Oil Seed Monthly Research Report

Contents

Executive Summary

In Feb'22 Indore soybean prices went up on the back of bullish CBOT soybean which went up by 10.32% this month amid lower production expectation in Argentina and Brazil.

The crushing was down by 40% in first four month of MY 2021-22, and arrivals remained low by 25%. Farmers are still holding majority of the crop.

In Feb'22, Indore soymeal price traded higher by 5.52% despite low export demand. India's soybean meal is outpriced for export in Feb'22, FAS Kandla is quoted at USD 800/MT, Argentina FOB soymeal USD 505/MT. SBM FAS kandla is still outpriced by USD 295.

According to Solvent Extractor Association of India, India's January'2022 soymeal exports declined by 81% to 52,771 metric tonne compared to 2,83,167 metric tonne in the same period last year. We expect low soy meal export for the next two to three months.

In Feb22, RM seed prices in Jaipur traded rangebound with weak bias amid new crop arrivals and record acreage in the country.

Currently RM seed acreage is up by 25.3% at 91.63 lakh ha as compared to previous year. New crop arrival has commenced in key mandis. Agriwatch has estimated 2022-23 RM seed production at 107 lakh tonnes.

This month groundnut bold seed prices went up amid tight arrivals as compared to previous month.

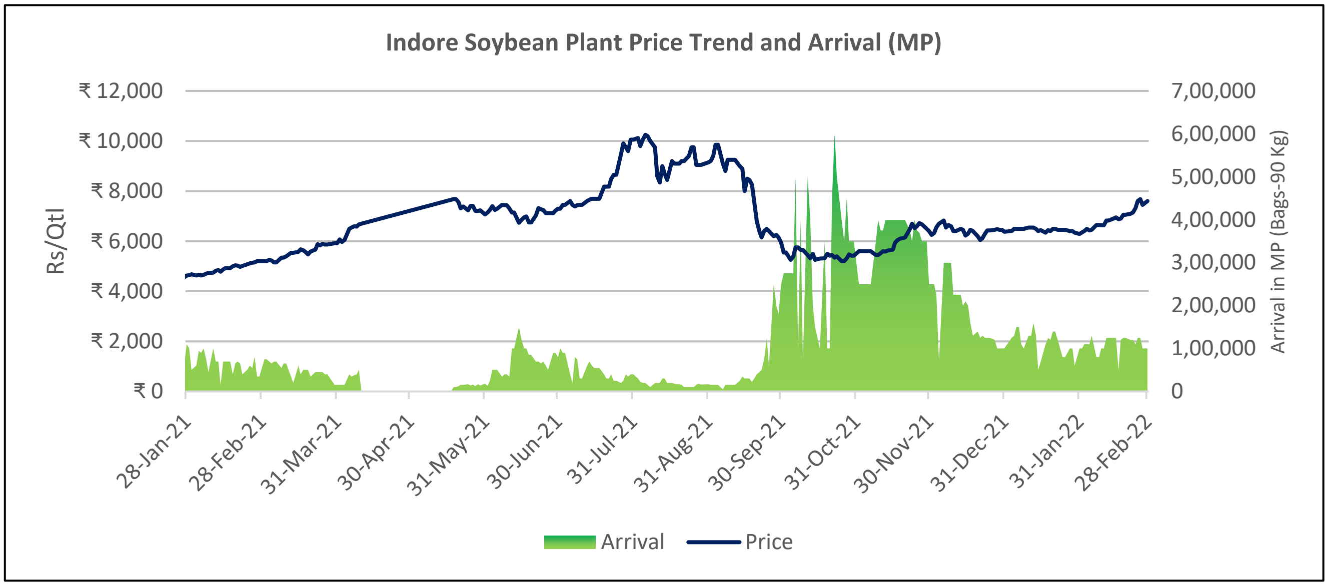
Rabi Groundnut sowing is up by 1.7% as compared to previous year. As per Agriwatch estimates rabi groundnut production is estimated at 8.4 lakh tonnes.

Outlook – Cash Market

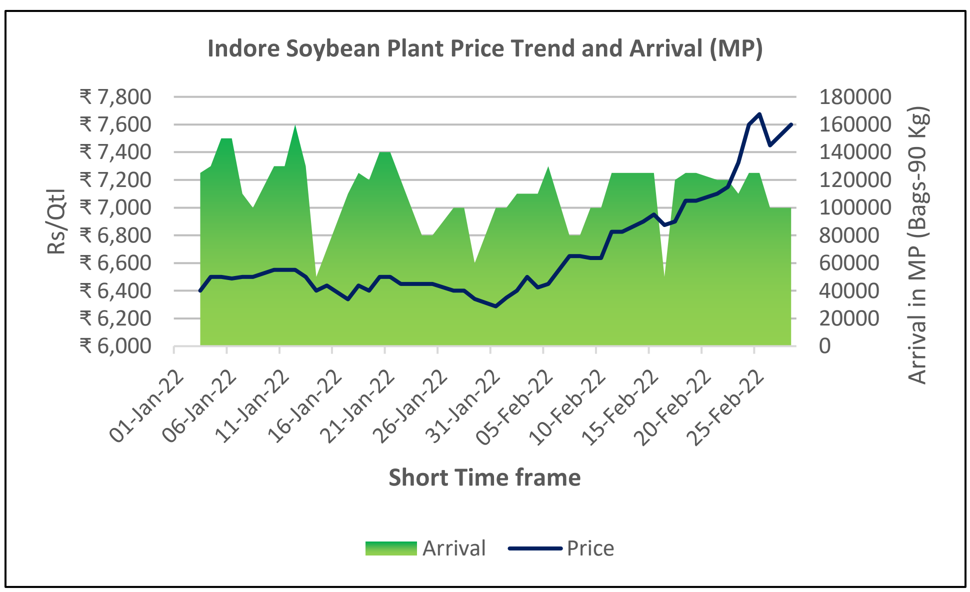
Outlook - Soybean (Spot, Nagpur): *The soybean prices are expected to trade with a firm bias on the back of CBOT soybean and record crude oil prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 7,400 – 8,000 level.*
Outlook – Soy meal: *Soymeal prices are likely to trade with a firm bias amid improvement in crush margins and strength in oilseed complex. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 55,000 – 65,000 /MT.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis)*:. Rapeseed-mustard is expected correct further amid new crop arrival. The seed prices are likely to witness the price levels between 6,800 –7,600/Qtl. in short-run.*

Soybean

Despite low soymeal export demand, In Feb'22, Indore soybean prices went up on the back of bullish CBOT soybean due to low production estimates in Brazil and Argentina. CBOT continued gains this month too, March expiry of CBOT soybean went up by 10.32% while previous month it was up by 11.29%.



The average monthly prices of soybean at Indore plant went up in Feb'22 and witnessed gain of 7.2% to Rs. 6,916 a quintal, compared to Rs.6,451 in Jan'21. The market made a low of 6,350 and high of 7,675 during the month. Arrivals in MP were 2.6% low compared to previous month.



As on 28th Feb'22, Indore monthly soybean plant prices closed up to Rs 7,600/Qtl as compared to the previous month closing at Rs 6,288/Qtl.

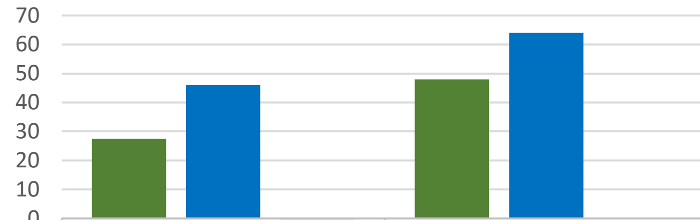
In Feb’22, in Madhya Pradesh, soybean arrivals went down to 26.4 lakh bags as compared to 27.10 lakh bags previous month. In Maharashtra arrivals went up to 26.9 lakh bags as compared to 23.55 lakh bags previous month. In Rajasthan arrival went up to 2.91 lakh bags as compared to 2.19 lakh bags previous month. We are expecting firm arrivals on better prices.

Higher crude oil prices amid the Russia-Ukraine conflict pushing soybean oil and soybean prices even higher despite soaring soybean prices due to supply crunch led by the lower production in South America.

SOPA reported Oct’21-Jan’22 soy crush down by 40% at 27.5 lakh tonnes as compared to 46 lakh tonne previous year same period, while arrivals too remained low by 25% at 48 lakh tonnes as compared to 64 lakh tonne previous year same period. Low domestic and soymeal export demand and lower crush margin has resulted into crushing being low. In Jan’22, arrivals remained low by 33% at 8 lakh tonnes as compared to previous year same period at 12 lakh tonnes.

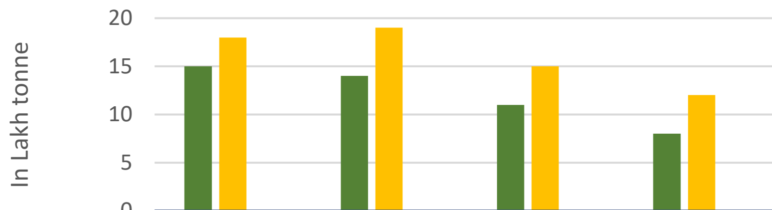
Given the squeeze in crush margins and low soymeal export demand, soybean crush too remained lower in Jan’22 by 48% at 6.5 as compared to previous year at 12.5 lakh tonnes and kept soy prices sluggish. As crushing has been lower in first four months of this season, if soymeal demand in rest of the year doesn’t revive and crushing doesn’t pick up, carry out stock is expected to be higher than previous year. Additionally,

Oct'21-Jan'22 Soybean Crush and arrival (Lakh ton)



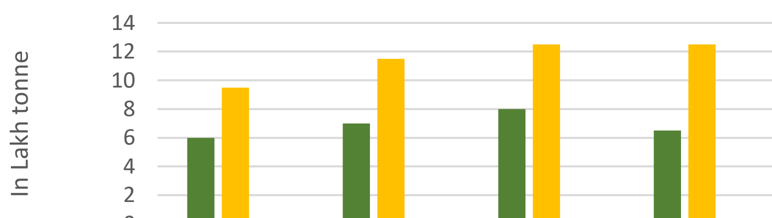
	Oct21-Jan'22 Crush	Oct'21-Jan'22 Arrival
2021-22	27.5	48
2020-21	46	64
% Change	-40%	-25%

MY 2020-21 & 2021-22 Soybean Arrival



	October	November	December	January
2021-22	15	14	11	8
2020-21	18	19	15	12
% change	-17%	-26%	-27%	-33%

MY 2020-21 & 2021-22 Soybean Crush



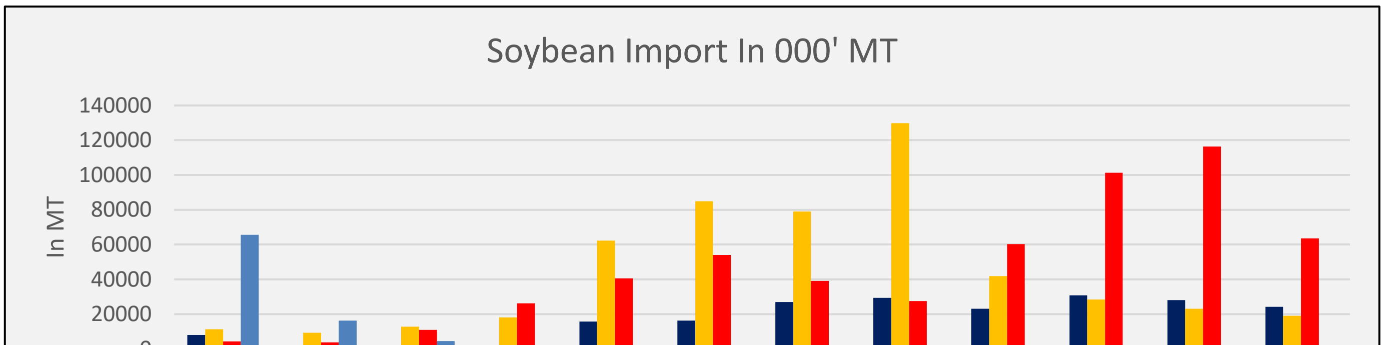
	October	November	December	January
2021-22	6	7	8	6.5
2020-21	9.5	11.5	12.5	12.5
% Change	-37%	-39%	-36%	-48%

farmers are holding more soybean in anticipation of higher prices in future, as a result of which the arrival remained lower till Jan'22. Out of 100 lakh tonnes of soybeans available for crush this season, 27.5 lakh tonnes have been crushed till Jan'22, it is estimated that 72.5 lakh tonnes is left for crushing for rest of current season.

Department of Food and Public Distribution has issued a stock limit notification on 03 Feb'22, on oilseed and edible oil before the earlier stock limit order issued on 8th Oct'21 could expire on 31st March'22. In its recent notification government has imposed stock limit on edible oil and oil seed with specified quantity till 30th June'22. However, six states- Uttar Pradesh, Karnataka, Himachal Pradesh, Telangana, Rajasthan and Bihar are exempted from the quantities specified, as they have already imposed stock limit. Few exceptions have been given to importers and exporters.

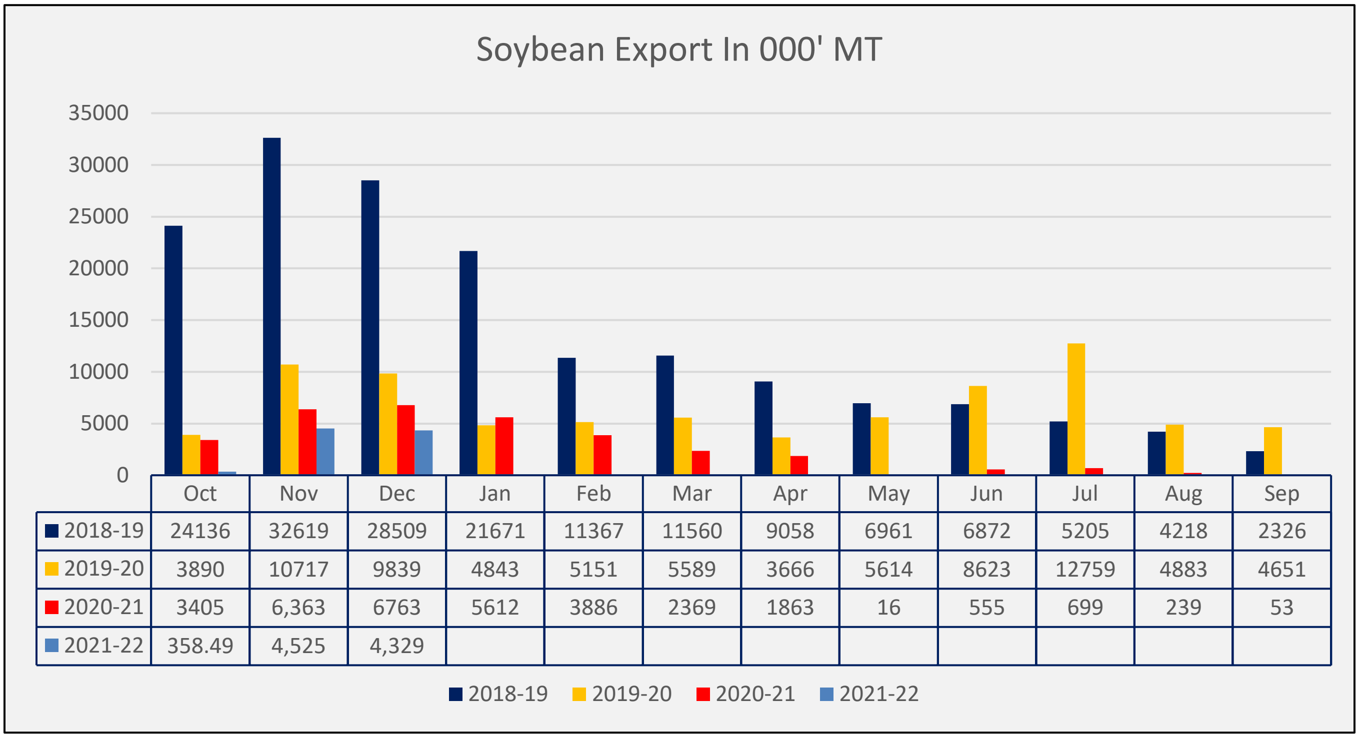
Stock limit by Department of Food and Public Distribution, As on 3rd February, 2022					
Name of Essential Commodity	**Retail**	**Wholesale**	**Bulk consumers (Big chain retailers shops)**		**Processor**
			Retail outlets	Depot	
Edible Oil	30 Qtl	500 Qtl	30 Qtl	1000 Qtl	90 days of storage capacity
Edible Oilseeds	100 Quintals	2000 Quintals	-----		90 days production of edible oils, as per daily input production capacity

According to data from Department of Commerce, India's soybean import decreased in the month of Dec 2021 to 4,416 tonnes compared to 16,239 tonnes during previous month. The imports were also lower compared to 10,938 MT during Dec 2020. We are expecting 5-8 thousand MT soy import in January and February.



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2018-19	7982		296	2030	15736	16248	26899	29228	23019	30784	28077	24137
2019-20	11356	9239	12722	18048	62228	84912	79087	129815	41791	28342	23127	18986
2020-21	4322	3,626	10938	26092	40571	53945	39007	27556	60303	101226	116385	63612
2021-22	65,542	16,239	4,446									

•According to Department of Commerce, India's soybean export decreased in the month of December 2021 to 4,329 tonnes compared to 6,763 tonnes during same month previous year. We expect 4-6 thousand MT soybean export in each month of January and February.



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2018-19	24136	32619	28509	21671	11367	11560	9058	6961	6872	5205	4218	2326
2019-20	3890	10717	9839	4843	5151	5589	3666	5614	8623	12759	4883	4651
2020-21	3405	6,363	6763	5612	3886	2369	1863	16	555	699	239	53
2021-22	358.49	4,525	4,329									

Solvent Extractors Association (SEA) reported India's Soy oil imports in Jan'22 down by 0.3% m-o-m to 3.91 lakh tons as compared to 3.92 lakh tons in Jan'21though, soy oil import in Jan'22 was up by 341% as compared to December '21. The import of soybean oil is up due to decline in domestic crushing trigged by low soymeal demand and tight crush margin. We expect higher soy oil import due to supply concern of sunflower oil amid ongoing Russia Ukraine conflict.

International Market Updates-

CBOT March soybeans remained highly volatile in last week of Feb'22 amid Russia Ukraine conflict and closed high by 10.32% to $ 16.44 a bushel. May futures too remained volatile and increased by 9.46% to $ 16.36 a bushel. Weather concern in South America coupled with record high crude oil prices kept CBOT soybean at nine month high.

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 condition prevailing in Argentina and Brazil has adversely affected soy yield. Brazil's 2021-22 soybean harvesting has reached to 25.6%. CONAB in its Feb'22 estimates, slashed Brazil 2021-22 soybean production by 15 MMT to 125.47 MMT.
According to USDA February'22 report, 2021-22 US soy production kept unchanged at 120.70 MMT as compared to previous month while last year it was 114.74 MMT.

However, Argentina's 2021-22 soy production slashed by 1.5 MMT to 45 MMT as compared to previous month at 46.5MMT while last year it was 46.20 MMT, Brazil soy production too slashed by 5 MMT to 134 MMT as compared to previous month at 139 MMT while last year it was 138 MMT. Dry weather conditions in south America has resulted in production cut.

USDA in its Feb'22 estimates, China's 2021-22 soybean import slashed by 3 MMT at 97 MMT as compared to previous months estimates and previous year at 99.7 MMT. Oct'21 to Dec'21 soybean import is down by 13%. The pace of soybean processing has slowed since October 2021 as margins are squeezed and crushers have been hampered by high input costs and low feed demand.

According to National Association of Grain Exporters (ANEC), Brazil's soy export in Jan'22 stood at 2.4 MMT compared with 0.51 MMT in the same month last year.
As per sources, negative soy crush margin in China is compelling them to look for alternative option for hog feed. According to sources, China's multiple soybean crushing plants shut down because of soybean shortage.

According to Xinhua news agency, China can reduce its soybean demand by 30MMT by promoting alternate feed options.
As on 24th Feb, according to Buenos Aires Grain Exchange (BAGE), 24% soy crop is in excellent to good condition Vs 31% previous week, 48% soy crop is in fair condition Vs 46% previous week and 28% soy crop is in poor/very poor condition Vs 23% previous week. However the poor conditions earlier had impacted the soy crop condition and resulted in production cut by 1.5 MMT to 45 MMT according to USDA in its Feb'22 estimates.

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 with firm bias on the back of CBOT soybean and record high crude oil prices in the range of Rs. 7,400-8,000/ qtl in short run despite 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	5.43
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	5.55
Processing/Crushing	9.74	10.00	2.10	2.50	2.50	2.90
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	11.09	2.15	2.54	3.00	3.40
Carry Out	0.82	2.15	10.77	8.33	5.43	2.15
Stock/Consumption Ratio	8%	19%				

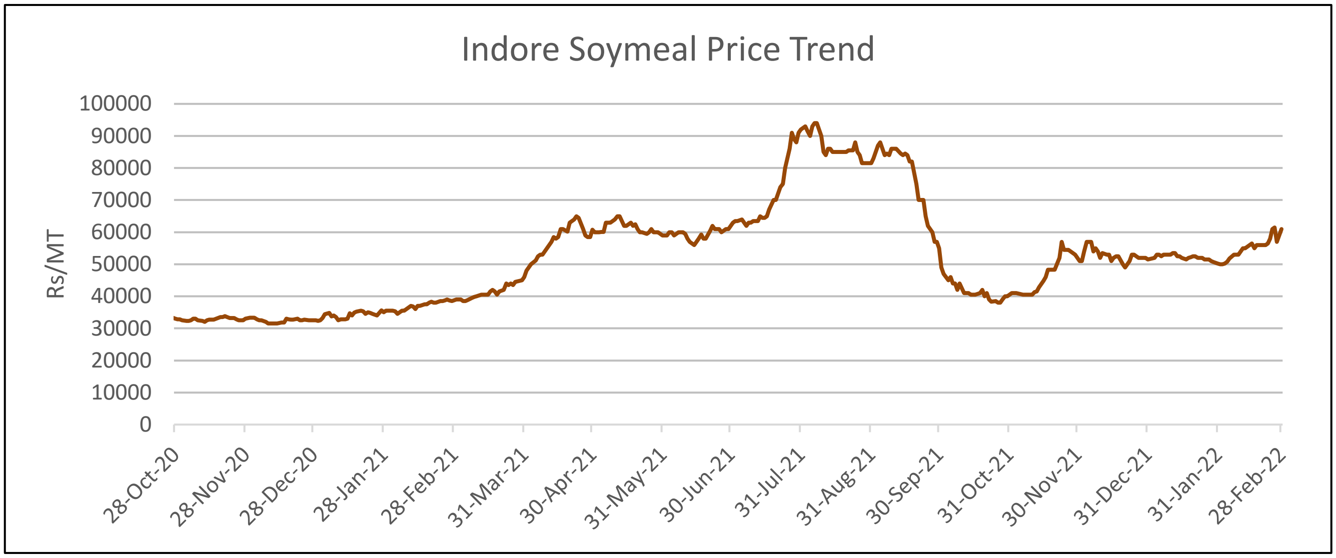
Source: Agriwatch Fig. in MnT

Observations:

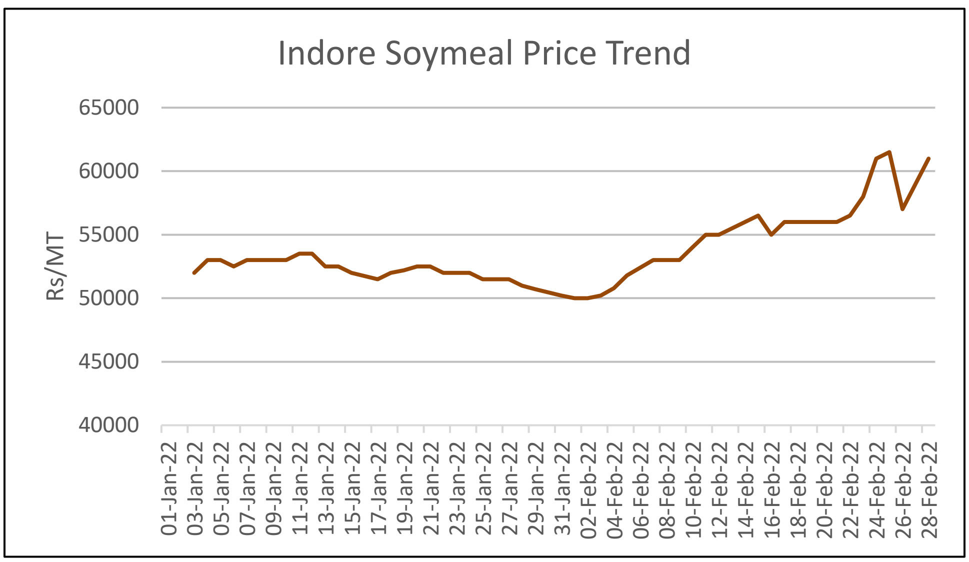
- India's 2021-22 soybean production projected at 12 million tonnes against 10.50 MMT last seasons.
- India's 2021-22 soybean crush is estimated at 10 million tonnes vs 9.74 million tonnes in 2020-21.
- This translates into availability of 8 million tonnes of soy meal and 1.8 million tonnes of soy oil in 2021-22 MY.

Soymeal

This month, Indore soymeal price went up in tandem with bullish soybean prices despite low crushing and export demand.



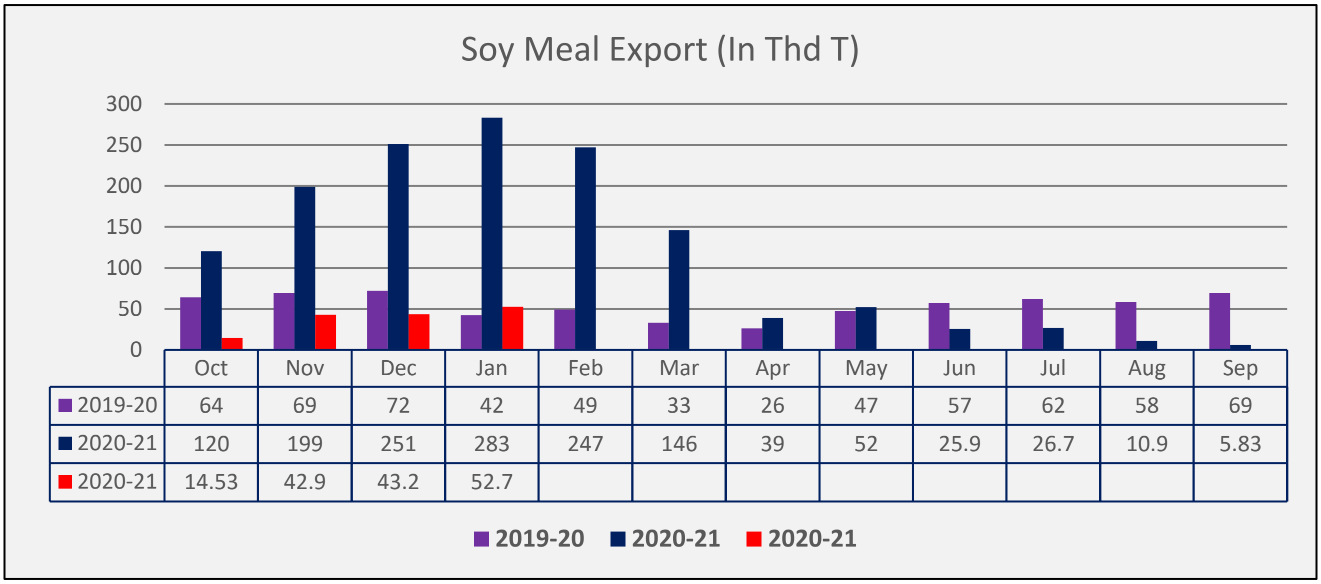
The average monthly price of soybean meal at Indore plant went up in Feb'22 and gained 5.52% to Rs. 55,095 a tonne, compared to Rs.52,212/tonne in Jan'22. The market made a low of 50,000 and high of 61,500 during the month. And as on 28th Feb'22, Indore monthly soymeal prices closed higher to Rs 61,000/MT compared to the previous month closing at Rs 50,200/MT.



In Feb'22, at Latur the average monthly soymeal prices increased to 56,250/MT compared to a month ago at 56,250 and monthly closing price stood at 68,000/MT, in Nanded monthly average soymeal prices stood higher at Rs. 55,379/MT compared to Rs. 55,258/MT a month ago and monthly closing stood at 62,500/MT. Besides, in

Kota the monthly average meal prices went up at Rs. 58,208/MT compared to Rs.54,687/MT previous month and monthly closing stood at 61,500.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 50,000 – 61,500/MT during the month compared to Rs 30,800– 33,300/MT during the corresponding period last year.



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2019-20	64	69	72	42	49	33	26	47	57	62	58	69
2020-21	120	199	251	283	247	146	39	52	25.9	26.7	10.9	5.83
2020-21	14.53	42.9	43.2	52.7								

According to Solvent Extractor Association of India, India's January'2022 soymeal exports declined by 81% to 52,771 metric tonne compared to 2,83,167 metric tonne in the same period last year. Further, the soymeal shipments too declined by 73% to 3,15,108 metric tonne in aggregate, during the months (April-Jan) of Financial Year 2021-22 compared to 11,71,369 metric tonne during the corresponding period last year. Export remained lower because soybean crush margins in India are currently squeezed by pressure on meal prices. Additionally, lower crushing of soybean also pushing higher import of crude soybean oil in India. We expect lower soymeal export in Feb and March too as Indian soymeal prices are much higher as compared to Argentina and Brazil FOB prices.

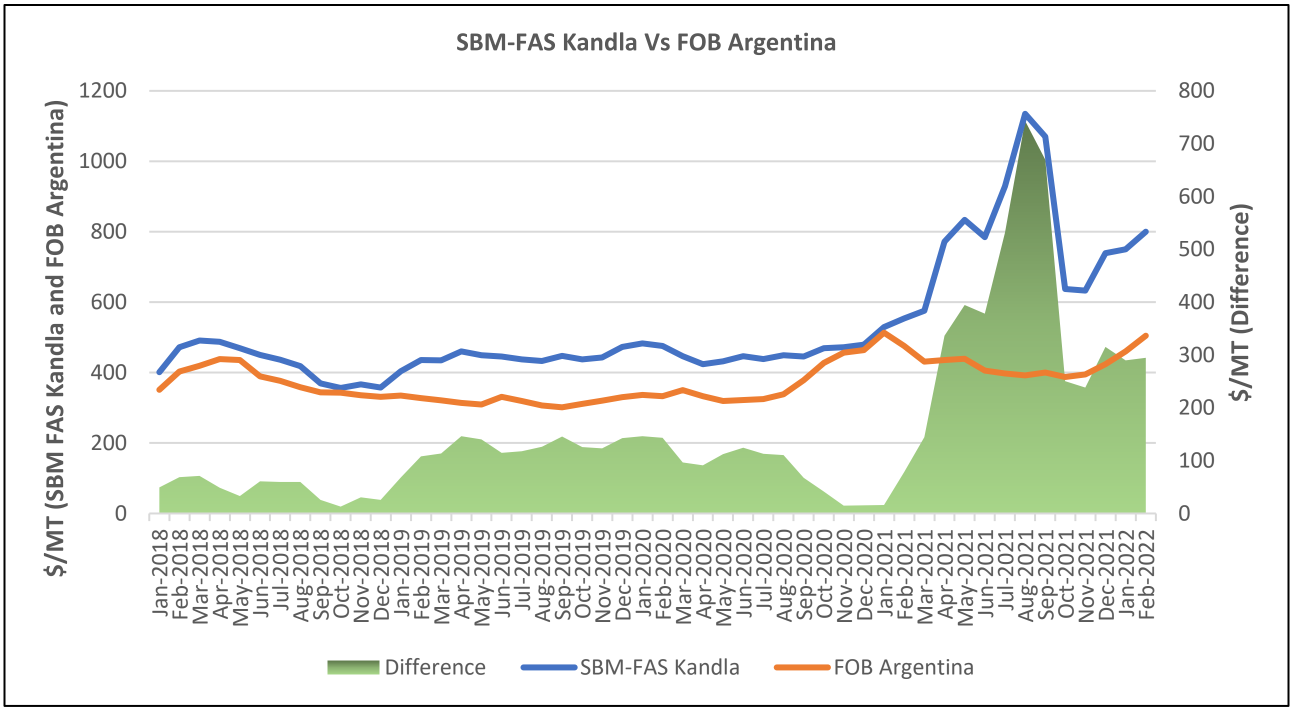
Additionally, export of oilmeals for the month of Jan'2022 is provisionally reported at 1,76,815 tonne compared to 5,01,552 tonne last year same period i.e. down by 65%. The overall export of oilmeals during April – Jan'2022 is reported at 19,43,888 tonne compared to 29,69,116 tonne i.e. down by 35%.

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	52.7
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	153.33

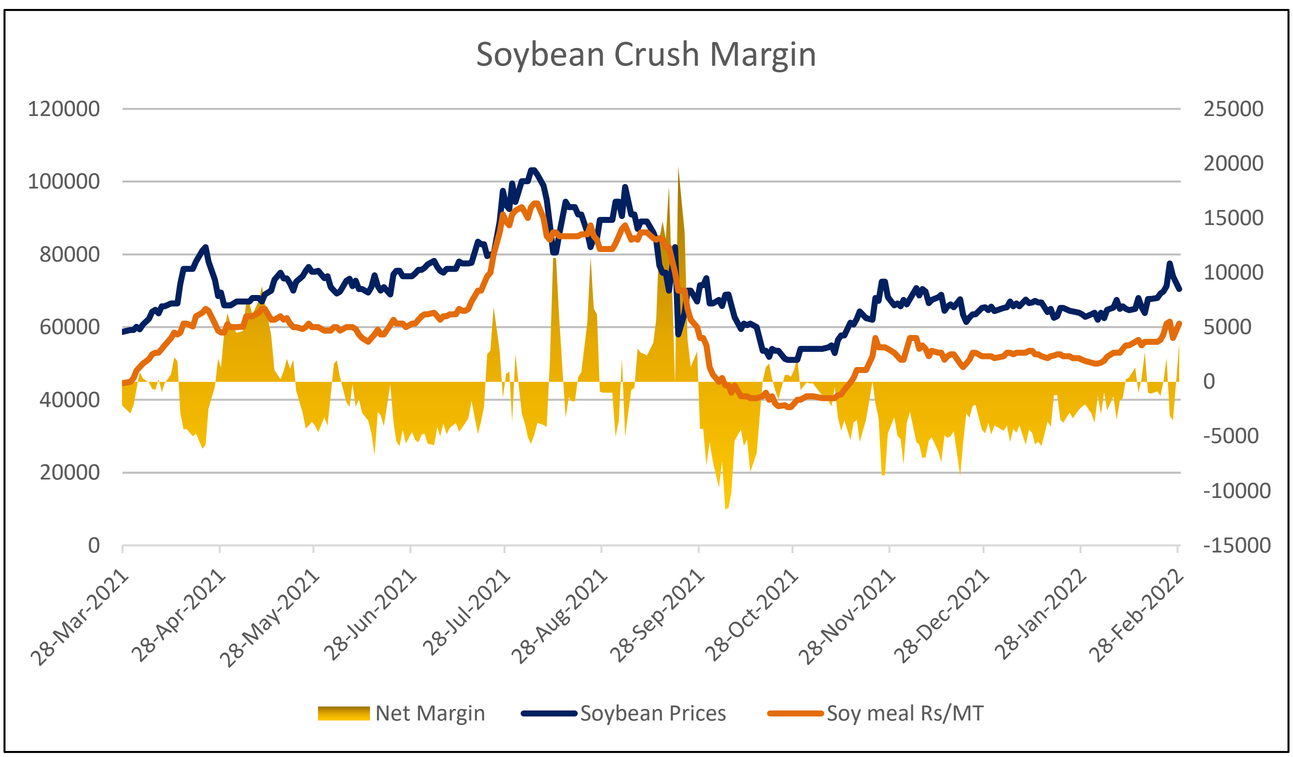
Department of Consumer Affairs, Food and Public Distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include 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 80 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 Feb'22 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 in Feb'22, FAS Kandla is quoted at USD 800/MT, Argentina FOB soymeal USD 505/MT. SBM FAS kandla is still outpriced by USD 295. Usually FAS Kandla trades 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 too due to non-competitive prices in global markets.



Soybean Crush Margin

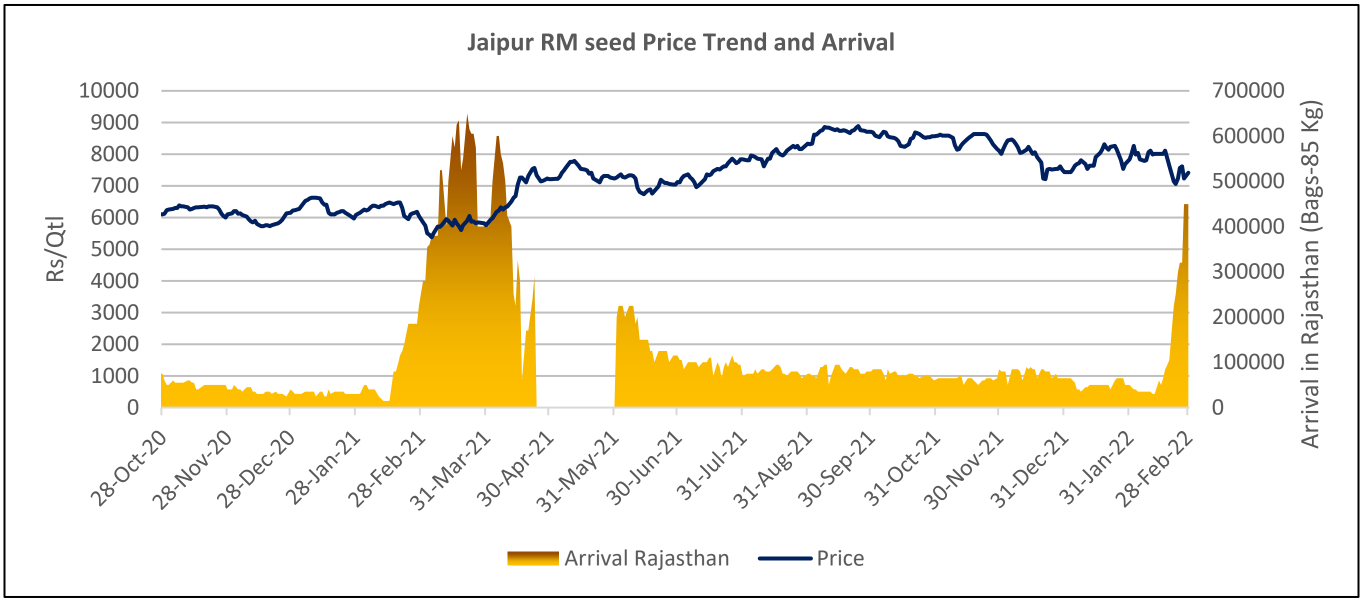


Avg Crush Margin – Feb 2022		Avg Crush Margin – Jan 2022		Avg Crush Margin – Feb 2021	
-879		-3858		-1380	
Min	Max	Min	Max	Min	Max
-3760	3490	-5900	-1210	-2060	-130

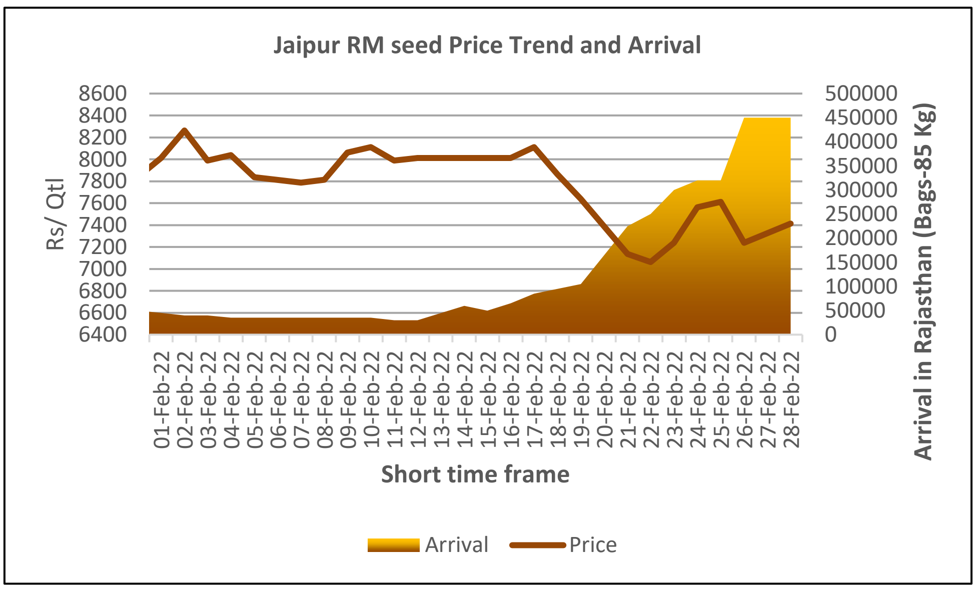
Outlook: The soy meal prices (Indore) are likely to trade with a firm bias in tandem with soybean prices despite subdued soymeal export demand and low crushing, we expect to trade in the range of Rs. 55,000/MT – 65,000/MT. Overall oilseed complex is in bullish mode on supply concern due to Russia Ukraine conflict, Additionally, record high crude oil prices pushing soy complex even higher.

Rapeseed - Mustard Seed

In Feb22, Rapeseed-mustard prices remained volatile amid record acreage in the country though the new crop arrival has commenced in key growing areas.



The average monthly price of RM seed at jaipur remained sideways in Feb'22 and witnessed mild loss of 0.7% to Rs. 7,784 a quintal, compared to Rs.7,842/qtl in Jan'22. The market made a low of 7,062 and high of 8,262 during the month. RM seed Arrivals in Rajasthan were 157%% high compared to previous month.



As on 28th Feb'22 RM seed Jaipur prices closed at 7,412/qtl compared to the previous month closing at 7,837/qtl. This month in Rajasthan, mustard arrivals went up by 157% to 31.70 lakh bags as compared to previous month at 12.30 lakh bags.

In Sri Ganganagar, rapeseed oilcake monthly average price too remained sideways and went 0.4% up to Rs 2,926/Qtl, as compared to Rs2,913/Qtl previous month. During the month market made low of 2,838 and a high of 3,213.

As on 28th Feb'22 at Sri Ganganagar, RM seed oilcake prices closed up at Rs2,888/Qtl compared to previous month closing at Rs. 2,838/Qtl.

According to GOI, as on 04th Feb'22, All India Mustard sowing is up by 25.3% at 91.63 Lakh Ha compared with 73.12 Lakh Ha last year.

`		As on 04th Feb'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	6.09	5.85	4.1%
Gujarat	1.96	3.40	2.15	58.5%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	4.05	4.31	-6.0%
Bihar	0.82	1.52	1.50	1.3%
Chattisgarh	0.44	1.41	1.40	1.1%
Odisha	0.08	1.11	1.05	5.8%
Jammu And Kashmir	0.48	0.31	0.29	7.7%
Arunanchal Pradesh	0.28	0.28	0.28	0.0%
Uttrakhand	0.15	0.18	0.18	0.0%
Nagaland	0.28	0.24	0.26	-7.8%
Sikkim	0.03	0.03	0.03	0.0%
Total	61.55	91.63	73.12	25.3%
Data source-GOI			Area in Lakh ha	

According to second advance estimates, Ministry of Agriculture has estimated Mustard seed production for the year 2021-22 at 114.59 lakh tonnes, this compares with the 102.10 lakh tonnes previous year.

Mustard acreage for MY 2022-23 is markedly higher compared to previous years, driven by high realized prices during the previous marketing year. The acreage under mustard seed is significantly higher compared to the previous year in all major states- Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana, West Bengal and Gujarat.

As per Agriwatch estimates, the production is expected to be 10.71 million MT, which is all time high production. It is estimated that 102.5 lakh tonnes will be crushed, which would translate into 43.05 lakh tonnes oil and 59.45 lakh tonnes RM seed DOC production.

New crop arrivals have commenced in early sown regions. Eastern Rajasthan districts such as Alwar and Bharatpur are expected to witness new crop arrivals in first fortnight of March and peak arrivals is likely to be around mid-march. While western and north Rajasthan is likely to witness new crop arrivals from first week of March and peak arrivals is likely to be around last week of March.

According to Solvent Extractor Association of India, India's exports for rapeseed meal during April-Jan'2022 was down 26% at 7,29,757 metric tonne compared to 9,90,955 metric tonne during the same period previous marketing season.

The export of rapeseed meal in Jan'22 is reported at 16,164 metric tonne against 74,240 metric tonne during the last year same period i.e. down by 78%. Rapeseed meal export remained lower due to less availability of seeds for crushing.

International

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

USDA in its Feb’22 report, estimated Canada canola production estimates 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.

USDA in its Feb’22 report, Canada canola exports estimated down to 5.3 MMT Vs 10.51 MMT last year.

According to Agriculture and Agri-Food Canada’s (AAFC) For 2021-22, canola supplies have tightened ac compared to last year, declining 37% to 14.5 MMT, due to a 49% drop in carry-in stocks and 35% lower production following last summer’s drought-reduced production in Canada.

Moreover, tight supplies and strong demand in Canada is underpinning record high prices for canola processing of canola is estimated down by 18% from last year to 8.5 Mt, by comparison exports are expected to fall by 49%, to 5.4 Mt, due to the tight supplies.

Global rapeseed production is revised upwards to 70.62 milion metric tonnes (MMT) in USDA’s February report from 69.27 MMT in previous report, whereas, on y-o-y comparison it is at downward compared to the 73.16 MMT last year. Global rapeseed oil production is also revised in latest report to 28.30 MMT compared to previous estimate of 27.87 MMT in January while, on y-o-y comparison it is lower compared to 29.16 MMT last year. Production is down for the year due to prolonged heat stress in Canada, whereas upward monthly revision in oil and oilseed is due to record production in India.

Ukraine and Russia, one of the top producers and exporter of edible oil to India may create supply crunch due to ongoing conflict, as per sources, some vessels are stuck at port. Additionally, bullish crude oil prices may underpin edible oil prices, as crude oil climb, there is push toward biofuel in which edible oil is used. India neither import RM seed nor RM seed oil in significant quantity. Supply crunch in oilseed complex may support RM seed prices after harvesting season.

RM Seed Supply, Pan India

RM Seed Arrivals Pan India in Bags (85 kg each).		
Monthly Arrivals– Feb’22	**1 Month Ago**	**Corresponding Period Last Year**
7245000	2975000	6400000

Outlook: RM seed arrivals is picking up; we expect further correction amid record crop in the country and expected to trade in the range of Rs. 6,800-7,600/qtl in short run. However, ongoing conflict in Russia Ukraine has pushed oilseed complex higher on supply concern.

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

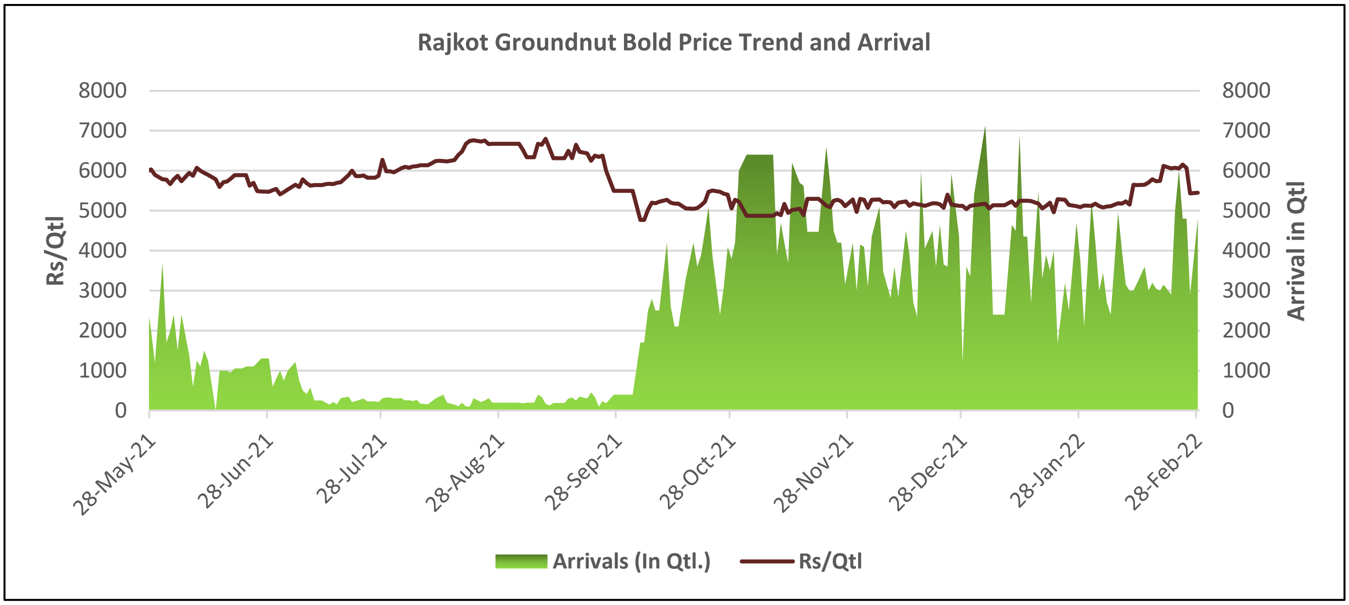
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2021-22	2022-23
Carry In	0.14	0.32
Production	8.54	10.71
Imports	0.00	0.0
Total Availability	8.68	11.02
Processing/Crushing	8.06	10.25
Exports	0.00	0.00
Retained for Sowing	0.20	0.20
Consumer Consumption - Seed	0.10	0.10
Total Usage	8.36	10.55
Carry Out/Ending Stock	0.32	0.47
Stock/Consumption Ratio	3.78%	4.47%

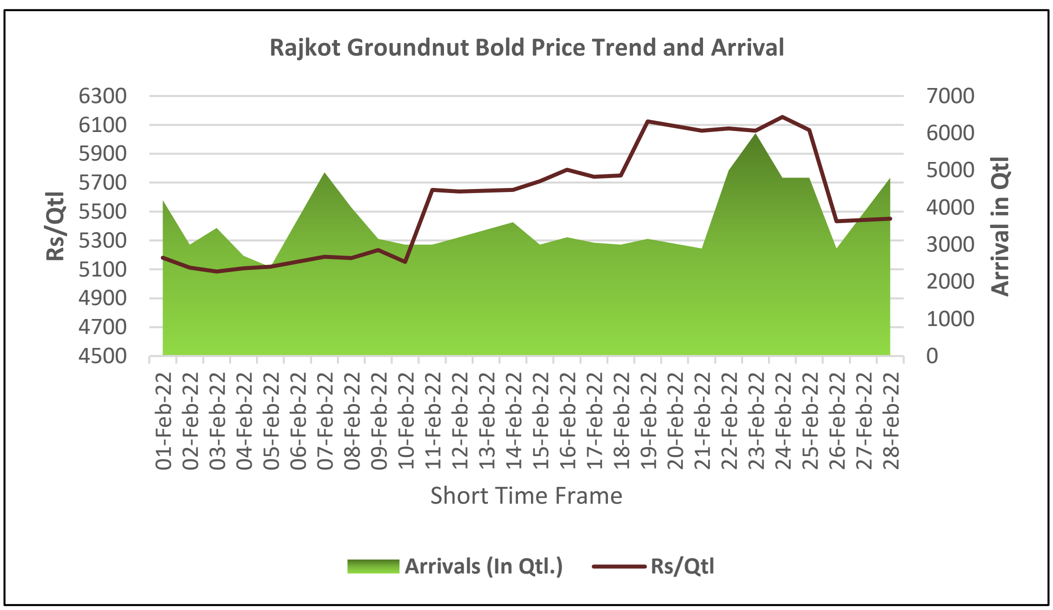
(Source: AgriWatch)

- 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.

Groundnut

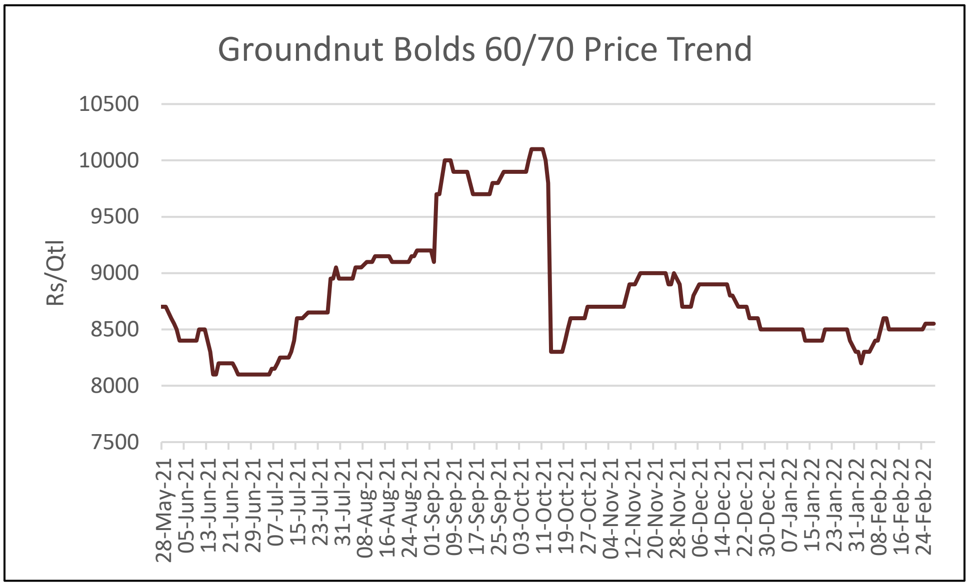
In Feb'22 the monthly groundnut bold seed prices went up as compared to previous month amid decrease in arrivals and strength in oilseed complex.





This month, the average monthly price of Groundnut bold at Rajkot went up by 7.98% to Rs. 5,571 a quintal, compared to Rs.5,159/qtl previous month. The market made a low of 5,085 and high of 6,155 during the month. Groundnut bold seed Arrivals in Rajkot were 10.6% low compared to previous month. However, low demand from China continued this month too.

As on 28th Feb'22, Groundnut bold prices at Rajkot closed at Rs 5,450/qtl as compared to previous month closing at Rs. 5,123/qtl.



This month, the average monthly price of Groundnut bold 60/70 remained sideways and went barely down by 0.02% at Rs8,460/qtl as compared to 8,462 previous month. During the month, market made a low of Rs. 8,200/qtl and a high of Rs. 8,600/Qtl.

As on 28th Feb'22, Groundnut bold 60/70 prices stood at Rs. 8,550/qtl as compared to previous month closing at Rs.8,300/qtl. Overall, strength in oilseed complex has pushed groundnut prices higher.

Groundnut Kernel							
Center	Variety	% Change over Previous year	% Change over Previous month	Latest Feb-22	Month Ago, Jan-22	Year Ago, Feb-21	2 Year Ago, Feb-20
Mumbai	GN Bolds 60/70	**17.5%**	**-0.02%**	8460	8462	8720	7228
(Source: Bombay Commodity Association)							

Agriwatch estimated 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.

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.

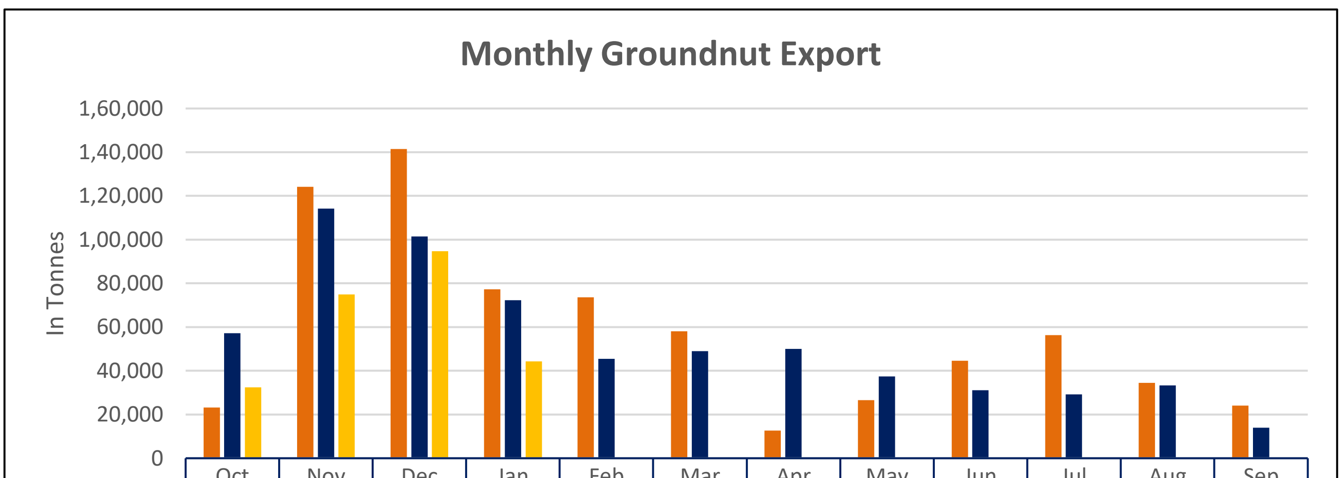
According to Saurashtra Oil Mills Association (SOMA) estimate, groundnut production in Gujarat is pegged at 34.4 lakh tonnes during the current kharif season.

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 04th Feb, report from the Ministry of Agriculture, 2021-22 Rabi groundnut sowing is up by 1.7% at 5.27 lha vs 5.18 lha last year same period. Sowing in Karnataka stood at 1.38 lakh ha vs 1.32 lakh ha previous year, In Telangana sowing stood at 1.29 lakh ha vs 0.88 lakh ha previous year, in Andhra Pradesh sowing stood at 0.83 lakh ha vs 0.78 lakh ha previous year, In Odisha sowing stood at 0.77 lakh ha vs 0.90 lakh ha previous year. In Tamilnadu sowing stood at 0.81 lakh ha vs 0.97 lakh ha previous year.

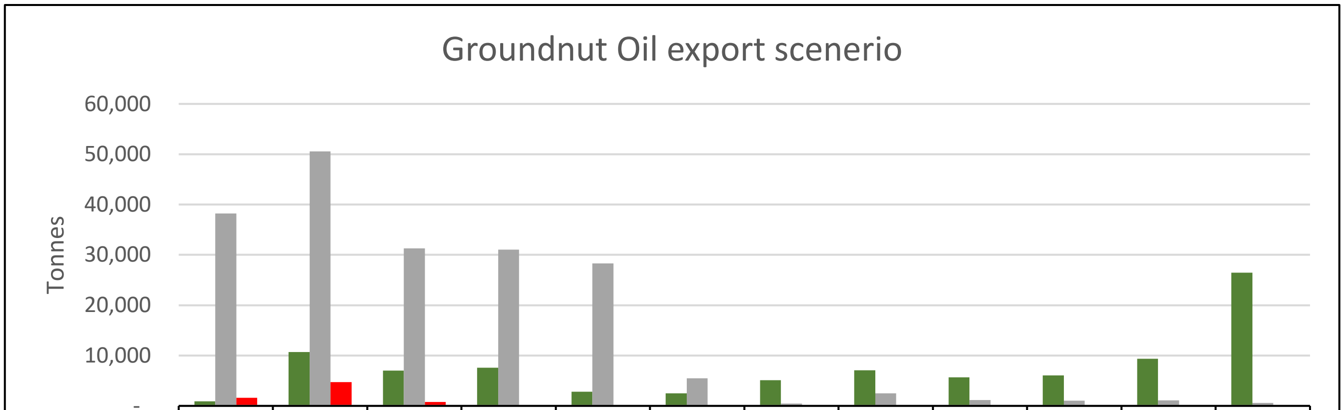
Groundnut Rabi sowing progress		As on 04th Feb'22		
	Normal area	2021-22	2020-21	% Change
Karnataka	1.51	1.38	1.32	4.5%
Telangana	1.22	1.29	0.88	46.7%
Andhra pradesh	0.83	0.83	0.78	5.4%
Odisha	0.21	0.77	0.90	-14.2%
Tamilnadu	1.25	0.81	0.97	-17.2%
Chattishgarh	-	0.14	0.23	-41.8%
West bengal	0.71	0.05	0.08	-35.7%
Total	7.06	5.27	5.18	1.7%
Data source-GOI			Area in Lakh ha	

According to Solvent Extractor Association of India, exports of Groundnut DOC during April'21-Jan'2022 are reported down by 82% at 1,870 metric tonnes compared to 10,372 metric tonnes during the April-Jan'2021.



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2019-20	23,138	1,24,2	1,41,4	77,315	73,546	58,119	12,654	26,507	44,661	56,253	34,539	24,090
2020-21	57,238	1,14,2	1,01,3	72,260	45,541	48,921	49,983	37,384	31,159	29,251	33,266	13,995
2021-22	32,399	74,897	94,771	44,262								

As per trade sources India's groundnut export for the month of Jan 2022 decreased and stood at 44,262 tonnes at an average FOB of $1145/ MT compared to 74,495 MT previous month. However, the exports were lower compared to same month last year by 39%. Of the total exported quantity in Jan22, around 49% (22,081 tonnes) were exported to Indonesia, 13% (6,076 tonnes) exported to Bangladesh, 5.60% (2,481 tonnes) exported to Philippines.

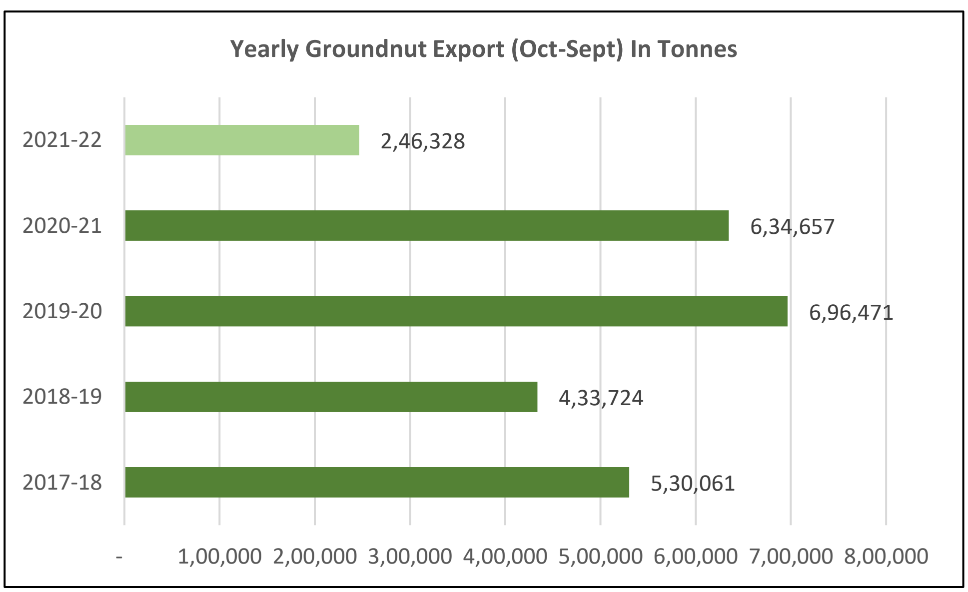


	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2019-20	912	10,674	7,036	7,609	2,803	2,486	5,125	7,102	5,702	6,061	9,387	26,488
2020-21	38,217	50,560	31,278	31,041	28,328	5,508	450	2,519	1,143	1,022	1,110	619
2021-22	1,604	4,703	777									

According to Department of Commerce, India's groundnut oil export during Oct'21-Jan'22 decreased by 98% to 7,083 MT compared to 1,20,055 MT same period last year. Additionally, in Jan'22 India's groundnut export decreased to 777 tonnes (Jan'22 Fig. -Trade sources) compared to 31,278 in previous year same period. Subdued groundnut oil demand from China continued in Dec'21 too. Despite low export, edible oil supply concern due to Russia Ukraine likely to underpin groundnut oil prices.

India's groundnut export during Oct'21-Jan 2022 decreased by 29% to 2,46,328 tons this compares with 3,45,157 tons export previous year same period.

According to USDA Feb'22 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 Feb'22 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 Feb'22 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: Upon bullish oilseed complex on supply concern and decrease in arrivals, groundnut Rajkot bold price is expected to trade rangebound with firm bias in the range of Rs.5,200-5,600/qtl in near term.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	28-Feb-22		31-Jan-22		
	Low	High	Low	High	
Indore –Plant	7500	7700	6250	6325	1375
Indore–Mandi	7200	7300	5800	6200	1100
Nagpur-Plant	7000	7100	6300	6400	700
Nagpur – Mandi	5500	6850	5700	6000	850
Latur – Mandi	6500	7050	6000	6180	870
Akola – Mandi	5500	7175	5300	6055	1120
Kota-Plant	7400	7750	6250	6350	1400
Kota – Mandi	7300	7550	6150	6300	1250
Bundi-Plant	7400	7725	6100	6200	1525
Bundi-Mandi	7000	7325	6000	6300	1025
Baran-Plant	7700	7850	6200	6375	1475
Baran-Mandi	6800	7750	5800	6175	1575
Bhawani Mandi Jhalawar–Plant	7700	7870	6200	6370	1500
Jhalwar-Mandi	7200	7770	5900	6270	1500
Rapeseed/Mustard					
Jaipur-(Condition)	7225	7250	7825	7850	-600
Alwar-(Condition)	6500	6600	7350	7400	-800
Sri Ganganagar-(Non-Condition)	6400	6450	6900	7000	-550
New Delhi–(Condition)	6900	7000	7400	7450	-450
Kota-(Condition)	6500	6700	7400	7600	-900
Agra-(Condition)	7238	7333	7952	8000	-667
Neewai-(Condition)	6650	6850	7250	7450	-600
Hapur (UP)-(Condition)	6700	6800	7400	7500	-700
Groundnut Seed					
Rajkot	965	965	915	915	50
Sunflower Seed					
Gulbarga	5000	5800	4800	5400	400
Latur	6600	6700	5900	6000	700
Sholapur	6600	6700	5900	6000	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)			
	28-Feb-22	31-Jan-22	Change	Parity To
Indore - 45%, Jute Bag	61000	50200	10800	Gujarat, MP
Kota - 45%, PP Bag	61500	52700	8800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	65000	54000	11000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	63000	52000	11000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	62500	53000	9500	Andhra, AP, Kar ,TN
Latur	68000	53000	15000	-
Sangli	58500	50500	8000	Local and South
Solapur	64000	51500	12500	Local and South
Akola – 45%, PP Bag	57500	51000	6500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	61000	52000	9000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	61300	52500	8800	-

Soy DOC at Ports			
Centers	Port Price		
	28-Feb-22	31-Jan-22	Change
Kandla (FOR) (INR/MT)	64000	56000	8000
Kandla (FAS) (USD/MT)	850	-	-
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-

Rapeseed Meal	28-Feb-22	31-Jan-22	Change
FAS Kandla (USD/MT)	315	315	Unch
FOR Kandla (Rs/MT)	22800	22900	-100
FOR Mundra (Rs/MT)	-	-	-

CNF Indonesia (USD/MT)	358	344	14

International Soy DOC			
Argentina FOB USD/MT	**28-Feb-22**	**31-Jan-22**	**Change**
Soybean Pellets	510	481	29
Soybean Cake Flour	510	481	29
Soya Meal	-	-	-
Soy Expellers	-	-	-

Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**28-Feb-22**	**31-Jan-22**	**Change**
Adoni	30000	30500	-500
Khamgaon	-	-	-
Parli	-	-	-
Latur	29000	30000	-1000

Groundnut Meal (Rs/MT)	**28-Feb-22**	**31-Jan-22**	**Change**
Basis 45%, Saurashtra	49000	37000	12000
Basis 40%, Saurashtra	44000	32000	12000
GN Cake, Gondal	49000	38000	11000

Mustard DOC	**28-Feb-22**	**31-Jan-22**	**Change**
Jaipur (Plant delivery)	22500	22500	Unch
Kandla (FOR Rs/MT)	22500	22500	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	**28-Feb-22**	**31-Jan-22**	**Change**
G.N. Extr (45%)	48000	38000	10000
Kardi Extr	-	-	-
Undec Cottonseed Exp	36500	36500	Unch
Rice Bran Extr.	-	-	-
Sunflower Extr.	33000	33500	-500
Rapeseed Extr.	-	-	-
Soymeal 48%	64696	53217	11479
Castor Extr.	11750	11150	600

MSP of Rabi Oilseeds for Marketing Season 2022-23- GOI

Sl. No	Crops	MSP for Rabi 2022-23	MSP for Rabi 2021-22	Increase in MSP (Absolute)
1	Rapeseed-mustard	5050	4,650	400
2	Safflower	5441	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 2022-23.

Government has increased the MSP of Rabi crops for marketing season 2022-23, 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 2022-23 from Rs. 4,650 per quintal in 2021-22 an increase of Rs. 400 a quintal.

The MSP of safflower to Rs. 5,441 a quintal from earlier Rs. 5,321 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 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.

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'21

Area in Lakh Hectares Source- GOI

	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%

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 102.79 lakh hectares, up 23% from 83.69 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 25% at 91.63 lha compared to 73.12lha during the corresponding period of last year. Groundnut at 5.27 lha vs 5.18 lha, safflower at 0.76 lha vs 0.58 lha, sunflower at 1.19 lha vs 1.09 lha, linseed at 2.95 lha vs 2.80 lha.

Area in Lakh Hectares

Crop	*Normal Area (5 Year Avg.)*	*As on 04th Feb 2022*	*As on 04th Feb 2021*	% Change
Rapeseed/Mustard	61.55	91.63	73.12	25%
Groundnut	7.05	5.27	5.18	2%
Safflower	0.9	0.76	0.58	30%
Sunflower	1.86	1.19	1.09	10%
Linseed	2.53	2.95	2.80	6%
Others	0.04	0.10	0.09	11%
Total Oilseeds	73.9	102.79	83.69	23%

Source: MoA, GOI