

Oilseeds Weekly Research Report

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Executive Summary

Domestic soybean and rapeseed-mustard rebound on buying interest from crushers and stockists, during the week under review.

However, the gains were limited on expectation of bumper kharif'20 oilseeds' output and increase in the India's edible oil imports in recent weeks.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 25%. This year the country's soybean area is up as expected and area coverage under soybean have crossed the normal to 114.48 lha up from 111.49 lha normal. The newly planted soybean crop is in the good condition across the key growing regions and it has entered in the flowering stage in Madhya Pradesh.

Further, soymeal demand is up, but it is not strong enough to push the meal prices substantially up. The demand in domestic poultry is still weak, though there are some signs of recovery in poultry demand.

We expect oilseeds and oilmeal prices to feature weak tone in the near-to-medium term on higher soybean stock, increased imports of edible oils and weak poultry demand with expectation of bumper kharif oilseeds' crop this season. However, rapeseed-mustard will feature range-bound movement with firm-bias in 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 good monsoon so far 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 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

- ❖ US soybean sales for 2020-21 to all destinations have totaled to 10.4 million tonnes, also a six-year high, with non-Chinese bookings at 4.3 million tonnes, which is around average for the date.
- ❖ Strong Chinese demand in soybean will remain supportive for the international soy market this season.
- ❖ China imported 11.16 million tonnes in June compared to 6.51 million tonnes same period last year and 9.38 million tonnes in May'20 (up 19%). 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.
- ❖ Agribusiness consultancy Celeres, in its first Brazilian soybean output projection for the 2020/21 season, starting September, has pegged it at 130.8 million tonnes, based on higher farmers' planting intention.
- ❖ Brazil's soybean planted area is expected to rise by 1.3 million hectares to 38.2 million hectares in the 2020/21 season. As per the estimates of Celeres, Brazil's produced 124.7 million tonnes of soybean, making the country world's largest producer.
- ❖ 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.
- ❖ 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.
- ❖ Rapeseed harvesting has commenced in European Union, which is expected to be a smaller crop than last year. Torrential autumn rain, pest and insect attack, mild winter and very dry spring remained adverse for the rapeseed crop.

- ❖ Rapeseed production in the EU plus Britain is seen around last year's outturn of 17 million tonnes which was smallest since 2006.
- ❖ Recent rains in Germany and Poland could boost the rapeseed yield. Poland's rapeseed crop could reach between 2.75 million and 2.8 million tonnes, up 3-4% on last year assuming average yields.
- ❖ Germany's main winter rapeseed crop will rise 13.7% from last year's poor harvest to 3.21 million tonne.

Sown Area – *Kharif* Oilseeds, India

In the progressive official Kharif oilseeds planting report dated 24th July 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 166.36 lakh hectares, surge by 24.6% from 133.56 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 17.9% at 114.48 lha compared to 97.13 lha during the corresponding period of last year, groundnut at 42.28 lha vs 27.24 lha, sesamum 7.75 lha vs 7.69 lha, castor seed at 0.67 lha vs 0.62 lha and niger at 0.67 lha vs 0.62 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5% this season.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 24 Jul 2020	As on 24 Jul 2019	% Change
Groundnut	42.43	42.28	27.24	55.2
Soybean	111.49	114.48	97.13	17.9
Sunflower	1.84	0.72	0.54	33.3
Sesamum	14.13	7.75	7.69	0.8
Niger	2.41	0.46	0.34	35.3
Castor	9.65	0.67	0.62	8.1
Total Oilseeds	181.95	166.36	133.56	24.6

Source: MoA, GOI

Soybean

Soybean rebounded on some demand in soymeal but the gains were capped on increase in the planted area under soybean eventually expectation of higher bean production, overall good monsoon and rise in soy oil and other edible oil imports.

Country's area coverage under soybean crop has crossed the normal figure.

In the last progressive planting report by the Ministry of Agriculture dated July 24, 2020, India's soybean sowing is reported up by 17.9% at 114.48 lha compared to 97.13 lha during the corresponding period of last year and the normal area of 111 lakh hectares.

In the recent soybean crop survey by SOPA in key growing states of Madhya Pradesh, Maharashtra and Rajasthan shows that crops are normal in these states.

In Madhya Pradesh, planting began mid-June and was completed in the first week of July.

About half of the area under soybean crop have entered into flowering stage while the remaining is expected to reach the stage in a week.

Overall the crop health is good but the crop needs rain within a week to prevent it from the moisture stress.

In Maharashtra the crop has been re-planted in 20-25% of the area due the poor germination of seeds. Again rainfall is required in next 4-5 days in Latur, Osmanabad and Beed districts to overcome the moisture stress situation.

Besides, the country is expected to start the new marketing year with soybean carry-in stocks of 1.3-1.5 million tonnes, up from 150,000 - 170,000 tonnes a year ago.

Need based buying in soybean continues across key soybean mandis like, Indore, Nagpur, Latur and Akola on poor crush margin.

The crush margin of the soy crushers are badly hurt and they 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. India also imported 49% higher soyoil in June'20 compared to June'19, at 3,31,264 tons vs 2,22,853 tons respectively.

Soybean plant delivery price slightly improved in Indore cash market to 3,700 - 3,800 from 3,650-3,800 previous week, on buying support.

The supplies of bean further fell in various cash market yards of Madhya Pradesh to 60,000 –65,000 bags a day from 60,000 –70,000 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 lend some support to the bean.

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 soymeal demand, higher soybean oil imports and expectation of good crop this season.

International:

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.

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.

Traders expected 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 Ukraine.

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.

Soymeal

The domestic soymeal extended previous week's gain on some fresh overseas demand, but gains were limited due to bearish supply scenario and overall weak domestic and overseas demand.

Domestic demand continues to be weak due to sharp fall in poultry demand and the exports sales are pretty weak to jack up the meal prices.

No major developments were witnessed in the domestic soymeal market, during the week under review.

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 imports 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.

Following is the break-up of export of oilmeal of Indian origin to various countries:

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 average soymeal prices at Indore, witnessed mild gains at Rs. 28817/MT and was quoted between Rs 28,500 – 29,000/MT compared to the average of Rs 28767/MT traded between the price range of Rs 28,700 – 29,000/MT previous week.

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

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 28,500 – 29,000/MT during the week compared to Rs 30,300– 30,800/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	3500	3792	3900	4000

- Soybean fell on selling pressure in the market.
- Prices closed below 9-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is easing in the positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug) Week: **SELL** Below 3800. Levels: T1 – 3700; T2- 3650, SL - 3860.

Rapeseed - Mustard Seed

The rapeseed-mustard posted gains in sync with soybean on continued demand from the millers and the stockists. However, buying in the seed is not as aggressive as a couple of weeks back.

Improved rapeseed-mustard oilcake exports and reduction in rapeseed oil imports remained supportive for the crushers leading better crush margin to the millers.

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.

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.

Nafed continues to procure the rapeseed-mustard 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 20 Jul 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,03,841.93 metric tonnes with a total value of Rs. 3,55,700.06 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,18,537.

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

Crushing of rapeseed-mustard is in full swing and it is higher in volume than same period last year.

RM seed prices improved by 1.4% to Rs 4930 – 4990 a quintal from Rs 4875 – 4930 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 4,833/Qtl compared to 4,745/Qtl previous week.

Previous Updates

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.

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.

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.

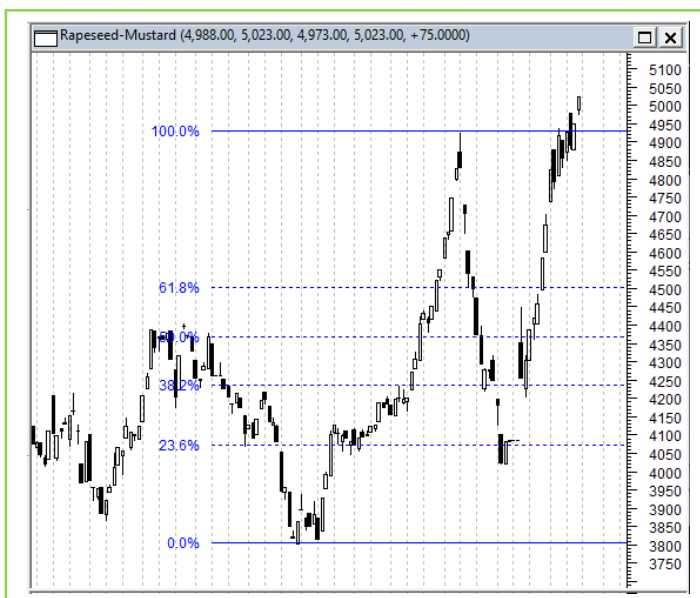
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Aug contract

S1	S2	PCP	R1	R2
4650	4600	4833	5000	5100

- 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	23-Jul-20		17-Jul-20		
	Low	High	Low	High	
Indore –Plant	3750	3800	3780	3800	Unch
Indore–Mandi	3500	3650	3500	3650	Unch
Nagpur-Plant	3870	3900	3850	3875	25
Nagpur – Mandi	3300	3620	3300	3645	-25
Latur – Mandi	Closed	Closed	Closed	Closed	-
Akola – Mandi	3350	3625	3350	3650	-25
Kota-Plant	3725	3825	3750	3850	-25
Kota – Mandi	3700	3775	3700	3800	-25
Bundi-Plant	3720	3820	3775	3870	-50
Bundi-Mandi	3650	3700	3700	3730	-30
Baran-Plant	3650	3750	3650	3750	Unch
Baran-Mandi	3620	3730	3630	3730	Unch
Bhawani Mandi Jhalawar–Plant	3725	3900	3750	3950	-50
Jhalwar-Mandi	Closed	Closed	3650	3740	-
Rapeseed/Mustard					
Jaipur-(Condition)	4975	4980	4930	4935	45
Alwar-(Condition)	4700	4750	4600	4650	100
Sri Ganganagar-(Non-Condition)	4425	4475	4300	4480	-5
New Delhi–(Condition)	4740	4745	4725	4750	-5
Kota-(Condition)	4665	4765	4600	4700	65
Agra-(Condition)	4929	5119	4857	5048	71
Neewai-(Condition)	4550	4650	4500	4600	50
Hapur (UP)-(Condition)	4900	4950	4900	4950	Unch
Groundnut Seed					
Rajkot	955	955	880	880	75
Sunflower Seed					
Gulbarga	0	0	0	0	Unch

Latur	Closed	Closed	Closed	Closed	-
Sholapur	0	0	0	0	Unch
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	23-Jul-20	17-Jul-20	
Madhya Pradesh	60000	60000	Unch
Maharashtra	45000	45000	Unch
Rajasthan	25000	28000	-3000
Bundi (Raj)	35	9	26
Baran (Raj)	1000	1000	Unch
Jhalawar (Raj)	Closed	1500	-
Rapeseed/Mustard			
Rajasthan	95000	125000	-30000
Alwar	1000	1000	Unch
Sri Ganganagar	500	4000	-3500
Kota	700	1000	-300
Groundnut Seed			
Rajkot (Gujarat)	100	100	Unch
Sunflower Seed			
Sholapur (Maharashtra)	0	0	Unch

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

Oilseeds	23-Jul-20	17-Jul-20	Change
Groundnut Kernel	6550	6400	150
Gr. Bolds 60/70	0	0	Unch
Gr. Javas 60/70	0	0	Unch
Gr Javas 70/80	0	0	Unch
Gr.Javas 80/90	0	0	Unch
KardiSeed 2% Exp Qly	4050	4100	-50
Sesame White 98/2/1 FM	8800	8800	Unch

Whitish 95/5/FFA/1FM	8600	8600	Unch
Brown 48/2 FFA/4 FM	8400	8400	Unch
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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