

Oilseeds Weekly Research Report

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Executive Summary

The domestic oilseeds including soybean, rapeseed-mustard and groundnut extended previous gains mainly on strong buying support on fresh festive edible oil demand.

The surge in soyoil and rapeseed-mustard oils which are consumed more in the house remained supportive for the oilseeds. The soybean is trading at 5 years high after the agencies have reduced the production estimates of soybean followed crop damage due to the rains in at the time of crop harvesting and maturity.

However, the extent of loss is not high and the production estimates are still higher as compared to the previous season. The bean arrivals are increasing in the key cash market yards.

Further, the rapeseed-mustard prices are currently up above 24% as compared to the same period last year. The export sales of rapeseed extract is strong and the crush margin in the seed is strong.

Further, the soymeal prices too extended the gains on buying support by the feed manufacturers to cover their stock in anticipation of the increase in the demand from poultry in medium-term.

Soybean, Rapeseed-mustard and groundnut prices will continued to witness gains backed by the demand from crushers to cater the immediate festive edible oil demand.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): The soybean prices will feature range-bound movement with firm bias on fresh buying ahead of festivities. But increasing soybean supplies, weak soymeal demand, higher soyoil imports and higher soybean production estimate this season will continue to weigh on the soy prices. However, fresh buying will limit any major fall. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,300– 4,500 level.

Outlook – Soy meal: Renewed buying to cover the stock at the current levels by the feed manufacturers, pushed up the meal prices. However, persistent weak demand from poultry sector and poor overseas demand will continue pressuring the domestic soymeal. Soymeal prices are likely to witness range-bound movement with firm bias for short-term. 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 31,500– 33,500/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 of rapeseed-mustard oilcake. The seed arrivals are gradually falling week-on-week. The seed prices are likely to be under pressure with the commencement of newly harvested soybean supplies and witness the levels between 5,900 – 6,100/Qtl; levels during the week.

International Highlights

- ❖ In the October'20 report, the USDA has slashed US 2020/21 soybean production to 116.1 million tonnes from 117.3 million tonnes forecast in September'20 report.
- ❖ US soybean shipments surged to a new September high of 6.4 Mn T. This is 2.5 Mn T or 63% above the volume reported by US Census for Sept 2019. China remained the biggest destination for US soybean export inspections in the week to Oct 1, 2020.
- ❖ US soybean exports may surge to 46-48 Mn T in Sept/Feb 2020/21. Huge exports to China will tighten supplies for the rest of the world.
- ❖ Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation, as these are the major contributors.
- ❖ AgRural has kept the Brazil's soybean import projection unchanged at 800,000 tonnes of soy imports in 2020. The country imported 528,000 tonnes of soy during January- Septembers.
- ❖ Considering projected outturn of 132.171 million tonnes of soybean, Brazilian farmers have sold an estimated 69.8 million tonnes by now, Safras said. Brazilian farmers have started planting soybean for the new season.
- ❖ **Revised September'20:** 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 (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T) and Conab (133.7 Mn T) and USDA has pegged it at 133 Mn T currently.
- ❖ These agencies have pegged the Brazil's 2020/21 planted area to 37.9 - 38.2 million hectares (an increase of 1.3 – 2.5 million hectares over the 2019/20 final estimates).
- ❖ Brazil has harvested 125.5 million tonnes of soybean in 2019/20 which is slightly higher than 125 million tonnes in 2018/19.
- ❖ Argentina's 2020/21 soybean output is pegged at 50 million tonnes by Rosario Grain Exchange. The country harvested 50.7 million tonnes in 2019/20. The Buenos Aires Grains Exchange has estimated the soy crop at 46.5 million tonnes vs 49.6 million tonnes last season. And increase the area under bean by 0.6% this year vs 17.3 million hectares last year.

Soybean

Soybean extended gains on renewed buying with the start in the new oilseeds' crushing season and festive demand in edible oil at wholesale and retail.

India's soybean imports in September 2020 were up 28% at 3,16,323 metric tonnes compared to 2,47,665 metric tonnes in September 2019.

However, at the same time India's edible oil imports fell by 12% to 11,95,050 metric tonnes compared to 13,58,148 metric tonnes.

Further, downward revision of India's soybean production by several agencies from their previous estimates too led to boost the bean prices in recent while.

Besides, recent rains in Maharashtra over the key soy growing belt at the time of maturity and further damage to the standing crop and deteriorating the quality of the bean in several cases too lend additional support the bean prices at higher levels.

India's September 2020 soybean exports improved by 94% to 68,576 metric tonnes compared to 35,268 metric tonnes in the same period last year.

This indicates the recovery in the export sales with the start in new crushing season and we hope India's soybean demand to rise in medium-term.

The harvesting of the bean is in full swing with some exception in Maharashtra where the recent rain had disrupted the harvesting to some extent.

SOPA in its second advance estimate, has pegged India's 2020 soybean estimate at 10.45 million tonnes down from 93.06 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

Agriwatch has revised its India's 2020/21 soybean output estimate to 10.7 million tonnes, up 22% from 8.74 million tonnes in 2019/20. USDA has pegged it at 11.2 million tonnes, up from the 10.5 million tonnes in the previous estimate.

Soybean plant delivery prices have improved in Indore cash market to Rs 4,100 – 4,350 a quintal compared Rs 3,900 – 4,200 to the previous week.

The arrivals of bean surged to 15,85,000 bags in the cash market yards of Madhya Pradesh, during the week, which were 17,25,000 bags a week ago.

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 firm bias on festive crushers' demand to cater the fresh edible oil demand.

International:

Brazil's Ministry of Economics said that it would scrap tariffs on soybean and corn imports from countries outside the Mercosur trade bloc until early next year to curb food inflation, as these are the major contributors.

The soybean inventories has run down in Brazil followed by strong exports this season taking advantage of higher global soy prices and weak real against the US dollar. AgRural has kept the Brazil's soybean import projection unchanged at 800,000 tonnes of soy imports in 2020. The country imported 528,000 tonnes of soy during January-September.

According to Safras & Mercado the tariffs suspension is likely to push soy imports to a maximum of 1 million tonnes this year, as compared with a current projection of 850,000

Argentina has temporarily slashed soybean export duty by 3% points to 30% to help stimulate trade, the government announced, as the country struggles with recession and declining foreign reserves.

Soyoil and soymeal export taxes, which had been at 33%, will fall to 28% in October, then rise to 29.5% in November, 30% in December and 31% in January, as planned by the Economy Ministry.

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.

Overall, the global soybean supplies for 2020/21 season is projected to be bearish.

Revised September'20: 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 (131.5 Mn T), Datagro (131.69 Mn T), Celeres (131.4 Mn T), AgRural (131.3 Mn T) and Conab (133.7 Mn T) and USDA has pegged it at 133 Mn T currently.

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 may reach 80 million tonnes or more, which means another 12 million tonnes could be exported over the next few months.

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 demand will continue to lend support to the international soy prices during the 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

Soymeal posted gains on the rise in soymeal export sales and good local buying support after feed manufacturers started to cover their stock for future demand, at the current price levels, with the start in new soy crushing season.

The soymeal prices edged-up by 2.5% during the week compared to the previous week.

Currently the poultry demand in India is hit by the pandemic and the poultry sector contributes about 60% of the total domestic soymeal demand. The sector is gradually improving and we feel the demand will be visible in the medium-term.

India's export of oilmeals for the month of September 2020 is reported at 2,86,957 metric tonnes compared to 1,41,184 metric tonnes in September, 2019 i.e. up by 103%.

The overall export of oilmeals during April to September 2020 is also reported up by 1% at 13,00,134 metric tonnes compared to 12,87,479 metric tonnes during the same period last year.

India's September 2020 soymeal exports improved by 94% to 68,576 metric tonnes compared to 35,268 metric tonnes in the same period last year. However, it fell by 13% to 3,17,915 metric tonnes during the last five months (Apr.-Sept.) of financial year 2020-21 compared to 3,63,901 metric tonnes during the corresponding period last year.

US has turned out to be potential market for Indian Organic Soymeal. In 2019-20, India had shipped over 193,000 metric tonnes of organic soymeal. In current year, from April-Sept. (6 months), India shipped over 115,000 metric tonnes to US. US is the largest producer of Genetic Modified (GM) soybean in the world, looking to India for supply of organic soybean meal.

India's soymeal exports has performed its worst in the last two marketing years. India could export just 500,000 tonnes of soymeal in 2019-20 marketing year which is slightly above 464,000 tonnes exported during the same period last year.

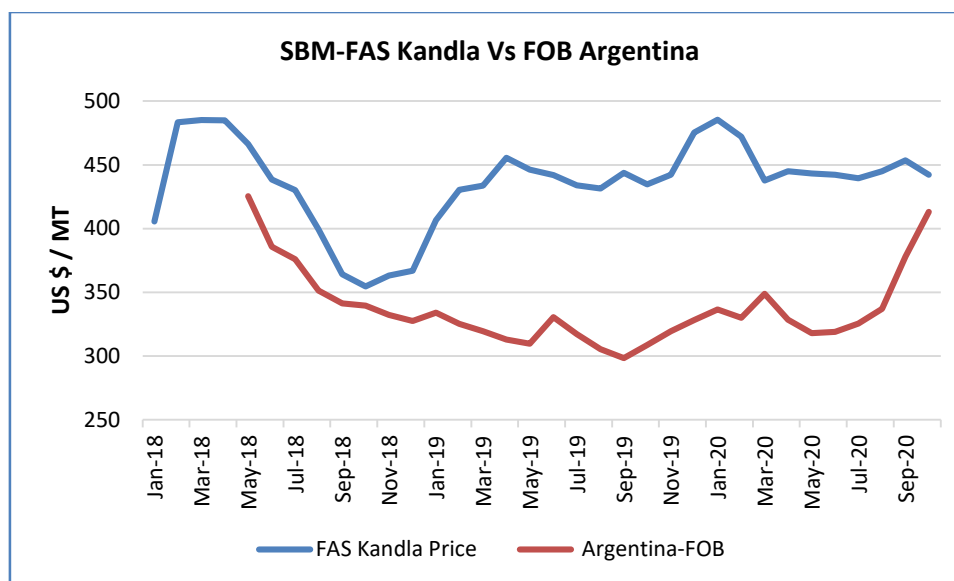
The domestic average soymeal prices at Indore, witnessed gains to Rs 32,100/MT and was quoted between Rs 31,300– 33,000/MT compared to the average of Rs 31,333/MT traded between the price range of Rs 30,000– 32,500/MT previous week.

At Latur soymeal prices moved up to Rs 34,300 – 36,000/MT from Rs 32,800– 33,500/MT a week ago and in Nanded it was quoted higher at Rs. 33,600 – 35,000/MT compared to Rs. 32,000 - 33,000/MT a week ago. Besides, in Kota, the meal too posted gains to Rs 33,800 – 35,000/MT compared to Rs 31,600 – 34,200/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted higher between Rs 31,300– 33,000/MT during the week compared to Rs 30,500– 32,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 32,000 – 33,500/MT on good buying support by the feed manufacturer, in near to medium-term.

Why Indian Soymeal Exports is a Challenge



Soymeal prices of Argentine origin remains highly competitive throughout the season.

Previous updates:

India has lost the traditional South East Asian markets to South America in recent years as the markets have switched to GM soymeal and India has lost its non-GM advantage it enjoyed until recently. Japan was the biggest buyer of non-GM soymeal of Indian origin earlier.

Soymeal exports to SE Asian countries are continues to remain weak and given the bumper South American soybean crop and expectation of good US bean crop, it is unlikely India's soymeal export prices could compete with them.

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.

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.

However, SOPA has sought a stimulus package from the Centre to support the soybean industry, which has been hit by the lockdown and the collapse of poultry sector. It has asked the 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 – Nov. contract

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 4100 | 4000 | 4302 | 4500 | 4600 |

- Soybean extended gains on supportive buying.
- 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 gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Nov.) Week: **BUY** Above 4290. Levels: T1 – 4390; T2- 4490, SL - 4230.

Rapeseed - Mustard Seed

Rapeseed-mustard continued uptrend on very strong buying support from millers to cater the in house festive edible oil demand, mainly rapeseed-mustard oil.

A number of households are in the view that rapeseed-mustard oil is an immunity booster and the consumption of the oil surged post COVID over the other vegetable oils.

India had to import 17,233 metric tonnes of rape oil (canola) in the month of September 2020. However, the imports in the same during April-September 2020 were down 7% at 55,036 metric tonnes compared to 59,171 metric tonnes during the same period in the previous season.

Besides, the local and overseas demand of rapeseed extract remained supportive for the market. Of the total oilmeals' export rapeseed extract contributes the highest in volume.

India's rapeseed extract exports in September 2020 surged by 175% to 1,40,830 metric tonnes compared to 51,132 metric tonnes during the corresponding period last year.

Further, India's exports for rapeseed extract during April-September 2020 was up 23% at 6,27,890 metric tonnes compared to 5,11,344 metric tonnes during the same period previous marketing season.

Overall, the rapeseed-mustard sentiments are strong with good buying support by the millers on fresh festive edible oil demand.

NAFED and HAFED are disposing their rapeseed-mustard stock in the market. The Nafed has sold about 9.0 lakh tonnes of rapeseed-mustard combined together new and old stock while Hafed has offloaded around 3 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

The all India rapeseed-mustard arrivals fell week-on-week and were reported at 6.60 lakh bags during the week compared to around 8.0 lakh bags, previous week. The supplies were 8.55 lakh bags during the corresponding period last year.

RM seed prices improved by 2% to Rs 5,680 – 5,875 a quintal from Rs 5,630 – 5,685 a quintal previous week and Rs 4,300 – 4,330 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal witnessed a weekly gains of +1.3% with the weekly average price of Rs. 2327/qtl against the weekly average price of Rs. 2298/qtl last week.

At NCDEX futures, the November contract rapeseed-mustard posted gains at 5,847/Qtl compared to 5,555/Qtl previous week.

Previous Updates

The MSP for rapeseed-mustard has been increased in line with the recommendations of Swaminathan Commission to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

India had imported rapeseed oil (canola) of about 20,801 metric tonnes in August for the first time in last four months.

The total procurement of rapeseed-mustard by Nafed under PSS in 2020/21 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.

Total procurement of the seed by Hafed in 2020/21 stands at 5,30,000 metric tonnes.

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) has left unchanged its previous estimate.

Recent and expected favorable weather have raised 2020/21 Australia rapeseed outturn by above 2% to 3.4 from 3.0 million tons earlier.

Strategie Grains expects the planted area for the 2021 rapeseed crop in the European and Britain down compared with the current year harvest.

The farmers in Europe once again faced dry planting conditions during the late-summer sowing window for rapeseed, mainly in France.

Strategie Grains has kept this year's weather-hit rapeseed outturn for EU plus Britain unchanged at 17.1 million tonnes, slightly below 17.3 million tonnes estimated for 2019.

The consultancy has estimated EU and Britain rapeseed 2020-21 import to record 6.3 million tonnes, after estimating 6.2 million tonnes a month ago. EU had imported 6.0 million tonnes of rapeseed in 2019/20 season.

Outlook: *The rapeseed-mustard is expected to stay strong and feature range-bound movement with firm bias, 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.*

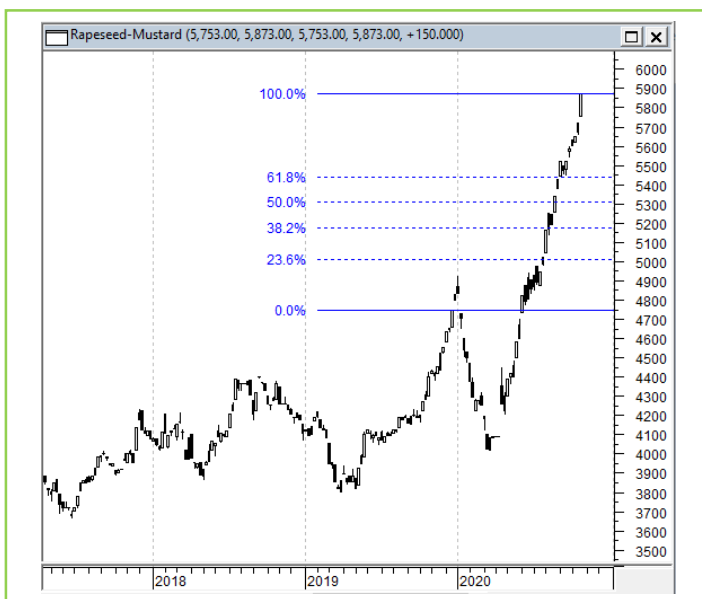
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Nov. contract

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 5650 | 5500 | 5847 | 6100 | 6200 |

- RM seed extended gains on buying interest.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral zone.
- MACD are rising in the positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Nov.) Week: **BUY** Above 5840. Levels: Target – 5940; T2- 6000, SL – 5780.

Annexure

Oilseed Prices at Key Spot Markets:

| Commodity / Centre | Prices (Rs/Qtl) | | | | Change |
|--------------------------------|-----------------|------|-----------|------|--------|
| Soybean | 22-Oct-20 | | 16-Oct-20 | | |
| | Low | High | Low | High | |
| Indore –Plant | 4200 | 4275 | 4150 | 4200 | 75 |
| Indore–Mandi | 3800 | 4150 | 3700 | 4100 | 50 |
| Nagpur-Plant | 4190 | 4250 | 4130 | 4180 | 70 |
| Nagpur – Mandi | 3620 | 4200 | 3530 | 4030 | 170 |
| Latur – Mandi | 3600 | 4120 | 3600 | 3935 | 185 |
| Akola – Mandi | 3300 | 4060 | 2950 | 3950 | 110 |
| Kota-Plant | 4270 | 4370 | 4180 | 4280 | 90 |
| Kota – Mandi | 4220 | 4350 | 4130 | 4260 | 90 |
| Bundi-Plant | 4245 | 4265 | 4150 | 4170 | 95 |
| Bundi-Mandi | 3965 | 4215 | 3870 | 4120 | 95 |
| Baran-Plant | 4340 | 4440 | 4220 | 4320 | 120 |
| Baran-Mandi | 4120 | 4220 | 4000 | 4100 | 120 |
| Bhawani Mandi Jhalawar–Plant | 4355 | 4475 | 4255 | 4375 | 100 |
| Jhalwar-Mandi | 4050 | 4180 | 3950 | 4080 | 100 |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | 5900 | 5905 | 5680 | 5685 | 220 |
| Alwar-(Condition) | 5390 | 5440 | 5350 | 5400 | 40 |
| Sri Ganganagar-(Non-Condition) | 5090 | 5190 | 5100 | 5200 | -10 |
| New Delhi–(Condition) | 5690 | 5700 | 5445 | 5450 | 250 |
| Kota-(Condition) | 5350 | 5450 | 5300 | 5400 | 50 |
| Agra-(Condition) | 5905 | 6095 | 5667 | 5857 | 238 |
| Neewai-(Condition) | 5375 | 5475 | 5180 | 5300 | 175 |
| Hapur (UP)-(Condition) | 5750 | 5800 | 5500 | 5550 | 250 |
| Groundnut Seed | | | | | |
| Rajkot | 800 | 800 | 845 | 845 | -45 |
| Sunflower Seed | | | | | |
| Gulbarga | 3000 | 3950 | 2750 | 3950 | Unch |

| | | | | | |
|---|------|------|------|------|-------------|
| Latur | 3300 | 4500 | 3700 | 4700 | -200 |
| Sholapur | 4100 | 4600 | 4200 | 4700 | -100 |
| Soybean Prices are in INR/ctl. (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/ctl. | | | | | |

Oilseed Arrivals in Key Centers:

| Commodity / Centre | Arrivals in Bags/QtI | | Change |
|-------------------------|----------------------|------------------|---------------|
| Soybean | 22-Oct-20 | 16-Oct-20 | |
| Madhya Pradesh | 275000 | 100000 | 175000 |
| Maharashtra | 200000 | 150000 | 50000 |
| Rajasthan | 90000 | 80000 | 10000 |
| Bundi (Raj) | 25000 | 28000 | -3000 |
| Baran (Raj) | 24000 | 20000 | 4000 |
| Jhalawar (Raj) | 13000 | 27000 | -14000 |
| Rapeseed/Mustard | | | |
| Rajasthan | 70000 | 65000 | 5000 |
| Alwar | 600 | 1500 | -900 |
| Sri Ganganagar | 500 | 800 | -300 |
| Kota | 700 | 400 | 300 |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | NA | NA | - |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | 2000 | 1000 | 1000 |

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

| Oilseeds | 22-Oct-20 | 16-Oct-20 | Change |
|------------------------|-----------|-----------|-------------|
| Groundnut Kernel | 6700 | 6650 | 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 | 3950 | 4000 | -50 |
| 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 | 4500 | 4500 | Unch |
| Niger Seed (4% FM) | 6200 | 6400 | -200 |

MSP of Rabi Oilseeds for Marketing Season 2021-22- GOI

| Sl. No | Crops | MSP for Rabi 2021-22 | MSP for Rabi 2020-21 | Increase in MSP (Absolute) |
|--------|------------------|----------------------|----------------------|----------------------------|
| 1 | Rapeseed-mustard | 4,650 | 4,425 | 225 |
| 2 | Safflower | 5,327 | 5,215 | 112 |

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 Rabi crops for marketing season 2021-22.

Government has increased the MSP of Rabi crops for marketing season 2021-22, to ensure remunerative prices to the growers for their produce. This increase in MSP is in line with the recommendations of Swaminathan Commission.

Among the Rabi oilseeds the MSP for rapeseed-mustard has been increased to Rs. 4,650 per quintal for marketing season 2021-22 from Rs. 4,425 per quintal in 2020-21 an increase of Rs. 225 a quintal.

The MSP of safflower to Rs. 5,327 a quintal from earlier Rs. 5,215 per quintal an increase of Rs 112 per quintal.

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.185 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 at 25.73 Mn T vs 22.32 Mn in 1st Adv Est. for 2020-21- GOI

The 1st Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 22nd September, 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 Kharif Oilseeds during 2020-21 is as under:

Kharif Oilseeds – 257.29 lakh tonnes in 2020-21 vs 223.16 lakh tonnes in 2019-20

- Groundnut – 95.35 lakh tonnes vs 83.67 lakh tonnes in the 4th Advance Estimate.
- Castorseed – 17.24 lakh tonnes vs 18.49 lakh tonnes
- Sesamum – 7.49 lakh tonnes vs 7.50 lakh tonnes
- Nigerseed – 0.63 lakh tonnes vs 0.42 lakh tonnes
- Soybean – 135.83 lakh tonnes vs 112.15 lakh tonnes
- Sunflower – 0.75 lakh tonnes vs 0.94 lakh tonnes.

The production estimates does not include the Rabi oilseeds' (rapeseed-mustard, safflower, rabi groundnut, rabi sunflower and Linseed) output estimates as its marketing season starts from February.

Sown Area – Kharif Oilseeds, India

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 197.18 lakh hectares, an increase by 9.8% from 179.63 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 121.24 lha compared to 113.95 lha during the corresponding period of last year, groundnut at 50.98 lha vs 39.48 lha, sesamum 14.14 lha vs 13.73 lha, castor seed at 7.92 lha vs 9.44 lha and niger at 1.67 lha vs 2.04 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 8-9% this season.

| Area in Lakh Hectares | | | | |
|-----------------------|--------------------------------------|----------------|----------------|-----------------|
| Crop | Normal Area (5 Year Avg.) | 2020-21 | 2019-20 | % Change |
| Groundnut | 42.43 | 50.98 | 39.48 | 29.1 |
| Soybean | 111.49 | 121.24 | 113.95 | 6.4 |
| Sunflower | 1.84 | 1.23 | 0.99 | 24.2 |
| Sesamum | 14.13 | 14.14 | 13.73 | 3.0 |
| Niger | 2.41 | 1.67 | 2.04 | -18.1 |
| Castor | 9.65 | 7.92 | 9.44 | -16.1 |
| Total Oilseeds | 181.95 | 197.18 | 179.63 | 9.8 |

Source: MoA, GOI

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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