

# 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

---

The domestic soybean and rapeseed-mustard posted gain on better buying support ahead festive break. Several key cash markets remained closed for last 3-4 days. However, groundnut seed prices eased on arrival pressure.

Overall, the rapeseed-mustard fundamentals are still bullish but the farmers' higher planting intention in the seed will exert pressure on the seed in due course.

Soybean may not sustain at higher levels on weak soymeal demand and India's higher soyoil imports at competitive prices.

The domestic soymeal is already under pressure and has edged-lower compared to the previous week's level. Besides, rapeseed extract fell on decline in demand.

Soybean edged-up by 1.7%, rapeseed-mustard posted mild gains by 0.31%, groundnut seed prices fell by 0.3%, soymeal and rapeseed extract declined by 0.2% and -12% respectively compared to the previous week's level.

However, rapeseed-mustard continued uptrend on strong buying support from the millers, currently the seed prices are at an all-time high.

The soybean, rapeseed-mustard and groundnut seeds are in good demand from the crushers as the oilseeds' crushing season is in full swing. However, the gains were limited with the end of the couple of festivals.

We feel soybean and meal prices will feature range-bound movement on weak bias for some more time. However, the groundnut seed and rapeseed extract will recover on good export demand.

## Outlook – Cash Market

**Outlook - Soybean (Spot, Indore):** The soybean prices will feature range-bound movement with weak bias. Increasing soybean supplies, weak soymeal demand, higher soyoil imports and higher soybean production estimate this season will limit any upside in soy prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,300 – 4,450 level.

**Outlook – Soy meal:** Soymeal prices have once again come under pressure after deep negative crush margin. Besides, 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 in the 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 32,000 – 33,000/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 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 6,350 – 6,450/Qtl; levels during the week.

## International Highlights

---

- ❖ In the November'20 report, the USDA has slashed US 2020/21 soybean production to 113.5 million tonnes from 116.1 million tonnes forecast in October'20 report. 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.
- ❖ USDA attache has projected China's 2020/21 soybean imports at 95 million tonnes which is lower than 98.5 million tonnes imported in 2019/20 by the country. The reason cited is due to the higher beginning stocks in the new marketing season following a buying spree in 2019/20.
- ❖ Brazil's soybean planted area in 2020/21 is expected to increase by 3% and the country is expected to harvest 132.6 million tonnes of soybean. This marks an increase of 7% increase from the last season, according to StoneX. Brazilian farmers have sold about 55% of the projected soybean crop on forward booking which stands about 70 million tonnes, StoneX.
- ❖ According to the AgRural, despite initial planting delays the potential yield output are expected to be excellent and it has estimated Brazil's 2020/21 soybean crop at 132 million tonnes, its largest ever.,.
- ❖ 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.
- ❖ Various agencies have pegged the Brazil's 2020/21 planted area between 37.9 - 38.2 million hectares (an increase of 1.3 – 2.5 million hectares over the 2019/20 final estimates).
- ❖ 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 rebound on renewed buying ahead festivities to cover short-term stock by the crushers to keep the crushing plants operational. The key soybean cash market yards remained closed for over a couple of days which restricted the arrivals of the bean.

The soybean prices improved by 1.7% compared to the previous week. However, weak soymeal exports and increasing soyoil imports will once again pressure the domestic soybean in near-term. This has consequently lead to the deeper negative crush margin.

The only hope left is the bullish 2020/21 global soybean outlook which could lend some support to the domestic soy market.

The global soybean consumption is expected to exceed production in 2020/21, and stocks at the end of the season will decline for the second consecutive year worldwide, mainly due to Chinese spree buying.

Soybeans has just hit highest since July 2016 as USDA sees lower supplies. US soybean inventories likely to fall to a 7-year low in August 2021, due to a downward revision in the soy crop to 113.5 Mn T in November 2020 compared to 116.2 Mn T in October 2020 and record US soybean processing and exports.

Besides, La-Nina weather pattern has led to the drier-than-normal weather conditions in Brazil and Argentina where the recent planted soybean crop will be negatively affected in terms of the yield potential.

According to China's custom data, China's total soybean imports in 2020 will likely range between 101-105 million tonnes, compared to last year's 88.6 million tonnes.

China imported 83 million tonnes of soybeans during January-October, up 17% from same period last year. Soybean shipments of 9.7 million tonnes heading to China and will arrive during November and 7.8 million tonnes in December.

Agriwatch has revised its India's 2020/21 soybean output estimate to 10.7 million tonnes from 12.06 million tonnes earlier, 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.

SOPA in it's second advance estimate, has pegged India's 2020 soybean estimate at 10.45 million tonnes down from 9.31 million tonnes estimated for 2019. The yield is estimated at 883 kg/ha vs 865 kg/ha for the same period.

India had to import 3,16,323 metric tonnes of soyoil in September 2020 to meet the fresh festive demand in the edible oil, up 28%, compared to 2,47,665 metric tonnes in September 2019.

However, at the same time, on the whole, India's edible oil imports fell by 12% to 11,95,0501 metric tonnes compared to 13,58,1481 metric tonnes.

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.

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

Soybean plant delivery prices have fell in Indore cash market to Rs 4,250 – 4,500 a quintal compared Rs 4,220 – 4,400 to the previous week.

The arrivals of bean fell to 11,45,000 bags in the cash market yards of Madhya Pradesh, during the week, which were 14,00,000 bags a week ago. We feel the arrivals to further improve from the current levels.

*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 ease in festive crushers' demand and increasing soybean arrivals.***

## **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 have run down in Brazil following the 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 firm bias on dry weather condition in South America and strong Chinese soybean demand.*

## Soymeal

---

The domestic soymeal extended previous losses on poor local and overseas demand. The soymeal fell by 0.2% contrary to gains in soybean by 1.7%. It is mainly because demand for bean from crushers improved in recent past to cover stock ahead festive break in the cash market yards.

The local soymeal fundamentals are weak mainly due to the decline in poultry consumption and thus demand, poultry sector contributes more than 60% of the total demand in soymeal.

The feed manufacturers have slowed down the purchases to cover their stock for future demand, during the week, in anticipation of further fall in meal prices, from the current levels.

The global soy outlook is bullish with forecast of dry weather in Latin America and downward revision of the US 2020/21 crop which have been recently harvested and strong Chinese soy demand.

India should aggressively market its organic soymeal to which is the in the new market for the meal of Indian origin. 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 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 in aggregate, 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.

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.

Overall India's soymeal exports were too low consecutive second year, during 2019-20 marketing year it stood at 6.5 lakh tonnes which was 4.6 lakh tonnes in 2018-19.

The domestic average soymeal prices at Indore, witnessed losses to Rs 32,500/MT and was quoted between Rs 32,000 – 33,000/MT compared to the average of Rs 32,567/MT traded between the price range of Rs 32,300 – 33,000/MT previous week.

At Latur soymeal prices posted slight gains to Rs 34,200 – 35,500/MT from Rs 34,000 – 35,500/MT a week ago and in Nanded it was quoted steady at Rs. 34,000 – 35,000/MT compared to a week ago. Besides, in Kota, the meal too posted gains to Rs 34,200 – 35,200/MT compared to Rs 33,800 – 34,800/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently lower. Soy meal Indore was quoted lower between Rs 32,000 – 33,000/MT during the week compared to Rs 32,200 – 33,000/MT during the corresponding period last year.

*The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 32,000 – 33,000/MT on slack in demand.*

---

**Previous updates:**

---

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.

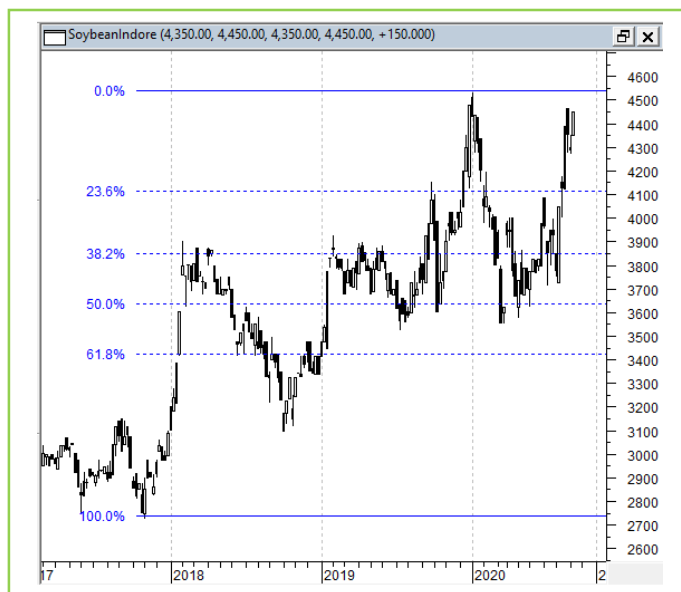
The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

### Support & Resistance NCDEX Soybean – Dec. contract

| S1   | S2   | PCP  | R1   | R2   |
|------|------|------|------|------|
| 4200 | 4000 | 4480 | 4800 | 5000 |

- Soybean posted gains on buying support.
- 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 – Dec.) Week: **BUY** Above 4470. Levels: T1 – 4570; T2- 4670, SL - 4410.

## Rapeseed - Mustard Seed

---

Rapeseed-mustard extended gains on continued strong demand from the crushers to meet the improved demand in the rapeseed-oil post-COVID and good rapeseed extract export.

However, expectation of higher acreage under rapeseed-mustard this season and fall in soybean and groundnut seed prices on improved arrivals limited the gains in the seed.

Currently, the seed prices are at an all-time high on improved demand in the rapeseed-mustard oil immediately after the pandemic, we feel the seed prices could take some correction in due course after ease in festive buying.

Cumulative crushing of the rapeseed-mustard by all the processing units combined together increased by over 18% to 600,000 - 650,000 tonnes in recent months.

The rapeseed-mustard planting is underway and is in full swing. In the last official report, India's planted area under rapeseed-mustard crop stood at 31.15 lakh hectares compared to 31.17 lakh hectares during the same period last season.

We expect area under the seed to increase this season by 10% to 7.6 million hectares from 6.9 million hectares the last year.

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity to improve from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

Further, the rapeseed extract Of the total oilmeals' export rapeseed extract contributes the highest in volume.

India had to import 17,233 metric tonnes of rape oil (canola) in the month of September 2020, to meet the rise in festive demand. However, the imports of 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.

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.

Besides, 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 from the millers, however, a correction can't be ruled out due prices are in overbought territory.

NAFED and HAFED have currently paused the disposal of rapeseed-mustard. 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 improved week-on-week and were reported at 6.30 lakh bags during the week compared to around 5.75 lakh bags, previous week. The supplies were 8.70 lakh bags during the corresponding period last year.

RM seed prices improved by +0.31% to Rs 6,250 – 6,355 a quintal from Rs 6,225 – 6,385 a quintal previous week and Rs 4,375 – 4,425 a quintal during the corresponding period last year in Jaipur.

The rapeseed-mustard meal witnessed a weekly fall of -12% with the weekly average price of Rs. 2,636/qrtl against the weekly average price of Rs. 2,643/qrtl last week.

At NCDEX futures, the December contract rapeseed-mustard declined to 6,225/Qtl compared to 6,242/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.

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.

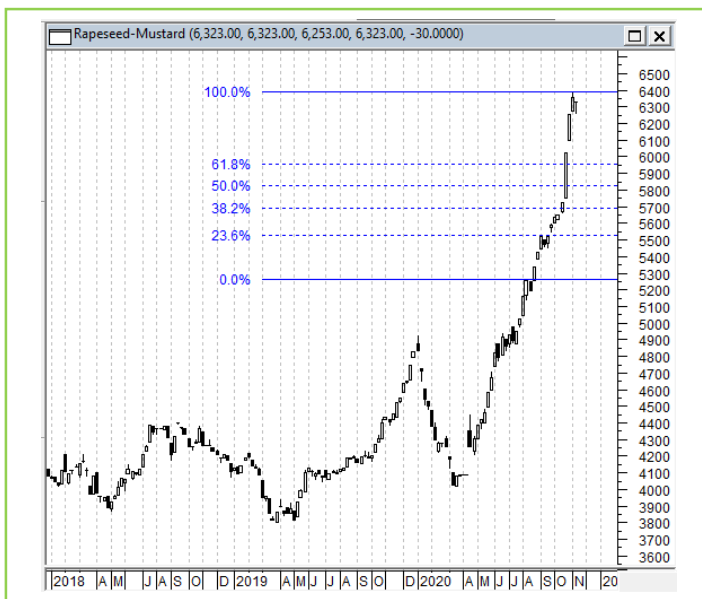
## Technical Analysis:

### NCDEX RM Seed Futures



\*Note: Daily Chart

### RM Seed Spot, Jaipur



### Support & Resistance NCDEX RM Seed – Dec. contract

| S1   | S2   | PCP  | R1   | R2   |
|------|------|------|------|------|
| 5800 | 5700 | 6225 | 6500 | 6700 |

- RM seed ended slightly below previous week's level.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the overbought zone.
- MACD are rising in the positive territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Dec.) Week: **BUY** Above 6220. Levels: Target – 6320; T2- 6420, SL – 6160.

## Annexure

**Oilseed Prices at Key Spot Markets:**

| Commodity / Centre             | Prices (Rs/Qtl) |        |           |      | Change |
|--------------------------------|-----------------|--------|-----------|------|--------|
| Soybean                        | 12-Nov-20       |        | 06-Nov-20 |      |        |
|                                | Low             | High   | Low       | High |        |
| Indore –Plant                  | 4400            | 4500   | 4300      | 4400 | 100    |
| Indore–Mandi                   | 4050            | 4350   | 4000      | 4300 | 50     |
| Nagpur-Plant                   | 4360            | 4400   | 4240      | 4280 | 120    |
| Nagpur – Mandi                 | 3750            | 4350   | 3600      | 4250 | 100    |
| Latur – Mandi                  | Closed          | Closed | 3675      | 4040 | -      |
| Akola – Mandi                  | 3300            | 4160   | 3400      | 4160 | Unch   |
| Kota-Plant                     | 4380            | 4430   | 4420      | 4520 | -90    |
| Kota – Mandi                   | 4250            | 4380   | 4370      | 4500 | -120   |
| Bundi-Plant                    | Closed          | Closed | 4380      | 4400 | -      |
| Bundi-Mandi                    | Closed          | Closed | 4100      | 4350 | -      |
| Baran-Plant                    | 4460            | 4560   | 4570      | 4670 | -110   |
| Baran-Mandi                    | 4040            | 4320   | 4370      | 4470 | -150   |
| Bhawani Mandi Jhalawar–Plant   | Closed          | Closed | 4600      | 4720 | -      |
| Jhalwar-Mandi                  | Closed          | Closed | 4300      | 4420 | -      |
| <b>Rapeseed/Mustard</b>        |                 |        |           |      |        |
| Jaipur-(Condition)             | 6300            | 6305   | 6350      | 6355 | -50    |
| Alwar-(Condition)              | 5900            | 5950   | 6025      | 6075 | -125   |
| Sri Ganganagar-(Non-Condition) | 5500            | 5600   | 5550      | 5650 | -50    |
| New Delhi–(Condition)          | 6100            | 6150   | 6150      | 6200 | -50    |
| Kota-(Condition)               | 5700            | 5800   | 5850      | 5950 | -150   |
| Agra-(Condition)               | 6190            | 6381   | 6238      | 6429 | -48    |
| Neewai-(Condition)             | 5900            | 6000   | 5950      | 6050 | -50    |
| Hapur (UP)-(Condition)         | 6050            | 6100   | 6100      | 6150 | -50    |
| <b>Groundnut Seed</b>          |                 |        |           |      |        |
| Rajkot                         | 930             | 930    | 900       | 900  | 30     |
| <b>Sunflower Seed</b>          |                 |        |           |      |        |

|          |        |        |      |      |     |
|----------|--------|--------|------|------|-----|
| Gulbarga | Closed | Closed | 3000 | 4515 | -   |
| Latur    | Closed | Closed | 3000 | 4000 | -   |
| Sholapur | 4400   | 4900   | 4300 | 4800 | 100 |

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  |
|-------------------------|----------------------|------------------|---------|
| <b>Soybean</b>          | <b>12-Nov-20</b>     | <b>06-Nov-20</b> |         |
| Madhya Pradesh          | 20000                | 250000           | -230000 |
| Maharashtra             | 30000                | 225000           | -195000 |
| Rajasthan               | 10000                | 85000            | -75000  |
| Bundi (Raj)             | Closed               | 10000            | -       |
| Baran (Raj)             | 1000                 | 16000            | -15000  |
| Jhalawar (Raj)          | Closed               | 18000            | -       |
| <b>Rapeseed/Mustard</b> |                      |                  |         |
| Rajasthan               | 55000                | 55000            | Unch    |
| Alwar                   | 300                  | 600              | -300    |
| Sri Ganganagar          | 200                  | 400              | -200    |
| Kota                    | 800                  | 800              | Unch    |
| <b>Groundnut Seed</b>   |                      |                  |         |
| Rajkot (Gujarat)        | 4650                 | 6300             | -1650   |
| <b>Sunflower Seed</b>   |                      |                  |         |
| Sholapur (Maharashtra)  | 1500                 | 1500             | Unch    |

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

| Oilseeds               | 12-Nov-20 | 6-Nov-20 | Change |
|------------------------|-----------|----------|--------|
| Groundnut Kernel       | 6900      | 6900     | 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 | 10100     | 10100    | Unch   |

|                                  |      |      |      |
|----------------------------------|------|------|------|
| Whitish 95/5/FFA/1FM             | 9700 | 9700 | Unch |
| Brown 48/2 FFA/4 FM              | 9400 | 9400 | Unch |
| Brown 48/3 FFA/4 FM              | 9000 | 9000 | Unch |
| Brown 48/4 FM/* No FFA Guarantee | 8700 | 8700 | Unch |
| Sunflower Seed                   | 4700 | 4700 | Unch |
| Niger Seed (4% FM)               | 6200 | 6200 | Unch |

## 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 22<sup>nd</sup> 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 4<sup>th</sup> 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 |                                      |                |                |                 |
|-----------------------|--------------------------------------|----------------|----------------|-----------------|
| <b>Crop</b>           | <b>Normal Area<br/>(5 Year Avg.)</b> | <b>2020-21</b> | <b>2019-20</b> | <b>% Change</b> |
| Groundnut             | 42.43                                | 50.98          | 39.48          | <b>29.1</b>     |
| Soybean               | 111.49                               | 121.24         | 113.95         | <b>6.4</b>      |
| Sunflower             | 1.84                                 | 1.23           | 0.99           | <b>24.2</b>     |
| Sesamum               | 14.13                                | 14.14          | 13.73          | <b>3.0</b>      |
| Niger                 | 2.41                                 | 1.67           | 2.04           | <b>-18.1</b>    |
| Castor                | 9.65                                 | 7.92           | 9.44           | <b>-16.1</b>    |
| <b>Total Oilseeds</b> | <b>181.95</b>                        | <b>197.18</b>  | <b>179.63</b>  | <b>9.8</b>      |

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

| <b>Crop</b>           | <b>Normal Area (5 Year Avg.)</b> | <b>2019-20</b> | <b>2018-19</b> | <b>% Change</b> |
|-----------------------|----------------------------------|----------------|----------------|-----------------|
| Rapeseed/Mustard      | 60.48                            | 69.51          | 69.76          | <b>-0.4</b>     |
| Groundnut             | 7.76                             | 4.76           | 4.59           | <b>3.7</b>      |
| Safflower             | 1.41                             | 0.63           | 0.43           | <b>46.5</b>     |
| Sunflower             | 2.96                             | 1.04           | 1.13           | <b>-8.0</b>     |
| Sesamum               | 3.12                             | 0.56           | 0.71           | <b>-21.1</b>    |
| Linseed               | 2.99                             | 3.46           | 3.44           | <b>0.6</b>      |
| Others                | 0.14                             | 0.34           | 0.31           | <b>9.7</b>      |
| <b>Total Oilseeds</b> | <b>78.86</b>                     | <b>80.3</b>    | <b>80.37</b>   | <b>-0.1</b>     |

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.