

Oil Seed Monthly Research Report

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Executive Summary

In Jan'22 Indore soybean prices traded sideways amid low demand from crushers and weak soymeal export. However, arrivals continued to decline this month too.

The crushing down by 37% in first quarter of the season, kept soy market sluggish. In January too crushing likely to remain below average on low soymeal demand. Farmers are still holding major crop produce in anticipation of better prices in future.

CBOT soybean gained this month on dry weather conditions in Argentina and Brazil, even as we expect further production cut by USDA in its February estimates. However, given the local g bearish fundamentals, domestic market has not followed the global markets.

In Jan'22, Indore soymeal price traded sideways amid slack soymeal demand and tight crush margin,

According to Solvent Extractor Association of India, India's soymeal shipments declined by 70% to 2,62,337 metric tonnes as compared to previous year same period. Higher soymeal prices as compared to Argentina have kept export checked.

In Jan22, RM seed prices in Jaipur traded rangebound with weak bias amid record acreage in the country, despite less arrival, prices remained weak and are currently trading near five months low.

Currently RM seed acreage is up by 25.1% at 91.44 lakh ha as compared to previous year. New crop arrival has reported in few mandis with low quantity with moisture content around 10-20%. Agriwatch has estimated 2022-23 RM seed production at 107 lakh tonnes.

Upon low export demand from China, this month groundnut bold seed prices remained sideways despite tight arrival as compared to previous month.

Rabi Groundnut sowing is up by 1.6% as compared to previous year. As per Agriwatch estimates rabi groundnut production is estimated at 8.4 lakh tonnes.

Outlook – Cash Market

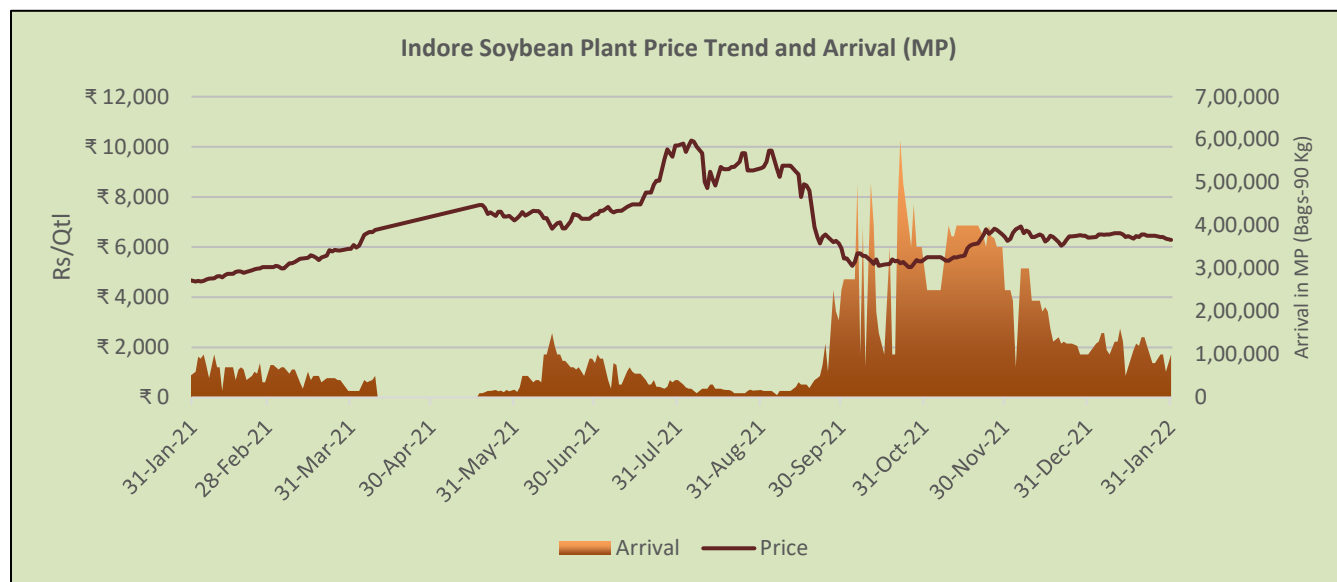
Outlook - Soybean (Spot, Nagpur): The soybean prices is expected to trade rangebound amid subdued soymeal demand and tight crush margin. Currently crushers having need based buying approach. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,100 – 6,700 level.

Outlook – Soy meal: Soymeal prices are likely to trade rangebound amid slack export demand. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 50,000 – 55,000 /MT.

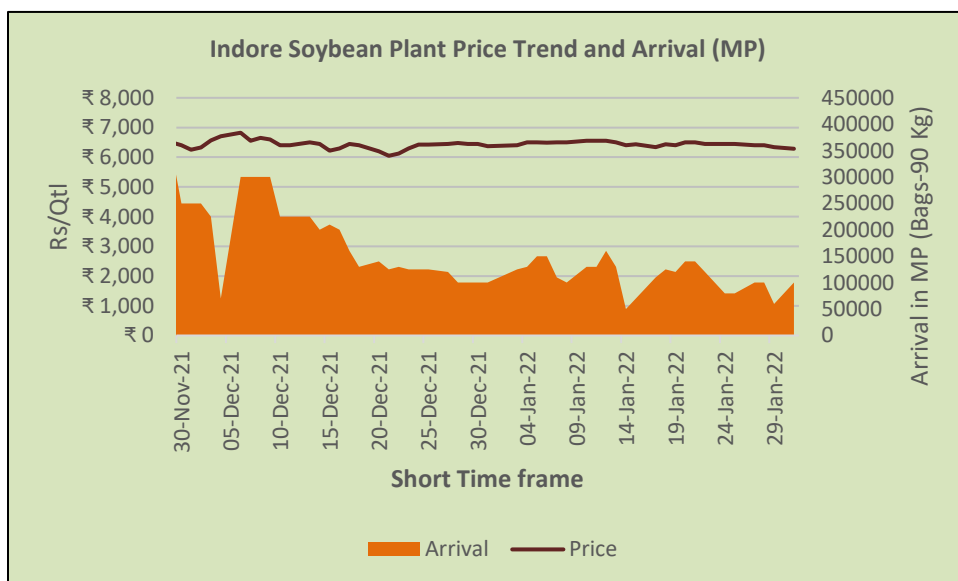
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-mustard is expected correct further amid new crop arrival from first fortnight of February. The seed prices are likely to witness the price levels between 7,000 – 7,800/Qtl. in short-run.

Soybean

In Jan'22, Indore soybean prices traded sideways amid weak soymeal export demand due to uncompetitive prices in global market. Despite decrease in arrivals in Jan'21 as compared to Dec'21 prices remained subdued.



The average monthly price of soybean at Indore plant remained steady in Jan'22 and witnessed mild gain of 0.5% to Rs. 6,451 a quintal, compared to Rs.6,419 in Dec'21. The market made a low of 6,288 and high of 6,550 during the month. Arrivals in MP were 44% low compared to previous month. Muted demand from crushers and weak soymeal export demand kept market sluggish.



As on 31st Jan'22, Indore monthly soybean plant prices closed down to Rs 6,288/Qtl as compared to the previous month closing at Rs 6,375/Qtl.

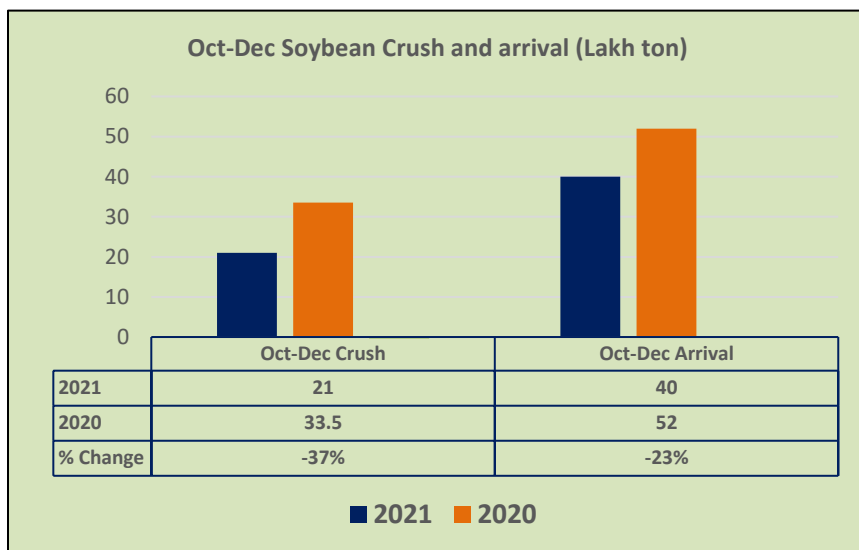
In Jan'22, In Madhya Pradesh soybean arrival went down to 27.10 lakh bags as compared to 48.60 lakh bags previous month. In Maharashtra arrival too went down to 23.55 lakh bags as compared to 42.15 lakh bags previous month. In Rajasthan arrival went down by 47% in December to 2.19 lakh bags as compared to 5.23 lakh bags previous month. As peak arrival is over and arrivals continued to decline, despite decrease in arrivals, soybean prices continued to trade subdued due to weak demand from crushers.

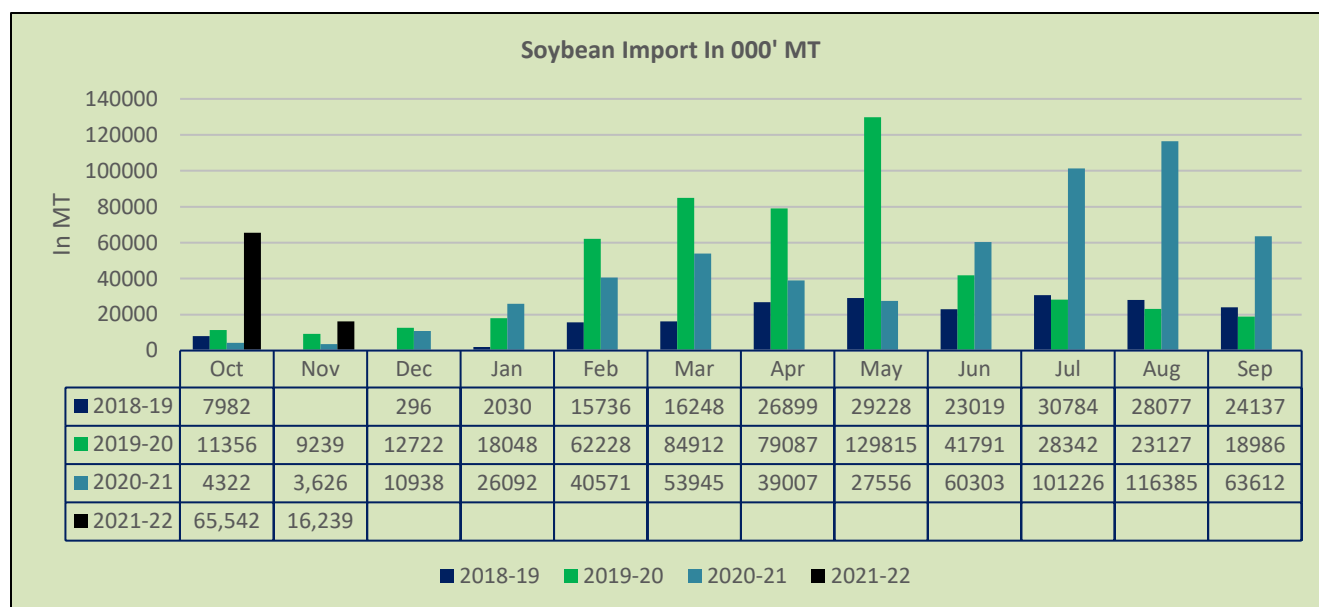
Given the lower crushing in the first quarter of this season, if soymeal demand in rest of the season doesn't revive and crushing doesn't pick up, carry out stock is expected to be higher than previous year and prices may remain flat.

According to Soybean Processor Association of India, India's Oct-Dec'21 soy crush went down by 37% at 21 lakh tonnes as compared to 33.5 lakh tonne previous year same period, while arrival too remained

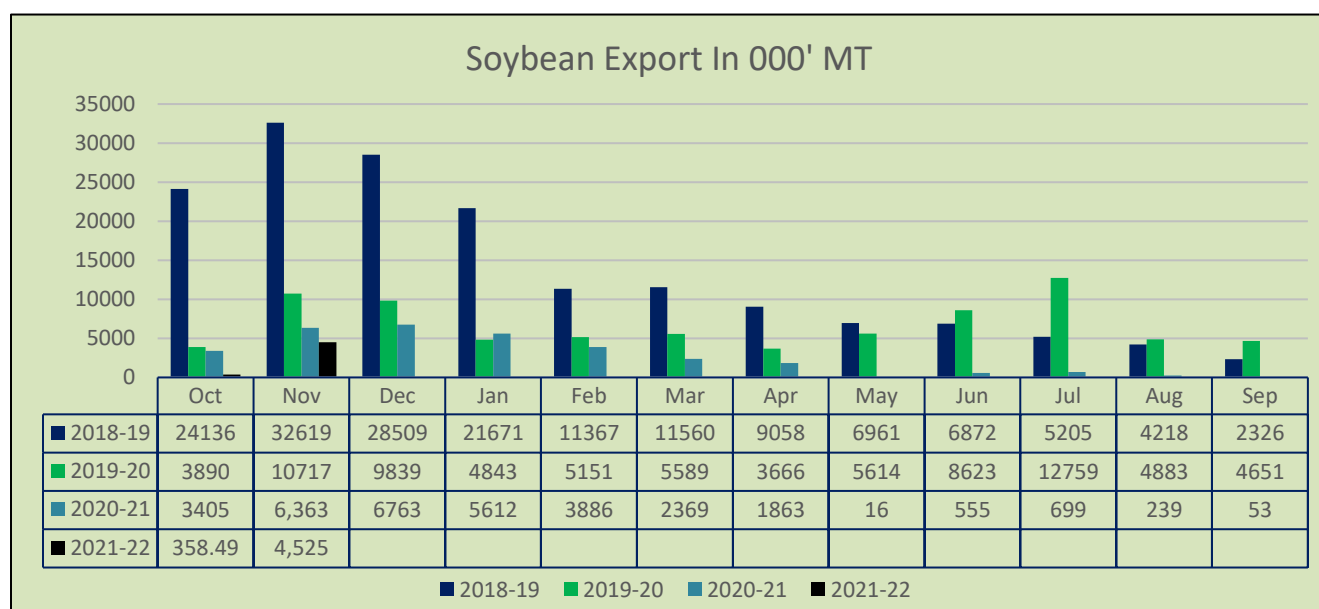
low by 23% at 40 lakh tonnes as compared to 52 lakh tonne previous year same period, as farmers are holding more soybean in anticipation of higher prices in future as a result of which the arrival remained lower in first quarter of this season. The fall in domestic and global soymeal demand and lower crush margins have resulted in crushing being low and kept soy prices checked. As per Agriwatch estimates, out of 106 lakh tonne soybeans available for soy crush this season, 21 lakh tonnes have been crushed till Dec'21, it is estimated that 85 lakh tonnes left for crushing for rest of current season.

Soybean Processors Association of India has requested the government to consider subsidizing inland freight or provide transport subsidies to support exporters of soy products in the international market. As currently Indian soymeal is outpriced in the international market, soymeal export is down by 70% in April'21 to Dec'21 compared to same period previous year.





According to data from Department of Commerce, India's soybean import decreased in the month of November 2021 to 16,239 tonnes compared to 65,542 tonnes during previous month. The imports were however still higher compared to 3,626 MT during November 2020. Of the total quantity around 7,134 tonnes were imported from Malawi, 5,200 tonnes from Mozambique. In Dec'21 soybean import expected to be around 8,000-10,000 tonnes and in Jan'22 at 10,000-15,000 tonnes.



According to Department of Commerce, India's soybean export decreased in the month of November 2021 to 4,525 tonnes compared to 6,363 tonnes during same month previous year. Soybean export is likely to increase in Dec'21. In Dec'21 soybean export expected to be around 5,000-8,000 tonnes and in Jan'22 at 4,000-5,000 tonnes.

International Market Updates-

In Jan22, CBOT March soybeans witnessed gain of 11.29% to \$ 14 .90 a bushel, Currently, trading above 9 and 18 DMA, indicating firm tone. MACD crossover is also indicating a strong momentum. RSI above 70 indicating it is currently in overbought zone. May futures too increased by 10.84% to \$ 14.95 a bushel. Weather concerns in the South American continent led to cut in production and supported price gains.

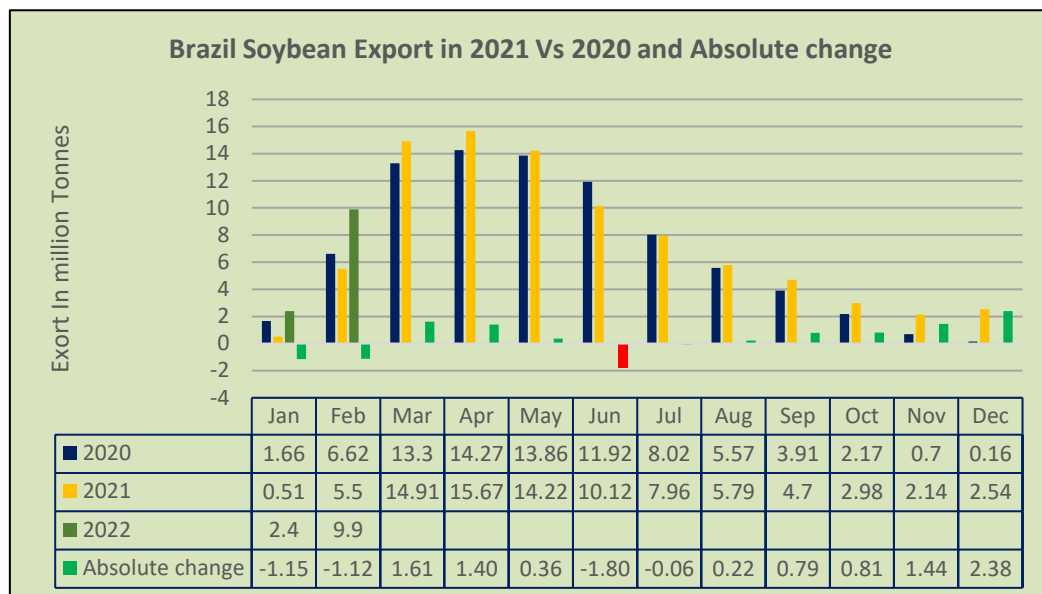


AgRural has slashed its previously estimated Brazil soybean production by 3.4 MMT. Earlier it was estimated to all-time record of 133.4 MMT but it has now been reduced to 130 MMT. Dry weather conditions prevailing in Argentina and Brazil has adversely affected soy yield. As on 29th Jan, Brazil's 2021-22 soybean harvesting has reached to 10%. We expect USDA to downsize Brazil and Argentina soybean production in its February estimates.

According to USDA January'21 report, 2021-22 Soy production estimate for India kept unchanged at 11.9 million tonnes while last year it was 10.45 MMT. US soy production increased slightly higher at 120.70 MMT as compared to previous month at 120.42 MMT while last year it was 114.74 MMT. However, Argentina's 2021-22 soy production decreased by 3 MMT to 46.5 MMT while last year it was 46.20 MMT, Brazil soy production too reduced by 5 MMT to 139 MMT while last year it was 138 MMT. Dry weather condition in south America has resulted in production cut.

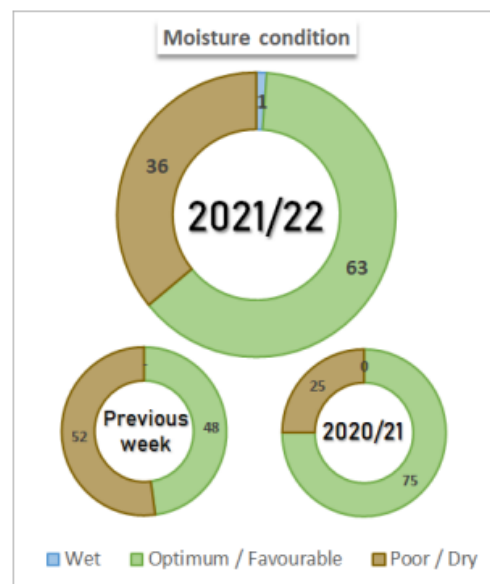
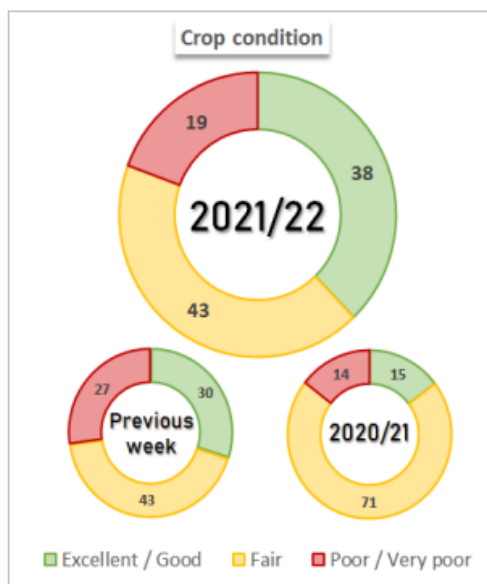
According to China's General Administration of Customs Data, soybean import went down by 3.50% in Dec'21 to 8.87 MMT as compared to 8.57 MMT in November. Weak demand from their massive hog industry triggered by tight hog margins pushed soy import slightly lower. As China accounts for 60% of global soybean imports. USDA has projected China's soybean import at 100 MMT as compared to 99.7 MMT previous year. AW believes that the falling hog margins and weak crush margins may drag China's soybean import below 100 MMT.

According to National Association of Grain Exporters (ANEC), Brazil's soy export in Jan'21 stood at 2.4 MMT compared with 0.51 MMT in the same month last year. While in feb'22 soy export is estimated at 9.9 MMT this compares with 5.5 MMT. Out of total 70% is exported to china.



As on 27th Jan, according to Buenos Aires Grain Exchange, Soybean sowing progress in Argentina stood at 99.3% Vs 100% last year same period and 1 00% five-year average.

And BAGE has estimated 38% soy crop is in excellent to good condition Vs 30% previous week, 43%



soy crop is in fair condition Vs 43% previous week and 19% soy crop is in poor/very poor condition Vs 27% previous week. This week crop condition has improved slightly. However, on long time frame weather condition has worsened soy crop condition and resulted in production cut by 3 MMT to 46.5 MMT by USDA in its January'22 estimates.

Solvent Extractors Association (SEA) reported India's Soy oil imports in Dec'21 up by 22% percent m-o-m to 3.92 lakh tons as compared to 3.22 lakh tons in Dec'20. Additionally, soy oil import in Dec'21 went down by 17% as compared to previous month. The import of soybean oil is up due to decline in domestic crushing triggered by slacked soymeal demand and tight crush margin. We expect firm soy oil imports as there is less soy crushing in the country.

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.

Agriwatch has estimated India's 2021/22 soybean output estimate to 12 million tonnes, vs 10.45million tonnes in 2020/21.

Outlook: Domestic soybean prices are likely to trade rangebound with weak bias in the range of Rs. 6,100-6,700/ qtl in short run amid low crushing and subdued soymeal demand.

Balance Sheet – Soybean, India

			Q3	Q4	Q1	Q2
Soybean (Fig in Mn T) MY-Oct.-Sep.	2020-21 F	2021-22 F	Oct-Dec'21 F	Jan-Mar'22 F	Apr-Jun'22 F	July-Sep 22 F
Carry In	0.55	0.82	0.82	10.77	8.33	4.93
Production	10.50	12.00	12.00	0	0	0
Imports	0.54	0.42	0.1	0.1	0.1	0.12
Total Availability	11.59	13.24	12.92	10.87	8.43	5.05
Processing/Crushing	9.74	10.60	2.10	2.50	3.00	3.00
Exports & Direct Consumption	0.03	0.09	0.05	0.04	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	10.77	11.69	2.15	2.54	3.50	3.50
Carry Out	0.82	1.55	10.77	8.33	4.93	1.55
Stock/Consumption Ratio	8%	13%				

Source: Agriwatch

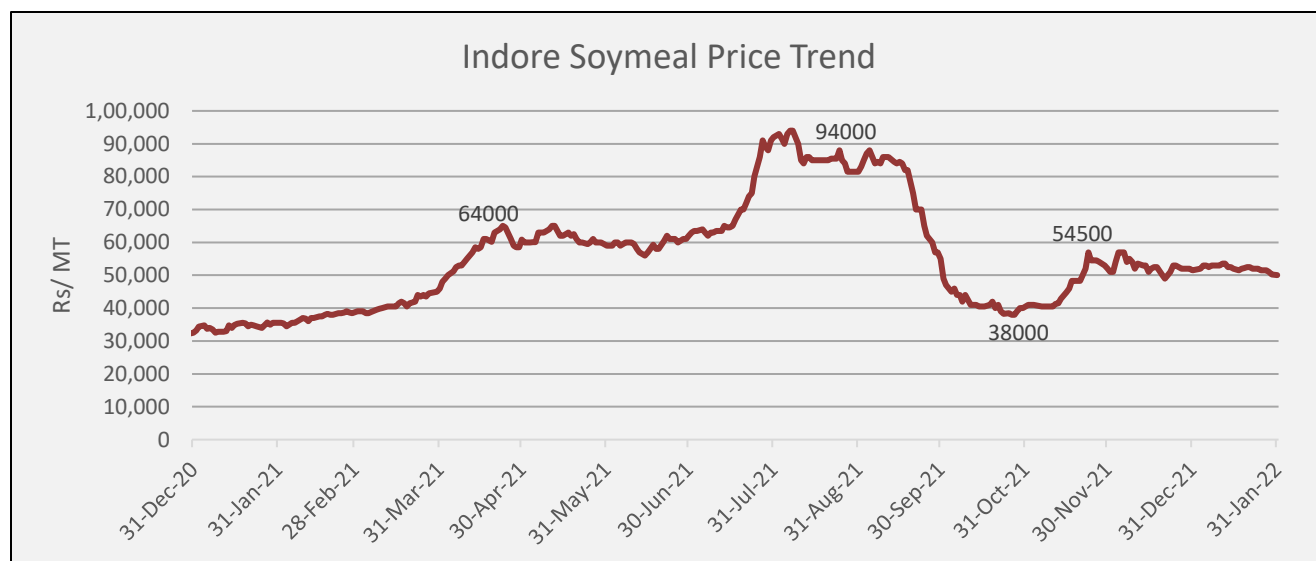
Fig. in MnT

Trade Observations:

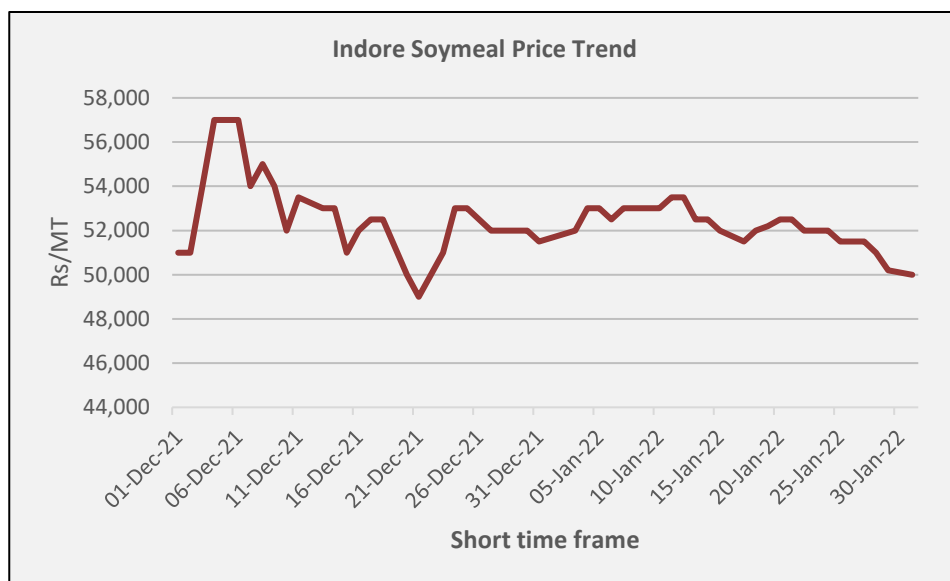
- Limited buying is featured in soybean at various cash markets, due to weak soymeal demand and low crushing.
- India's 2021-22 soybean production projected at 12 million tonnes against 10.50 MMT last seasons.
- India's 2021-22 soybean crush is estimated at 10.6 million tonnes vs 9.74 million tonnes in 2020-21.
- This translates into availability of 8.48 million tonnes of soy meal and 1.91 million tonnes of soy oil in 2021-22 MY.

Soymeal

This month, Indore soymeal price traded sideways amid slacked soymeal export demand and tight crush margin.



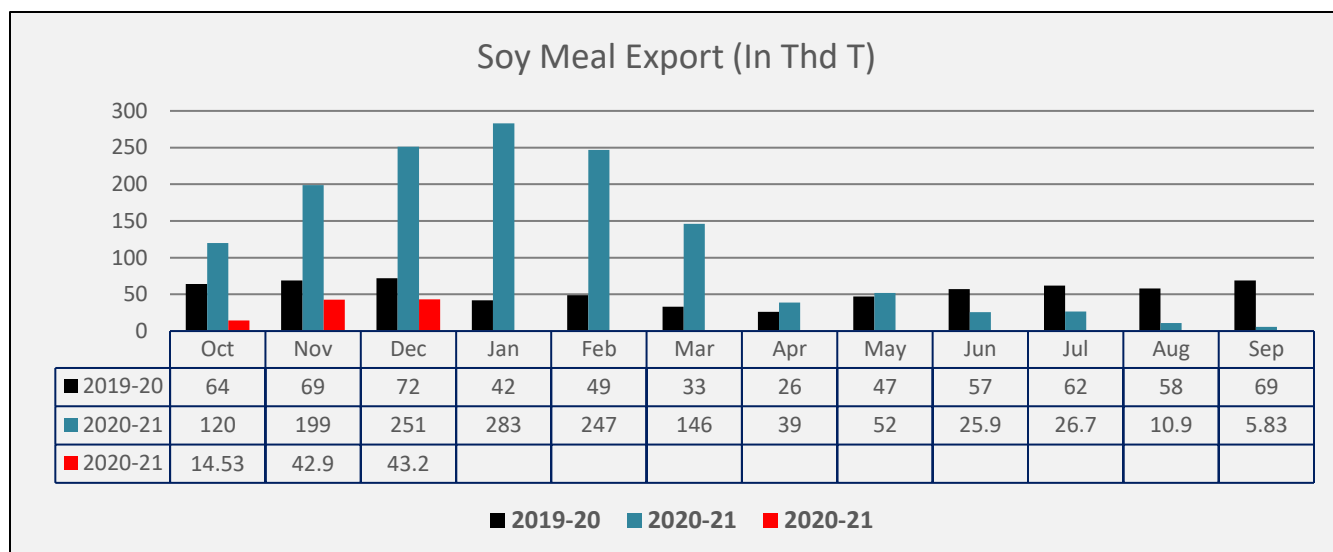
The average monthly price of soybean meal at Indore plant remained sideways in Jan'22 and witnessed mild loss of 0.6% to Rs. 52,183 a tonne, compared to Rs.52,518/tonne in Dec'21. The market made a low of 50,000 and high of 53,500 during the month. And as on 31st Jan'22, Indore monthly soymeal prices closed lower to Rs 50,000/MT compared to the previous month closing at Rs 51,500/MT.



As on 31st Jan'22, at Latur the average monthly soymeal prices decreased to 56,250/MT compared to a month ago at 58,000 and monthly closing price remained at 53,000/MT, in Nanded monthly average soymeal prices stood lower at Rs. 55,258/MT compared to Rs. 56,000/MT a month ago and monthly closing remained at

53,000/MT. Besides, in Kota the monthly average meal prices remained sideways and stood at Rs. 54,687/MT compared to Rs.54,700/MT previous month and monthly closing stood at 52,700.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 50,200 – 53,500/MT during the month compared to Rs 32,000– 36,800/MT during the corresponding period last year.



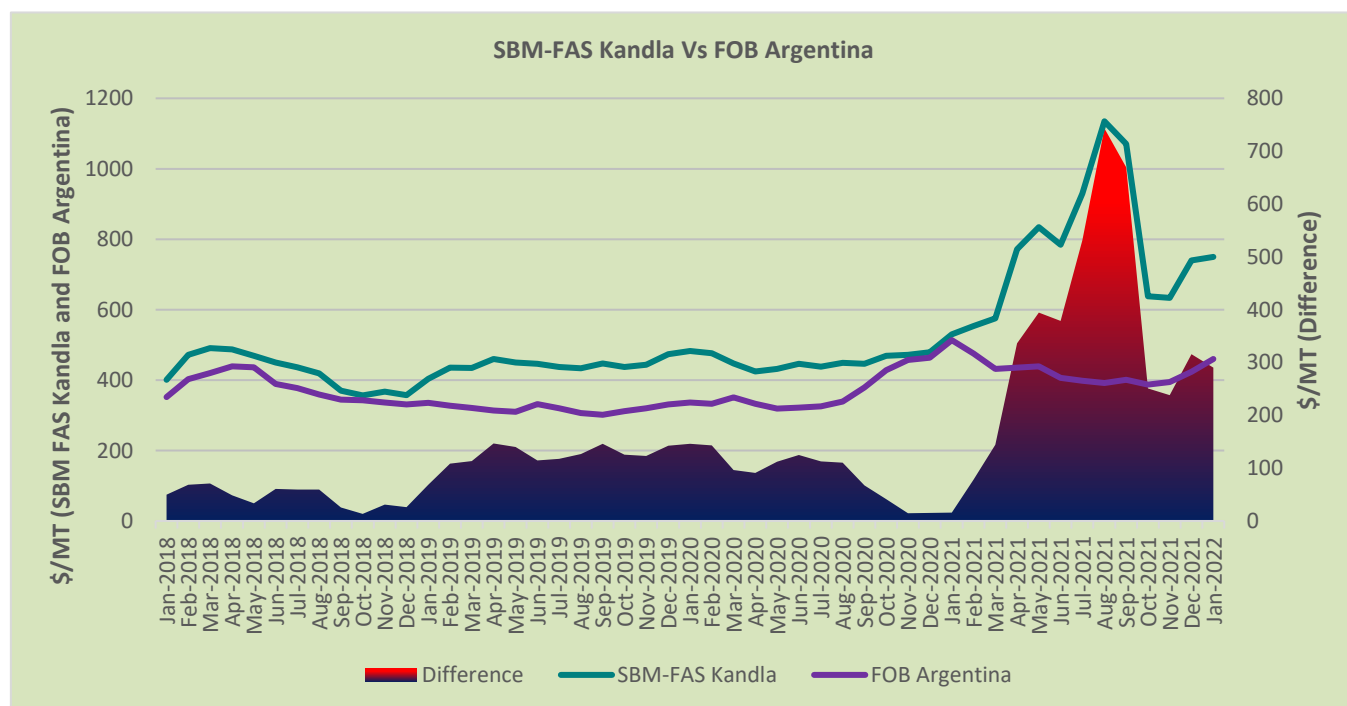
According to Solvent Extractor Association of India, India's December'2021 soymeal exports declined by 83% to 43,260 metric tonnes compared to 2,51,221 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 70% to 2,62,337 metric tonnes in aggregate, during the months (April-Dec.) of financial year 2020-21 compared to 8,88,202 metric tonnes during the corresponding period last year. Export remained lower because soybean crush margins in India are currently squeezed by pressure on meal prices. Additionally, lesser crushing of soybean is also pushing higher import of crude soybean oil in India.

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	2020-21
Oct	224	50	183	29	4	31	71	150	64	120	14.53
Nov	398	517	503	111	9	98	208	186	69	199	42.9
Dec	798	511	451	194	6	241	169	170	72	251	43.2
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	25.9	
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	5.83	
Total	3522	3454	2015	593	179	1330	1049	464	648	1406.33	100.63

Additionally, export of oilmeals for the month of December'2021 is provisionally reported at 1,70,338 tonnes compared to 5,16,006 tonnes last year same period i.e., down by 67%. The overall export of oilmeals during April – Dec'2021 is reported at 17,66,687 tonnes compared to 24,67,564 tonnes i.e., down by 28%. Oil meal exports remained lower mainly because of soymeal and RM seed oil cake.

Department of Consumer Affairs, Food and Public Distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include soymeal in the category. We think the stock limit on soymeal will have minimal impact as generally crushers store soymeal for 10-15 days. As per Agriwatch estimates, total production of soymeal in the country for MY 2021-22 is likely to be 84.8 lakh tonnes. Annual soymeal consumption stands between 60-65 lakh tonnes while 15-18 lakh tonnes soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.

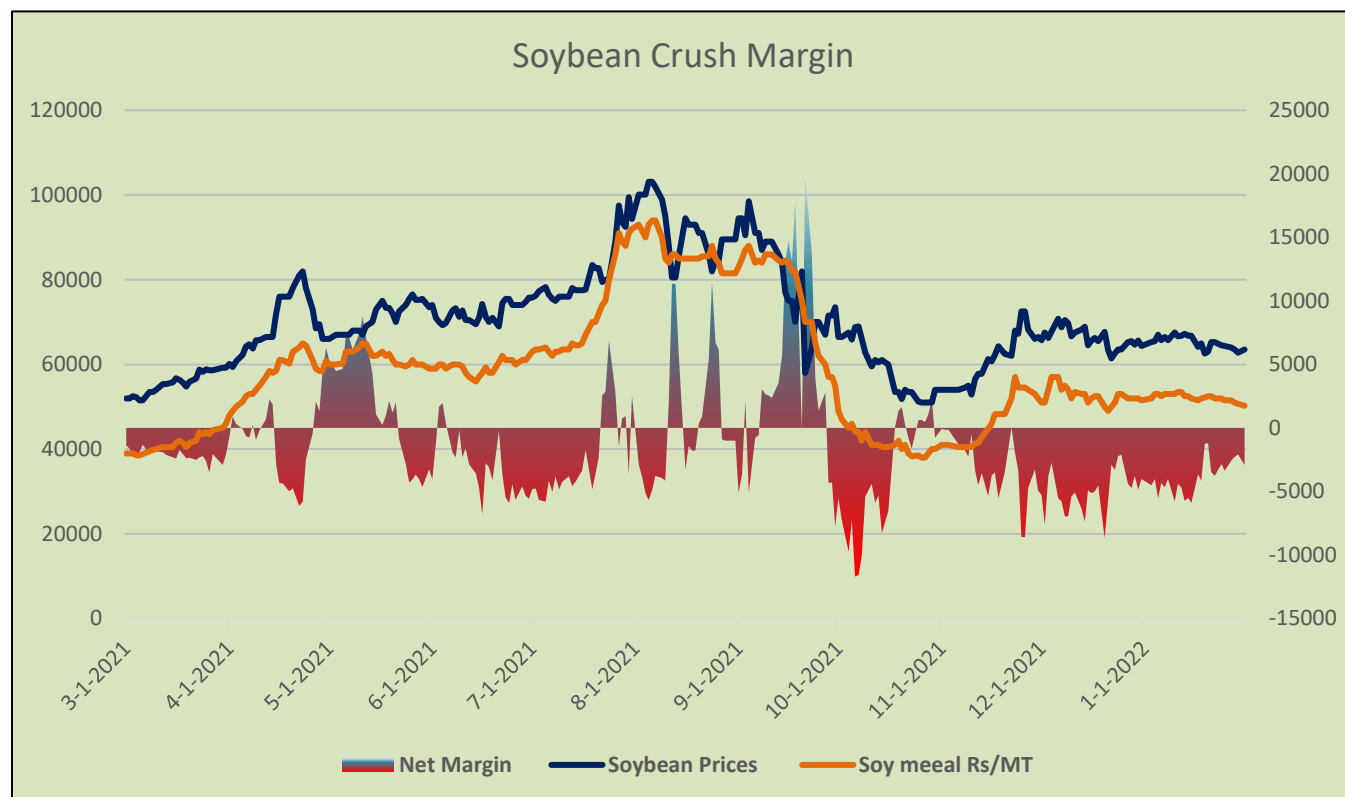
According to USDA Jan'21 report, India's 2021-22 soymeal production is estimated higher at 8 million tonnes vs 7.6 million tonnes last year while ending stock is estimated higher at 6.37 lakh tonnes vs 6.67 lakh tonne previous month while last year it was 3.82 lakh tonnes.



Currently India is outpriced for soybean meal export as Jan'22 Monthly average FAS Kandla is quoted at USD 750/MT Argentina USD 460/MT. SBM FAS kandla is still outpriced by USD 290. Usually FAS kandla trade slightly higher than other GM soymeal but difference between Indian soymeal and Argentina soymeal soared to \$743

in Aug'21 and USD 670 in Sept'21. India's Soymeal export is likely to remain weak for the next few months due to higher prices.

Soybean Crush Margin

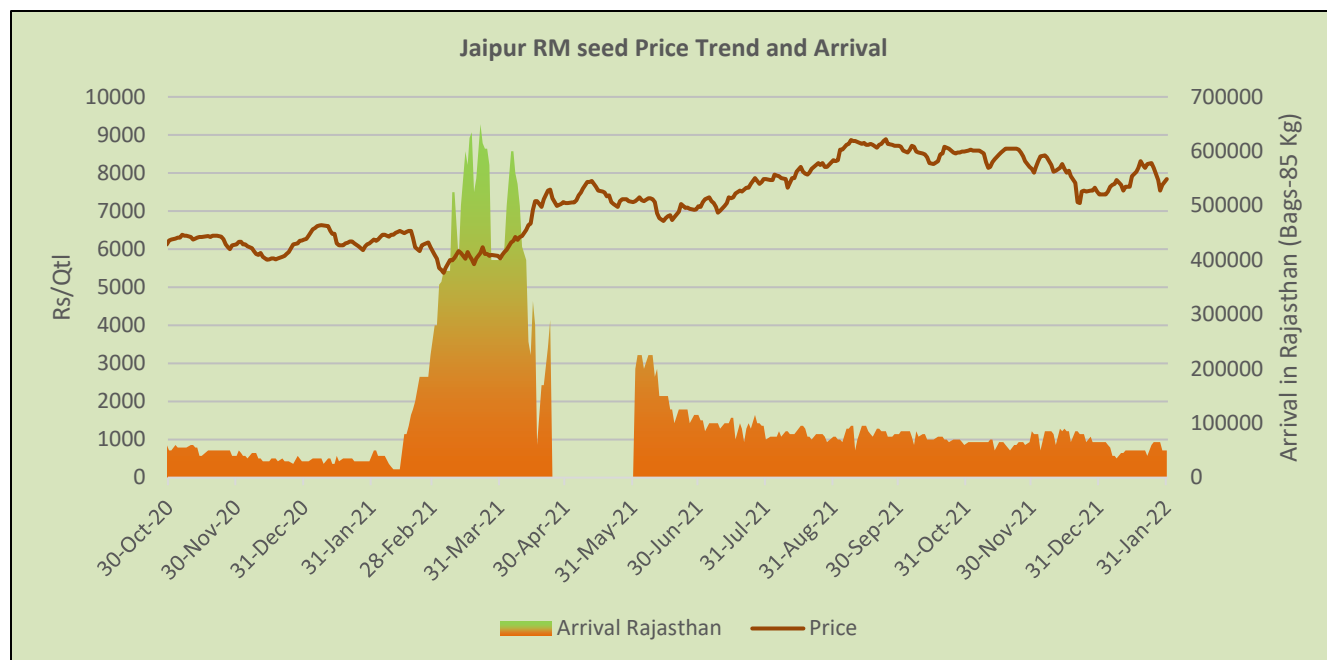


Avg Crush Margin – Jan 2021		Avg Crush Margin – Dec 2021		Avg Crush Margin – Jan 2020	
-3858		-5055		-540	
Min	Max	Min	Max	Min	Max
-5900	-1210	-8720	-2170	-1900	285

Outlook: The soy meal prices (Indore) are likely to trade range bound tracking tight crush margin, subdued soy meal demand and low crushing, we expect to trade in the range of Rs. 50,000/MT – 55,000/MT. However, CBOT soybean may underpin prices in near term which is trading near seven months high.

Rapeseed - Mustard Seed

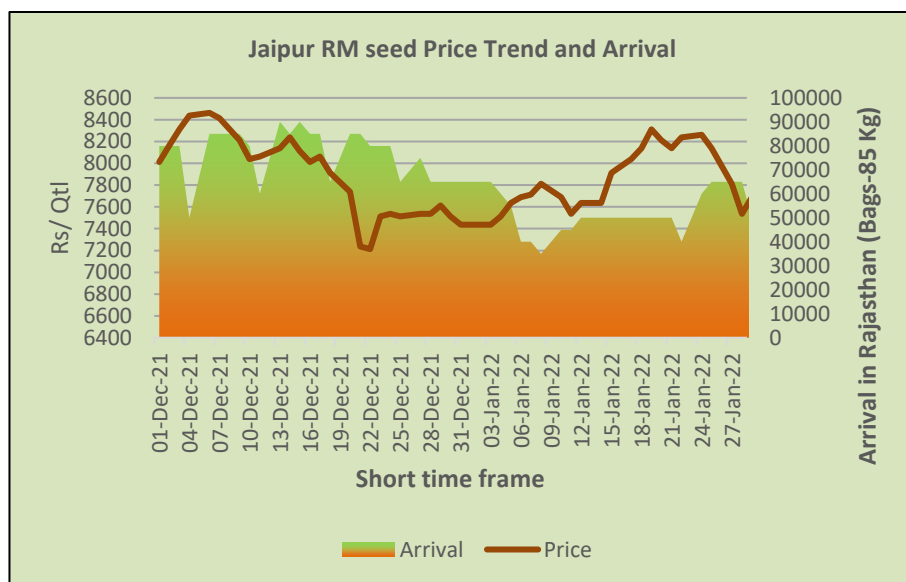
In Jan'22, Rapeseed-mustard prices traded rangebound with weak bias amid record acreage in the country, despite less arrival, prices remained weak and currently trading near five months low. New crop arrival is expected from second fortnight of February, then prices will correct further.



The average monthly price of RM seed at Jaipur remained sideways in Jan'22 and witnessed mild loss of 0.73% to Rs. 7,842 a quintal, compared to Rs. 6,900/qlt in Dec'21. The market made a low of 7,437 and high of 8,312 during the month. RM seed Arrivals in Rajasthan were 40% low compared to previous month.

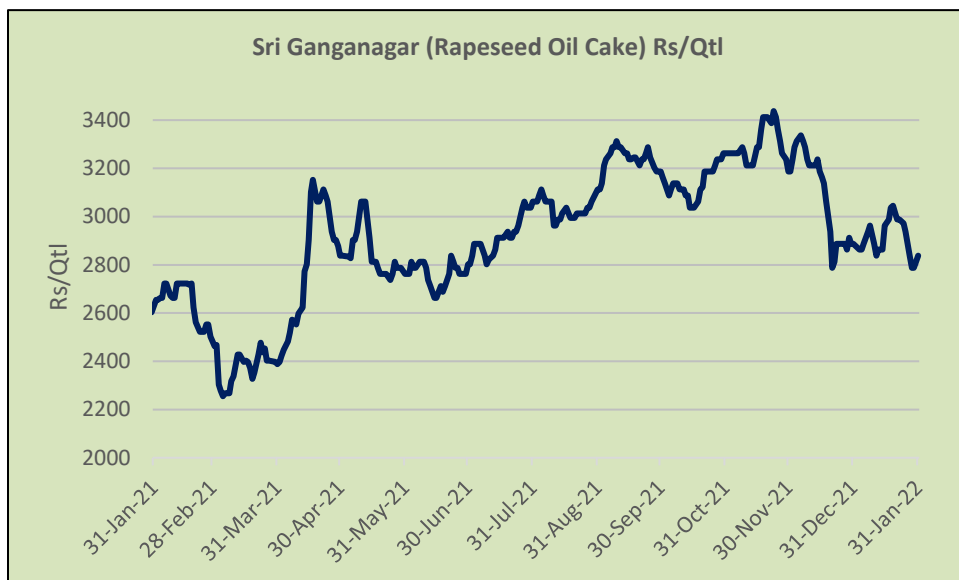
As on 31st Jan'22 RM seed Jaipur prices closed at 7,837/qlt compared to previous month closing at 7,438/qlt.

This month in Rajasthan, mustard arrival went down by 40% to 12.30 lakh Bags as compared to previous month at 20.80 lakh bags.



In Sri Ganganagar, rapeseed oilcake monthly average price went 5.5% down to Rs 2,913/Qtl, as compared to Rs3,084/Qtl previous month. During the month market made low of 2,788 and a high of 3,045.

As on 31st Jan'22 RM seed oilcake prices closed down at Rs2,838/Qtl compared to previous month closing at Rs. 2,888/Qtl.



According to GOI, as on 28th Jan'22, All India Mustard sowing is up by 25.1% at 91.44 Lakh Ha compared with 73.12 Lakh Ha last year.

As per Agriwatch estimates, in 2022-2023 all India RM seed production at 107 lakh tonnes.

Minor crop loss reported in few pockets of Rajasthan, MP and Haryana, overall crop condition seems good.

According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonnes this season.

According to Solvent Extraction Association of India Mustard crop production is estimated at 120 lakh tonnes assuming favorable weather condition in rabi season.

According to Solvent extractors association of India, India's exports for rapeseed meal during April-Dec'2021 was down 22% at 7,13,593 metric tonnes compared to 9,16,715 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in December'21 is reported at 12,980 metric tonnes against last year 1,41,566 metric tonnes during the same period i.e., down by 91%. Rapeseed meal export remained lower due to less availability of seeds for crushing, new crop will be available from end of February or early of march for crushing.

Rapeseed Mustard sowing progress		As on 28th Jan'22		
	Normal area	2021-22	2020-21	% Change
Rajasthan	25.51	35.27	25.66	37.5%
Uttar Pradesh	6.95	14.17	12.33	14.9%
Madhya Pradesh	6.91	11.72	7.81	50.1%
Haryana	5.63	7.67	6.10	25.7%
West Bengal	5.50	6.08	5.85	3.9%
Gujarat	1.96	3.40	2.15	58.5%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	4.00	4.31	-7.1%
Bihar	0.82	1.50	1.50	0.0%
Chattisgarh	0.44	1.37	1.40	-1.7%
Odisha	0.08	1.05	1.05	0.2%
Jammu And Kashmir	0.48	0.31	0.29	7.7%
Arunachal Pradesh	0.28	0.28	0.28	0.0%
Uttrakhand	0.15	0.18	0.18	0.0%
Nagaland	0.28	0.22	0.25	-14.2%
Sikkim	0.03	0.03	0.03	0.0%
Total	61.55	91.44	73.12	25.1%
Data source-GOI			Area in Lakh ha	

Rajasthan govt. has imposed stock limit on oil seeds and edible oils on 26th Nov'21 till 31st March 22. Stock limit for Mustard seed, Toria, Taramira and Rayda for whole sellers is 2000 Qtl and retail trader oilseed storage limit pegged at 100 Qtl. We think there will not be much impact on prices due to stock limit because most of the stockist own multiple entities and stock limit is only upto 31st March'22.

USDA in its January'21 report, Canada canola production estimates pegged at 12.6 MMT Vs 19.48 MMT previous year, China at 14 MMT Vs 14 MMT last year, EU at 17.3 MMT Vs 16.28 MMT.

According to USDA January'21 report, Canada canola exports estimated down to 5.3 MMT Vs 10.51 MMT last year.

Lower canola production in Canada has disrupted exports and major importers likely turn to Australia to offset displaced imports.

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.

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

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Jan'22	1 Month Ago	Corresponding Period Last Year
1,230,000	4,865,000	1,270,000

Outlook: Currently there is less availability of RM seed in the market which is underpinning the prices in short run. However, RM Seed is expected to correct from here and trade in the range of 7,000-7,800/qtl in near term, as new crop arrivals expected to hit the market from second fortnight of February.

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

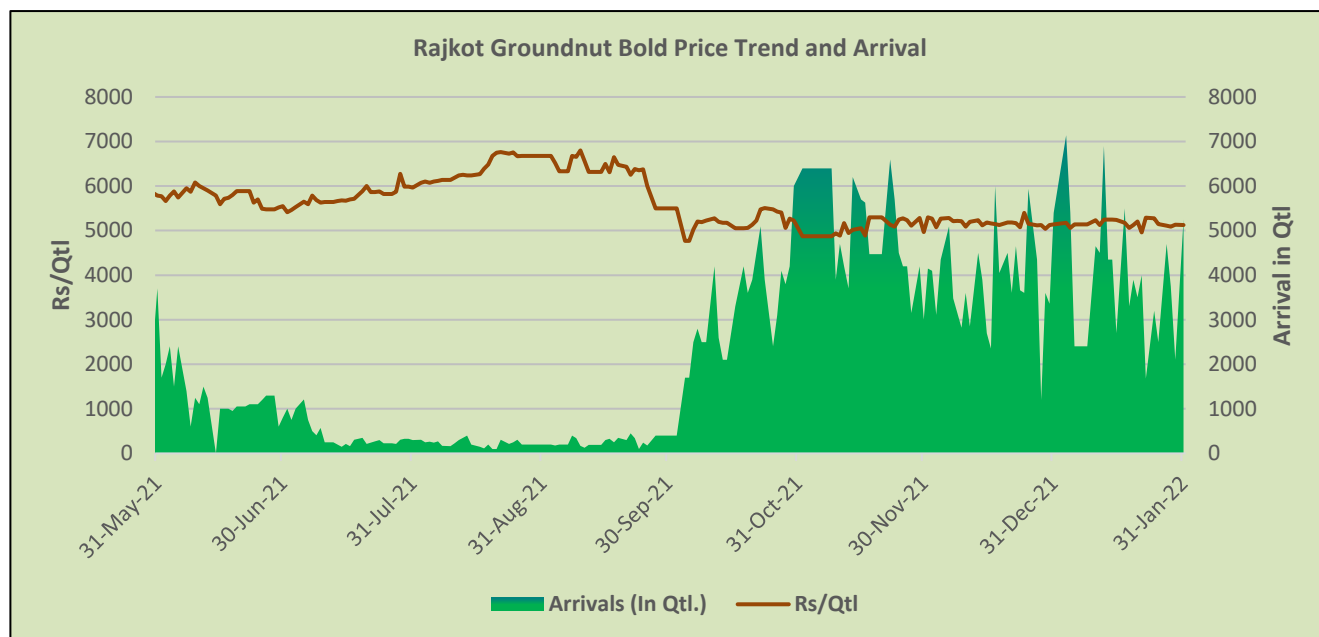
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2021-22	2022-23
Carry In	0.14	0.3
Production	8.54	10.7
Imports	0.00	0.0
Total Availability	8.68	11.0
Processing/Crushing	8.06	10.25
Exports	0.00	0.0
Retained for Sowing	0.20	0.2
Consumer Consumption - Seed	0.10	0.1
Total Usage	8.36	10.55
Carry Out/Ending Stock	0.32	0.47
Stock/Consumption Ratio	3.78%	4.47%

(Source: AgriWatch)

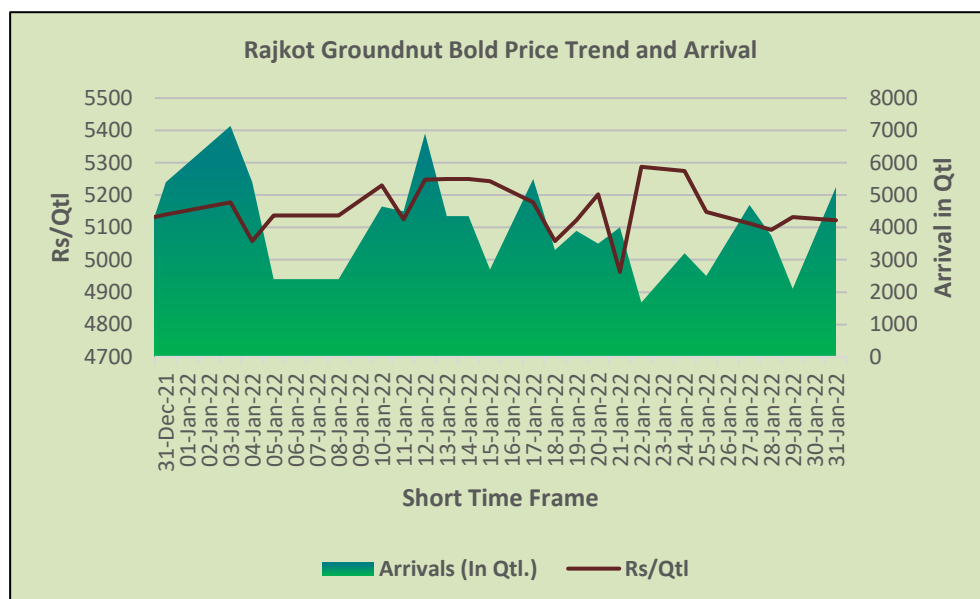
- Agriwatch has pegged India's 2022/23 Rapeseed-mustard at 10.7 million tonnes, higher by 25% compared to the 2021/21 production at 8.54 million tonnes.
- India's production is above 5-year average of around 6.7 million tonnes.
- India's rapeseed-mustard prices corrected amid record acreage in the country.

Groundnut

In Jan'22 the monthly groundnut bold seed prices remained sideways despite tight arrival as compared to previous month. Weak export demand from China kept groundnut prices sluggish.



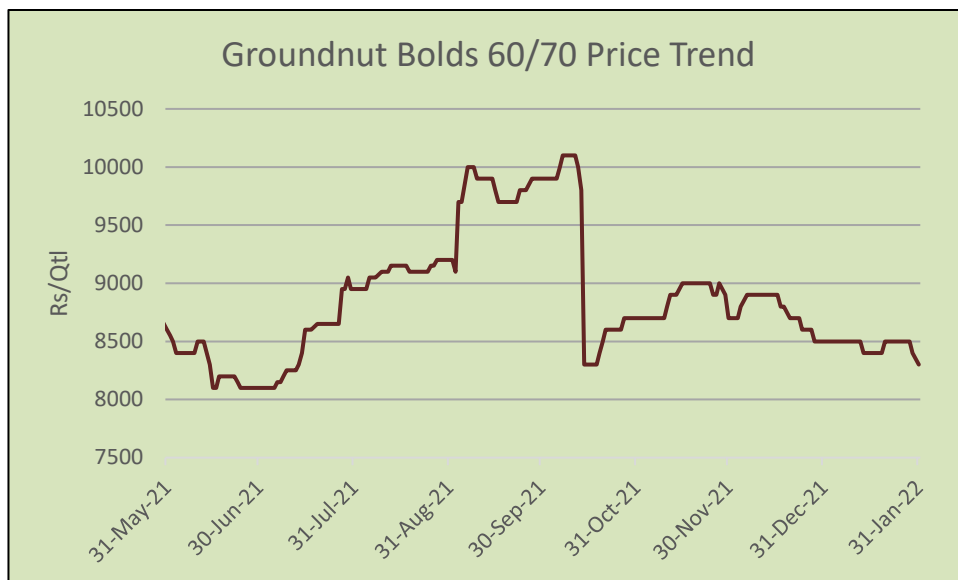
This month, the average monthly price of Groundnut bold at Rajkot remained sideways and witnessed mild loss of 0.39% to Rs. 5,159 a quintal, compared to Rs.5,180/qrtl in Dec'21. The market made a low of 4,963 and high of 5,288 during the month. Groundnut bold seed Arrivals in Rajkot were 10.6% low compared to previous month. Despite low arrivals, Groundnut prices remained sluggish on slacked demand from china.



As on 31st Jan22, Groundnut bold prices at Rajkot closed at Rs 5,123/qrtl as compared to previous month closing at Rs. 5,140/qrtl.

This month, the average monthly price of Groundnut bold 60/70 went down by 3.2% at Rs8,462/qrtl as compared to 8,744 previous month. During the month, market made a low of Rs. 8,300/qrtl and a high of Rs. 8,500/qrtl.

As on 31st Jan'22, Groundnut bold 60/70 prices stood at Rs. 8,300/qrtl as compared to previous month closing at Rs.8,500/qrtl. Slacked export demand from china pushed prices lower.



Groundnut Kernel							
Center	Variety	% Change over	% Change over	Latest	Month Ago,	Year Ago,	2 Year Ago,
		Previous year	Previous month	Jan-22	Dec-21	Jan-21	Dec-19
Mumbai	GN Bolds 60/70	NA	-3.2%	8462	8744	8528	NR

(Source: Bombay Commodity Association)

Agriwatch estimates India's MY 2020-21 groundnut seed production at 76.4 lakh tonnes. Of this, 68 lakh tonnes are the production estimate of kharif season and 8.4 lakh tonnes is estimated for rabi season.

As per IOPEPC's estimates released last month, all India coverage of Kharif-2021 Groundnut stood at 49,14,300 ha. The production is estimated to be 82,03,490 tonnes with an average yield of 1669 kg/ha. The highest groundnut producing state, Gujarat's groundnut production is estimated at 39.55 lakh tonnes with an average yield of 2071 kg/ha. IOPEPC's groundnut Kharif-2021 crop estimates are in close conformity with the government's First Advance estimate of 82.54 lakh tonnes.

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.

Statewise Kharif GN production	In Lakh tonne
Gujarat	32.5
Rajasthan	13.6
Andhra Pradesh	3.8
Tamilnadu	4.7
Maharashtra	2.2
Karnataka	3.6
Madhya Pradesh	5.0
Telangana	0.1
Uttar Pradesh	0.9
Odisha	0.5
Others	1.1
Total	68.0

Solvent Extractor Association of India (SEA) has estimated Gujarat's Kharif Groundnut crop production up by 8.74% at 38.55 lakh tons from an acreage of 19.10 lakh ha as compared to 35.45 lakh tonnes previous year. Gujarat's present year's average yield for groundnut stands at 2020 kg/ha against the average yield of 1715 kg/ha last year, which is nearly up by 18% compared to last year.

According to Saurashtra Oil Mills Association (SOMA) estimate, groundnut production in Gujarat is pegged at 34.4 lakh tonnes during the current kharif season.

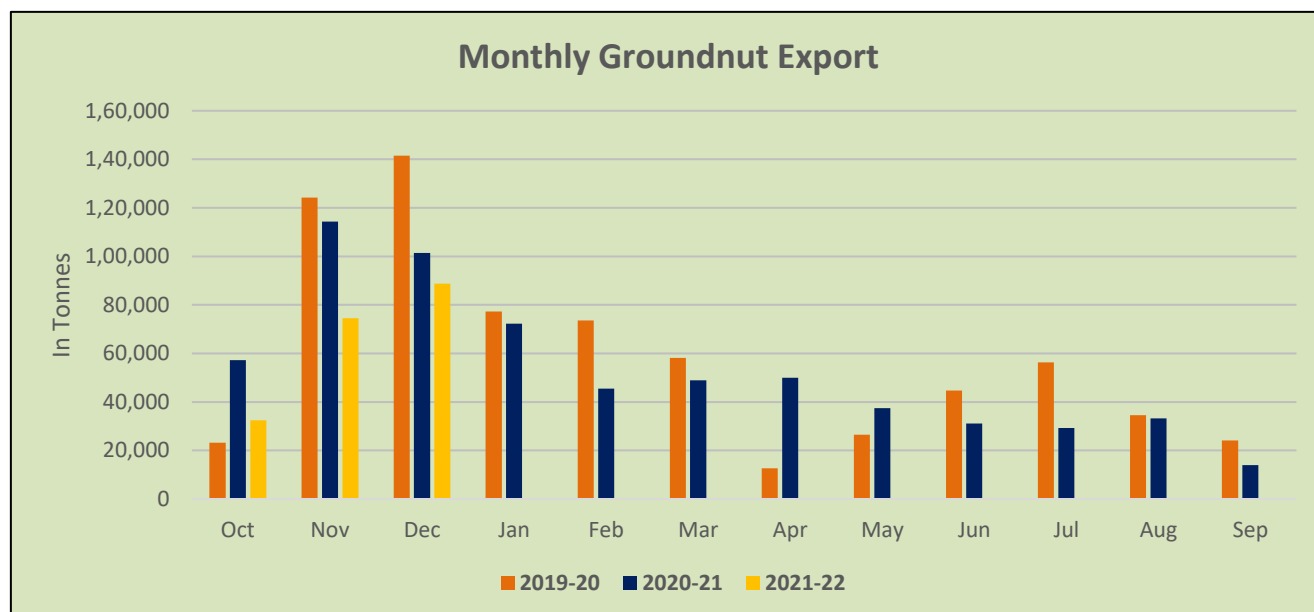
NAFED had procured 2.86 lakh metric tons groundnut pod in MY 2020-21 as compared to the previous year's 7.21 lakh metric tons. The MSP for groundnut seed has been raised to Rs 5,550 per quintal for 2021-22, up from Rs 5,275 per quintal in 2020-21.

As of 28th Jan, report from the Ministry of Agriculture, 2021-22 Rabi groundnut sowing is up by 1.6% at 4.89 lha vs 4.81 lha last year same period. Sowing in Karnataka stood at 1.38 lakh ha vs 1.32

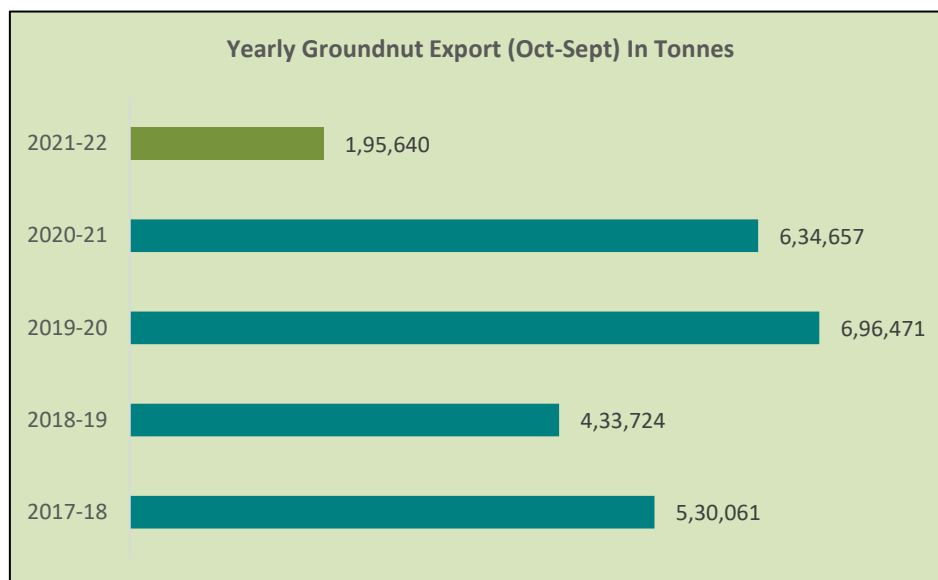
Groundnut Rabi sowing progress		As on 28th Jan'22		
	Normal area	2021-22	2020-21	% Change
Karnataka	1.51	1.38	1.32	4.5%
Telangana	1.22	1.28	0.88	45.5%
Andhra pradesh	0.83	0.74	0.67	9.8%
Odisha	0.21	0.71	0.72	-0.8%
Tamilnadu	1.25	0.62	0.92	-32.6%
Chattishgarh	-	0.11	0.22	-51.4%
West bengal	0.71	0.05	0.08	-36.9%
Total	7.06	4.89	4.81	1.6%
Data source-GOI		Area in Lakh ha		

lakh ha previous year, In Telangana sowing stood at 1.28 lakh ha vs 0.88 lakh ha previous year, in Andhra Pradesh sowing stood at 0.74 lakh ha vs 0.67 lakh ha previous year, In Odisha sowing stood at 0.71 lakh ha vs 0.72 lakh ha previous year. In Tamilnadu sowing stood at 0.62 lakh ha vs 0.92 lakh ha previous year.

According to Solvent Extractor Association of India, exports of Groundnut DOC during April-Dec'2021 are reported down by 78% at 1,484 metric tonnes compared to 6,880 metric tonnes during the April-Dec'2020.



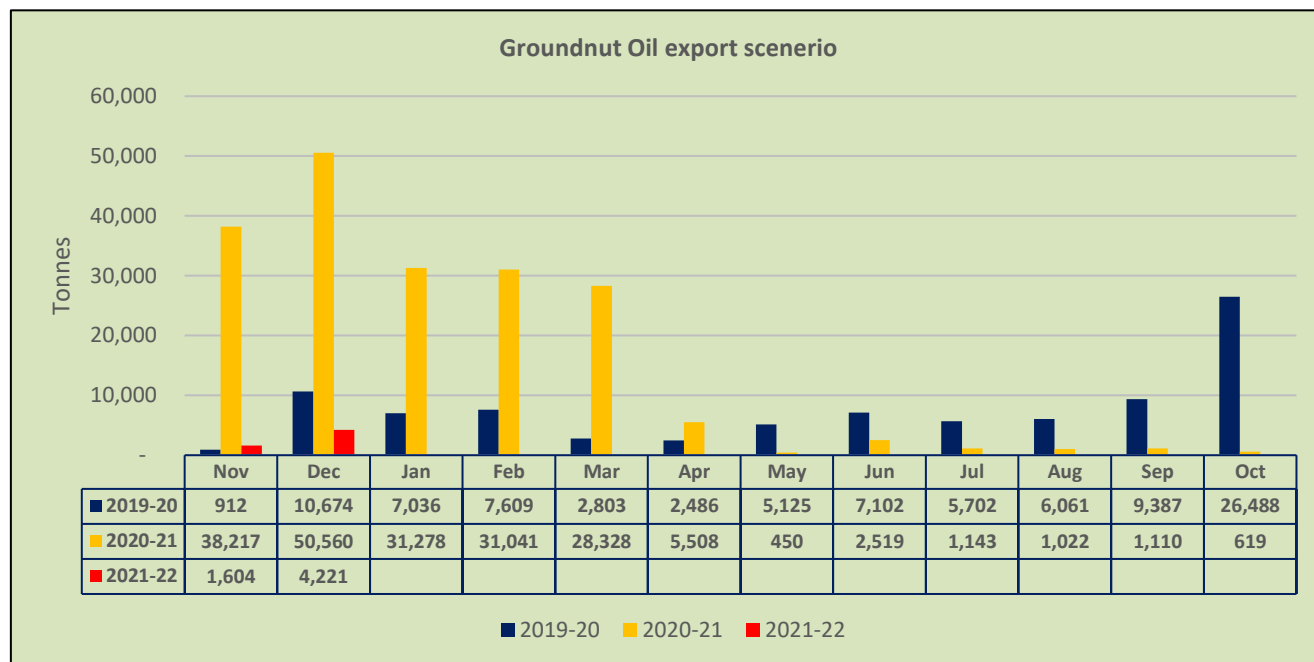
As per trade sources India's groundnut export for the month of December 2021 stood at 88,755 tonnes at an average FOB of \$1278/ MT compared to 74,495 MT in November 2021. However, the exports were lower compared to same month last year by 12%. Of the total exported quantity in Dec21, around 54% (47,973 tonnes) were exported to Indonesia, 13.32% (11,819 tonnes) exported to Vietnam, 7.16% (6,352 tonnes) exported to Malaysia and 6.96%(6,179 tonnes) exported to Philippines. In upcoming months too Groundnut export demand from south



east asian countries may remain weak and prices likely to trade rangebound with weak bias.

Source- Department of Commerce (Dec'21 Figure Trade Sources)

According to Department of Commerce, India's groundnut export during Oct'21-Dec'21 decreased by 28% to 1,95,640 MT compared to 2,72,898 MT same period last year. Additionally, in Dec'21 India's groundnut export increased by 19% to 88,755 tonnes compared to 74,495 in 2019-20.



As per trade sources, India's groundnut oil export during Dec 2021 decreased by 92% to 4,221 tons this compares with 50,560 tons export in Dec' 2020. Subdued groundnut oil demand from China continued in Dec'21 too. Of the total exported quantity, In Dec'21 China imported 3,767 MT this compares with 49,978.47 MT in Dec'20. If China's groundnut oil demand remains subdued in upcoming months too, groundnut prices likely to remain subdued.

According to USDA Jan'21 report, India's 2021-22 groundnut oil export is projected at 0.95 lakh tonne as compared to 2.18 lakh tonne in 2020-21 and 0.65 lakh tonne in 2019-20.

As per USDA Jan'21 report, China is estimated to import 3 lakh tons of peanuts oil against 3.46 lakh tons previous year and China's 2021-2022 peanut oil production is estimated at 3.24 MMT and 3.23 MMT previous year.

As per USDA Jan'21 report, the United States is expected to produce 2.89 million tons of peanuts in 2021-22 as against 2.79 million tons in 2020-21. Nigeria is expected to produce 4.80 million metric ton against 4.45 million metric ton last season.

Outlook: Groundnut Rajkot bold price is expected to trade rangebound with weak bias in the range of Rs.5,000-5,300/qtl in near term amid weak export demand by china.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	31-Jan-22		31-Dec-21		
	Low	High	Low	High	
Indore –Plant	6250	6325	6300	6450	-125
Indore–Mandi	5800	6200	6000	6300	-100
Nagpur-Plant	6300	6400	6275	6600	-200
Nagpur – Mandi	5700	6000	4675	6400	-400
Latur – Mandi	6000	6180	4700	6600	-420
Akola – Mandi	5300	6055	5900	6680	-625
Kota-Plant	6250	6350	6200	6350	Unch
Kota – Mandi	6150	6300	6125	6325	-25
Bundi-Plant	6100	6200	6000	6200	Unch
Bundi-Mandi	6000	6300	5900	6100	200
Baran-Plant	6200	6375	6100	6450	-75
Baran-Mandi	5800	6175	6000	6250	-75
Bhawani Mandi Jhalawar–Plant	6200	6370	6200	6300	70
Jhalwar-Mandi	5900	6270	6050	6150	120
Rapeseed/Mustard					
Jaipur-(Condition)	7825	7850	7425	7450	400
Alwar-(Condition)	7350	7400	7050	7150	250
Sri Ganganagar-(Non-Condition)	6900	7000	6750	6850	150
New Delhi–(Condition)	7400	7450	7250	7300	150
Kota-(Condition)	7400	7600	7050	7150	450
Agra-(Condition)	7952	8000	7714	7810	190
Neewai-(Condition)	7250	7450	6850	7050	400
Hapur (UP)-(Condition)	7400	7500	7000	7100	400
Groundnut Seed					
Rajkot	915	915	916	916	-1
Sunflower Seed					
Gulbarga	4800	5400	4500	5400	Unch
Latur	5900	6000	6000	6100	-100

Sholapur	5900	6000	6000	6100	-100
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)			Parity To
	31-Jan-22	31-Dec-21	Change	
Indore - 45%, Jute Bag	50200	51500	-1300	Gujarat, MP
Kota - 45%, PP Bag	52700	54700	-2000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	54000	57000	-3000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	52000	56000	-4000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	53000	56000	-3000	Andhra, AP, Kar, TN
Latur	53000	58000	-5000	-
Sangli	50500	54500	-4000	Local and South
Solapur	51500	56000	-4500	Local and South
Akola – 45%, PP Bag	51000	53000	-2000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	52000	56000	-4000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	52500	54500	-2000	-

Soy DOC at Ports			
Centers	Port Price		
	29-Jan-22	30-Dec-21	Change
Kandla (FOR) (INR/MT)	NA	54000	-
Kandla (FAS) (USD/MT)	-	-	Unch
CNF Indonesia – Yellow SBM (USD/MT)	-	-	Unch

Rapeseed Meal	29-Jan-22	30-Dec-21	Change
FAS Kandla (USD/MT)	315	392	-77
FOR Kandla (Rs/MT)	22900	22850	50

FOR Mundra (Rs/MT)	-	23000	-
CNF Indonesia (USD/MT)	344	350	-6

International Soy DOC			
Argentina FOB USD/MT	29-Jan-22	30-Dec-21	Change
Soybean Pellets	474	453	21
Soybean Cake Flour	474	453	21
Soya Meal	-	-	Unch
Soy Expellers	-	-	Unch

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	31-Jan-22	31-Dec-21	Change
Adoni	30500	30000	500
Khamgaon	-	-	-
Parli	-	-	-
Latur	30000	29000	1000

Groundnut Meal (Rs/MT)	31-Jan-22	31-Dec-21	Change
Basis 45%, Saurashtra	37000	38000	-1000
Basis 40%, Saurashtra	32000	34000	-2000
GN Cake, Gondal	38000	40000	-2000

Mustard DOC	31-Jan-22	31-Dec-21	Change
Jaipur (Plant delivery)	22500	22800	-300
Kandla (FOR Rs/MT)	22500	23500	-1000

Mumbai Oil Meal Quotes:			
Rs/M.T.	31-Jan-22	31-Dec-21	Change
G.N. Extr (45%)	38000	38500	-500
Kardi Extr	-	-	-
Undec Cottonseed Exp	36500	33500	3000
Rice Bran Extr.	-	-	-
Sunflower Extr.	33500	30000	3500
Rapeseed Extr.	-	-	-
Soymeal 48%	53217	54783	-1566
Castor Extr.	11150	9650	1500

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	5,050	4,650	400
2	Safflower	5,441	5,327	114

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. 5,050 per quintal for marketing season 2021-22 from Rs. 4,650 per quintal in 2020-21 an increase of Rs.400 a quintal.

The MSP of safflower to Rs. 5,327 a quintal from earlier Rs. 5,441 per quintal an increase of Rs 114 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 soybean and Groundnut production seen higher in 1st Adv Est. for 2021-22-

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.

- Soyabean – 12.72 million tonnes vs 11.2 million tons last year.
- Groundnut – 8.25 million tonnes vs 8.55 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.

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 latest 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	121.2	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 2021-22

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 102.04 lakh hectares, up 23% from 83.19 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 25% at 91.44 lha compared to 73.12lha during the corresponding period of last year. Groundnut at 4.89 lha vs 4.81 lha, safflower at 0.74 lha vs 0.58 lha, sunflower at 1.17 lha vs 1.06 lha, linseed at 2.92 lha vs 2.79 lha.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 21st Jan 2022	As on 21st Jan 2021	% Change
Rapeseed/Mustard	61.55	91.44	73.12	25%
Groundnut	7.05	4.89	4.81	2%
Safflower	0.9	0.74	0.58	28%
Sunflower	1.86	1.17	1.06	10%
Linseed	2.53	2.92	2.79	5%
Others	0.04	0.10	0.09	11%
Total Oilseeds	73.9	102.04	83.19	23%

Source: MoA, GOI

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