



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant continued trading weak and eased marginally by 0.21% to INR. 7,176/qtl during the week under review. Prices were in the range of INR. 7,100-7,260/qtl during the period. In the coming week soybean prices likely to remain weak on Soymeal import.

The weekly average prices of Indore soymeal too went down by 0.6% to INR 52,500/MT as compared to last week at INR 52,833/MT tracking Soymeal import decision by government.

Jaipur RM seed prices went down by 1.4% to INR 7,229/ Qtl amid palm oil export ban revoke by Indonesia.

## USDA May'22 Update (In Thousand Tonnes)

USDA'S Brazil 2022/23	2022-2023	2021-22	% Change	Absolute Change
Production	1,49,000	1,25,000	19%	24000
Crush	48,500	47,500	2%	1000
Soy bean Exports	82,750	88,500	-6%	-5750
USDA'S USA 2022/23	2022-2023	2021-22	% Change	Absolute Change
Production	1,26,280	120707	5%	5573
Soymeal Exports	28,500	28,000	2%	500
Soy bean Exports	58,241	59,874	-3%	-1633
USDA'S India's 2022/23	2022-2023	2021-22	% Change	Absolute Change
Sunflower Oil Import	1,800	1,900	-5%	-100
Soy bean Production	11,500	11,900	-3%	-400
Soybean Crush	10,200	10,200	0%	0
Soybean oil Import	3,650	3,700	-1%	-50
Palm Oil import	8,100	7,800	4%	300
USDA'S China's 2021-22	2022-2023	2021-22	% Change	Absolute Change
Soybean Import	99,000	92,000	8%	7000
Soybean Crush	95,000	89,000	7%	6000

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Outlook – Cash Market

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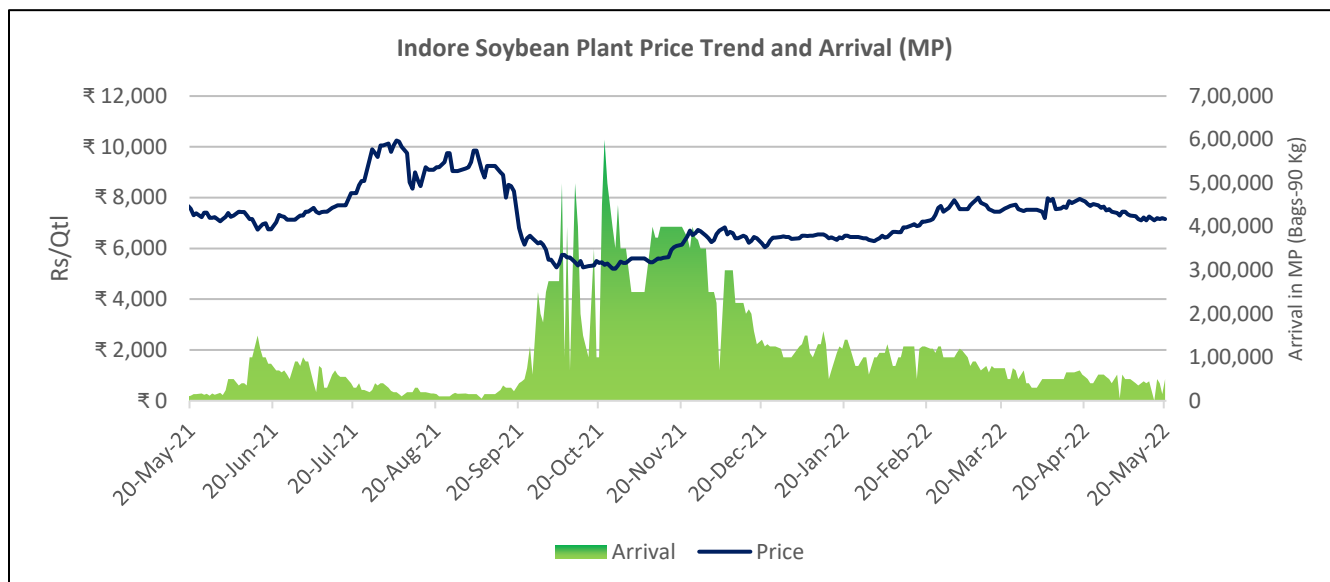
**Outlook - Soybean (Spot, Nagpur):** In coming week, soybean prices are expected to remain weak on Soy meal import. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,800 – 7,200 level in the near term.

**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 51,000 – 54,000/MT.

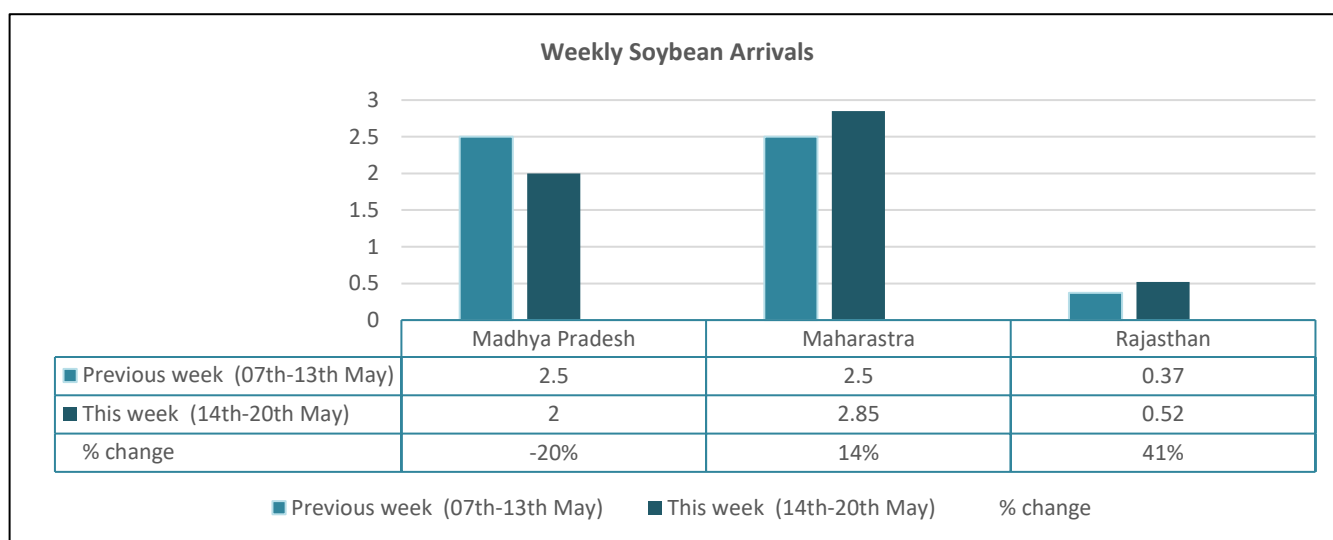
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected trade range bound with weak bias amid palm oil export ban revoke by Indonesia The seed prices are likely to trade in the range between 7,100 – 7,300/Qtl. in the short-run.

## Soybean



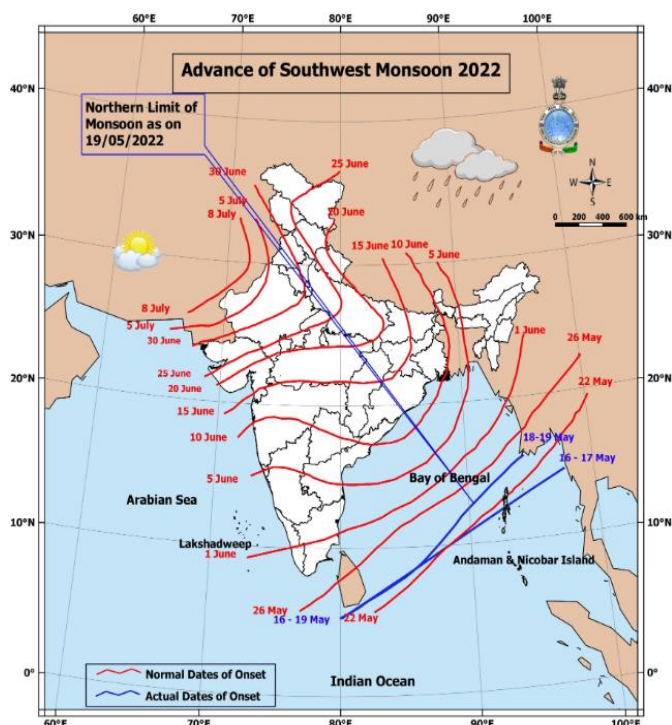
During the week under review, Soybean indore plant prices continued to trade with weak sentiment on Soymeal import. Indore plant weekly average prices eased by 0.21% to INR. 7,176/qtl. as compared to 7,191/qtl. Domestic crushing likely to remain sluggish on squeeze in crush margin due to correction in Soymeal prices. Indore Soybean prices is likely to trade rangebound with weak bias.

This week, the total arrival in MP stood at 2 Lakh bags Vs 2.5 Lakh bags last week. In Maharashtra arrivals stood at 2.85 Lakh bags Vs 2.5 Lakh bags last week and in Rajasthan the arrivals stood at 0.52 Lakh bags Vs 0.37 Lakh bags previous week.



## Weather Updates-

According to Skymet, the onset of monsoon over Kerala this year is likely to be on May 26, with a model error of +/- 3 days. Heavy to very heavy rainfall with extremely heavy rainfall at isolated places very likely over meghalaya. Heavy to very heavy rainfall at isolated places over subhimalayan west bengal-sikkim, Arunachal pradesh, Assam kerala-Mahe and Tamilnadu-Puducherry-karaikal.



SW monsoon has arrived over the Andaman sea on 16th May'22, nearly a week prior to its scheduled time. Conditions are favorable for further advancement over entire Andaman Sea and more parts of South and Central Bay of Bengal. Monsoon is heading towards mainland Kerala around 26th May, before the normal date of 01st June. This is likely to be the earliest onset since 2009, when it struck the Kerala coast on 23rd May. Incidentally, year 2009 was an El Nino year and the monsoon hit hard to result severe drought over Indian Sub-Continent.

## 19-May-2022

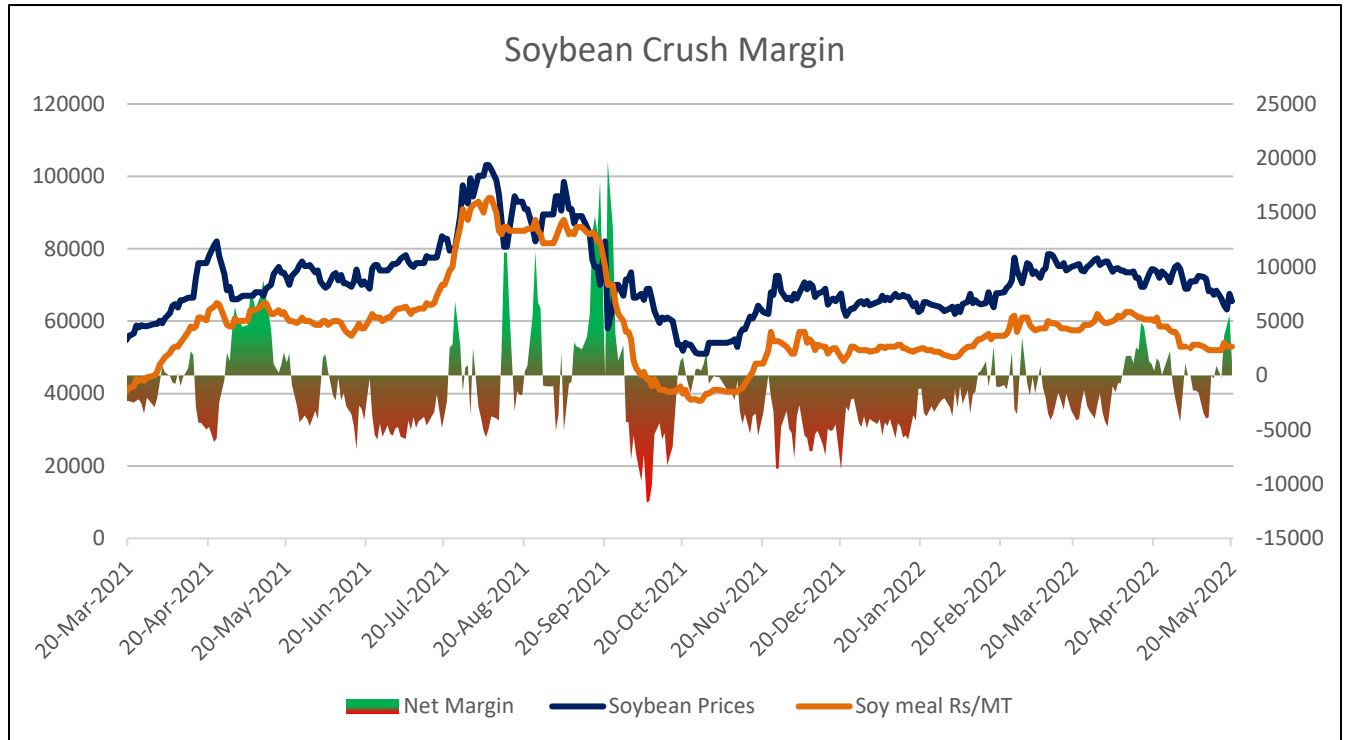
Met-Sub-Division	19-May Today	20May Fri	21May Sat	22May Sun	23May Mon
1. Andaman & Nicobar Islands	WS	WS	WS	WS	WS
2. Arunachal Pradesh	WS	FWS	FWS	FWS	FWS
3. Assam & Meghalaya	WS	WS	WS	WS	WS
4. N. M. M. & T.	WS	WS	WS	WS	WS
5. S.H. West Bengal & Sikkim	WS	WS	WS	WS	FWS
6. Gangetic West Bengal	SCT	ISOL	SCT	SCT	SCT
7. Odisha	ISOL	ISOL	ISOL	ISOL	ISOL
8. Jharkhand	ISOL	ISOL	ISOL	ISOL	ISOL
9. Bihar	SCT	SCT	SCT	SCT	ISOL
10. East Uttar Pradesh	DRY	ISOL	ISOL	ISOL	FWS
11. West Uttar Pradesh	DRY	ISOL	ISOL	ISOL	FWS
12. Uttarakhand	ISOL	ISOL	FWS	WS	WS
13. Haryana, Chd & Delhi	DRY	ISOL	ISOL	ISOL	FWS
14. Punjab	DRY	ISOL	ISOL	ISOL	SCT
15. Himachal Pradesh	ISOL	SCT	FWS	WS	WS
16. J & K and Ladakh	FWS	FWS	FWS	WS	WS
17. West Rajasthan	DRY	DRY	ISOL	ISOL	ISOL
18. East Rajasthan	DRY	DRY	DRY	ISOL	ISOL
19. West Madhya Pradesh	DRY	DRY	DRY	ISOL	ISOL
20. East Madhya Pradesh	ISOL	DRY	ISOL	ISOL	ISOL
21. Gujarat Region	DRY	DRY	DRY	DRY	DRY
22. Saurashtra & Kutch	DRY	DRY	DRY	DRY	DRY
23. Konkan & Goa	ISOL	ISOL	ISOL	ISOL	ISOL
24. Madhya Maharashtra	ISOL	ISOL	ISOL	DRY	DRY
25. Marathwada	ISOL	ISOL	DRY	DRY	DRY
26. Vidharbha	ISOL	ISOL	ISOL	DRY	DRY
27. Chhattisgarh	ISOL	ISOL	ISOL	ISOL	ISOL
28. Coastal A. P. & Yanam	SCT	SCT	SCT	ISOL	ISOL
29. Telangana	SCT	ISOL	ISOL	ISOL	ISOL
30. Rayalaseema	FWS	SCT	SCT	ISOL	ISOL
31. T.N., Puducherry & Karaikal	SCT	ISOL	ISOL	ISOL	SCT
32. Coastal Karnataka	WS	WS	WS	FWS	FWS
33. North Interior Karnataka	WS	WS	SCT	ISOL	ISOL
34. South Interior Karnataka	WS	WS	FWS	SCT	SCT
35. Kerala & Mahe	WS	WS	WS	WS	WS
36. Lakshadweep	WS	WS	WS	WS	WS

## % Station Reporting Rainfall

% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

## Soybean Crush Margin-

Soybean net crush margin improved during the week under review. Weekly average soybean net crush margin increased to INR 2633/MT as compared to INR. -2190/ MT previous week amid correction in Soy prices. If Soy meal prices declines, net crush margin likely to squeeze.



**International:** This week, CBOT Soybean July futures went up by 3.57% on strong export demand.

According to USDA latest planting report USA Soybean sowing progress stood at 30% Vs 58% previous year and 39% five year average.



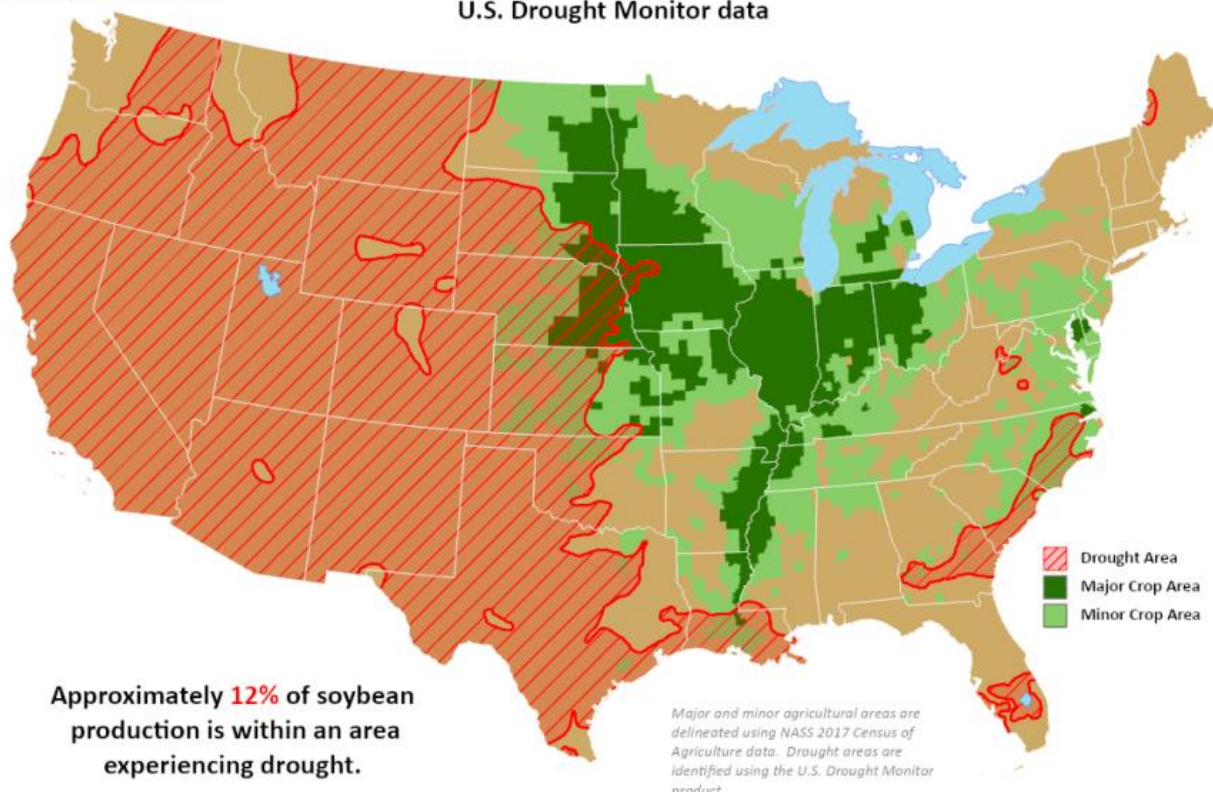




This product was prepared by the  
USDA Office of the Chief Economist (OCE)  
World Agricultural Outlook Board (WAOB)

## ***Soybean Areas in Drought***

Reflects **May 17, 2022**  
U.S. Drought Monitor data

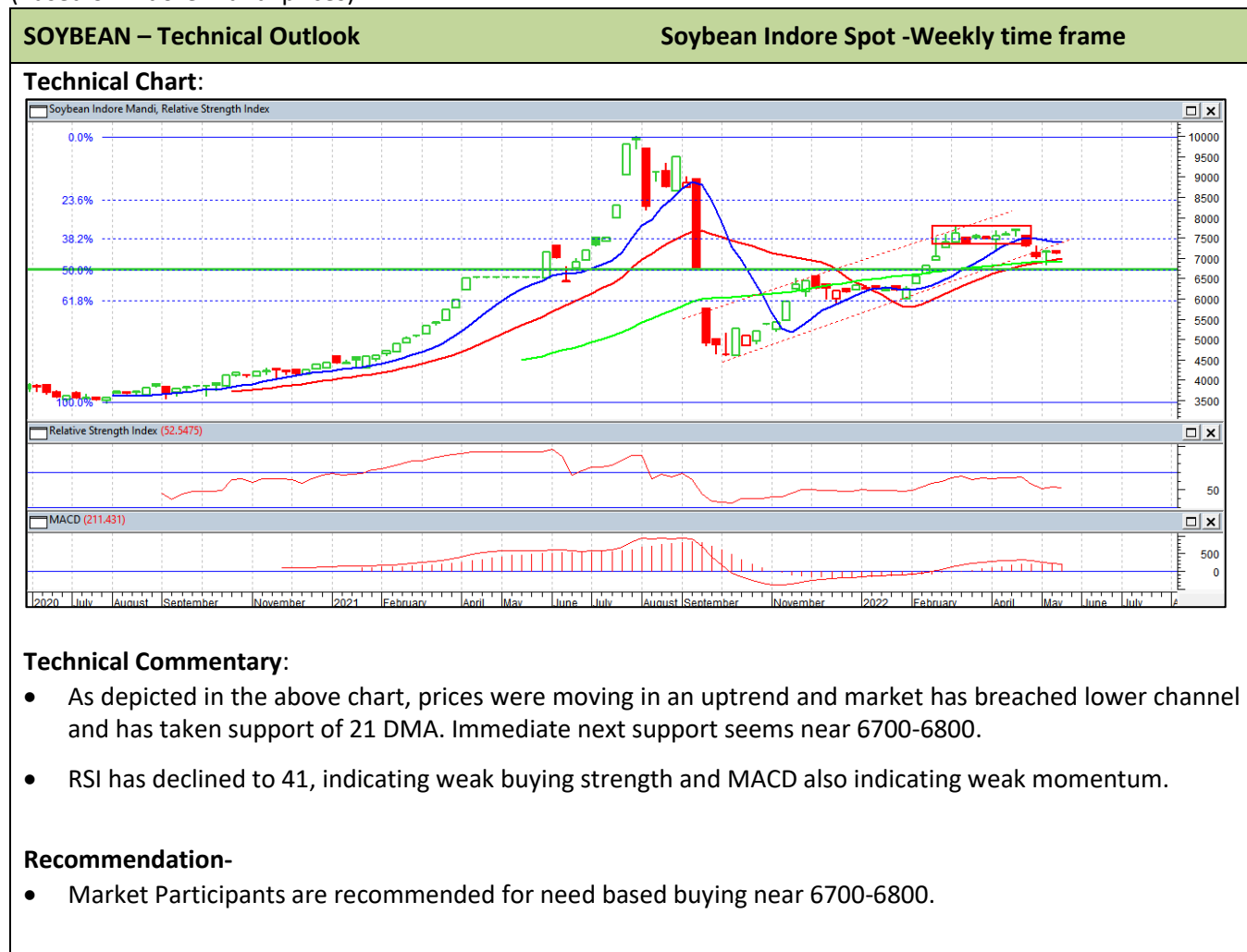


Currently in US, 12% of Soybean production is within an area experiencing drought.

USDA Attache in Its May'22 report has estimated India's 2022-23 Soybean production estimate at 11.5 MMT as compared to 11.90 MMT previous year. Brazil's 2022-23 Soybean production is estimated at 149 MMT Vs 125 MMT in 2021-22. However China's 2022-23 Soy crush is estimated at 95 MMT Vs 89 MMT in 2021-22. While China's Soy import is estimated at 99 MMT in 2022-23 Vs 92 MMT in 2021-22.

## Technical Analysis

(Based on Indore Mandi prices)

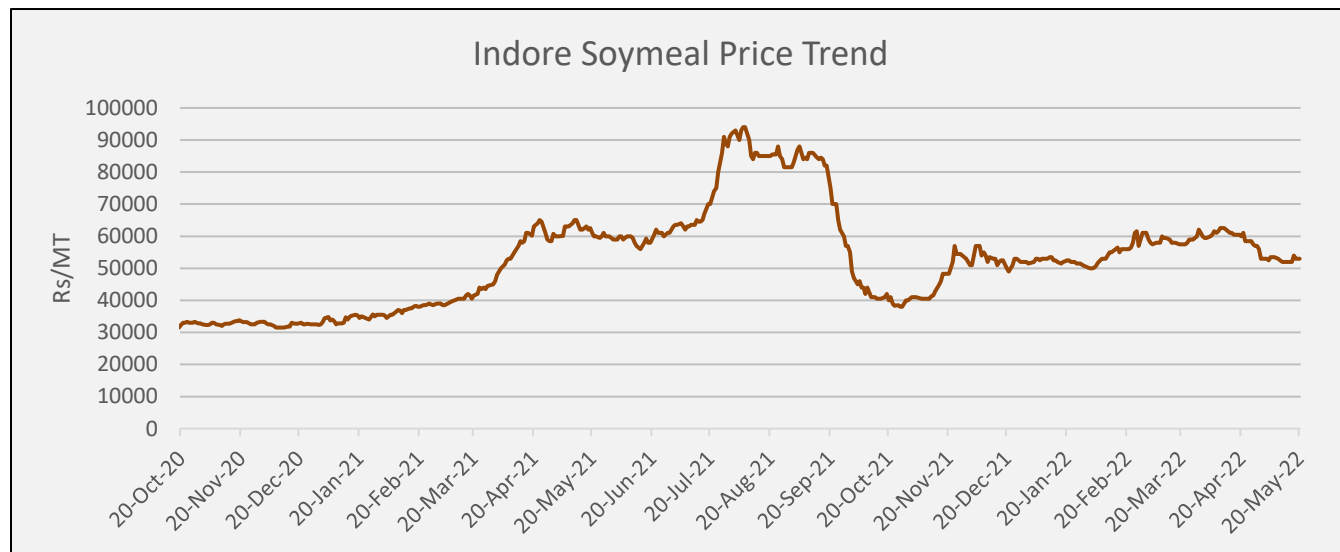


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 6,900/qty. and are expected to trade with weak bias tracking Soy meal import.

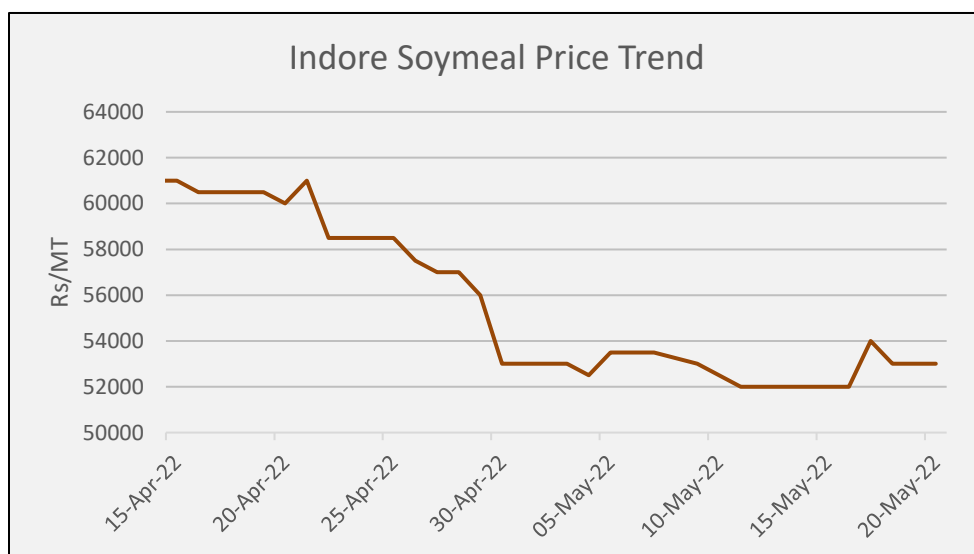
Soybean Mandi Price Outlook (INR./Qty)	Previous week 07th-13th May'22	Week Under review 14th-20th May'22	Next week 21st-27th May'22
Weekly Average Price	7,191	7,176	6,800-7,200



## Soymeal



During the week under review, Indore Soymeal prices continued trading with weak sentiments tracking Soy meal import. The weekly average prices of soymeal went down by 0.6% at INR 52,500/MT as compared to last week at INR 52,833/MT. Overall the prices quoted between INR 52,000 – 54,400/MT throughout the week.



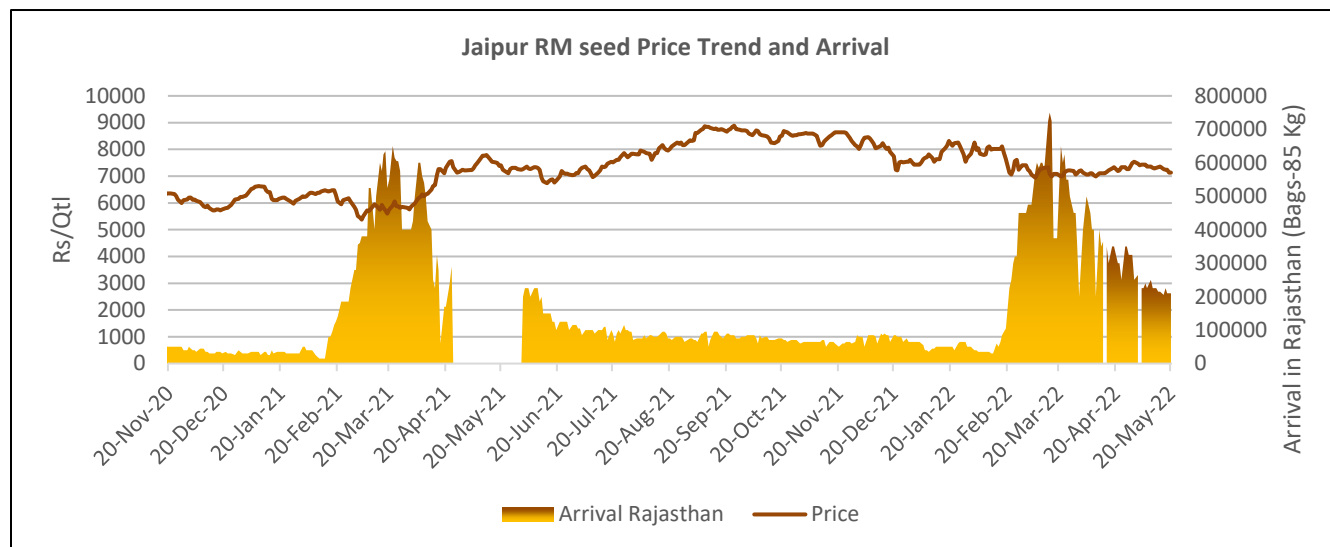
At Nanded, the weekly average prices went down to INR. 54,833/MT compared to INR. 55,200/MT a week ago. In Kota the meal prices were up at INR. 56,216/MT compared to INR. 55,716/MT previous week.

**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government.

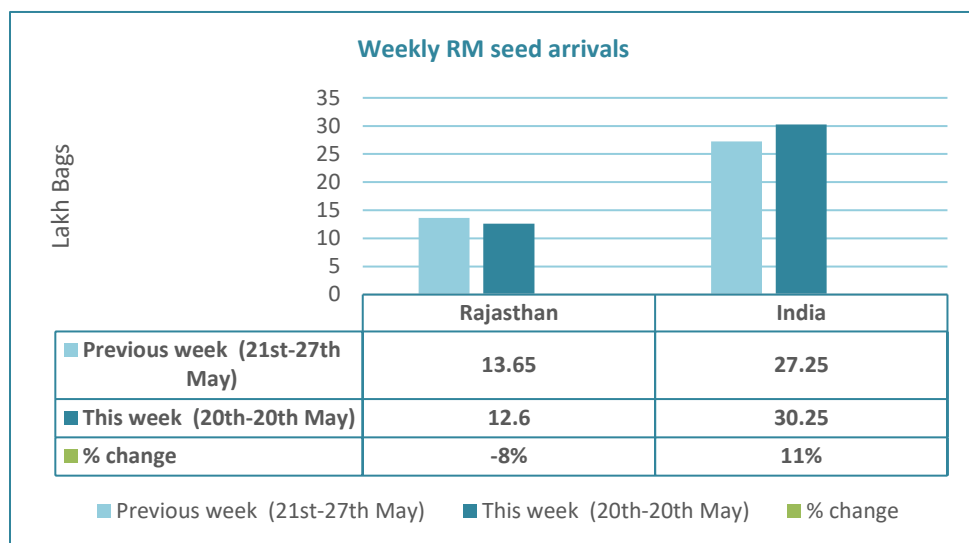
Soymeal Indore Price Outlook (INR./MT)	Previous week 07th-13th May'22	Week Under review 14th-20th May'22	Next week 21st-27th May'22
Weekly Average Price	52,250	52,916	51,000-54,000

## Rapeseed - Mustard Seed

During the week under review, Jaipur RM seed weekly average prices went down by 1.4% to INR. 7,229/qrtl as compared to INR. 7,329/qrtl last week. Prices went down in tandem with correction in palm oil prices due to revoke in palm oil export ban by Indonesia. Farmers are holding new crop in anticipation of better prices in future. And may off load to meet their kharif sowing expences in upcoming weeks.



All India Arrivals remained firm during the week under review, in Rajasthan, total mustard arrivals were recorded low at 12.60 Lakh bags. All India arrivals stood at 30.25 Lakh bags Vs 27.25 Lakh bags previous week. Most of the stockiest/traders are inactive, as they already bought 2,000 Qtls of stock limit.



**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 3rd Advance estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 117.54 Lakh tonnes Vs 114.59 Lakh tonnes in 2<sup>nd</sup> advance estimates and 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 Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.3 Mt, a drop of 20% from last year, while exports are expected to fall by 51% to 5.2 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union. Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to- date, Canadian canola prices are estimated at \$1,100/t vs \$730/t last year and the 5-year average of \$556/t. tight stocks.

For 2022-23, the area seeded to canola is expected to decrease by 7% to 8.5 million hectares (Mha) based on Statistics Canada's Seeding Intentions Survey.

According to USDA Attachae, 2022-23 global rapeseed supplies is projected to rise 10 percent to a record 100.5 MMT as production in Canada recovers from last year's devastating drought. Both global harvested area and production are projected to be records. Reduced carryover, the smallest in nearly 20 years, will necessitate some stock-building in the coming year and provide a measure of price support. Exports are projected to rise significantly above this year's current forecast but will fall short of the 2020/21 record volume as stock building and strong crush recovery in Canada restrict exportable supplies. Global rapeseed crush is forecast to reach a record 75.1 million tons.

<b>USDA May'22 Rapeseed Production estimate (In MMT)</b>		
	<b><u>2021-22</u></b>	<b><u>2022-23</u></b>
Canada	<b>12.6</b>	<b>20</b>
Australia	<b>6.35</b>	<b>4.7</b>

USA	1.24	1.78
China	14	14.7
European Union	17.26	18.5
Ukraine	3.15	3.2
India	10.8	11
Global	71.17	80.3

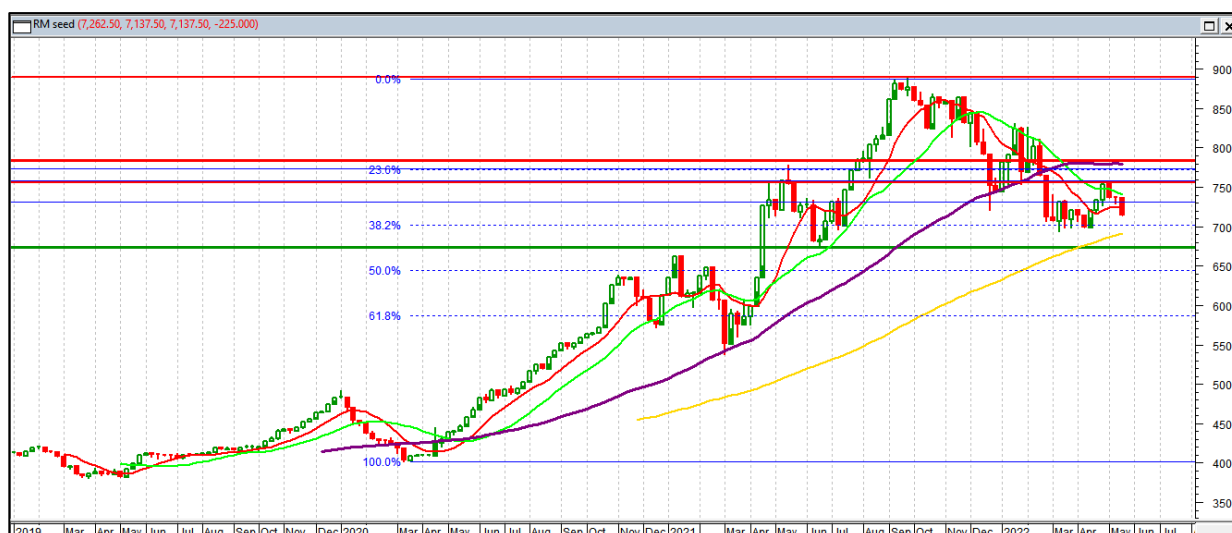
## Technical Analysis

(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 weak and during the week under review, market made low of 7,137 and high of 7,262 and closed at 7,137.
- 38.2% Fibonacci retracement level can be characterized as support whereas 23.6% fibonacci retracement level can be characterized as resistance level. And 100 DMA can be characterized as long term support.
- Immediate support is at 7,100, next support is at 7,000 and immediate resistance is at 7,300, next resistance is at 7,500.

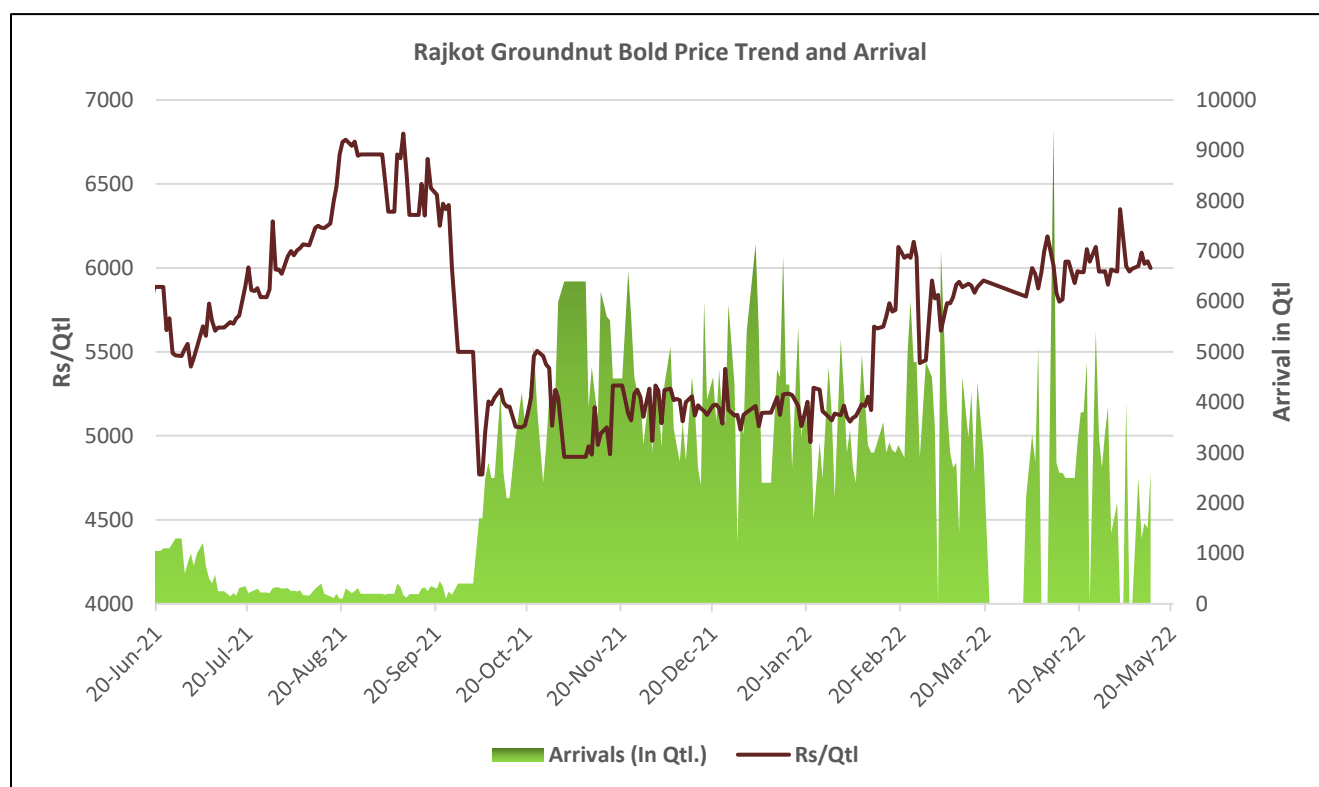
#### Recommendation-

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 range bound with weak bias on revoke by palm oil export ban by Indonesia.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 07th-13th May'22	Week Under review 14th-20th May'22	Next week 21st-27th May'22
Weekly Average Price	7,329	7,229	7,100-7,300

## Groundnut



During the week under review, Groundnut Rajkot bold weekly average prices remained sideways 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 remained sideways and went marginally down by 0.3% to INR 6,008/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 07th-13th May'22	Week Under review 14th-20th May'22	Next week 21st-27th May'22
Weekly Average Price	6,026	6,008	5,900-6,100

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		20-May-22	14-May-22	21-Apr-22	19-May-21
Indore –Plant	-1%	7250	7320	7800	7700
Indore–Mandi	-1%	7100	7170	7700	-
Nagpur-Plant	-3%	6900	7080	7630	7570
Nagpur – Mandi	-3%	6800	6980	7430	7375
Latur – Mandi	1%	7100	7045	7450	7575
Akola – Mandi	4%	7040	6780	7385	-
Kota-Plant	-2%	7200	7350	7500	-
Kota – Mandi	-2%	7150	7300	7300	-
Bundi-Plant	0%	7070	7050	7400	-
Bundi-Mandi	0%	6950	6950	7100	-
Baran-Plant	-3%	7200	7420	7350	-
Baran-Mandi	-3%	7120	7320	7150	-
Bhawani Mandi Jhalawar–Plant	-2%	7150	7280	7500	-
Jhalwar-Mandi	-2%	7100	7230	7450	-
Rapeseed/Mustard					
Jaipur-(Condition)	-3%	7150	7375	7200	7400
Alwar-(Condition)	-8%	6600	7150	6900	7150

Sri Ganganagar-(Non-Condition)	-10%	6365	7050	6950	-
New Delhi-(Condition)	-3%	7000	7200	7050	7000
Kota-(Condition)	-5%	6650	7000	7050	-
Agra-(Condition)	-5%	7048	7381	7333	7524
Neewai-(Condition)	-9%	6600	7275	7150	-
Hapur (UP)-(Condition)	-5%	6850	7200	7000	7050
<b>Groundnut Seed</b>					
Rajkot	-7%	1020	1101	1050	-
<b>Sunflower Seed</b>					
Gulbarga	-3%	6300	6500	5500	-
Latur	0%	7700	7700	7300	7750
Sholapur	0%	7700	7700	7300	7750
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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