

Oilseeds Weekly Research Report

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Executive Summary

Domestic rapeseed-mustard and soymeal posted gains on crushing demand and fresh local demand from poultry respectively.

Overall the rapeseed-mustard fundamentals are strong on better crush margin, continued good demand from millers supported by improved demand in rapeseed-mustard oil and increasing rapeseed-mustard oilcake exports.

However, soybean fell on expectation of bigger bean and other kharif oilseeds' crop and this season, weak soymeal exports and rise in soyoil imports.

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 120.0 lha, up over 8% from 111.49 lha normal area. The standing soybean crop is in the good condition across the key growing regions.

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 festive 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. **(Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined together is forecast to import 19.75 Mn T of soymeal in 2020/21 from Argentina, Brazil and US).** 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

- ❖ US soybean crushings improved to a four-month high in July 2020, according to National Oilseed Processors Association (NOPA) which has recently published the data.
- ❖ The data showed US processed 172.794 million bushels of soybean in July, which is up from 167.263 million bushels in June and up from the 168.09 million bushels processed in July 2019.
- ❖ It was the largest July soybean crush on record and was above an average of trade expectations.
- ❖ Besides, US soy meal exports in July 2020 increased to 876,159 tons, from 835,403 tons in June 2020 but down slightly from 879,319 tons in July 2019, according to NOPA
- ❖ 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.
- ❖ 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.
- ❖ Agrural has projected Brazil's 2020/21 soybean output at 129.3 million tonnes from 123.9 million tonnes from 123.9 million tonnes estimated for 2019/20. The soybean area is seen up by 1 million hectares at 37.9 million hectares.
- ❖ 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 next Brazilian soybean crop. Given the Brazil's 2020/21 soybean production figures by various agencies, there will be an 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.

Sown Area – *Kharif* Oilseeds, India

In the progressive official Kharif oilseeds planting report dated 21st August 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 191.14 lakh hectares, an increase by 14.1% from 167.52 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.7% at 120.0 lha compared to 112.47 lha during the corresponding period of last year, groundnut at 50.03 lha vs 35.79 lha, sesamum 13.29 lha vs 12.34 lha, castor seed at 5.69 lha vs 5.20 lha and niger at 1.11 lha vs 0.91 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-6% this season.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 21 Aug 2020	As on 21 Aug 2019	% Change
Groundnut	42.43	50.03	35.79	39.8
Soybean	111.49	120.00	112.47	6.7
Sunflower	1.84	1.02	0.81	25.9
Sesamum	14.13	13.29	12.34	7.7
Niger	2.41	1.11	0.91	22.0
Castor	9.65	5.69	5.20	9.4
Total Oilseeds	181.95	191.14	167.52	14.1

Source: MoA, GOI

Soybean

Soybean couldn't sustain the recent gains, as expected, mainly due to the higher soybean imports, fall in soybean exports leading to negative crush margin to the millers, which discouraged aggressive crushing this season.

Further, suspension of 5% incentive on soybean exports by Indian government and expectation of higher 2020/21 soybean crop pressured the soy market.

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 July 2020 soybean oil imports surged by 52% to 4.84 lakh tonnes compared to 3.19 lakh tonnes in July 2019, discouraging the domestic bean crushing.

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.

Country's area coverage under soybean crop is well above normal area of 111.49 lha by 8% last week.

In the last progressive planting report by the Ministry of Agriculture dated August 21, 2020, India's soybean sowing is reported up by 6.7% at 120.0 lha compared to 112.47 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.

IMD's subdivision rainfall data of 23 August 2020 reveals that the West Madhya Pradesh has received 692 mm of rainfall vs 624.9 mm (+11% departure), Vidarbha 678 mm vs 717 mm (-5% departure) and East Rajasthan received 425 mm rainfall vs 462 mm normal (-8% departure).

SOPA has pegged India's 2020 soybean output at 12.25 Mn T after a recent crop survey. In Madhya Pradesh, Maharashtra and Rajasthan above 50% of the crop is under grain filling stage and overall the crop health is good.

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.

Soybean plant delivery price remained flat in Indore cash market at Rs 3,725 - 3,850 a quintal compared to the previous week.

The supplies of bean improved in various cash market yards of Madhya Pradesh to 2,50,000 bags during the week from 2,35,000 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.

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.

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 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.

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

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.

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.

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

Soymeal witnessed mild gains on some fresh local demand, but weak exports in the same limited the gains. Overall, the factors for soymeal are bearish on lower than normal local meal demand from poultry sector, weak exports sales and bearish supply scenario with higher soybean output this season.

The soybean crush margins are negative due to the above factors and we expect them to recover if the demand in meal picks up and the soyoil imports fall which surged by 52% in July'20. Given the bearish global soybean supply outlook for the season, both demand in meal and reduction in soyoil import are unlikely in short-to-medium-term.

However, we expect the local soymeal demand to gradually pick-up with reducing COVID fear.

Indian soymeal exports is already facing stiff competition from meal of South American origin due to their price competitiveness. The suspension of MEIS benefit/incentive of 5% by the Indian government have further made it challenging. India has lost the traditional South East Asian markets to South America in recent years. It 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.

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.

Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined together is forecast to import 19.75 Mn T of soymeal in 2020/21 mainly from Argentina, Brazil and US.

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. 29,540/MT and was quoted between Rs 29,200 – 30,000/MT compared to the average of Rs 28,920/MT traded between the price range of Rs 28,700 – 29,100/MT previous week.

At Latur soymeal fell to Rs 32,000 – 32,500/MT from Rs 32,000 – 33,000/MT a week ago and in Nanded it was quoted higher at Rs. 31,700 - 32,500/MT compared to Rs. 31,500 - 32,400/MT a week ago. Besides, in Kota, the meal remained flat at Rs 30,700 – 31,200/MT compared to previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 29,200 – 30,000/MT during the week compared to Rs 30,500 – 31,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 29,500 – 30,000 /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
3650	3550	3798	4000	4100

- Soybean posted gains on buying support in the market.
- Prices closed above 18-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 – Sept) Week: **BUY** Above 3760. Levels: T1 – 3860; T2- 3940, SL - 3700.

Rapeseed - Mustard Seed

Rapeseed-mustard extended the rally on continued demand from the millers backed by good mustard oil demand and improved rapeseed extract exports.

Further, fall in rapeseed oil imports too remained supportive for the market. India has not imported rapeseed oil in July 2020 which was shipped to India 15,004 tonnes in July 2019. This has eventually kept the crush margin good to the crushers.

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

Nafed has started disposing the rapeseed-mustard, the federation has sold about 1.6 lakh tonnes in the open market. Hafed too has sold about 1.5 lakh tonnes in Haryana in recent days.

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 just 0.6% to Rs 5,185 – 5,305 a quintal from Rs 5220 – 5255 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 5,185 – 5,305 a quintal compared to Rs 4,145 – 4,190 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the September contract posted gains to 5,210/Qtl compared to 5,081/Qtl previous week.

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.

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.

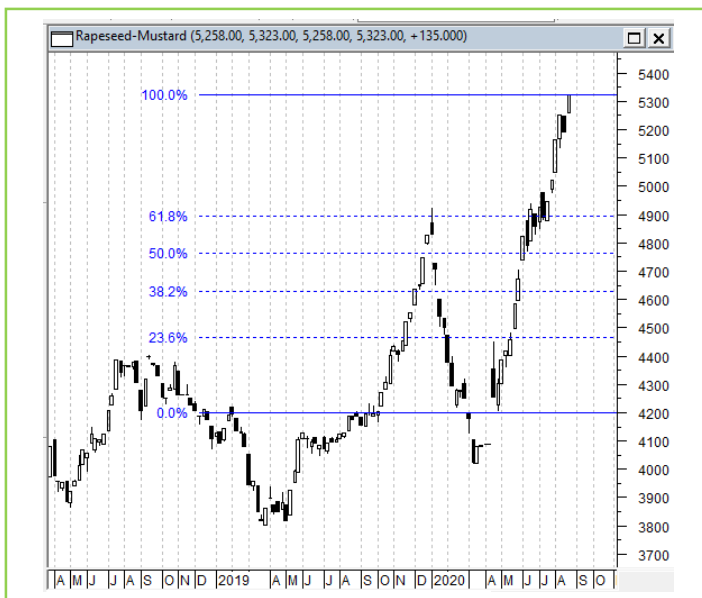
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Sept contract

S1	S2	PCP	R1	R2
5000	4900	5210	5400	5450

- RM seed rallied on strong buying, 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 5200. Levels: Target – 5300; T2- 5350, SL – 5140.

Annexure

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	20-Aug-20		14-Aug-20		
	Low	High	Low	High	
Indore –Plant	3800	3850	3725	3800	50
Indore–Mandi	3650	3775	3600	3700	75
Nagpur-Plant	3850	3875	3810	3850	25
Nagpur – Mandi	3300	3630	3340	3650	-20
Latur – Mandi	3450	3675	3400	3700	-25
Akola – Mandi	2750	3600	3000	3580	20
Kota-Plant	3775	3800	3650	3675	125
Kota – Mandi	3725	3775	3600	3650	125
Bundi-Plant	3700	3800	3500	3600	200
Bundi-Mandi	3600	3700	3400	3450	250
Baran-Plant	3740	3840	3600	3700	140
Baran-Mandi	Closed	Closed	3550	3650	-
Bhawani Mandi Jhalawar–Plant	3775	3925	3600	3770	155
Jhalwar-Mandi	3725	3800	3550	3620	180
Rapeseed/Mustard					
Jaipur-(Condition)	5295	5300	5185	5190	110
Alwar-(Condition)	4950	5000	4875	4925	75
Sri Ganganagar-(Non-Condition)	4725	4825	4700	4800	25
New Delhi–(Condition)	5080	5100	5100	5110	-10
Kota-(Condition)	4675	4775	4680	4780	-5
Agra-(Condition)	5167	5357	5190	5381	-24
Neewai-(Condition)	4920	5020	4880	4980	40
Hapur (UP)-(Condition)	5175	5225	5150	5200	25
Groundnut Seed					
Rajkot	855	855	880	880	-25
Sunflower Seed					
Gulbarga	2875	3675	3000	3500	175
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
	20-Aug-20	14-Aug-20	
Soybean			
Madhya Pradesh	55000	40000	15000
Maharashtra	25000	30000	-5000
Rajasthan	5000	15000	-10000
Bundi (Raj)	300	155	145
Baran (Raj)	Closed	3000	-
Jhalawar (Raj)	2500	5000	-2500
Rapeseed/Mustard			
Rajasthan	70000	65000	5000
Alwar	700	2000	-1300
Sri Ganganagar	900	1000	-100
Kota	1200	400	800
Groundnut Seed			
Rajkot (Gujarat)	170	70	100
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	20-Aug-20	14-Aug-20	Change
Groundnut Kernel	6250	6250	Unch
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

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