

# Oil Seed Weekly Research Report

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## Executive Summary

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The weekly average domestic soybean prices remained firm, However soymeal prices too went up amid GOI decision to import GM soymeal from three additional port. Additionally mustard also remained firm mainly due to tight inventory in the country, and bullish global factors.

The average weekly soybean plant delivery prices at Indore cash market improved by 1.96% to Rs. 9,350 a quintal compared to Rs. 9,170 a quintal a week ago. The domestic weekly average soymeal prices at Indore was 3.6% up to Rs 85,583 /MT and was quoted between Rs 84,000 – 88,000/MT compared to the weekly average of Rs 82,500 /MT and was traded between the price ranges of Rs 81,500 – 85,000/MT previous week.

Rapeseed Mustard increased by 5.4% to Rs.8,738 /Qtl this week as compared to Rs 8,263/Qtl last week and arrival declined. In Sri Ganganagar, the weekly average prices of rapeseed oilcake was 5.33% up to Rs 3,266/Qtl from previous week at Rs. 3,092/qtl.

Export of oilmeals for the month of July 2021 provisionally reported at 191,188 tons compared to 262,275 tons in July 2020 i.e. down by 27%. The overall export of oilmeals during April – July 2021 is reported at 926,833 tons compared to 841,663 tons i.e. up by 10%.

India had imported 139494 Metric tons of soybean during Oct'20-March'21 down compared to 1,985,05 MT during same period last year. However India had exported 30,277 metric tons of soybean during Oct'20-May'21 down compared to 49,309 metric tons during same period last year.

Bullish global soybean outlook will continue to support the soy prices at higher level in medium-term. Besides, RM seed prices will also feature range-bound movement with firm bias on bullish outlook following firm global cues.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Nagpur):** *The soybean prices is expected to trade higher with firm bias amid short supply. Bullish sentiments in international soybean markets will also lend a support. The prices (Nagpur, Plant basis) are expected to feature range bound movement in the price band of 8,000 – 9,500 level.*

**Outlook – Soy meal:**

*Soymeal prices are likely to feature range bound movement amid weak export demand at higher price. Dull demand at higher prices from poultry sector will remain negative for the market. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 75,000 – 90,000 /MT.*

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-mustard is expected to feature firm tone in near term due to low domestic supply and bullish global cues. The seed prices are likely to witness the price levels between 8,000 –9,000/Qtl. in short-run.*

## International Highlights

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- ❖ CBOT September soybeans fell 7.6 cents (0.60%) to \$ 12.75-1/2 a bushel for the week. New-crop November futures too declined to 5.4 cents (0.43%) to at \$ 12.86-1/4 a bushel on conducive weather condition in Midwest US.
- ❖ According to the data released by NOPA, US crushed 155.10 million bushels of soybeans in July'21. The soybean processing was up from 152.4 million bushels in June and 172.8 million bushels in July 2020.
- ❖ In the Aug'21 report, the USDA has raised US 2021/22 soybean estimates at 118.08 million tonnes compared to previous month 119.88 million tonnes . It has kept the Brazil's 2021/22 soybean production unchanged to 144 million tonnes compared to previous month.
- ❖ Besides, India soybean 2021/22 production estimates kept unchanged to 11.2 million tonnes. while Argentina's soybean estimate kept unchanged to 52 million tonnes from previous month.
- ❖ The global 2021/22 soybean production estimate decreased to 383.63 million tonnes vs 385.22 million tonnes in the previous month report by USDA. World 2021/22 soymeal production is estimated slightly down at 258.68 million tonnes vs 260.62 million tonnes in its previous estimate.
- ❖ Brazil's soybean exports is estimated to reach to 5.79 MMT in Aug'21 vs 5.57 MMT last year same period. Additionally, in Sept'21 soybean export estimated at 4.4 MMT vs 3.9 MMT last year same period. – ANEC
- ❖ CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.
- ❖ Buenos Aires Grain Exchange has estimated the Argentine 2020/21 soybean crop harvest to 43.5 million tonnes vs 49 million tonnes in the 2019/20 season.
- ❖ The Rosario exchange has estimated its Argentina's 2021/22 soy harvest forecast to 49 million tonnes vs previous season's crop to 45 million tonnes.
- ❖ In the Aug'21 report, the USDA has kept India's 2021/22 rapeseed production estimates unchanged at 8.5 million tonnes compared to previous month. However, Canada's rapeseed production estimates eased to 16 million tonnes as compared to 20.20 million tonnes last month.
- ❖ Further, EU production estimates remain unchanged to 17.00 million tonnes million tonnes last month and for China, the estimates remain unchanged to 14.00 million tonnes.
- ❖ The global 2020/21 rapeseed production estimate decreased to 69.97 million tonnes vs 74.14 million tonnes in the previous month. World 2021/22 rapeseed meal production estimate eased at 39.69 million tonnes vs 41.29 million tonnes in its previous estimate.

## Soybean

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Soybean witnessed gains and extending previous week gain mainly on inventory shortage in the country and bullish global cues. Soybean prices are likely to remain elevated till the arrival of new crop in the October-November.

As on 5th September, SOPA reported 15.46% area in very good condition, 22.97% area in good condition, 42.20% area in normal condition and 12.83% area in poor condition. Additionally, crop in Maharashtra and Madhya Pradesh is in grain filling stage.

GOI has asked state governments for disclosure of edible oils/oil seed stock by millers, refiners, whole seller traders etc. and weekly monitoring of prices for transparency.

New crop arrival of soybean has been started in Indore.

SOPA has pegged the soyabean acreage at 115.5 lakh hectare, while the government estimates stood at 121.59 lakh hectare.

According to govt. data, As on 3<sup>rd</sup> September, soybean sowing in india is up by 1%, in Madhya Pradesh soybean sowing is down by 5%, in Madhya Pradesh sowing is up by 8%.

CBOT September soybeans fell 7.6 cents (0.60%) to \$ 12.75-1/2 a bushel for the week. New-crop November futures too declined to 5.4 cents (0.43%) to at \$ 12.86-1/4 a bushel on conducive weather condition in Midwest US.

As on 5<sup>th</sup> Sept21, USDA rating good to excellent soybean stood up at 57% as compared to last week at 56%. Additionally, USDA reported 96% soybean at setting pod stage vs 93% last week, while last year it was 98%, however five year average stood at 96%.

According to IMD, the rainfall from June to September is likely to be closer to 96% of the average rainfall. The IMD has revised down the forecast to 96 percent from 101 percent. However, rainfall in August has been deficient by 24% so far while in July it was 7% less than normal, in September it is likely to be above average.

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

India had imported 139,494 Metric tons of soybean during Oct'20-March'21 down compared to 1,985,05 MT during same period last year. However India had exported 30,277 metric tons of soybean during Oct'20-May'21 down compared to 49,309 metric tons during same period last year.

India had imported 7,483,380 metric tonnes of edible oils in during Nov.'20 – Mar.'21 to meet the supply gap, up compared to 6,912,366 metric tonnes in during the same period last year.

India had imported 1,213,142 metric tonnes of edible oils in during May'21 ,down compared to 720,976 metric tonnes in during the same period last year.

The average weekly soybean plant delivery prices at Indore cash market improved by 1.96% to Rs. 9,350 a quintal compared to Rs. 9,170 a quintal a week ago.

The domestic soybean crushing remains tight amid weak overseas soymeal export demand. currently, the daily arrivals in Madhya Pradesh is reported around 15,000 - 16,000 bags vs 15,000 - 18,000 bags last week, Maharashtra 10,000 - 12,000 bags vs 11,000 - 14,000 bags last week and in Rajasthan 15,00 - 2,000 vs 2,000 - 2,500 bags previous week.

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.

Domestic soybean prices are likely to remain firm amid short supply and global bullish cues and will come down during new crop arrivals. However, government decision for disclosure of edible oils/oil seed stock by millers, refiners, whole seller traders etc. may drag prices down in near term.

#### **International:**

As of 5<sup>th</sup> september, US soybean rating, good to excellent stood at at 57% vs last week 56% on conducive weather condition in midwest US.

As of 7<sup>th</sup> September, in US Approximately 26% of soybean production is within an area experiencing drought. Vs 28% last week.

According to USDA Aug21 report, China's total soybean imports in 2020-21 eased by 1MMT to 97 MMT and the upcoming season too eased by 1 MMT to 101 MMT.

USDA Aug21, US Soybean 2020/21 production is projected down at 118.08 mmt, against 119.88 last month. Harvested area, forecast at 86.7 million acres in the Acreage report, remains unchanged. Further US Soybean 2021-22 export eased to 55.9 MMT compared to last month 56.47 MMT.

In USDA recent report, USDA pegged the 2020/2021 Brazilian soybean production unchanged at 137.0 MMT while next season soy crop estimated at 144 MMT. Additionally USDA has estimated Brazil 2020-21 soybean export at 82.5 MMT and the upcoming season at 93 MMT.

For Argentina's soybean 2020/2021 output, the USDA pegged its crop at 46 MMT. and the USDA's next season estimate stood at 52 MMT. Additionally USDA has estimated Argentina 2021-22 soybean export at 6.35 MMT.

For India 2021/22 soybean production is projected at 11.20 MMT Unchanged from Last month, However last year it was 10.45 MMT.

Brazil's soybean exports is estimated to reach to 5.79 MMT in Aug'21 vs 5.57 MMT last year same period. Additionally, in Sept'21 soybean export estimated at 4.4 MMT vs 3.9 MMT last year same period. – ANEC

CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.98 million tonnes in August vs 135.91 million tonnes in July forecast and 124.845 million tonnes in 2019/20. The country's August 2020/21 soybean exports estimates decreased to 83.42 million tons vs 86.69 million tons in July forecast and 83 million tons in 2019/20.

As per recent USDA Aug'21 report, Soybean production in the world eased to 383.63 MMT as compared to last month 385.22 MMT while last year it was down to 363.25 MMT. World ending stock increased to 96.14 MMT compared to last month 94.48 MMT.

As per USDA, India 2021-22 soybean crush is kept higher by 300,000 tons to 9.7 million ton on account of higher crop prospects. Soybean oil imports are unchanged at 3.7 million tons.

The international soybean prices are expected to feature range bound movement with a weak bias on improved weather condition in US however it may draw support from strong Chinese soybean demand.

# Soymeal

The domestic soymeal edged-up on tight supply and GOI decision to allow to import GM soymeal via five ports till 31<sup>st</sup> oct'21. However logistical bottlenecks could limit volumes.

India's soymeal export likely to remain weak, as india is now totally outpriced in world market and export is expected to remain below 17 lakh metric tons. The high price of soybean meal has hit not only the export of soymeal but also the poultry farmers mainly small farmers and finding very difficult to survive in this difficult time.

According to USDA Aug report world 2021/22 soymeal production is estimated higher at 258.68 million tonnes vs 250.59 million tonnes against last year record.

India's July 2021 soymeal exports declined by 57% to 26,725 metric tonnes compared to 61,957 metric tonnes in the same period last year. Further, the soymeal shipments too declined by 24% to 144,782 metric tonnes in aggregate, during the months (April-July.) of financial year 2020-21 compared to 191,149 metric tonnes during the corresponding period last year.

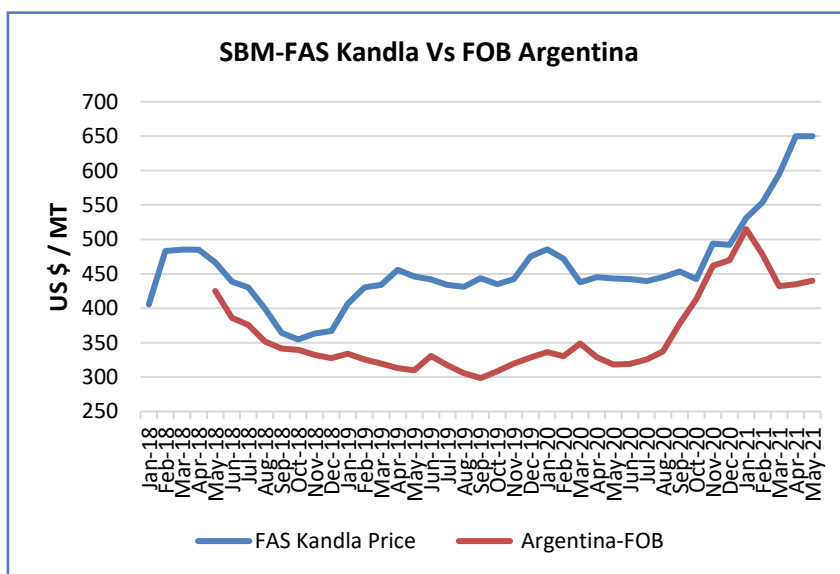
Export of oilmeals for the month of July 2021 provisionally reported at 191,188 tons compared to 262,275 tons in July 2020 i.e. down by 27%. The overall export of oilmeals during April – July 2021 is reported at 926,833 tons compared to 841,663 tons i.e. up by 10%.

The soymeal export price spread of India vs Argentina (FAS Kandla and FOB Argentina) have further declined to US \$ 210/MT in May'21 vs US \$ 215/MT in April'21, leading incompetitiveness for Indian soymeal exports.

The domestic weekly average soymeal prices at Indore was 3.6% up to Rs 85,583 /MT and was quoted between Rs 84,000 – 88,000/MT compared to the weekly average of Rs 82,500 /MT and was traded between the price ranges of Rs 81,500 – 85,000/MT previous week.

Weekly average prices at various

centers also closed lower side compared to last week prices. At Latur, the weekly average soymeal prices declined by 5.1% to Rs. 86,000 /MT compared to Rs. 90,400 /MT a week ago however in Nanded it was quoted





4.3% up at Rs. 92,000/MT compared to Rs. 88,000/MT a week ago. In Kota the meal prices down by 5.4% to Rs. 90,500/MT compared to Rs. 85,600/MT previous week.

The soy meal prices (Indore) are likely to correct from higher level and feature downside movement between Rs. 75,000 – 90,000 /MT amid weak soymeal export demand.

**Previous updates:**

The Brazilian state run agricultural agency, CONAB Brazil's July 2020/21 soybean crop estimate increased at 135.92 million tonnes vs 135.86 million tonnes in June'21 forecast and 124.845 million tonnes in 2019/20 in its recent report.

In May21 according to the data released by NOPA, US crushed pegged at 163.521 million bushels which compares to April 160.310 million bushels of soybeans. The soybean processing was down from 171.75 million bushels in April 2020 also lower from 177.98 million bushels in March 2021. The market is expected lower US soybean crush figure for May'21 on dwindling stocks.

The international soy market is strong on bullish global supply scenario due forecast to lower than expected soybean production and likely fall in the US soy inventories in August 2021 followed by the Chinese buying spree.

Besides, the SOPA members have 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. According to the data released by NOPA, US crushed 178 million bushels of soybeans in March21, second consecutive month of reduction also slightly less than expected. The soybean processing was down from 181.4 million bushels in March 2020 but up from 155.2 million bushels in March 2020.

The global 2020/21 soybean production estimate too increased to 363.18 million tonnes vs 361.82 million tonnes in the previous month report by USDA. World 2020/21 soymeal production is estimated slightly down at 253.3 million tonnes vs 254.14 million tonnes in its previous estimate.

Further, In the USDA's Foreign Agriculture Service post in Beijing China's soybean imports are forecast to reach a record 103 million tonnes in the marketing year 2021/22 and estimated 100 million tonnes in 2020/21 to meet the feed demand from the livestock and poultry sectors.

For soybeans, the world ending stocks are estimated at 91.09 mmt. for 2021/22 vs. 87.99 mmt. in 2020/21.

U.S. ending stocks were 120 million bushels vs. the March estimate of 120 million bushels. The trade expected the USDA to print 119 million bushels.

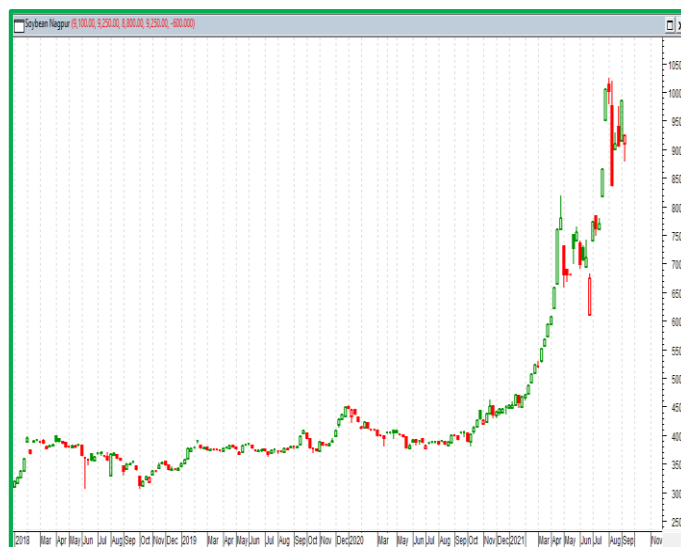
For soybeans, the world ending stocks are estimated at 86.9 mmt. vs. the trade's expectation of 83.52 mmt. and the USDA's December estimate of 83.74 mmt.

## Technical Analysis:

**NCDEX Soybean Futures – September Contract**



**Soybean Spot, Nagpur**



### Support & Resistance NCDEX Soybean – September contract

S1	S2	PCP	R1	R2
8000	8500	8640	8800	9000

- Soybean posted loss on sellers pressure,
- Prices closed near 9-day and 18-day EMA indicating weak tone in near term.
- RSI remained up indicating weak buying strength.
- The prices are expected to feature loss in the coming week.
- Trade Recommendation (NCDEX Soybean – Sept) Week: sell Levels: Above 8750 T1 – 8600; T2- 8500, SL –9000

## Rapeseed - Mustard Seed

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Rapeseed-mustard continued rally and likely to remain elevated on tight supply in the country and bullish global cues.

There is firm demand for RM seed oil especially from the states of North India like Bihar, Uttar Pradesh and West Bengal and likely to rise significantly during the winter season, during the festival and pickle making season.

Mustard prices may draw support from, firm demand, declining stock and arrival, strength in oilseed complex, and strength in CME canola futures due to heat wave in Canada.

It is estimated that approximately 75-80% of the current mustard crop has been crushed, while 20-25% of the crushing is yet to be done.

Rapeseed Mustard increased by 5.4% to Rs.8,738 /Qtl this week as compared to Rs 8,263/Qtl last week and arrival declined.

In Sri Ganganagar, the weekly average prices of rapeseed oilcake was 5.33% up to Rs 3,266/Qtl from previous week at Rs. 3,092/qtl.

AW has revised India's 2021/22 rapeseed-mustard production up to 8.54 million tonnes from 8.0 million tonnes estimated in its previous forecast and it is up 18% from 7.21 million tonnes estimated last season. The Government estimation of mustard crop is high at 10.4 MT. The COOIT has estimated mustard production at 8.90 MT.

India's exports for rapeseed meal during April-July 2021 was up 10% at 479,572 metric tonnes compared to 436,480 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in July'21 is reported at 94,765 metric tonnes against last year 148,170 metric tonnes during the same period i.e. lower by 36%, However 14% down as compared to June21.

India imported 1033.06 tons rapeseed (Canola) oil in Apr 2021 v/s 506.00 tons imports in Apr 2020. While, for the period of April2020-March2021 imports rose to 42,720.05 tons compared to 54,426.39 tons in last oil year.

### **International**

Canada has received showers in key growing areas of canola after record temperature rise in Canadian province, as per market sources canola production is set to reach below 15 MMT, down more than 20% from last year. Additionally, canola importers may switch to other countries such as Ukraine, Australia, for substitutes.

Canadian farmers planted an estimated 22.5 million acres of canola for the 2021-22 crop year, the highest since 2018. This is up from the April forecast of 21.5 million acres and up 8.2% from last year.

In the Aug'21 report, the USDA has kept India's 2021/22 rapeseed production estimates unchanged at 8.5 million tonnes compared to previous month. However, Canada's rapeseed production estimates eased to 16 million tonnes as compared to 20.20 million tonnes last month. Canadian canola production is lowered because as early-season drought conditions impact yields and offset an increase to area.

Further, EU production estimates remain unchanged to 17.00 million tonnes million tonnes last month and for China, the estimates remain unchanged to 14.00 million tonnes.

The global 2020/21 rapeseed production estimate decreased to 69.97 million tonnes vs 74.14 million tonnes in the previous month. World 2021/22 rapeseed meal production estimate eased at 39.69 million tonnes vs 41.29 million tonnes in its previous estimate.

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### **Previous Updates**

The Solvent Extractors' Association (SEA) of India has urged the government to include rational provision in ASEAN agreement to restrict or regulate the imposition of export duty by the palm oil exporting countries. SEA feels that this will ensure a level-playing field for both the countries that export and import palm oil.

To support their local industry, that country has kept export duty and levy low on finished goods such as RBD palmolein.

Higher palm oil imports by India has always hit the domestic mustard oil demand and the rapeseed-mustard crush margins.

The Food Safety and Standards Authority of India (FSSAI) has ordered prohibiting blending of mustard oil.

Director, Indian Council of Agricultural Research – Directorate of Rapeseed Mustard Research, expects productivity of the rapeseed-mustard to improve in 2020-21 from last year's level of 1.42-1.48 tonnes per ha, on adequate soil moisture and better package of practices.

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.

Agriwatch has projected India's MY 2021/22 rapeseed production at 8.54 million tonnes vs 7.2 million tonnes last season while COOIT has estimated the seed production at 8.95 million tonnes vs 7.5 million tonnes last season.

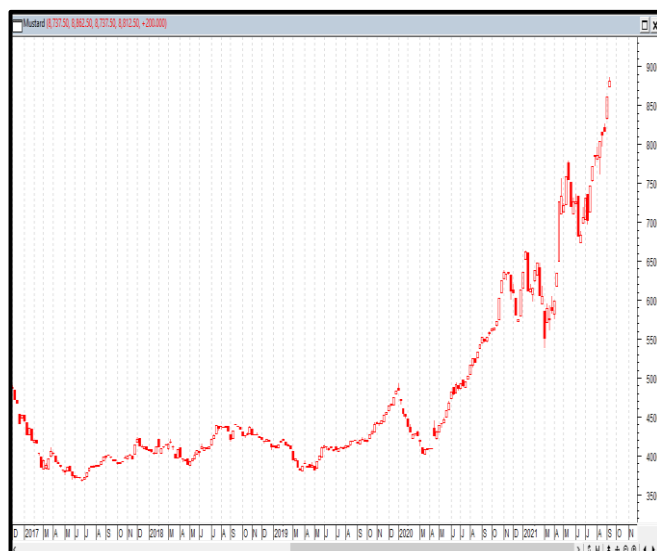
**Outlook:** RM Seed is expected to remain elevated above Rs 8,000/Qtl as market has gained due to short supply and good mustard oil demand, additionally strength in other oilseed complex and global cues likely to support the price.

## Technical Analysis:

**NCDEX RM Seed Futures September Contract**



**RM Seed Spot, Jaipur**



\*Note: Daily Chart

### Support & Resistance NCDEX RM Seed – September contract

S1	S2	PCP	R1	R2
8500	8300	8620	8800	9000

- RM seed witnessed gain on buyers interest, this week.
- Prices closed Above 9-day and 18-day EMA indicating firm tone in near term.
- RSI and stochastic are rising from lower level indicating good buying strength.
- MACD crossover indicates bullish tone in near term.
- Trade Recommendation (NCDEX Rapeseed-Mustard –Sept) Week: buy 8600 Levels: T1-8750, T2- 8900, SL –8500.

## Annexure

### Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	09-Sep-21		03-Sep-21		
	Low	High	Low	High	
Indore –Plant	8500	10000	9700	10000	Unch
Indore–Mandi	8500	9200	9400	9600	-400
Nagpur-Plant	8400	9400	8800	9300	100
Nagpur – Mandi	8800	9200	8200	8600	600
Latur – Mandi	7000	9160	8000	9605	-445
Akola – Mandi	7300	8000	7500	8575	-575
Kota-Plant	9800	9900	9900	10100	-200
Kota – Mandi	9200	9600	9200	9600	Unch
Bundi-Plant	9400	9800	9400	9800	Unch
Bundi-Mandi	9000	9500	9000	9500	Unch
Baran-Plant	9200	9800	9300	9600	200
Baran-Mandi	9000	9500	9100	9400	100
Bhawani Mandi Jhalawar–Plant	9400	9800	9400	9600	200
Jhalwar-Mandi	9300	9500	8900	9300	200
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	8825	8850	8600	8625	225
Alwar-(Condition)	8400	8500	8100	8200	300
Sri Ganganagar-(Non-Condition)	7950	8000	7650	7700	300
New Delhi–(Condition)	8625	8650	8150	8200	450
Kota-(Condition)	8100	8300	7600	7800	500
Agra-(Condition)	8952	9048	8667	8762	286
Neewai-(Condition)	8000	8350	7750	8100	250
Hapur (UP)-(Condition)	8550	8600	8150	8200	400
<b>Groundnut Seed</b>					
Rajkot	1280	1280	1200	1200	80
<b>Sunflower Seed</b>					
Gulbarga	0	0	0	0	Unch
Latur	6300	6400	6400	6500	-100

Sholapur	6300	6400	6400	6500	<b>-100</b>
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.					

## 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 2021-22 - GOI

Sl. No	Crops	MSP for Kharif 2021-22	MSP for Kharif 2020-21	Increase in MSP (Absolute)
1	Groundnut	5550	5275	275
2	Sunflower seed	6015	5885	130
3	Soybean (yellow)	3950	3880	70
4	Sesamum	7307	6855	452
5	Nigerseed	6930	6695	235

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 2021-22.

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. 5500 per quintal for marketing season 2020-21 from Rs.5275 per quintal in 2019-20 an increase of Rs.275 a quintal.

The MSP of sunflower to Rs. 6015 a quintal from earlier Rs. 5885 per quintal an increase of Rs 130 per quintal, Soybean-yellow to Rs. 3950 a quintal to Rs. 3880 per quintal last season, an increase of Rs. 70 a quintal, Sesamum to Rs. 7307 a quintal from 6855 earlier, an increase of Rs. 452 a quintal and the MSP of Nigerseed have been increased to Rs. 6930 a quintal from Rs. 6695 a quintal earlier, increase of Rs 235 per quintal.

Among all the Kharif crops, the highest increase in MSP is proposed for sesamum (Rs 452 per quintal) followed by Tur (Rs 300 per quintal) and Urad (Rs 300 per quintal). The differential remuneration is aimed at encouraging crop diversification.

## India's Oilseeds Production Seen at 361.0 Lakh Tonnes vs 365.7 Lakh Tonnes in 4th Adv Est. for 2020-21- GOI

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The 4th Advance Estimates of production of oilseeds for 2020-21 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 11th Aug, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

The revised estimated production of major Oilseeds during 2020-21 is as under:

Total Oilseeds production in the country during 2020-21 is estimated at record 36.10 million tonnes which is higher by 2.88 million tonnes than the production during 2019-20. Further, the production of oilseeds during 2020-21 is higher by 5.56 million tonnes than the average oilseeds production of 30.55 million tonnes.

- Groundnut – 102.1 lakh tonnes vs 99.52 lakh tonnes in 2019-20.
- Castorseed – 17.76 lakh tonnes vs 18.42 lakh tonnes
- Sesamum – 8.12 lakh tonnes vs 6.58 lakh tonnes
- Nigerseed – 0.41 lakh tonnes vs 0.41 lakh tonnes (No difference)
- Soybean – 129 lakh tonnes vs 112.26 lakh tonnes
- Sunflower – 2.24 lakh tonnes vs 2.13 lakh tonnes
- Rapeseed-mustard – 10.11 lakh tonnes vs 91.24 lakh tonnes
- Linseed – 1.40 lakh tonnes vs 1.21 lakh tonnes
- Safflower – 0.34 lakh tonnes vs 0.44 lakh tonnes.

## Sown Area – *Kharif* Oilseeds, India 2021-22

In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 190.83 lakh hectares, an decrease by 0.46% from 194.03. lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 1% at 121.59 lha compared to 120.61 lha during the corresponding period of last year, groundnut at 48.5 lha vs 50.76 lha, sesamum 12.95 lha vs 13.61 lha, castor seed at 5.62 lha vs 6.49 lha and niger at 0.72 lha vs 1.38 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season

	Normal Area	2019-20	2020-21	% Change
Groundnut	41.7	50.76	48.5	-4%
Soybean	112.88	120.61	121.59	1%
Sunflower	1.42	1.18	1.45	23%
Sesamum	13.13	13.61	12.95	-5%
Niger	1.95	1.38	0.72	-48%
Castor	8.95	6.49	5.62	-13%
<b>Total Oilseeds</b>	180.03	194.03	190.83	-0.46

Area in Lakh Hectares

## Sown Area – *Rabi* Oilseeds, India 2020-21

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 83.60 lakh hectares, up 5% from 79.37 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 7% at 73.89 lha compared to 68.84 lha during the corresponding period of last year. Groundnut at 4.57 lha vs 4.65 lha, safflower at 0.58 lha vs 0.63 lha, sunflower at 1.01 lha vs 1.02 lha, sesamum 0.44 lha vs 0.56 lha, linseed at 2.90 lha vs 3.34 lha and other 0.21 lha vs 0.33 lha during the same period last year.

Area in Lakh Hectares

<b>Crop</b>	<b>Normal Area (5 Year Avg.)</b>	<b>As on 22 Jan. 2021</b>	<b>As on 22 Jan. 2020</b>	<b>% Change</b>
Rapeseed/Mustard	59.44	73.89	68.84	7.3
Groundnut	7.28	4.57	4.65	-1.7
Safflower	1.18	0.58	0.63	-7.9
Sunflower	2.41	1.01	1.02	-1.0
Sesamum	0.00*	0.44	0.56	-21.4
Linseed	2.75	2.90	3.34	-13.2
Others	0.13	0.21	0.33	-36.4
<b>Total Oilseeds</b>	<b>73.19</b>	<b>83.60</b>	<b>79.37</b>	<b>5.3</b>

Source: MoA, GOI

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