



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant went up marginally by 0.72% to Rs. 7,868/qtl. Prices were in the range of Rs. 7,787-7,950/qtl during the week. In upcoming week soybean prices likely to remain elevated.

According to SOPA, In Oct-March'22 crush remained low by 35% at 40.5 Lakh tonnes as compared to 62.5 Lakh tonnes previous year same period. Arrivals too recorded low by 18% to 61 Lakh tonnes as compared to 74.75 Lakh tonnes previous year same period.

Soybean crush margin continued to improve during the week under review on firm soy oil prices and decline in Soybean prices. Weekly average soybean crush margin stood at Rs. -1932/ MT as compared to past week's Rs. -1366/MT.

The weekly average prices of soymeal went up by 1.8% at Rs 61,750/MT as compared to last week at Rs 60,666/MT.

RM seed prices eased marginally by 0.2% and is expected to remain rangebound to steady amid new crop arrivals.

During the period, total mustard arrivals in Rajasthan down by 37% at 16.65 Lakh bags as compared to previous week's 26.25 Lakh bags. All India arrivals stood at 34.25 Lakh bags Vs 47.75 Lakh bags previous week.

Soybean Production Estimates: Fig. In Lakh tonnes

India's Soybean Production	2021-22	2020-21	% Change
Ministry of Agriculture	131.16	128.97	2%
Agriwatch	117.2	104.5	12%
USDA	119	104.5	14%

As per Agriwatch, India's 2020-21 Soybean production is estimated at 117.2 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. Overall, USDA report likely to keep oilseed complex prices firm.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): In upcoming week, soybean prices are expected to trade range bound with firm bias amid tight arrivals. 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.

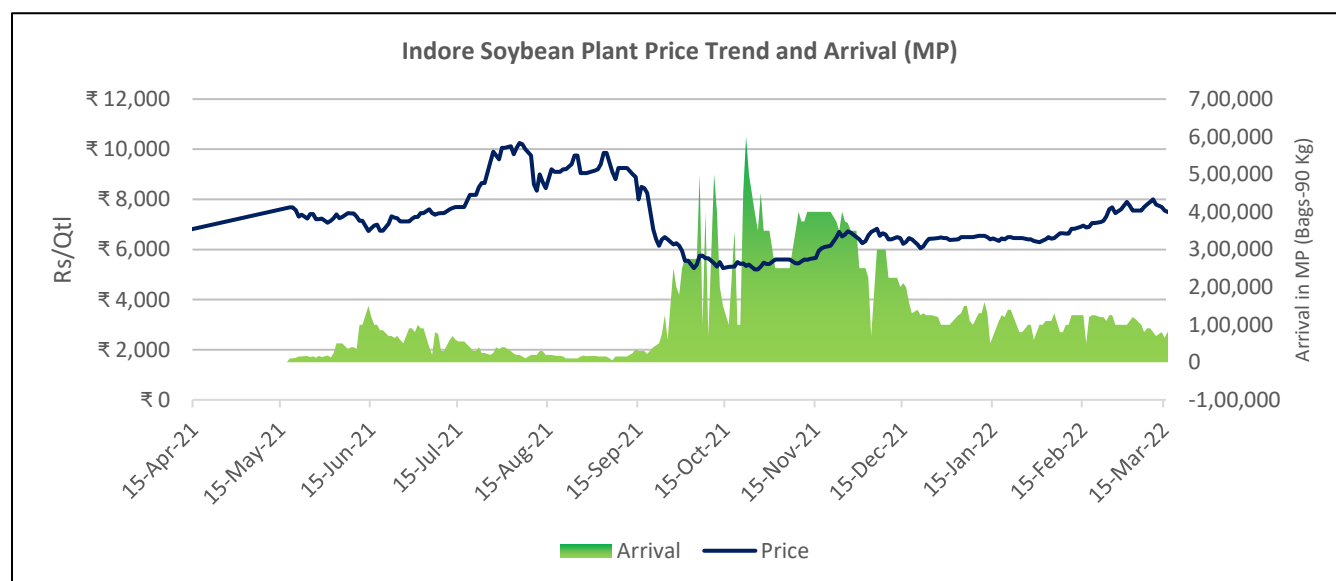
Outlook – Soy meal:

Soymeal 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

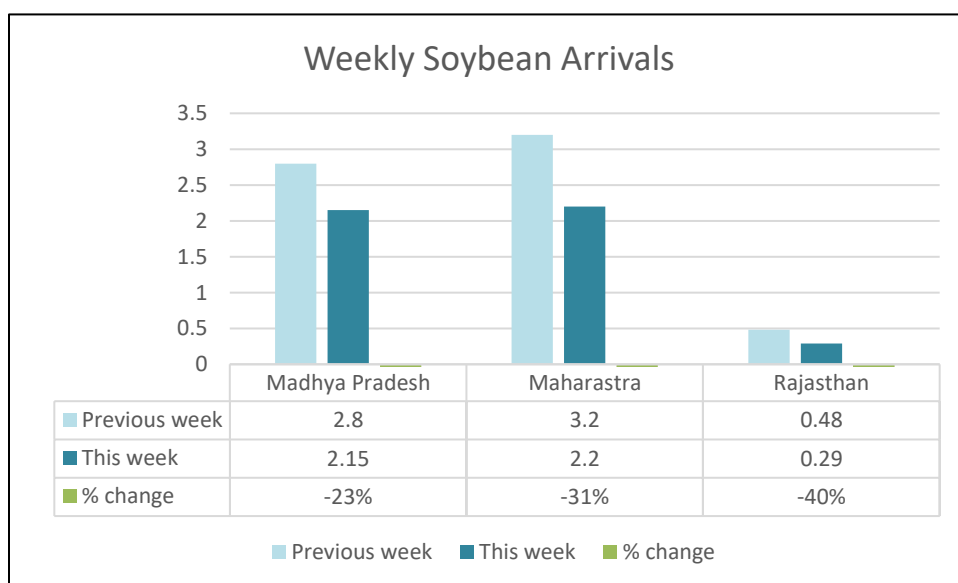
This week, most of the mandis remained close on Thursday and Friday due to festivities. Soybean Indore plant weekly average prices mostly remained sideways with firm bias and went up marginally by 0.72% to Rs. 7,868/mt. During the week under review, arrivals recorded low by 23%. At present, farmers are releasing their stocks as per their requirement. Therefore, in March overall arrivals remained high as compared to previous year.



This week, the total arrival in MP stood at 2.15 Lakh bags Vs 2.8 Lakh bags last week. In Maharashtra arrivals stood at 2.2 Lakh bags Vs 3.2 Lakh bags last week and in Rajasthan the arrivals stood at 0.29 Lakh bags Vs 0.48 Lakh bags previous week. This week arrivals recorded low as mandis remained closed due to holiday.

Skymet has forecasted southwest monsoon at to be

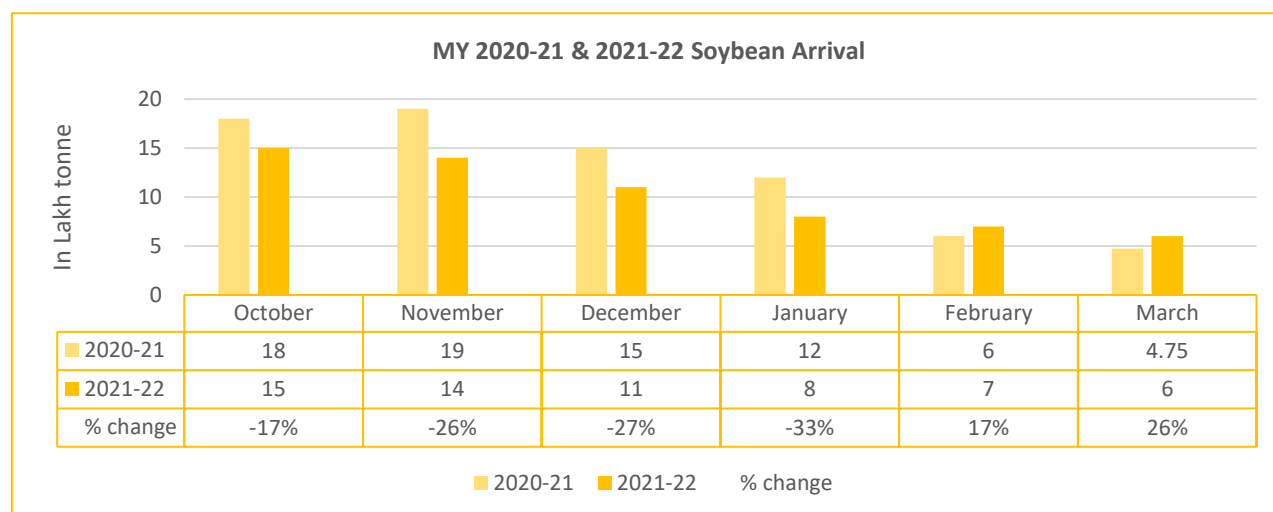
the normal at 98% of long period average with an error margin of $\pm 5\%$ of 880.6 mm for the 4-month long period from June to September. In terms of geographical risk, Skymet expects Rajasthan, Gujarat, Nagaland, Manipur,



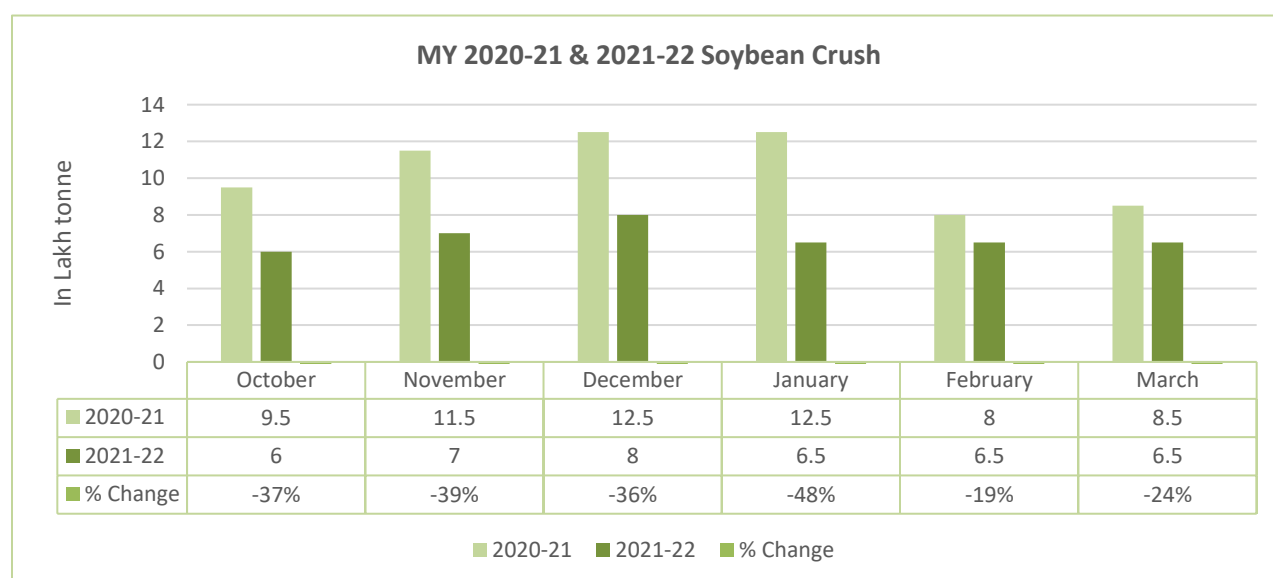
Mizoram, and Tripura to be at risk of being rain deficit throughout the season. As Rajasthan is third largest state for Soybean production, rain deficit may affect sowing and in later stage yield may remain lower.

India Meteorological Department (IMD) has also forecasted for the 2022 Southwest Monsoon Season Rainfall, predicting normal rainfall to be 99% of the Long Period Average (LPA) with a model error of $\pm 5\%$. South west monsoon seasonal (June-Sept) rainfall over the country as a whole is most likely to be normal (96 to 104%) of LPA.

SOPA Soy Crush and Arrivals-

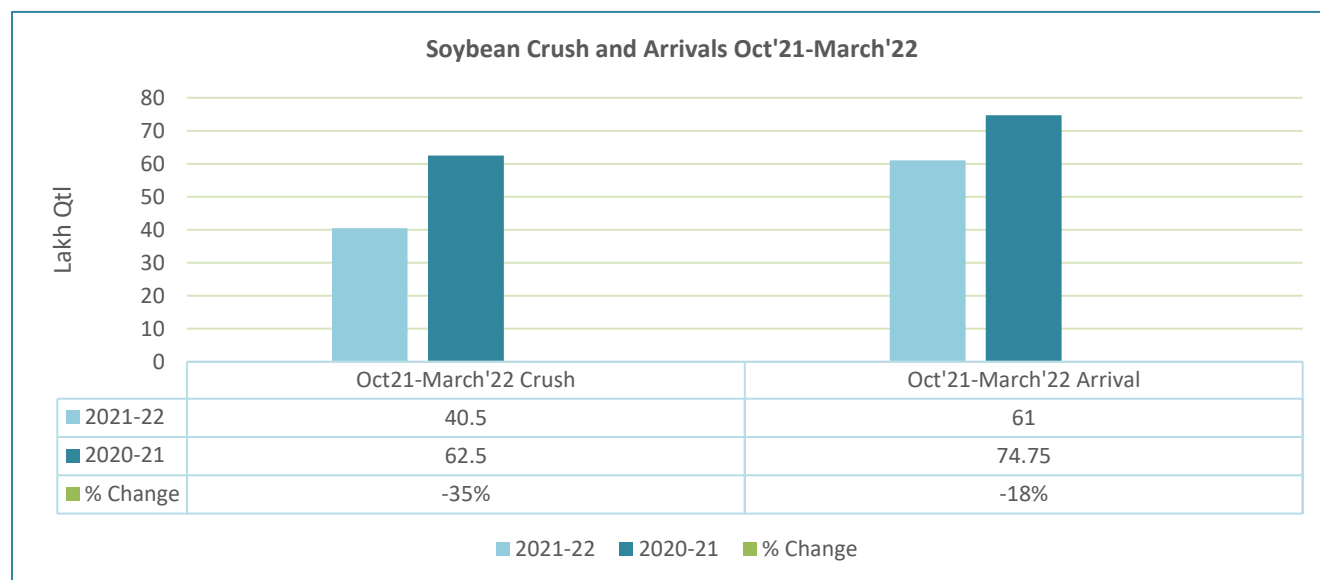


Upon firm Soy prices in Feb and March, Farmers released their stocks and arrivals recorded 26% high at 6 Lakh tonnes. In April and May too, farmers may continue to offload their stocks on need based selling for kharif sowing.



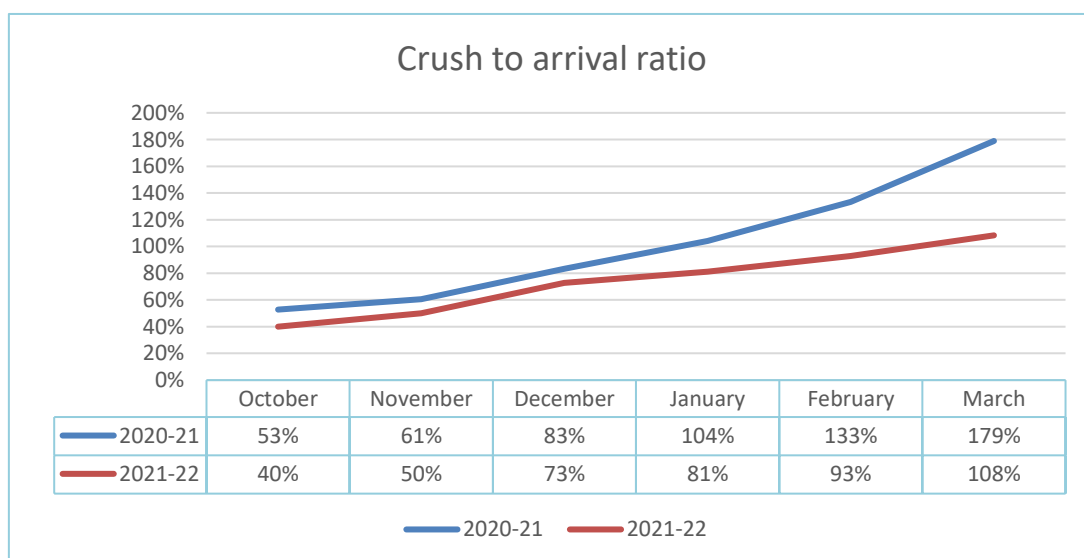
Despite firm arrivals as compared to previous years, Soy crushing remained low on disparity and low soy meal export and domestic demand due to high prices. In April and May too, crushing is likely to remain weak for the same reason.

Soy crush and Arrivals Oct'21-March'22

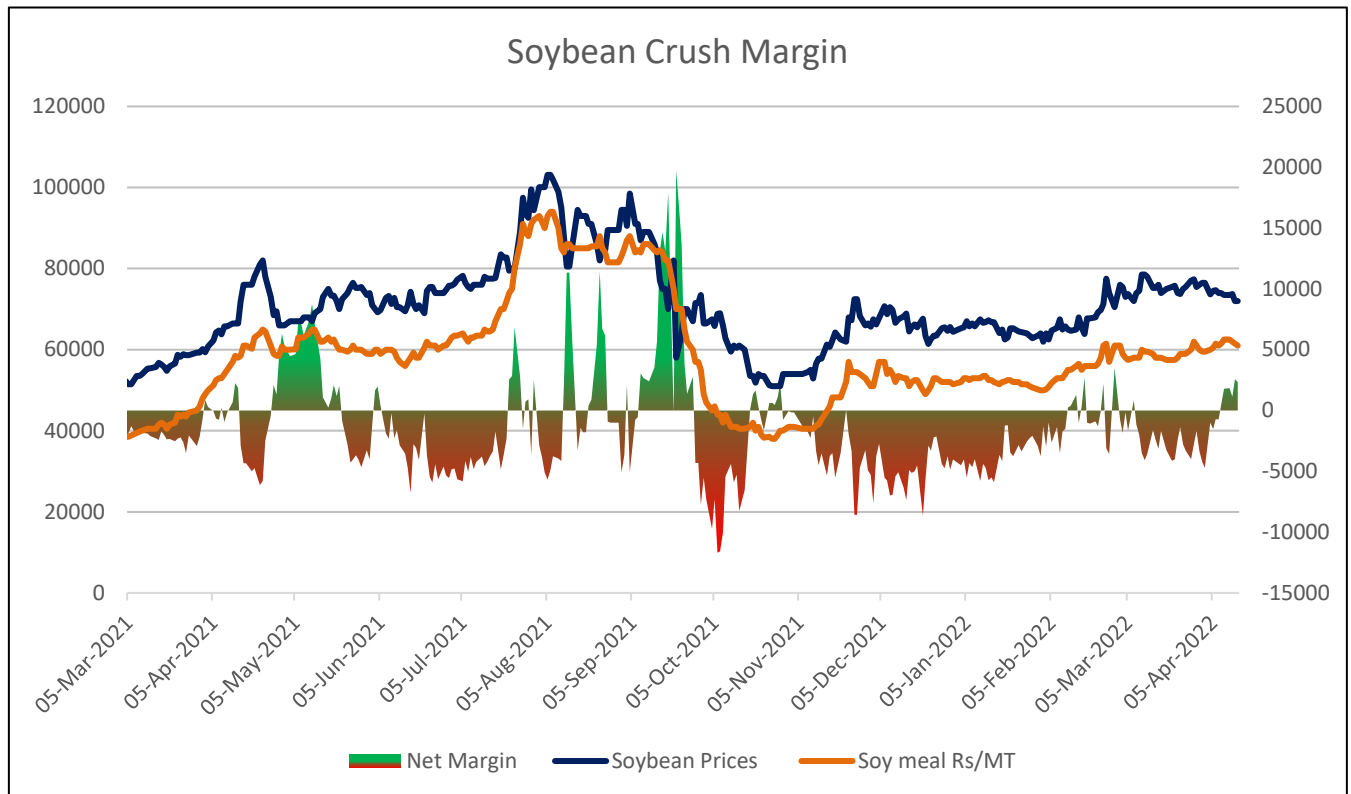


According to SOPA, In Oct-March'22 crush remained low by 35% at 40.5 Lakh tonnes as compared to 62.5 Lakh tonnes previous year same period. Arrivals too recorded low by 18% to 61 Lakh tonnes as compared to 74.75 Lakh tonnes previous year same period. According to Agriwatch, out of the total availability of 125.9 Lakh tonnes 61 Lakh tonnes have been arrived till March'22 in the market while 40.5Lakh tonnes crushing have been done. Prices are high despite higher ending stocks at 17%, as farmers are holding major chunks in anticipation of better prices.

Crush to arrival ratio in March'22 stood at 108% as compared to previous month at 93%.



Soybean Crush Margin-



Soybean crush margin continued to improve during the week under review on firm soy oil prices and decline in Soybean prices. Weekly average soybean net crush margin stood at Rs. -1932/ MT as compared to past week's Rs. -1366/MT. If Soy meal and Soy oil prices continued to remain firm, crush margin likely to remain on positive side in upcoming weeks.

International: This week, CBOT Soybean MAY futures remained volatile and closed marginally low by 0.40% to \$16.82/ bushel.

As per recent available data, Brazil's 2021-22 soybean harvesting, is at par with last year's 85% whereas Argentina's Soybean harvesting stood at 8.8% as compared to 3.6% previous year.



According to China's General Administration of Customs data, The world's top importer of soybean brought in 6.35 million tonnes of the oilseed in March, down 18% from 7.77 million a year earlier, bad weather delayed the harvest and exports from Brazil.

Technical Analysis

(Based on Indore Mandi prices)

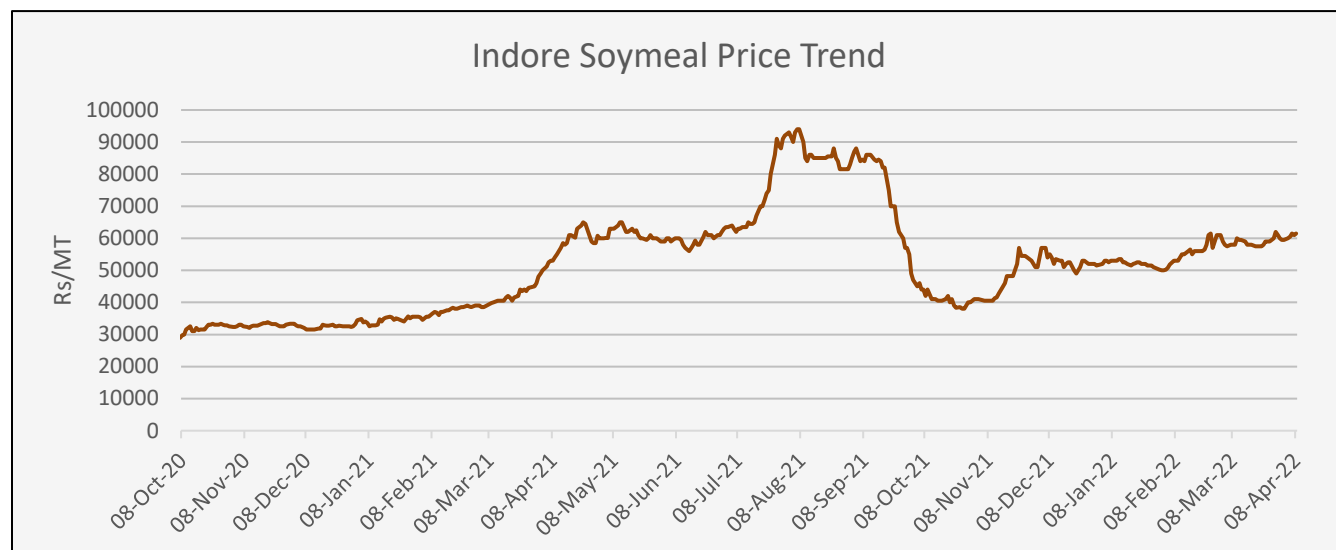


Soybean Price Outlook for coming week: Indore Soybean mandi is currently trading at Rs. 7600/qtl. Soybean are expected to trade with firm bias amid low arrivals and multimonth high CBOT soybean prices.

Soybean Mandi Price Outlook (Rs./Qtl)	Previous week	Week Under review	Next week
Weekly Average Price	7,508	7,593	7,400-7,600

Soymeal

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. As per sources, Government is mulling on parity to import Soymeal from Argentina and Bangladesh. If such happens, it may cool off Soymeal prices and so Soybean to some extent.

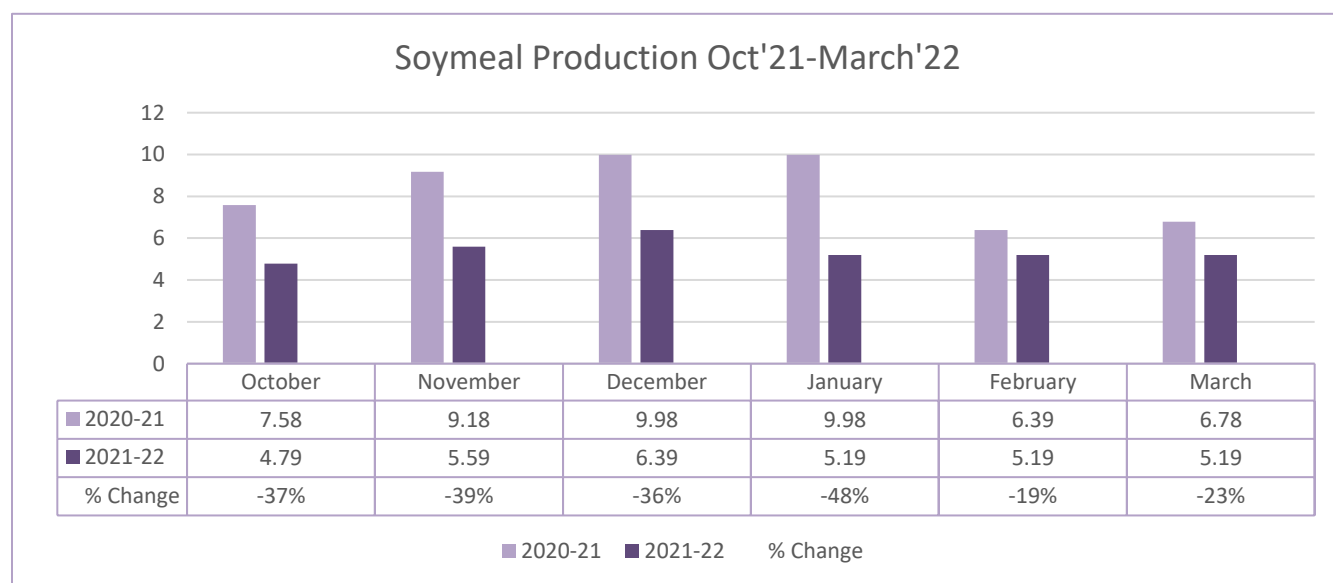


The weekly average prices of soymeal went up by 1.8% at Rs 61,750/MT as compared to last week at Rs 60,666/MT. Overall the prices quoted between Rs 61,000 – 62,500/MT throughout the week.

At Latur, the weekly average prices went down to Rs. 64,266/MT compared to Rs. 65,417/MT a week ago. In Nanded too it eased slightly to Rs. 63,166/MT compared to Rs. 63,250/MT a week ago. In Kota the meal prices were up at Rs. 65,816/MT compared to Rs. 64,850/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 Production till March'22



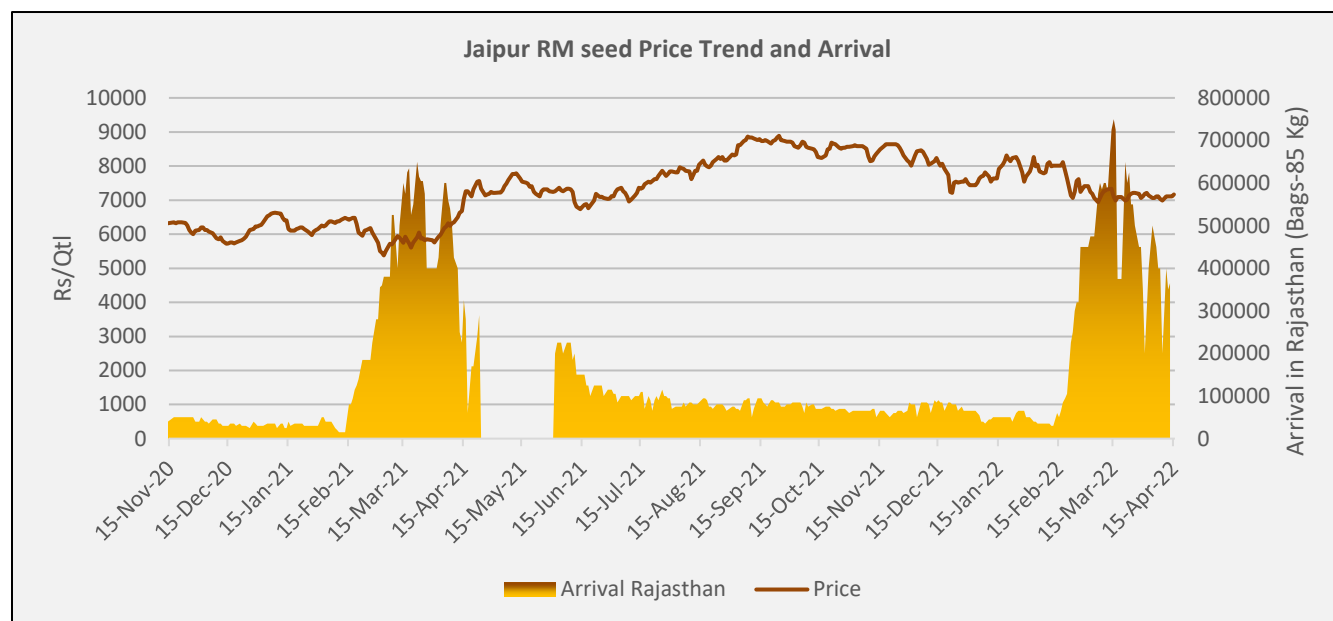
Upon weak export and domestic soymeal feed demand due to high prices coupled with tight crush margin, Soymeal production remained low by 23% in March'22 at 5.19 Lakh tonnes as compared to 6.78 Lakh tonnes previous year. We expect low crushing in April and May'22 for the same reason.

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 Indore Price Outlook (Rs./MT)	Previous week	Week Under review	Next week
Weekly Average Price	61,750	61,750	61,000-63,000

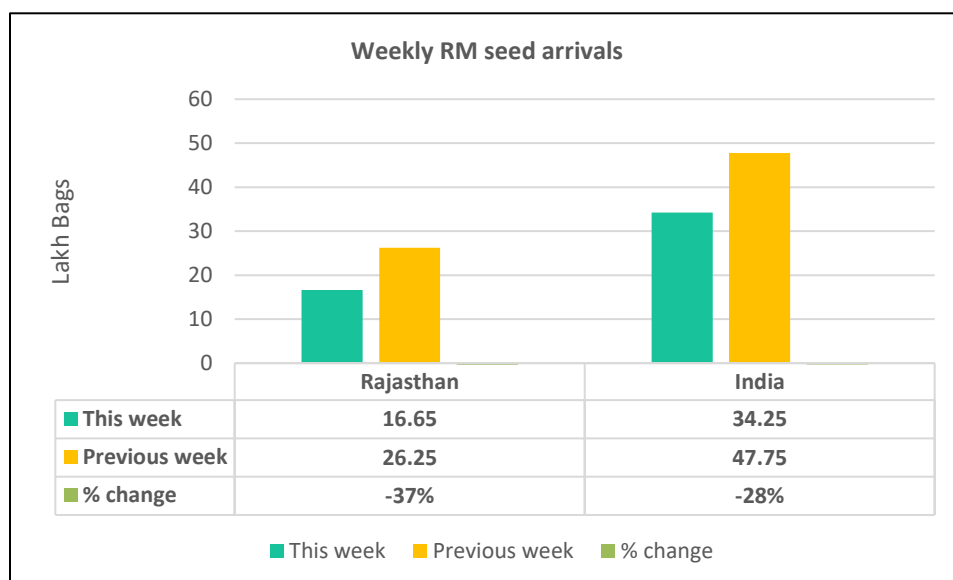
Rapeseed - Mustard Seed

During the week under review, Jaipur RM seed weekly average prices eased marginally by 0.2% to Rs. 7,100/qrtl. As per market sources, farmers are expected to hold RM seed in anticipation of better prices in future. Mustard oil prices decreased from first week of April which has resulted into disparity in crush margin and crushing momentum has slowed down.



Arrivals has eased, during the week under review, in Rajasthan, total mustard arrivals were down by 37% at 16.65 Lakh bags as compared to previous week's 26.25 Lakh bags. All India arrivals stood at 34.25 Lakh bags Vs 47.75 Lakh bags previous week.

In coming week, arrivals is expected to decline and prices may remain elevated.



Production- As per Agriwatch, 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 estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 114.59 Lakh tonnes vs 102.1 Lakh tonnes last year.

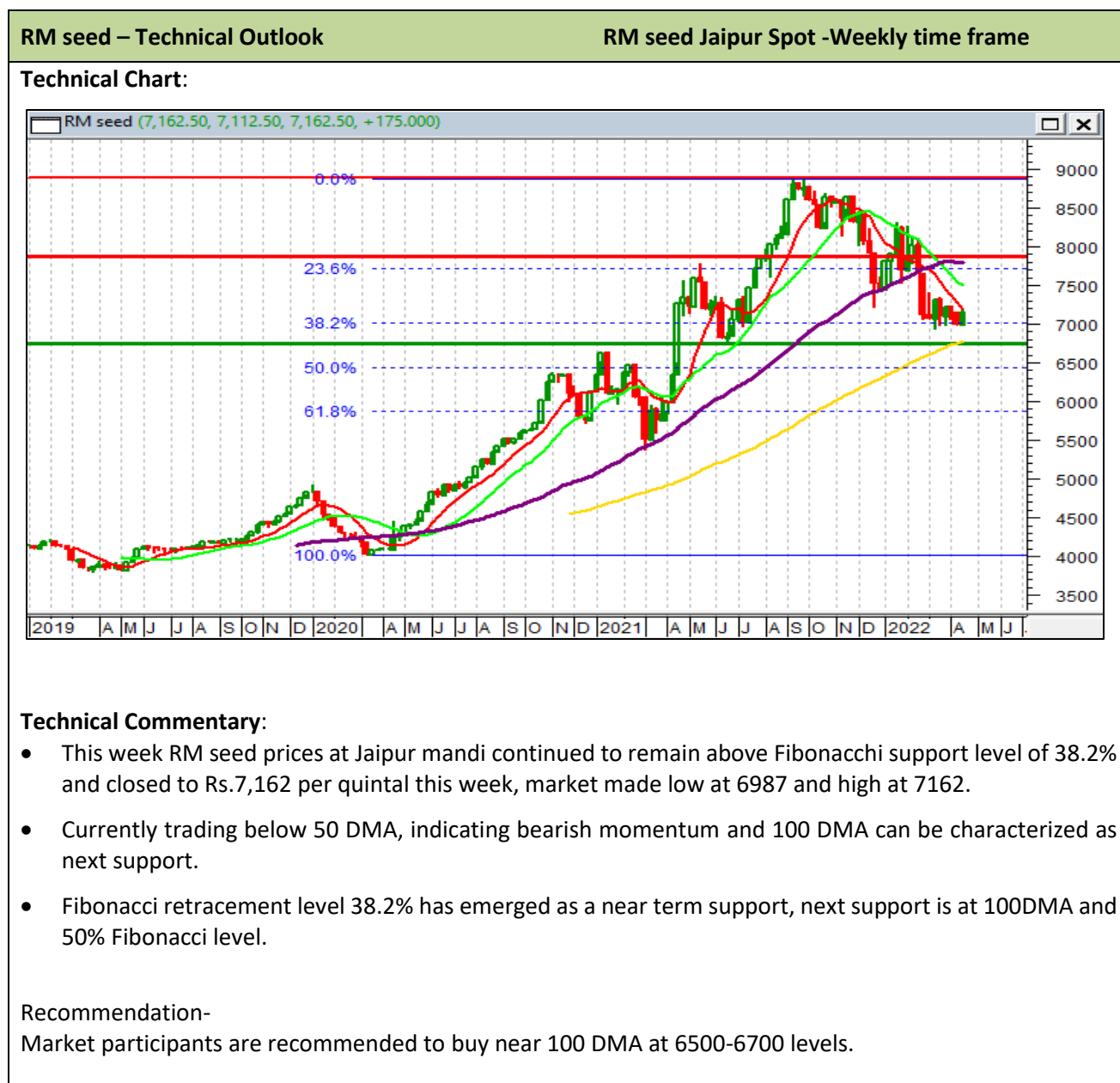
Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes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

Union Ministry of Consumer Affairs, Food and Public Distribution has stated "Inspections have revealed very large hoardings of soyabean and mustard seeds in Dewas, Shajapur & Guna districts of Madhya Pradesh. Besides, large quantities of edible oils have been found in excess of the prescribed quantities of the control order in Maharashtra and Rajasthan. Upon hoarding of large quantities, prices went up in the domestic markets.

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 firm demand by millers and new crop arrivals.

Jaipur RM seed Mandi Price Outlook (Rs./Qtl)	Previous week	Week Under review	Next week
Weekly Average Price	7,088	7100	6900-7200

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Week under review	Week Ago	Month Ago	Year Ago
Soybean		15-Apr-22	09-Apr-22	15-Mar-22	15-Apr-21
Indore –Plant	-1%	7850	7900	7600	-
Indore–Mandi	-	Closed	7700	7550	-
Nagpur-Plant	-4%	7400	7700	7600	7300
Nagpur – Mandi	-	Closed	7450	7200	7000
Latur – Mandi	-	Closed	7450	7350	7075
Akola – Mandi	-	NA	7325	7260	7100
Kota-Plant	2%	7970	7800	7550	7200
Kota – Mandi	3%	7800	7600	7500	7100
Bundi-Plant	1%	7940	7900	7700	7100
Bundi-Mandi	1%	7570	7500	7400	6900
Baran-Plant	0%	7930	7900	7700	7100
Baran-Mandi	0%	7680	7650	7500	7000
Bhawani Mandi Jhalawar–Plant	0%	7900	7900	7600	7300
Jhalwar-Mandi	-	Closed	7800	7400	7100
Rapeseed/Mustard					
Jaipur-(Condition)	3%	7175	7000	7100	7050
Alwar-(Condition)	-	Closed	6600	6500	6800
Sri Ganganagar-(Non-Condition)	3%	6400	6200	6745	6400
New Delhi–(Condition)	2%	6950	6800	6800	6600
Kota-(Condition)	2%	6700	6600	6700	6800
Agra-(Condition)	2%	7286	7143	7143	7143
Neewai-(Condition)	3%	6920	6700	7050	6600
Hapur (UP)-(Condition)	1%	6800	6700	6750	6700
Groundnut Seed					
Rajkot	-6%	1080	1150	1018	-
Sunflower Seed					

Monday, April 18, 2022

Gulbarga	-	Closed	6500	7000	-
Latur	-	Closed	7200	7800	7200
Sholapur	0%	7200	7200	7700	7200

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.

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