

# Oilseeds Weekly Research Report

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## Executive Summary

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Mixed trend are featured in Soybean complex amid less supplies in this week. While, Mustard seed prices increased on strong demand of local crushers and retailers despite heavy pace of supplies. ITC, Olam, Cargil are continue buying soybean for the stock purpose. While, Ruchi soya, Dhenuka are actively buying for crushing to fulfill regular requirements. Traders in Maharashtra and Rajasthan have booked soybean consignment which will be delivered in Jan month majorly from Benin & Ethiopia. Traders are expected to import about 2 to 2.5 lakh tonnes of soybean. Lower crop estimates of this season and strong demand of planters and millers will support soybean prices to increase in coming days. Farmers expect Soybean price hike upto Rs. 5000 per quintal. Traders expect remain bullish trend in soybean complex until the arrivals of the new oilseed crops of mustard in March 2020 which may affect overall edible oil segment and ease prices. NCDEX future prices of Soybean and Mustard increased after buying activities of speculators. CBOT prices are continued on higher side on firm sentiments.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.60 lakh hectares to 74.12 lakh hectares as on 27<sup>th</sup> Dec. 2019 against 74.72 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 65.68 lakh hectares lower by 0.72 lakh hac. against 66.40 lakh hectares in last year. Total covering area of groundnut stood at 3.56 lakh hectares higher against 3.30 lakh hectares in last year. Safflower has been planted on 0.47 lakh hectares higher from last year record i.e.0.34 lakh hectares. Sunflower has been planted on 0.84 lakh hectares lower against 0.97 lakh hectares last year. Sesame has been planted on 0.37 lakh hectares lower from last year. Linseed has been planted on 2.91 lakh hectares lower against 3.08 lakh hectares in last year.

As per Skymet, India may get lower Soybean crop of this season and expect total 12.15 million tonnes lower by 12% against last year record on account of heavy rains during post monsoon season. Rainfall have damaged the soybean crop mainly in MP state when the crop was at flowering to pod formation. The poor pod formation could not produce good quality of seeds. Yield suffered around 50 to 70% crop loss in Indore, Ujjain, Neemuch, Mandsaur, Jhabua, which are major districts of MP. Few of districts like Sehore, Dewas, Ashok Nagar, Guna, Dhar, Vidisha and Rajgarh have suffered yield losses to the tune of 30-50 per cent. While other districts have suffered around 10 to 20 % yield damage. Maharashtra has also suffered major Soybean crop loss due to heavy rainfall.

As per SOPA, India may harvest 17.7% lower Soybean crop to 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018 on account of heavy rainfall at maturity period of time. The major growing Soybean states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30% to 0.86 lakh tonnes, 7.1% to 2.69 lakh tonnes, 31.1% to 40.10 lakh tonnes respectively against last year record. However, Farmer may get 5.7% higher Soybean to 36.29 lakh tonnes in Maharashtra in the current season.

***Soybean and RM seed complex may trade in steady to firm zone after less supplies.***

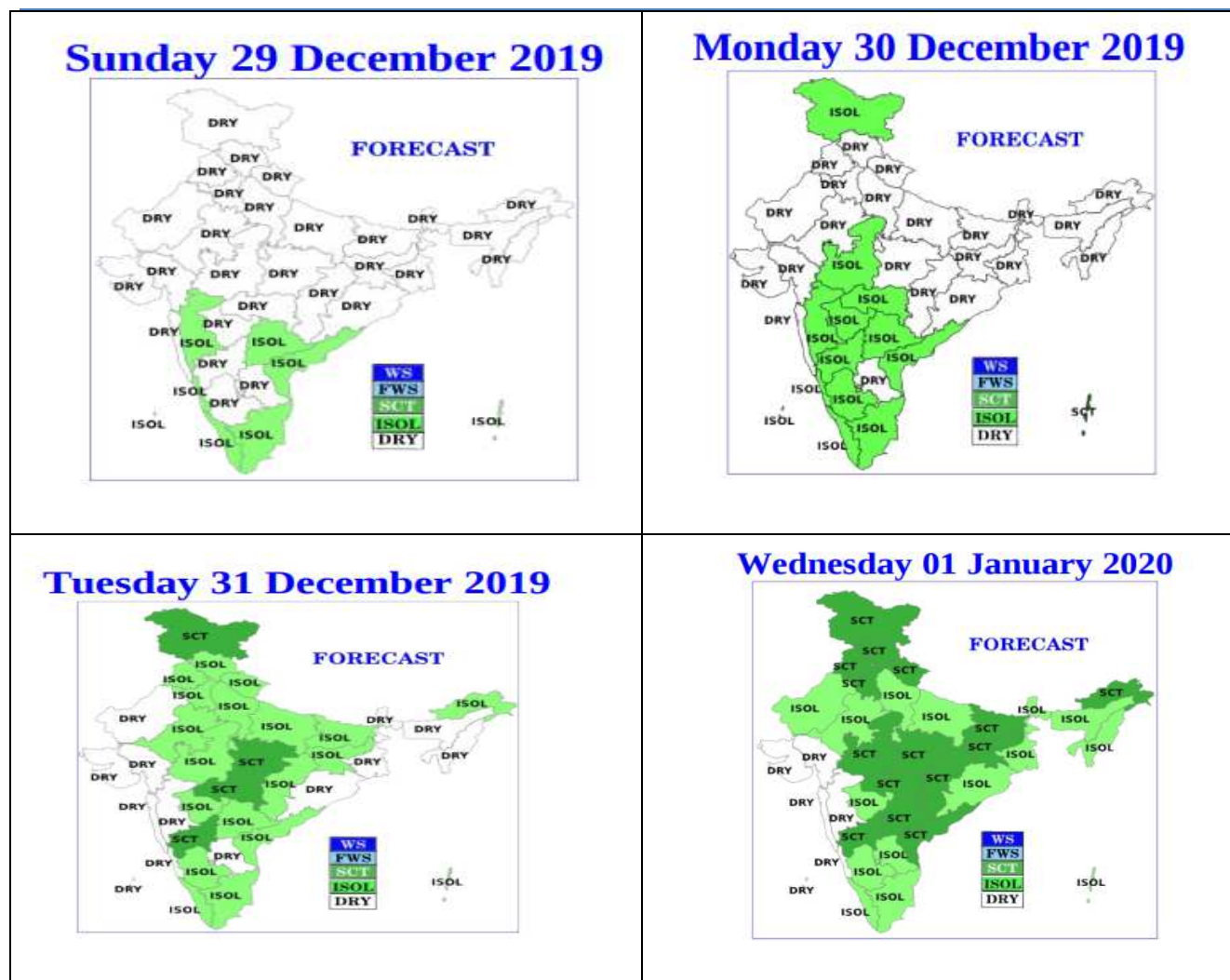
## Outlook – Cash Market

**Outlook-Soybean (Spot, Indore):** Soybean Indore plant prices closed remain on higher side after less supplies. Prices may increase in next week in expectation of good demand of stockiest and millers. Prices are likely to trade in the range of 4450 to 4650 in next week. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition and Kharif crop size estimates. However, soybean import in Jan month may curb any major hike.

**Outlook –Soy meal (Spot, Indore):** Soymeal prices closed higher side supported by price hike in soyoil and global markets. Prices may trade steady to firm in the coming days. Prices are also being driven by global market's outlook and may trade between Rs.35500 to 36500/MT in Indore market. Exporters are less active in the market. Doc buyers are looking for alternative and low cost meals to feed their animals which may curb any major hike in prices.

**Outlook-Rapeseed-Mustard (Spot, Jaipur basis)** Mustard seed prices at Jaipur market showed firm trend after strong demand of crushers and retailers. Prices may increase in coming week in expectation of less supplies. Prices are likely to trade in the range of 4750 to 4880 in next week. Nafed is likely to start disposal of Mustard seed soon which may weigh on prices. NCDEX future prices of RM Seed may increase in expectation of buyer's interests at exchange.

## Weekly Weather Report



- Dense fog to very dense fog at some pockets to most pockets very likely over Punjab, Haryana, Chandigarh & Delhi, Rajasthan and Uttar Pradesh during next 3 days; over north Madhya Pradesh and Odisha during next 2 days and over northeastern India during next 4-5 days. The prevailing severe weather conditions are likely to abate from most parts of north and east India from 30<sup>th</sup> December onwards.
- Severe cold wave and severe cold day conditions prevailed at many to most pockets over Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh and Bihar and in isolated pockets over Rajasthan.

## Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 27.12.2019 (In lakh Hectare)				
	Normal Area	2019	2018	Change (Y-o-Y)
<b>Rapeseed &amp; Mustard</b>	60.48	65.68	66.40	<b>-0.72</b>
<b>Groundnut</b>	7.76	3.56	3.30	<b>0.26</b>
<b>Safflower</b>	1.41	0.47	0.34	<b>0.13</b>
<b>Sunflower</b>	2.96	0.84	0.97	<b>-0.13</b>
<b>Sesamum</b>	3.12	0.37	0.38	<b>-0.01</b>
<b>Linseed</b>	2.99	2.91	3.08	<b>-0.17</b>
<b>Total-Oilseeds (Nine)</b>	78.85	74.12	74.72	<b>-0.60</b>

## Soybean

### Domestic Market

Soybean prices showed mixed trend amid less supplies. Good price hike of the season so far is encouraging farmers and traders to gain more profit as a result they have started to hold their stocks. Soybean prices may trade in steady to firm tone after good buying activities. Lower crop estimates of this season and less arrivals against demand may support prices in next week. However, soybean import activities in Jan month may curb any major hike in prices.

Nafed has procured total 10675.16 MT so far including 10648.85 MT in Telangana states, 4.41 MT in Maharashtra VCMF and 26.31 MT in MAHAFFPC.

Soybean Crop harvesting of Kharif season is now completed. Continuous heavy rainfall received during monsoon season has severely damaged the crop in Rajasthan and Madhya Pradesh. Incidence of sucking pest and yellow mosaic virus has been observed in the field. Overall crop condition is below normal and yield is expected to be below normal. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per SOPA recent released data, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and 1.54 lakh tonnes for carry forward in next year. Imports of India are likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh

tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

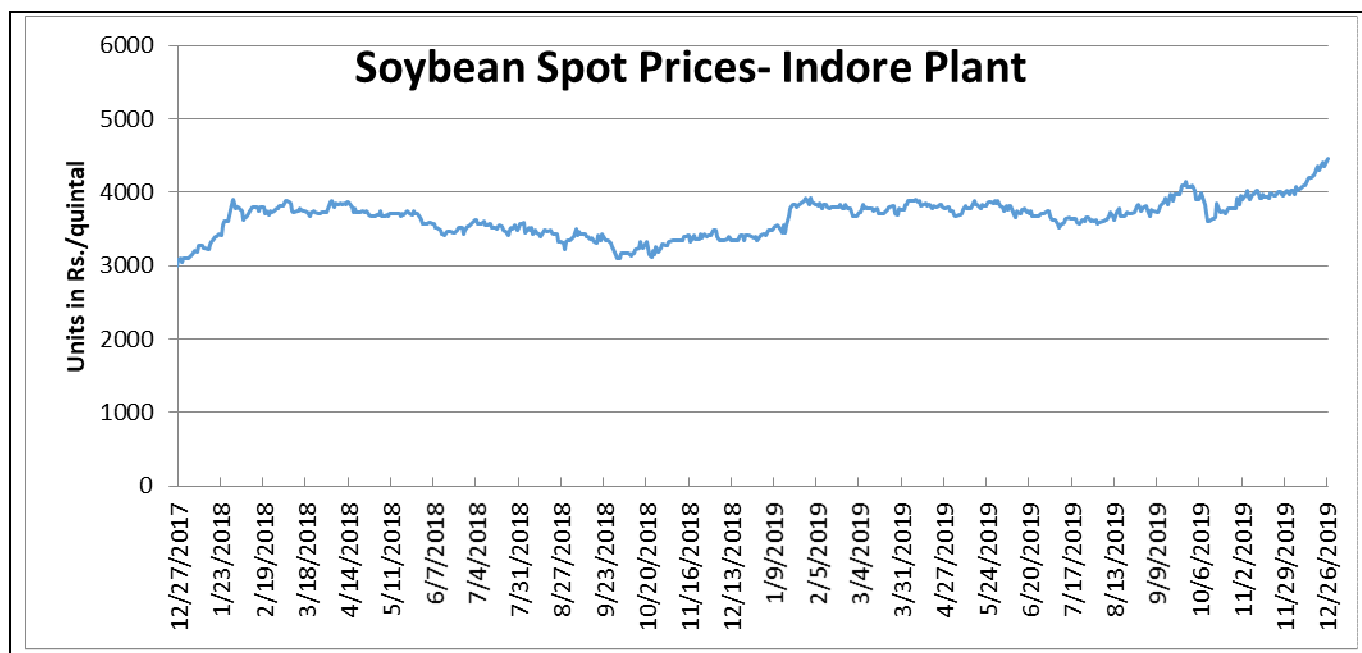
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record.

As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tonnes compared to 10.46 lakh tonnes in previous year.

As per the First Advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 135.05 lakh tonnes as compared to 137.86 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

***The domestic soybean prices are likely to trade in steady to firm tone in coming days.***



Source: Agriwatch

## **International Market**

CBOT prices are remained on higher side after good buying activities of China following the announcement this month of an interim US-China trade deal.

As per source, China purchased total 2.56 million tonnes of US soybean higher from previous year record and October month record after Beijing issued waivers to exempt importers from hefty tariff for some American cargoes. In October month, the country bought total 1.14 million tonnes. China bought total 3.86 million tonnes of Brazilian Soybean which is lower by 24% from 5.07 million tonnes in the corresponding period of time in last year.

As per sources, European Union bought total 6.6 million tonnes of Soybean till Dec 22, 2019 (season started on July 1) which is lower by 2% from last year record in Dec.16. EU soymeal imports had reached higher by 15% to 9.3 million tonnes, the year-earlier period, while palm oil imports stood down by 19% to 2.6 million tonnes.

As per NOPA recent data, NOPA members have crushed total 164.90 million bushels of Soybeans in November 2019 which is lower from 175.39 million bushels in October 2019. It is also lower from 166.95 million bushels in November 2018. Crushing is below than the average trade estimate of 172.032 million bushels, based on data gathered by Reuters from 10 analysts. It was also below all trade estimates that ranged from 168.6 million to 178.028 million bushels, with a median of 170.5 million. Soybean oil stocks rose to 1.448 billion pounds at the end of November against 1.423 billion pounds in October month however lower from 1.484 billion pounds at the end of November 2018. Soymeal exports has been reported lower in November 2019 at 868,769 tons from 894,817 tons in November 2019 and 901,449 tons exported in November 2018.

As per sources, Argentina may grow higher soybean crop at 53.6 million tons in 2019/20 supported by stable weather condition. USDA kept unchanged production estimates i.e. 53 million tons in December month report. Farmers in country may plant total 18.2 million hectares in this season higher from 17.7 million hectares in last year record. As per ministry report, Argentina has covered 64% soybean planting area as on 12th Dec 2019 which is slightly lower from 66% in last year record and also below from the five years average of 67%.

During the week (Dec.13-Dec 19, 2019) US sold 49% lower soybeans to 736,200 MT for 2019/2020 from the previous week and 39% from the prior 4-week average. Increases were primarily for China (400,400 MT, including 66,000 MT switched from unknown destinations and decreases of 400 MT), the Netherlands (161,100 MT, including 154,500 MT switched from unknown destinations and decreases of 700 MT), Thailand (85,400 MT, including 70,000 MT switched from unknown destinations and decreases of 200 MT), Saudi Arabia (72,100 MT, including 66,000 MT switched from unknown destinations), and the United Kingdom (63,300 MT, including 57,000 MT switched from unknown destinations), were offset by reductions primarily for unknown destinations (313,300 MT) and South Korea (15,000 MT). For 2020/2021, total net sales of 11,100 MT were for Japan. Exports of 1,007,300 MT were down 28 percent from the previous week and 39 percent from the prior 4-week average. The destinations were primarily to China (348,500 MT), the Netherlands (161,100 M), Thailand (94,100 MT), Saudi Arabia (72,100 MT), and the United Kingdom (66,600 MT).

As per sources, Farmers in Brazil have planted total 93% of soybean area as on 5<sup>th</sup> Dec. 2019 of this season lower against 96% in previous year record. However, it is 6% higher from last week record supported by good rainfall. As per USDA, the soybean planted area is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 5% to 123 million T in normal weather



condition as compared to last year. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million ha. and the production at 120.7 million tonnes in the current season.

As per Conab, Brazil may harvest higher Soybean crop at 121.09 million tonnes in 2019/20 against 115.03 million tonnes in last year and 120.86 million tonnes in Nov. month estimates. Soybean area in Brazil is likely to stand higher at 36.79 million Ha. in 2019/20 against 36.71 million ha. in Nov. month estimates and 35.87 million ha. in 2018/19 season. Brazil may export total 72 Million tonnes in 2019/20 higher from 70 million tonnes in 2018/2019 however the projected figure is lower from 83.257 million tonnes in 2017/2018.

USDA reduced soybean yield estimate of US due to weak crop condition in US in its Nov review. Soybean stocks estimate fell due to lowering of soybean crop in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean crop was below was reported at 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

Soybean harvest is expected to be completed in US Midwest on dry conditions in next week. Harvesting will be completed in normal time as dry conditions helped fast harvest. USDA forecast soybean crop in US at 96 MMT in Nov review.

China has opened soy meal market for imports from Argentina and Ukraine, in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020. China has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices. China has also allowed to import rapeseed meal from Ukrain. It is likely to give permission to import rice bran and palm meal from Thailand.

As per sources, China has bought total 8.28 million tonnes of U.S. soybean in November 2019 which is significantly higher by 54% against last year record i.e. 5.38 million tonnes. The export volume is also higher by 34% from October month record i.e. 6.18 million tonnes. Soybean demand of China was lower due to outbreak of African swine fever and trade war with U.S.

As per source, Argentina may increase soybean acreage by 100,000 hectares in expectation of shift of corn area to soybeans. Farmers are expecting a rise of export taxes of corn after new elected administration in power on December 10<sup>th</sup> 2019. So far, farmers have finished 1.7% lower soybean planted area to 39% as compared to previous year. However, it is higher by 7.7% from last week record. In southern Argentina 15-30% area have been planted so far while, soybean planting has not yet started in far northern Argentina.

As per Agro consult, Brazil is likely to ship to China between 54 million tons to 59 million tons in 2019/20 lower against 60 million tons in last year. Total shipment of the country may stand between 76.5 million tons to 78 million tons depend on trade war settlement between U.S. and China. Brazil may produce total 124 million tons of soybean in this year higher from 118 million tons in last year.

As per Above, Brazil is likely to produce total 122.8 million tons in 2020 higher from 117.8 million tonnes in 2019. The country may export total 75 million tonnes lower from 83.26 million tonnes in 2019. Soy processing is forecast at 44 million tonnes higher against 42.9 million tonnes in 2019. Soy crushing may increase in 2020 due to higher biodiesel mix in diesel. However, soy planting area is still lagging behind last year record.



As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly lower to 96.61 million tons in December unchanged from previous month. Exports of U.S are unchanged at 48.30 million tonnes in this month. U.S crushing is also unchanged at 57.28 million tonnes in Dec. month. Ending stocks of the country is expected at 12.92 million tonnes in Dec. month review.

As per WASDE report, world oilseed production for 2019/20 is projected at 574.6 million tons in Dec month, up 3.3 million tons from November due to higher sunflower seed, peanut, and soybean production offsetting lower rapeseed and cottonseed production. Sunflower seed production rises 2.3 million tons on larger crops in Russia and Ukraine. Soybean production is up nearly 1.0 million tons reflecting higher area and yield reported by China's National Bureau of Statistics. In response, oilseed crush is raised nearly 2.0 million tons to 496.5 million. Oilseed ending stocks also grew 1.6 million tons mainly on higher soybean stocks in Brazil offsetting declines in Bolivia and Vietnam.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged \$357/ton, down \$1 from October. Brazil Paranagua FOB averaged \$369/ton, down \$3 from October. Argentina Up River FOB averaged \$320/ton, up \$11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and unchanged from previous month record. Exports of soybean in 2019-20 is expected to 76 million tones higher from 74.94 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 MMT on higher-than-expected area. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected. Total imports of China are estimated at 8.5 million tonnes for 2019/20 season unchanged Nov. month. While crushing is forecasted at 8.4 million tonnes lower from 8.5 million tonnes in 2018/19.

As per IGC (International Grain Council), Global soybean output may decline by 18 million tonne to 341 million tonnes due to slight shortfall in U.S Soybean output for this season and lower planting area so far in Brazil.

As per sources, Ukraine may export lower soybean by 19.8% to 2 million tonnes in 2019/20 against previous year record. While, it may export higher sunoil by 0.8% to 6.1 million tonnes in 2019/20 from last year record. The country may export 16.7% higher Rapeseed to 2.86 million tonnes in 2019/20 against 2018/19 season.

## Soy meal

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Soymeal prices are continued on higher side after strong south based traders demand. Higher soybean prices of this season have led soymeal products to be more costly.

During the week (Dec.13-Dec 19, 2019) US sold 65% higher soybean cake and meal to 138,000 MT for 2019/2020 from the previous week however 8% lower from the prior 4-week average. Increases primarily for Colombia (31,600 MT), the Philippines (25,900 MT, including decreases of 500 MT), Ecuador (20,500 MT), Mexico (19,100 MT), and Canada (7,600 MT, including decreases of 2,100 MT), were offset by reductions primarily for the Dominican Republic (2,700 MT), Guatemala (800 MT), and Panama (300 MT). Exports of 169,800 MT were primarily to the Philippines (47,500 MT), the Dominican Republic (23,700 MT), Canada (19,100 MT), Morocco (16,500 MT), and El Salvador (12,800 MT).

As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes in November 2019 lower against 3.26 lakh tonnes in previous year during the corresponding period of time. Higher soybean meal prices has affected poultry sector demand. DOC buyers may switch to other alternative meal products due to higher soymeal prevailing prices.

According to trade source, one vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of castor seed meal with total capacity of 13,000 tons. One vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of rapeseed meal with total capacity of 13,000 tons. One vessel (PHC MARITIME) at berth for discharge at Tuticorin port for import of sunflower cake with total capacity of 7,700 tons.

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export Sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent report of USDA, India may produce lower Soymeal to 6.4 million tonnes in 2019/20 compared to 7.6 million tonnes in 2018/19 season. The estimate is unchanged from Nov. month estimates. Domestic consumption is forecast at 5.35 million tonnes for this season higher from 5.2 million tonnes in previous year record however it is unchanged from previous month record.

As per USDA, U.S. Gulf FOB soybean export bids in November averaged \$357/ton, down \$1 from October. Brazil Paranagua averaged \$369/ton, down \$3 from October. Argentina Up River FOB averaged \$320/ton, up \$11. Brazil FOB soybean prices are averaging 3 percent above U.S prices, slightly less than last month's 4 percent.

As per recent SEA report, India shipped Oilmeals lower by 64% to 126,128 tons in November 2019 against 353,405 tons in September 2018. The overall export of oilmeals during April-Nov. 2019 is reported at 1,652,599 tons compared to 2,086,321 tons in April-Nov.2018 i.e. down by 21%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased to 431,692 against 275,281 tons.

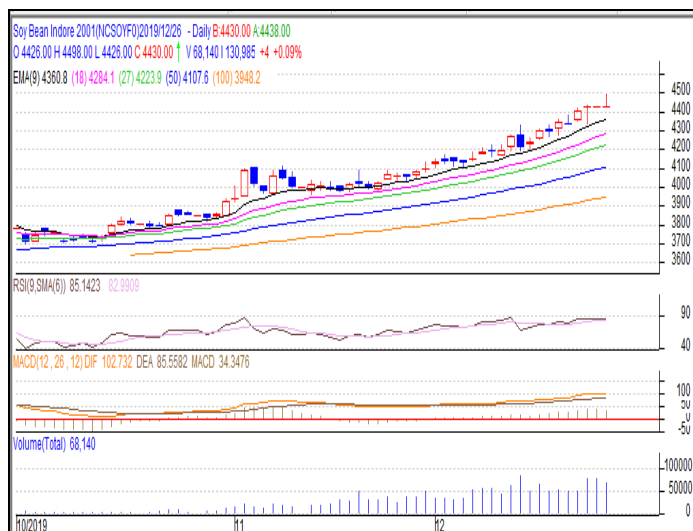
During April-November 2019, Vietnam imported 212,546 tons of oilmeals (compared to 384,814 tons); consisting of 3782 tons of soybean meal, 134,412 tons of rapeseed meal and 74,352 tons of De-oiled Rice Bran Extraction. South Korea imported 678,171 tons of oilmeals (compared to 566,657 tons); consisting 29,451 tons of soybean meal, 294,964 tons of rapeseed meal and 353,756 tons of castor seed meal. Thailand imported 168,426 tons of oilmeals (compared to 217,143 tons) consisting 148,309 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2536 tons of soybean meal.

During April-November 2019, the export from Kandla is reported at 655,910 tons lower (40%), followed by Mundra handled 509,578 tons (31%), and Mumbai including JNPT handled 114,035 tons (7%) and Kolkata handled 100,315 tons (7%) and Others Ports handled 272,761 tons (17%).

Indian Soymeal premium quoted higher side by \$106 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

## Technical Analysis:

### NCDEX Soybean FUTURE



### Soybean Spot, Indore



\*Note: Daily Chart

### Support & Resistance NCDEX Soybean – Jan. Contract

S2	S1	PCP	R1	R2
4300	4350	4454	4580	4630

- Soybean Jan. contract depicts firm trend and likely to find support at 4350 and resistance at 4550
- On the upside, 4580 shall act as immediate resistance followed by INR 4630.
- On the downside, INR 4350 shall act as immediate support followed by 4300.
- Trade Recommendation (NCDEX-Soybean) -**Buy**

Weekly trade call: **Buy** Above-4410 Target – T1-4480; T2-4550, SL – 4350

## Rapeseed - Mustard Seed

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RM seed prices are remain at higher side at all the trading centers followed by strong crushers and retailers demand in winter season. At the end of week, mustard closed higher at 4830 per quintal as compared to 4705 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 65.68 lakh hac. of Mustard area as on 27<sup>th</sup> Dec. 2019 which is lower by 0.72 lakh hac. against 66.40 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 23.97 lakh hac. lower against 23.23 lakh hac. followed by 12.06 lakh in Uttar Pradesh, 6.99 lakh hac. in MP, 5.10 lakh hac. in West Bengal, 1.70 lakh hac. in Gujarat states.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers had waited water to dry up the sowing low lying land. The government expects Mustard seed production at 8.24 MT for 2019-20 lower than last year record. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20.

According to United States Department of Agriculture (USDA) December estimates, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year. Domestic consumption lowered to 27 lakh tonnes from 27.30 lakh tonnes in previous year record. Ending stocks have been lowered to 1.44 lakh tonnes from 1.43 lakh tonnes in last year record. India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19.

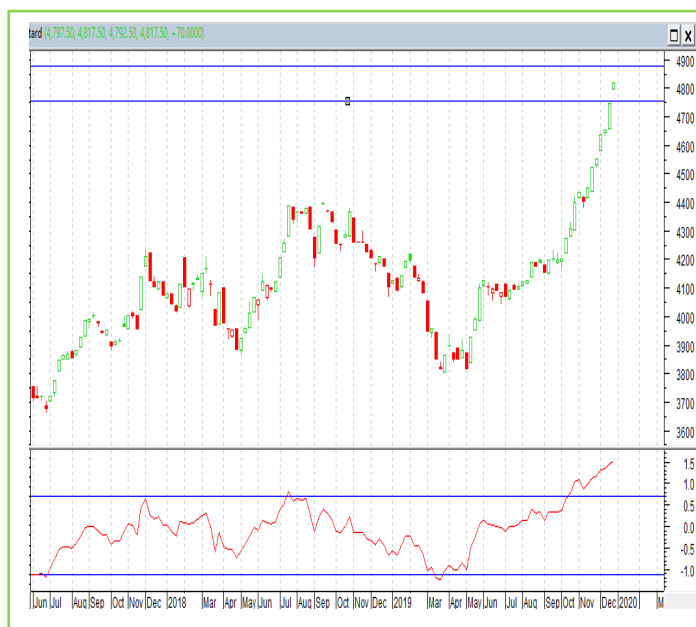
As on 16<sup>th</sup>Oct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19, and 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, and Chandigarh & Ahmedabad. It may sell total 1938.67 MT in Lucknow, 1.20 lakh tonnes in Indore, 4.35 lakh tonnes in Jaipur, 1.45 lakh tonnes in Chandigarh, 45541.18 MT in Ahmedabad during Nov. Month to Jan 2020.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

As per Fourth advanced estimates of government, it estimates Mustard seed output at 93.9 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

## Technical Analysis:

### RM Seed Futures Contract Spot, Jaipur



Support & Resistance NCDEX RM Seed – Feb. Contract				
S1	S2	PCP	R1	R2
4470	4520	4594	4720	4800

- Mustard Feb. contract depicts firmness and further can get support at INR 4520
- Prices have tested the lower level of 4566 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) - **Buy**

Weekly trade call: **Buy** Above – 4588 Target – T1-4650 T2- 4720, SL –4530

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	26-Dec-19		19-Dec-19		
	Low	High	Low	High	
Indore –Plant	4400	4500	4300	4325	175
Indore–Mandi	4200	4350	4100	4250	100
Nagpur-Plant	4400	4525	4300	4350	175
Nagpur – Mandi	3950	4350	3710	4170	180
Latur – Mandi	Closed	Closed	3950	4375	NA
Akola – Mandi	Closed	Closed	3100	4135	NA
Kota-Plant	4400	4450	4340	4450	Unch
Kota – Mandi	4400	4450	4300	4400	50
Bundi-Plant	4225	4275	4250	4350	-75
Bundi-Mandi	4175	4265	4100	4300	-35
Baran-Plant	4350	4400	4300	4370	30
Baran-Mandi	4200	4350	4200	4350	Unch
Bhawani Mandi Jhalawar–Plant	4470	4530	4400	4450	80
Jhalwar-Mandi	Closed	Closed	4200	4400	NA
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4815	4820	4700	4705	115
Alwar-(Condition)	4550	4600	4500	4550	50
Sri Ganganagar-(Non-Condition)	4200	4300	4150	4250	50
New Delhi–(Condition)	4625	4650	4500	4550	100
Kota-(Condition)	4150	4200	4110	4200	Unch
Agra-(Condition)	4738	4762	4643	4667	95
Neewai-(Condition)	4440	4460	4325	4350	110
Hapur (UP)-(Condition)	4530	4580	4460	4475	105
<b>Groundnut Seed</b>					
Rajkot	830	830	810	810	20
<b>Sunflower Seed</b>					
Gulbarga	Closed	Closed	3250	3972	NA
Latur	Closed	Closed	NA	NA	NA
Sholapur	Closed	Closed	4300	4350	NA
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.					



**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/Qtl		Change
<b>Soybean</b>	<b>26-Dec-19</b>	<b>19-Dec-19</b>	
Madhya Pradesh	200000	200000	-65000
Maharashtra	105000	170000	-29000
Rajasthan	11000	40000	90
Bundi (Raj)	250	160	-500
Baran (Raj)	2500	3000	NA
Jhalawar (Raj)	Closed	2500	-65000
<b>Rapeseed/Mustard</b>			
Rajasthan	60000	60000	Unch
Alwar	2000	5000	3000
Sri Ganganagar	400	200	200
Kota	400	600	200
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	4150	4050	100
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	Closed	800	NA

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

Oilseeds	26-Dec-19	19-Dec-19	Change
Groundnut Kernel	5700	5600	100
Gr. Bolds 60/70	6250	6350	-100
Gr. Javas 60/70	8000	8100	-100
Gr Javas 70/80	7650	7750	-100
Gr.Javas 80/90	7300	7400	-100
KardiSeed 2% Exp Qly	5300	5300	Unch
Sesame White 98/2/1 FM	10700	10700	Unch
Whitish 95/5/FFA/1FM	10500	10500	Unch
Brown 48/2 FFA/4 FM	10400	10400	Unch
Brown 48/3 FFA/4 FM	10000	10000	Unch
Brown 48/4 FM/* No FFA Guarantee	9500	9500	Unch
Sunflower Seed	4025	4025	Unch
Niger Seed (4% FM)	5200	5200	Unch

## Annexure

### India's Total Oilseeds Production Seen at 223.89 Lakh Tons in 1<sup>st</sup> Adv. Est. - GOI (Kharif)

The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 223.89 Lakhtonnes

- Soybean – 135.05 Lakh Tons
- Groundnut – 63.11 Lakh Tons
- Castorseed – 17.37 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.86 Lakh Tons
- Nigerseed – 0.83 Lakh Tons
- Sunflower – 0.67 Lakh tons

### MSP for 2019/20 Kharif Oilseeds:

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qt in 2018- 19 to Rs.3710/qt in 2019-20, Groundnut is increased by Rs.200 from Rs.4890/qt in 2018-19 to Rs.5090/qt in 2019- 20, Sunflower is increased by Rs.262 from Rs.5388/qt in 2018-19 to Rs.5650/qt in 2019-20, Sesamum is increased by Rs.236/qt from Rs.6249/qt in 2018-19 to Rs.6485/qt in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qt in 2018-19 to Rs.5940/qt in 2019-20.

## MSP for 2020/21 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 225 from last year and kept it at INR 4425 per quintal. Last year the MSP of Mustard/rapeseed was INR 4200 per quintal including bonus of INR 200. Safflower MSP has been increased by INR 270 to INR 5215 from INR 4945 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

## SOPASoybean Production Estimates Kharif 2019-20 As On10.10.2019

SOPA Soybean Estimates Kharif						
	2018-19			2019-20		
State	Area	Yield	Production	Area	Yield	Production
Gujarat	1.32	925	1.241	1.003	858	0.861
Maharashtra	36.39	944	34.34	37.363	971	36.295
Karnataka	3.19	911	2.90	3.302	816	2.694
Madhya Pradesh	54.1	1075	58.18	51.952	772	40.107
Chhattisgarh	1.281	865	1.108	0.742	726	0.539
Telangana	1.791	877	1.571	1.783	846	1.508
Rajasthan	9.212	971	8.945	9.627	681	6.56
Others	1.09	955	1.041	1.841	748	1.377
Total	108.4	940.4	109.3	107.6	802.3	89.9

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