Oilseeds Weekly Research Report

Contents

Executive Summary

Mixed tone are featured in Oilseeds complex today amid mixed sentiments in the market. New crops of Mustard seed have started to arrive in mandies however in a slow pace and likely to report good quantity after mid of March 2020. There is no damage report in field however crop size may be lower in Rajasthan or equal in this year against last year record as some parts of mustard's area has been shifted to wheat crop. Farmers and traders hold total 20 to 30 lakh tons of soybean seed and likely to release in March end or April 2020. Mustard seed prices traded mostly on weak tone and likely to decline further in expectation of rise in arrivals of new mustard crop. NCDEX soybean and Mustard seed prices increased slightly after speculative buying activities at lower side. CBOT future soybean prices declined after spreading tension about coronavirus in the world.

As per second advanced estimates of ministry, India is likely to grow 22.55% higher groundnut seed at 82.44 lakh tonnes in 2019-20 compared to 67.27 lakh tonnes in 2018-19. India may get 69.49 lakh tones of kharif crop of groundnut which is higher from 53.87 lakh tonnes however 3.3% lower Rabi season groundnut crop at 12.95 lakh tonnes in 2019-20 against last season. Mustard output of Rabi season is expected to stay at 91.13 lakh tonnes in 2019-20 which is 1.54% lower from 92.56 lakh tonnes in last year. Soybean crop size for kharif season is estimated at 136.28 lakh tonnes higher by 2.71% against 132.68 lakh tonnes in 2018-19. Total oilseeds crop size is placed at 341.88 lakh tonnes in 2019-20 higher against 315.22 in last year supported by higher kharif season crop size.

Farmers have started to bring new mustard early sown crop at few districts of Rajasthan, UP, MP and Gujarat. However, the new harvested mustard crops contained 48 to 52% moisture which is higher than 10 to 12% in normal condition. Traders expect 2 to 5% lower or equal crop size of Mustard in 2019-20 in Rajasthan as compared to last season. Farmers have covered total 6.9 million hac. Of mustard seed in 2019-20 season lower by 0.4% against last year record. However, good weather condition and ample water availability have supported to increase yield at major growing states which is likely to boost up mustard crop production in this year. Traders expect 8 million tonnes of mustard crop output in this year which is higher by 2.6% from 7.8 million tonnes in previous year record.

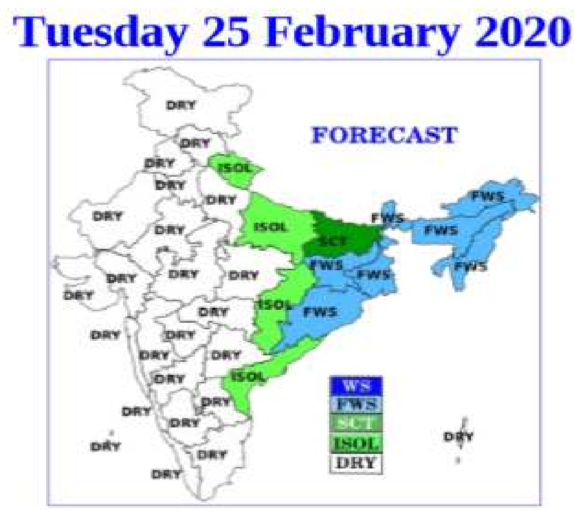
According to farm ministry recent data, India is likely to grow mustard crop at 9.34 million tonnes for 2019/20 season which is unchanged from last year record. Overall crop condition is good and likely to support mustard production to increase. However, hailstorm in early Jan month 2020 have affected standing mustard crops in some parts of northern and western part of India which may cause the stem rot disease and leave the plant wilted. In Rajasthan, western Uttar Pradesh and southern Haryana, white rust and stem rot diseases were reported which may curb any major rise in crop size. It pegged 6.2 million hectares of mustard sowing area for this season unchanged from last season. It expects total 2.7 million hectares of sowing area in Rajasthan. However, farmers may switch mustard area to wheat in MP, Haryana, Uttar Pradesh and West Bengal. Mustard yield for 2019-20 is likely to stay unchanged at 1.49 tonnes per hac. as compared to previous year. While, yield may increase to 1.9 tonnes per hac. in some parts of eastern UP.

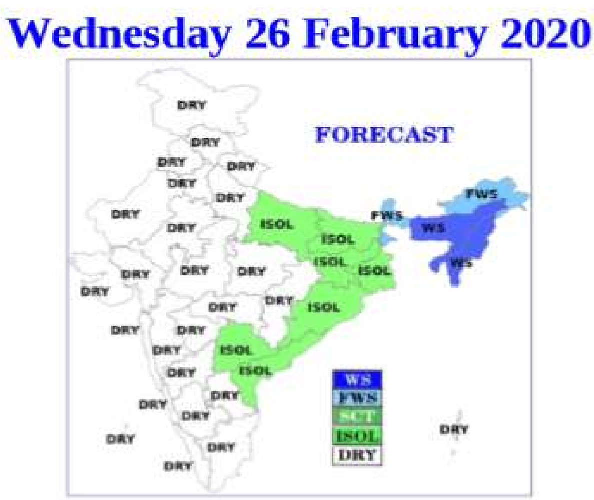
Soybean prices may trade in steady to weak tone on less demand of crushers and millers while Mustard seed may trade lower side after good supplies of new crop.

Outlook – Cash Market

Outlook-Soybean (Spot, Indore): *Soybean Indore plant prices declined on dull demand. Prices may decrease in next week in expectation of weak demand of millers. Prices are likely to trade in the range of 3875 to 3950 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.*
Outlook –Soy meal (Spot, Indore): *Soymeal prices closed lower side on weak demand of south based traders. Prices may trade steady to weak tone in the coming days. Prices are also being driven by global market's outlook and may trade between Rs.31000 to 315000/MT in Indore market. Exporters are remain less active in the market.*
Outlook-Rapeseed-Mustard (Spot, Jaipur basis) *Mustard seed prices at Jaipur market showed weak trend on weak sentiments in the market. Prices may decline in coming week in expectation of good supplies of new crop. Prices are likely to trade in the range of 4100 to 4200 in next week. NCDEX future prices of RM Seed may decline in expectation on speculating selling activities at exchange.*

Weekly Weather Report





Light/moderate isolated rainfall/snowfall very likely over Uttrakhand and light isolated to scattered/thundershower East Uttar Pradesh during next 3 days.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 31.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	69.15	69.76	**-0.24**
Groundnut	7.76	4.76	4.59	**0.17**
Safflower	1.41	0.63	0.43	**0.20**
Sunflower	2.96	1.04	1.13	**-0.09**
Sesamum	3.12	0.56	0.71	**-0.15**
Linseed	2.99	3.46	3.44	**0.02**
Others Oilseeds	0.14	0.34	0.30	**0.04**
Total-Oilseeds (Nine)	**78.85**	**80.29**	**80.36**	**-0.07**

Soybean

Domestic Market

Soybean prices traded remain lower at most of the trading centers during this week in spite of less supplies. Soybean prices may trade in steady to weak tone on less buying activities of crushers and millers.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaurm, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

Total balance stock of Soybean with Nafed is 10,677.68 MT consisting 10,651.45 MT in Telangana and 26.23 MT in Maharashtra.

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, 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.

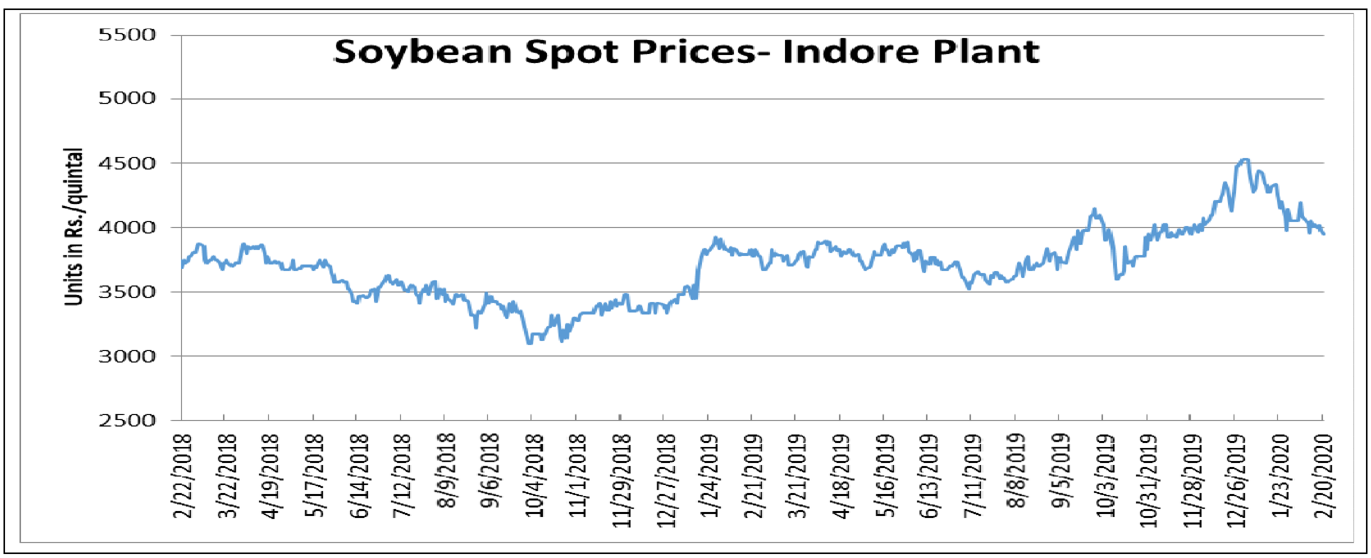
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 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 tones compared to 10.46 lakh tonnes in previous year.

As per the second advanced crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated higher at 136.28 lakh tonnes as compared to 132.68 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 weak tone in coming days.



Source: Agriwatch

International Market

CBOT futures prices declined on concerns over declining demand in China due to coronavirus epidemic.

During the week (Feb 7 to 13, 2020) US sold 23% lower Soybean to 494,300 for 2019/20 and 22 % from the prior 4 week average. Increases primarily for Indonesia (91,300 MT, including 55,000 MT switched from unknown destinations and decreases of 3,500 MT), Japan (89,800 MT, including 36,000 MT switched from unknown destinations and decreases of 2,100 MT), the Netherlands (82,400 MT, including 80,000 MT switched from unknown destinations), Mexico (79,700 MT, including decreases of 1,200 MT), and Israel (41,200 MT), were offset by reductions for Nepal (100 MT). For 2020/2021, total net sales of 3,400 MT were for Japan. Exports of 957,800 MT were up 57 percent from the previous week, but down 10 percent from the prior 4-week average. The destinations were primarily to China (269,500 MT), Mexico (139,900 MT), Japan (104,600 MT), the Netherlands (82,400 MT), and Indonesia (82,000 MT).

As per USDA report, U.S. is likely to plant 11.69% higher Soybean at 85 million acres in 2020 higher from 76.1 million acres in 2019.

As per recent government data, China bought 69,009 tons of soybean in the week ended Feb 6, 2020 which is lower from last month record i.e.67, 113 tonnes in the week ended April 18, 2019.

As per recent Conab report, Brazil is likely to grow 0.8% higher soybean at 123.2 million tons in 2019-20 (crop year September-August) from its previous month estimates and also higher by 7% from last year record due to supportive weather condition. Soy yield is likely to stay higher by 4.4% to 3.35 MT/ hectare on sufficient rainfall across the region in since October. Planting area is estimated 2.6% higher to 36.8 million ha. on good weather condition. Brazil is likely to export total 72 million tonnes in 2019-20 higher by 3% against last year. Ending stocks are forecast 39% lower to 2.18 million tonnes.

As per Agroconsult, Brazil is likely to harvest 126.3 million tons of soybean in 2019-20 higher against 124.3 in its prior forecast. It forecasts soybean exports of Brazil for 2020 at 73 million tonnes for this season lower against 76-78 from its prior forecast.

As per Arc Merconsul, farmers in Brazil have harvested 15.7% of the soybean area as on Feb 7, 2020 of this season. It is lower from 27.3% in last year record during the same period of time. Recent rainfall has disturbed harvesting in the Goias, Minas, Gerais, Tocantins Sao Paulo and Mato Grasso states. AgRural expects total 123.9 million tonnes of soybean harvest in 2019-20.

As per sources, European Union bought total 8.74 million tonnes of Soybean till Feb 16, 2020 (season started on July 1) which is lower by 5% from last year record in Feb.10. EU soymeal imports had reached higher by 4% to 11.29 million tonnes against the year-earlier period, while Rapeseed imports went up by 47% to 4.18 million tonnes against last year record. However, palm oil imports stood down by 17% to 3.38 million tonnes.

Below table shows exports details of Brazil (as per Brazil's government monthly export released data as per):-

Brazil's Exports			
Products	**Jan-20**	**Dec-19**	**Jan-19**
Soybean (Mln Tons)	1.49	3.44	2.04
Soymeal (Mln Tons)	1.06	1.67	1.24

Soyoil (Tonnes)	12600	29100	38100

According to China's General Administration of Customs (CNGOIC), China's Dec soybean imports rose 15.3 percent to 9.54 MMT from 8.28 MMT in Nov 2019. Imports in Dec are 66.80 percent higher than Dec 2018 import of 5.72 MMT. Year to date soybean imports rose 0.5 percent to 88.511 MMT.As per agriculture ministry, soybean import in China may increase in 2020. Total soybean import from U.S. declined in 2019 due to trade war between U.S. and China. The country bought total 88.51 million tonnes soybean in 2019 higher from 88.03 million tonnes in 2018 however lower from 95.53 million tonnes in 2017 before the trade war was broke. African swine fever disease in China has also affected total volume of China's imports.

As per NOPA recent data, NOPA members have crushed total 176.94 million bushels of Soybeans in January 2020 which is higher from 174.81 million bushels in December 2019. It is also higher from 171.63 million bushels in January 2019. Crushing is above than the average trade estimate of 173.74 million bushels, based on data gathered by Reuters from 8 analysts. Soybean oil stocks rose to 2.01 billion pounds at the end of January against 1.75 billion pounds in December month and 1.54 billion pounds at the end of January 2019. Soymeal exports has been reported higher in January 2020 at 931,061 tons against 902,534 tons in December 2019 and 905,923 tons exported in January 2019.

As per WASDE February report, world oilseed production for 2019/20 is projected at 576.82 million tons in Feb month, higher against 574.63 million tonnes in last month after larger crops of Soybean and sunflower. Total oilseeds crushing has been increased at 2 million tons to 498.07 million tons due to higher crushing estimates in China and Maxico. Ending stocks for the world is kept 1.32 million tons higher at 113.81 million tonnes against 112.32 million tons last month estimates due to higher crop production estimates in Brazil and China stockpiling.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted unchanged at 96.84 million tons in February 2020 against previous month. Exports of U.S are increased at 49.66 million tonnes in this month against 48.30 million tonnes in January. U.S crushing is unchanged at 57.28 million tonnes in Feb. month. Ending stocks of the country is expected to be lower at 11.55 million tonnes in Feb. month review against 12.92 million tonnes in Jan. Month estimates.

USDA kept unchanged production estimates i.e. 53 million tons in February month report and lower from previous year record i.e 55.30 million tonnes. 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 USDA, the soybean planted area in Brazil is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 6.83% to 125 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 hac.and the production at 120.7 million tonnes in the current season.

As per USDA, U.S. Gulf FOB soybean export bids in January averaged $361/ton, lower $2 from December. Brazil Paranagua FOB averaged $359/ton down by $ 10 from December. Argentina Up River FOB averaged $361/ton, down $6.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 125 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and also higher from previous month record i.e.123 million tonnes. Exports of soybean in 2019-20 is expected to 77 million tons higher from 74.59 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 million tonnes 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 88 million tonnes for 2019/20 season higher from Jan. month. While crushing is forecasted higher at 86 million tonnes against 85 million tonnes in Jan. month estimates and also higher from 85 million tonnes in previous year.

As per USDA, U.S. soybean accumulated exports (shipments) to China totaled 11.4 million tons and 11.8 million to the rest of the world at the end of Jan month 2020. Outstanding sales were 611,000 tons to China and 3.3 million to the rest of the world. China had exported total 474,000 tons and 12.7 million to the rest of the world, and outstanding sales to China were 3.0 million tons and 12.3 million to the rest of the world in last season in the corresponding period of time. U.S. soybean export commitments (outstanding sales plus accumulated exports) to China totaled 12.0 million tons compared to 3.5 million a year ago. Total commitments to the world were 32.3 million tons, compared to 30.4 million for the same period last year.

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 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

Weak tone are continued in Soymeal complex on subdued demand of South based traders. Weak global sentiments will put pressures in domestic soymeal prices.

According to trade source, one vessel (GOLDEN BAY) is waiting for birth at Kandla port for soybean meal with total capacity of 8395 tons.

During the week (Feb.7 to Feb 13, 2020) US sold lower soybean cake and meal by 28% 169,400 MT for 2019/2020 from the previous week 56% lower from prior 4-week average. Increases primarily for Bangladesh (47,000 MT switched from unknown destinations), the Dominican Republic (40,100 MT, including decreases of 3,000 MT), Libya (32,400 MT, including 29,500 MT switched from unknown destinations), Saudi Arabia (25,000 MT), and Canada (23,500 MT), were offset by reductions for unknown destinations (79,600 MT) and Nicaragua (4,500 MT). Exports of 237,100 MT were down 12 percent from the previous week, but up 10 percent from the prior 4-week average. The destinations were primarily to Mexico (37,600 MT), Libya (32,400 MT), Ecuador (30,300 MT), Colombia (29,600 MT), and Canada (21,600 MT).

As per to Container Corporation of India Ltd (CONCOR), export consignment of soybean derivatives declined to almost half in December 2019 as compared to previous year in the corresponding period of time. Total shipments of soybean derivatives has fallen to 3000 containers during September to December 2019 compared to 3417 containers in last year in the same period of time. A lot of export consignment goes through road directly to the port however volumes was reported lower due to limited supplies and high prices in international market.

As per USDA, U.S. soybean meal export bids in January averaged $340/ton, down $4 from December. Brazil Paranagua FOB averaged $321/ton, higher $5 from December, and Argentina Up River FOB averaged higher by $5 to $336/ton.

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 Jan. 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 recent SEA report, India shipped Oilmeals lower by 78% to 51,393 tons in January 2020 against 236,213 tons in January 2019. India shipped total 6107 tons of soymeal, 35,664 tons of Rapeseed meal, 4200 tons of Rice Bran Ext., 5422 tons of castor seed meal in Jan 2020. The overall export of oilmeals during April-Jan. 2020 is reported 24% lower to 2,006,669 tons compared to 2,647,461 tons in April-Jan.2019 on account of 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 by 46% to 485,245 against 332,031 tons in Apr-to Jan 2020 compared to last season.

During April-January 2020, Vietnam imported 254,655 tons of oilmeals (compared to 531,132 tons); consisting of 6,227 tons of soybean meal, 155,199 tons of rapeseed meal and 91,185 tons of De-oiled Rice Bran Extraction. South Korea imported 730,431 tons of oilmeals (compared to 633,797 tons); consisting 46,576 tons of soybean meal, 298,739 tons of rapeseed meal and 385,116 tons of castor seed meal. Thailand imported 211,062 tons of oilmeals (compared to 276,340 tons) consisting 190,696 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2785 tons of soybean meal.

During April-January 2020, the export from Kandla is reported at 681,207 tons lower (34%), followed by Mundra handled 651,792 tons (32%), and Mumbai including JNPT handled 152,978 tons (8%) and Kolkata handled 119,461 tons (6%) and Others Ports handled 401,231 tons (20%).

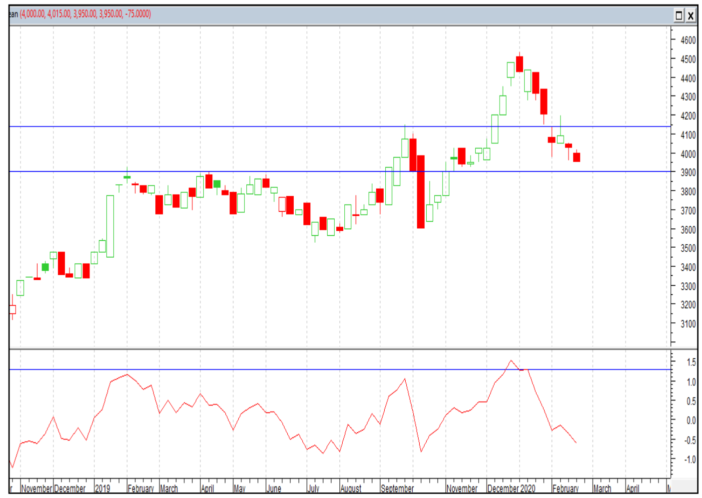
As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes 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.

Indian Soymeal premium quoted higher side by $159 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 – Mar. Contract				
S2	S1	PCP	R1	R2
3650	3700	3868	4000	4100

- Soybean Mar. contract depicts firm trend and likely to find support at 3700 and resistance at 4000
- On the upside, 4000 shall act as immediate resistance followed by INR 4100.
- On the downside, INR 3700 shall act as immediate support followed by 3650
- Trade Recommendation (NCDEX-Soybean) -Sell

Weekly trade call: **Sell** below 3890 Target – T1-3800; T2-3750, SL – 3980

Rapeseed - Mustard Seed

RM seed prices closed lower side on weak demand of retailers and millers in this week. Arrivals are reported downside however likely to increase the arrivals of new crop. At the end of week, mustard seed prices closed lower at 4253 per quintal as compared to 4283 per quintal in last week at the benchmark, Jaipur.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares lower by 0.24 lakh hac. against 69.76 lakh hectares in last year. Sunflower has been planted on 1.04 lakh hectares lower against 1.13 lakh hectares in last year. Sesame has been planted on 0.56 lakh hectares lower from last year i.e.0.71 lakh hac. However, total covering area of groundnut stood at 4.76 lakh hectares higher against 4.59 lakh hectares in last year. Safflower has been planted on 0.63 lakh hectares higher from last year record i.e.0.43 lakh hectares. Linseed has been planted on 3.46 lakh hectares higher against 3.44 lakh hectares in last year.

As per recent Ministry report, India has covered total 69.51 lakh hac. of Mustard area as on 31st Jan. 2020 which is lower by 0.24 lakh hac. against 69.75 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. Farmers have covered total mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.81 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat.

Acreage of Mustard in the current season is lower against 2018-19. Mustard crop major growing states are Rajasthan, Madhya Pradesh, and Uttar Pradesh and Haryana state. In Rajasthan, traders expect total 2 to 5% lower mustard sowing area as mustard area may shift to garlic and wheat crop due to good price hike in last season compared to mustard seed prices. Recent rainfall will also support to increase yield of wheat and garlic crop compared to mustard crop. In Baran and Kota district, sowing is likely to be lower by 20%. While in Alwar and Bharatpur districts, it is likely to be equal like 2018 season. However, sowing area may increase nearly 2 to 5 % in Ganganagar district due to good water availability.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline 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 i.e. 9.33 million tonnes. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 seasons to Rs.4425 against Rs. 4200 in 2019-20.

As per the Mustard Oil Producers Association of India data, India crushed 550,000 tonnes of mustard seed in December 2019 unchanged from previous month record and it is almost same as in last year during the corresponding period of time. Total supply of mustard in Rajasthan recorded at 100,000 tn in December 2019, 45,000 tn in Uttar Pradesh, and 30,000 tn in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.2 million tons in December 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.

According to United States Department of Agriculture (USDA) February estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. Ending stocks of mustard seed have been lowered to 4.69 lakh tonnes from 5.69 lakh tonnes in last year record. India’s 2019-20 Rapeseed oil production is expected at 25.84 lakh tonnes unchanged from previous year while mustard oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.

As per second advanced estimates of government, it estimates Mustard seed output at 91.13 lakh tonnes for 2019/20 lower by 1.43 lakh tonnes from lakh tonnes in 2018/19.

Technical Analysis:

RM Seed Futures Contract

Mustard Spot Jaipur

Support & Resistance NCDEX RM Seed – Apr. Contract				
S1	**S2**	**PCP**	**R1**	**R2**
3830	**3920**	**4024**	**4180**	**4250**

- Mustard Apr. contract depicts firmness and further can get immediate support at INR 3920
- Prices have tested the lower level of 3981 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Buy**

Weekly trade call: **Buy** Above –4024 target – T1-4080 T2- 4150, SL –3985

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	**20-Feb-20**		**13-Feb-20**		
	Low	**High**	**Low**	**High**	
Indore –Plant	3925	3975	4025	4080	**-105**
Indore–Mandi	3800	3950	3800	4000	**-50**
Nagpur-Plant	4050	4100	4150	4180	**-80**
Nagpur – Mandi	3610	3980	3600	3950	**30**
Latur – Mandi	NA	NA	3550	4015	**-**
Akola – Mandi	NA	NA	3300	3800	**-**
Kota-Plant	3900	4000	3900	3950	**50**
Kota – Mandi	3700	3900	3800	3900	**Unch**
Bundi-Plant	3900	3950	3950	3975	**-25**
Bundi-Mandi	3600	3800	3800	3900	**-100**
Baran-Plant	4025	4050	3950	4000	**50**
Baran-Mandi	3875	3975	3900	4000	**-25**
Bhawani Mandi Jhalawar–Plant	4050	4075	3950	4000	**75**
Jhalwar-Mandi	3700	4030	3700	3950	**80**
Rapeseed/Mustard					
Jaipur-(Condition)	4250	4255	4280	4285	**-30**
Alwar-(Condition)	3800	3900	4000	4050	**-150**
Sri Ganganagar-(Non-Condition)	3650	3750	3700	3750	**Unch**
New Delhi–(Condition)	4210	4250	4250	4300	**-50**
Kota-(Condition)	3750	3850	3700	3800	**50**
Agra-(Condition)	4048	4238	4190	4286	**-48**
Neewai-(Condition)	3900	3970	3900	3980	**-10**
Hapur (UP)-(Condition)	4150	4250	4150	4200	**50**
Groundnut Seed					
Rajkot	NA	NA	860	860	**-**
Sunflower Seed					
Gulbarga	3676	4026	3025	3755	**271**
Latur	NA	NA	0	0	**-**
Sholapur	NA	NA	0	0	**-**
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
Soybean	**20-Feb-20**	**13-Feb-20**	
Madhya Pradesh	40000	50000	**-10000**
Maharashtra	40000	50000	**-10000**
Rajasthan	14000	15000	**-1000**
Bundi (Raj)	35	100	**-65**
Baran (Raj)	1100	1000	**100**
Jhalawar (Raj)	1500	800	**700**
Rapeseed/Mustard			
Rajasthan	40000	40000	**Unch**
Alwar	1400	800	**600**
Sri Ganganagar	150	250	**-100**
Kota	500	600	**-100**
Groundnut Seed			
Rajkot (Gujarat)	NA	3395	**-**
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	**-**

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

Oilseeds	20-Feb-20	13-Feb-20	Change
Groundnut Kernel	5675	5700	**-25**
Gr. Bolds 60/70	7350	7300	**50**
Gr. Javas 60/70	8900	8850	**50**
Gr Javas 70/80	8750	8700	**50**
Gr.Javas 80/90	8300	8250	**50**
KardiSeed 2% Exp Qly	5200	5400	**-200**
Sesame White 98/2/1 FM	10700	10900	**-200**
Whitish 95/5/FFA/1FM	10500	10700	**-200**
Brown 48/2 FFA/4 FM	10300	10500	**-200**
Brown 48/3 FFA/4 FM	9800	10000	**-200**
Brown 48/4 FM/* No FFA Guarantee	9500	9700	**-200**
Sunflower Seed	4500	4500	**Unch**
Niger Seed (4% FM)	5400	5500	**-100**

Annexure

India's Total Oilseeds Production Seen at 341.88 Lakh Tons in 2nd Adv. Est. - GOI (Kharif+Rabi)

The first Advance Estimates of production of major crops for 2019-20 have been released on 18th Feb 2020 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 and Rabi crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 26.66 lakh tonnes to 341.88 lakh tonnes against the production of 315.22 lakh tonnes in 2nd advanced estimates for 2019-20. The estimated figure is also higher by 47.67 lakh tonnes than five years average oilseeds production.

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

Oilseeds – 341.9 Lakhtonnes

- Soybean – 136.28 Lakh Tons
- Groundnut – 82.44 Lakh Tons
- Castorseed – 20.43 akh Tons
- Sesame/Sesamum/Gingelly/Til – 6.64 Lakh Tons
- Nigerseed – 0.79 Lakh Tons
- Sunflower – 2.56 Lakh tons
- Mustard See-91.13
- Safflower-0.27
- Linseed-1.36

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.

SOPA Soybean 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