

Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant continued correction and eased by 2.98% to INR. 7,398/qrtl during the week under review. Prices were in the range of INR. 7,300-7,750/qrtl during the period. In the coming week soybean prices likely to remain weak on Soymeal import decision by the Government.

The weekly average prices of Indore soymeal too went down by 7.5% to INR 53,083/MT as compared to last week at INR 57,416/MT tracking Soymeal import decision by government.

Jaipur RM seed prices went up by 1.4% to INR 7,454/ Qtl on the back of palm oil export ban by Indonesia. Farmers are holding crop in anticipation of better prices in future.

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. Agriwatch has revised down Soy production to 117.2 Lakh tonnes as compared to previous estimate at 120 Lakh tonnes. Whereas USDA and Government has estimated at 119 and 131.16 Lakh tonnes respectively.

Outlook – Cash Market

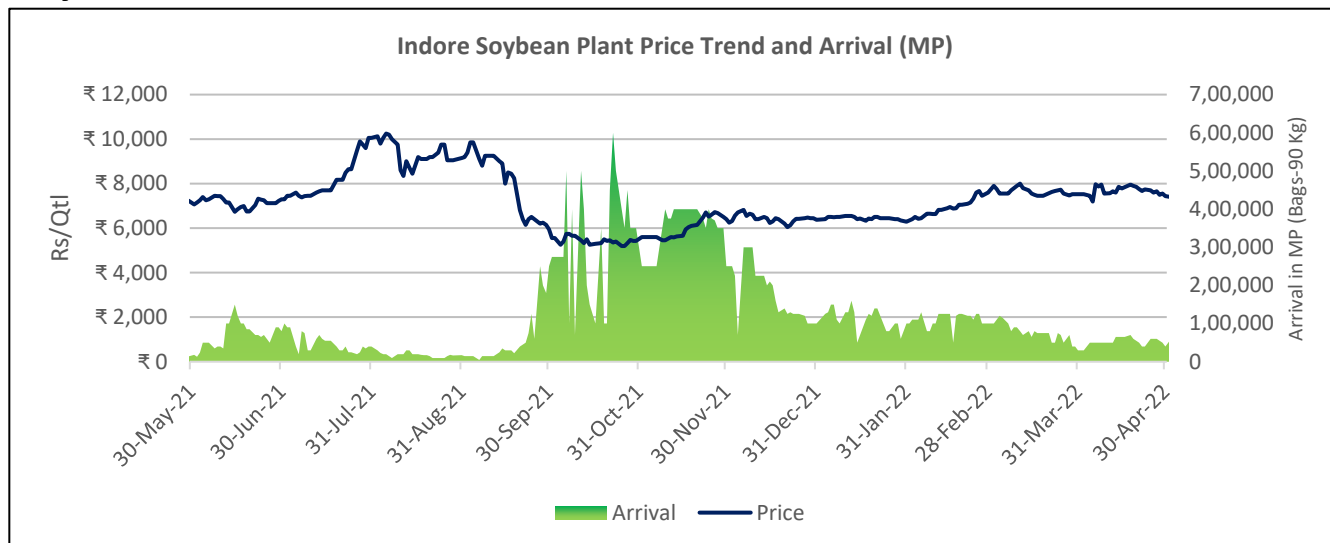
Outlook - Soybean (Spot, Nagpur): In coming week, soybean prices are expected to remain weak on Soy meal import. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 7,100 – 7,300 level in the near term.

Outlook – Soy meal:

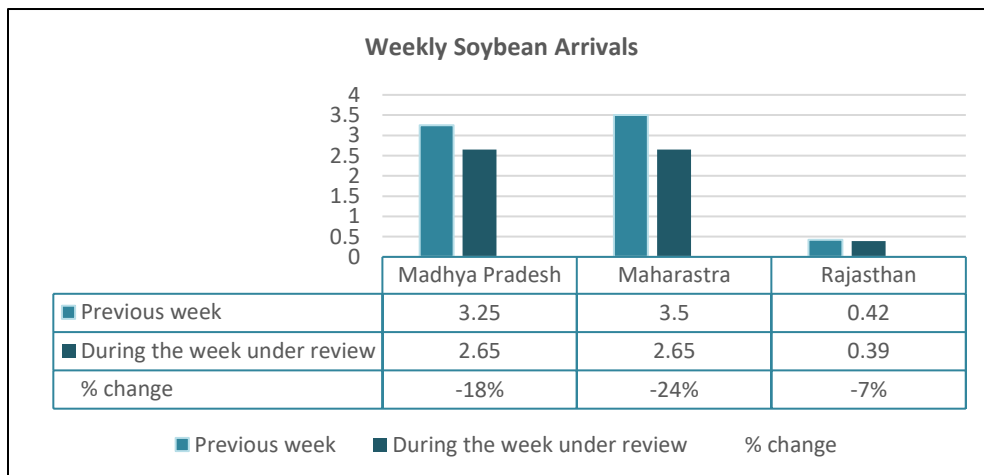
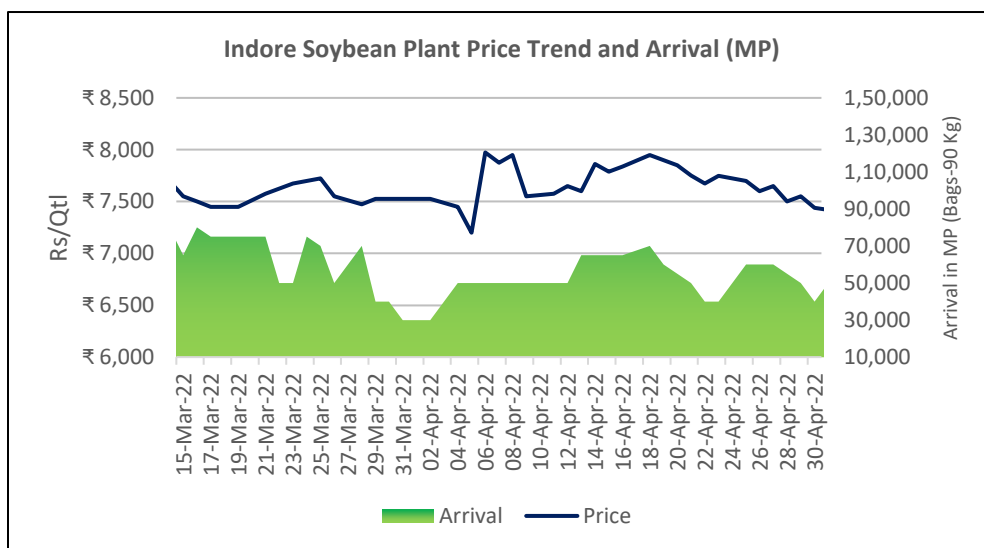
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import. Soy meal Indore prices is likely to trade in the range of 48,000 – 54,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected trade range bound with firm bias amid palm oil export ban by Indonesia and shrinking arrivals in mandis. The seed prices are likely to trade in the range between 7,300 – 7,600/Qtl. in the short-run.

Soybean



During the week under review, Soybean prices went down on Government decision to allow Soy meal import on the back of poultry industry pressure and correction in CBOT Soybean prices. Indore plant weekly average prices eased by 2.98% to INR. 7,398/qrtl. as compared to 7,625/qrtl. Domestic crushing likely to remain sluggish on squeeze in crush margin due to correction in Soy meal prices. In Kota farmers releasing soy stocks as they are holding Mustard in anticipation of better prices.





This week, the total arrival in MP stood at 3.65 Lakh bags Vs 3.25 Lakh bags last week. In Maharashtra arrivals stood at 3.5 Lakh bags Vs 2.65 Lakh bags last week and in Rajasthan the arrivals stood at 0.42 Lakh bags Vs 0.39 Lakh bags previous week.

Weather Updates-

STATE-WISE RAINFALL DISTRIBUTION

		Day:06-05-2022				Period:01-03-2022 To 06-05-2022			
S NO	MET. SUBDIVISION/UT/STATE/DISTRICT	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.	ACTUAL (mm)	NORMAL (mm)	% DEP.	CAT.
REGION : EAST AND NORTH EAST INDIA									
1	ARUNACHAL PRADESH	0.0	8.1	-99%	LD	551.9	536.1	3%	N
2	ASSAM	0.0	8.9	-99%	LD	384.1	313.4	23%	E
3	MEGHALAYA	7.1	13.5	-48%	D	559.6	405.3	38%	E
4	NAGALAND	0.3	6.8	-96%	LD	237.2	220.2	8%	N
5	MANIPUR	0.1	7.2	-99%	LD	217.5	213.9	2%	N
6	MIZORAM	0.6	10.4	-94%	LD	115.0	281.6	-59%	D
7	TRIPURA	3.0	14.4	-79%	LD	144.1	357.4	-60%	LD
8	SIKKIM	5.6	7.3	-24%	D	496.1	374.6	32%	E
9	WEST BENGAL	11.1	3.7	200%	LE	103.1	115.5	-11%	N
10	JHARKHAND	3.8	1.0	285%	LE	21.9	41.9	-48%	D
11	BIHAR	3.8	1.1	247%	LE	27.7	32.1	-14%	N
REGION : NORTH WEST INDIA									
1	UTTAR PRADESH	0.0	0.2	-98%	LD	4.2	16.0	-74%	LD
2	UTTARAKHAND	1.8	1.8	2%	N	19.6	98.2	-80%	LD
3	HARYANA	0.1	0.2	-59%	D	3.6	22.5	-84%	LD
4	CHANDIGARH (UT)	0.0	0.0	-100%	NR	6.8	50.0	-86%	LD
5	DELHI (UT)		0.5		ND	5.9	26.5	-78%	LD
6	PUNJAB	0.0	0.2	-100%	NR	4.4	40.0	-89%	LD
7	HIMACHAL PRADESH	0.0	1.6	-100%	NR	21.9	189.1	-88%	LD
8	JAMMU & KASHMIR (UT)	0.0	2.3	-100%	NR	59.3	270.5	-78%	LD
9	LADAKH (UT)	0.0	0.1	-100%	NR	6.3	21.8	-71%	LD
10	RAJASTHAN	0.3	0.1	167%	LE	3.0	9.4	-69%	LD
REGION : CENTRAL INDIA									
1	ODISHA	6.6	1.6	313%	LE	34.8	67.6	-48%	D
2	MADHYA PRADESH	0.0	0.1	-100%	NR	2.3	11.2	-80%	LD
3	GUJARAT	0.0	0.2	-99%	LD	0.1	1.7	-96%	LD
4	DADAR & NAGAR HAVELI (UT)	0.0	0.0	-100%	NR	0.0	0.0	-100%	NR
5	DAMAN & DIU (UT)	0.0	0.0	-100%	NR	0.9	0.3	198%	LE
6	GOA	0.0	0.8	-100%	NR	54.3	20.2	169%	LE
7	MAHARASHTRA	0.0	0.3	-100%	NR	4.6	14.1	-68%	LD
8	CHHATTISGARH	0.1	0.7	-90%	LD	12.3	26.9	-54%	D
REGION : SOUTH PENINSULA									
1	ANDAMAN & NICOBAR (UT)	13.9	10.1	38%	E	213.9	148.0	45%	E
2	ANDHRA PRADESH	2.6	1.1	140%	LE	22.8	40.4	-43%	D
3	TELANGANA	0.1	0.8	-92%	LD	18.5	33.8	-45%	D
4	TAMIL NADU	0.3	2.2	-88%	LD	90.6	74.0	22%	E
5	PUDUCHERRY (UT)	0.0	4.9	-100%	NR	52.7	58.7	-10%	N
6	KARNATAKA	4.0	1.7	134%	LE	93.1	53.3	75%	LE
7	KERALA	1.3	6.5	-81%	LD	269.1	167.6	61%	LE
8	LAKSHADWEEP (UT)	0.1	4.9	-99%	LD	112.5	65.7	71%	LE
COUNTRY :		1.4	1.7	-19%		58.8	79.8	-26%	

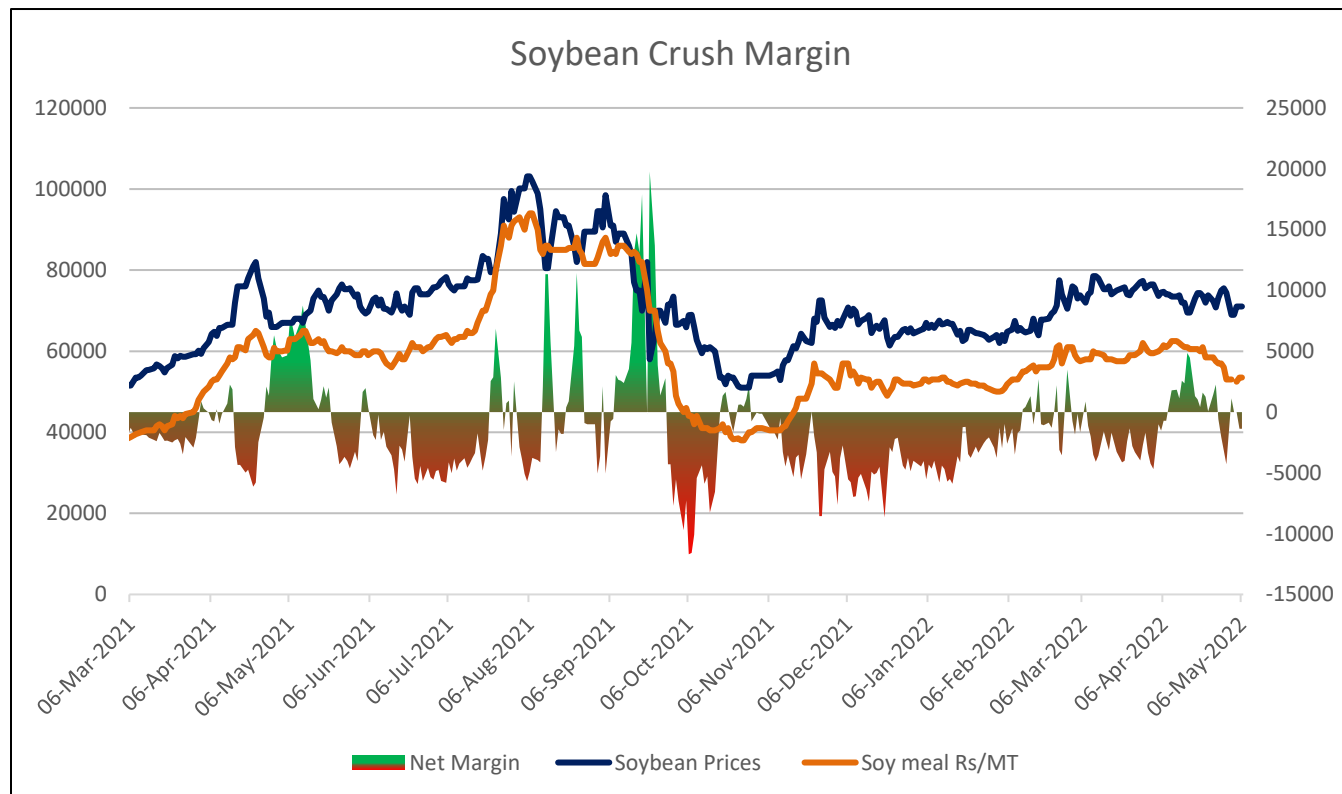
CATEGORYWISE DISTRIBUTION OF NO.OF STATES

CATEGORY	Day:06-05-2022	Period:01-03-2022 To 06-05-2022
	NO.OF STATES	NO.OF STATES
Large Excess	7	5
Excess	1	5
Normal	1	6
Deficient	3	6
Large Deficient	13	14
NoRain	11	1
NoData	1	0

According to IMD, West Bengal, Bihar, Odisha, Jharkhand likely Join Northeast India in Receiving Pre-Monsoon Rain, Thunderstorms from May 6-10.

Soybean Crush Margin-

Soybean net crush margin remained positive during the week under review. Weekly average soybean net crush margin increased to INR -347/MT as compared to INR. -1194/ MT previous week amid correction in bean prices. If Soy prices further declines, crush margin may improve in coming days.



Previous week update-

The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya mills for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects, with the effect of this, soyabean is likely to trade with weak bias.

International: This week, CBOT Soybean June futures corrected on profit-booking, and beneficial US planting weather and went down by 3.72% to \$16.22/ bushel.

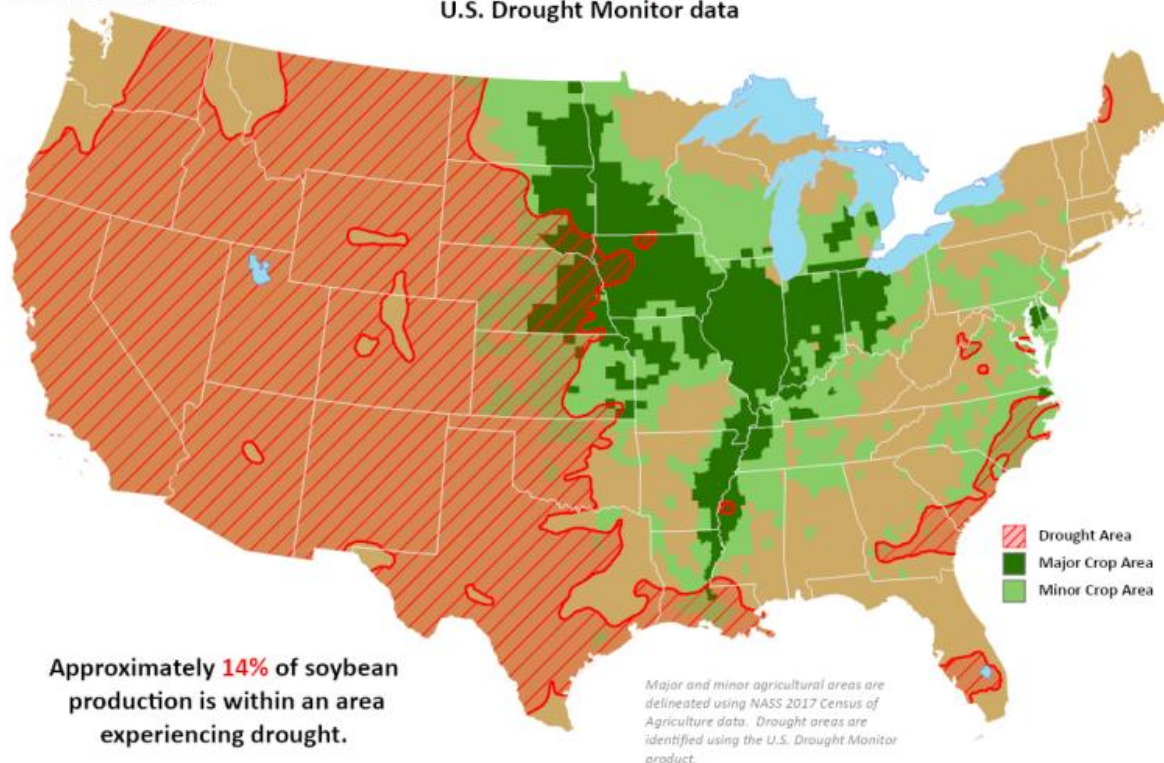
According to USDA latest planting report USA Soybean sowing progress stood at 8% Vs 22% previous year and 13% five year average.

As per recent available data, Brazil's 2021-22 soybean harvesting, is at 87% which is lower than 90% last year. whereas Argentina's Soybean harvesting stood at 14.4% as compared to 27% previous year. Argentina's harvesting is lagging due to energy crisis in the country.



Soybean Areas in Drought

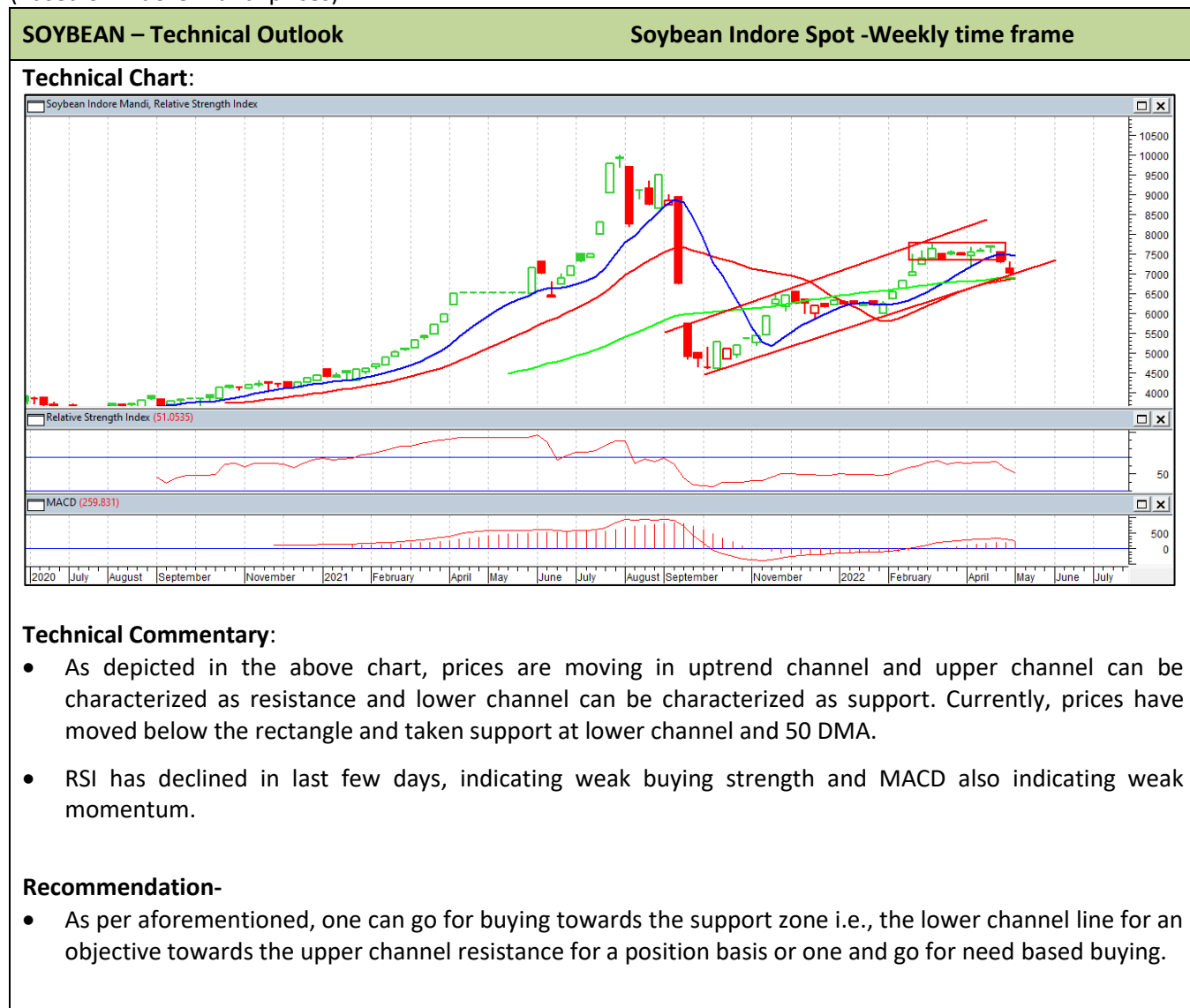
Reflects May 3, 2022
U.S. Drought Monitor data



Currently in US, 14% of Soybean production is within an area experiencing drought.

Technical Analysis

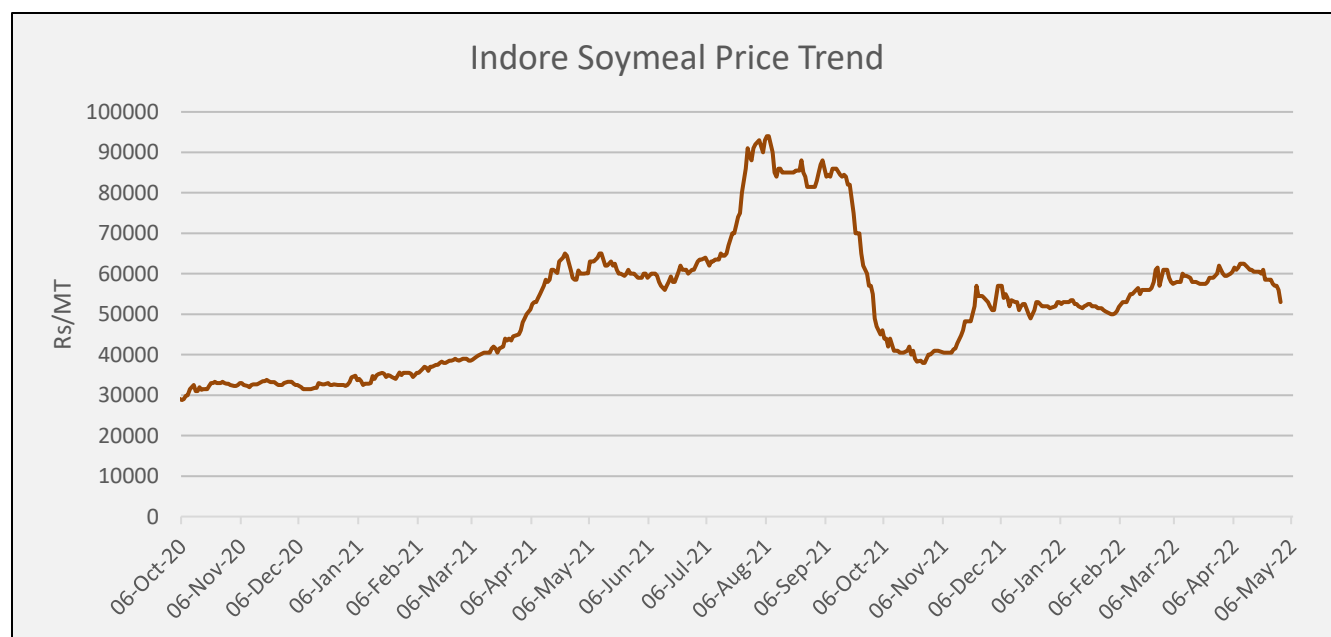
(Based on Indore Mandi prices)



Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 7550/mtl. and are expected to trade with weak bias tracking Soy meal import and correction in CBOT Soybean.

Soybean Mandi Price Outlook (INR./Qtl)	Previous week 16th-22nd April'22	Week Under review 23rd-29th April'22	Next week 30th-06th May'22
Weekly Average Price	7,483	7,198	6,800-7,200

Soymeal



During the week under review, Indore Soymeal prices continued trading with weak sentiments tracking Soy meal import decision by the government. The weekly average prices of soymeal went down by 7.5% at INR 53,083/MT as compared to last week at INR 57,416/MT. Overall the prices quoted between INR 52,500 – 53,500/MT throughout the week.

At Latur, the weekly average prices went down to INR. 53,916/MT compared to INR. 59,833/MT a week ago. In Nanded too it declined to INR. 56,500/MT compared to INR. 60,500/MT a week ago. In Kota the meal prices were down at INR. 55,916/MT compared to INR. 60,033/MT previous week.

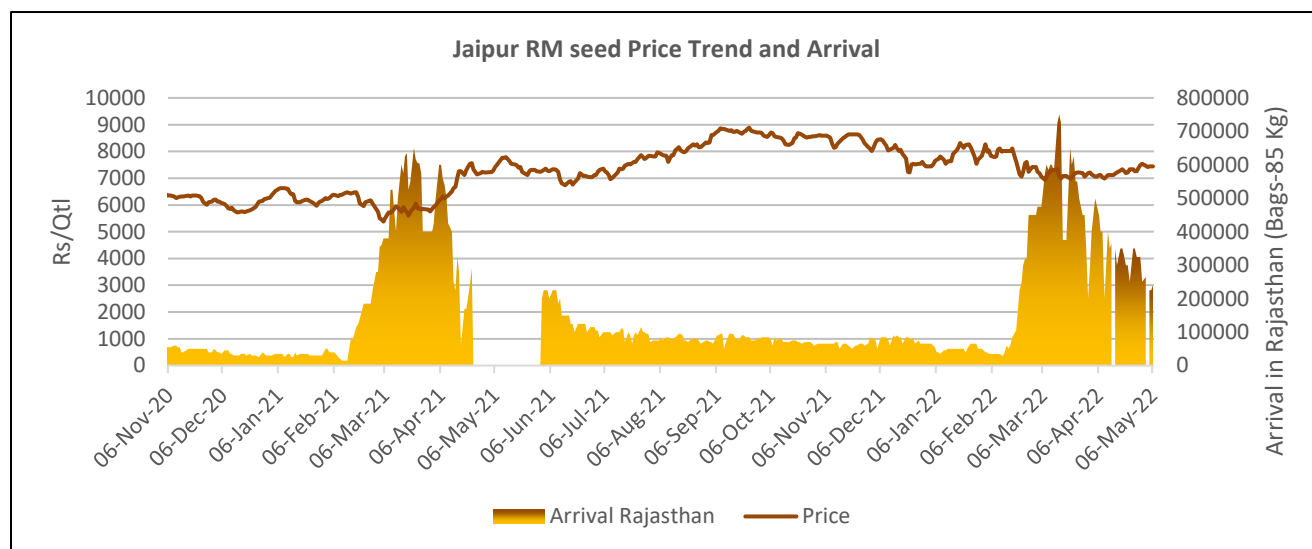
Domestic crushing was already low due to weak soymeal export demand. Upon Soymeal import, domestic crushing likely to slow down due to squeeze in crush margin on decline in Soymeal prices.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue correction from current level tracking Soymeal import decision by government.

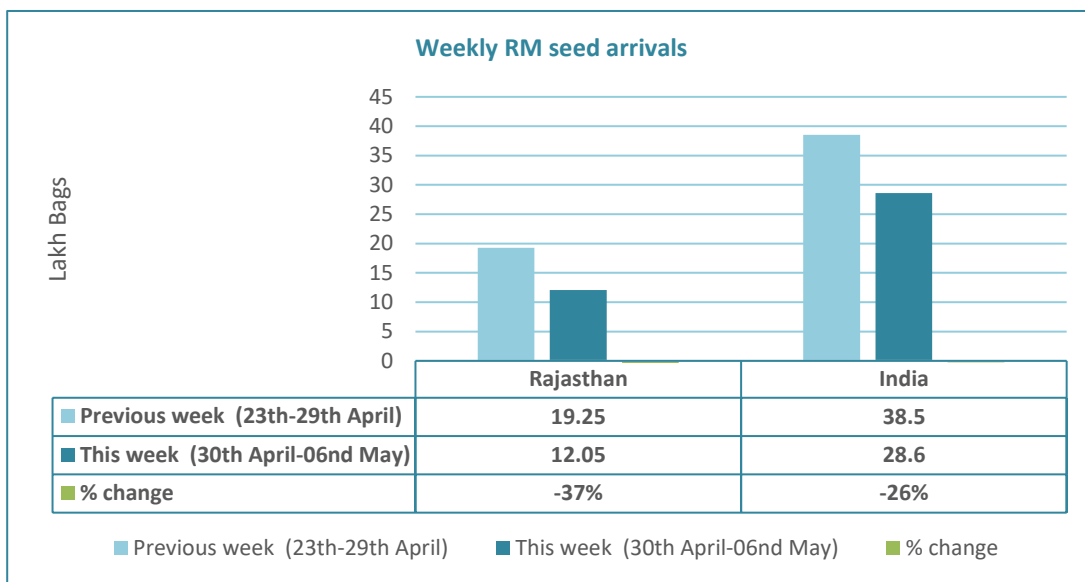
Soymeal Indore Price Outlook (INR./MT)	Previous week 16th-22nd April'22	Week Under review 23rd-29th April'22	Next week 30th-06th May'22
Weekly Average Price	57,416	52,500-53,500	48,000-55,000

Rapeseed - Mustard Seed

During the week under review, Jaipur RM seed weekly average prices went up by 1.4% to INR. 7,454/qrtl as compared to INR. 7,346/qrtl last week. Prices continued to trade firm on Palm oil export ban by Indonesia coupled with shrinking arrivals. Farmers are holding new crop in anticipation. And may off load to meet their kharif sowing expences in upcoming weeks.



Arrivals remained tight, during the week under review, in Rajasthan, total mustard arrivals were recorded low at 12.05 Lakh bags. All India arrivals stood at 28.6 Lakh bags Vs 38.5 Lakh bags



previous week. Stockiest/ traders are inactive, as they already bought 2000 Qtls of stock limit. Currently there is demand from crushers on good Mustard oil demand

Previous week update-

In coming week, arrivals is expected to decline and prices may remain inflated. Edible oil complex still remains tight as Canada and Europe reported poor Canola crop in 2021-22 due to crop damage. Ukraine- Russia, largest suppliers of sunflower oil have not been exporting since Feb'22 due to turmoil.

Indonesia's flip-flops in export ban policy have sent global prices into turmoil. Indonesia is the world's biggest producer of palm oil-producing 59% of the global supply. Indonesia's Minister for Economic Affairs Airlangga Hartarto cleared in a media briefing on 27th April, that Indonesia has widened its export ban and has included Crude Palm Oil (CPO) and Refined Palm Oil (RPO) in addition to Refined Bleached Deodorized Palm Oil (RBDPO) in its new export policy.

India is already facing an edible oil shortfall due to Sunflower oil shortages due to the conflict between Russia and Ukraine, low Soy production in south American countries, low Palm oil availability in the future is likely to inflate the prices of oil basket. Due to ongoing turmoil in oilseed complex, Mustard prices likely to remain inflated.

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.

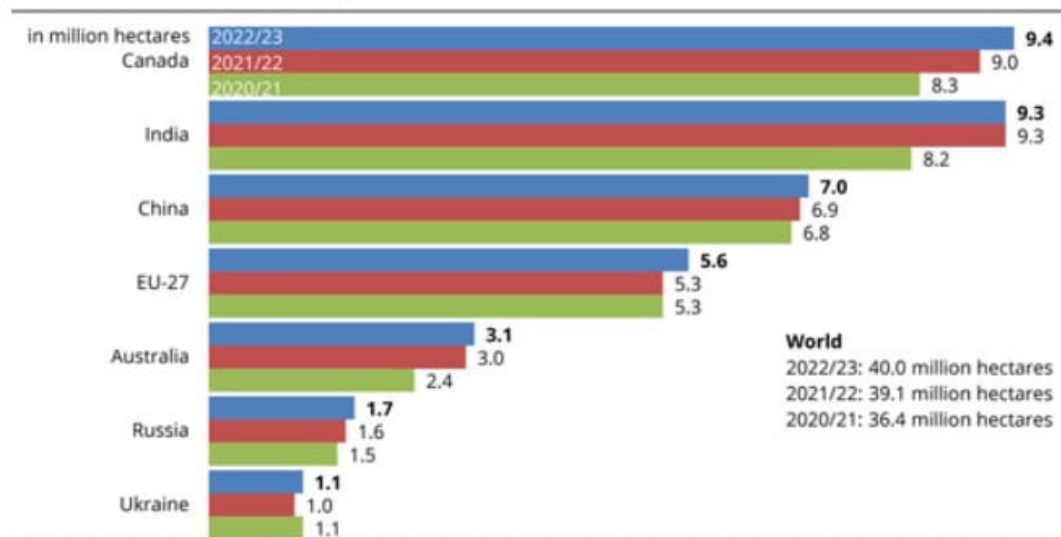
Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes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

International-

According to Stats can, Canada's canola stocks fall to lowest level since 2005.

International Grains Council sees global rapeseed cultivation for the 2022 harvest at a record high

Rapeseed/canola area forecast

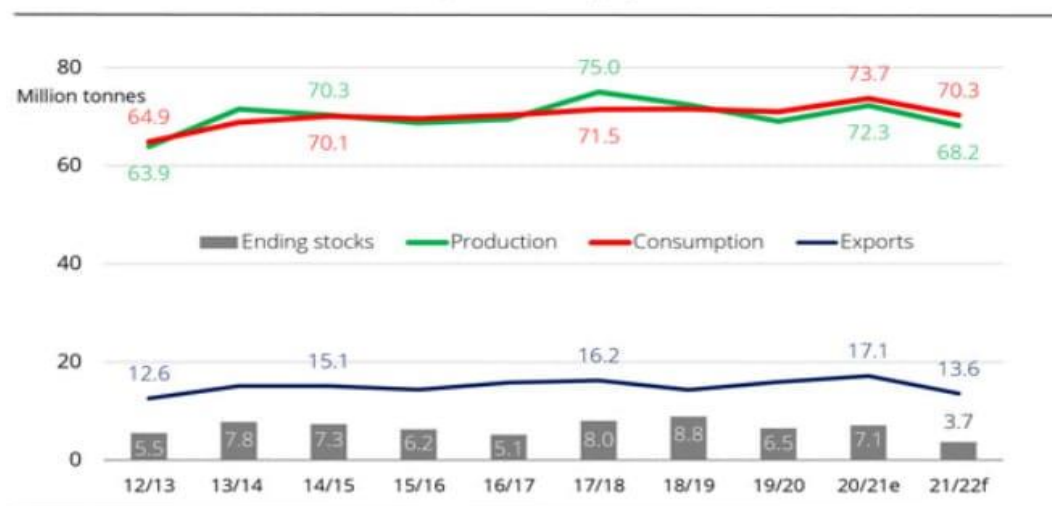


Source: IGC

Note: 2020/21 and 2021/22 estimated, 2022/23 projection

Rapeseed production to reach new lows

Global rapeseed supply and demand



Source: IGC, AMI

Note: e= estimate, f = forecast

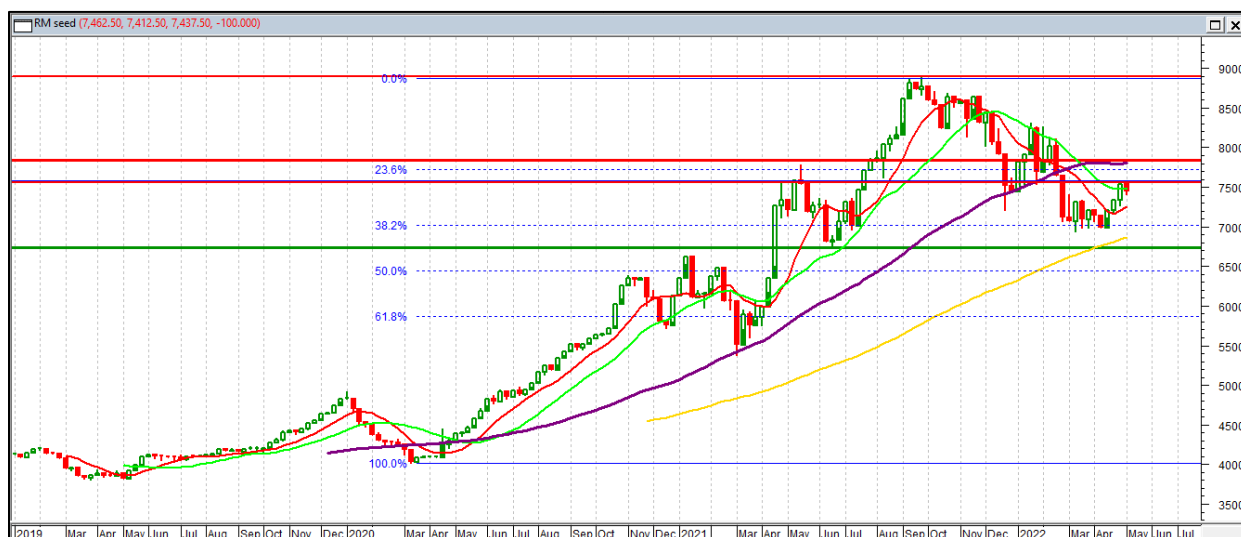
Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook

RM seed Jaipur Spot -Weekly time frame

Technical Chart:



Technical Commentary:

- As depicted in the above chart, market is facing resistance at 7500-7600 and next immediate resistance is at 23.6%.
- RM seed prices are trading above 9 and 18 DMA indicating firm momentum. And 100 DMA can be characterized as long term support.
- Immediate support is at 7300, next support is at 7000 and immediate resistance is at 7500, next resistance is at 7700.

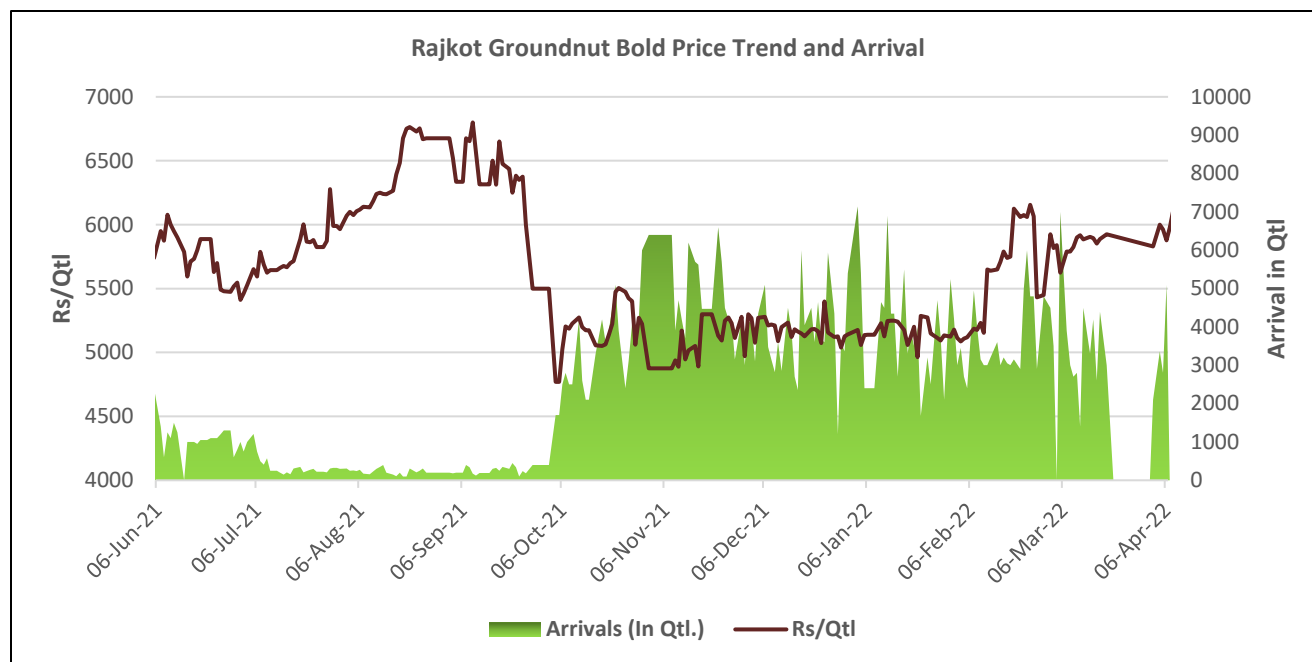
Recommendation-

Market participants are recommended to do need based buying at current levels. And for sellers, wait for above 8000 levels in coming weeks.

RM seed Price Outlook for coming week: RM Seed is expected to trade firm on the back of Palm oil export ban by Indonesia.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 16th-22nd April'22	Week Under review 23rd-29th April'22	Next week 30 th -06 th May'22
Weekly Average Price	7,346	7,454	7,300-7,600

Groundnut



During the week under review, Groundnut Rajkot bold weekly average prices remained firm amid edible oil supply crunch in the country coupled with good domestic crush demand. Good local demand kept prices elevated and high freight costs to many destinations make it less attractive to export. Groundnut oil continues to grow as a strong alternative for other oils amid edible oil supply crunch. During the week Rajkot Groundnut bold prices went up by 1.02% to INR 6,061/Qtl.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade firm on the back of good domestic demand.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 16th-22nd April'22	Week Under review 23rd-29th April'22	Next week 30 th -06 th May'22
Weekly Average Price	5,999	6,061	5,800-6,200

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		06-May-22	30-Apr-22	06-Apr-22	6-May-21
Indore –Plant	-2%	7400	7580	8050	-
Indore–Mandi	-4%	7200	7480	7700	-
Nagpur-Plant	1%	7200	7100	7830	6900
Nagpur – Mandi	0%	6900	6900	7330	6600
Latur – Mandi	-	6900	Closed	7600	7521
Akola – Mandi	-6%	6895	7350	7500	7135
Kota-Plant	-1%	7400	7500	7900	-
Kota – Mandi	0%	7400	7400	7850	-
Bundi-Plant	-6%	7100	7550	7900	-
Bundi-Mandi	-6%	6800	7250	7800	-
Baran-Plant	-2%	7500	7620	7930	-
Baran-Mandi	-1%	7350	7420	7830	-
Bhawani Mandi Jhalawar–Plant	-5%	7200	7600	7950	-
Jhalwar-Mandi	-	6900	Closed	7900	-
Rapeseed/Mustard					
Jaipur-(Condition)	-1%	7450	7550	7125	7425
Alwar-(Condition)	1%	7150	7050	6700	-
Sri Ganganagar-(Non-Condition)	-3%	6950	7150	6400	-
New Delhi–(Condition)	-1%	7200	7250	7000	-
Kota-(Condition)	-3%	7100	7300	6800	-
Agra-(Condition)	-5%	7381	7810	7333	7524
Neewai-(Condition)	-1%	7050	7150	6800	7000
Hapur (UP)-(Condition)	-3%	7150	7400	6900	7000
Groundnut Seed					
Rajkot	1%	1060	1051	1000	-
Sunflower Seed					

Gulbarga	-	5500	Closed	6550	-
Latur	-	7700	Closed	7300	7800
Sholapur	-	7700	Closed	7300	7800
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.					

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