

Oil seed Monthly Research Report

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Executive Summary

Soybean continued rally in august amid tight inventory in the country, erratic monsoon, supported by lower global production, strong Chinese demand and firm export from brazil and Argentina.

According to IMD, the rainfall from June to September is likely to be closer to 96% of the average rainfall. The IMD has revised down the forecast to 96 percent from 101 percent. However, rainfall in August has been deficient by 24% so far while in July it was 7% less than normal, in September it is likely to be above average.

According to USDA Aug21 report, China's total soybean imports in 2020-21 eased by 1MMT to 97 MMT and the upcoming season too eased by 1 MMT to 101 MMT.

USDA Aug21, US Soybean 2020/21 production is projected down at 118.08 mmt, against 119.88 last month. Harvested area, forecast at 86.7 million acres in the Acreage report, remains unchanged. Further US Soybean 2021-22 export eased to 55.9 MMT compared to last month 56.47 MMT.

India had imported 139494 Metric tons of soybean during Oct'20-March'21 down compared to 1,985,05 MT during same period last year. However, India had exported 30,277 metric tons of soybean during Oct'20- May'21 down compared to 49,309 metric tons during same period last year.

The domestic soymeal prices remained firm this month on domestic tight supply followed by strength in soybean, higher prices limited demand in the poultry industry. However, GOI decision to allow to import GM soymeal via five port till 31st October likely to ease price.

India's July 2021 soymeal exports declined by 57% to 26,725 metric tonnes compared to 61,957 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 24% to 144,782 metric tonnes in aggregate, during the months (April-July.) of financial year 2020-21 compared to 191,149 metric tonnes during the corresponding period last year.

Rapeseed-mustard prices witnessed gains in this month as compared to previous month and likely to trade higher on tight domestic supply and bullish global cues.

Groundnut price trade higher this month due to tight domestic supply and firm domestic consumption demand, erratic monsoon in Gujarat and other key growing areas and lower acreage. However, prices will come down after new season crop arrival.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): The soybean prices is expected to remain elevated till new crop arrives. Additionally, Bullish sentiments in international soybean markets will also lend a support. The prices (Nagpur, Plant basis) are expected to feature range bound movement in the price band of 6500 – 8500 level.

Outlook – Soy meal: The soymeal prices is expected to remain elevated backed by soybean price. However strength in soybean and other oilseed complex may draw support to soymeal as well. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 65,000 – 90,000 /MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Tight inventory in the country continues which is supporting the prices, there is huge shortage of mustard seed to crushers. Additionally, Rapeseed-mustard is expected to feature firm tone in near term due to international factors. The seed prices are likely to witness the price levels between 7,500 –9,000/Qtl. in short-run.

International Highlights

- CBOT September soybeans fell 76.2 cents (5.61%) to \$ 12.83-1/2 a bushel for the week. New-crop November futures declined to 31.2 cents (2.36%) to at \$ 12.92-1/4 a bushel.
- According to the data released by NOPA, US crushed 155.10 million bushels of soybeans in July'21. The soybean processing was up from 152.4 million bushels in June and 172.8 million bushels in July 2020.
- In the Aug'21 report, the USDA has raised US 2021/22 soybean estimates at 118.08 million tonnes compared to previous month 119.88 million tonnes . It has kept the Brazil's 2021/22 soybean production unchanged to 144 million tonnes compared to previous month.
- Besides, India soybean 2021/22 production estimates kept unchanged to 11.2 million tonnes. while Argentina's soybean estimate kept unchanged to 52 million tonnes from previous month.
- The global 2021/22 soybean production estimate decreased to 383.63 million tonnes vs 385.22 million tonnes in the previous month report by USDA. World 2021/22 soymeal production is estimated slightly down at 258.68 million tonnes vs 260.62 million tonnes in its previous estimate.
Brazil's soybean exports is estimated to reach to 5.79 million tonnes in Aug'21 vs 5.57 million tonnes last year same period – ANEC
- CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.
- Buenos Aires Gain Exchange has estimated the Argentine 2020/21 soybean crop harvest to 43.5 million tonnes vs 49 million tonnes in the 2019/20 season.
- The Rosario exchange has estimated its Argentina's 2021/22 soy harvest forecast to 49 million tonnes previous season's crop to 45 million tonnes.
- In the Aug'21 report, the USDA has kept India's 2021/22 rapeseed production estimates unchanged at 8.5 million tonnes compared to previous month. However, Canada's rapeseed production estimates eased to 16 million tonnes as compared to 20.20 million tonnes last month.
- Further, EU production estimates remain unchanged to 17.00 million tonnes million tonnes last month and for China, the estimates remain unchanged to 14.00 million tonnes.
- The global 2020/21 rapeseed production estimate decreased to 69.97 million tonnes vs 74.14 million tonnes in the previous month. World 2021/22 rapeseed meal production estimate eased at 39.69 million tonnes vs 41.29 million tonnes in its previous estimate.

Soybean

Soybean continued rally of more than 13% as compared to last month amid tight inventory in the country. More than 50% crushing mills have been shut because of tight supply. Additionally, global dynamics of oilseed complex also supported soybean price. Strong Chinese demand continued in august which supported the global demand.

Indore Soybean witnessed Higher prices in Aug'21 with an average monthly price of Rs 9,335/Qtl with monthly high of Rs 10,250/Qtl and low of Rs 8,350/Qtl. against Rs.8,229/Qtl. with monthly high of Rs. 10,050/Qtl. low of Rs. 7,300/Qtl. Previous month.

The arrivals of bean declined in Aug'21 and witnessed 451,000 bags and average daily arrival stood at 18,040 bags per day in the cash market yards of Madhya Pradesh during the month against 13,00000 bags in july'21.

As on 3rd September, soybean sowing is up by 1%. In MP sowing is lagging by 5%, in Maharashtra sowing is up by 8%, in Rajasthan sowing is down by 3%, in Karnataka sowing is up by 15%, in Gujrat sowing is up by 50%.

Soybean crop condition seems to be in good condition - SOPA.

CBOT September soybeans fell 56 cents (4.19%) to \$ 12.98-1/2 a bushel for the month. New-crop November futures declined to 56 cents (4.21%) to at \$ 12.92-1/4 a bushel. Despite strong Chinese demand, Favourable rains in mid-west US, dragged CBOT soybean lower.

As on 29th Aug21, USDA reported 93% soybean at setting pod stage vs 88% last week, while last year it was 95%, however five-year average stood at 92%. Additionally, USDA rating good to excellent soybean remains at 56%.

According to IMD, the rainfall from June to September is likely to be closer to 96% of the average rainfall. The IMD has revised down the forecast to 96 percent from 101 percent. However, rainfall in August has been deficient by 24% so far while in July it was 7% less than normal, in September it is likely to be above average.

Agriwatch has estimated its India's 2020/21 soybean output estimate to 10.5 million tonnes, up 20% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 million tonnes.

India had imported 139494 Metric tons of soybean during Oct'20-March'21 down compared to 1,985,05 MT during same period last year. However, India had exported 30,277 metric tons of soybean during Oct'20-May'21 down compared to 49,309 metric tons during same period last year.

India had imported 7,483,380 metric tonnes of edible oils in during Nov.'20 – Mar.'21 to meet the supply gap, up compared to 6,912,366 metric tonnes in during the same period last year.

India had imported 1,213,142 metric tonnes of edible oils in during May'21, down compared to 720,976 metric tonnes in during the same period last year.

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.

Domestic soybean prices are likely to feature firm tone amid bullish domestic and international factors. August imports stood at 9.49 MMT up 9.5% from 8.67 million tonnes in July by china supported the price globally. Additionally, erratic monsoon in India is likely to affect yield. Strength in other oilseed complex may support soy prices. However, extremely higher prices are making the crushing unviable and hence mills have shut.

International:

As of 29th Aug, US soybean rating, good to excellent remain unchanged at 56%.

As of 31st Aug, in US Approximately 28% of soybean production is within an area experiencing drought. Vs 32% last week.

According to USDA Aug21 report, China's total soybean imports in 2020-21 eased by 1MMT to 97 MMT and the upcoming season too eased by 1 MMT to 101 MMT.

USDA Aug21, US Soybean 2020/21 production is projected down at 118.08 mmt, against 119.88 last month. Harvested area, forecast at 86.7 million acres in the Acreage report, remains unchanged. Further US Soybean 2021-22 export eased to 55.9 MMT compared to last month 56.47 MMT.

In USDA recent report, USDA pegged the 2020/2021 Brazilian soybean production unchanged at 137.0 MMT while next season soy crop estimated at 144 MMT. Additionally, USDA has estimated Brazil 2020-21 soybean export at 82.5 MMT and the upcoming season at 93 MMT.

For Argentina's soybean 2020/2021 output, the USDA pegged its crop at 46 MMT. and the USDA's next season estimate stood at 52 MMT. Additionally, USDA has estimated Argentina 2021-22 soybean export at 6.35 MMT.

For India 2021/22 soybean production is projected at 11.20 MMT Unchanged from Last month, however last year it was 10.45 MMT.

Brazil's soybean exports are estimated to reach to 5.79 million tonnes in Aug'21 vs 5.57 million tonnes last year same period – ANEC

CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.

As per recent USDA Aug'21 report, Soybean production in the world eased to 383.63 MMT as compared to last month 385.22 MMT while last year it was down to 363.25 MMT. World ending stock increased to 96.14 MMT compared to last month 94.48 MMT.

As per USDA, India 2021-22 soybean crush is kept higher by 300,000 tons to 9.7 million ton on account of higher crop prospectus. Soybean oil imports are unchanged at 3.7 million tons.

The international soybean prices are expected to feature range bound movement weak bias on improved weather condition in US however it may draw support from strong Chinese soybean demand.

Tight global soybean supply scenario and strong Chinese soybean demand and lower than expected global soybean production and inventories to keep the soybean prices strong in the medium-term.

Balance Sheet – Soybean, India

Soybean (Fig in Mn T)	Fig. in MnT	
	2019-20	2020-21
Carry In	0.50	0.45
Production	8.74	10.50
Imports	0.10	0.30
Total Availability	9.35	11.25
Processing/Crushing	7.20	9.00
Seeding/Retained for Sowing	1.00	1.00
Domestic Consumption	8.20	10.00
Exports	0.70	0.50
Total Usage	8.90	10.50
Carry Out	0.45	0.75
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: Fresh buying is limited on higher level; however, speculators remain aggressive amid higher volatility.
- India's 2020-21 soybean production was projected at 10.5 million tonnes against 8.74 million last seasons.
- 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.

Soymeal

The domestic soymeal gained this month on domestic tight supply followed by strength in soybean, higher prices limited demand in the poultry industry. However, GOI decision to allow to import GM soymeal via five port till 31st October likely to ease price in near term.

India's soymeal export likely to remain weak, as India is now totally outpriced in world market and export is expected to remain below 17 lakh metric tons. The high price of soybean meal has hit not only the export of soymeal but also the poultry farmers mainly small farmers and finding very difficult to survive in this difficult time.

According to USDA Aug report world 2021/22 soymeal production is estimated higher at 258.68 million tonnes vs 250.59 million tonnes against last year record.

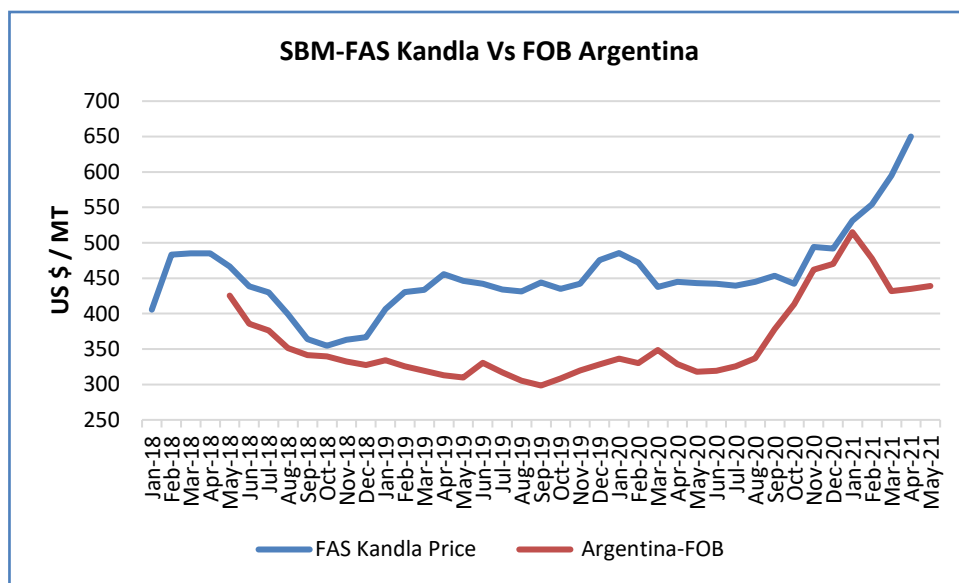
India's July 2021 soymeal exports declined by 57% to 26,725 metric tonnes compared to 61,957 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 24% to 144,782 metric tonnes in aggregate, during the months (April-July.) of financial year 2020-21 compared to 191,149 metric tonnes during the corresponding period last year.

Export of oil meals for the month of July 2021 provisionally reported at 191,188 tons compared to 262,275 tons in July 2020 i.e., down by 27%. The overall export of oil meals during April – July 2021 is reported at 926,833 tons compared to 841,663 tons i.e., up by 10%.

The soymeal export price spread of India vs Argentina

(FAS Kandla and FOB Argentina) have further declined to US \$ 210/MT in May'21 vs US \$ 215/MT in April'21, leading in competitiveness for Indian soymeal exports.

The domestic soymeal demand has considerably remained weaker due to skyrocketing prices in previous months, Poultry industry contributes more than 60% of the total domestic soymeal demand.



During Aug'21 the soymeal prices witnessed gains and average monthly price stood at Rs. 86,760/MT with low price at Rs 81,500/MT and high Rs 94,000/MT during the month compared to last month at Rs. 71,703/MT with low price at Rs 62,000/MT and high Rs 92,000/MT during the month.

At Latur the monthly average soymeal prices increased to Rs 93,140 /MT compared to Rs 77,796/MT a month ago and in Nanded too it was quoted higher at Rs. 92,220/MT compared to Rs. 75,537/MT a month ago. Besides, in Kota the meal prices too went higher to Rs. 87,880/MT compared to Rs.73,344/MT previous month.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 81,500 – 92,000/MT during the month compared to Rs 28,700– 32,500/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to correct from higher level and we expect to trade in the range of Rs. 70,000 – 90,000/MT on GM soymeal import and new crop arrival, for short-term.

Soy Meal Export (In Thd T)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Oct	224	50	183	29	4	31	71	150	64	120
Nov	398	517	503	111	9	98	208	186	69	199
Dec	798	511	451	194	6	241	169	170	72	251
Jan	475	620	364	104	28	155	106	86	42	283
Feb	344	578	184	65	30	208	74	132	49	247
Mar	460	302	232	47	27	107	39	193	33	146
Apr	314	100	76	18	12	124	68	41	26	39
May	143	98	8	14	10	49	41	53	47	52
Jun	181	214	3	2	18	46	104	62	57	25
Jul	168	107	7	1	12	81	64	76	62	26.7
Aug	10	184	3	1	11	88	60	95	58	
Sep	7	173	1	7	12	102	45	35	69	
Total	3522	3454	2015	593	179	1330	1049	464	658	1389

Source: SEA

India's soy meal exports have declined on tight crushing and price non competitiveness to global markets, mainly on strong Chinese demand and lower than expected soybean production estimates in top producing countries.

Soybean Crush Margin

Avg Crush Margin – Aug 2021		Avg Crush Margin – July 2021		Avg Crush Margin – Aug 2020	
590		-2058		-1024	
Min	Max	Min	Max	Min	Max
-5745	11380	-5870	-6800	-1690	-350

Technical Analysis:

Soybean Spot, Indore

NCDEX Soybean Futures (October contract)

Soybean Spot, Nagpur



*Daily Chart

Support & Resistance NCDEX- Soybean Jul. Contract				
S1	S2	PCP	R1	R2
6200	6000	6281	8000	8500

- October contract of soybean closed lower side in August on seller's pressure.
- Prices closed above 9 day and 18-day EMA.
- RSI and stochastic indicating bullish momentum.
- MACD Crossover also giving bullish cues.
- Trade Recommendation (NCDEX Soybean – Oct) Month: Buy Above 6300. Levels: T1 – 7000; T2- 7500, SL - 6200

Rapeseed - Mustard Seed

Rapeseed-mustard prices witnessed gains in august as compared to previous month and likely to trade higher on tight domestic supply and bullish global cues.

There is firm demand for RM seed oil especially from the states of North India like Bihar, Uttar Pradesh and West Bengal and likely to rise significantly during the winter season, during the festival and pickle making season. However, higher prices may limit demand.

Mustard prices drawing support from firm oil demand, tight supply, low arrival, strength in oilseed complex, erratic monsoon and strength in CME canola futures due to heat wave in Canada.

It is estimated that approximately 75-80% of the current mustard crop has been crushed, while 20-25% of the crushing is yet to be done.

RM seed, Jaipur witnessed Higher prices in Aug'21 with an average monthly price of Rs 8,006/Qtl with monthly high of Rs 8,338/Qtl and low of Rs 7,613/Qtl. against Rs.7,438/Qtl. with monthly high of Rs. 7,863/Qtl. low of

In Sri Ganganagar, the monthly average prices of rapeseed oilcake witnessed gains in Aug'21 and was at Rs 3,031/Qtl against last month at Rs. 2,920/qtl.

AW has revised India's 2021/22 rapeseed-mustard production up to 8.54 million tonnes from 8.0 million tonnes estimated in its previous forecast and it is up 18% from 7.21 million tonnes estimated last season. The Government estimation of mustard crop is high at 10.4 MT. The COOIT has estimated mustard production at 8.90 MT.

India's exports for rapeseed meal during April-July 2021 was up 10% at 479,572 metric tonnes compared to 436,480 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in July'21 is reported at 94,765 metric tonnes against last year 148,170 metric tonnes during the same period i.e., lower by 36%, However 14% down as compared to June21.

India imported 1033.06 tons rapeseed (Canola) oil in Apr 2021 v/s 506.00 tons imports in Apr 2020. While, for the period of April2020-March2021 imports rose to 42,720.05 tons compared to 54,426.39 tons in last oil year.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Aug	1 Month Ago	Corresponding Period Last Year
4307000	4805500	2435000

The arrivals of RM seed in the country declined in Aug'21 and witnessed 430,7000 bags and average daily arrival stood at 174,800 bags per day against 480,5500 bags in previous month.

Previous Updates

Import of edible oil from Nepal and Bangladesh is denting domestic markets. Hence, the Central Organization for Oil Industry and Trade (COOIT) has urged the government to prohibit import of edible oils from Nepal and Bangladesh at zero duty as it hurts domestic manufacturers.

As of July 29, Ukrainian farmers had completed the harvest on 568,500 ha, 56.5% of the expected area, and gathered 1.48 million mt of rapeseed. The Ukrainian export potential of rapeseeds this season, according to USDA expectations, will increase to 2.7 million mt, which is 10.7% higher than the 2020/21 season, but below the record of 3 million mt in the 2019/20 season.

In the July'21 report, the USDA has kept India's 2021/22 rapeseed production estimates unchanged at 8.5 million tonnes compared to previous month. However, Canada's rapeseed production estimates eased to 20.20 million tonnes as compared to 20.50 million tonnes last month. Canadian canola production is lowered because as early-season drought conditions impact yields and offset an increase to area. Further, EU production estimates were also eased to 17.00 million tonnes against 17.20 million tonnes last month and for China, the estimates increased to 14.00 million tonnes against 13.80 million tonnes compared to last month. The global 2020/21 rapeseed production estimate increased to 74.14 million tonnes vs 74.05 million tonnes in the previous month. World 2021/22 rapeseed meal production is also estimated higher at 41.29 million tonnes vs 41.23 million tonnes in its previous estimate.

India's rapeseed-mustard demand is very much influenced by the palm oil imports. Imports of palm oil by India declined in June by 24% from a month ago to 587,467 tonnes. However, Palm oil imports are likely to jump in July. Palm oil exports from Malaysia are expected to rise due to firm buying by importing countries especially India and China. Crude palm oil (CPO) showed rising trend at its benchmark market at Kandla as its price are supported by firm demand and tight supply in international market. Lower June imports are also supporting the domestic price rise along with taking positive cue from international market. CPO prices for coming week is expected to trade sideways as demand from China is slow whereas labor problem in Malaysia and Indonesia is creating problems in harvesting process will support the price.

Improved rapeseed-oilcake shipments to the traditional destinations will continue to lend support to the oilcake prices at higher levels. South Korea, Vietnam, Thailand, Bangladesh and few other south-east Asian countries were the major buyers of mustard meal of Indian origin.

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.

Agriwatch has projected India's MY 2021/22 rapeseed production at 8.54 million tonnes vs 7.2 million tonnes last season while COOIT has estimated the seed production at 8.95 million tonnes vs 7.5 million tonnes last season.

Outlook: RM Seed is expected to trade higher due to tight domestic supply and firm mustard oil demand, lower global RM seed production and strength in other oilseed complex.

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2020-21	2021-22
Carry In	0.33	0.13
Production	7.21	8.54
Imports	0.00	0.00
Total Availability	7.53	8.6
Processing/Crushing	7.10	8.06
Exports	0.00	0.00
Retained for Sowing & Direct Consumption	0.30	0.30
Total Usage	7.40	8.36
Carry Out/Ending Stock	0.13	0.31
Monthly Use	0.62	0.70
Stock/Consumption Ratio	0.02	0.04
Stock to Month Use Ratio	0.21	0.45

(Source: AgriWatch)

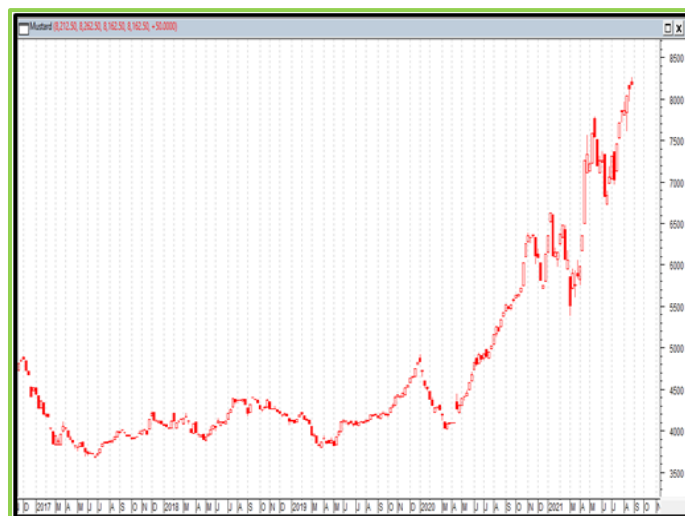
- We have pegged India's 2021/22 Rapeseed-mustard outturn at 8.54 million tonnes, higher by 18% compared to the 2020/21 production at 7.2 million tonnes.
- India's production is above 5-year average of around 6.7 million tonnes.
- Trade Observations: India is an import dependent country in edible oils, hence the oilseeds produced almost gets crushed fully, prices to remain strong in 2021/22 season due to improved demand in mustard oil, post COVID, higher rapeseed meal export sales and sharp fall in the imports of canola/rape oil.
- India's rapeseed-mustard prices rallied at the cash market in 2021/22 season and they are at all-time high in benchmark Jaipur.

Technical Analysis:

NCDEX RM Seed Future (October) Contract



RM Seed Spot, Jaipur



Support & Resistance NCDEX - RM Seed Jul. Contract

S2	S1	PCP	R1	R2
7500	8000	8018	8600	9000

- Rapeseed-mustard closed upside on buyer's interest.
- Prices closed above 9-day and 18 day EMA.
- RSI and stochastic are heading upwards, good buying strength.
- Trade Recommendation (NCDEX RM Seed – October) – 1 Month: BUY Above 8000 T1 –8500; T2 – 9000; SL – 7800

Groundnut

In Rajkot, the monthly average groundnut bold seed prices witnessed gains and stood at Rs 6,402 /Qtl in Aug21 against 5,766/Qtl last month while last year in same period it was at 4,830.

As on ^{3rd} September kharif groundnut sowing lagging by 4.5%. In Gujarat sowing is down by 7.5%. as compared to last year.

According to IMD, the rainfall from June to September is likely to be closer to 96% of the average rainfall. The IMD has revised down the forecast to 96 percent from 101 percent. However, rainfall in August has been deficient by 24% so far while in July it was 7% less than normal, in September it is likely to be above average.

NAFED has procured 2.86 Lakh metric tons groundnut pod in 2020-21 as compared to last year's 7.21 lakh metric tons.

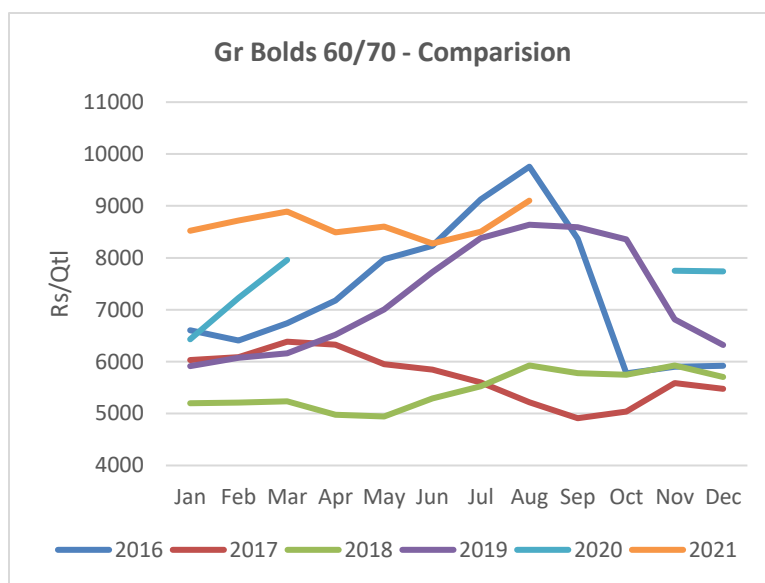
As per 4th Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of groundnut during 2020-21 is 10.21 million tons vs 10.11 million tons in third advance estimates.

Agriwatch estimates India's MY 2020-21 groundnut seed production is pegged at 77.83 lakh tonnes. Of this, 65 lakh tonnes is the production estimate of kharif season and 12.83 lakh tonnes is estimated for rabi season.

There is no report of the export of groundnut DOC even in May 2021 but the total exports in April-March 2020-21 stood higher by 70% to 6,596 metric tonnes compared to 3,877 metric tonnes during the same period last year. India witnessed last groundnut DOC export of 872 MT in December 2020.

According to the Department of Commerce, India shipped 6.38 lakh tonnes of groundnut during April to March 2021- down from 6.64 lakh tonnes in fiscal 2020. In March 2021, the country exported a total of 0.48 lakh tonnes, down 17% from 0.58 lakh tonnes in March 2020.

On the other hand, according to IOPEPC data, exports of groundnut oil increased by 142% and stood at 2,13,448 tons in (Apr-Feb) 2021 against 35,629 tons a year before. Gujarat accounts for about 85% of the groundnut oil exported from the country. High demand from China on account of damage to its domestic crop due to flooding mainly resulted in higher exports of groundnut oil from India. Additionally, the total groundnut meal exports in Jan-March 2021 surged to 30,877 tonnes compared to mere 348 tonnes during the same period last year.



Henan province of China witnessed flood for two consecutive years and is expected to continue remaining a top destination for groundnut seed and groundnut oil of Indian origin. Last year China's groundnut crop was damaged by 25-30%, which consequently lowered country's production by 40 lakh tonnes from the normal. As a result China was a large importer of Indian groundnut seed and groundnut oil during the current marketing year. This year again, China has witnessed severe flood in Henan province which contributes more than 30% of the total groundnut production in the country. As per Chinese government estimates 2 lakh ha of maturing peanut crop was hit by flooding in the province. So, groundnut production in China is likely to remain lower than normal and exports of groundnut and groundnut oil to the country from India will likely continue at a strong pace into the next year.

Currently, Indonesia, Vietnam, Malaysia, Philippines, Thailand remains top buyer of Indian Groundnut java and China still top buyers of India's groundnut bold seed. However lockdown in South east Asian countries has limited demand in last few weeks.

As per USDA recent report , China imported 3.80 MMT peanut in 2020-21 vs 2.26 MMT in 2019-20 and is forecast to import 3 MMT of peanut in 2021-22.

As per USDA, the United States is expected to produce 3.0 million tons of peanuts this year as against 2.8 million tons in previous crop. Large-scale sowing has completed in China this year. It is estimated to harvest 18.2 million tons of peanuts against 17.9 million metric tons previous year. In Nigeria planting is in progress and the country is expected to produce 4.4 million metric ton against 4.3 million metric ton last season.

The MSP for groundnut seed has been raised to Rs 5,550 per quintal for 2021-22, up from Rs 5,275 per quintal in 2020-21.

Outlook: Groundnut price is expected to trade higher due to tight domestic supply and firm domestic consumption demand, erratic monsoon in Gujarat and other key growing areas and lower acreage. However, prices will come down after new season crop arrival.

Groundnut Kernel							
Center	Variety	% Change over	% Change over	Latest	Month Ago	Year Ago	2 Year Ago
		Previous year	Previous month	Aug-21	July-21	Aug-20	Aug-19
Mumbai	GN Bolds 60/70	NA	7%	9102	8501	NR	8638
(Source: Bombay Commodity Association)							

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	31-Aug-21		31-Jul-21		
	Low	High	Low	High	
Indore –Plant	8800	9500	9900	10200	-700
Indore–Mandi	8500	8800	9600	10000	-1200
Nagpur-Plant	8700	9200	9300	9575	-375
Nagpur – Mandi	7800	8200	8000	9425	-1225
Latur – Mandi	8300	9300	8000	9900	-600
Akola – Mandi	6100	8150	6000	9500	-1350
Kota-Plant	9000	9200	9850	9950	-750
Kota – Mandi	8100	8700	9550	9750	-1050
Bundi-Plant	8600	9000	9550	9750	-750
Bundi-Mandi	8200	8700	9350	9650	-950
Baran-Plant	8700	8900	9770	9870	-970
Baran-Mandi	8200	8500	9170	9670	-1170
Bhawani Mandi Jhalawar–Plant	9000	9100	9700	9950	-850
Jhalwar-Mandi	8500	8800	9300	9750	-950
Rapeseed/Mustard					
Jaipur-(Condition)	8325	8350	7825	7850	500
Alwar-(Condition)	7900	8000	7450	7550	450
Sri Ganganagar-(Non-Condition)	7500	7550	7200	7250	300
New Delhi-(Condition)	7950	8000	7450	7500	500
Kota-(Condition)	7300	7500	7050	7150	350
Agra-(Condition)	8286	8381	7810	7952	429
Neewai-(Condition)	7550	7900	7300	7400	500
Hapur (UP)-(Condition)	7950	8000	7600	7650	350
Groundnut Seed					
Rajkot	1220	1220	1011	1011	209
Sunflower Seed					
Gulbarga	0	0	0	0	Unch
Latur	6600	6700	7300	7400	-700
Sholapur	6600	6700	7300	7400	-700

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.

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	31-Aug-21	31-Jul-21	Parity To
Indore - 45%, Jute Bag	81500	92000	Gujarat, MP
Kota - 45%, PP Bag	86000	94000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	86000	97000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	87000	98000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	87000	96000	Andhra, AP, Kar, TN
Latur	93000	99000	-
Sangli	83000	88000	Local and South
Solapur	81500	92000	Local and South
Akola – 45%, PP Bag	75000	75000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	63500	63500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	84000	92000	-

Soy DOC at Ports			
Centers	Port Price		
	28-Aug-21	30-Jul-21	Change
Kandla (FOR) (INR/MT)	NR	NR	-
Kandla (FAS) (USD/MT)	NR	NR	-
CNF Indonesia – Yellow SBM (USD/MT)	NR	NR	-

Rapeseed Meal	28-Aug-21	30-Jul-21	Change
FAS Kandla (USD/MT)	0	0	Unch
FOR Kandla (Rs/MT)	0	0	Unch

FOR Mundra (Rs/MT)	0	0	Unch
CNF Indonesia (USD/MT)	0	0	Unch

International Soy DOC			
Argentina FOB USD/MT	28-Aug-21	30-Jul-21	Change
Soybean Pellets	398	378	20
Soybean Cake Flour	398	378	20
Soya Meal	0	0	Unch
Soy Expellers	0	0	Unch

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	31-Aug-21	31-Jul-21	Change
Adoni	39000	38000	1000
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	38000	37500	500

Groundnut Meal (Rs/MT)	31-Aug-21	31-Jul-21	Change
Basis 45%, Saurashtra	54000	58000	-4000
Basis 40%, Saurashtra	50000	54000	-4000
GN Cake, Gondal	55000	60000	-5000

Mustard DOC	31-Aug-21	31-Jul-21	Change
Jaipur (Plant delivery)	21000	23500	-2500
Kandla (FOR Rs/MT)	22700	24400	-1700

Mumbai Oil Meal Quotes:			
Rs/M.T.	31-Aug-21	31-Jul-21	Change
G.N. Extr (45%)	49000	60000	-11000
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	33500	33000	500
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	34000	39000	-5000
Rapeseed Extr.	0	0	Unch
Soymeal 48%	85043	95478	-10435
Castor Extr.	7750	6650	1100

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 2021-22 - GOI

Sl. No	Crops	MSP for Kharif 2021-22	MSP for Kharif 2020-21	Increase in MSP (Absolute)
1	Groundnut	5550	5275	275
2	Sunflower seed	6015	5885	130
3	Soybean (yellow)	3950	3880	70
4	Sesamum	7307	6855	452
5	Nigerseed	6930	6695	235

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 2021-22.

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. 5500 per quintal for marketing season 2020-21 from Rs.5275 per quintal in 2019-20 an increase of Rs.275 a quintal.

The MSP of sunflower to Rs. 6015 a quintal from earlier Rs. 5885 per quintal an increase of Rs 130 per quintal, Soybean-yellow to Rs. 3950 a quintal to Rs. 3880 per quintal last season, an increase of Rs. 70 a quintal, Sesamum to Rs. 7307 a quintal from 6855 earlier, an increase of Rs. 452 a quintal and the MSP of Nigerseed have been increased to Rs. 6930 a quintal from Rs. 6695 a quintal earlier, increase of Rs 235 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for sesamum (Rs 452 per quintal) followed by Tur (Rs 300 per quintal) and Urad (Rs 300 per quintal). The differential remuneration is aimed at encouraging crop diversification.

India's Oilseeds Production Seen at 361.0 Lakh Tonnes vs 365.7 Lakh Tonnes in 4th Adv Est. for 2020-21- GOI

The 4th Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 11th Aug, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

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

Total Oilseeds production in the country during 2020-21 is estimated at record 36.10 million tonnes which is higher by 2.88 million tonnes than the production during 2019-20. Further, the production of oilseeds during 2020-21 is higher by 5.56 million tonnes than the average oilseeds production of 30.55 million tonnes.

- Groundnut – 102.1 lakh tonnes vs 99.52 lakh tonnes in 2019-20.
- Castorseed – 17.76 lakh tonnes vs 18.42 lakh tonnes
- Sesamum – 8.12 lakh tonnes vs 6.58 lakh tonnes
- Nigerseed – 0.41 lakh tonnes vs 0.41 lakh tonnes (No difference)
- Soybean – 129 lakh tonnes vs 112.26 lakh tonnes
- Sunflower – 2.24 lakh tonnes vs 2.13 lakh tonnes
- Rapeseed-mustard – 10.11 lakh tonnes vs 91.24 lakh tonnes
- Linseed – 1.40 lakh tonnes vs 1.21 lakh tonnes
- Safflower – 0.34 lakh tonnes vs 0.44 lakh tonnes.

Sown Area – *Kharif* Oilseeds, India 2021-22

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 190.83 lakh hectares, an decrease by 0.46% from 194.03. lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 1% at 121.59 lha compared to 120.61 lha during the corresponding period of last year, groundnut at 48.5 lha vs 50.76 lha, sesamum 12.95 lha vs 13.61 lha, castor seed at 5.62 lha vs 6.49 lha and niger at 0.72 lha vs 1.38 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season

	Normal Area	2019-20	2020-21	% Change
Groundnut	41.7	50.76	48.5	-4%
Soybean	112.88	120.61	121.59	1%
Sunflower	1.42	1.18	1.45	23%
Sesamum	13.13	13.61	12.95	-5%
Niger	1.95	1.38	0.72	-48%
Castor	8.95	6.49	5.62	-13%
Total Oilseeds	180.03	194.03	190.83	-0.46

Area in Lakh Hectares
Source: MoA, GOI

Sown Area – *Rabi* Oilseeds, India 2020-21

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 83.60 lakh hectares, up 5% from 79.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 7% at 73.89 lha compared to 68.84 lha during the corresponding period of last year. Groundnut at 4.57 lha vs 4.65 lha, safflower at 0.58 lha vs 0.63 lha, sunflower at 1.01 lha vs 1.02 lha, sesamum 0.44 lha vs 0.56 lha, linseed at 2.90 lha vs 3.34 lha and other 0.21 lha vs 0.33 lha during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 22 Jan. 2021	As on 22 Jan. 2020	% Change
Rapeseed/Mustard	59.44	73.89	68.84	7.3
Groundnut	7.28	4.57	4.65	-1.7
Safflower	1.18	0.58	0.63	-7.9
Sunflower	2.41	1.01	1.02	-1.0
Sesamum	0.00*	0.44	0.56	-21.4
Linseed	2.75	2.90	3.34	-13.2
Others	0.13	0.21	0.33	-36.4
Total Oilseeds	73.19	83.60	79.37	5.3

Source: MoA, GOI

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