



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant went marginally up by 0.48% to Rs. 7,812/qrtl. Prices were in the range of Rs. 7,550-7,975/qrtl during the week . In upcoming week soybean prices likely to remain with firm bias.

In tandem with Soybean, Soymeal weekly average prices also increased to Rs 60,666/MT as compared to last week's Rs.60,250/MT.

RM seed prices eased marginally by 1.1% and is expected to trade rangebound with steady bias amid new crop arrivals. Out of the total arrivals about 65-70% of the RM seed is getting crushed. As arrivals has almost peaked, in upcoming week arrivals is likely to decline.

During the period, total mustard arrivals in Rajasthan went up by 17% at 26.25 Lakh bags as compared to previous week's 22.5 Lakh bags. All India arrivals stood at 47.75 Lakh bags Vs 38.2 Lakh bags previous week

GOI has extended the period of stock limit, imposed on edible oils and oilseeds till 31st December, 2022 which was previously extended till 30th June 22 making difficult for traders to buy new stuff during the season.

Soybean Production Estimates:

India's Soybean Production	2021-22	2020-21	% Change
Ministry of Agriculture	131.16	128.97	2%
Agriwatch	120	104.5	15%
USDA	119	104.5	14%

Fig. In Lakh tonnes

As per Agriwatch, India's 2020-21 Soybean production is estimated at 120 Lakh tonnes 15% up as compared to previous year. Whereas USDA and Government has estimated at 119 and 131.16 Lakh tonnes respectively.

USDA April'22 Estimate				
Brazil 2021-22	April'22 estimates	March'22 estimates	% Change	Absolute Change
Soymeal Exports	16500	17250	-4%	-750
Soy bean Exports	82750	85500	-3%	-2750
USA 2021-22	April'22 estimates	March'22 estimates	% Change	Absolute Change
Soymeal Exports	12,882	13,063	-1%	-181
Soy bean Exports	57,561	56,880	1%	681

India's 2021-22	April'22 estimates	March'22 estimates	% Change	Absolute Change
Sunflower Oil Import	2,100	2,400	-13%	-300
Soy bean Production	11,900	11,900	0%	0
Soybean Crush	10200	10200	0%	0
Soybean oil Import	3650	3550	3%	100
Soybean oil Domestic Consumption	5400	5300	2%	100
China's 2021-22	April'22 estimates	March'22 estimates	% Change	Absolute Change
Soybean Import	91,000	94,000	-3%	-3000
Soybean Crush	89,000	92,000	-3%	-3000
Soybean Ending stock	89000	92,000	-3%	-3000
Source :USDA			In Thousand Metric Tons	

According to USDA's April'22 report, upon lower production and higher crush, Brazil's Soy exports cut by 3%. China's Soy imports reduced by 3 MMT on weaker demand and reduced crush. India's Sunflower oil imports lowered by 3 Lakh tonnes on lower Ukraine and Russia exports due to war.

Outlook – Cash Market

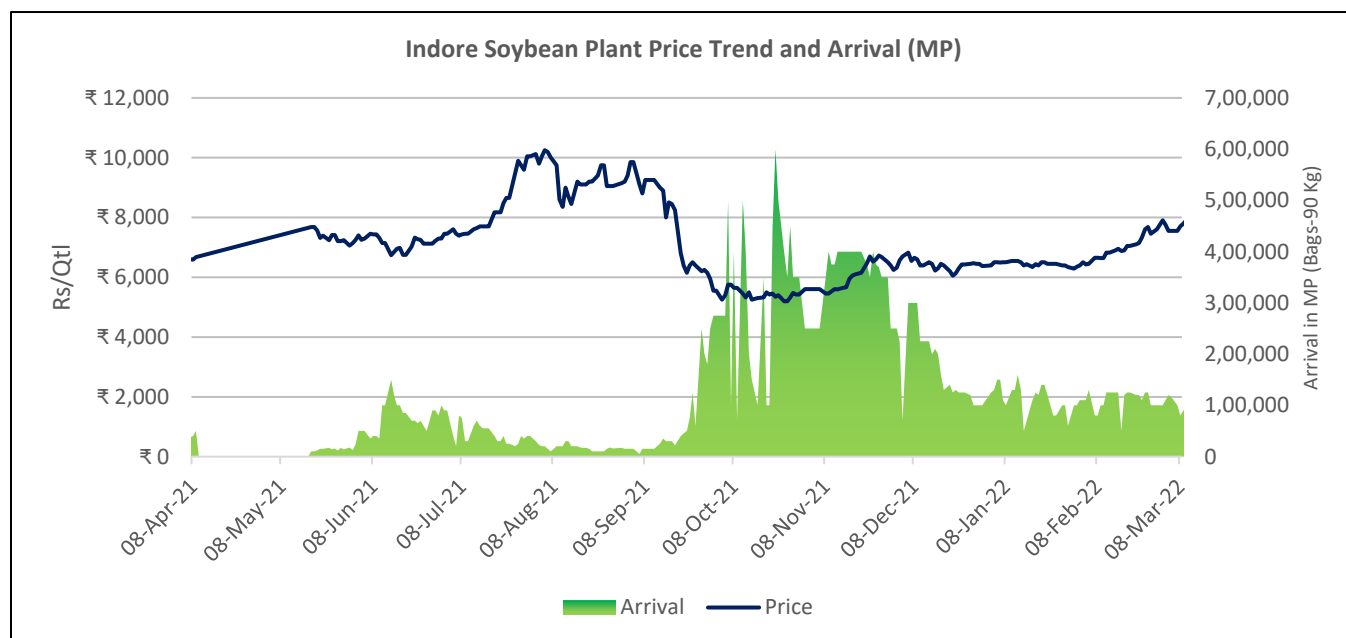
Outlook - Soybean (Spot, Nagpur): In upcoming week, soybean prices are expected to trade range bound with firm bias on the back of strength in CBOT soybean. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 7,600 – 8,000 level in the near term.

Outlook – Soy meal:
Soy meal prices are likely to trade range bound. The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 57,000 – 63,000 /MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-mustard is expected trade range bound with steady bias amid good demand from oil millers and new crop arrivals. The seed prices are likely to trade in the range between 6,700 – 7,200/Qtl. in the short-run.

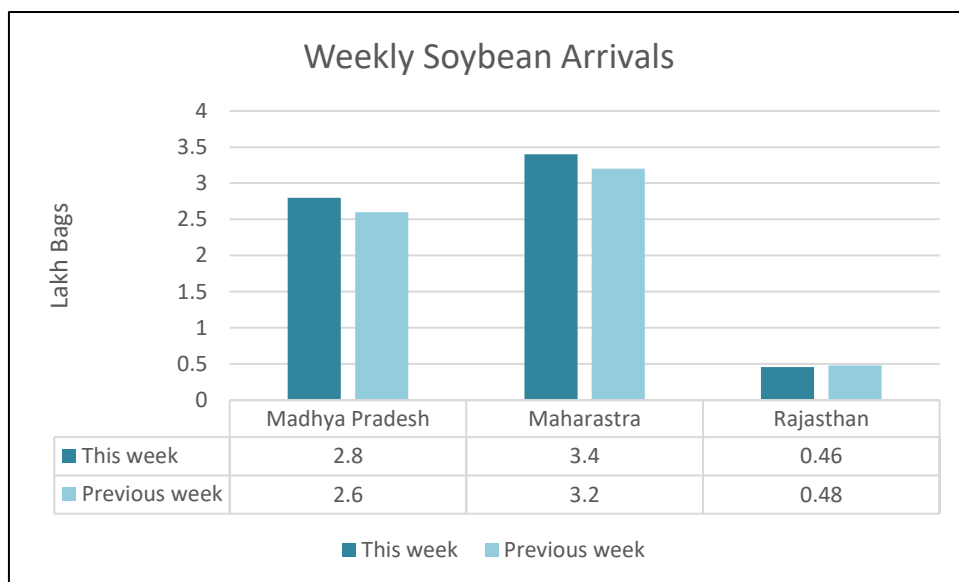
Soybean

Soybean Indore plant weekly average prices mostly remained sideways with marginal upside by 0.48% to Rs. 7,812/qrtl on the back of strength in CBOT Soybean during the week under review. Tight crush margin continued this week too. Upon low soymeal export demand, there is sluggish Soy demand by the crushers, arrivals has declined to seven months low. Farmers are still holding back their stocks. Traders are more interested to buy Rabi crops such as mustard than Soybean at higher level, However stock limit is a hurdle to buy new stuff beyond 2000 Qtl.

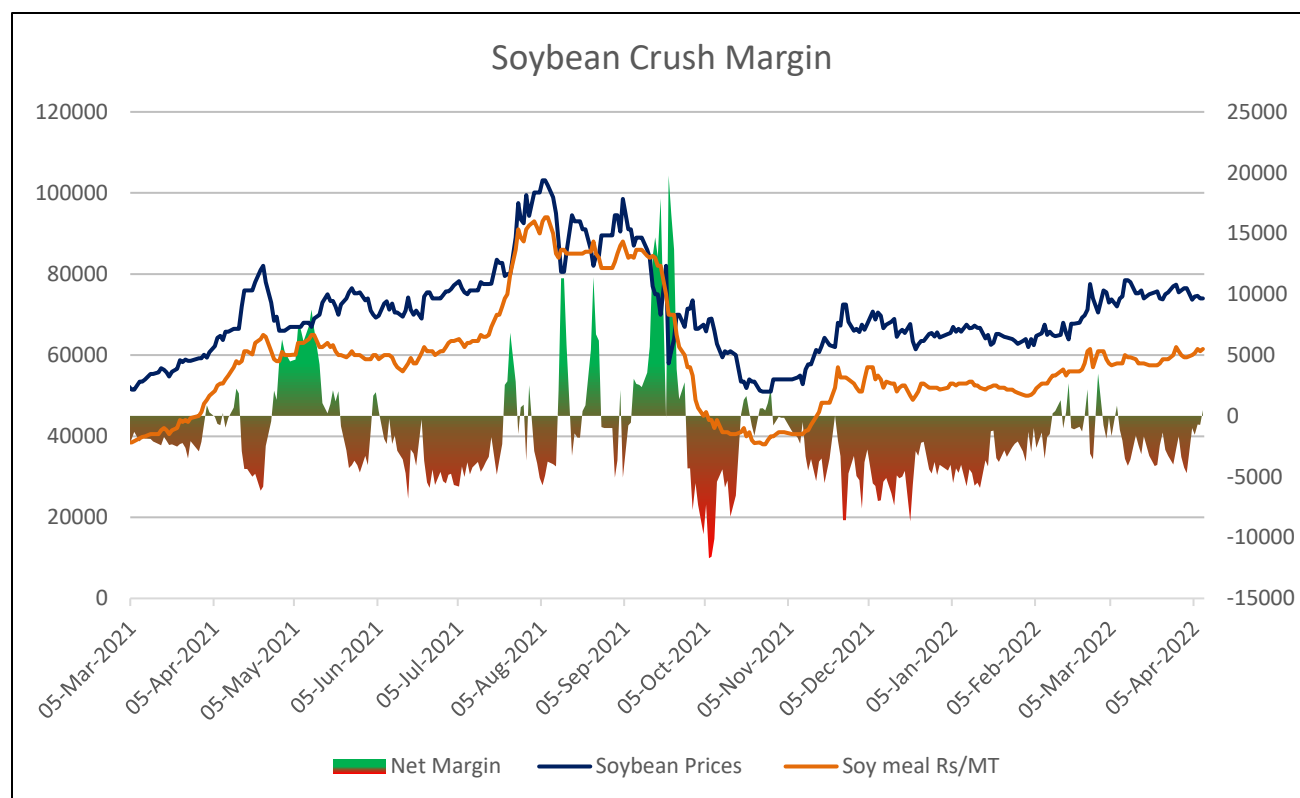


This week, the total arrival in MP stood at 2.8 Lakh bags Vs 2.6 Lakh bags last week. In Maharashtra arrivals stood at 3.4 Lakh bags Vs 3.2 Lakh bags last week and in Rajasthan the arrivals stood at 0.46 Lakh bags Vs 0.48 Lakh bags previous week.

We expect, arrivals continue to decline and prices expected to remain elevated on bullish CBOT soybean and oilseed complex.



Soybean Crush Margin-



Soybean crush margin improved during the period on firm soy oil and Soy meal prices. Weekly average soybean crush margin stood at Rs. -1366/ MT as compared to past week's Rs. -3218/MT.

Previous Updates- GOI has extended the period of stock limit, imposed on edible oils and oilseeds till 31st December, 2022 which was previously extended till 30th June 22. Exceptions have been given for exporters and importers. The quantity specified are listed below:

Stock limit by Department of Food and Public Distribution, As on 30th March, 2022					
Name of Essential Commodity	Retail	Wholesale	Bulk consumers (Big chain retailers shops)		Processor
			Retail outlets	Depot	
Edible Oil	30 Qtl	500 Qtl	30 Qtl	1000 Qtl	90 days of storage capacity
Edible Oilseeds	100 Quintals	2000 Quintals	-----		90 days production of edible oils, as per daily input production capacity

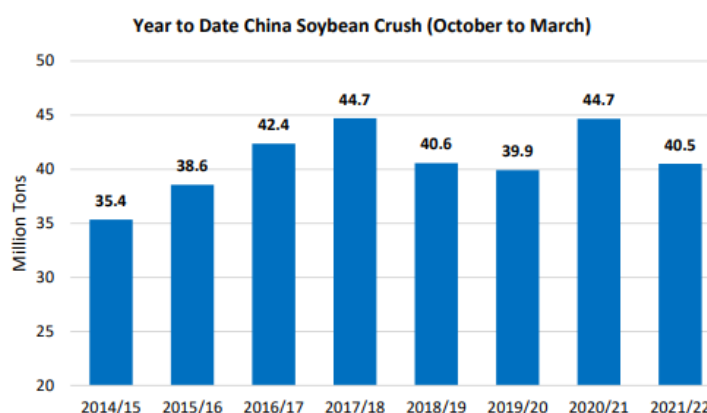
Stock limit was imposed to check skyrocketing edible oil and oilseed prices due to supply crunch in the country. However, there will not be much impact on soybean prices, as arrivals and crush demand is low.

Meanwhile, according to data of Department of Commerce, GoI, India's cumulative soybean import increased by 114% in the Oct-Jan'22 to 96,469 tonnes compared to 44,978 tonnes during same period last year. Imports were higher in first two months of current season on less availability in the country. However, the exports were lower by 13% in Oct-Feb'22 to 22,556 tonnes compared to previous year same period at 26,030 tonnes. Upon outpriced India's Soybean in global markets exports is likely to remain weak.

International:

CBOT May Soybean rebounded by 6.71% to \$ 16.89 a bushel for the week ending 08th April amid USDA report.

In 2018/2019, Soy crush (Oct-March) remained low due to African swine fever (ASF) outbreak. While in 2021/22, Soy crush remained low because of soaring feed costs and low meat prices.

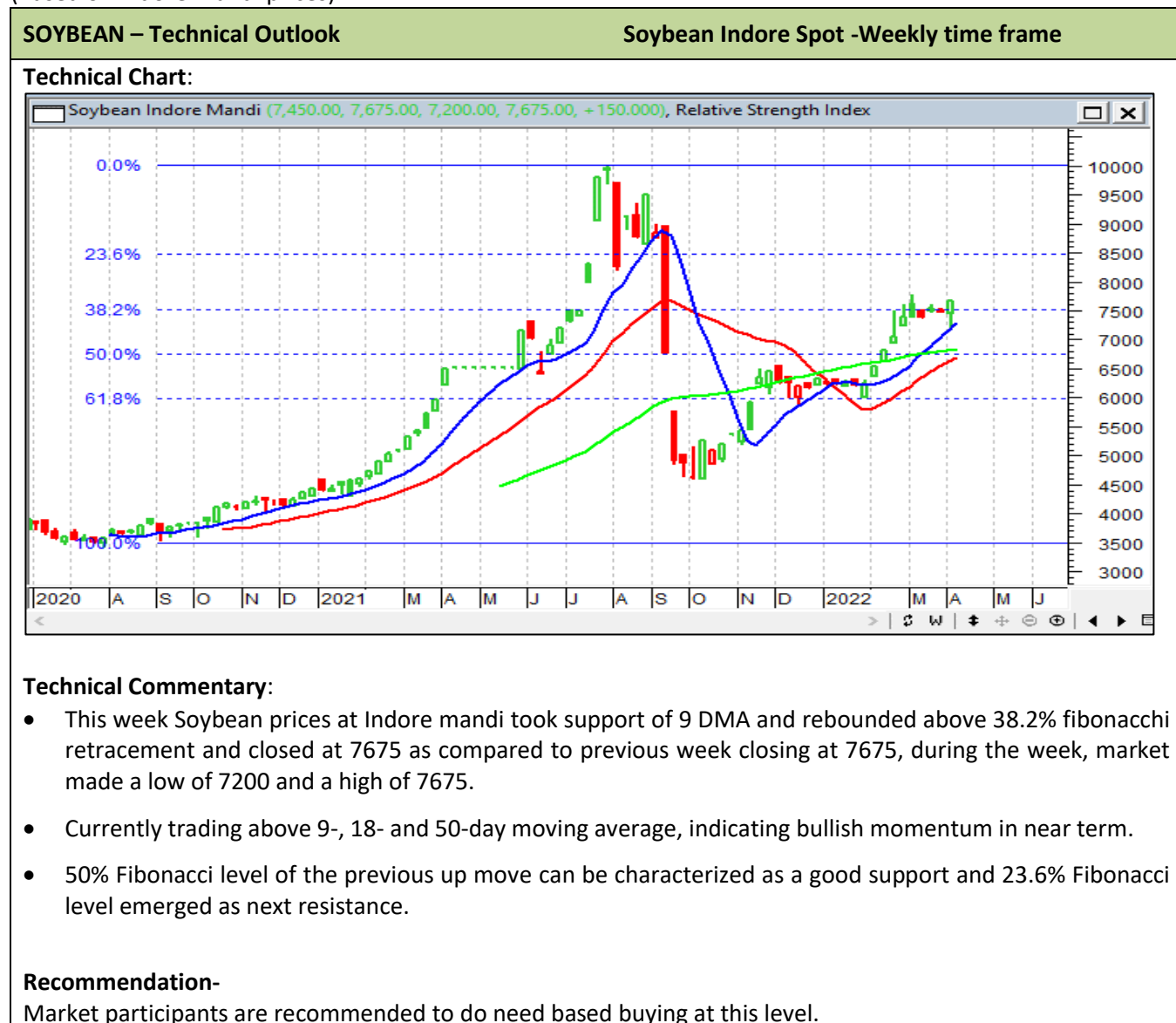


As per recent data available, Brazil's 2021-22 soybean harvesting reached at 80% vs 76% previous year. Whereas Argentina's Soybean harvesting stood at 4.4% as compared to 0% previous year.

CONAB in its recent estimate trimmed Brazil's 2021-22 Soybean production by 0.33 MMT to 122.43 MMT.

Technical Analysis

(Based on Indore Mandi prices)

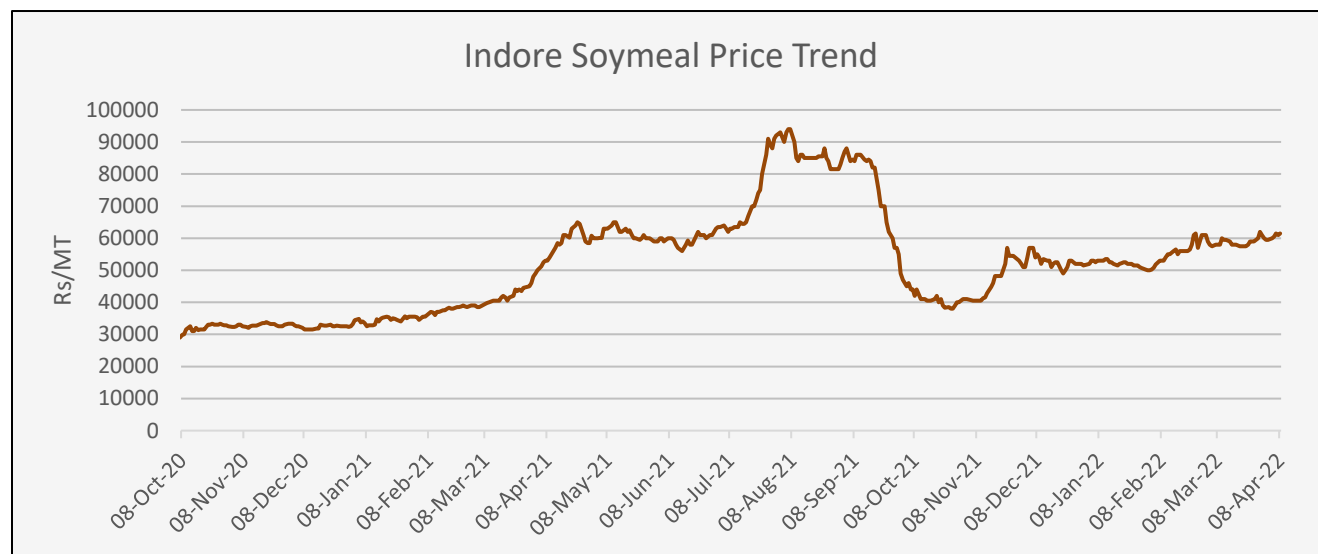


Soybean Price Outlook for coming week: Soybean currently trading at Rs. 7675/qtl. Upon Bullish soybean USDA report, Soybean are expected to trade with firm bias.

Soybean Mandi Price Outlook (Rs./Qtl)	Previous week	Week Under review	Next week
Weekly Average Price	7,520	7,508	7,400-7,600

Soymeal

Indore Soymeal prices are still trading 13.9% up Y-o-Y and 2.5% up M-o-M. High Soymeal prices has kept poultry industry under pressure and exporters are also not getting good export demand, as a result there is low domestic Soy crushing.



The weekly average prices of soymeal went marginally up by 0.7% at Rs 60,666/MT as compared to last week at Rs 60,250/MT. Overall the prices quoted between Rs 59,500 – 61,500/MT throughout the week.

At Latur, the weekly average prices went up to Rs. 65,417/MT compared to Rs. 63,000/MT a week ago. In Nanded too it went up to Rs. 63,250/MT compared to Rs. 62,833/MT a week ago. In Kota the meal prices were up at Rs. 64,850/MT compared to Rs. 64,450/MT previous week.

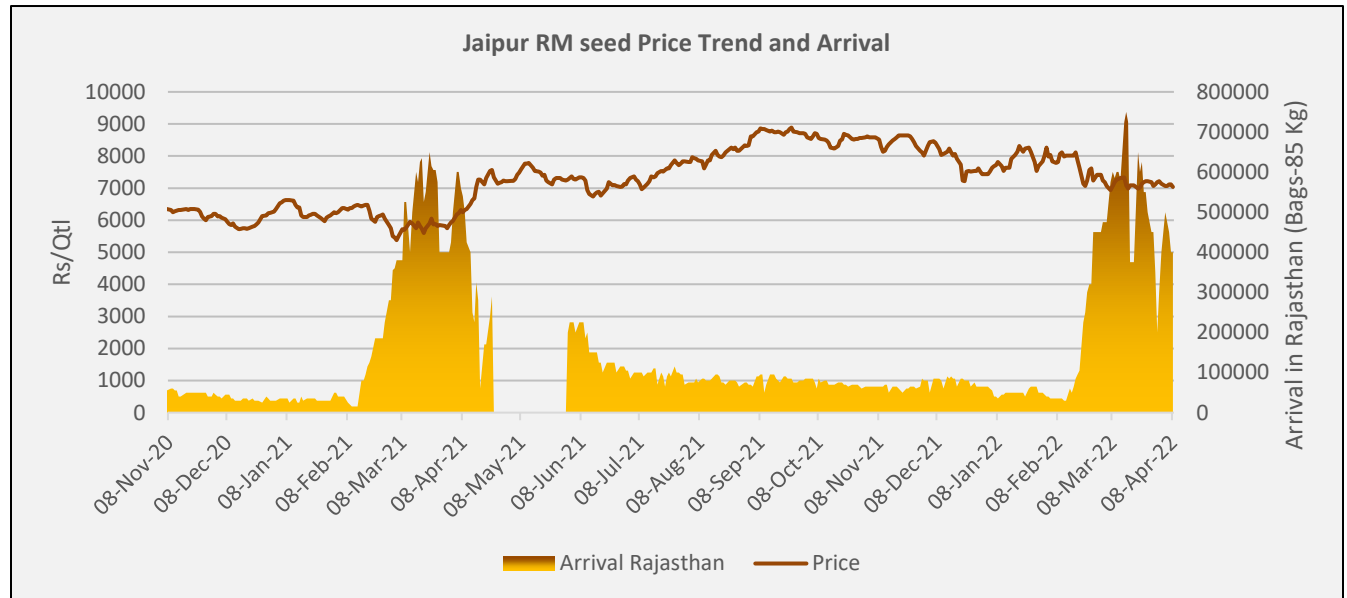
USDA in its April'22 report, kept 2021-22 soymeal production estimate unchanged at 8.16 million tonnes Vs 7.6 million tonnes last year. However, ending stocks is estimated higher at 6.27 Lakh tonnes Vs last year's 3.82 Lakh tonnes.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue trade range bound with firm bias in tandem with soybean prices.

Soymeal Mandi Price Outlook (Rs./MT)	Previous week	Week Under review	Next week
Weekly Average Price	60,250	60,666	61,000-63,000

Rapeseed - Mustard Seed

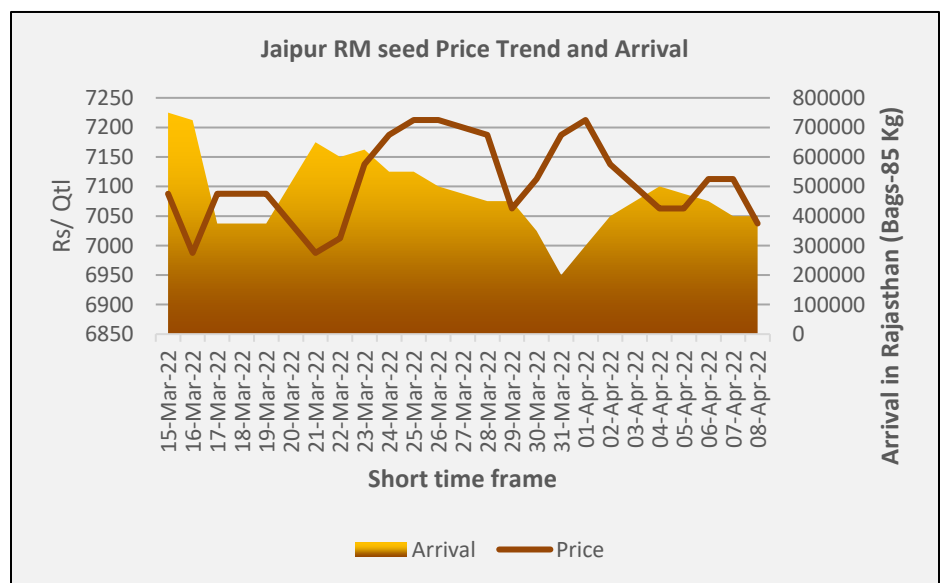
Currently RM seed harvesting is in full swing, arrivals has almost peaked, major new stuff were bought by the Oil millers, as they can buy for 90 days of their capacity. However, traders are facing difficulty because of stock limit and are seeking for stock limit removal. As of now RM seed is trading 19.40% Y-o-Y despite stock limit. In upcoming week arrivals is likely to decline and RM seed prices may trade range bound with steady bias.



During the week under review, RM seed traded with weak bias and went down by 1.1% to Rs. 7,087/qrtl.

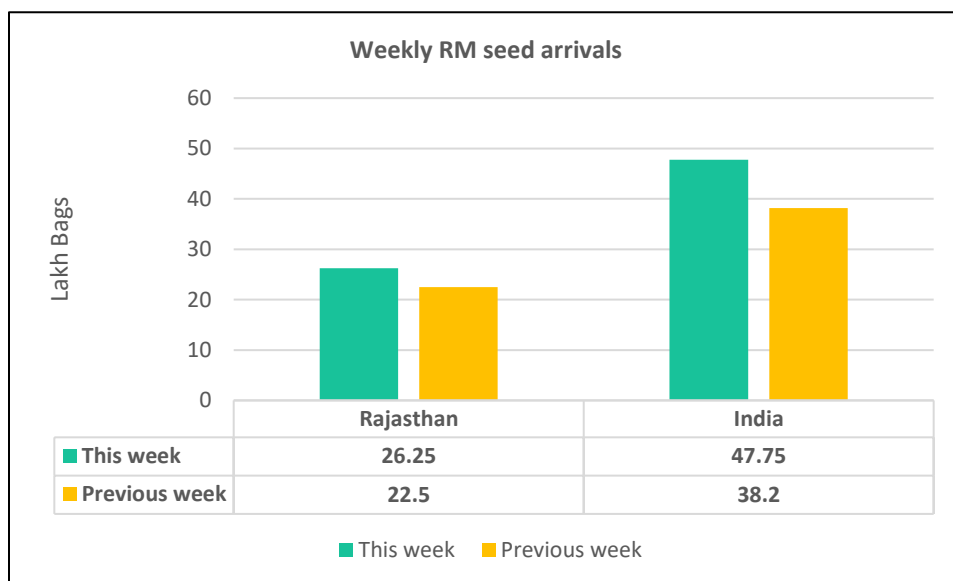
Upon good crush margin, strong mustard oil demand and firm Rapeseed meal export demand, crushing is expected to continue at full pace.

As per market sources, farmers are expected to hold RM seed in anticipation of better prices in future.



Arrivals has peaked, last week arrivals were low due to march ending. This week in Rajasthan, total mustard arrivals went up by 17% at 26.25 Lakh bags as compared to previous week's 22.5 Lakh bags. All India arrivals stood at 47.75 Lakh bags Vs 38.2 Lakh bags previous week. Oil mills are running at full pace, so far 65-70% get crushed.

In March'22 all India arrivals recorded higher by 22% where as in Rajasthan arrivals were up by 10%.



Production- As per Agriwatch estimates, the production is expected to be 107.1 Lakh tonnes, which is all time high production. Rajasthan's mustard crop production estimated at 45.1 Lakh tonnes, Madhya Pradesh at 11.7 Lakh tonnes, Uttar pradesh at 14.10 Lakh tonnes. It is estimated that 102.5 Lakh tonnes will be crushed, which would translate into 43.05 Lakh tonnes oil and 59.45 Lakh tonnes RM seed DOC production.

According to USDA's April'22 reports India's 2021-22 RM seed production estimated at 108 Lakh tonnes as compared to last year estimates at 85 Lakh tonnes, crushing estimated at 96.50 Lakh tonnes as compared to 75 Lakh tonnes previous year.

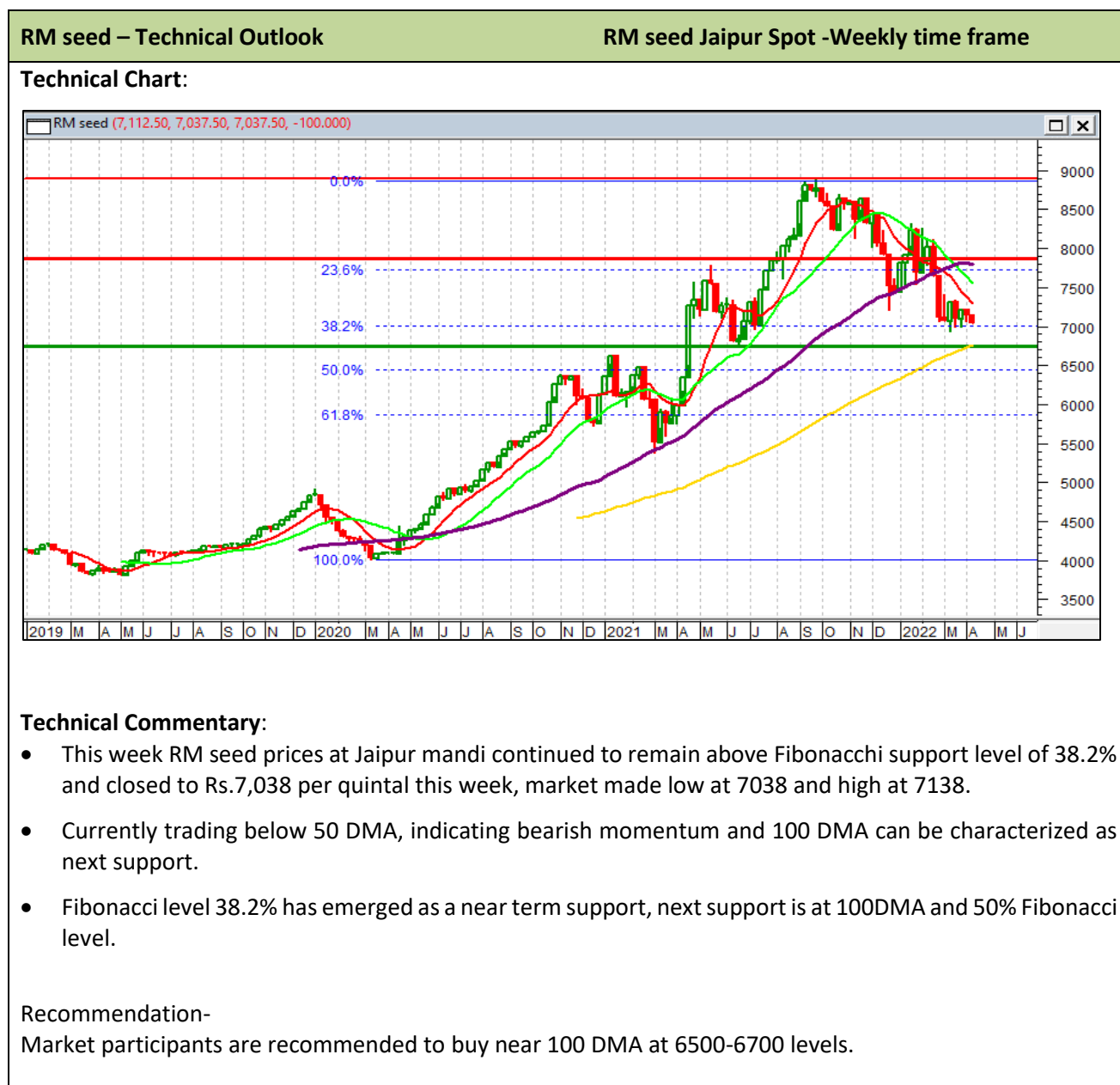
As per 2nd Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of RM seed during 2021-22 is 114.59 Lakh tonnes vs 102.1 Lakh tonnes last year.

Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes in Uttar Pradesh, 12.5 Lakh tonnes in Madhya pradesh.

Rapeseed meal export- According to Solvent extractor association of India, India's exports for rapeseed meal during April-Feb'2022 was down 25% at 7,72,423 metric tonnes compared to 10,28,745 metric tonnes during the same period previous year. The export of rapeseed meal in Feb'22 is reported at 42,666 metric tonnes against 37,790 metric tonnes during the last year same period i.e. up by 13%.

Technical Analysis

(Based on Jaipur Mandi prices)



RM seed Price Outlook for coming week: RM Seed is expected to trade range bound in the range of 6700-7200 with steady bias amid strong demand by millers and new crop arrivals.

RM seed Mandi Price Outlook (Rs./Qtl)	Previous week	Week Under review	Next week
Weekly Average Price	7063	7088	6900-7200

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
		08-Apr-22	02-Apr-22	08-Mar-22	9-Apr-21
Soybean					
Indore –Plant	2%	8000	7850	7800	6700
Indore–Mandi	3%	7850	7650	7600	6600
Nagpur-Plant	-2%	7800	7950	7600	6600
Nagpur – Mandi	-1%	7400	7450	7400	6300
Latur – Mandi	1%	7500	7440	7440	6520
Akola – Mandi	1%	7255	7190	7240	6400
Kota-Plant	1%	7900	7850	7700	6600
Kota – Mandi	1%	7800	7750	7500	6400
Bundi-Plant	3%	8000	7750	7600	6450
Bundi-Mandi	1%	7700	7650	7300	6350
Baran-Plant	1%	7950	7900	7600	6550
Baran-Mandi	-3%	7600	7800	7500	6450
Bhawani Mandi Jhalawar–Plant	0%	7950	7950	7800	6655
Jhalwar-Mandi	2%	7900	7750	7580	6370
Rapeseed/Mustard					
Jaipur-(Condition)	-1%	7050	7150	7075	6325
Alwar-(Condition)	-2%	6700	6850	6450	6050
Sri Ganganagar-(Non-Condition)	-5%	6300	6600	6350	5800
New Delhi–(Condition)	-3%	6900	7100	7200	5900
Kota-(Condition)	2%	6700	6570	6700	6000
Agra-(Condition)	-1%	7190	7238	6952	6381
Neewai-(Condition)	-4%	6600	6900	6700	6050
Hapur (UP)-(Condition)	0%	6800	6800	6700	5900
Groundnut Seed					
Rajkot	12%	1100	980	1031	1044
Sunflower Seed					

Gulbarga	-5%	6500	6850	5800	5500
Latur	-6%	7200	7700	7800	6880
Sholapur	-6%	7200	7700	7800	6880
<p>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.</p>					

MSP of Rabi Oilseeds for Marketing Season 2022-23- GOI

Sl. No	Crops	MSP for Rabi 2022-23	MSP for Rabi 2021-22	Increase in MSP (Absolute)
1	Rapeseed-mustard	5050	4,650	400
2	Safflower	5441	5,327	114

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 2022-23.

Government has increased the MSP of Rabi crops for marketing season 2022-23, 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. 5,050 per quintal for marketing season 2022-23 from Rs. 4,650 per quintal in 2021-22 an increase of Rs. 400 a quintal.

The MSP of safflower to Rs. 5,441 a quintal from earlier Rs. 5,321 per quintal an increase of Rs 114 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 soybean and Groundnut production seen higher in 1st Adv Est. for 2021-22-

The 1st Advance Estimates of production of soybean and groundnut for 2021-22 have been released by the Department of Agriculture, Cooperation and Farmers Welfare on 21st September, 2021. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

- Soyabean – 12.72 million tonnes vs 11.2 million tons last year.
- Groundnut – 8.25 million tonnes vs 8.55 million tons last year.

Total kharif oilseeds production in the country during 2021-22 is estimated at 23.39 million tonnes which is higher by 2.96 million tonnes than the average oilseeds production of 20.42 million tonnes.

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

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 latest official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 193.95 Lakh hectares, an decrease by 1.27% from 196.45. Lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 0.47% at 121.77 lha compared to 121.20 lha during the corresponding period of last year, groundnut at 49.14 lha vs 50.98 lha, sesamum 13.31 lha vs 13.99 lha, castor seed at 6.96 lha vs 7.34 lha and niger at 1.13 lha vs 1.57 lha, during the same period last year. We feel country's final area under oilseeds to be above normal by 5-7% this season

As on 17th September'21

Area in Lakh Hectares

Source- GOI

	Normal Area	2019-20	2020-21	% Change
Groundnut	41.7	50.98	49.14	-3.60%
Soybean	112.88	121.2	121.77	0.47%
Sunflower	1.42	1.23	1.51	23.20%
Sesamum	13.13	13.99	13.31	-4.91%
Niger	1.95	1.57	1.13	-28.06%
Castor	8.95	7.34	6.96	-5.13%
Total Oilseeds	180.03	196.45	193.95	-1.27%

Sown Area – Rabi Oilseeds, India 2021-22

In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 102.79 Lakh hectares, up 23% from 83.69 Lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported up by 25% at 91.63 lha compared to 73.12lha during the corresponding period of last year. Groundnut at 5.27 lha vs 5.18 lha, safflower at 0.76 lha vs 0.58 lha, sunflower at 1.19 lha vs 1.09 lha, linseed at 2.95 lha vs 2.80 lha.

Area in Lakh Hectares

<i>Crop</i>	<i>Normal Area (5 Year Avg.)</i>	<i>As on 04th Feb 2022</i>	<i>As on 04th Feb 2021</i>	<i>% Change</i>
Rapeseed/Mustard	61.55	91.63	73.12	25%
Groundnut	7.05	5.27	5.18	2%
Safflower	0.9	0.76	0.58	30%
Sunflower	1.86	1.19	1.09	10%
Linseed	2.53	2.95	2.80	6%
Others	0.04	0.10	0.09	11%
Total Oilseeds	73.9	102.79	83.69	23%

Source: MoA, GOI

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