



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices remained sideways and went marginally up by 0.23% to INR. 6,462/qrtl during the week under review. Prices were in the range of INR. 6,400-6,500/qrtl during the period. Rebound in CBOT Soybean and soy oil prices supported Soybean prices.

The weekly average prices of Indore soymeal witnessed gain and went up by 1.4% to INR 49,583/MT as compared to last week at INR 48,916/MT amid soymeal import.

During the week under review, Jaipur RM seed prices too rebounded by 1.3% to INR 7,067/Qtl amid good demand from crushers and rebound in ICE canola.

During the week under review, Rajkot groundnut bold prices remained firm and went up by 2% to INR 6,092/qrtl. in tandem with groundnut oil prices.

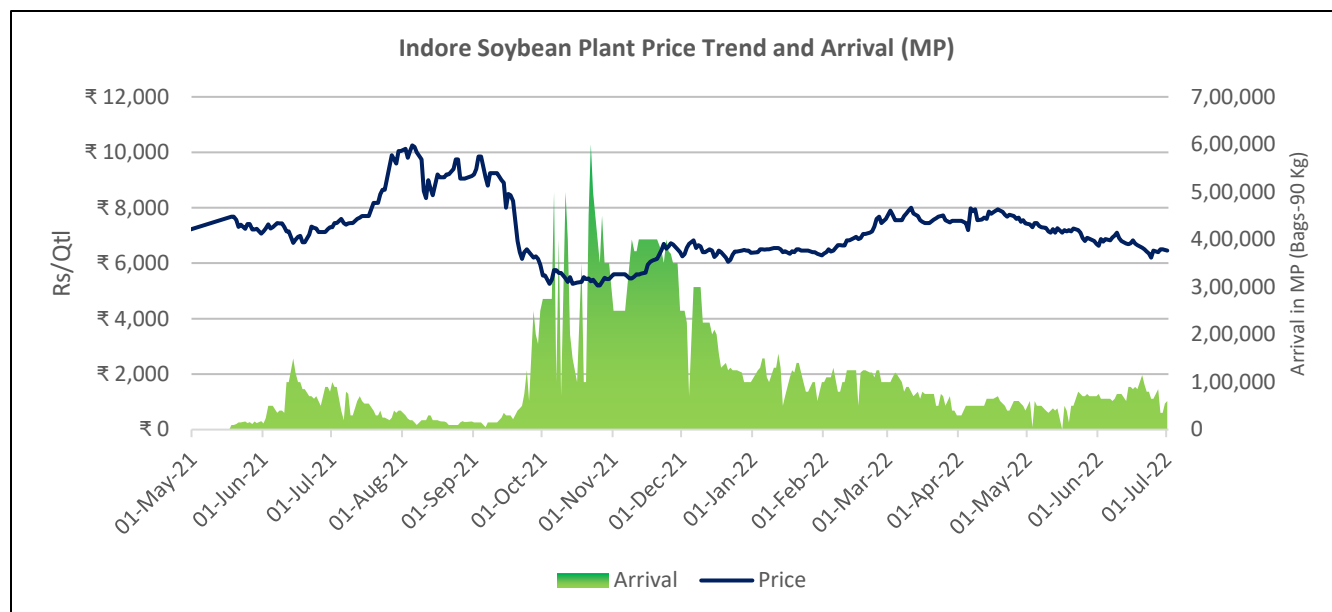
Outlook – Cash Market

Outlook - Soybean (Spot Indore): In the coming week, soybean prices are expected to remain weak on GM Soy meal import and weakness in global markets. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,000 – 6,400 levels in the near term.

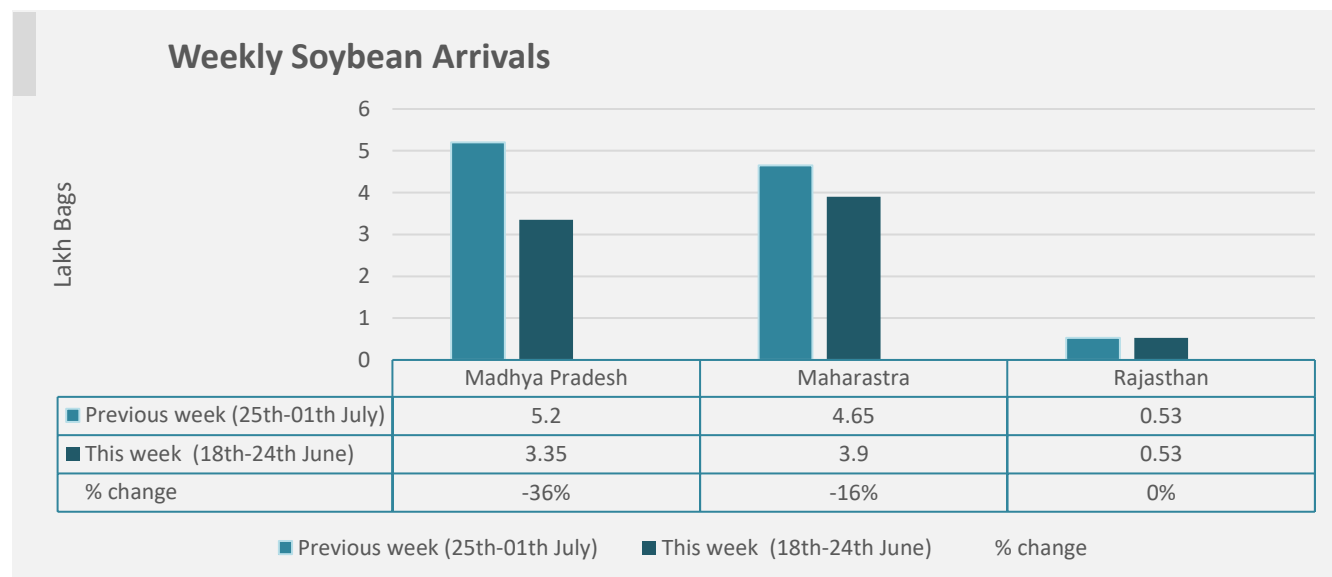
Outlook – Soy meal:
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import and weakness in the global market. Soy meal Indore prices are likely to trade in the range of 47,000 – 52,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid correction in palm oil and ICE canola prices. 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 remained sideways and went marginally up amid shrink in arrivals and GM soymeal imports in the domestic market. Indore plant weekly average prices went marginally up by 0.23% to INR. 6,462/qtl. as compared to 6,447/qtl. In other cash markets too Soybean traded with sideways.



This week, the total arrival in MP recorded at 3.35 Lakh bags Vs 5.2 Lakh bags last week. In Maharashtra arrivals stood at 3.9 Lakh bags Vs 4.65 Lakh bags last week and in Rajasthan the arrivals went up at 0.53 lakh bags.

Soybean Sowing Updates:

State	Area Covered	(Lakh Ha)			
	2022	2021		% Change	Cumulative Rainfall Departure (%) 1st June to 3rd July'22
Maharashtra	19.86	21.59		-8%	-23%
Rajasthan	3.37	2.47		37%	38%
Madhya.Pradesh	3.34	1.96		70%	-11%
Karnataka	2.37	2.69		-12%	-6%
Telangana.	0.76	0.78		-2%	27%
Gujarat	0.43	0.41		5%	-30%
Others	0.37	0.39		-5%	
Total	30.52	30.29		1%	

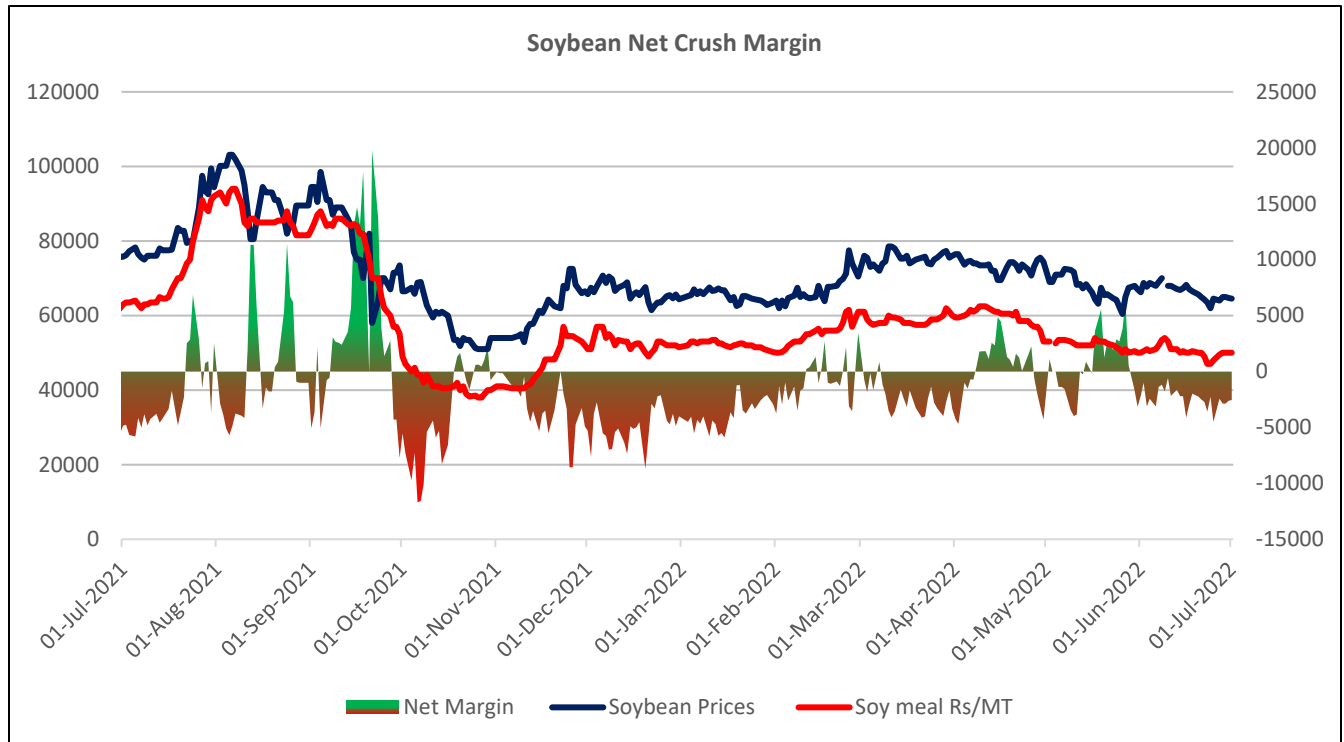
Source- Department of Agriculture & Farmers Welfare

Cumulative rainfall in Soybean growing key districts in MP, Maharashtra and Rajasthan.

From 1st June'22- 1st July'22, cumulative rainfall recorded low by -15% in MP, -27% in Maharashtra, and -, However, in Rajasthan cumulative rainfall remained above average at 15%. As on 02nd July'22 All India Kharif soybean sowing progress is up by 1% to 30.52 Lakh hectare as compared to 30.29 Lakh hectare last year in the same period.

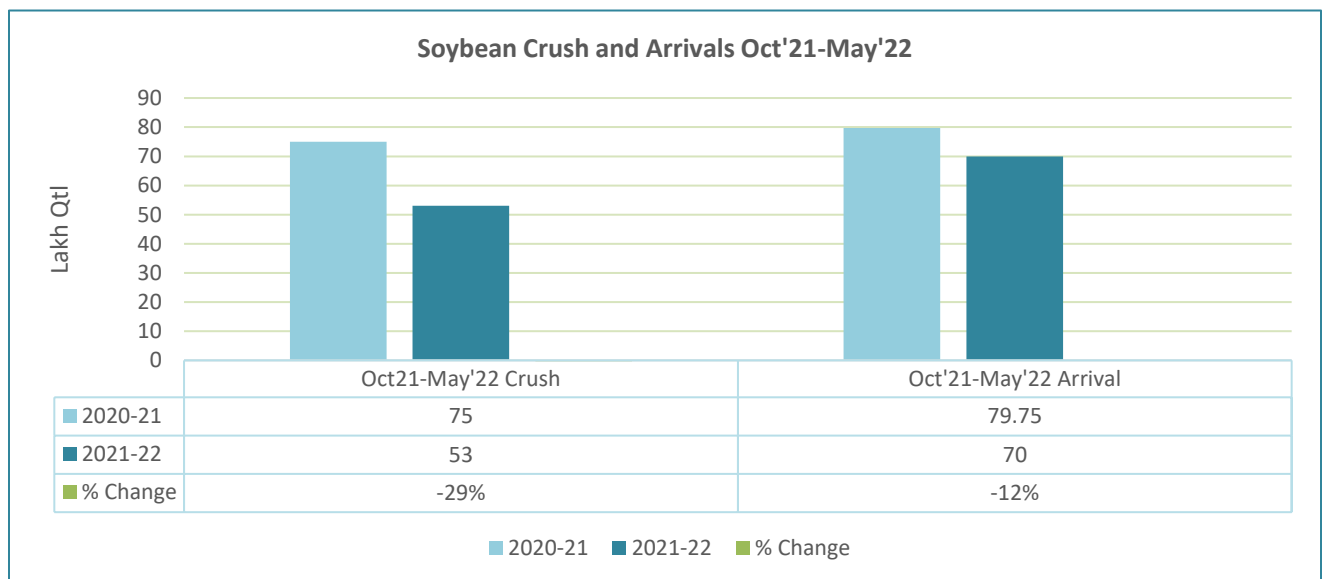
Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 1st July	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 1st July	Rajasthan	Rainfall Departure (%) 1st June to 1st July
Ujjain	11%	Nagpur	-28%	Kota	36%
Indore	-38%	Amaravati	-41%	Bundi	55%
Dewas	-5%	Akola	-29%	Baran	41%
Dhar	-50%	Buldhana	-27%	Jhalawar	-11%
Ratlam	-35%	Washim	-41%	Chittorgarh	-52%
Mandsaur	-53%	Yavatmal	-51%	Pratapgarh	-60%
Shajahpur	-31%	Hingoli	-50%	Rajasthan	15%
Rajgah	-20%	Jalna	-25%		
Ashok nagar	33%	Parbhani	22%		
Videsha	23%	Latur	30%		
MP	-15%	Maharashtra	-27%		

Soybean Crush Margin-



Soybean net crush margin remained negative during the week under review. Weekly average soybean net crush margin squeezed to INR -2,978/MT as compared to INR. -2,669/MT previous week amid correction in soybean oil prices. We expect a tight crush margin in the upcoming week too.

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 in the previous same period.

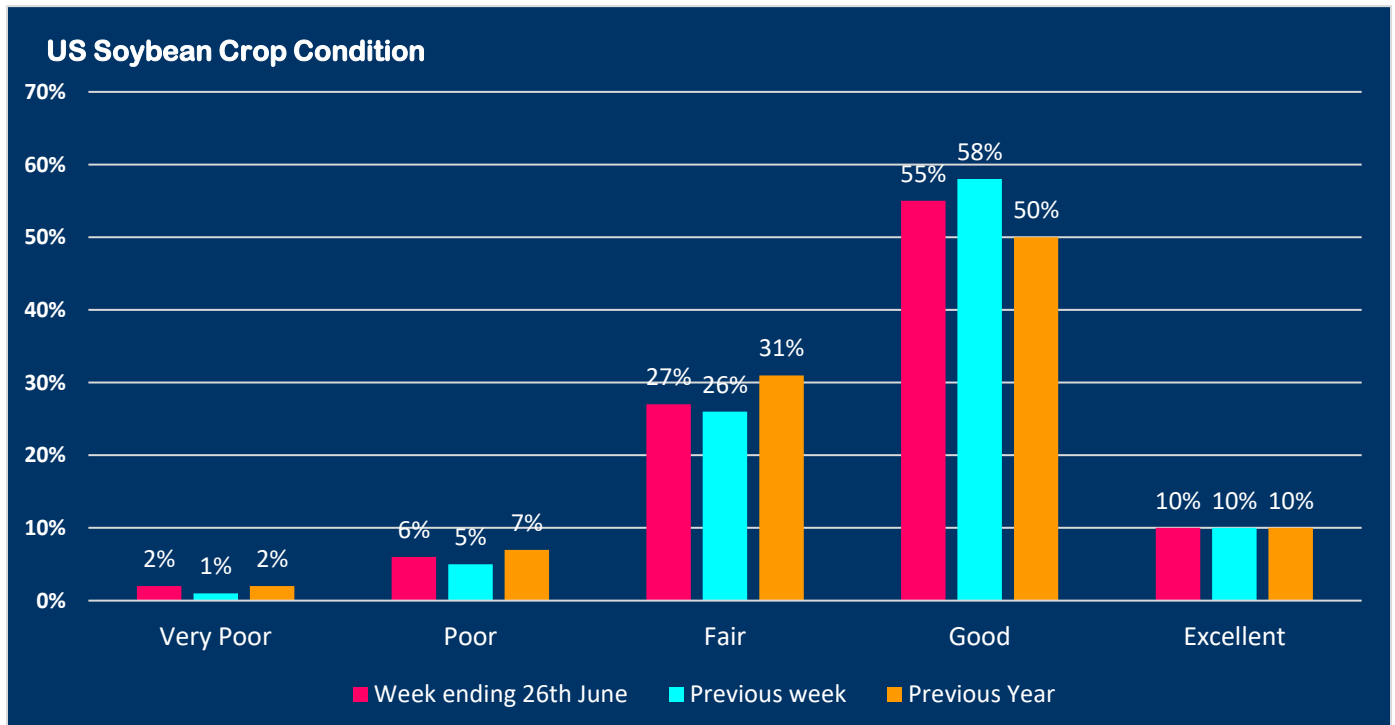
International:

This week, CBOT Soybean July futures went down by 0.95% amid correction in Soy oil and WTI and crude prices.

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 imports are estimated at 99 MMT in 2022-23 Vs 92 MMT in 2021-22.



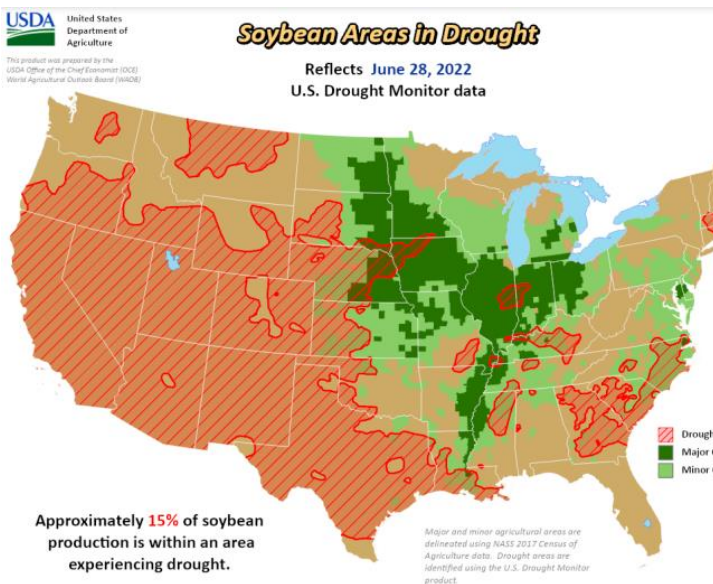
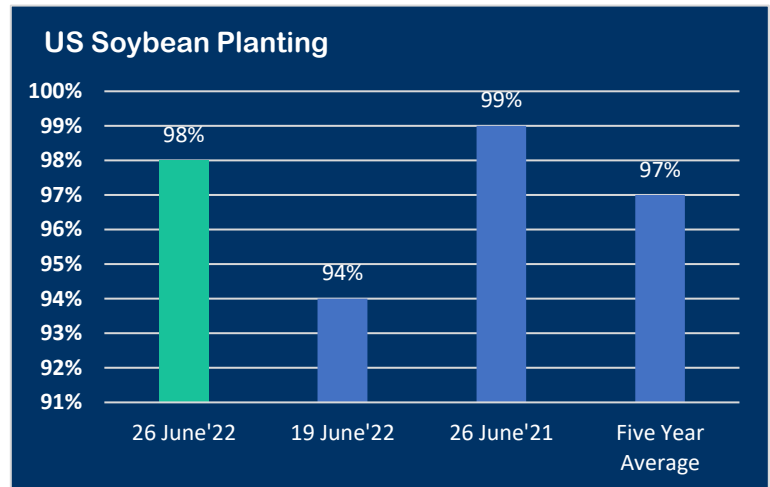
International:



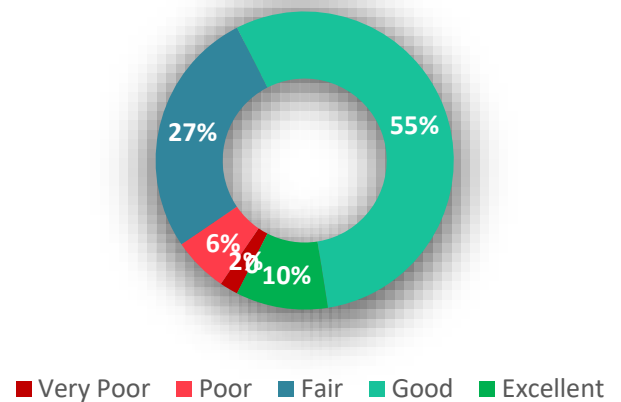
According to USDA's latest report, 2% of Soybean crop is in very poor condition, 1% is in poor condition, 55% in fair condition, 51% in good condition and 9% in excellent condition.

Despite a bearish tone in, US weather and soybean crop condition is a key watch point moving forward.

According to USDA's latest report, US Soybean planting progress reached 98% vs 94% a week ago, 99% a year ago and 97% five-year average.



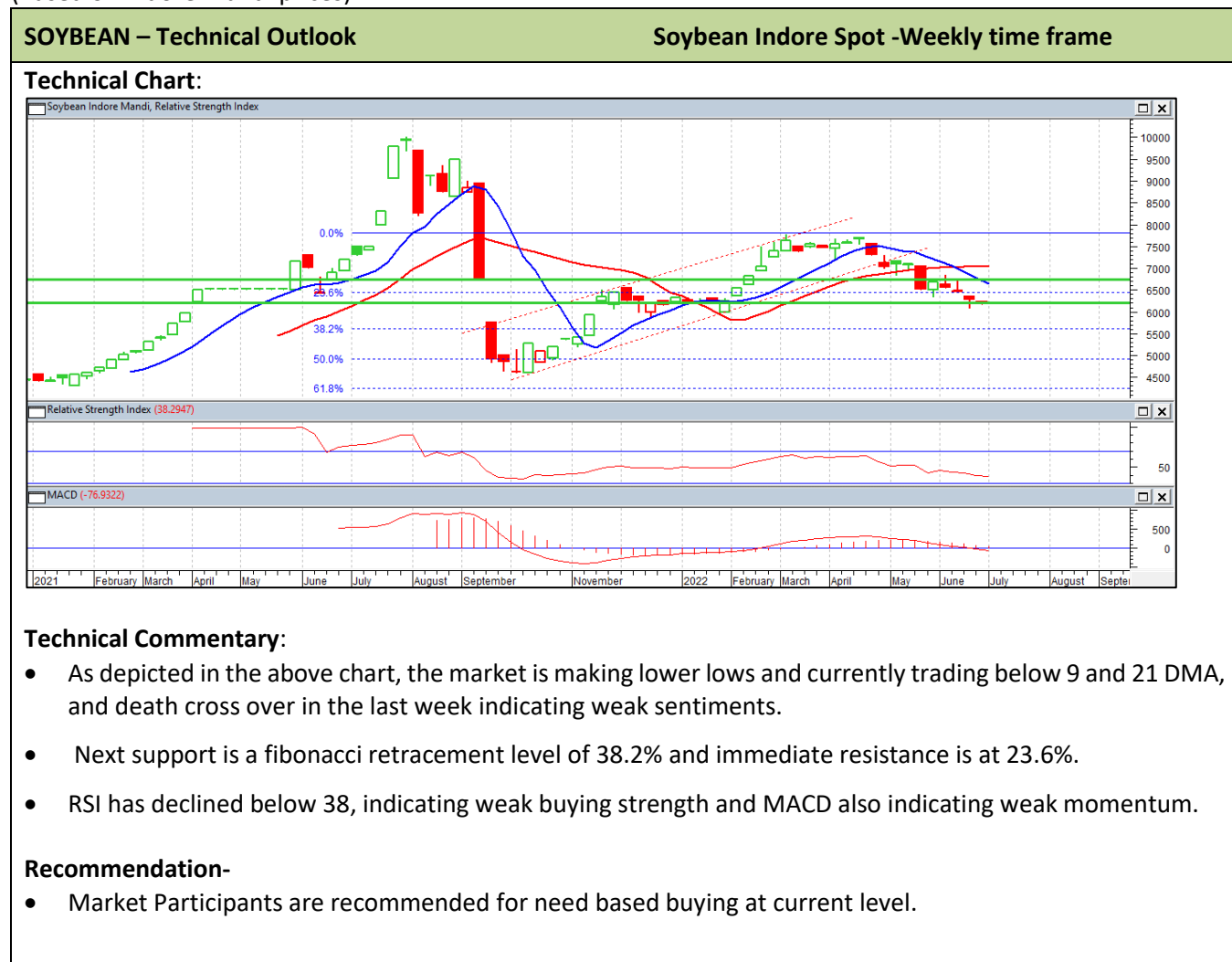
US Soybean Crop Condition week ending 26th June



Currently in US, 15% of Soybean production is within an area experiencing drought.

Technical Analysis

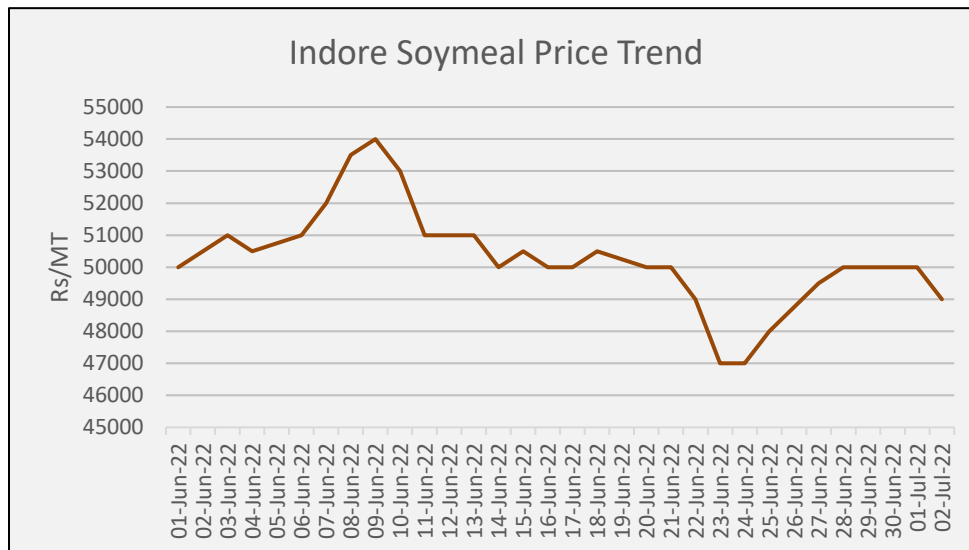
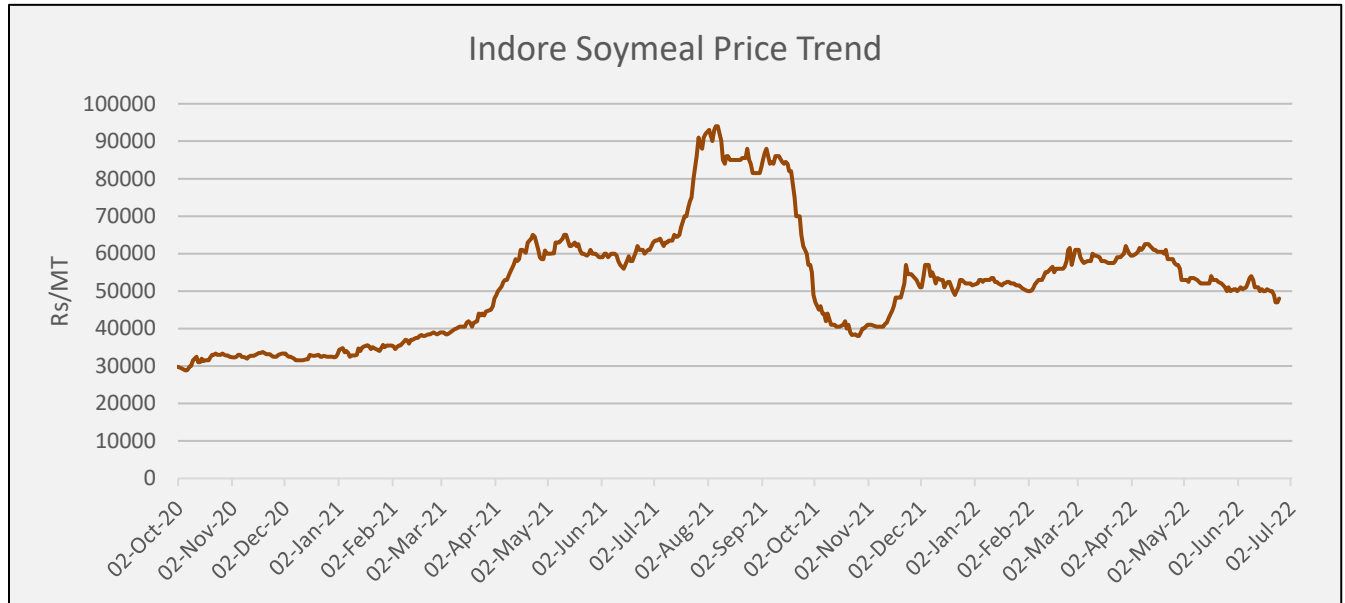
(Based on Indore Mandi prices)



Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,175/qrtl. and are expected to trade with weak bias tracking Soy meal import and weakness in oilseed complex.

Soybean Mandi Price Outlook (INR./Qtl)	Previous week 18th June- 24th June'22	Week Under review 25th June- 01st July'22	Next week 2 nd July- 08th July'22
Weekly Average Price	6,100-6,475	6,225-6,275	6,100-6,300

Soymeal



During the week under review, Indore Soymeal prices rebounded from previous day loss. The weekly average prices of soymeal went up by 1.4% at INR 49,583 /MT as compared to last week at INR 48,916/MT. Overall the prices quoted between INR 48,000 – 50,000/MT throughout the week. Prices went up in tandem

with soy bean prices.

At Nanded, the weekly average prices traded at INR. 53,333/MT compared to INR. 53,666MT a week ago. In Kota the meal prices were down at INR. 53,500/MT compared to INR. 52,133/MT previous week.

According to Solvent Extractor Association of India, oil meal export in the month of May '22 went up by 12 % to 5,55,453 tonnes compared to 2,28,319 tonnes in May'21. And reported 11% up in exports during April-May'22 at 5,89,425 tonnes compared to 5,32,024 in the same period last year.

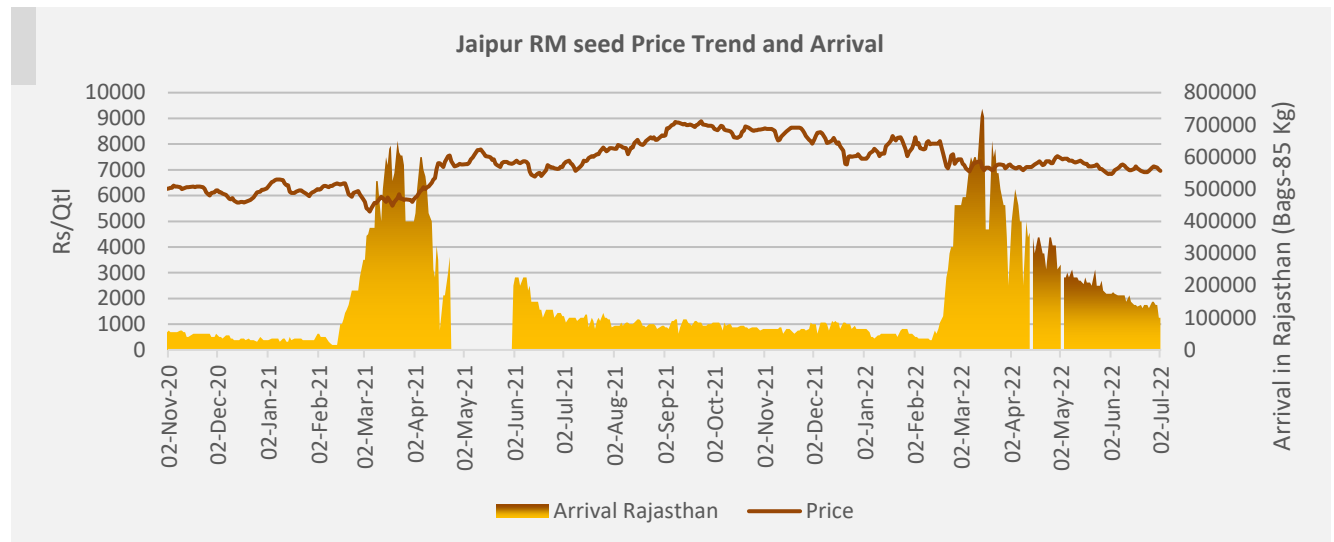
First two months of the current year 2022-23, export of rapeseed meal has shown a sharp jump and reported at 3,98,355 tonnes compared to 2,74,692 i.e. up by 45%. As of now, India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other far east countries. However, Soymeal export is at lowest level as India is out priced in the International market. Current price of Soybean meal FOB Kandla is at \$720/MT while Soybean meal Argentina CIF Rotterdam is quoted at \$532 and Brazil at \$525.

USDA in its June 22 report, India's 2022-23 Soymeal production kept unchanged at 81.6 Lakh tonnes as compared to previous year estimates and Soymeal crushing for the year 2022-23 is kept unchanged at 102 Lakh tonnes as compared to previous year.

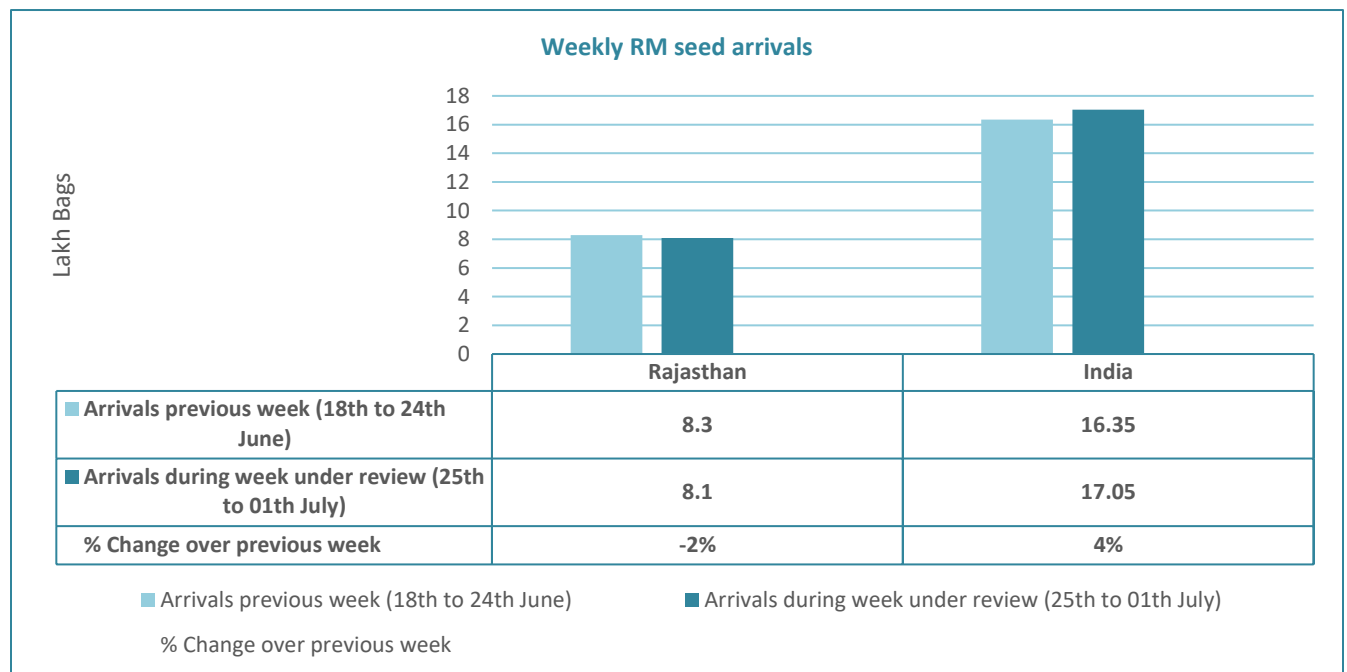
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government and subdued export demand.

Soymeal Indore Price Outlook (INR./MT)	Previous week 18th June- 24th June'22	Week Under review 25th June- 01st July'22	Next week 2 nd July- 08th July'22
Weekly Average Price	47,000-50,500	48,000-50,000	47,000-52,000

Rapeseed - Mustard Seed



RM seed extended previous week loss, during the week under review, Jaipur RM seed weekly average prices went up by 1.3% to INR. 7,067/qtl as compared to INR. 6,950/qtl last week. Prices went up on demand from millers. Farmers are still holding new crops in anticipation of better prices in future. In the last few weeks, crush margin has improved in last few days, there is good demand from crushers.



All India Arrivals continued to shrink during the week under review, in Rajasthan, total mustard arrivals continued to shrink and recorded lower by 2% at 8.1 Lakh bags. All India arrivals stood at 17.05 Lakh bags Vs 16.35 Lakh bags previous week.. Most of the stockists/ traders are not aggressively buying due to stock limits.

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 is 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-

After for week continuous loss, during the week under review, ICE Canola went up by 3.46% on short covering.

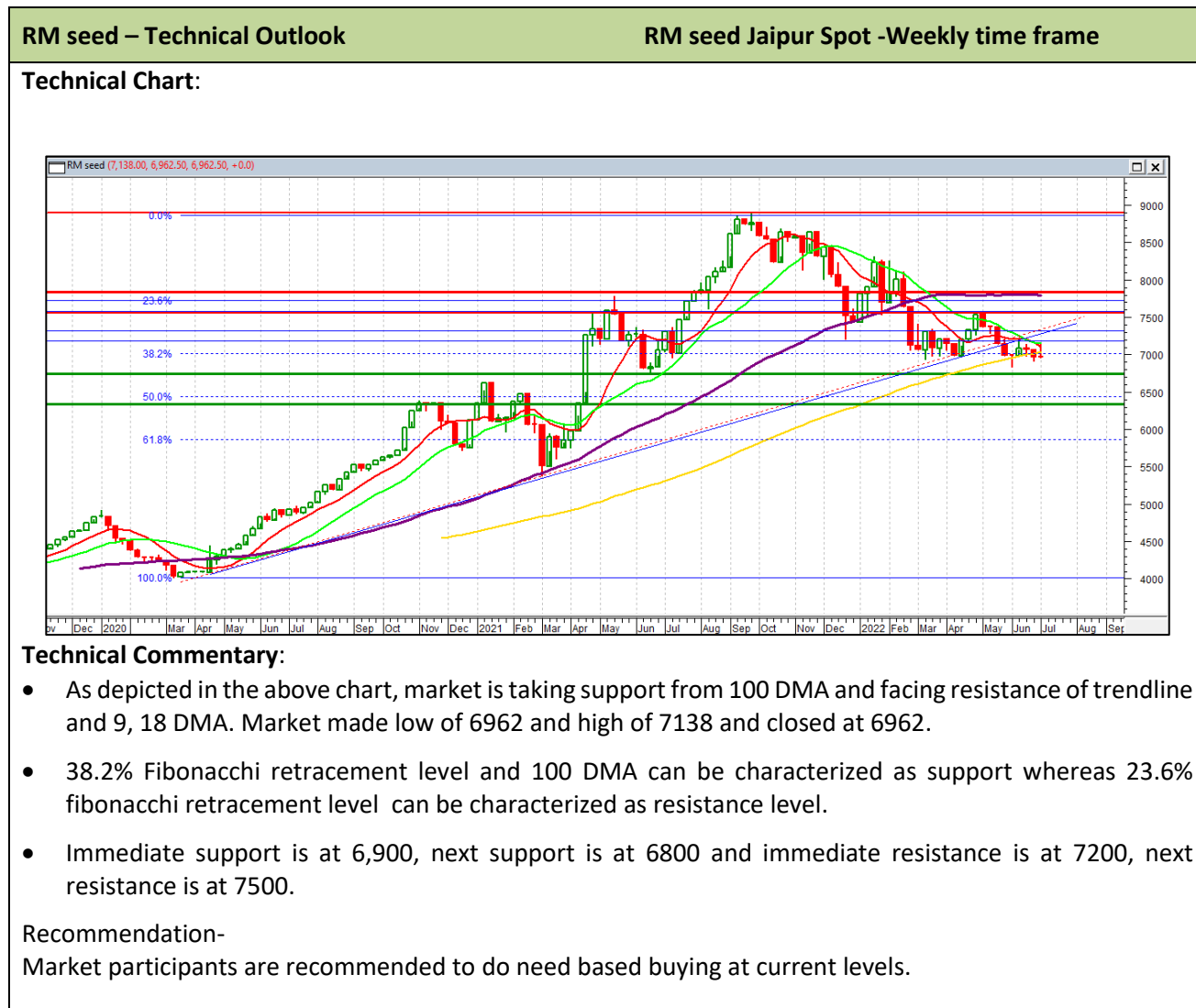
According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and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

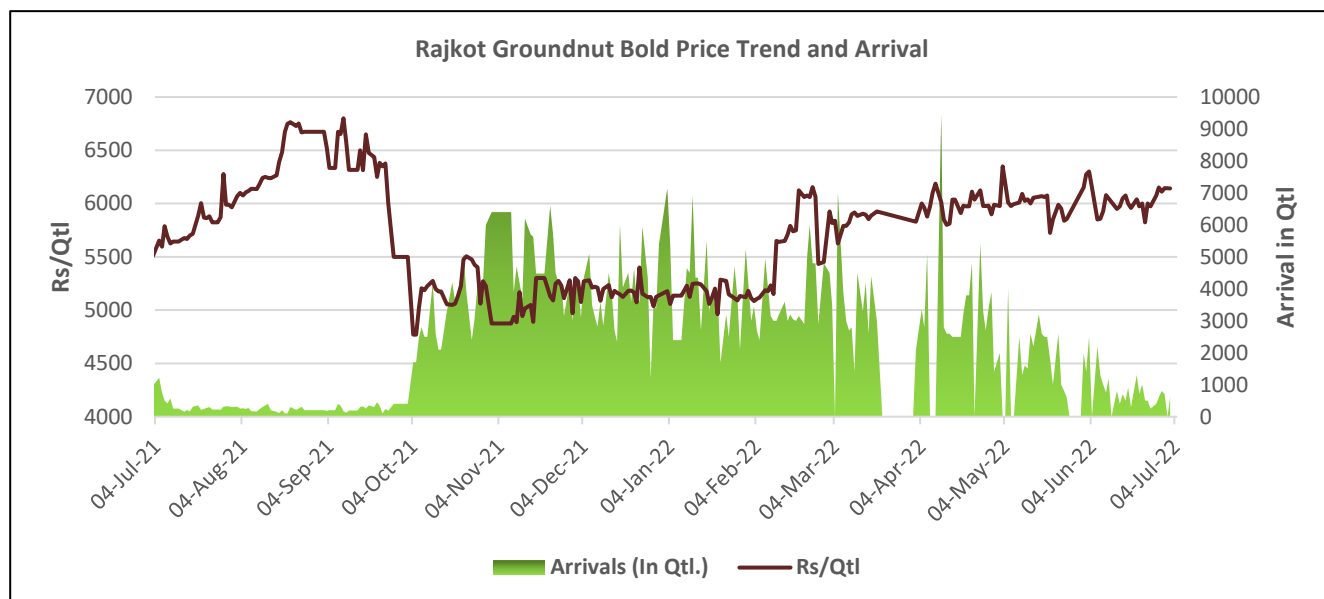


RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid correction in ICE Canola and palm oil prices.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 18th June- 24th June'22	Week Under review 25th June- 01st July'22	Next week 2 nd July- 08th July'22
Weekly Average Price	6,913-7,063	6,963-7,138	6,800-7,100

Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices remained firm and went up by 2% to INR 6,092/Qtl. as compared to previous week at INR 5,966/qtl. in tandem with improvement in groundnut oil prices.



State	Area Covered	In Lakh Ha		
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 3rd
Gujarat	6.88	9.99	-31%	-31%
Rajasthan	4.41	5.11	-14%	35%
Karnataka	0.89	1.07	-17%	-9%
Andhra Pradesh	0.55	0.34	63%	14%
Others	0.98	1.76	-44%	
Total	13.71	18.28	-25%	

As on 02nd July'22 All India Kharif Groundnut sowing progress is lagging by 25% to 13.71 Lakh hectare as compared to 18.28 Lakh hectare last year in the same period. From 1st June'22 to 2nd July'22 cumulative rainfall

was deficit by -31% in Gujarat, 35% above normal in Rajasthan, 9% deficit in Karnataka and 14% above average in Andhra Pradesh.

Groundnut pre sowing intentions: According to Agriwatch, Groundnut 2021-22 Kharif sowing acreage is likely to decline by 5-10%. Acreage is likely to shift to cotton at lucrative prices.

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 amid good domestic demand and rebound in groundnut oil prices.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 18th June- 24th June'22	Week Under review 25th June- 01st July'22	Next week 2 nd July- 08th July'22
Weekly Average Price	5,825-6,040	5,975-6,150	5,800-6,100

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		01-Jul-22	24-Jun-22	31-May-22	1-Jul-21
Indore –Plant	4%	6500	6250	6800	7350
Indore–Mandi	2%	6350	6200	6500	7200
Nagpur-Plant	11%	6860	6200	6800	7650
Nagpur – Mandi	7%	6560	6120	6500	7280
Latur – Mandi	3%	6615	6450	Closed	7515
Akola – Mandi	4%	6400	6175	6570	7150
Kota-Plant	6%	6550	6200	6800	7250
Kota – Mandi	8%	6450	6000	6700	7200
Bundi-Plant	3%	6500	6300	6570	7200
Bundi-Mandi	5%	6200	5900	6370	6900
Baran-Plant	5%	6600	6300	6700	7350
Baran-Mandi	3%	6300	6100	6600	6950
Bhawani Mandi Jhalawar–Plant	-	Closed	Closed	6650	7225
Jhalwar-Mandi	-	Closed	Closed	6620	6725
Rapeseed/Mustard					
Jaipur-(Condition)	1%	7025	6925	6850	7125
Alwar-(Condition)	0%	6650	6650	6600	6850
Sri Ganganagar-(Non-Condition)	1%	6300	6250	6415	6650
New Delhi–(Condition)	1%	6800	6700	6650	6950
Kota-(Condition)	2%	6450	6350	6300	6500
Agra-(Condition)	2%	7048	6929	6714	7190
Neewai-(Condition)	3%	6800	6600	6600	6900
Hapur (UP)-(Condition)	3%	6900	6700	6500	7000
Groundnut Seed					
Rajkot	-	Closed	1090	NA	975
Sunflower Seed					
Gulbarga	0%	5200	5200	5600	0

Latur	0%	7200	7200	Closed	7700
Sholapur	0%	7200	7200	7200	7700
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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