

Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant continued trading weak and eased by 2.08% to INR. 7,027/qrtl during the week under review. Prices were in the range of INR. 6,800-7,250/qrtl 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 2.8% to INR 51,333/MT as compared to last week at INR 52,833/MT tracking Soymeal import.

Jaipur RM seed prices went down by 1.5% to INR 7,121/ Qtl amid edible oil import tariff cut by the government.

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

Outlook – Cash Market

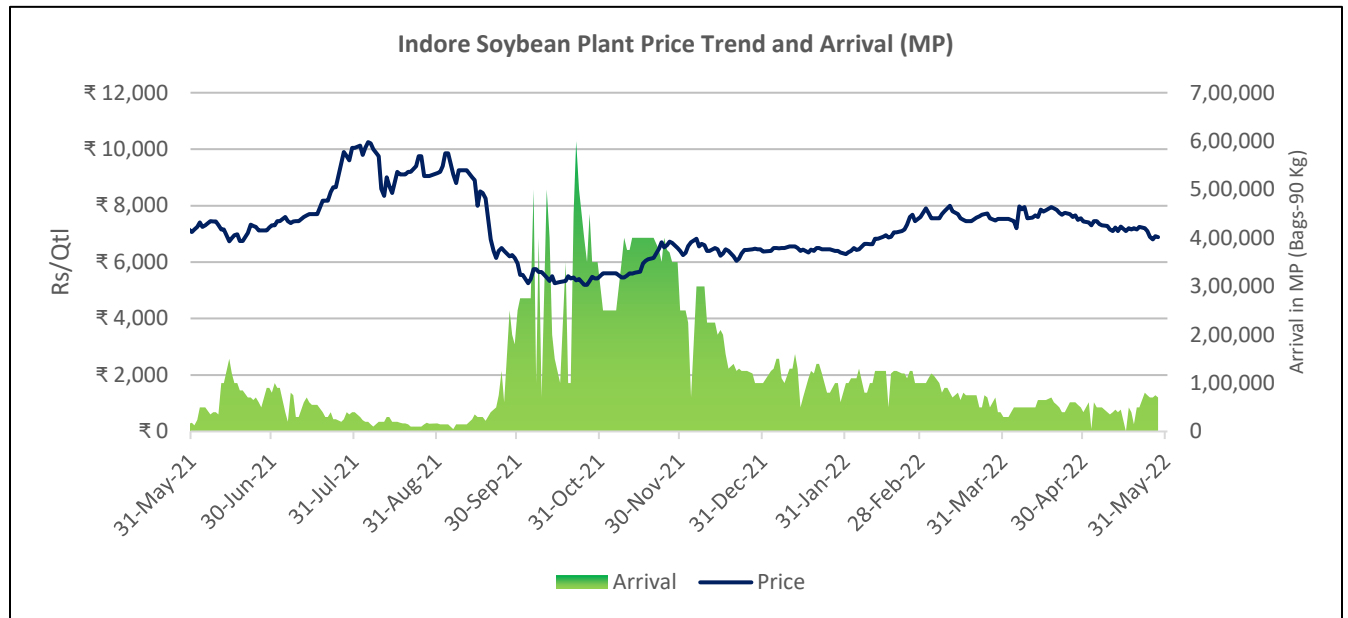
Outlook - Soybean (Spot, Nagpur): In coming week, soybean prices are expected to remain weak on Soy meal import. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,800 – 7,100 level in the near term.

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 – 55,000/MT.

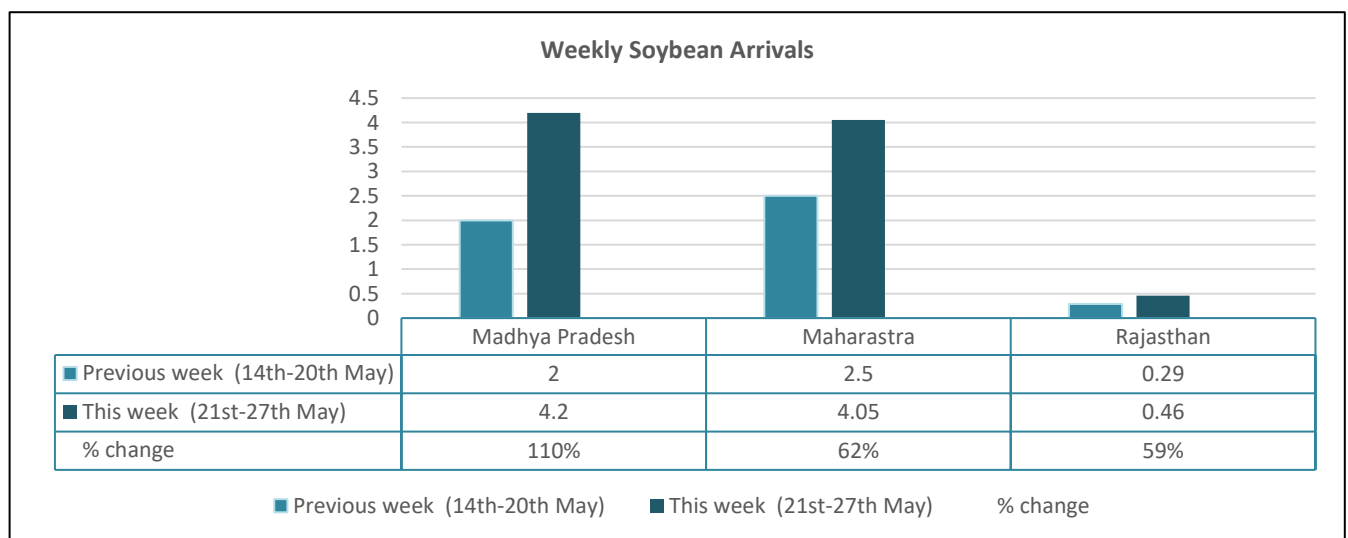
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid edible oil import tariff cut. The seed prices are likely to trade in the range between 6,800 – 7,100/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore plant prices continued to trade with weak sentiment on Soymeal import and soy oil import tariff cut. Indore plant weekly average prices eased by 2.08% to INR. 7,027/qtl. as compared to 7,176/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 4.2 Lakh bags Vs 2 Lakh bags last week. In Maharashtra arrivals stood at 4.05 Lakh bags Vs 2.5 Lakh bags last week and in Rajasthan the arrivals stood at 0.46 Lakh bags Vs 0.29 Lakh bags previous week. Farmers are releasing stocks for kharif sowing.



Weather Updates-

According to IMD, Southwest Monsoon has set in over Kerala today, the May 29 against the normal date of onset, June 1. Thus the Southwest Monsoon has set in over Kerala three days ahead of its normal date.

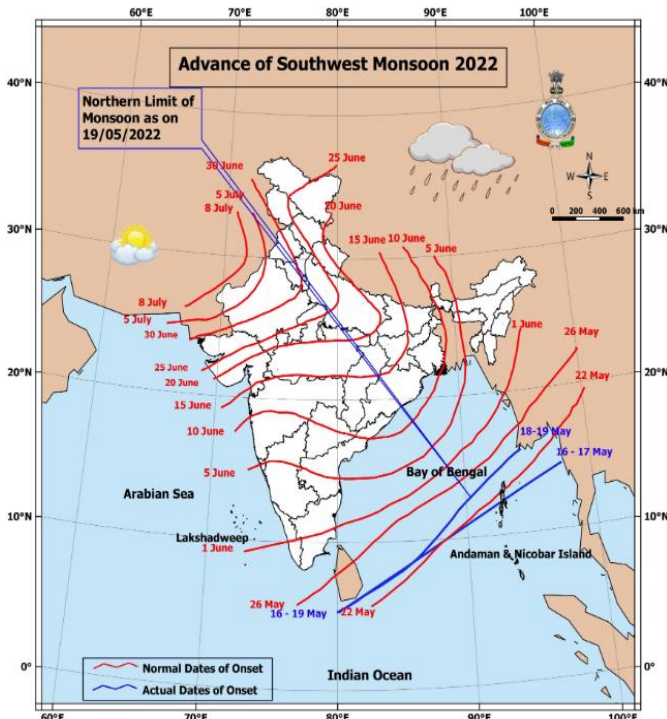
According to the IMD, Southwest Monsoon has advanced into the remaining parts of the South Arabian Sea, Lakshadweep area, most parts of

5 Day Rainfall Forecast (MORNING)

30-May-2022

Met-Sub-Division

	30-May Today	31May Tue	01Jun Wed	02Jun Thu	03Jun Fri
1. Andaman & Nicobar Islands	FWS	FWS	FWS	WS	WS
2. Arunachal Pradesh	SCT	FWS	FWS	FWS	FWS
3. Assam & Meghalaya	FWS	FWS	FWS	WS	WS
4. N. M. M. & T.	SCT	FWS	FWS	FWS	FWS
5. S.H. West Bengal & Sikkim	FWS	FWS	FWS	FWS	FWS
6. Gangetic West Bengal	FWS	ISOL	ISOL	ISOL	ISOL
7. Odisha	ISOL	ISOL	ISOL	ISOL	ISOL
8. Jharkhand	ISOL	ISOL	ISOL	ISOL	ISOL
9. Bihar	SCT	ISOL	ISOL	ISOL	ISOL
10. East Uttar Pradesh	ISOL	DRY	DRY	DRY	DRY
11. West Uttar Pradesh	ISOL	DRY	DRY	DRY	DRY
12. Uttarakhand	ISOL	ISOL	ISOL	ISOL	DRY
13. Haryana, Chd & Delhi	DRY	DRY	DRY	DRY	DRY
14. Punjab	DRY	DRY	DRY	ISOL	DRY
15. Himachal Pradesh	ISOL	ISOL	ISOL	ISOL	DRY
16. J & K and Ladakh	FWS	ISOL	ISOL	SCT	ISOL
17. West Rajasthan	DRY	DRY	DRY	DRY	DRY
18. East Rajasthan	DRY	DRY	DRY	DRY	DRY
19. West Madhya Pradesh	DRY	DRY	DRY	DRY	DRY
20. East Madhya Pradesh	ISOL	DRY	DRY	DRY	DRY
21. Gujarat Region	DRY	DRY	DRY	DRY	DRY
22. Saurashtra & Kutch	DRY	DRY	DRY	DRY	DRY
23. Konkan & Goa	ISOL	ISOL	ISOL	SCT	SCT
24. Madhya Maharashtra	ISOL	ISOL	ISOL	ISOL	ISOL
25. Marathwada	ISOL	ISOL	ISOL	DRY	ISOL
26. Vidharbha	ISOL	ISOL	DRY	DRY	DRY
27. Chhattisgarh	ISOL	ISOL	DRY	DRY	DRY
28. Coastal A. P. & Yanam	ISOL	ISOL	ISOL	ISOL	ISOL
29. Telangana	ISOL	ISOL	ISOL	ISOL	ISOL
30. Rayalaseema	ISOL	ISOL	ISOL	SCT	SCT
31. T.N., Puducherry & Karaikal	ISOL	ISOL	SCT	SCT	SCT
32. Coastal Karnataka	SCT	SCT	SCT	WS	WS
33. North Interior Karnataka	ISOL	SCT	SCT	SCT	SCT
34. South Interior Karnataka	SCT	SCT	FWS	FWS	FWS
35. Kerala & Mahe	WS	WS	WS	WS	WS
36. Lakshadweep	WS	WS	WS	WS	WS



Kerala, some parts of southern Tamil Nadu, Gulf of Mannar and some more parts of southwest Bay of Bengal on Sunday.

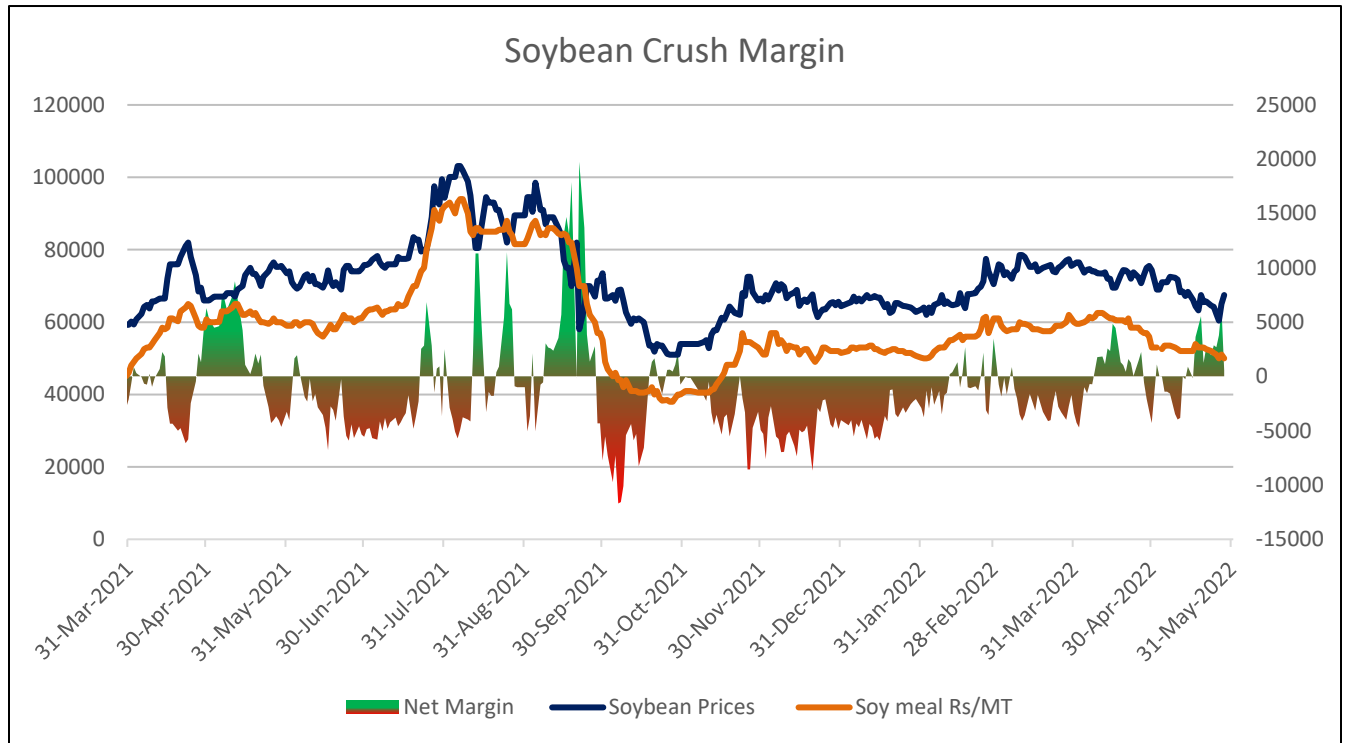
“Conditions are favourable for further advance of Southwest monsoon into some parts of central Arabian Sea, reaming parts of Kerala, some more parts of Tamil Nadu, some parts of Karnataka, and some more parts of south and Central Bay of Bengal, some parts of northeast Bay of Bengal and northeastern states during next 3-4 days.

% 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 3365/MT as compared to INR. 2633/ MT previous week amid correction in Soy prices. Upon decline in soy prices, Soybean crush margin likely to remain positive.



International: This week, CBOT Soybean July futures went up by 1.54% on strong export demand.

According to USDA latest planting report USA Soybean sowing progress stood at 72% Vs 89% previous year.

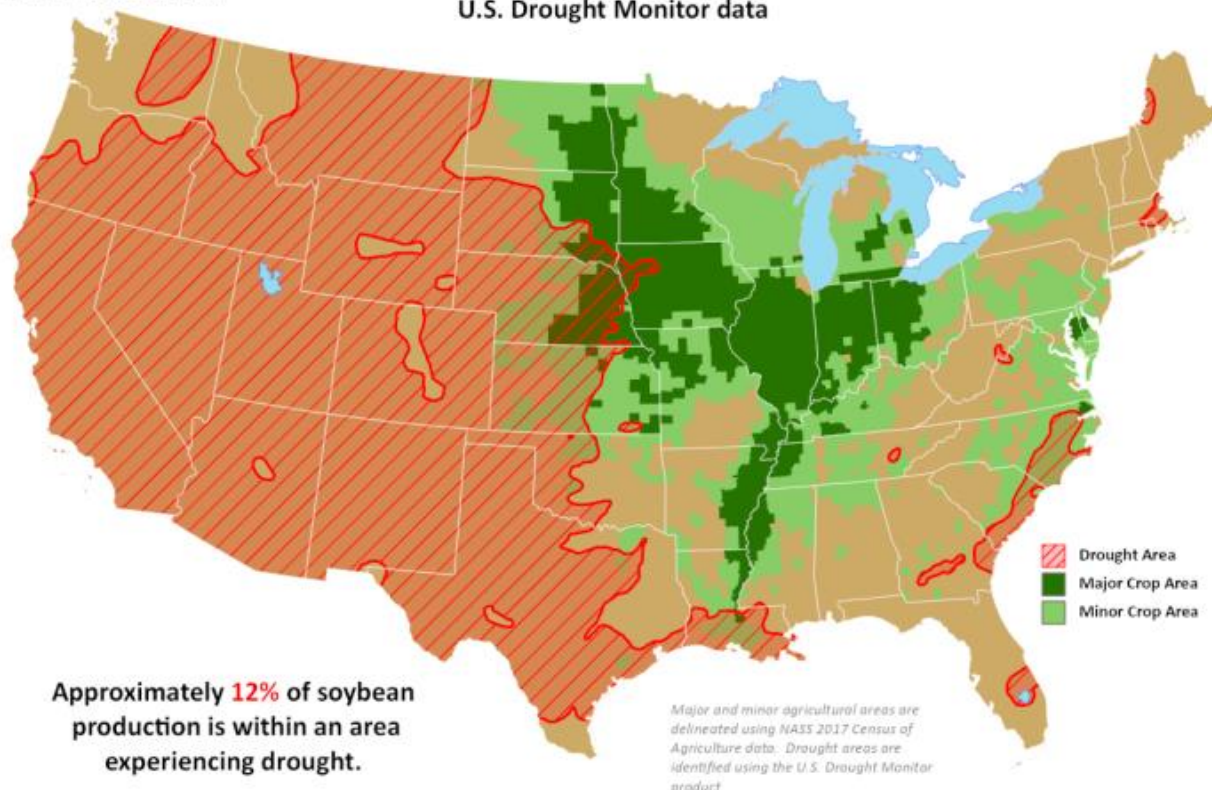




This product was prepared by the
USDA Office of the Chief Economist (OCE)
World Agricultural Outlook Board (WAOB)

Soybean Areas in Drought

Reflects **May 24, 2022**
U.S. Drought Monitor data

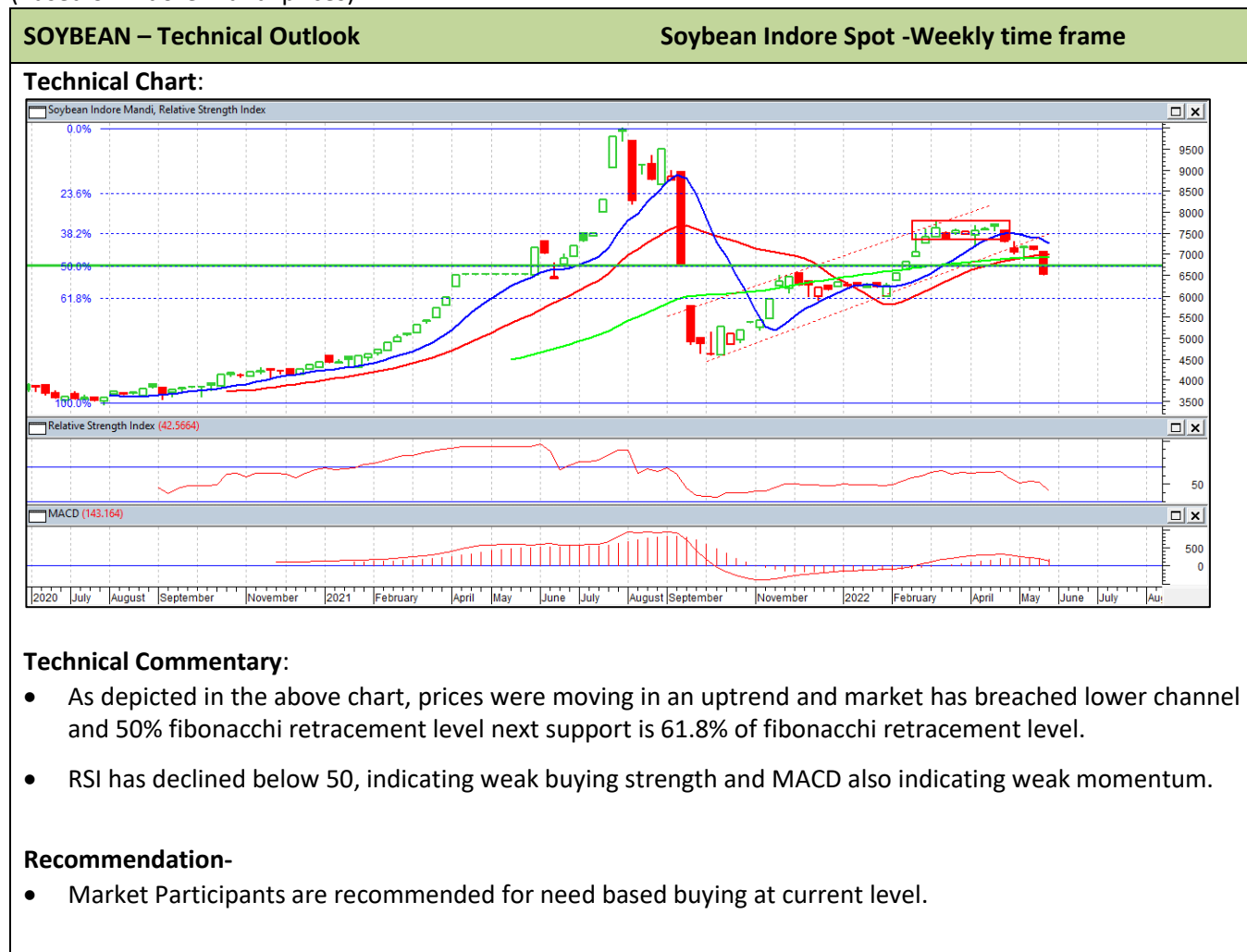


Currently in US, 12% of Soybean production is within an area experiencing drought.

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

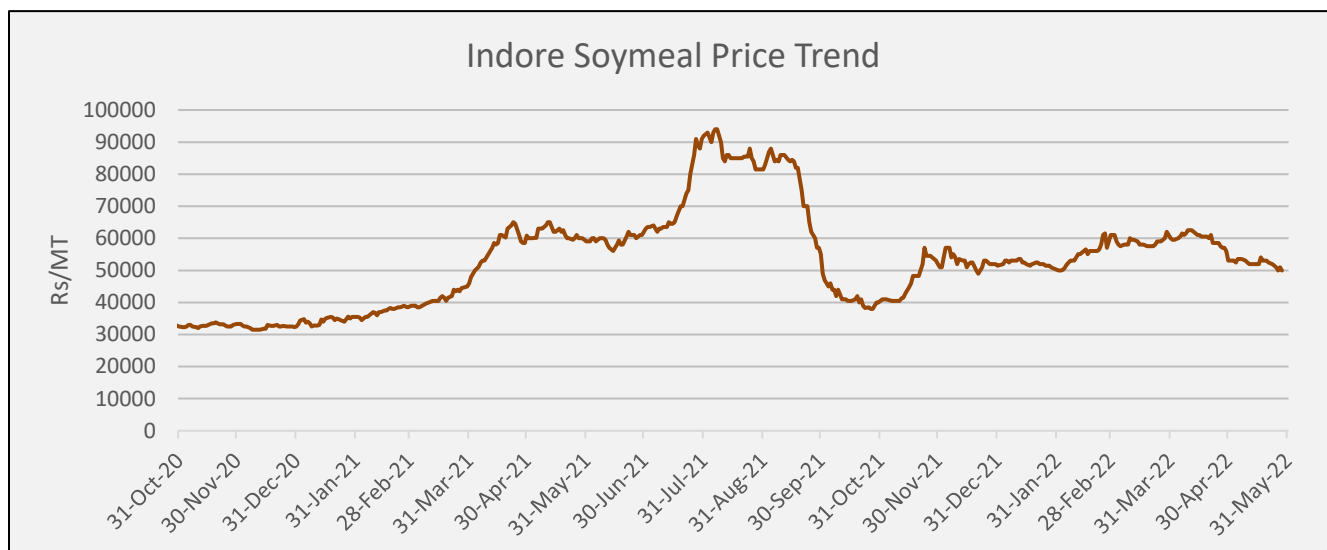
(Based on Indore Mandi prices)



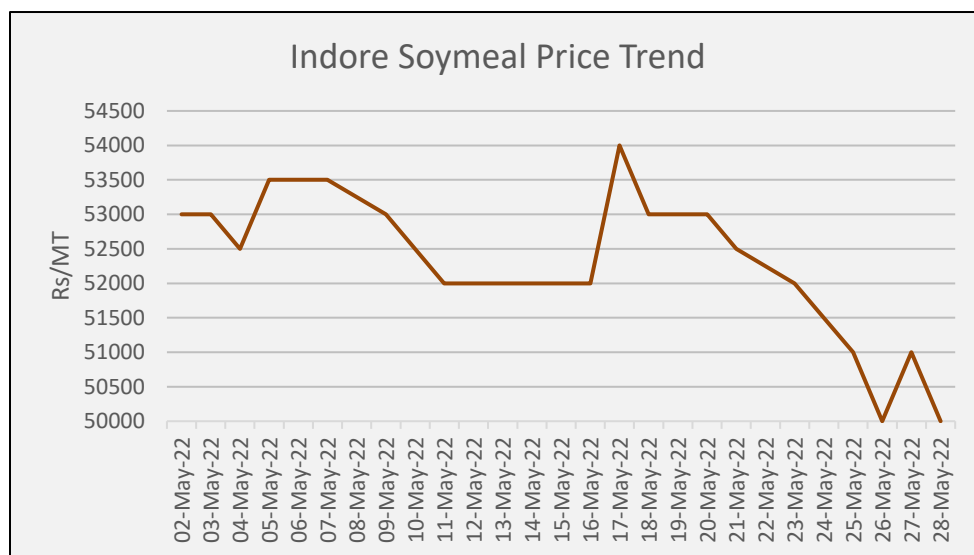
Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,500/qty. and are expected to trade with weak bias tracking Soy meal import.

Soybean Mandi Price Outlook (INR./Qty)	Previous week 14th-20th May'22	Week Under review 21st-27th May'22	Next week 28th-03 rd June'22
Weekly Average Price	7,176	6,820	6,500-7,000

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 2.8% at INR 51,333/MT as compared to last week at INR 52,833/MT. Overall the prices quoted between INR 51,000 – 52,500/MT throughout the week.

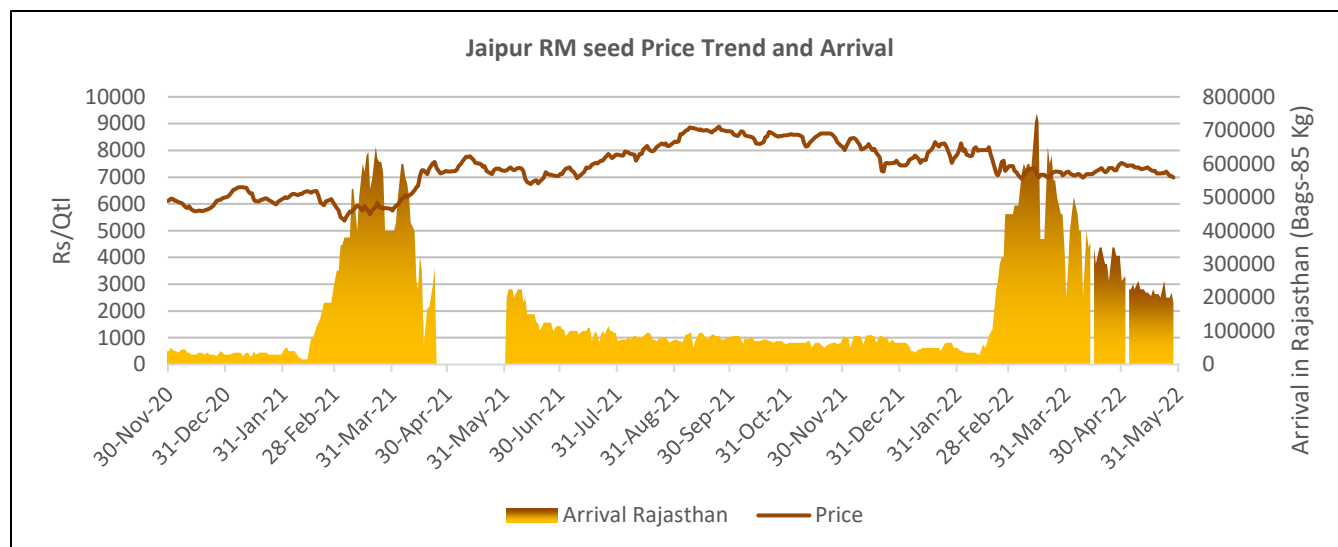


At Nanded, the weekly average prices traded at INR. 54,916/MT compared to INR. 54,833/MT a week ago. In Kota the meal prices were down at INR. 54,683/MT compared to INR. 56,216/MT previous week.

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

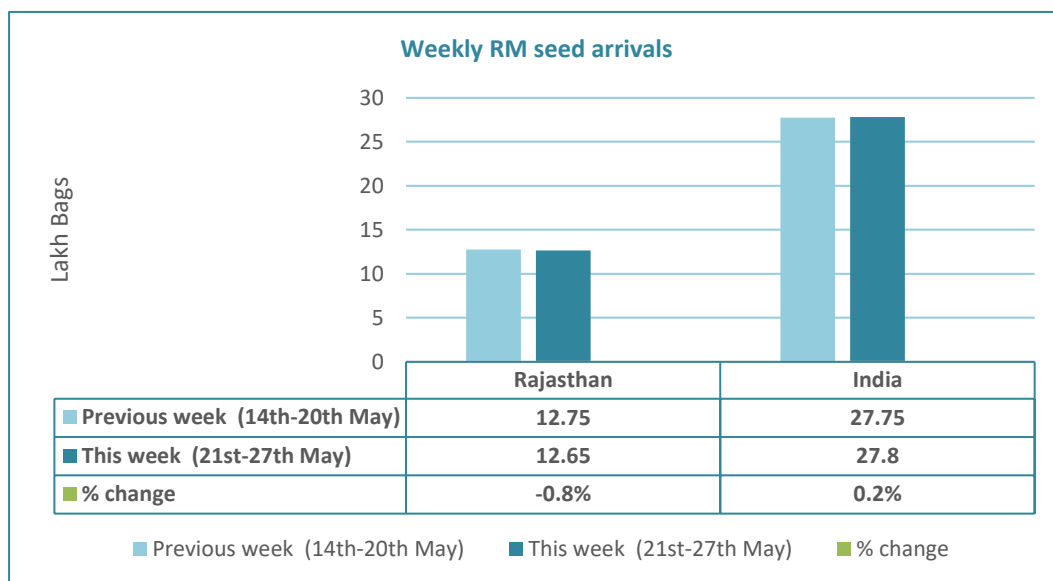
Soymeal Indore Price Outlook (INR./MT)	Previous week 14th-20th May'22	Week Under review 21st-27th May'22	Next week 28th-3rd June'22
Weekly Average Price	52,250	52,916	48,000-55,000

Rapeseed - Mustard Seed



RM seed continued correction this week too, during the week under review, Jaipur RM seed weekly average prices went down by 1.5% to INR. 7,121/qlt as compared to INR. 7,229/qlt last week. Prices went down amid edible oil import tariff cut by the government. Farmers are still 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 steady to weak during the week under review, in Rajasthan, total mustard were recorded marginally lower at 12.65 Lakh bags. All India arrivals stood at 27.8 Lakh bags Vs 27.75 Lakh bags previous week. Most of the stockiest/traders are not aggressively buying, 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 2nd 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-

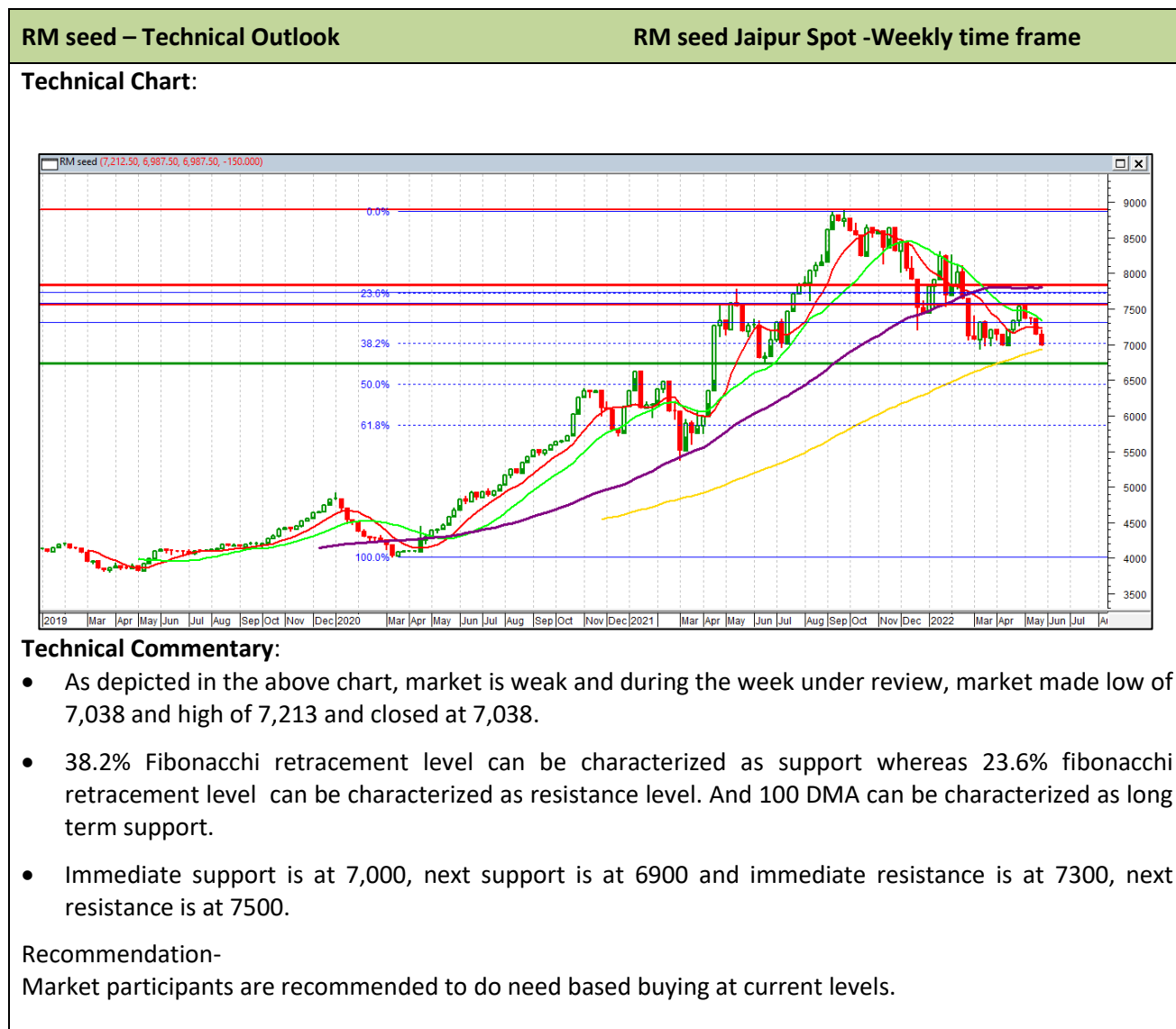
According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and 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.

Technical Analysis

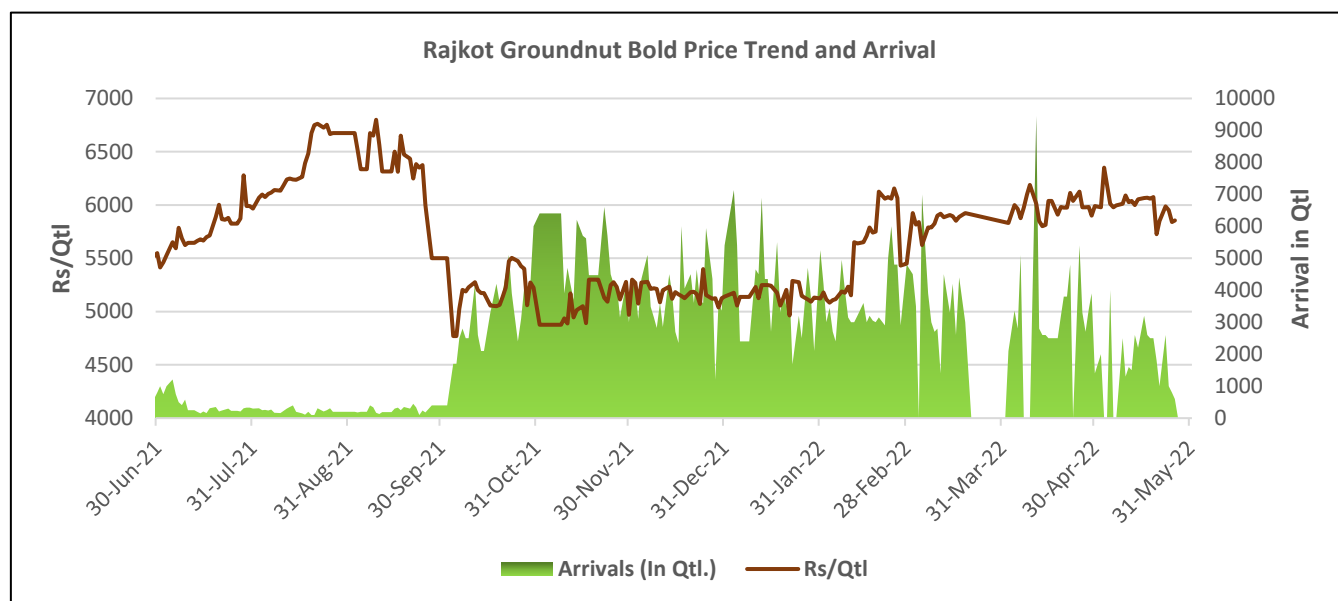
(Based on Jaipur Mandi prices)



RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid edible oil import tariff cut by the government.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 14th-20th May'22	Week Under review 21st-27th May'22	Next week 28th-3rd June'22
Weekly Average Price	7,229	7,121	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained weak amid weak oilseed complex on edible oil import tariff cut and went down by 2% to INR 5,897/Qtl.

Gujarat has not witnessed any rain for the last many days. Scattered rain occurred over parts of North and Northeast Rajasthan as well as parts of North and East Madhya Pradesh during the last week. Gujarat is large rain deficient whereas Madhya Pradesh and Rajasthan are in the deficient rain category.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade weak in tandem with correction in oilseed complex.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 14th-20th May'22	Week Under review 21st-27th May'22	Next week 28th-3rd June'22
Weekly Average Price	6,008	5,897	5,800-6,000

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		27-May-22	21-May-22	28-Apr-22	26-May-21
Indore –Plant	-4%	7025	7350	7600	7450
Indore–Mandi	-6%	6750	7200	7500	0
Nagpur-Plant	1%	7000	6950	7405	7950
Nagpur – Mandi	1%	6900	6850	7205	7700
Latur – Mandi	0%	6980	7010	7280	7220
Akola – Mandi	1%	7100	7040	7200	7000
Kota-Plant	-3%	7050	7300	7700	7350
Kota – Mandi	-4%	6950	7250	7600	7250
Bundi-Plant	-6%	6800	7200	7700	7100
Bundi-Mandi	-6%	6700	7100	7400	6900
Baran-Plant	-5%	6940	7325	7820	7450
Baran-Mandi	-6%	6840	7245	7620	7350
Bhawani Mandi Jhalawar–Plant	-5%	6900	7300	7850	0
Jhalwar-Mandi	-6%	6850	7250	7750	0
Rapeseed/Mustard					
Jaipur-(Condition)	-1%	7050	7150	7400	7325
Alwar-(Condition)	4%	7050	6800	6900	7050
Sri Ganganagar-(Non-Condition)	1%	6600	6565	6900	0
New Delhi–(Condition)	1%	7000	6900	7000	7000
Kota-(Condition)	-1%	6720	6800	7050	6850
Agra-(Condition)	1%	7143	7048	7429	7190
Neewai-(Condition)	1%	6900	6800	7000	7350
Hapur (UP)-(Condition)	-1%	6800	6900	7250	7000
Groundnut Seed					
Rajkot	-	NA	1060	1051	1050

Sunflower Seed					
Gulbarga	-5%	6000	6300	5600	0
Latur	0%	7200	7200	7800	7350
Sholapur	0%	7200	7200	7800	7350
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.					

Other Oilseed Prices at Mumbai (INR/100 Kg):

Oilseeds	27-May-22	21-May-22	Change
Groundnut Kernel	7950	8000	-50
Gr. Bolds 60/70	9100	9050	50
Gr. Javas 60/70	10200	10150	50
Gr Javas 70/80	9150	9100	50
Gr.Javas 80/90	9650	9600	50
KardiSeed 2% Exp Qly	5500	5500	Unch
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9400	9400	Unch
Brown 48/3 FFA/4 FM	9100	9100	Unch
Brown 48/4 FM/* No FFA Guarantee	8800	8800	Unch
Sunflower Seed	6800	6800	Unch
Niger Seed (4% FM)	8400	8400	Unch

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