

# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices rebounded by 2.36% to INR. 6,937/qtl during the week under review. Prices were in the range of INR. 6,825-7,100/qtl during the period. However, in the coming week soybean prices likely to remain weak on Soymeal import.

The weekly average prices of Indore soymeal too went up by 1.9% to INR 52,333/MT as compared to last week at INR 50,416/MT tracking Soymeal import.

Jaipur RM seed prices too went up by 3.5% to INR 7,121/Qtl amid shrink in arrivals.

During the week under review, Rajkot groundnut bold prices went down by 4% to Rs. 5,986/Qtl amid firm arrivals.

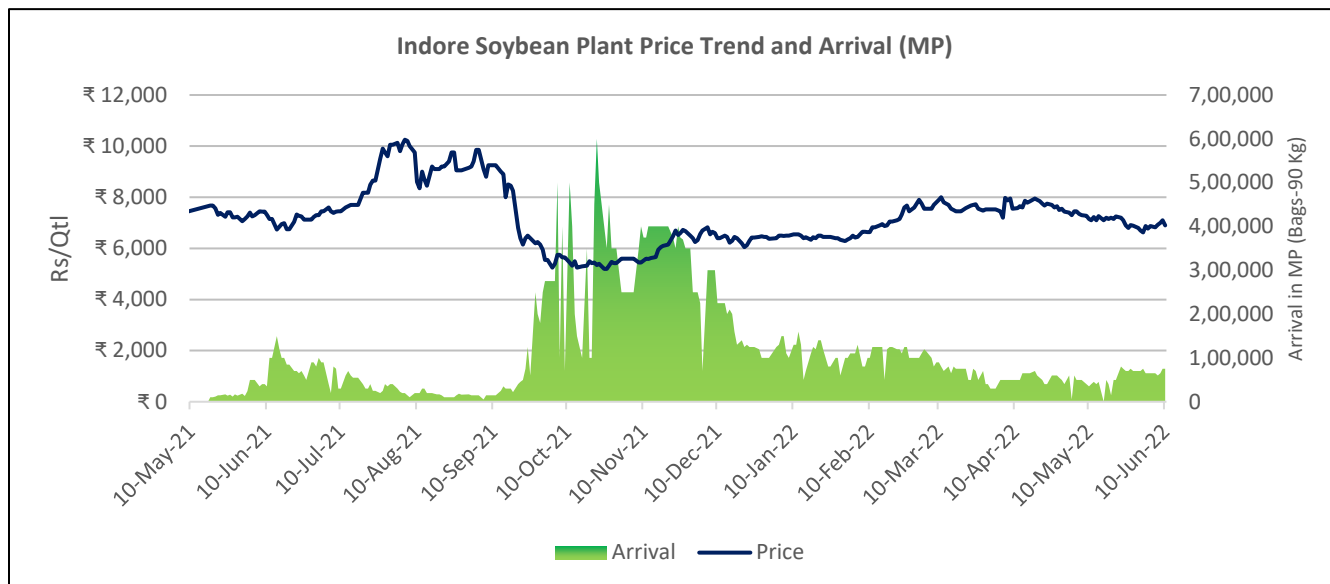
## Outlook – Cash Market

**Outlook - Soybean (Spot Indore):** 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 6,700 – 7,000 level in the near term.

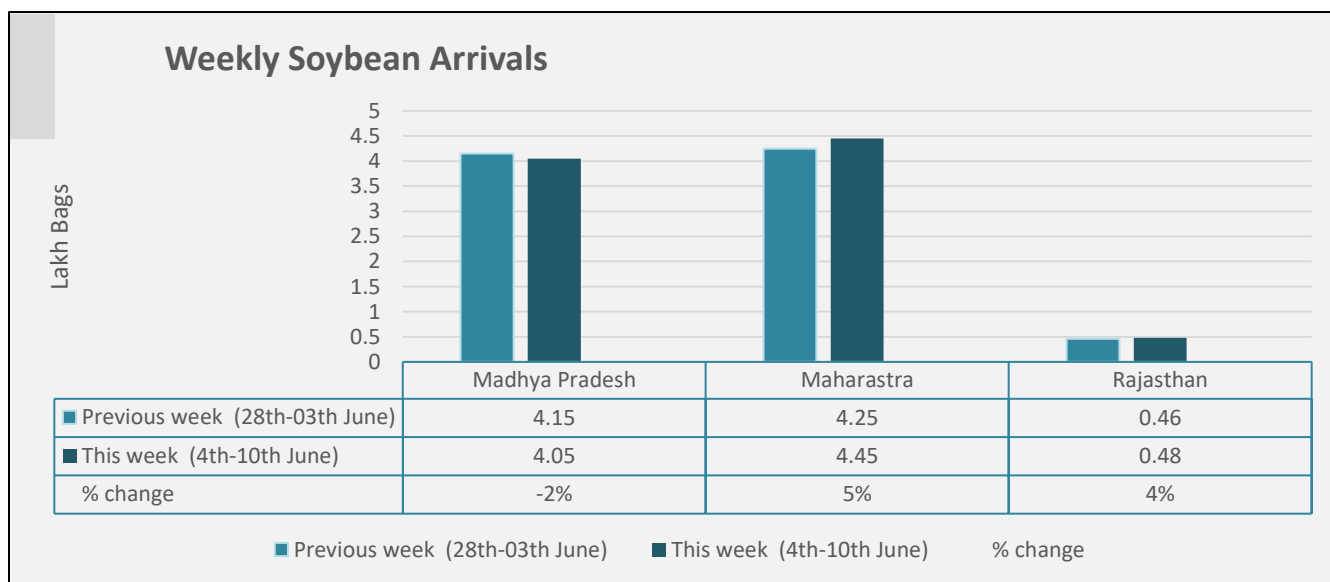
**Outlook – Soy meal:**  
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import. Soy meal Indore prices is likely to trade in the range of 50,000 – 55,000/MT.

**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



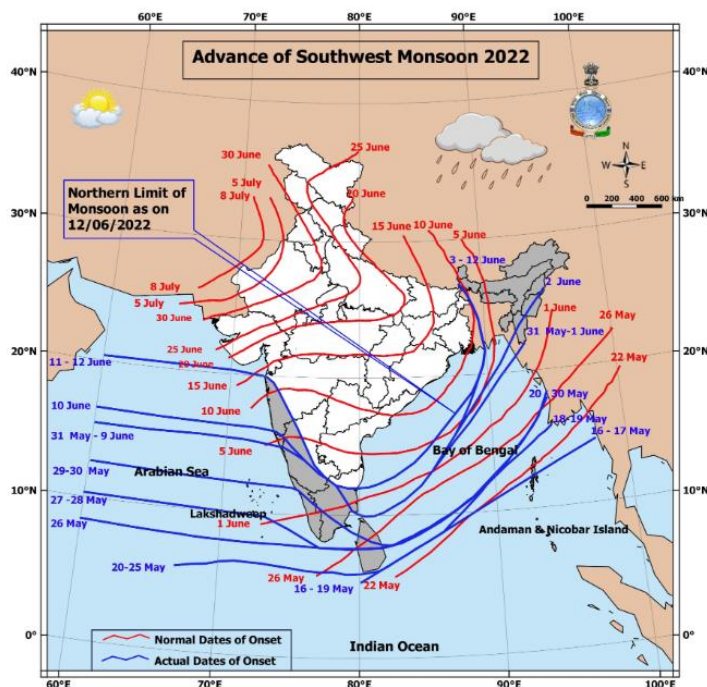
During the week under review, Soybean indore plant prices traded with firm bias amid good demand from crushers and bullish CBOT soybean. Indore plant weekly average prices rebounded by 2.36% to INR. 6,937/qtl. as compared to 6,777/qtl. amid bullish CBOT soybean and good demand from plants.



During the week under review, In Madhya Pradesh arrivals went down by 2% to 4.05 Lakh bags, in Maharashtra and Rajasthan, arrivals were recorded 5% and 4% up respectively.

## Weather Updates-

Southwest Monsoon has further advanced into some more parts of Arabian Sea, some parts of Gujarat state, entire Konkan, most parts of Madhya, Maharashtra, most parts of Marathwada and Karnataka.



## 5 Day Rainfall Forecast (MORNING)

13-June-2022

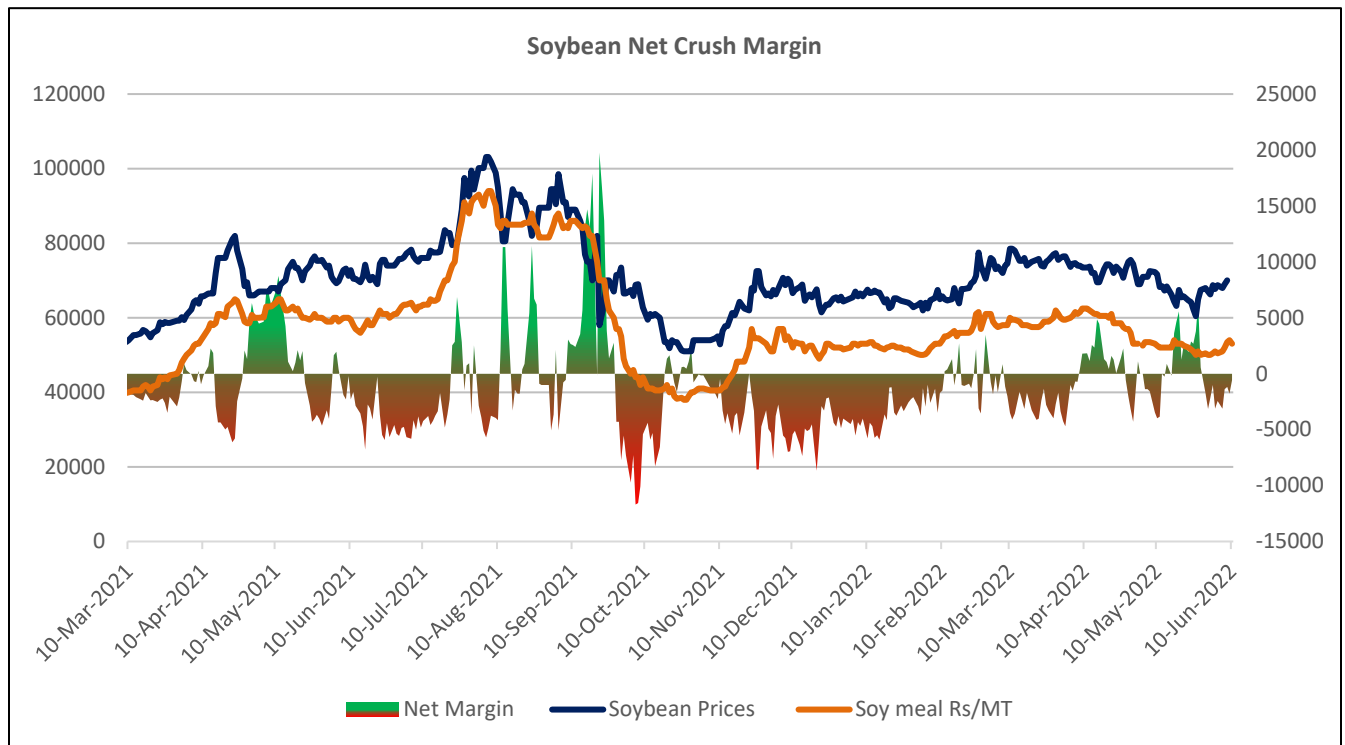
Met-Sub-Division	13-Jun Today	14-Jun Tue	15-Jun Wed	16-Jun Thu	17-Jun Fri
1. Andaman & Nicobar Islands	FWS	FWS	FWS	FWS	FWS
2. Arunachal Pradesh	WS	WS	WS	WS	WS
3. Assam & Meghalaya	WS	WS	WS	WS	WS
4. N. M. M. & T.	FWS	FWS	WS	WS	WS
5. S.H. West Bengal & Sikkim	WS	WS	WS	WS	WS
6. Gangetic West Bengal	SCT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

## % Station Reporting Rainfall

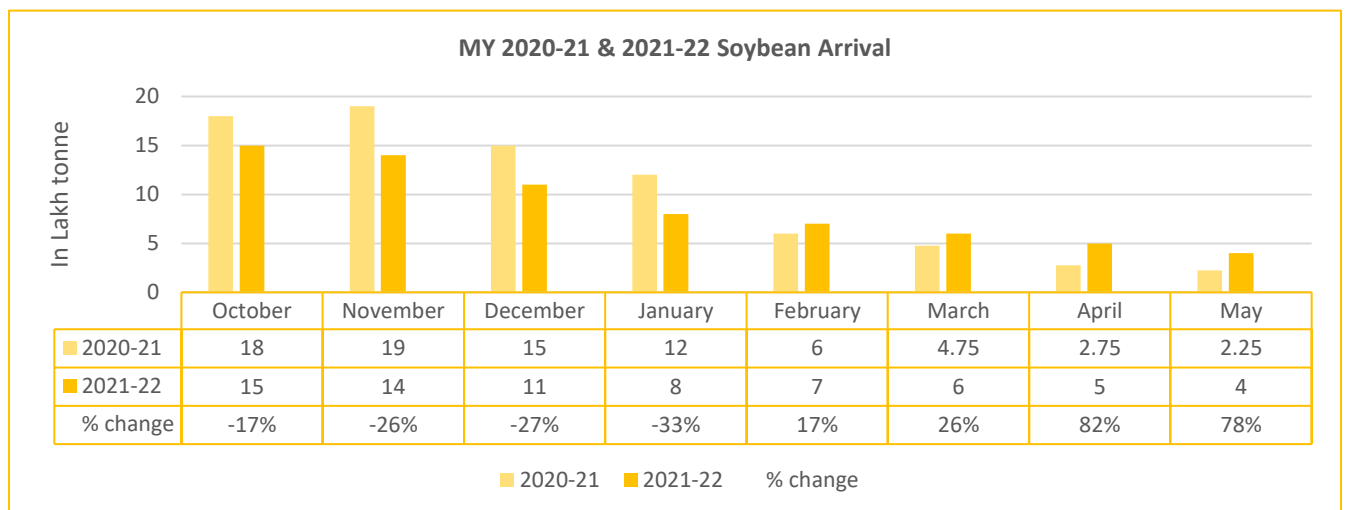
% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

## Soybean Crush Margin-

Soybean net crush margin remained tight during the week under review. Weekly average soybean net crush margin decreased to INR -1,751/MT as compared to INR. -1776/MT previous week amid increase in soybean prices. We expect tight crush margin in upcoming week too.

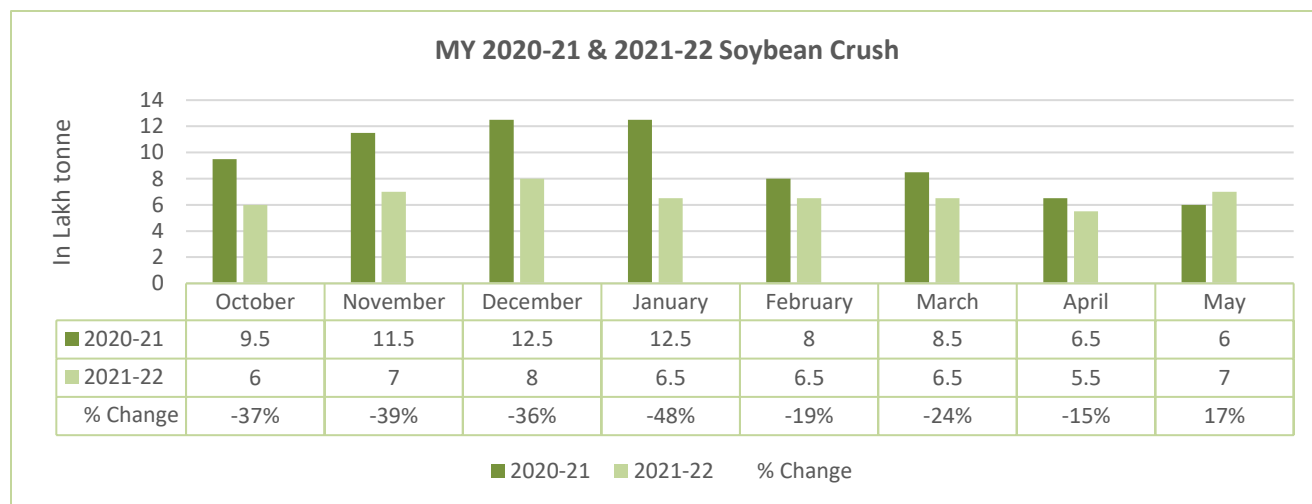


## Soybean Arrivals-



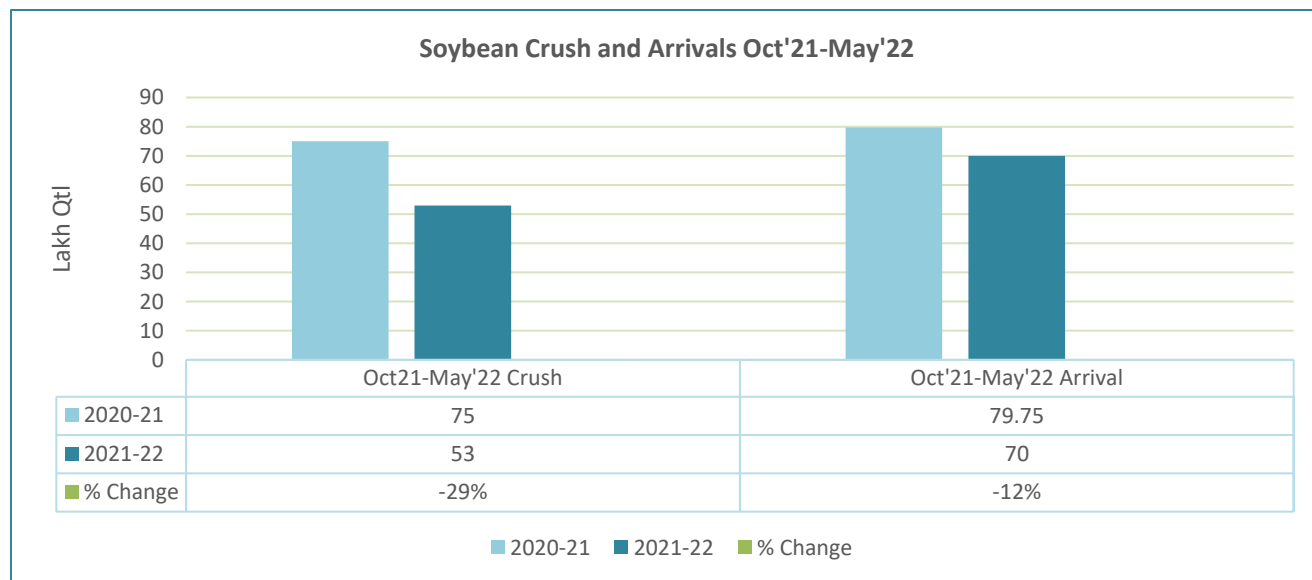
According to SOPA, May'22 Soybean arrivals went up by 78% to 4 Lakh tonnes as compared to 2.25 Lakh tonnes previous year same period. Farmers off loaded their stocks for kharif sowing.

## Soybean Crushing:



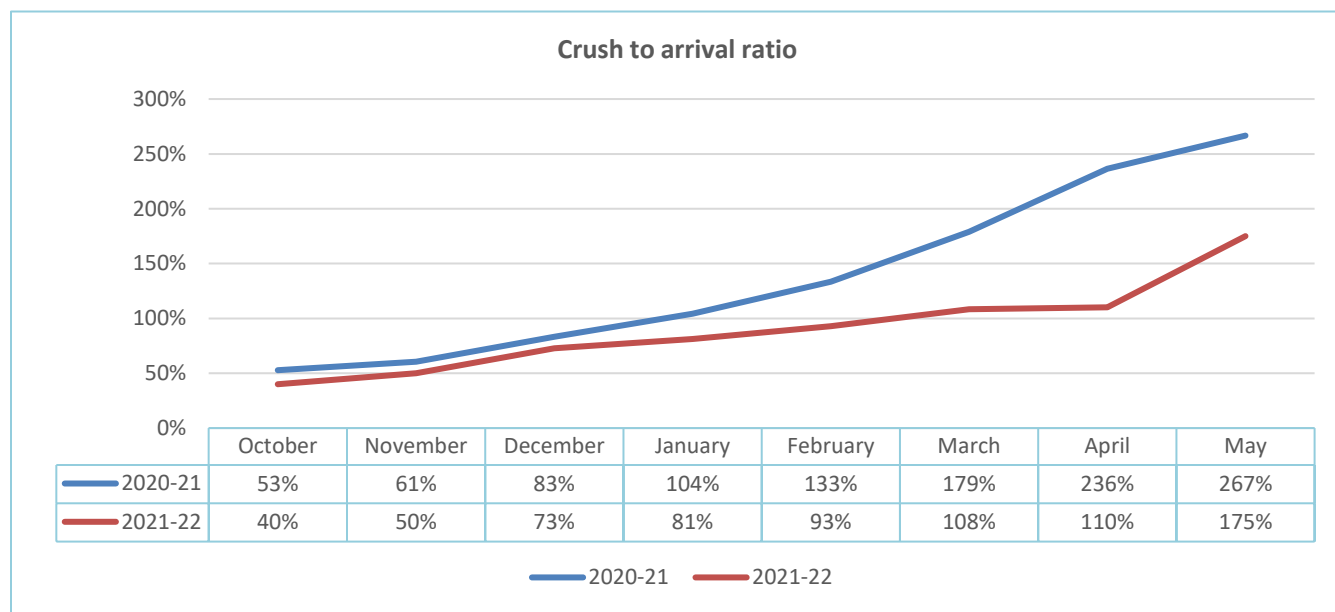
Soybean crushing went up by 17% in May'22 to 7 Lakh tonnes as compared to 6 Lakh tonnes previous year same period. Good crush margin and old stock crushing attributed to increase in crushing in May.

## Soybean Crush and Arrivals:



Oct-May'22 crushing remained low by 29% to 53 Lakh tonnes as compared to 75 Lakh tonnes previous year, weak soymeal export demand attributed to low crushing this season till May'22. And arrivals went down by 12% to 70 Lakh tonnes as compared to 79.75 Lakh tonnes previous same period.

## Crush to arrival ratio:



Crush to arrival ratio went up to Rs. 175%, it is inferred that old stock is being crushed.

## International:

This week, CBOT Soybean July futures went up by 2.81% amid tight old crop situation and traders are nervous that supplies will run out before the new crop is harvested.

According to USDA latest planting report USA Soybean sowing progress stood at 78% Vs 89% previous year and 79% five year average.



USDA Attache in Its June'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 126 MMT in 2021-22. 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.

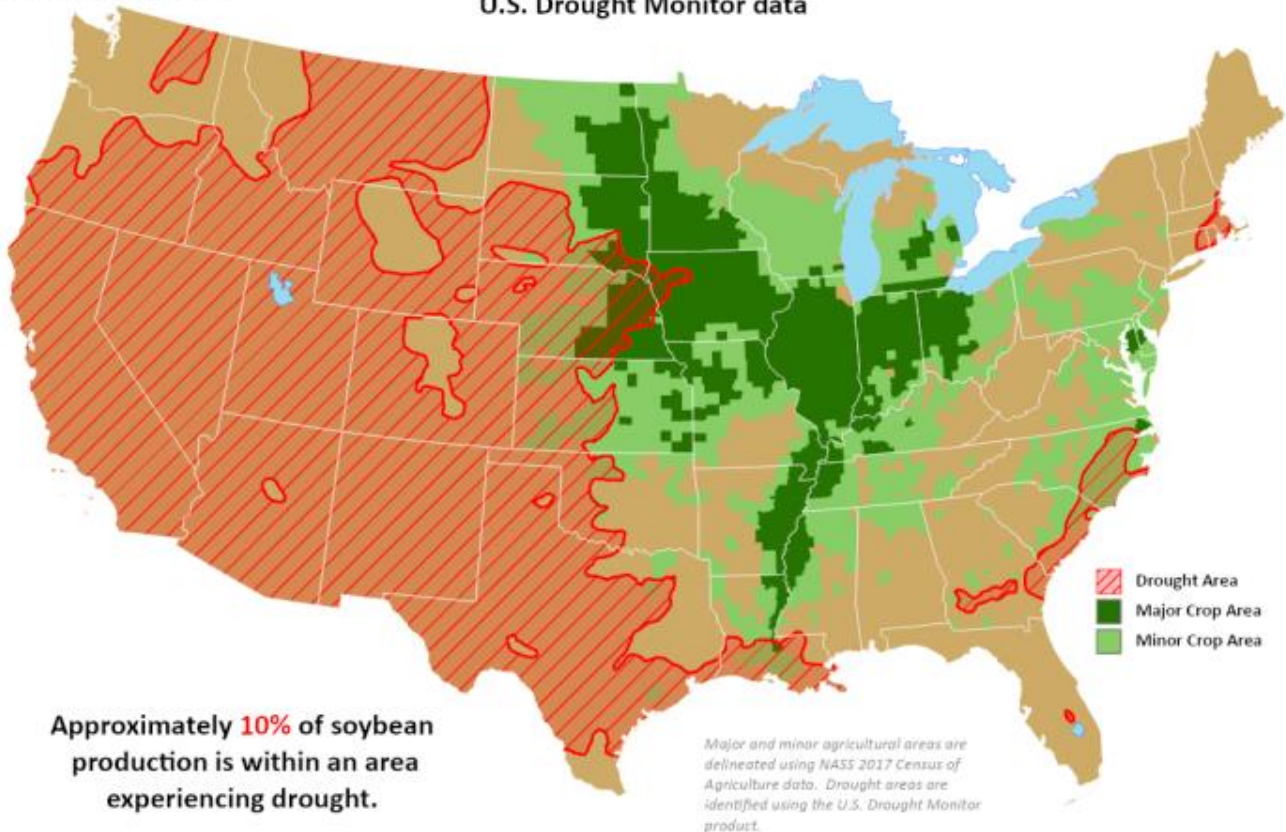


**USDA** United States  
Department of  
Agriculture

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

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

Reflects **June 7, 2022**  
U.S. Drought Monitor data

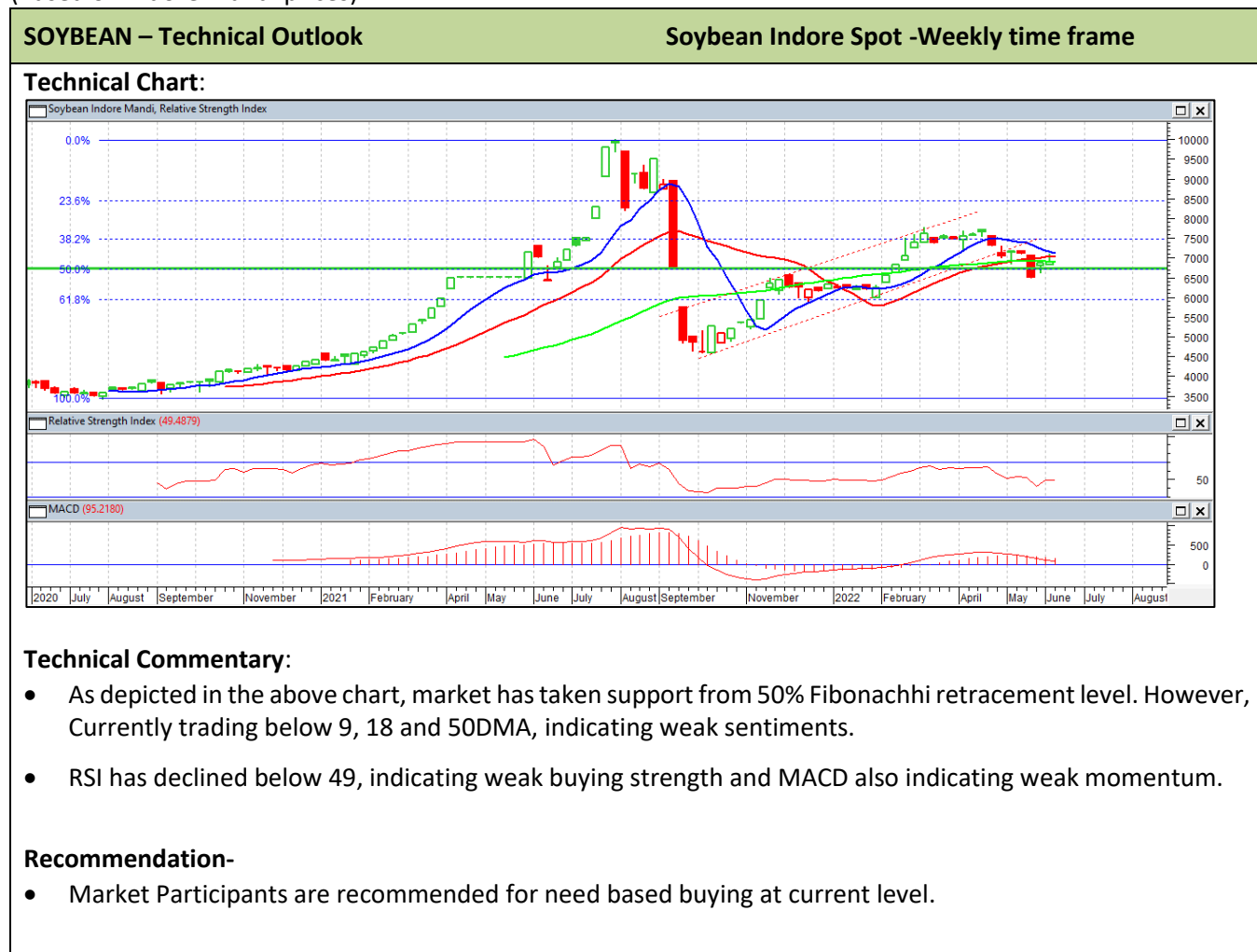


Currently in US, 10% of Soybean production is within an area experiencing drought.



## Technical Analysis

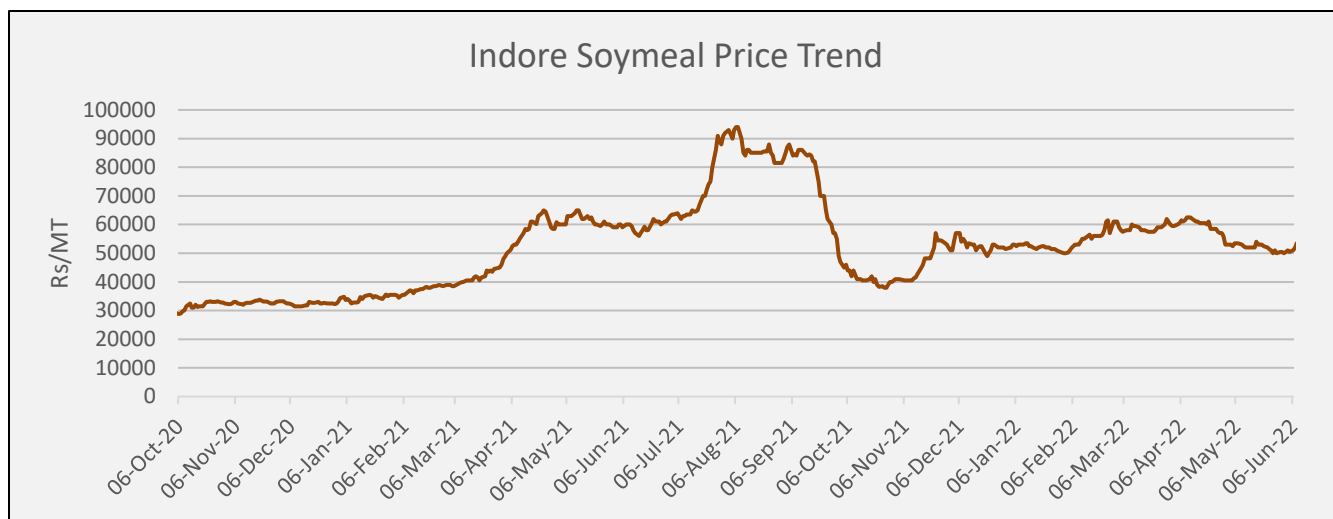
(Based on Indore Mandi prices)



**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 6,650/qty. and are expected to trade with weak bias tracking Soy meal import.

Soybean Mandi Price Outlook (INR./Qty)	Previous week 28th-03rd June'22	Week Under review 04th June- 10th June'22	Next week 11 <sup>th</sup> June- 17 <sup>th</sup> June'22
Weekly Average Price	6,350-6,650	6,625-6,850	6,700-7,000

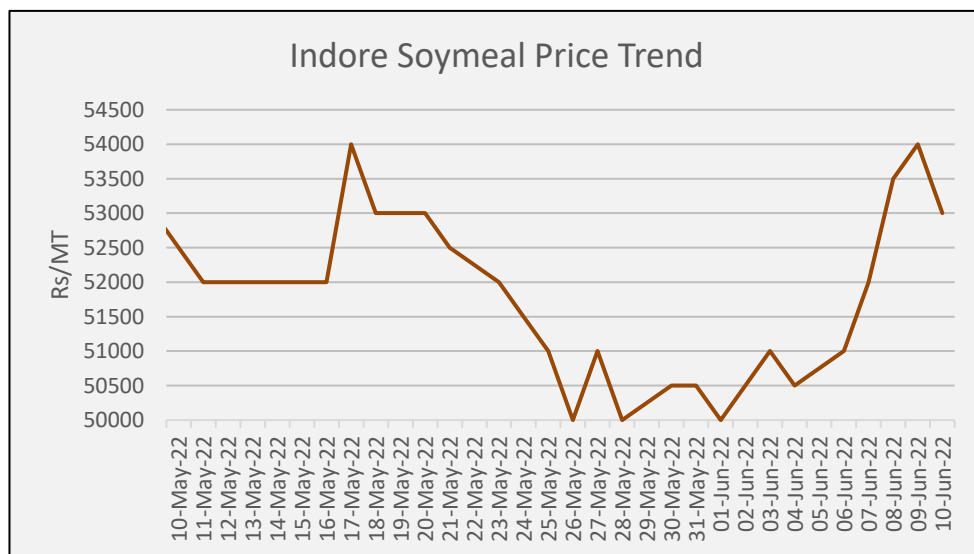
## Soymeal



During the week under review, Indore Soymeal prices traded with firm sentiments. The weekly average prices of soymeal went up by 1.9% at INR 52,333/MT as compared to last week at INR 51,333/MT. Overall the prices quoted between INR 50,500 – 54,000/MT throughout the week.

At Nanded, the weekly average prices traded at INR. 53,566/MT compared to INR. 52,916/MT a week ago. In Kota the meal prices were down at INR.

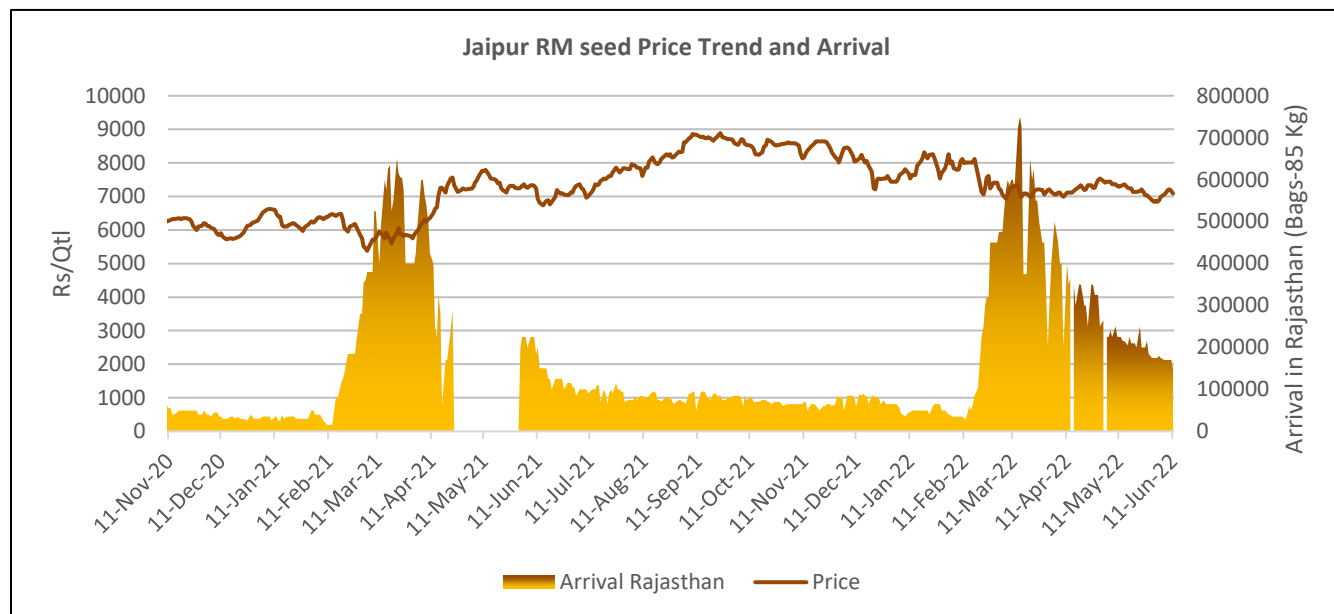
57,116/MT compared to INR. 54,316/MT previous week.



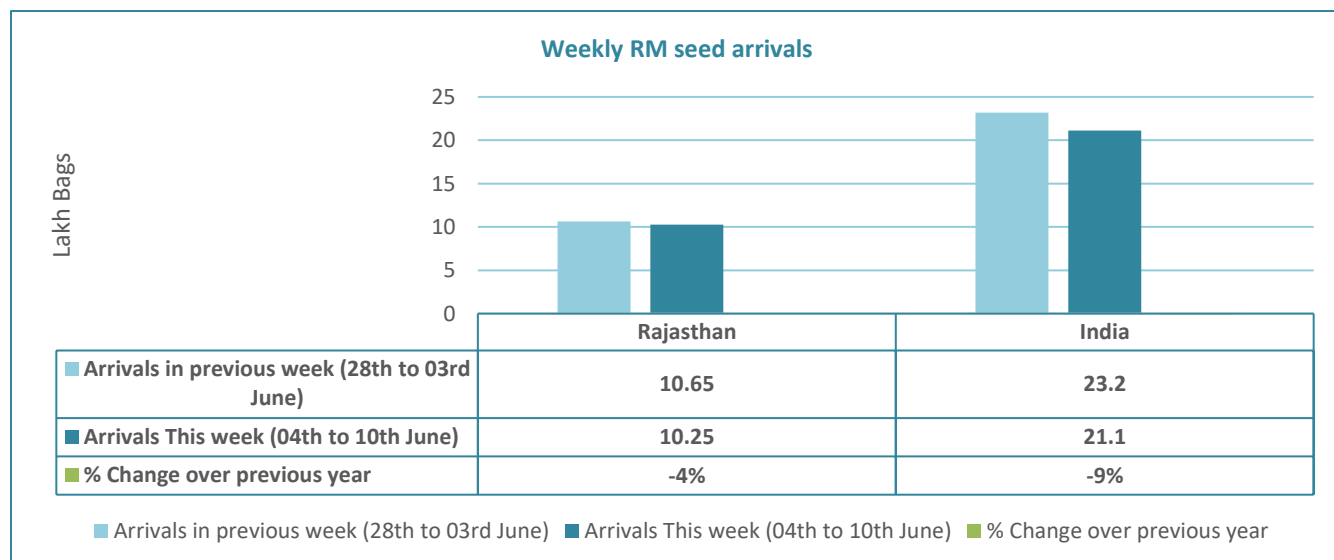
**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to continue to trade with steady to weak bias tracking Soymeal import decision by government.

Soymeal Indore Price Outlook (INR./MT)	Previous week 28th-03rd June'22	Week Under review 04th June- 10th June'22	Next week 11th June- 17th June'22
Weekly Average Price	50,000-52,500	50,000-51,000	50,000-55,000

## Rapeseed - Mustard Seed



RM seed continued correction this week too, during the week under review, Jaipur RM seed weekly average prices went up by 3.5% to INR. 7,121/qtl as compared to INR. 6,883/qtl last week. Prices went up amid shrink in arrivals. 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 recorded low during the week under review, in Rajasthan, total mustard were recorded lower by 4% at 10.25 Lakh bags. All India arrivals stood at 21.1 Lakh bags Vs 23.2 Lakh bags previous week. Farmers are not willing to sell at discounted price. 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 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.

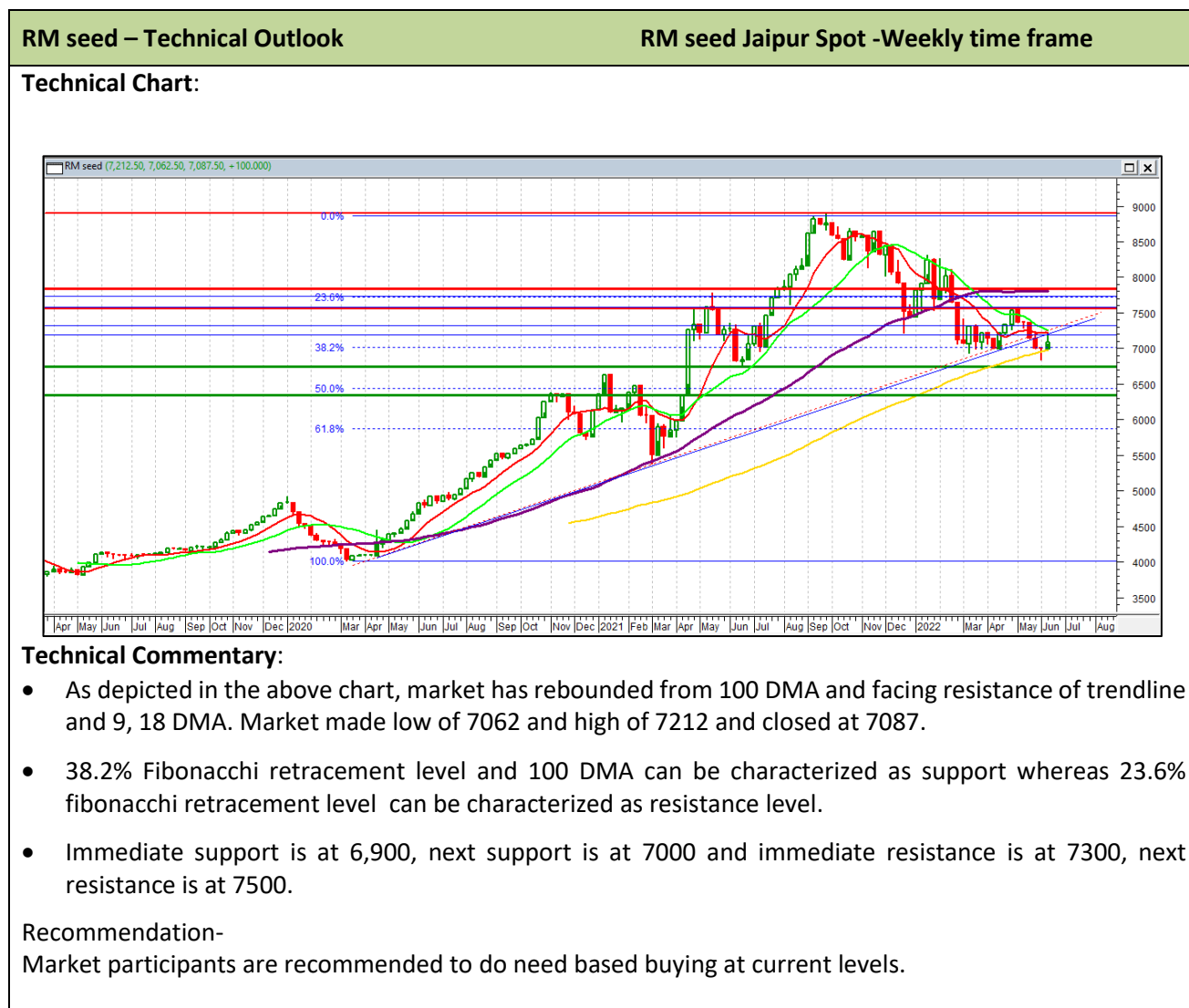
For 2022-23, the area seeded to canola is expected to decrease by 7% to 8.5 million hectares (Mha) based on Statistics Canada's Seeding Intentions Survey.

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.

## Technical Analysis

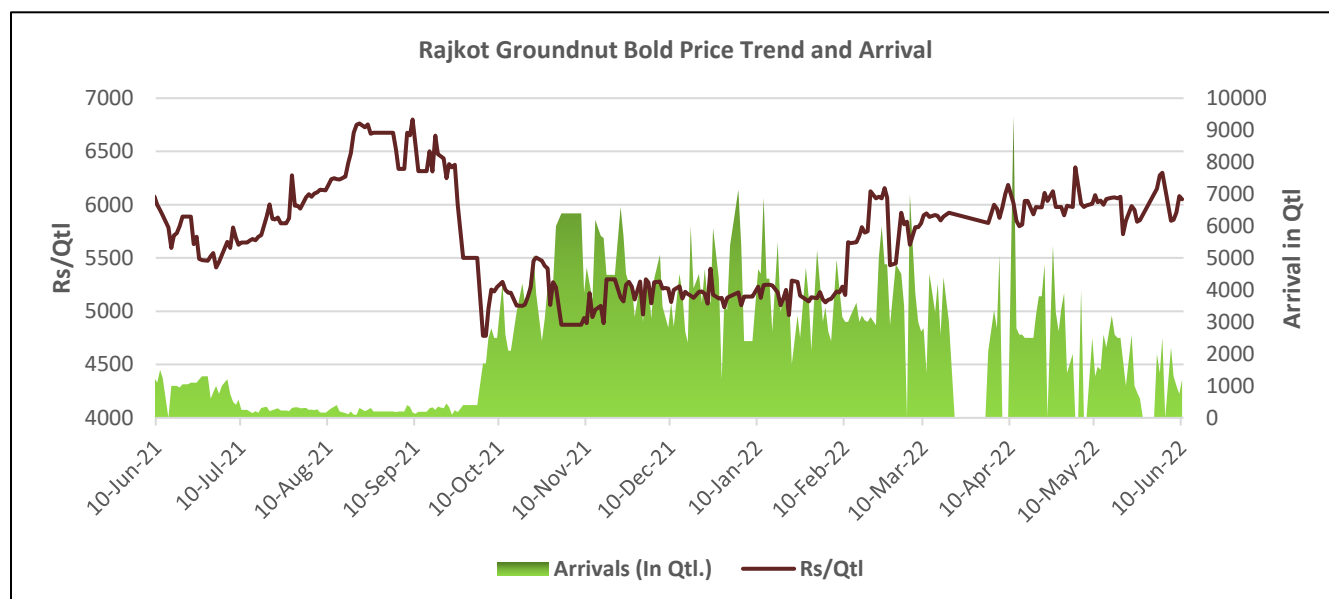
(Based on Jaipur Mandi prices)



**RM seed Price Outlook for coming week:** RM Seed is expected to trade range bound with weak bias amid correction in palm oil prices.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 28th-03rd June'22	Week Under review 04th June- 10th June'22	Next week 11 <sup>th</sup> June- 17 <sup>th</sup> June'22
Weekly Average Price	7,121	7121	6,800-7,100

## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained firm on good domestic demand and went down by 4% to INR 5,986/Qtl. Prices went down amid increase in arrivals, all India arrivals went up by 22% to 19,377 tonnes as compared to 15,930 tonnes previous week.

In Oct'21-April'22, India's Groundnut export went down by 24% to 3.72 Lakh tonnes as compared to 4.89 Lakh tonnes same period last year. Low demand from China attributed to the lower exports, while there is good demand from South East Asian countries like Indonesia, Malaysia and Philippines. In Oct'21-May'22 we expect India's groundnut export at 3.9-4 Lakh tonnes.

In Oct-April'22, India's Groundnut oil export went down by 95% to 9,701 tonnes as compared to 2.11 Lakh tonnes previous year same period. In Groundnut oil too, the lower exports can be attributed to low demand from China. Last year China imported groundnut oil heavily from India on account of local crop damage. In Oct-June'22 we expect India's Groundnut oil export at 10000-12000 tonnes.

Despite low export demand prices remained firm on the back of firm domestic demand.

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

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 28th-03rd June'22	Week Under review 04th June- 10th June'22	Next week 11 <sup>th</sup> June- 17 <sup>th</sup> June'22
Weekly Average Price	6,242	5,986	5,800-6,100

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>10-Jun-22</b>	<b>03-Jun-22</b>	<b>10-May-22</b>	<b>10-Jun-21</b>
Indore –Plant	2%	7000	6850	7200	7350
Indore–Mandi	1%	6800	6700	7100	7350
Nagpur-Plant	8%	6900	6400	7240	7575
Nagpur – Mandi	10%	6700	6100	7140	7350
Latur – Mandi	4%	7025	6730	7280	7220
Akola – Mandi	4%	6655	6380	6920	7200
Kota-Plant	2%	7150	7000	7300	7200
Kota – Mandi	2%	7050	6900	7250	7100
Bundi-Plant	2%	6950	6800	6920	7000
Bundi-Mandi	2%	6750	6600	6820	6800
Baran-Plant	3%	7070	6850	7500	7550
Baran-Mandi	3%	6920	6700	7400	7450
Bhawani Mandi Jhalawar–Plant	1%	7030	6930	7370	7500
Jhalwar-Mandi	1%	7000	6900	7200	7000
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4%	7175	6900	7325	7250
Alwar-(Condition)	3%	6850	6625	6950	6850
Sri Ganganagar-(Non-Condition)	3%	6600	6380	6860	6630
New Delhi–(Condition)	2%	6900	6750	7120	6900
Kota-(Condition)	8%	6750	6250	6700	6600
Agra-(Condition)	3%	7286	7048	7286	7286
Neewai-(Condition)	6%	7000	6600	6860	6950
Hapur (UP)-(Condition)	4%	6950	6700	7100	6900
<b>Groundnut Seed</b>					
Rajkot	-6%	1080	1150	1105	1070
<b>Sunflower Seed</b>					
Gulbarga	-5%	5800	6100	6000	0



Latur	4%	7100	6800	7700	6800
Sholapur	4%	7100	6800	7700	6800
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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