

Oilseeds Weekly Research Report

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Executive Summary

Domestic soybean rebound and rapeseed-mustard extended gains mainly on buying support by the millers to meet the improved festive edible oil demand.

The rapeseed-mustard fundamentals continued to remain strong on robust demand in seed from miller followed by better crush margin supported by good demand in rapeseed-mustard oil and increasing rapeseed-mustard oilcake exports.

Soybean prices rebound on fresh soyoil demand mainly of festivities. This is despite soybean fundamentals are weak on expectation of bigger soybean crop along-with other kharif oilseeds' crop this season, weak soymeal exports and rise in soyoil imports.

The soybean crush margins are still weak and discouraging the millers to crush the bean 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 13%. This year the country's soybean area is up, as expected, and area coverage under soybean is 120.53 lha, by 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 oil and rape-meal 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 3800 – 4050 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 are 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 30,000 – 31,500/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 5,350– 5,450/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 higher than the 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 its 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.
- ❖ Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Rabobank (127.3 Mn T), Abiove (13.5 Mn T), Datagro (131.69 Mn T), Celeres (130.8 Mn T), AgRural (129.3 Mn T) and Conab (133.5 Mn T).
- ❖ These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares which is up 1.3 – 2.5 million hectares estimated by these agencies for 2019/20.
- ❖ It is evident all eyes are on the next Brazilian soybean crop. Given the Brazil's 2020/21 soybean production figures by various agencies, it 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 28th August 2020, by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 193.28 lakh hectares, an increase by 13% from 170.98 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.9% at 120.53 lha compared to 112.7 lha during the corresponding period of last year, groundnut at 50.36 lha vs 37.07 lha, sesamum 13.48 lha vs 12.72 lha, castor seed at 6.52 lha vs 6.45 lha and niger at 1.28 lha vs 1.18 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season.

Area in Lakh Hectares

Crop	Normal Area (5 Year Avg.)	As on 28 Aug 2020	As on 28 Aug 2019	% Change
Groundnut	42.43	50.36	37.07	35.9
Soybean	111.49	120.53	112.70	6.9
Sunflower	1.84	1.11	0.86	29.1
Sesamum	14.13	13.48	12.72	6.0
Niger	2.41	1.28	1.18	8.5
Castor	9.65	6.52	6.45	1.1
Total Oilseeds	181.95	193.28	170.98	13.0

Source: MoA, GOI

Soybean

Soybean edge-up on buying interest in oilseeds' crushers on expectation of fresh overseas soymeal demand.

India's July'20 soymeal exports improved by 9% which lend some support to the soybean. However, higher soyoil imports and overall lower than normal soymeal demand kept the crush margin negative to the millers, which discouraged aggressive crushing this season.

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 28, 2020, India's soybean sowing is reported up by 7% at 120.53 lha compared to 112.70 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.

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

IMD's subdivision rainfall data of 30 August 2020 reveals that the West Madhya Pradesh has received 834.3 mm of rainfall vs 687.3 mm (+21% departure), Vidarbha 730 mm vs 774 mm (-6% departure) and East Rajasthan received 493.5 mm rainfall vs 502 mm normal (-2% departure).

SOPA has pegged India's 2020 soybean output at 12.25 Mn T after a recent crop survey.

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 slightly improved in Indore cash market at Rs 3,775 – 4,000 a quintal compared Rs 3,725 - 3,850 to the previous week.

The supplies of bean improved in various cash market yards of Madhya Pradesh to 2,90,000 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.

Brazil's 2020/21 soybean output is forecast up by around 5-6% between 127.3 million tonnes to 133.5 million tonnes by various agribusiness consultancies like Rabobank (127.3 Mn T), Abiove (13.5 Mn T), Datagro (131.69 Mn T), Celeres (130.8 Mn T), AgRural (129.3 Mn T) and Conab (133.5 Mn T).

These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares which is up 1.3 – 2.5 million hectares estimated by these agencies for 2019/20.

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, showed 5.3 million tonnes of soybeans scheduled for August.

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 sustained the gains and extended previous week's level on some fresh local and overseas demand in July. 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 estimates this season.

India's July 2020 soymeal exports improved by 9% to 61,957 metric tonnes compared to 56,638 metric tonnes in July 2019.

However, it fell during April-July'20 by 22% to 1,91,149 metric tonnes compared to 2,33,183 metric tonnes during the same period last year.

The soybean crush margins continued to remain negative due to the weak 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 are 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 biggest 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. 30,083/MT and was quoted between Rs 29,500 – 31,500/MT compared to the average of Rs 29,540/MT traded between the price range of Rs 29,200 – 30,000/MT previous week.

At Latur soymeal fell to Rs 32,000 – 32,400/MT from Rs 32,000 – 32,500/MT a week ago and in Nanded it was quoted higher at Rs. 32,400 - 34,000/MT compared to Rs. 31,700 - 32,500/MT a week ago. Besides, in Kota, the meal remained flat at Rs 31,200 – 33,500/MT compared to Rs 30,700 – 31,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 29,500 – 31,500/MT during the week compared to Rs 30,400 – 31,300/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 29,500 – 30,500 /MT on slack in demand from poultry sector, in near to medium-term.

Previous updates:

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.

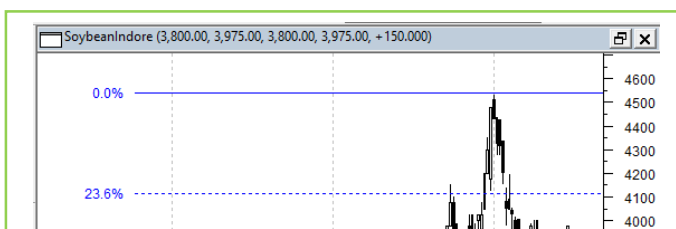
India's soymeal shipments may fall to around 500,000 MT in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to subdued demand from traditional overseas buyers amid ongoing countrywide lockdown, said Soybean Processors Association of India Chairman Davish Jain.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Sept contract				
S1	S2	PCP	R1	R2
3700	3600	4008	4250	4400

- 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 rising in the positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Sept) Week: **BUY** Above 4000. Levels: T1 – 4100; T2- 4150, SL - 3940.

Rapeseed - Mustard Seed

Rapeseed-mustard continued upward movement on continued strong demand from the millers attributed to good mustard oil demand and improved rapeseed extract exports in recent months.

In-spite of stiff competition in world market, export of rapeseed meal performed well, during the last four months of financial year (Apr.-July) 2020-21 and reported at 436,480 tons against last year during the same period at 373,477 tons i.e. up by 17%, thanks to higher processing of rapeseed-mustard. Further, the exports increased by 21% in July'20 to 148170 tonnes vs 122573 tonnes in July'19.

Besides, decline in rapeseed oil imports too remained supportive for the market. India has not imported rapeseed oil in July 2020 considering India imported 15,004 tonnes in July 2019. This has eventually kept the crush margin viable to the crushers.

Nafed has started disposing the rapeseed-mustard, the federation has sold about 2.0 lakh tonnes in the open market. Hafed too has sold about 1.5 lakh tonnes in Haryana in recent days.

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 2% to Rs 5,320 – 5,405 a quintal from Rs 5,185 – 5,305 a quintal previous week in Jaipur.

The all India rapeseed-mustard supplies improved week-on-week and they were reported 4.20 lakh bags during the week compared to around 6.95 lakh bags, previous week. The supplies were 7.90 lakh bags during the corresponding period last year.

The seed is quoted at around Rs 5,320 – 5,405 a quintal compared to Rs 4,170 – 4,200 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the September contract posted gains to 5,231/Qtl compared to 5,210/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 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.

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.

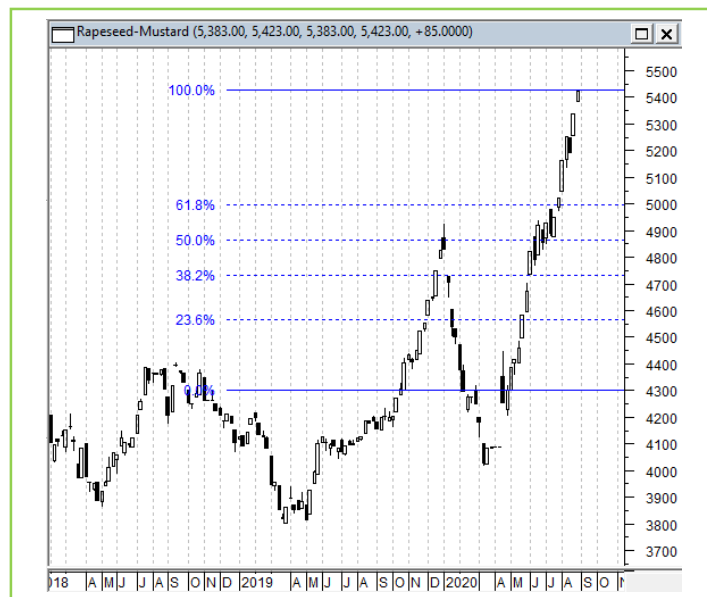
India's 2019/20 rapeseed oil import estimate has been reduced to 0.25 lakh tons from 1.2 lakh tons in its earlier estimate, lower by 79.2 percent. Rapeseed oil consumption have been reduced to 27.30 lakh tons from 27.80 lakh tons in its earlier estimate, lower by 1.8 percent. End stocks of rapeseed oil 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****RM Seed Spot, Jaipur**



*Note: Daily Chart



Support & Resistance NCDEX RM Seed – Sept contract

S1	S2	PCP	R1	R2
4900	4800	5232	5450	5500

- 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 – 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	27-Aug-20		21-Aug-20		
	Low	High	Low	High	
Indore –Plant	3950	4000	3800	3850	150
Indore–Mandi	3700	3900	3650	3775	125
Nagpur-Plant	3900	3930	3875	3900	30
Nagpur – Mandi	3330	3670	3300	3640	30
Latur – Mandi	3480	3735	3450	3675	60
Akola – Mandi	2900	3700	2750	3600	100
Kota-Plant	3825	3850	3775	3800	50
Kota – Mandi	Closed	Closed	3725	3775	-
Bundi-Plant	3725	3825	3700	3800	25
Bundi-Mandi	Closed	Closed	3600	3700	-
Baran-Plant	3770	3870	3740	3840	30
Baran-Mandi	Closed	Closed	Closed	Closed	-
Bhawani Mandi Jhalawar–Plant	3800	3950	3775	3925	25
Jhalwar-Mandi	Closed	Closed	3725	3800	-
Rapeseed/Mustard					
Jaipur-(Condition)	5400	5405	5320	5325	80
Alwar-(Condition)	Closed	Closed	4950	5000	-
Sri Ganganagar-(Non-Condition)	Closed	Closed	4725	4825	-
New Delhi–(Condition)	5280	5300	5080	5100	200
Kota-(Condition)	Closed	Closed	4675	4775	-
Agra-(Condition)	5286	5476	5167	5357	119
Neewai-(Condition)	Closed	Closed	4920	5020	-
Hapur (UP)-(Condition)	5275	5325	5200	5250	75
Groundnut Seed					
Rajkot	870	870	852	852	18
Sunflower Seed					
Gulbarga	3000	3625	2875	3675	-50
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
	27-Aug-20	21-Aug-20	
Soybean			
Madhya Pradesh	50000	50000	Unch
Maharashtra	35000	35000	Unch
Rajasthan	12000	10000	2000
Bundi (Raj)	Closed	300	-
Baran (Raj)	Closed	Closed	-
Jhalawar (Raj)	Closed	2500	-
Rapeseed/Mustard			
Rajasthan	Closed	70000	-
Alwar	Closed	700	-
Sri Ganganagar	Closed	900	-
Kota	Closed	1200	-
Groundnut Seed			
Rajkot (Gujarat)	120	32	88
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	27-Aug-20	21-Aug-20	Change
Groundnut Kernel	6300	6250	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)	6400	6500	-100
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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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