

Oilseeds Weekly Research Report

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Executive Summary

Domestic soybean fell in association with soymeal on subdued demand from millers due to the higher soyoil imports and sluggish overseas demand in the soymeal of Indian origin.

Further, expectation of higher soybean production with increase in the sown area under the crop weigh on the domestic soy prices.

All these factors together have led to the bad crush margin in soybean, discouraging the millers to crush aggressively.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 17%. This year the country's soybean area is up as expected and area coverage under soybean have crossed the normal to 116.62 lha up 5% from 111.49 lha normal. The newly planted soybean crop is in the good condition across the key growing regions.

However, the rapeseed-mustard posted gains on continued good demand from millers supported by good demand in rapeseed-mustard and improved rapeseed-mustard oilcake exports.

We expect soybean and soymeal to feature range-bound movement with weak-bias on bearish supply outlook. However, the rapeseed-mustard prices will remain strong on good demand.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): *The soybean prices will feature range-bound movement with weak bias, given the weak soymeal demand and higher soyoil imports. Further, expectation of higher soybean production this season will continue to weigh on the soy prices. 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 28,200 – 29,000/MT levels during the week.*

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): *The rapeseed-mustard is expected to feature range-bound movement with firm bias, on good crushing demand backed by good demand in rapeseed-mustard oil and improved exports in rapeseed-mustard oilcake. The seed arrivals are gradually falling week-on-week. The seed prices are likely to feature gains and witness the levels between 5,000 – 5,200/Qtl; levels during the week.*

International Highlights

- ❖ In the weekly USDA crop progress report released on 03 August 2020; The US Soybean is blooming 85% up from 68% same period last year and 82% from 5 year average. Soybeans setting pods at 59% up from 32% same period last year and 54% from 5 year average. About 58% of the crop is under good condition, 15% at excellent condition and 22% at fair condition.
- ❖ US soybean export sales totaled 7.6 million tonnes, which is double the 10-year average for the full July month and it is also well above the exports of any previous July.
- ❖ USDA data showed US soybean export sales at 3.34 million tonnes of new-crop for the week ended July 23, combined with old-crop bookings (7.6 Mn T) the export remained strongest week for US soybean sales in last eight year. China accounted for 59% of those imports.
- ❖ Anec has pegged July soybean shipments at 8.4 million tonnes, well below 2018's record of 10.2 million tonnes. This would place shipments since February, when the new season harvest started arriving at ports touching the mark of 67.4 million tonnes, 23% higher than 2018's high for the period.
- ❖ Industry estimates suggest this year's Brazilian soybean export to reach around 80 million tonnes or even more, which means another 12 million tonnes would be exported over the next few months. Shipping lineup, in the last week of July, showed 5.3 million tonnes of soybeans scheduled to depart in August.
- ❖ Brazilian agriculture consultancy Dataagro has pegged Brazil's 2020/21 soybean at 131.69 million tonnes up 6% from the last season.
- ❖ Brazil's 2020/21 soybean planted area is seen at 37.99 million hectares, up 2.5% from previous season, said Datagro.
- ❖ Rabobank has projected the Brazilian 2020/21 soybean crop at 127.3 million tonnes, up 5.3% from the previous season. The planted area under soybean is forecast to increase by 3% from 2019/20 to 38 million hectares.
- ❖ 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.
- ❖ It is evident all eyes are on the Brazilian next soybean crop. Given the Brazil's 2020/21 soybean production figures by various agencies there will be a bumper all time high soybean production in the country which will once again prove to be competitive in the soybean market, in 2020/21 season.
- ❖ 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 31st July 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 175.34 lakh hectares, surge by 16.8% from 150.11 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 8.3% at 116.62 lha compared to 107.64 lha during the corresponding period of last year, groundnut at 45.45 lha vs 30.53 lha, sesamum 10.51 lha vs 9.65 lha, castor seed at 1.51 lha vs 1.09 lha and niger at 0.49 lha vs 0.47 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 08-10% this season.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 31 Jul 2020	As on 31 Jul 2019	% Change
Groundnut	42.43	45.45	30.53	48.9
Soybean	111.49	116.62	107.64	8.3
Sunflower	1.84	0.76	0.73	4.1
Sesamum	14.13	10.51	9.65	8.9
Niger	2.41	0.49	0.47	4.3
Castor	9.65	1.51	1.09	38.5
Total Oilseeds	181.95	175.34	150.11	16.8

Source: MoA, GOI

Soybean

Soybean fell in sync with soymeal on slow-down in soymeal export sales and increase in soyoil imports.

Further, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this will deny the soymeal exporters the benefit of 5% incentive which helped to compete in the world market to some extent.

SOPA has written to the government to revoke the suspension of the MEIS benefit immediately.

Country's area coverage under soybean crop has surpassed the normal area by 5% under soybean last week.

In the last progressive planting report by the Ministry of Agriculture dated July 31st, 2020, India's soybean sowing is reported up by 8.3% at 116.62 lha compared to 107.64 lha during the corresponding period of last year. Country's normal area under the soybean is estimated at 111.49 lha.

If the weather favours the crop, country will harvest bumper bean crop this season.

The standing soybean crop is under development stage and it needs rain across the key growing states, as it is under moisture stress.

All the key soybean growing regions have received deficit monsoonal rainfall during 01 June 2020 to 03 August 2020.

IMD's subdivision rainfall data of 3 August 2020 reveals that the West Madhya Pradesh has received 377 mm of rainfall vs 424 mm (-11% departure), Vidarbha 445.4 mm vs 508.1 mm (-12% departure) and East Rajasthan received 210.6 mm rainfall vs 308.6 mm normal (-32% departure).

This shows none of the soybean growing region received normal rains and most of the standing soy crop is under flowering stage. The crop immediately needs rainfall to overcome the moisture stress.

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.

Soybean plant delivery price fell in Indore cash market to Rs 3,600 - 3,800 a quintal from Rs 3,700 - 3,800 a quintal previous week, on subdued buying.

The supplies of bean further fell in various cash market yards of Madhya Pradesh to 3,45,000 bags during the week from 3,75,000 bags a 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 in 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 fell in sync with soybean on sluggish domestic and overseas demand coupled with bearish soybean supply scenario.

The domestic soymeal demand continues to be weak mainly due to the weak demand in poultry attributed to the COVID-19 pandemic.

Further, India's soymeal export sales are weak 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 continued to remain weak and given the bumper South American soybean crop and expectation of good US bean crop and it is unlikely India's soymeal export prices could compete with them.

In a major blow to the domestic soymeal market, which was already reeling under pressure, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this week, on its portal from exports undertaken 01.04.2020 onwards.

This will result in further decline in soymeal exports from India, as MEIS benefit of 5% is a significant incentive to compete in the world market. SOPA has made a representation to the government to revoke the suspension of the MEIS benefit immediately.

The revenue department have argued against continuing the MEIS, calling it wasteful and inefficient.

Instead of extending the Merchandise Exports of India Scheme, which cost Rs 43,500 crore in 2019-20, the NITI Aayog and the Ministry of Finance have called for putting financial resources into new Production-Linked Incentive (PLI) schemes in select sectors with core competency and potential for global exports.

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

The domestic average soymeal prices at Indore, witnessed losses to Rs. 28,533/MT and was quoted between Rs 28,300 – 28,700/MT compared to the average of Rs 28,817/MT traded between the price range of Rs 28,500 – 29,000/MT previous week.

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

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 28,300 – 28,700/MT during the week compared to Rs 30,000– 30,500/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 28,500 – 29,000/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
3700	3650	3820	4000	4050

- Soybean posted gains on buying support in the market.
- Prices closed above 9-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD is heading upwards in the positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug) Week: **BUY** Above 3800. Levels: T1 – 3900; T2- 3950, SL - 3740.

Rapeseed - Mustard Seed

Strong sentiments witnessed in the rapeseed-mustard market on continued strong buying support in the seed by the millers.

The seed prices rallied and crossed the mark of Rs. 5000 a quintal, as expected, during the week under review.

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

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.

The rapeseed-mustard meal exports almost doubled in last couple of months lending support to the seed crushers.

Nafed's rapeseed-mustard procurement is nearing completion for the season, the federation had procured the seed in last couple of months from various key producing locations like Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh.

As on 01 Aug. 2020, the progressive purchase of rapeseed mustard by Nafed under PSS from these states stands at 8,03,853.33 metric tonnes with a total value of Rs. 3,55,705.10 Lakh and the total progressive number of farmers benefited from the scheme stands at 3,18,540.

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 1.8% to Rs 4980 – 5125 a quintal from Rs 4930 – 4990 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies are falling week-on-week and they were reported between 1.25 – 1.40 lakh bags in a day compared to around 1.5 – 2.00 lakh bags a day, previous week. The supplies were 1.0 – 1.4 lakh bags a day during the corresponding period last year.

The new crop seed is quoted at around Rs 4980 – 5125 a quintal compared to Rs 4100 – 4120 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 5,033/Qtl compared to 4,833/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. Good rapeseed-mustard oil demand and improved overseas demand in rapeseed extract will continue to lend support to the seed prices are higher levels.

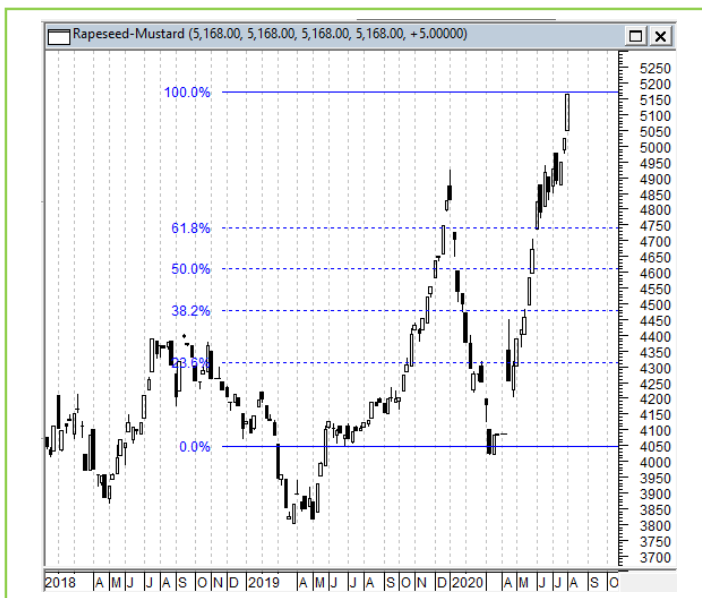
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Aug contract

S1	S2	PCP	R1	R2
4800	4750	5031	5200	5250

- 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 5000. Levels: Target – 5100; T2- 5150, SL – 4940.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	30-Jul-20		24-Jul-20		
	Low	High	Low	High	
Indore –Plant	3700	3750	3750	3800	-50
Indore–Mandi	3450	3600	3500	3650	-50
Nagpur-Plant	3850	3880	3850	3880	Unch
Nagpur – Mandi	3250	3680	3300	3620	60
Latur – Mandi	Closed	Closed	Closed	Closed	-
Akola – Mandi	3425	3635	3150	3650	-15
Kota-Plant	3775	3875	3750	3850	25
Kota – Mandi	3755	3830	3725	3800	30
Bundi-Plant	3700	3800	3770	3870	-70
Bundi-Mandi	3600	3650	3700	3750	-100
Baran-Plant	3650	3750	3700	3800	-50
Baran-Mandi	3620	3720	3670	3780	-60
Bhawani Mandi Jhalawar–Plant	3650	3850	3750	3950	-100
Jhalwar-Mandi	3650	3700	3650	3740	-40
Rapeseed/Mustard					
Jaipur-(Condition)	5120	5125	4980	4985	140
Alwar-(Condition)	4850	4900	4615	4665	235
Sri Ganganagar-(Non-Condition)	4370	4600	4250	4450	150
New Delhi–(Condition)	4940	4950	4750	4760	190
Kota-(Condition)	4850	4950	4595	4695	255
Agra-(Condition)	5048	5238	4929	5119	119
Neewai-(Condition)	4725	4825	4550	4650	175
Hapur (UP)-(Condition)	5050	5100	4900	4950	150
Groundnut Seed					
Rajkot	940	940	970	970	-30
Sunflower Seed					
Gulbarga	NA	NA	0	0	-

Latur	Closed	Closed	Closed	Closed	-
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	30-Jul-20	24-Jul-20	
Madhya Pradesh	50000	55000	-5000
Maharashtra	40000	40000	Unch
Rajasthan	20000	20000	Unch
Bundi (Raj)	4	35	-31
Baran (Raj)	1500	800	700
Jhalawar (Raj)	700	2500	-1800
Rapeseed/Mustard			
Rajasthan	80000	95000	-15000
Alwar	1300	700	600
Sri Ganganagar	1000	2000	-1000
Kota	800	500	300
Groundnut Seed			
Rajkot (Gujarat)	100	160	-60
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	30-Jul-20	24-Jul-20	Change
Groundnut Kernel	6300	6500	-200
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	4050	4050	Unch
Sesame White 98/2/1 FM	8700	8800	-100
Whitish 95/5/FFA/1FM	8500	8600	-100

Brown 48/2 FFA/4 FM	8300	8400	-100
Brown 48/3 FFA/4 FM	7900	8000	-100
Brown 48/4 FM/* No FFA Guarantee	7500	7600	-100
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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