<b>Jun</b>	118	181	214	3	2	18	46	104	62	57
<b>Jul</b>	140	168	107	7	1	12	81	64	76	62
<b>Aug</b>	166	10	184	3	1	11	88	60	95	58
<b>Sep</b>	226	7	173	1	7	12	102	45	35	69
<b>Total</b>	<b>4117</b>	<b>3522</b>	<b>3454</b>	<b>2015</b>	<b>593</b>	<b>179</b>	<b>1330</b>	<b>1049</b>	<b>464</b>	<b>648</b>

Source: SEA / SOPA

India's soy meal exports continues to be weak on attractive price offer from South America, South American soymeal prices are at discount over Indian origin meal.

## Soybean Crush Margin

Avg Crush Margin – Oct 2020		Avg Crush Margin – Sep 2020		Avg Crush Margin – Oct 2019	
<b>-1153</b>		<b>-6.7</b>		<b>-612</b>	
Min	Max	Min	Max	Min	Max
<b>-2655</b>	<b>170</b>	<b>-1675</b>	<b>1120</b>	<b>-2430</b>	<b>810</b>

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Daily Chart

### Support & Resistance NCDEX- Soybean Dec. Contract

S1	S2	PCP	R1	R2
3900	3700	4285	4700	4800

- Soybean posted gains on buying support in the market week.
- Prices closed above 18-day EMA.
- RSI and stochastic are easing in the neutral zone.
- MACD is falling in the positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Dec.) Week: **SELL** Below 4300. Levels: T1 – 4100; T2- 4000, SL - 4420.

## Rapeseed - Mustard Seed

---

Rapeseed-mustard has hit the record high price on strong buying support from millers backed by good rapeseed-mustard oil demand at retail and wholesale.

Besides, increasing rapeseed extract export sales and better local demand in the same remained supportive for the seed and kept the crush margin comfortably at the positive territory.

Of the total oilmeals' export rapeseed extract contributes the highest in volume.

The rapeseed-mustard oil demand improved over other edible oils post COVID this season as a number of households are of the view that rapeseed-mustard oil is an immunity booster. Further, festive and winter edible oil demand will continue to lend support to the rapeseed-mustard market.

India's rapeseed-mustard planting have commenced and have picked up the pace, we expect the planted area under the rapeseed-mustard to increase this rabi season, higher seed price during the season has raised the planting intention among the farmers.

Under the recent launched Mustard Mission, the government set a 2020/21 target to achieve a record-high 75 lakh hectares under the rapeseed-mustard this year. If realized it will be more than 7% higher compared to the area under rapeseed-mustard in 2019/20 which was 69.51 lakh hectares.

India had to import 17,233 metric tonnes of rape oil (canola) in the month of September 2020, to meet the rise in festive demand. However, the imports of the same during April-September 2020 were down 7% at 55,036 metric tonnes compared to 59,171 metric tonnes during the same period in the previous season.

India's rapeseed extract exports in September 2020 surged by 175% to 1,40,830 metric tonnes compared to 51,132 metric tonnes during the corresponding period last year.

Further, India's exports for rapeseed extract during April-September 2020 was up 23% at 6,27,890 metric tonnes compared to 5,11,344 metric tonnes during the same period previous marketing season.

Overall, the rapeseed-mustard sentiments are strong with good buying support by the millers on fresh festive edible oil demand.

NAFED and HAFED have currently paused the disposal of rapeseed-mustard. The Nafed has sold about 9.0 lakh tonnes of rapeseed-mustard combined together new and old stock while Hafed has offloaded around 3 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

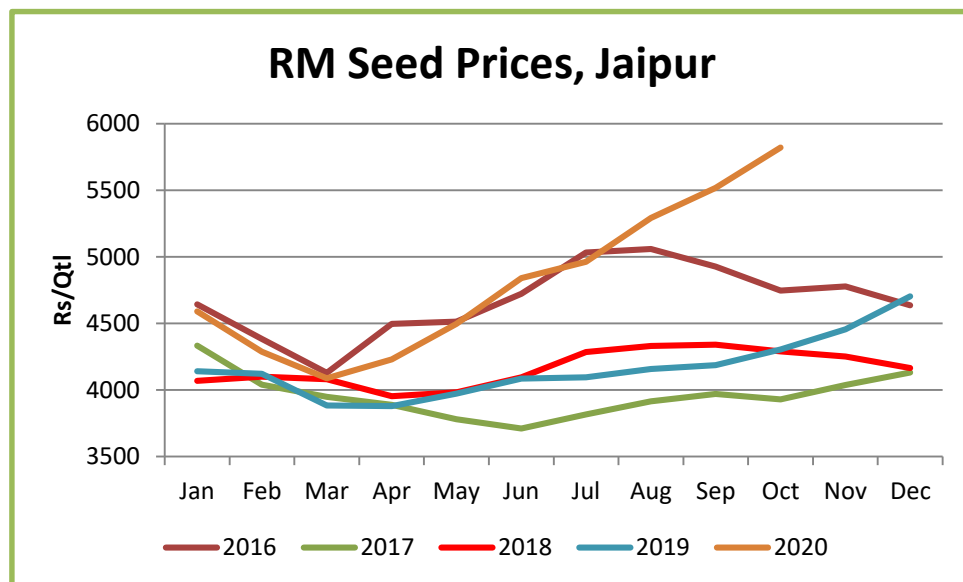
## RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Oct.	1 Month Ago	Corresponding Period Last Year
31,15,000	37,10,000	31,70,000

The all India rapeseed-mustard supplies slightly fell month-on-month in October.

The average monthly RM seed prices improved by 5% to Rs 5821 a quintal from Rs 5519 a quintal previous month and up by 35% to Rs 4304 a quintal during the corresponding period last year in Jaipur.

At NCDEX futures, the December contract rapeseed-mustard posted gains at 6,031/Qtl compared to 5,496/Qtl previous week.



---

**Previous Updates**

---

The MSP for rapeseed-mustard has been increased in line with the recommendations of Swaminathan Commission to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

India had imported rapeseed oil (canola) of about 20,801 metric tonnes in August for the first time in last four months.

The total procurement of rapeseed-mustard by Nafed under PSS in 2020/21 from major seed producing states (Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh) stands at 8,03,853.33 metric tonnes with a total value of Rs. 3,55,705.10 Lakh and the total number of farmers benefiting from the scheme so far stands at 3,18,540.

Total procurement of the seed by Hafed in 2020/21 stands at 5,30,000 metric tonnes.

Agriwatch has projected India's MY 2020/21 rapeseed production at 7.2 million tonnes while Solvent Extractors of India has estimated the seed production at 7.7 million tonnes.

Recent and expected favorable weather have raised 2020/21 Australia rapeseed outturn by above 2% to 3.4 from 3.0 million tons earlier.

Strategie Grains expects the planted area for the 2021 rapeseed crop in the European and Britain down compared with the current year harvest.

The farmers in Europe once again faced dry planting conditions during the late-summer sowing window for rapeseed, mainly in France.

Strategie Grains has kept this year's weather-hit rapeseed outturn for EU plus Britain unchanged at 17.1 million tonnes, slightly below 17.3 million tonnes estimated for 2019.

The consultancy has estimated EU and Britain rapeseed 2020-21 import to record 6.3 million tonnes, after estimating 6.2 million tonnes a month ago. EU had imported 6.0 million tonnes of rapeseed in 2019/20 season.

**Outlook:** *The rapeseed-mustard is expected to stay strong and feature range-bound movement with firm bias, as the stockists and the solvent extractors have almost covered their stocks, in the cash market. Good rapeseed-mustard oil demand and improved overseas demand in rapeseed extract will continue to lend support to the seed prices are higher levels.*

## 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	0.23	0.33	0.33	3.93	2.13	1.23
Production	7.90	7.21	7.21	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	8.13	7.53	7.53	3.93	2.13	1.23
Processing/Crushing	7.50	7.10	3.55	1.75	0.80	0.80
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	7.40	3.60	1.80	0.90	0.90
Carry Out/Ending Stock	0.33	0.13	3.93	2.13	1.23	0.33
Monthly Use	0.65	0.62				
Stock/Consumption Ratio	0.04	0.02				
Stock to Month Use Ratio	0.50	0.21				

(Source: AgriWatch)

- We have pegged India's 2020/21 Rapeseed-mustard outturn at 7.2 million tonnes, lower by than 9% compared to the 2019/20 production at 7.9 million tonnes.
- India's production is above 5 year average of around 6.7 million tonnes.
- **Trade Observations: India is an import dependent country in edible oils, hence the oilseeds produced almost gets crushed fully, prices to remain steady to slightly strong in 2020/21 season due to expected good demand in the seed.**
- India's rapeseed-mustard prices are up at cash market in 2020/21 season and they are 36-month high in benchmark Jaipur.

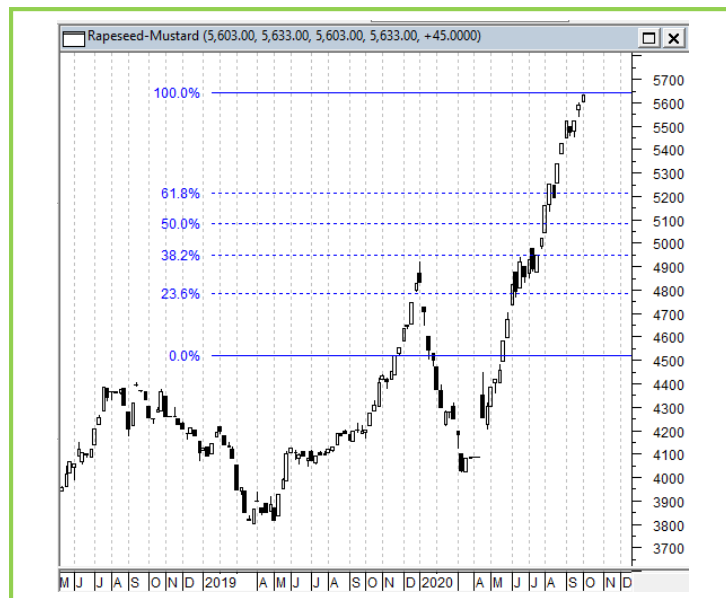


### Technical Analysis:

#### NCDEX RM Seed Futures



#### RM Seed Spot, Jaipur



\*Daily Chart

#### Support & Resistance NCDEX - RM Seed Dec. Contract

S1	S2	PCP	R1	R2
5500	5400	6031	6500	6600

- Rapeseed-mustard continued to rally on buying support in the market.
- Prices closed above 40-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are rising in overbought zone.
- Trade Recommendation (NCDEX RM Seed – Dec.) – 1 Month: **BUY** Above 6015. T1 – 6200; T2 - 6300; SL – 5904.

## Groundnut

The groundnut prices fell with the surge in the arrivals in the key cash market yards. The seed prices are below MSP in Adoni, Andhra Pradesh.

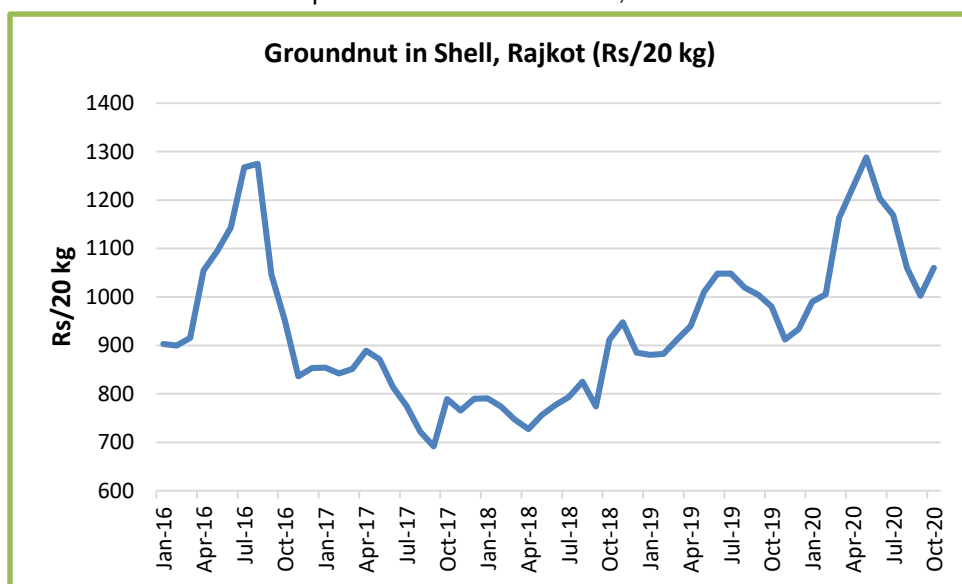
The Agricultural produce market committees (APMCs) in Saurashtra region are flooded with the groundnut arrivals followed by strong demand from crushers and exporters.

The APMCs cash market yards have already recorded cumulative arrivals of more than eight lakh quintals since the new crop arrivals. Most of the APMCs of Saurashtra are allowing farmers to offload their seed once or twice a week.

The central government began procurement of groundnut at MSP from farmers of Gujarat from October 26 onward and, by 4th November, it had procured total of 1.94 lakh quintal of the seed from 10,626 farmers.

Strong demand from China for groundnut seed and groundnut oil of Indian origin after their crop damage of 30-35%, will remain supportive for Indian seed during the season.

As per IOPEPC, India's groundnut oil exports to reach 70,000 tonnes by the end of 2020-21.



Groundnut							
Center	Variety	% Change over	% Change over	As on	Month Ago	Year Ago	2 Year Ago
		Previous year	Previous month	Oct-20	Sep-20	Oct-19	Oct-18
Rajkot	GN in Shell (Rs/20kg)	8.2	0.6	1060	1003	980	911
(Source: AW)							

## Annexure

### Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	31-Oct-20		30-Sep-20		
	Low	High	Low	High	
Indore –Plant	4325	4375	3725	3775	600
Indore–Mandi	4075	4275	3725	3925	350
Nagpur-Plant	4200	4350	3900	3950	400
Nagpur – Mandi	3550	4330	3200	3760	570
Latur – Mandi	NA	NA	3510	3785	-
Akola – Mandi	3300	4150	3250	3760	390
Kota-Plant	4350	4450	3680	3740	710
Kota – Mandi	4300	4430	3565	3700	730
Bundi-Plant	4315	4335	3610	3660	675
Bundi-Mandi	4035	4285	3460	3560	725
Baran-Plant	4500	4600	3670	3770	830
Baran-Mandi	4280	4380	3420	3500	880
Bhawani Mandi Jhalawar–Plant	4515	4635	3650	3770	865
Jhalwar-Mandi	4205	4335	3420	3550	785
Rapeseed/Mustard					
Jaipur-(Condition)	6250	6255	5615	5620	635
Alwar-(Condition)	5900	5950	5150	5200	750
Sri Ganganagar-(Non-Condition)	5450	5550	5000	5100	450
New Delhi–(Condition)	5915	5925	5295	5300	625
Kota-(Condition)	5750	5850	5195	5295	555
Agra-(Condition)	6143	6333	5524	5714	619
Neewai-(Condition)	5825	5925	5080	5200	725
Hapur (UP)-(Condition)	6075	6125	5450	5500	625
Groundnut Seed					
Rajkot	870	870	800	800	70
Sunflower Seed					

Gulbarga	3000	4150	2950	4050	100
Latur	3600	4800	4900	5000	-200
Sholapur	4500	5000	4400	4900	100
Soybean Prices are in INR/ctl. (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/ctl.					

**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/QtI		Change
<b>Soybean</b>	<b>31-Oct-20</b>	<b>30-Sep-20</b>	
Madhya Pradesh	250000	70000	180000
Maharashtra	200000	70000	130000
Rajasthan	80000	35000	45000
Bundi (Raj)	23000	2500	20500
Baran (Raj)	18000	10000	8000
Jhalawar (Raj)	12000	5000	7000
<b>Rapeseed/Mustard</b>			
Rajasthan	50000	80000	-30000
Alwar	400	900	-500
Sri Ganganagar	200	800	-600
Kota	200	1400	-1200
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	3300	900	2400
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	1500	1500	Unch

**Other Oilseed Prices at Mumbai (INR/100 Kg):**

Oilseeds	31-Oct-20	30-Sep-20	Change
Groundnut Kernel	6750	6300	450
Gr. Bolds 60/70	0	0	Unch
Gr. Javas 60/70	0	0	Unch
Gr Javas 70/80	0	0	Unch
Gr.Javas 80/90	0	0	Unch
KardiSeed 2% Exp Qly	4050	4000	50
Sesame White 98/2/1 FM	10100	8700	1400

Whitish 95/5/FFA/1FM	9700	8500	1200
Brown 48/2 FFA/4 FM	9400	8300	1100
Brown 48/3 FFA/4 FM	9000	7900	1100
Brown 48/4 FM/* No FFA Guarantee	8700	7500	1200
Sunflower Seed	4700	4200	500
Niger Seed (4% FM)	6200	6600	-400

## MSP of Rabi Oilseeds for Marketing Season 2021-22- GOI

Sl. No	Crops	MSP for Rabi 2021-22	MSP for Rabi 2020-21	Increase in MSP (Absolute)
1	Rapeseed-mustard	4,650	4,425	225
2	Safflower	5,327	5,215	112

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Rabi crops for marketing season 2021-22.

Government has increased the MSP of Rabi crops for marketing season 2021-22, to ensure remunerative prices to the growers for their produce. This increase in MSP is in line with the recommendations of Swaminathan Commission.

Among the Rabi oilseeds the MSP for rapeseed-mustard has been increased to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

The MSP of safflower to Rs. 5,327 a quintal from earlier Rs. 5,215 per quintal an increase of Rs 112 per quintal.

## MSP of Kharif Oilseeds for Marketing Season 2020-21 - GOI

Sl. No	Crops	MSP for Kharif 2020-21	MSP for Kharif 2019-20	Increase in MSP (Absolute)
1	Groundnut	5275	5090	185
2	Sunflower seed	5885	5650	235
3	Soybean (yellow)	3880	3710	170
4	Sesamum	6855	6485	370
5	Nigerseed	6695	5940	755

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Kharif crops for marketing season 2020-21.

Government has increased the MSP of Kharif crops for marketing season 2020-21, to ensure remunerative prices to the growers for their produce.

Among the Kharif oilseeds the MSP for groundnut has been increased to Rs. 5275 per quintal for marketing season 2020-21 from Rs.5090 per quintal in 2019-20 an increase of Rs.185 a quintal.

The MSP of sunflower to Rs. 5885 a quintal from earlier Rs. 5650 per quintal an increase of Rs 235 per quintal, Soybean-yellow to Rs. 3880 a quintal to Rs. 3710 per quintal last season, an increase of Rs. 170 a quintal, Sesamum to Rs. 6855 a quintal from 6485 earlier, an increase of Rs. 370 a quintal and the MSP of Nigerseed have been increased to Rs. 6695 a quintal from Rs. 5940 a quintal earlier, increase of Rs 755 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for Nigerseed (Rs 755 per quintal) followed by Sesamum (Rs 370 per quintal), Urad (Rs 300 per quintal) and Cotton (long staple) (Rs 275 per quintal). The differential remuneration is aimed at encouraging crop diversification.

## India's Oilseeds Production Seen at 25.73 Mn T vs 22.32 Mn in 1st Adv Est. for 2020-21- GOI

The 1st Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22<sup>nd</sup> September, 2020. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

The estimated production of major Kharif Oilseeds during 2020-21 is as under:

Kharif Oilseeds – 257.29 lakh tonnes in 2020-21 vs 223.16 lakh tonnes in 2019-20

- Groundnut – 95.35 lakh tonnes vs 83.67 lakh tonnes in the 4<sup>th</sup> Advance Estimate.
- Castorseed – 17.24 lakh tonnes vs 18.49 lakh tonnes
- Sesamum – 7.49 lakh tonnes vs 7.50 lakh tonnes
- Nigerseed – 0.63 lakh tonnes vs 0.42 lakh tonnes
- Soybean – 135.83 lakh tonnes vs 112.15 lakh tonnes
- Sunflower – 0.75 lakh tonnes vs 0.94 lakh tonnes.

The production estimates does not include the Rabi oilseeds' (rapeseed-mustard, safflower, rabi groundnut, rabi sunflower and Linseed) output estimates as its marketing season starts from February.

## Sown Area – Kharif Oilseeds, India 2020-21

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 197.18 lakh hectares, an increase by 9.8% from 179.63 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 121.24 lha compared to 113.95 lha during the corresponding period of last year, groundnut at 50.98 lha vs 39.48 lha, sesamum 14.14 lha vs 13.73 lha, castor seed at 7.92 lha vs 9.44 lha and niger at 1.67 lha vs 2.04 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 8-9% this season.

Area in Lakh Hectares				
<b>Crop</b>	<b>Normal Area (5 Year Avg.)</b>	<b>2020-21</b>	<b>2019-20</b>	<b>% Change</b>
Groundnut	42.43	50.98	39.48	<b>29.1</b>
Soybean	111.49	121.24	113.95	<b>6.4</b>
Sunflower	1.84	1.23	0.99	<b>24.2</b>
Sesamum	14.13	14.14	13.73	<b>3.0</b>
Niger	2.41	1.67	2.04	<b>-18.1</b>
Castor	9.65	7.92	9.44	<b>-16.1</b>
<b>Total Oilseeds</b>	<b>181.95</b>	<b>197.18</b>	<b>179.63</b>	<b>9.8</b>

Source: MoA, GOI

## Sown Area – *Rabi* Oilseeds, India

In the final official Rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under Rabi oilseeds is reported at 80.3 lakh hectares, slightly down 0.1% from 80.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported down by 0.4% at 69.51 lha compared to 69.76 lha during the corresponding period of last year. Groundnut at 4.76 lha vs 4.59 lha, safflower at 0.63 lha vs 0.43 lha, sunflower at 1.04 lha vs 1.13 lha, sesamum 0.56 vs 0.71 and Linseed at 3.46 lha vs 3.44 lha during the same period last year.

Area in Lakh Hectares

<b>Crop</b>	<b>Normal Area (5 Year Avg.)</b>	<b>2019-20</b>	<b>2018-19</b>	<b>% Change</b>
Rapeseed/Mustard	60.48	69.51	69.76	<b>-0.4</b>
Groundnut	7.76	4.76	4.59	<b>3.7</b>
Safflower	1.41	0.63	0.43	<b>46.5</b>
Sunflower	2.96	1.04	1.13	<b>-8.0</b>
Sesamum	3.12	0.56	0.71	<b>-21.1</b>
Linseed	2.99	3.46	3.44	<b>0.6</b>
Others	0.14	0.34	0.31	<b>9.7</b>
<b>Total Oilseeds</b>	<b>78.86</b>	<b>80.3</b>	<b>80.37</b>	<b>-0.1</b>

Source: MoA, GOI

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2020 Indian Agribusiness Systems Pvt Ltd.