Oil Seed Monthly Research Report

Contents

Executive Summary

In September month Indore soybean prices declined by more than 35% as compared to last month on new crop arrival, GM soymeal import and weak global cues.

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 rainfall remained above average.

The arrivals of bean increased in Sept'21 and witnessed 15.87 lakh bags and average daily arrival stood at 15 thousand to 2.5 lakh bags per day in the cash market yards of Madhya Pradesh during the month against 4.51 lakh bags in Aug'21.

Domestic soybean prices are likely to trade lower amid new crop arrival, GM soymeal import and weak global cues.

This month, Indore soymeal price went down as compared to previous month on weakness in soybean price. Additionally, GOI decision to import GM soymeal too dragged soymeal price lower.

As on 30th September, Indore monthly soymeal prices went 33% down to Rs 55,000/MT and was quoted monthly high at 88,000/MT and low at 55,000/MT compared to the previous month at Rs 81,500/MT and was made high at 94,000 and low at 81,500/ MT.

The soy meal prices (Indore) are likely to correct from higher level and we expect to trade in the range of Rs. 35,000/MT – 50,000/MT on GM soymeal import and new crop arrival, and weak global cues.

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

RM Seed is expected to trade higher due to tight domestic supply and firm mustard oil demand, lower global RM seed production and bullish global dynamics.

In Rajkot, the monthly average groundnut bold seed prices witnessed gains and stood at Rs 6,304 /Qtl in Aug21 against 6,402/Qtl last month. Prices are expected to come down on new crop arrival.

Groundnut price is expected to trade steady to weak on new crop arrival. However, it may get underpinned from heavy rainfall triggered by cyclone gulab on lower yield expectation.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): *The soybean prices is expected to trade lower with weak bias amid new crop arrival and weak global cues. The prices (Nagpur, Plant basis) are expected to feature range bound movement in the price band of 5,000 – 6,500 level.*
Outlook – Soy meal: *Soymeal prices are likely to continue correction on weakness in soybean and GM soymeal import. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 35,000 – 50,000 /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 8,000 –9,000/Qtl. in short-run.*

International Highlights

- This month CBOT New-crop November soybeans decreased 36.4 cents (2.82%) to $ 12.56-1/2 a bushel for the month. January futures too declined by 34.6 cents (2.67%) to $ 12.65-1/4 a bushel on new crop arrival and USDA stock report.
- In 2021/22, Argentina soybean export likely to remain tight due to Reduced supplies on higher biodiesel use. However, soymeal demand in near term remains firm due to good demand from India.
- US soy futures slide on USDA stock report, according to USDA stock report U.S. Farmers produced more soybeans, hold more stocks, the quarterly grain stocks were pegged at 256 million bushels vs. the avg. trade estimate of 174 million. The 2020-21 soybean production is pegged at 4.21 billion bushels vs. the trade's expectation of 4.13 billion bushels vs USDA's previous estimate of 4.13 billion bushels.
- According to market sources, china's soybean demand is expected to subdued in the fourth quarter of 2021 amid widespread power outages faced by local crushing plants.
- Falling Canadian canola production leading to global tight supply and reduced Canadian supply has increased demand for Australian canola.
- Hurricane Ida in USA had damaged the major grain elevators and led to suspension of operation, now major disruptions has been fixed.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- As on 15th September'21, According to the data released by NOPA, US crushed increased in Aug'21 by 2.38% to 158.84 million bushels (4.32 MMT) of soybeans in Aug'21 vs last month 155.15 million bushels (4.22 MMT). However, it has declined by 3.79% YoY.
- In the September'21 report, the USDA has raised US 2021/22 soybean estimates at 119.03 million tonnes compared to previous month 118.08 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 increased to 384.42 million tonnes vs 383.63 million tonnes in the previous month report by USDA. World 2021/22 soymeal production is estimated slightly down at 258.45 million tonnes vs 258.68 million tonnes in its previous estimate.
- Brazil's soybean exports stood at 5.79 MMT in Aug'21 vs 5.57 MMT last year same period Additionally, in Sept'21 soybean export estimated at 4.83 MMT vs 3.91 MMT 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 vs 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 rapeseed production estimate for 2021/22 at 14.0 MMT down 2.0 MMT (13%) from last month, 5.5 MMT (28%) from last year, and 31% below the 5-year average.
- Further, EU Rapeseed production estimates eased to 16.80 million tonnes million tonnes vs 17 MMT last month and for China, the estimates remain unchanged to 14.00 million tonnes.
- The global 2020/21 rapeseed production estimate decreased to 68.17 million tonnes vs 69.97 million tonnes in the previous month. World 2021/22 rapeseed meal production estimate eased at 39.16 million tonnes vs 39.69 million tonnes in its previous estimate.
- Stats Canada has estimated Canada canola production at 12.8 MMT about 2 MMT less than Aug21 estimates.

Soybean

This month Indore soybean prices declined by more than 35% as compared to last month on new crop arrival, GM soymeal import and weak global cues.

Indore Soybean witnessed lower prices in Aug'21. As on 30th September, soybean prices stood at Rs 5,950/Qtl with monthly high of Rs 9,850/Qtl and low of Rs 5,950/Qtl. against Rs.9,150/Qtl. with monthly high of Rs. 10,250/Qtl. low of Rs. 8,350/Qtl. Previous month.

The arrivals of bean increased in Sept'21 and witnessed 15.87 lakh bags and average daily arrival stood at 15 thousand to 2.5 lakh bags per day in the cash market yards of Madhya Pradesh during the month against 4.51 lakh bags in Aug'21.

According to GOI, as on 17rd September, all India soybean sowing is up by .47%. In MP sowing is lagging by 5%, in Maharashtra sowing is up by 6%, in Rajasthan sowing is down by 3%, in Karnataka sowing is up by 15%, in Gujrat sowing is up by 50%.

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, excess rainfall witnessed by various states.

Heavy rains triggered by hurricane gulab in key growing states has severely affected soybean crop, yield may come down by 8-10 %.

As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of soybean during 2021-22 is 127.20 lakh tons vs 128.97 lakh tons last year.

In fortnight of September, India has received significant increase in rainfall which stood at 53% above normal so far.

Agriwatch has estimated its India's 2021/22 soybean output estimate to 10.81 million tonnes, up from 10.50 million tonnes in 2020/21. USDA has pegged it at 11.2 million tonnes.

India had imported 367585 Metric tons of soybean during Oct'20-July'21 down compared to 477540 MT during same period last year. However, India had exported 31,530 metric tons of soybean during Oct'20- July'21 down compared to 70691 metric tons during same period last year.

According to Solvent Extractors Association (SEA), India's August Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020.

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.

Outlook: Domestic soybean prices are likely to trade lower amid new crop arrival, GM soymeal import and weak global cues.

International:

- As of 30th September, According to Ag Rural, Brazilian soybeans sowing has been commenced, 4% of the soybeans had been planted compared to 2% last year.
- US soy futures slide on USDA stock report, according to USDA stock report U.S. Farmers produced more soybeans, hold more stocks, the quarterly grain stocks were pegged at 256 million bushels vs. the avg. trade estimate of 174 million. The 2020-21 soybean production is pegged at 4.21 billion bushels vs. the trade's expectation of 4.13 billion bushels vs USDA's previous estimate of 4.13 billion bushels.
- According to market sources, china's soybean demand is expected to subdued in the fourth quarter of 2021 amid widespread power outages faced by local crushing plants.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- According to UDSA, as on 4th oct, 34% US soybean has been harvested vs 35% last year and 26% five-year average.
- As of 04th sept, USDA has estimated 58% of soybean is in good to excellent condition vs 64% last year.
- As on 28th September, USDA reported 28% of soybean production is within an area experiencing drought.
- According to National Association of Grain Exporters (ANEC) brazil September soybean export estimated at 4.83 MMT, 23% up as compared to last year same month at 3.91MMT.
- However, USDA has estimated export of 2020-21 brazil soybean at 82 MMT and US 2020-21 soy export at 61.50 MMT.
- According to the data released by NOPA, US crushed increased in Aug'21 by 2.38% to 158.84 million bushels (4.32 MMT) of soybeans in Aug'21 vs last month 155.15 million bushels (4.22 MMT). However, it has declined by 3.79% YoY.
- Falling Canadian canola production leading to global tight supply and reduced Canadian supply has increased demand for Australian canola.
- In the September'21 report, the USDA has increased US 2021/22 soybean estimates at 119.03 million tonnes compared to previous month 118.08 million tonnes. It has kept the Brazil's 2021/22 soybean production unchanged to 144 million tonnes compared to previous month.
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- Global soybean prices likely to trade lower on new crop arrival, bearish quarterly stock report by USDA and uncertainty in energy crisis in china.

Balance Sheet – Soybean, India

Fig. in MnT

Soybean (Fig in Mn T)	2020-21	2021-22
Carry In	**0.55**	**0.81**
Production	10.50	10.81
Imports	0.43	0.38
Total Availability	**11.48**	**11.99**
Processing/Crushing	9.65	10.31
Seeding/Retained for Sowing	1.00	1.00
Domestic Consumption	**10.65**	**11.31**
Exports	0.03	0.09
Total Usage	**10.68**	**11.40**
Carry Out	0.81	0.59
Monthly Use	0.89	0.95
Stock/Consumption Ratio	0.08	0.05
Stock to Month Use Ratio	1.10	1.61

Source: Agriwatch

- Trade Observations: Stockist buying aggressively on lower level amid new crop arrival.
- India's 2021-22 soybean production was projected at 10.81 million tonnes against 10.50 MMT last seasons.
- India's 2021-22 soybean crush was estimated at 10.31 million tonnes vs 9.65 million tonnes in 2020-21.
- This translates into availability of 8.2 million tonnes of soy meal and 1.85 million tonnes of soy oil in 2021-22 MY.

Soymeal

This month, Indore soymeal price went down as compared to previous month on weakness in soybean price. Additionally, GOI decision to import GM soymeal too dragged soymeal price lower.

According to USDA September 21 report, World 2021/22 soymeal production is estimated higher at 258.45 million tonnes vs 249.75 million tonnes last year.

According to Solvent extractor association of india, India's Aug'2021 soymeal exports declined by 81% to 10,975 metric tonnes compared to 58,190 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 38% to 155,757 metric tonnes in aggregate, during the months (April-Aug.) of financial year 2020-21 compared to 249,339 metric tonnes during the corresponding period last year.

Additionally, Export of oilmeals for the month of Aug'2021 provisionally reported at 164,831 tons compared to 171,515 tons in Aug 2020 i.e., down by 4%. The overall export of oilmeals during April – Aug 2021 is reported at 1,091,664 tons compared to 1,013,178 tons i.e., up by 8%.

In addition to existing two ports Nhava sheva and and LCS petrapole, GOI has allowed to import GM soymeal via three additional port - Mumbai sea port, Tuticorin sea port and Visakhapatnam sea port.

As on 30th September, Indore monthly soymeal prices went 33% down to Rs 55,000/MT and was quoted monthly high at 88,000/MT and low at 55,000/MT compared to the previous month at Rs 81,500/MT and was made high at 94,000 and low at 81,500/ MT.

As on 30th September, at Latur the monthly soymeal prices decreased to Rs 66,000 /MT compared to Rs 93,000/MT a month ago and in Nanded too it was quoted lower at Rs. 65,000/MT compared to Rs. 87,000/MT a month ago. Besides, in Kota the meal prices too went lower to Rs. 64,000/MT compared to Rs.86,000/MT previous month.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 55,000 – 88,000/MT during the month compared to Rs 29,700– 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. 35,000/MT – 50,000/MT on GM soymeal import and new crop arrival, and weak global cues.

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	10.9
Sep	7	173	1	7	12	102	45	35	69	
Total	**3522**	**3454**	**2015**	**593**	**179**	**1330**	**1049**	**464**	**658**	**1400.5**

Source: SEA

India’s soy meal exports have declined on tight crushing and non-competitive price to global markets. 2020-21 domestic soymeal likely to remain below 15 Lakh tonnes.

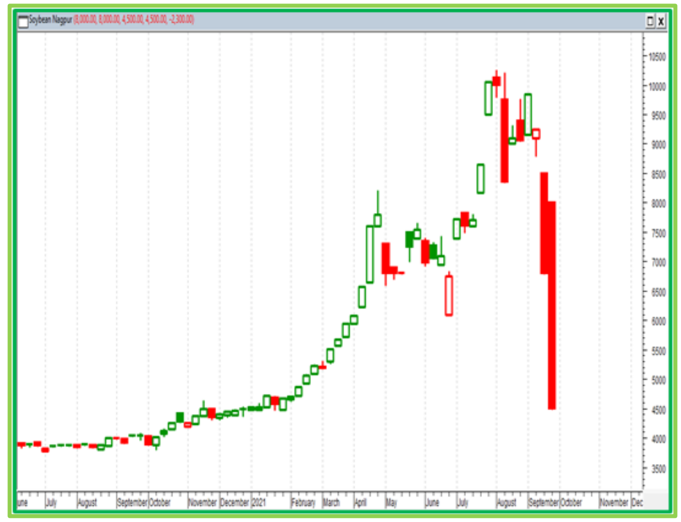
Soybean Crush Margin

Avg Crush Margin – Sept 2021		Avg Crush Margin – Aug 2021		Avg Crush Margin – Aug 2020	
4074		**590**		**-157**	
Min	Max	Min	Max	Min	Max
-7780	**19720**	**-5745**	**11380**	**-1825**	**970**

Technical Analysis:

NCDEX Soybean Futures (October contract)

Soybean Spot, Nagpur



***Daily Chart**

Support & Resistance NCDEX- Soybean Jul. Contract				
S1	S2	PCP	R1	R2
5000	4500	5623	6000	6500

- October contract of soybean closed lower on seller's pressure.
- Prices closed below 9 day and 18-day EMA.
- RSI and stochastic indicating bearish momentum.
- MACD Crossover also giving bearish cues.
- Trade Recommendation (NCDEX Soybean – Oct) Month: Sell Above 5900. Levels: T1 – 5850; T2- 5500, SL - 6000

Rapeseed - Mustard Seed

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

There is significant 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.

Mustard prices likely to underpinned by, firm demand, declining stock and arrival, strength in oilseed complex, and strength in CME canola futures due to lower production due to prolonged heatwave in Canada.

As on 30th September, Rapeseed Mustard price went up at Rs.8,713/Qtl this month as compared to Rs 8,338/Qtl last month. Additionally, arrival remains tight. In Sri Ganganagar, rapeseed oilcake too went up to Rs 3187/Qtl to Rs 3,112/Qtl previous month.

This month all India mustard arrival witnessed gains to 47.5 lakh as compared to previous month at 43.7 lakh bags.

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-Aug'2021 was up 11% at 542,630 metric tonnes compared to 487,060 metric tonnes during the same period previous marketing season. The export of rapeseed meal in Aug'21 is reported at 63,058 metric tonnes against last year 50,580 metric tonnes during the same period i.e. up by 25%, However 14% down as compared to Aug20.

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.

According to Solvent Extractor Association of India, Rapeseed (canola) oil import stood at 12,437 lakh tons imports in Aug compared to 20,801 lakh tons in last year for same period.

Canada canola production is down by 31% as compared to five-year average, yield down by 32%. However, area stood 1% up as compared to five-year average. Canola importers may switch to other countries such as Ukraine, Australia, for substitutes amid lower production. There will be very little canola left for export in Canada.

In the September'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 14 million tonnes as compared to 16 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 eased to 16.8 million tonnes vs 17 MMT last month and for China, the estimates remain unchanged to 14.00 million tonnes. The global 2020/21 rapeseed production estimate decreased to 68.17 million tonnes vs 74.14 million tonnes in the previous month. World 2021/22 rapeseed meal production estimate eased at 39.16 million tonnes vs 41.29 million tonnes in its previous estimate.

Stats Canada has estimated Canada 2021/22 Canola crop at 12.8 MMT.

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.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Sept	**1 Month Ago**	**Corresponding Period Last Year**
4750000	4307000	3710000

The arrivals of RM seed in the country increased in Sept'21 and witnessed 4750000 bags and average daily arrival stood at 142692 bags per day against 4307000 bags in previous month.

Previous Updates

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.

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 bullish global dynamics.

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

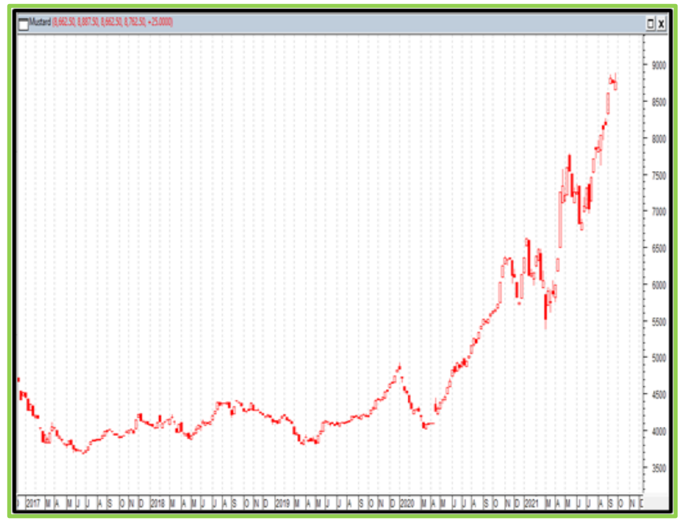
(Source: AgriWatch)

- 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

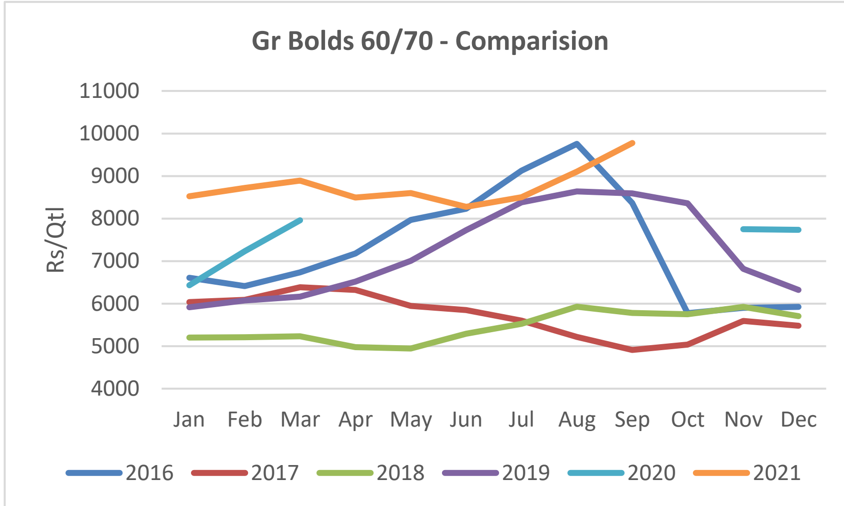


Support & Resistance NCDEX - RM Seed Jul. Contract				
S1	S2	PCP	R1	R2
8300	8000	8438	8600	9000

- Rapeseed-mustard closed upside on buyer's interest.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic indicating good buying strength.
- Trade Recommendation (NCDEX RM Seed – October) –: BUY Above 8400 T1 –8550; T2 – 8700; SL – 8350

Groundnut

In Rajkot, the monthly average groundnut bold seed prices witnessed gains and stood at Rs 6,304 /Qtl in Aug21 against 6,402/Qtl last month. Prices are expected to come down on new crop arrival.



As on 17th September kharif groundnut sowing lagging by 3.6%. In Gujarat sowing is down by 7.6%. as compared to last year.

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

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.

As of 17th September, Kharif Groundnut sowing is trailing by 3.6% from previous year. A total of 49.14 lakh hectare of groundnut has been planted in India as compared to 50.98 lakh hectare last year and 41.7 lakh hectare of normal sowing by this time. In Gujarat, sowing is lagging by 7.6% (19.09 lakh ha against 20.65 lakh ha same time last year). In Rajasthan, groundnut sowing is 6.3% higher as compared to last year (7.76 lakh ha against 7.30 lakh ha same time last year), In Karnataka sowing is down by 11.5% (4.75 lakh ha against 5.37 lakh ha same time last year), In Maharashtra groundnut sowing is up by 1% (2.02 lakh ha Vs 2.0 lakh ha same time last year). However, Madhya Pradesh groundnut sowing is up by 36.4% (3.82 lakh ha vs 2.80 lakh ha last year) Andhra Pradesh sowing is down by 16.3% (6.27 lakh ha vs 7.49 lakh ha last year).

According to IMD Between 1st June and 22nd September, Rajkot district of Gujarat has received 29% Excess rainfall above normal which accounts for more than 14% of total groundnut acreage of Gujarat, Junagarh has received 17% above normal rainfall, accounts for more than 11% of total groundnut acreage of the state, Devbhumi Dwarka has received 44% excess rainfall, accounts for more than 11% of total groundnut state acreage, Amreli has received 6% above normal rainfall, accounts for more than 10% of total groundnut state acreage. Rajasthan has received 10% above average rainfall which accounts for more than 16% of all India groundnut acreage. Karnataka has received 4% above normal rainfall which accounts for more than 10% of country's groundnut acreage. Andhra Pradesh has received 16% above normal rainfall which accounts for more than 13% of all India acreage.

Further, According to IMD, the all-India rainfall from 1st June to 15th September stood below normal at -5%. However, rainfall in first fortnight of September remained above normal at +53%. August has been deficient by -24% so far while in July it was -7% less than normal, in June it was +10% above normal.

As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of kharif groundnut during 2021-22 is 82.54 lakh tons vs 85.56 lakh tons last year.

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. In Gujarat, it is estimated that farmers and traders held approximately 30 to 40% of current year's groundnut production further to deliver in the markets.

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 county exported a total

of 0.48 lakh tonnes, down 17% from 0.58 lakh tonnes in March 2020.

India exported 2,518.87 tons Groundnut oil in June 2021 v/s 7,101.91 tons export in June 2020 lowered by 64.53 percent. It was mainly exported to China at 2,350.67 tons. 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 and China are the top buyers of India's

groundnut seed. However, lockdown situation due to rising covid cases has slowed down export.

As per USDA recent report, China imported 1.30 MMT peanut in 2020-21 vs 1.35 MMT in 2019-20 and is estimated to import 1.1 MMT of peanut in 2021-22.

As per USDA, the United States is expected to produce 2.88 million tons of peanuts this year as against 2.78 million tons in previous crop. In china, it is estimated to harvest 18.2 million tons of peanuts against 17.99 million metric tons previous year. In Nigeria planting is in progress and the country is expected to produce 4.8 million metric ton against 4.4 million metric ton last season.

Outlook: Groundnut price is expected to trade steady to weak on new crop arrival. However, it may get underpinned from heavy rainfall triggered by cyclone gulab on lower yield expectation.

Groundnut Kernel							
Center	Variety	% Change over	% Change over	Latest	Month Ago	Year Ago	2 Year Ago
		Previous year	Previous month	Sept-21	Aug-21	Aug-20	Aug-19
Mumbai	GN Bolds 60/70	**NA**	**8%**	9900	9200	NR	9150
(Source: Bombay Commodity Association)							

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	**30-Sep-21**		**31-Aug-21**		
	Low	**High**	**Low**	**High**	
Indore –Plant	5700	6200	8800	9500	-3300
Indore–Mandi	4000	5800	8500	8800	-3000
Nagpur-Plant	7000	7700	8700	9200	-1500
Nagpur – Mandi	4800	6700	7800	8200	-1500
Latur – Mandi	5100	6800	8300	9300	-2500
Akola – Mandi	4200	6000	6100	8150	-2150
Kota-Plant	5600	6400	9000	9200	-2800
Kota – Mandi	4200	5600	8100	8700	-3100
Bundi-Plant	5500	5700	8600	9000	-3300
Bundi-Mandi	4600	5400	8200	8700	-3300
Baran-Plant	5000	5800	8700	8900	-3100
Baran-Mandi	3800	5300	8200	8500	-3200
Bhawani Mandi Jhalawar–Plant	5400	6000	9000	9100	-3100
Jhalwar-Mandi	5000	5500	8500	8800	-3300
Rapeseed/Mustard					
Jaipur-(Condition)	8700	8725	8325	8350	375
Alwar-(Condition)	8350	8400	7900	8000	400
Sri Ganganagar-(Non-Condition)	7925	8025	7500	7550	475
New Delhi–(Condition)	8350	8400	7950	8000	400
Kota-(Condition)	7900	8000	7300	7500	500
Agra-(Condition)	8667	8952	8286	8381	571
Neewai-(Condition)	8050	8150	7550	7900	250
Hapur (UP)-(Condition)	8250	8400	7950	8000	400
Groundnut Seed					
Rajkot	1000	1000	1220	1220	-220
Sunflower Seed					
Gulbarga	4000	5550	0	0	5550
Latur	5600	5700	6600	6700	-1000

Sholapur	5600	5700	6600	6700	-1000
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)			
	30-Sep-21	31-Aug-21	Change	Parity To
Indore - 45%, Jute Bag	55000	81500	-26500	Gujarat, MP
Kota - 45%, PP Bag	64000	86000	-22000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	72500	86000	-13500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	66000	87000	-21000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	65000	87000	-22000	Andhra, AP, Kar ,TN
Latur	66000	93000	-27000	-
Sangli	60000	83000	-23000	Local and South
Solapur	56000	81500	-25500	Local and South
Akola – 45%, PP Bag	48000	75000	-27000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	63500	63500	Unch	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	62000	84000	-22000	-

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

Rapeseed Meal	29-Sep-21	28-Aug-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	**29-Sep-21**	**28-Aug-21**	**Change**
Soybean Pellets	403	398	5
Soybean Cake Flour	403	398	5
Soya Meal	0	0	Unch
Soy Expellers	0	0	Unch

Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**30-Sep-21**	**31-Aug-21**	**Change**
Adoni	35000	39000	-4000
Khamgaon	0	0	Unch
Parli	0	0	Unch
Latur	33000	38000	-5000

Groundnut Meal (Rs/MT)	**30-Sep-21**	**31-Aug-21**	**Change**
Basis 45%, Saurashtra	44000	54000	-10000
Basis 40%, Saurashtra	42000	50000	-8000
GN Cake, Gondal	45000	55000	-10000

Mustard DOC	**30-Sep-21**	**31-Aug-21**	**Change**
Jaipur (Plant delivery)	21700	21000	700
Kandla (FOR Rs/MT)	22200	22700	-500

Mumbai Oil Meal Quotes:			
Rs/M.T.	**30-Sep-21**	**31-Aug-21**	**Change**
G.N. Extr (45%)	44000	49000	-5000
Kardi Extr	0	0	Unch
Undec Cottonseed Exp	33000	33500	-500
Rice Bran Extr.	0	0	Unch
Sunflower Extr.	26000	34000	-8000
Rapeseed Extr.	0	0	Unch
Soymeal 48%	55304	85043	-29739
Castor Extr.	8650	7750	900

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 4nd Adv Est. for 2020-21- GOI

The 4nd 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.

The 1st Advance Estimates of production of soybean and groundnut for 2021-22 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 21st September, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

- Groundnut – 8.25 million tonnes vs 8.55 million tons last year.

- Soyabean – 12.72 million tonnes vs 11.2 million tons last year.

Total kharif oilseeds production in the country during 2021-22 is estimated at 23.39 million tonnes which is higher by 2.96 million tonnes than the average oilseeds production of 20.42 million tonnes.

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

In the lastest official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 193.95 lakh hectares, an decrease by 1.27% from 196.45. lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 0.47% at 121.77 lha compared to 121.20 lha during the corresponding period of last year, groundnut at 49.14 lha vs 50.98 lha, sesamum 13.31 lha vs 13.99 lha, castor seed at 6.96 lha vs 7.34 lha and niger at 1.13 lha vs 1.57 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season

As on 17th September

	Normal Area	2019-20	2020-21	% Change
Groundnut	41.7	50.98	49.14	-3.60%
Soybean	112.88	121.20	121.77	0.47%
Sunflower	1.42	1.23	1.51	23.20%
Sesamum	13.13	13.99	13.31	-4.91%
Niger	1.95	1.57	1.13	-28.06%
Castor	8.95	7.34	6.96	-5.13%
Total Oilseeds	180.03	196.45	193.95	-1.27%

Area in Lakh Hectares

Source- 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