

Oilseeds Weekly Research Report

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Executive Summary

Domestic soybean and rapeseed-mustard fell on subdued demand in oilseeds by crushers after India's higher edible oil imports figure for June'20 by Solvent Extractors' Association of India and expectation of bumper kharif'20 oilseeds crop after good monsoon.

However, soymeal witnessed mild gains on steady demand and expectation of rise in the demand from poultry sector with relaxation in lockdown.

Soybean planting is nearing completion and this year's area coverage is around 40% ahead compared to the same period last year. This is mainly due to the timely seasonal rains in the key soybean growing region, this year. Same is the scenario with the other major kharif'20 oilseeds' planting with overall acreage so far ahead by 41% over last season, though the final numbers are likely to be close to last year.

We expect oilseeds and oilmeal prices to feature weak tone on higher soybean stock, increased imports of edible oils and weak poultry demand with expectation of bumper kharif oilseeds' crop this season, near-to-medium term.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with weak bias, given the weak soymeal demand, decline in crushing and also forecast of good monsoon this season. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 3600 – 3800 level.

Outlook – Soy meal: Persistent weak demand from poultry sector and poor overseas demand with expectation of higher stock during the season will continue pressuring the domestic soymeal. Soymeal prices are likely to witness range-bound movement with weak bias on slack in demand from poultry sector. Coronavirus pandemic has led to the decline in poultry consumption in last couple of months and thus meal demand has been badly affected. Indian meal exporters are advised to explore new markets aggressively and try to regain the lost markets especially traditional South and Far-East Asian destinations including Japan in the coming days. The domestic meal prices are likely to remain under supply pressure and feature range bound movement in near-term. Soy meal, Indore is expected to be in the range of 28,600 – 29,000/MT levels during the week.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): The rapeseed-mustard is expected to feature range-bound movement with weak bias, as the crushers are almost done with covering their stock. The new crop arrivals are gradually falling week-on-week. The seed prices are likely to feature losses and witness the levels between 4,900 – 5,000/Qtl; levels during the week.

International Highlights

- ❖ In the weekly USDA crop progress report released on 13 July 2020; the US Soybean is blooming 48% up from 19% same period last year and 40% from 5 year average. Soybeans setting pods at 11% up from 3% same period last year and 10% from 5 year average. About 54% of the crop is under good condition, 14% at excellent condition and 25% at fair condition.
- ❖ In the Jul'20 WASDE report by USDA, the US 2020/21 soybean area is projected up at 83.8 million acres compared to 76.1 million acres in 2019/20. US soybean yield for 2020/21 is projected at same at 49.8 bushels per acre vs 47.4 bushels per estimated in 2019/20 and the total US soybean production is pegged up at 4135 million bushels compared to 3557 million bushels (96.79 Mn T) estimated in 2019/20.
- ❖ The above scenario suggests bearish global supply scenario in the new season.
- ❖ China's monthly imports of soybean surged to a record high in June by 71% from the same period last year, in the preliminary trade data released by China's General Administration of Customs.
- ❖ China imported 11.16 million tonnes in June compared to 6.51 million tonnes same period last year and also up 19% from 9.38 million tonnes in May'20.
- ❖ China's soybean imports in 2019/20 are expected at 87.50 million tonnes of which 13.7 million tonnes are expected to come from the United States - COFCO.
- ❖ Strong Chinese demand in soybean will remain supportive for the international soy market this season.
- ❖ Consultancy StoneX has projected increase in Brazil's soybean planted area for 2020/21 to over 38 million hectares, from 37 million in 2019/20, backed by strong demand for the oilseed, the planting will kick off in mid-September.
- ❖ Brazil's soybean exports is forecast at 8.9 million tonnes in July compared to 8 million tonnes in the previous forecast – Anec.
- ❖ Anec has also increased its Brazil's annual exports projection for 2020 to 78 million tonnes of soybeans, up from 73 million tonnes predicted in April.
- ❖ Brazil's solvent extractors' group ABIOVE has raised the country's soybean export forecast at 79.5 million tonnes from 78 million from its previous forecast. It has also raised Brazil's 2020 soybean production estimate to 125 million tonnes compared to 124.5 million tonnes in previous forecast.

- ❖ Brazil's soybean exports in June'20 totaled 13.8 million tonnes compared to 8.6 million tonnes in the same period last year, Brazil's government trade data.
- ❖ Higher exports prediction for Brazil is mainly due to strong Chinese demand and competitive price offer by Brazil.
- ❖ Argentina's 2019/20 soybean yield is estimated an average of 2.96 tonnes per hectare and the country's soybean production is pegged at 49.5 million tonnes, said the Buenos Aires Grains Exchange. The reduction is mainly due to the dry weather during the crop development phase.

Sown Area – *Kharif* Oilseeds, India

In the progressive official Kharif oilseeds planting report dated 17th July 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 154.96 lakh hectares, surge by 40.8% from 110.08 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 38.5% at 109.95 lha compared to 79.40 lha during the corresponding period of last year, groundnut at 37.62 lha vs 24.02 lha, sesamum 6.15 lha vs 5.44 lha, castor seed at 0.38 lha vs 0.47 lha and niger at 0.24 lha vs 0.30 lha, during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 17 Jul 2020	As on 17 Jul 2019	% Change
Groundnut	42.43	37.62	24.02	56.6
Soybean	111.49	109.95	79.40	38.5
Sunflower	1.84	0.62	0.45	37.8
Sesamum	14.13	6.15	5.44	13.1
Niger	2.41	0.24	0.30	-20.0
Castor	9.65	0.38	0.47	-19.1
Total Oilseeds	181.95	154.96	110.08	40.8

Source: MoA, GOI

Soybean

Soybean fell on slow-down in soymeal exports, higher soy oil and other edible oil imports and expectation of good domestic soybean crop this season, after good monsoon.

India imported 49% higher soyoil in June'20 compared to June'19, at 3,31,264 tons vs 2,22,853 tons respectively.

Expected bumper soybean crop would exert additional pressure on local soybean prices. The country is expected to start the new marketing year with carry-in stocks of 1.3-1.5 million tonnes, up from 150,000 - 170,000 tonnes a year ago.

In the last progressive planting report by the Ministry of Agriculture dated July 17, 2020, India's soybean sowing is reported up by 38.5% at 109.95 lha compared to 79.40 lha during the corresponding period of last year.

India's normal area under soybean is estimated above 111.0 lakh hectares and we expect this year's coverage under soybean to be near or above normal.

Limited or need based buying in soybean continues across key soybean mandis like, Indore, Nagpur, Latur and Akola on poor crush margins.

The crushers are not eager to quote higher for the bean in a bid to keep the meal prices attractive for domestic as well as the foreign buyers and keep the exports prices competitive which are already struggling to match the South American soymeal prices.

Soybean plant delivery price fell in Indore cash market to 3,650-3,800 from 3,650-3,900 previous week, on buying support.

The supplies of bean fell in various cash market yards of Madhya Pradesh to 60,000 –70,000 bags a day from 70,000 – 1,25,000 bags a day, week ago.

Government has set the MSP of soybean for kharif marketing season at Rs. 3880/Qtl vs Rs. 3710/Qtl last season. This will remain supportive for the bean.

The domestic soybean prices will feature range bound movement with weak bias on poor soymeal demand and cheaper vegoil imports.

The major buyers are as follows: Agrawal, Neemuch, Shanti Overseas, Living Food, Goyal Protein, Bansal-Bhopal, Vippy-Dewas, ABIS, Sneha, Ruchi Soya, Shalimar Katol, Vippy Dewas, Dhanuka Neemuch, Avi Agri Ujjain, M.S. Neemuch, RH Seoni, Prakash, Kriti Dewas, Mahakali, Prestige Dewas, Itarsi Oil, Sanwaria Itarsi, MS Solvex Neemuch, MS Soya Pachore, during the week.

The domestic soybean prices are likely to feature range-bound movement with weak bias on slack in soymeal demand, higher soybean oil imports and expectation of good crop this season.

International:

Traders expect soybean arrivals for China to top 9 million tonnes a month in May, June and July, which is well above normal levels. China's soybean imports are forecast at 92.48 million tonnes this year, rising to 96.62 million tonnes in 2025 and 99.52 million tonnes in 2029, by the agriculture ministry conference on the outlook for agriculture. China has so far booked over 90 million tonnes of soybeans this year.

China's domestic soybean production is seen at 18.81 million tonnes in 2020, up 3.9% from the previous year, according to forecasts of the agriculture ministry. The country's soybean crushing volumes were pegged at 85.98 million tonnes this year.

The strong Chinese buying will continue to lend support to the international soy prices during the season.

Conab has reduced Brazilian soybean harvest by more than 2 million tonnes to 122.06 million attributed to the drought predominantly in Rio Grande do Sul. By the end of March, soils in the far southern state were among the driest they had been in any month in at least 20 years.

Brazil 2020 soybean export forecast has been revised to 76 million tonnes vs 74.07 million tonnes in previous forecast by INTL FCSTONE. China will be the largest buyers from Brazil.

Rosario Grains Exchange may have to reduce Argentine soybean crop estimates 50.5 million tonnes from its previous forecast of 51.5 million tonnes. This was after soybean crop was damaged by periods of dry, hot weather in March, when harvesting was just hitting the ground. Still the global supply will remain bearish thanks to higher production estimates for US and Brazil.

Strategie Grains has slashed its forecast for 2020/21 rapeseed production in European Union plus Britain to 16.54 million tonnes compared with 16.68 million tonnes estimated previous month. It has also raised its projection of EU rapeseed imports in 2020/21 to a record 6.2 million tonnes, but reduced the volume of expected crush in the bloc.

Ukraine's APK-Inform agriculture consultancy has raised its forecast for Ukraine's sunflower seed output in 2020 to 16.0 – 16.2 million tonnes from its previous forecast of 15.5 million tonnes.

Precipitation in the month of May is the reason cited for the increase. Ukraine's sunseed production was estimated at 15.45 million tonnes in 2019. India is the largest importer of sunflower oil from Ukrain.

The international soybean prices are expected to feature range bound movement with weak bias on better US soybean crop prospect and South American supply scenario. However, strong Chinese buying will limit the downside.

Soymeals

The domestic soymeal witnessed mild gains on some fresh overseas demand, but gains were limited due to bearish supply scenario and overall weak domestic and overseas demand. Local demand continues to be weak due to sharp fall in poultry demand and soymeal exports are not picking up.

India's soymeal exports are hard hit after being outpriced in the global market by South America. India has gradually lost the traditional South East Asian markets to South America in recent years.

Soymeal exports to SE Asian countries are currently weak and given the bumper South American soybean crop and expectation of good US bean crop it is unlikely India's soymeal export prices could compete with them.

SOPA has urged the government to restore 10% incentive for soymeal exports to support soybean prices. Besides, the SOPA members in a letter addressed to Ministry of Agriculture and Farmers Welfare have demanded exemption of GST on soybean and soymeal.

Besides, increase in edible oil increase in June'20 has further hurt the crush margin of the soy processors.

SEA is yet to release oilmeal export figure of June 2020.

The export of oilmeals from India during May 2020 is provisionally reported at 247,879 tons compared to 201,768 tons in May, 2019 i.e. up by 23% due to a sharp increase in export of rapeseed meal to 144,244 tons from 72,895 tons in May 2019. The overall export of oilmeals during April and May 2020 is provisionally reported at 349,880 tons compared to 456,353 tons during the same period of previous year i.e. down by 23%, figures by SEA.

During April-May 2020, South Korea imported 145,772 tons of oilmeals (compared to 173,475 tons); consisting of 115,827 tons of rapeseed meal, 21,451 tons of castorseed meal and 8,494 tons of soybean meal.

Vietnam imported 85,092 tons of oilmeals (compared to 71,829 tons); consisting of 56,261 tons of De-oiled Rice Bran Extractions, 27,911 tons of rapeseed meal and small quantity of 920 tons of soybean meal.

U.S.A. imported 28,217 tons of oilmeals (compared to 33,092 tons); consisting of 27,997 tons of soybean meal and 220 tons of rapeseed meal and Taiwan imported 19,505 tons of oilmeals (compared to 22,955 tons); consisting of 15,486 tons of castorseed meal, 3,122 tons of rapeseed meal and 897 tons of soybean meal.

Port-wise Export of Oilmeals : April-May 2020 (Provisional), released by SEA: The export from Kandla is reported at 127,214 tons (36%), followed by Mundra handled 84,534 tons (24%), Mumbai including JNPT handled 22,080 tons (6%), Kolkata handled 59,615 tons (17%) and Others Ports handled 56,438 tons (16%).

The domestic soymeal prices at Indore, witnessed mild gains and was quoted between Rs 28,700 – 29,000/MT compared to Rs 28,500 – 28,800/MT previous week.

At Latur soymeal fell to Rs 31,800 – 32,300/MT from Rs 32,000 – 32,300/MT a week ago and in Nanded it was quoted low at Rs. 32,000 - 32,500/MT compared to Rs. 32,500 /MT a week ago. Besides, in Kota too, the meal witnessed losses and was quoted at Rs 29,200 – 29,700/MT compared to Rs 29,200 – 30,400/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 28,700 – 29,000/MT during the week compared to Rs 29,700– 31,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 28,500 – 29,500/MT on slack in demand from poultry sector, in near to medium-term.

Previous updates:

We feel the manufacturing of feed will be negatively impacted in Tamil Nadu, as the state has re-imposed lockdown amidst the COVID-19. There are several large feed manufacturers in Tamil Nadu.

India's oilmeal shipments fell 60% in April from a year earlier, as higher government-set oilseed MSP made the shipments uncompetitive.

India exported 102,001 tonnes of oilmeal in April 2020, said the Solvent Extractors' Association of India.

India's soymeal shipments may fall to around 500,000 MT in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to subdued demand from traditional overseas buyers amid ongoing countrywide lockdown, said Soybean Processors Association of India Chairman Davish Jain.

SOPA is concerned about the falling demand from the traditional buyers like France, Japan, Iran, Korea and Nepal of soymeal of Indian origin.

SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and collapse of poultry sector.

The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

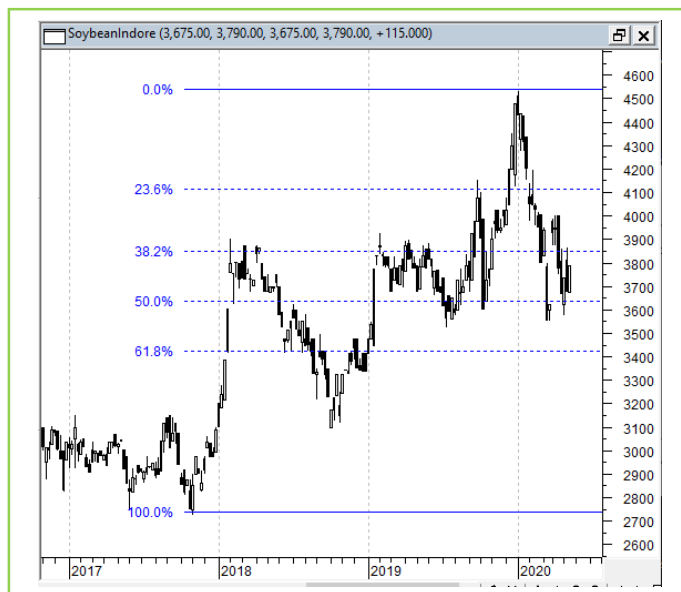
The association has urged the Centre to increase the soymeal export incentive to 7.5% from 5.0% currently to ramp up the shipments.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Aug contract

S1	S2	PCP	R1	R2
3600	3550	3786	3950	4000

- Soybean posted gains on buying support in the market.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is rising in the positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug) Week: **BUY** Above 3750. Levels: T1 – 3850; T2- 3900, SL - 3690.

Rapeseed - Mustard Seed

The rapeseed-mustard fell in sync with soybean on sluggish demand in the seed after strong buying by the crushers and the stockists in recent months, which had led to rally the seed prices in recent months.

India's reduction of rapeseed oil imports by 62% during Nov. 2019 – June 2020 from same period last season (17,000 vs 44167 tons) and good domestic demand lent support to the seed prices at higher levels a while back.

Overall, the rapeseed-mustard sentiments are strong with good buying support and high MSP for the seed.

We expect June'20's rapeseed-mustard meal exports to be above what it was in the same period last year and there are signs of recovery in rapeseed extract exports. The rapeseed-mustard meal exports almost doubled in May'20 to 144,244 tonnes in May'20 from 72,895 in May'19, this remained supportive for the crushers.

The oilmeal data for the month of June'20 is yet to be released by SEA.

Nafed continues to procure the rapeseed-mustard actively from various centers in Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh. However, the pace of purchases have slowed down in last couple of weeks.

As on 17 Jul 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,03,824.23 metric tonnes with a total value of Rs. 3,55,692.22 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,18,524.

Crushing of rapeseed-mustard is considerably good and the volume is above the same period last year.

RM seed prices witnessed losses by 0.8% to Rs 4875 – 4950 a quintal from Rs 4890 – 4980 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies are falling week-on-week and they were reported between 1.5 – 2.00 lakh bags in a day compared to around 2.0 – 2.85 lakh bags a day, previous week. The supplies were 1.15 – 1.50 lakh bags a day during the corresponding period last year.

The new crop seed is quoted at around Rs 4875 – 4950 a quintal compared to Rs 4070 – 4115 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the August contract edged-up from previous week's level at 4,745/Qtl compared to 4,705/Qtl previous week.

The government has fixed the Minimum Support Price for rapeseed-mustard at Rs 4425/Qtl.

Agriwatch has projected India's MY 2020/21 rapeseed production at 7.2 million tonnes while Solvent Extractors of India has estimated the seed production at 7.7 million tonnes.

Previous Updates

India's 2019/20 rapeseed oil import estimate has been reduced to 0.25 lakh tons from 1.2 lakh tons in its earlier estimate, lower by 79.2 percent. Rapeseed oil consumption have been reduced to 27.30 lakh tons from 27.80 lakh tons in its earlier estimate, lower by 1.8 percent. End stocks of rapeseed oil in 2019/20 raised to 1.89 lakh ton from 1.38 lakh tons, lower by 36.95 percent, United States Department of Agriculture (USDA) kept same as previous estimate.

As per Notification Number 2/2020-21 dated 13, April 2020, issued by Ministry of commerce and Industry, India has imposed more restriction on imports of RBD palmolein. With respect to notification number 39/2015-20 dated 8th Jan 2020 has been amended for the import policy of refined palm oil to "restricted" from "Free". Further, more conditions have been imposed for palm oil imports as mentioned below:

- i. The applications for import authorization should be accompanied with pre-purchase agreement and details of the import of the above items for past three years.
- ii. Validity period of import licenses/authorizations for refined palm oil will be 06 months in place of usual 18 months.
- iii. Total non-utilization of import authorization by the applicant will lead to disqualification of the importer from getting any further license for these items in future.
- iv. Customs will be required to diligently enforce the Rules of Origin criteria for import of these items originating from Nepal and Bangladesh.

Outlook: The rapeseed-mustard is expected to stay strong and feature range-bound movement as the stockists and the solvent extractors have almost covered their stocks, in the cash market. The gains will be limited with volume of trade which will gradually fall with crushers and stockists almost done with covering their stock.

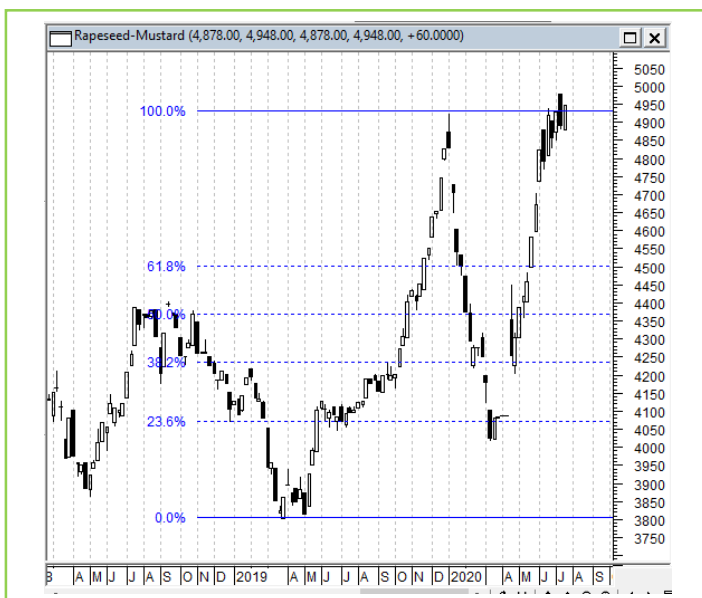
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Aug contract

S1	S2	PCP	R1	R2
4500	4450	4745	4900	4950

- RM seed posted gains on buying interest, during the week.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is heading in positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Aug.) Week: **BUY** Above 4700. Levels: Target – 4800; T2- 4600, SL – 4640.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	16-Jul-20		10-Jul-20		
	Low	High	Low	High	
Indore –Plant	3725	3750	3650	3700	50
Indore–Mandi	Closed	Closed	3500	3600	-
Nagpur-Plant	3850	3870	3830	3860	10
Nagpur – Mandi	3300	3680	3300	3650	30
Latur – Mandi	NA	NA	3585	3750	-
Akola – Mandi	3500	3675	3350	3675	Unch
Kota-Plant	3700	3800	3700	3800	Unch
Kota – Mandi	3650	3750	3650	3750	Unch
Bundi-Plant	3700	3800	3600	3700	100
Bundi-Mandi	3600	3650	3550	3600	50
Baran-Plant	3580	3680	3500	3600	80
Baran-Mandi	3570	3660	3460	3580	80
Bhawani Mandi Jhalawar–Plant	3670	3880	3600	3800	80
Jhalwar-Mandi	3580	3670	3500	3600	70
Rapeseed/Mustard					
Jaipur-(Condition)	4925	4930	4875	4880	50
Alwar-(Condition)	4550	4600	4550	4600	Unch
Sri Ganganagar-(Non-Condition)	4200	4420	4225	4350	70
New Delhi–(Condition)	4720	4725	4730	4740	-15
Kota-(Condition)	4500	4600	4480	4600	Unch
Agra-(Condition)	4762	4952	4762	4952	Unch
Neewai-(Condition)	4500	4600	4520	4620	-20
Hapur (UP)-(Condition)	4900	4950	4800	4850	100
Groundnut Seed					
Rajkot	890	890	900	900	-10
Sunflower Seed					
Gulbarga	NA	NA	0	0	-
Latur	3000	3500	3000	3500	Unch
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	16-Jul-20	10-Jul-20	
Madhya Pradesh	60000	60000	Unch
Maharashtra	45000	45000	Unch
Rajasthan	25000	25000	Unch
Bundi (Raj)	16	15	1
Baran (Raj)	2000	6000	-4000
Jhalawar (Raj)	5000	8000	-3000
Rapeseed/Mustard			
Rajasthan	125000	135000	-10000
Alwar	1300	700	600
Sri Ganganagar	2000	1500	500
Kota	700	1300	-600
Groundnut Seed			
Rajkot (Gujarat)	50	200	-150
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	16-Jul-20	10-Jul-20	Change
Groundnut Kernel	6375	6700	-325
Gr. Bolds 60/70	NA	0	-
Gr. Javas 60/70	NA	0	-
Gr Javas 70/80	NA	0	-
Gr.Javas 80/90	NA	0	-
KardiSeed 2% Exp Qly	4100	4100	Unch
Sesame White 98/2/1 FM	8800	9000	-200
Whitish 95/5/FFA/1FM	8600	8800	-200
Brown 48/2 FFA/4 FM	8400	8600	-200
Brown 48/3 FFA/4 FM	8000	8000	Unch

Brown 48/4 FM/* No FFA Guarantee	7600	7600	Unch
Sunflower Seed	4100	4100	Unch
Niger Seed (4% FM)	6900	6900	Unch

MSP of Kharif Oilseeds for Marketing Season 2020-21 - GOI

Sl. No	Crops	MSP for Kharif 2020-21	MSP for Kharif 2019-20	Increase in MSP (Absolute)
1	Groundnut	5275	5090	185
2	Sunflower seed	5885	5650	235
3	Soybean (yellow)	3880	3710	170
4	Sesamum	6855	6485	370
5	Nigerseed	6695	5940	755

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 2020-21.

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. 5275 per quintal for marketing season 2020-21 from Rs.5090 per quintal in 2019-20 an increase of Rs.18 a quintal.

The MSP of sunflower to Rs. 5885 a quintal from earlier Rs. 5650 per quintal an increase of Rs 235 per quintal, Soybean-yellow to Rs. 3880 a quintal to Rs. 3710 per quintal last season, an increase of Rs. 170 a quintal, Sesamum to Rs. 6855 a quintal from 6485 earlier, an increase of Rs. 370 a quintal and the MSP of Nigerseed have been increased to Rs. 6695 a quintal from Rs. 5940 a quintal earlier, increase of Rs 755 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for Nigerseed (Rs 755 per quintal) followed by Sesamum (Rs 370 per quintal), Urad (Rs 300 per quintal) and Cotton (long staple) (Rs 275 per quintal). The differential remuneration is aimed at encouraging crop diversification.

India's Oilseeds Production Seen Record at 34.2 Mn T vs 31.5 Mn in 2nd Adv Est. for 2019-20 - GOI

The 2nd Advance Estimates of production of oilseeds for 2019-20 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 18th February, 2020. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

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

Oilseeds – 34.2 million tonnes in 2019-20 vs 31.5 million tonnes in 2018-19

- Soybean – 13.62 million tonnes vs 13.27 million tonnes in 2018-19
- Rapeseed-Mustard - 9.11 million tonnes vs 9.26 million tonnes in 2018-19
- Groundnut - 8.24 million tonnes vs 6.73 million tonnes in 2018-19

India's total oilseeds production during 2019-20 is estimated at 34.19 million tonnes which is higher by 2.67 million tonnes than the production of 31.52 million tonnes during 2018-19.

The production of oilseeds during 2019-20 is also higher by 4.54 million tonnes than the five year average oilseeds production.

Sown Area – *Rabi* Oilseeds, India

In the final official Rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under Rabi oilseeds is reported at 80.3 lakh hectares, slightly down 0.1% from 80.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported down by 0.4% at 69.51 lha compared to 69.76 lha during the corresponding period of last year. Groundnut at 4.76 lha vs 4.59 lha, safflower at 0.63 lha vs 0.43 lha, sunflower at 1.04 lha vs 1.13 lha, sesamum 0.56 vs 0.71 and Linseed at 3.46 lha vs 3.44 lha during the same period last year.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	2019-20	2018-19	% Change
Rapeseed/Mustard	60.48	69.51	69.76	-0.4
Groundnut	7.76	4.76	4.59	3.7
Safflower	1.41	0.63	0.43	46.5
Sunflower	2.96	1.04	1.13	-8.0
Sesamum	3.12	0.56	0.71	-21.1
Linseed	2.99	3.46	3.44	0.6
Others	0.14	0.34	0.31	9.7
Total Oilseeds	78.86	80.3	80.37	-0.1

Source: MoA, GOI

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