

Oilseeds Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ AW Oilseeds Index
- ❖ International Highlights
- ❖ Planted Area
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

Executive Summary

Domestic soybean and soymeal extended previous week's gain on supportive demand to cater the current demand. However, the gains were capped by forecast of higher soybean output than the previous season.

Besides, weak soymeal exports and higher soybean imports, again in July'20, by India continue to pressure the domestic soy market, and limiting the upside.

The domestic soymeal demand continued to remain weak due to the slack in demand from poultry sector amidst COVID-19.

There is no sign of recovery in soy crush margin, the margins are poor and discouraging the millers to crush aggressively, on weak meal and oil prices.

Agriwatch has pegged India's 2020/21 soybean output up 38% from previous season after increase in the sown area under the bean.

In the last official progressive kharif planting report, India's area under oilseeds coverage is reported up by 14.1%. This year the country's soybean area is up, as expected, and area coverage under soybean is 118.99 lha, up over 16% from 111.49 lha normal area. The standing soybean crop is in the good condition across the key growing regions.

Besides, the rapeseed-mustard rallied on continued good demand from millers supported by good demand in rapeseed-mustard oil and improved rapeseed-mustard oilcake exports.

We expect soybean and soymeal to feature range-bound movement with weak-bias on bearish domestic and global 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 3700 – 3900 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 5,150 – 5,300/Qtl; levels during the week.

International Highlights

- ❖ USDA has raised its projection of US 2020/21 soybean crop to 120.423 million tonnes, up from 112.5 million tonnes projected in July'20. The estimates are up from 96.7 million tonnes estimated for 2019/20 in it's August FAS oilseeds' monthly report.
- ❖ US soybean export sales in July totaled 7.6 million tonnes, which is double the 10-year average for July and well above the exports of any previous July.
- ❖ China is aggressively buying soy to cover its strategic stock and is likely to buy further. It bought 10.09 million tonnes of soybean in July, up 17% from 8.63 million tonnes in July 2019, due to the competitive pricing by the top supplier Brazil, but still below June's record 11.16 million tonnes, GAC data showed. China's total soybean imports surged by 17.7% in the first seven months of the year 2020 compared to the corresponding period in 2019 to 55.14 million tonnes.
- ❖ CONAB has increased Brazil's 2019/20 soybean crop estimate to 120.936 million tonnes vs 120.883 million tonnes estimated in August. It has also raised the country's 2020 soybean exports forecast above 82 million tonnes vs 80 million tonnes in August.
- ❖ 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. Brazil has harvested 125.5 million tonnes of soybean in 2019/20 which is slightly higher than 125 million tonnes in 2018/19.
- ❖ As per the forecast of Abiove, Brazil is expected to harvest 130.5 million tonnes of soybean in 2020/21 and the exports are projected at 80 million tonnes the same year.
- ❖ 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.
- ❖ 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 14th August 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 187.14 lakh hectares, an increase by 14.1% from 163.98 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 118.99 lha compared to 111.86 lha during the corresponding period of last year, groundnut at 49.37 lha vs 35.01 lha, sesamum 12.8 lha vs 11.82 lha, castor seed at 4.18 lha vs 3.83 lha and niger at 0.87 lha vs 0.68 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 3-4% this season.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 14 Aug 2020	As on 14 Aug 2019	% Change
Groundnut	42.43	49.37	35.01	41.0
Soybean	111.49	118.99	111.86	6.4
Sunflower	1.84	0.93	0.78	19.2
Sesamum	14.13	12.80	11.82	8.3
Niger	2.41	0.87	0.68	27.9
Castor	9.65	4.18	3.83	9.1
Total Oilseeds	181.95	187.14	163.98	14.1

Source: MoA, GOI

Soybean

Soybean extended previous week's gain on buying support from crushers with some demand in soymeal.

However, fall in soymeal exports and negative crush margin to the millers discouraged aggressive crushing this season, mainly post COVID capped the gains.

Suspension of 5% incentive on soymeal exports by government, expectation of higher 2020/21 soybean crop and higher soyoil imports remained bearish for the market.

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

Agriwatch has pegged India's 2020/21 soybean output at 12.06 million tonnes, up 38% from 8.74 million tonnes in 2019/20.

India's edible July 2020 oil imports increased 13% to 15.17 lakh tonnes on a year-on-year basis. This is the highest import in the last 11 months of the oil year 2019-20.

Of the total, imports of palm oils shipments to India rose to 8.24 lakh tonnes in July this year from 8.12 lakh tonnes same period last year.

As per Solvent Extractors' Association of India soyoil imports too increased to 4.84 lakh tonnes in July this year from 3.19 lakh tonnes in the corresponding period last year.

Country's area coverage under soybean crop is well above normal area of 111.49 lha by 7% last week.

In the last progressive planting report by the Ministry of Agriculture dated August 14, 2020, India's soybean sowing is reported up by 6.4% at 118.99 lha compared to 111.86 lha during the corresponding period of last year.

Given the increase in the sown area, the country is expected to harvest higher bean crop this season compared to last couples of years.

All the key soybean growing regions have received deficit monsoonal rainfall during 01 June 2020 to 16 August 2020.

IMD's subdivision rainfall data of 16 August 2020 reveals that the West Madhya Pradesh has received 516.9 mm of rainfall vs 559.2 mm (-8% departure), Vidarbha 590.3 mm vs 649.6 mm (-9% departure) and East Rajasthan received 335 mm rainfall vs 412 mm normal (-19% departure).

This reveals none of the soybean growing region received normal rains but overall the crop is in good condition with some rains over the region last week.

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.

Soybean plant delivery price improved in Indore cash market to Rs 3,725 - 3,850 a quintal from Rs 3,700 - 3,850 a quintal previous week, on some buying support.

The supplies of bean improved in various cash market yards of Madhya Pradesh to 2,35,000 bags during the week from 2,00,000 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 along with higher South American soy output forecast suggests bearish global supply scenario in the new season.

Industry estimates suggest this year's Brazilian soybean export to reach around 80 million tonnes or even more, which means another 12 million tonnes could 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 Datagro 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.

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 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.

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.

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.

Strategie Grains has raised its forecast for 2020-21 rapeseed production in the European Union plus Britain to 16.79 million tonnes from 16.54 million in its previous estimates.

The upward revision, after six consecutive downward monthly projections was mainly due to favourable weather condition in Poland and Lithuania.

The rapeseed outturn is estimated to be still below previous year's poor crop harvest of 17.12 million tonnes, due to weak output in France, Britain, Central and Eastern Europe.

The production is hit mainly due to the very dry spring in parts of Europe as well widespread damage due to insects.

Strategie Grains has estimated EU rapeseed 2020-21 import to record 6.1 million tonnes, this is despite the agency has slightly trimmed from 6.2 million tonnes forecast a month ago. EU had imported 6.0 million tonnes of rapeseed in 2019/20 season.

The above statements with data reveal bearish global oilseeds supply scenario in the upcoming season.

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 gains together with soybean on some improved demand during the period under review.

However, the gains were limited due to the multiple bearish factors including, higher soybean production estimate for 2020/21, weak soymeal exports and fall in local demand from poultry sector, and suspension of MEIS benefit/incentive of 5% for soymeal exports by the Indian government.

Indian soymeal exports is already facing stiff competition from meal of South American origin due to their price competitiveness.

India's soymeal export sales are weak after being outpriced in the global market by South America. India has lost the traditional South East Asian markets to South America in recent years.

Country is unable to market soymeal as non-GM which was an advantage few years back, Japan was the big buyer of non-GM soymeal of Indian origin earlier.

The Indian soymeal market is facing a tough time at domestic as well as at the international front. There are no major positive developments in the domestic soymeal market.

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.

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

The domestic average soymeal prices at Indore, witnessed gains to Rs. 28,920/MT and was quoted between Rs 28,700 – 29,100/MT compared to the average of Rs 28,760/MT traded between the price range of Rs 28,500 – 29,000/MT previous week.

At Latur soymeal improved to Rs 32,000 – 33,000/MT from Rs 31,600 – 32,500/MT a week ago and in Nanded it was quoted higher at Rs. 31,500 - 32,400/MT compared to Rs. 31,800 - 32,200/MT a week ago. Besides, in Kota, the meal witnessed some gains and was quoted at Rs 30,700 – 31,200/MT compared to Rs 30,000 – 30,500/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 – 29,100/MT during the week compared to Rs 30,000 – 30,900/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:

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.

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 sought a stimulus package from the centre to support the soybean industry, which has been hit by the lockdown and collapse of poultry sector. It has asked center to increase the import duty in edible oils.

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 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.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Sept contract

S1	S2	PCP	R1	R2
3660	3550	3720	3870	4000

- Soybean fell on selling pressure in the market.
- Prices closed below 18-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 – Sept) Week: **SELL** Below 3760. Levels: T1 – 3660; T2- 3580, SL - 3804.

Rapeseed - Mustard Seed

Rapeseed-mustard continued upward movement on strong buying support by the crushers.

Good crush margin to the crushers with better local rapeseed-mustard oil demand, fall in rapeseed oil imports and rapeseed-mustard oilcake exports remained lend support to the seed prices at higher levels.

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

Nafed has started selling the rapeseed-mustard of previous season in the open market of Haryana.

The total procurement of rapeseed-mustard by Nafed under PSS from major seed producing states (Uttar Pradesh, Rajasthan, Gujarat, Haryana and Madhya Pradesh) stands at 8,03,853.33 metric tonnes with a total value of Rs. 3,55,705.10 Lakh and the total number of farmers benefiting from the scheme so far stands at 3,18,540.

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

Better crush margin in the seed remain encouraging for the crushers and currently the rapeseed-mustard crushing is in full swing and it is also higher in volume than same period last year.

RM seed prices improved by 1% to Rs 5220 – 5255 a quintal from Rs 5130 – 5225 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies improved week-on-week and they were reported 6.95 lakh bags during the week compared to around 6.45 lakh bags, previous week. The supplies were 7.05 lakh bags during the corresponding period last year.

The seed is quoted at around Rs 5220 – 5255 a quintal compared to Rs 4105 – 4150 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the September contract closed slightly below previous weeks level at 5,081/Qtl compared to 5,118/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.

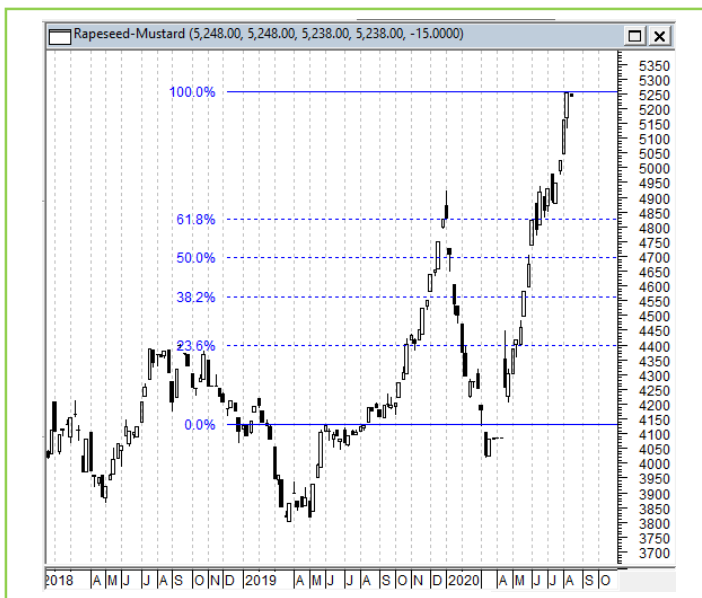
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Sept contract

S1	S2	PCP	R1	R2
4922	4835	5088	5185	5300

- RM seed ended slightly lower than the previous week's level, 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 – Sept) Week: **BUY** Above 5070. Levels: Target – 5170; T2- 5220, SL – 5010.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	13-Aug-20		07-Aug-20		
	Low	High	Low	High	
Indore –Plant	3725	3800	3800	3850	-50
Indore–Mandi	3600	3700	3700	3750	-50
Nagpur-Plant	3800	3875	3850	3900	-25
Nagpur – Mandi	3200	3650	3250	3660	-10
Latur – Mandi	Closed	Closed	Closed	Closed	-
Akola – Mandi	3100	3605	3300	3630	-25
Kota-Plant	3700	3725	3825	3925	-200
Kota – Mandi	3650	3700	3775	3875	-175
Bundi-Plant	3550	3650	3675	3775	-125
Bundi-Mandi	3450	3500	3575	3625	-125
Baran-Plant	3625	3725	3700	3800	-75
Baran-Mandi	3575	3675	3650	3750	-75
Bhawani Mandi Jhalawar–Plant	3650	3820	3720	3900	-80
Jhalwar-Mandi	3600	3670	3700	3750	-80
Rapeseed/Mustard					
Jaipur-(Condition)	5235	5240	5220	5225	15
Alwar-(Condition)	4875	4925	5000	5050	-125
Sri Ganganagar-(Non-Condition)	4700	4800	4800	4850	-50
New Delhi–(Condition)	5120	5130	5090	5100	30
Kota-(Condition)	4720	4820	4850	4950	-130
Agra-(Condition)	5190	5381	5143	5333	48
Neewai-(Condition)	4900	5000	4900	5000	Unch
Hapur (UP)-(Condition)	5200	5250	5220	5250	Unch
Groundnut Seed					
Rajkot	Closed	Closed	NA	NA	-
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	13-Aug-20	07-Aug-20	
Madhya Pradesh	40000	45000	-5000
Maharashtra	35000	35000	Unch
Rajasthan	10000	18000	-8000
Bundi (Raj)	10	2	8
Baran (Raj)	2000	500	1500
Jhalawar (Raj)	3400	5000	-1600
Rapeseed/Mustard			
Rajasthan	85000	80000	5000
Alwar	2000	3000	-1000
Sri Ganganagar	1000	1000	Unch
Kota	800	600	200
Groundnut Seed			
Rajkot (Gujarat)	Closed	NA	-
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	13-Aug-20	7-Aug-20	Change
Groundnut Kernel	6250	6300	-50
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	8600	8600	Unch
Whitish 95/5/FFA/1FM	8400	8400	Unch
Brown 48/2 FFA/4 FM	8200	8200	Unch

Brown 48/3 FFA/4 FM	7800	7800	Unch
Brown 48/4 FM/* No FFA Guarantee	7400	7400	Unch
Sunflower Seed	4000	4000	Unch
Niger Seed (4% FM)	6500	6500	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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2020 Indian Agribusiness Systems Pvt Ltd.