

# Oil Seed Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

## Executive Summary

The weekly average prices of Soybean Indore plant prices went marginally up by 0.25% to INR 5960/ Qtl. as compared to 5,945/qtl. previous week amid firm soy oil prices and bullish global cues. Prices were in the range of INR. 6,025-6,250/qtl during the period.

The weekly average prices of Indore soymeal witnessed gain and went up by 0.3% to INR 50,083/MT /MT as compared to last week at INR 49,916/MT amid soymeal import and squeeze in crush margin.

During the week under review, Jaipur RM seed remained sideways and went marginally down by 0.18% to INR. 6,842/qtl amid weak demand from crushers.

During the week under review, Rajkot groundnut bold prices went down by 3.6% by to INR 6,252/Qtl. as compared to previous week at INR 6,488/qtl. amid increase in arrivals.

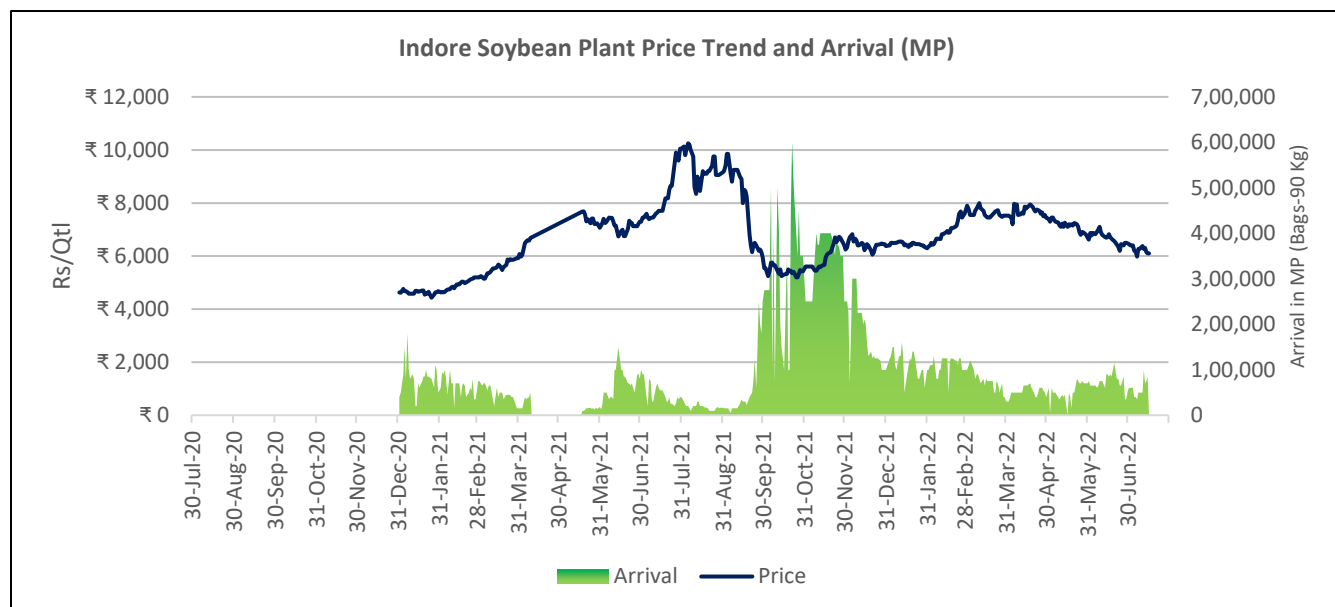
## Outlook – Cash Market

**Outlook - Soybean (Spot Indore):** In the coming week, soybean prices are expected to rebound from lower level tracking gains in soy oil prices and bullish global cues. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 5,900-6,200 levels in the near term.

**Outlook – Soy meal:**  
The soy meal prices (Indore) are likely to trade with weak bias tracking GM Soymeal import and sluggish soymeal export demand. Soy meal Indore prices are likely to trade in the range of 48,000 – 52,000/MT.

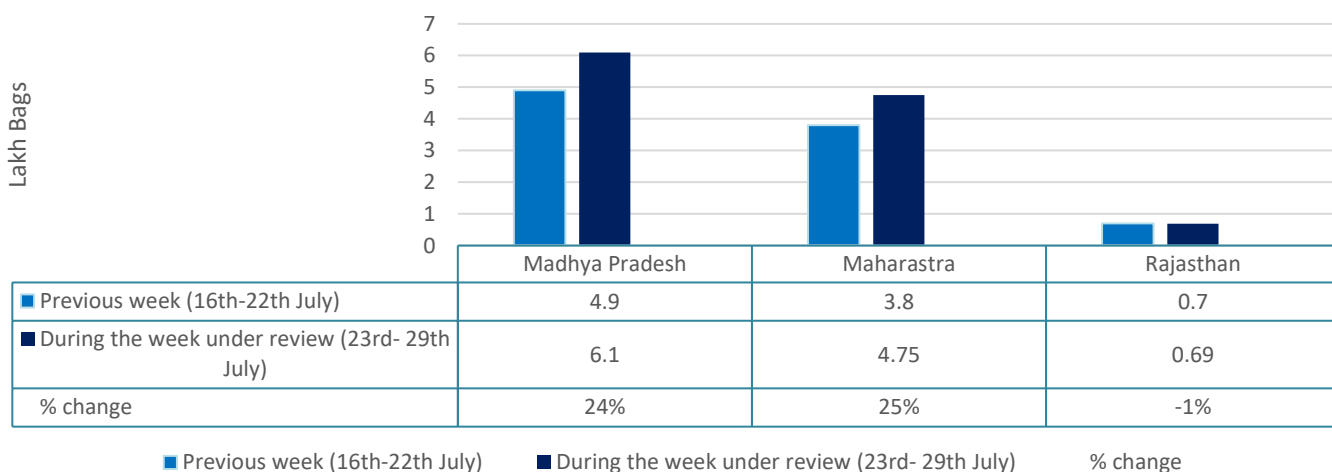
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers. The seed prices are likely to trade in the range between 6,800 – 7,000/Qtl. in the short-run.

## Soybean



During the week under review, Soybean indore plant prices went marginally up by 0.25% to INR 5960/ Qtl. as compared to 5,945/qtl. previous week amid firm soy oil prices and bullish global cues.

## Weekly Soybean Arrivals



This week, the total arrival in MP recorded at 6.1 Lakh bags Vs 4.9 Lakh bags last week. In Maharashtra arrivals went up at 4.75 Lakh bags vs 3.8 Lakh bags last week and in Rajasthan the arrivals went marginally up at 0.69 lakh bags Vs 0.70 Lakh bags previous day.

During the week under review, Soybean arrivals went up by 14% to 4.9 Lakh bags vs 4.3 Lakh bags previous week while in Maharashtra arrivals recorded low by 10% to 3.8 Lakh bags vs 4.2 Lakh bags previous week. In Rajasthan, soybean arrivals went up by 15% to 0.7 Lakh bags vs 0.61 Lakh bags previous week.

## Soybean Sowing Updates:

State wise Soybean sowing progress as on 29th July'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 29th July'22
Maharashtra	45.62	43.83	4%	32%
Madhya Pradesh	48.76	49.76	-2%	20%
Rajasthan	11.24	9.56	18%	57%
Karnataka	4.08	3.78	8%	25%
Telangana.	1.39	1.39	0%	110%
Others	3.60	3.56	1%	
Total	114.69	111.89	3%	

From 1st June'22- 29th July'22, cumulative rainfall recorded above average by 32% in Maharashtra, 20% in MP, in Rajasthan cumulative rainfall remained above average at 57%. As on 29th July'22 All India Kharif soybean sowing progress is up by 3% to 114.69 Lakh hectare as compared to 111.89 Lakh hectare last year in the same period. Agriwatch expects soybean acreage to decline by 5-8% amid acreage shift to cotton and Maize.

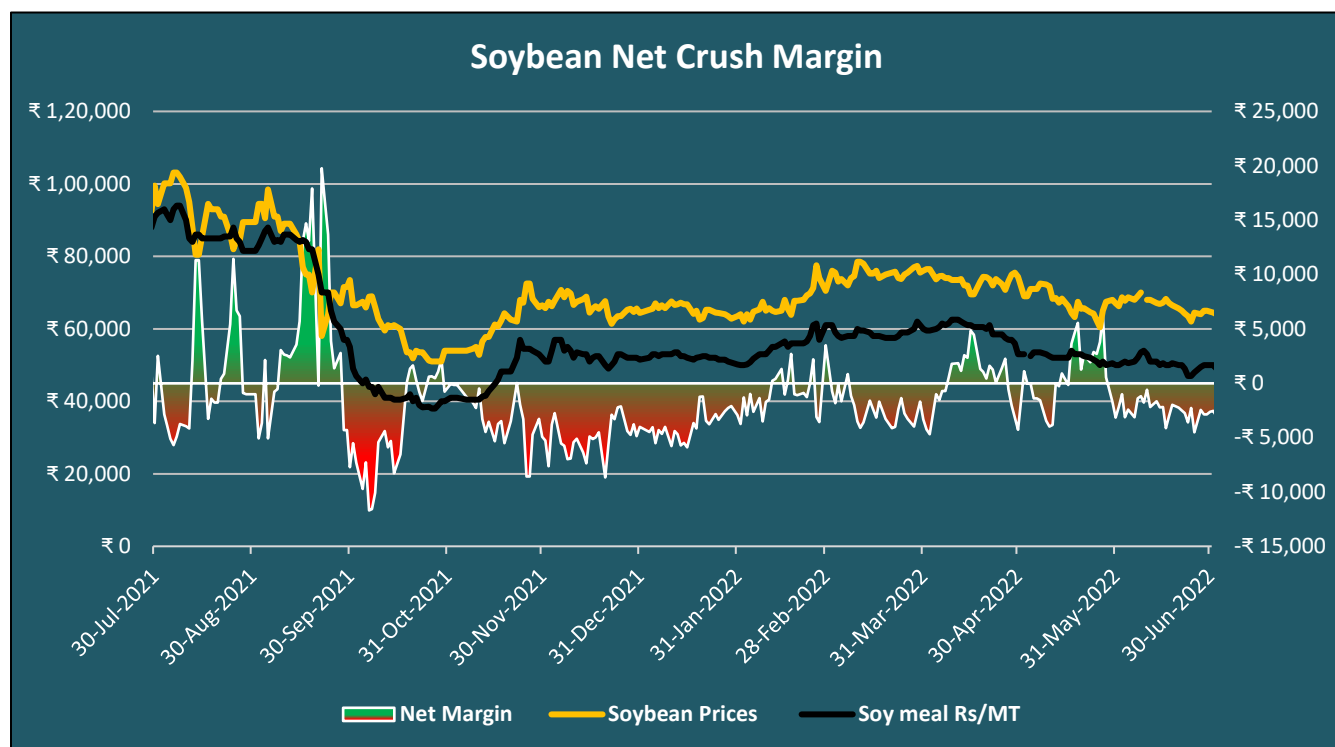
Source- Department of Agriculture & Farmers Welfare and IMD

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

From 1st June'22-31st July'22, cumulative rainfall recorded up by 16% in MP, +27% in Maharashtra, and, However, in Rajasthan cumulative rainfall remained above average at +50%.

Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 31st	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 31st	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 31st
Ujjain	8%	Nagpur	53%	Kota	73%
Indore	7%	Amaravati	18%	Bundi	39%
Dewas	61%	Akola	0%	Baran	28%
Dhar	-9%	Buldhana	13%	Jhalawar	40%
Ratlam	-1%	Washim	10%	Chittaurgarh	19%
Mandsaur	-1%	Yavatmal	46%	Pratapgarh	-2%
Shajapur	45%	Hingoli	18%		
Rajgarh	43%	Jalna	26%		
Ashok nagar	11%	Parbhani	57%		
Videsha	51%	Latur	76%		
MP	16%	Maharashtra	27%	Rajasthan	50%

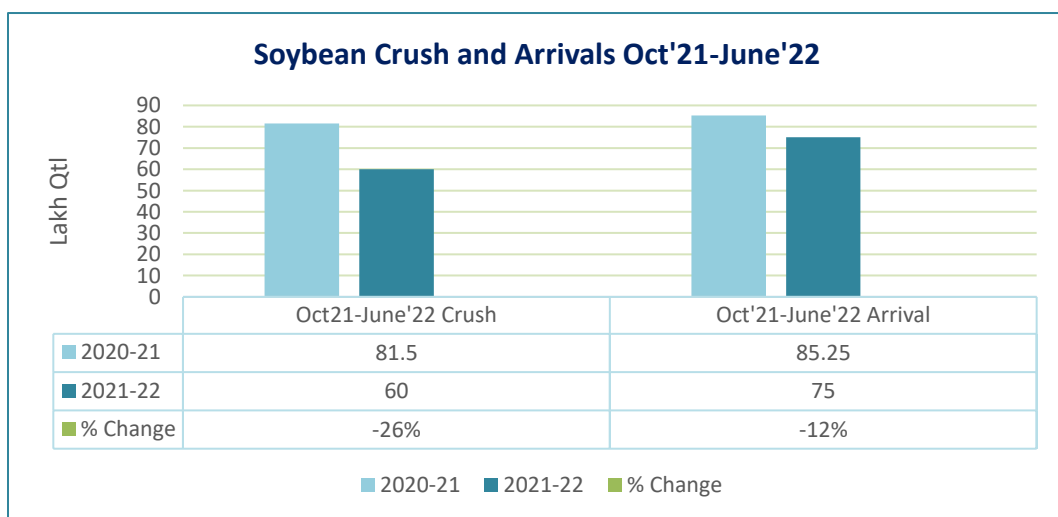
## Soybean Crush Margin-



Soybean net crush margin remained negative during the week under review. Weekly average soybean net crush margin remained squeezed to INR -2,687/MT as compared to INR -3,893/MT previous week amid weak soy oil and soy meal prices. We expect a tight crush margin in the upcoming week too on weak soy oil and meal prices.

## Soybean Crush and Arrivals:

Oct-June '22 crushing remained low by 26% to 60 Lakh tonnes as compared to 81.5 Lakh tonnes previous year, weak soy meal export demand and squeeze in crush



margins attributed to low crushing this season till June'22. And arrivals went down by 12% to 75 Lakh tonnes as compared to 85.25 Lakh tonnes in the previous year same period.

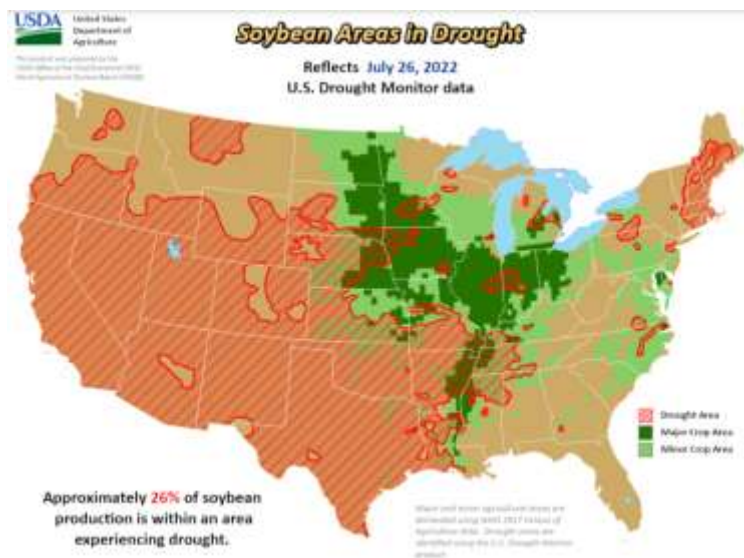
## International:

This week, CBOT Soybean August futures went marginally up down by 14.12% amid head stress in key growing states of Soybean. However MTD up by 4.90%.



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.

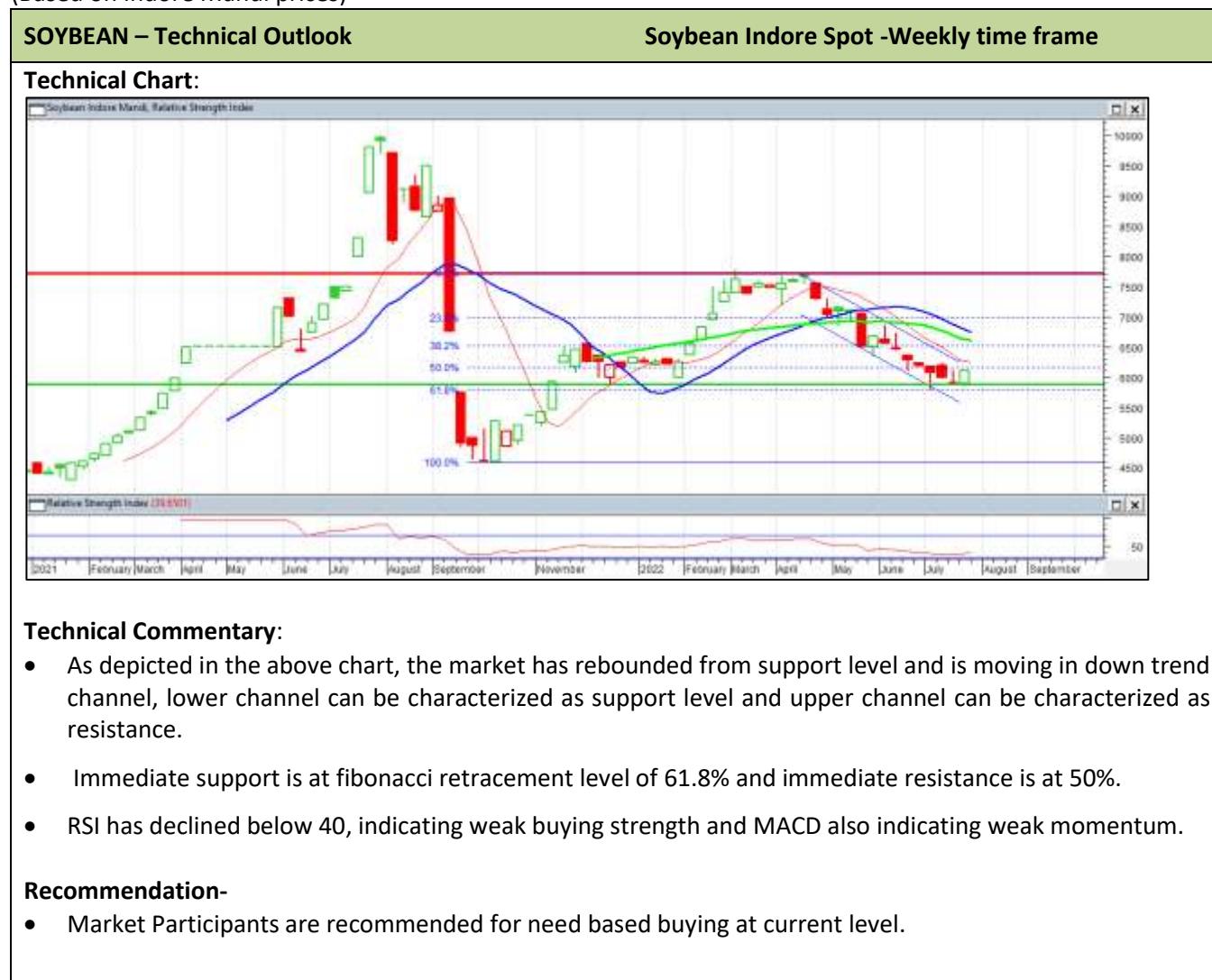
According to USDA's latest report, 3% of Soybean crop is in very poor condition, 8% is in poor condition, 30% in fair condition, 49% in good condition and 10% in excellent condition.



Currently in US, 26% of Soybean production is within an area experiencing drought.

## Technical Analysis

(Based on Indore Mandi prices)

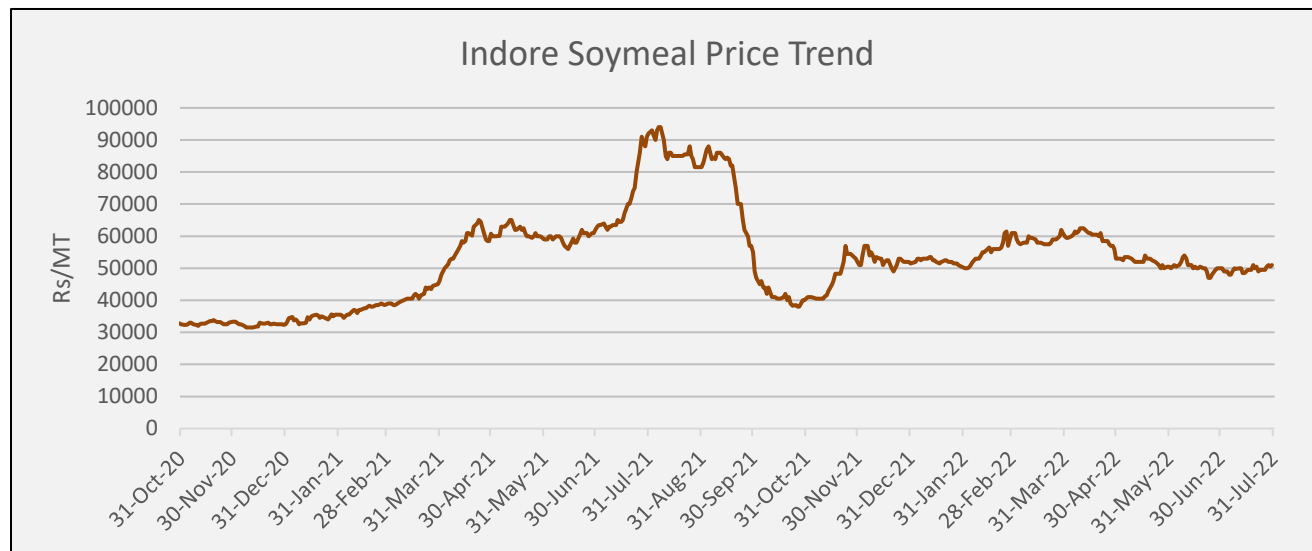


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 6,100/qtl. and are expected to rebound from lower level tracking bullish global cues and gains in soy oil prices.

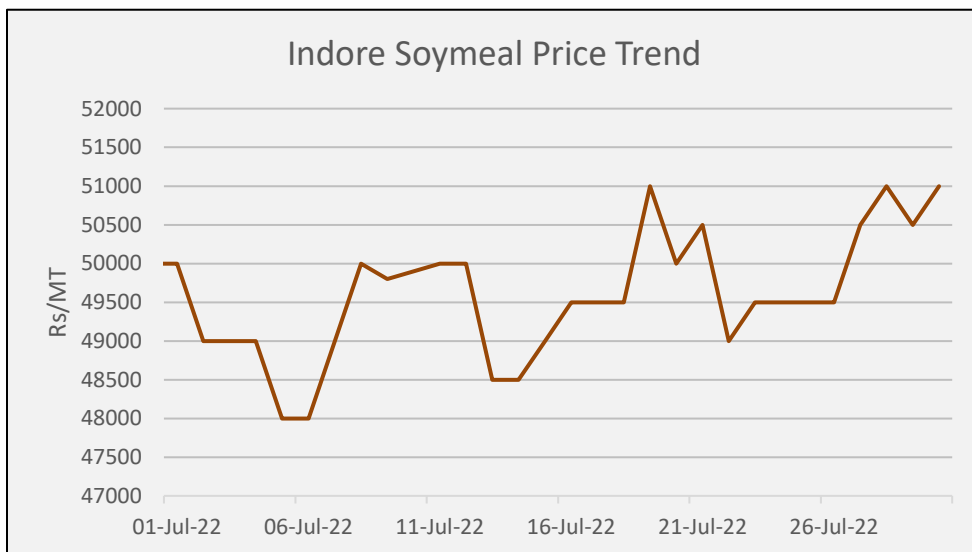
Soybean Mandi Price Outlook (INR./Qtl)	Week Under review 16th July- 22nd July'22	Week Under review 23rd July- 29th July'22	Next week 30th July- 05th Aug'22
Weekly Average Price	5,850-6,025	5,850-6,000	5,900-6,200



## Soymeal



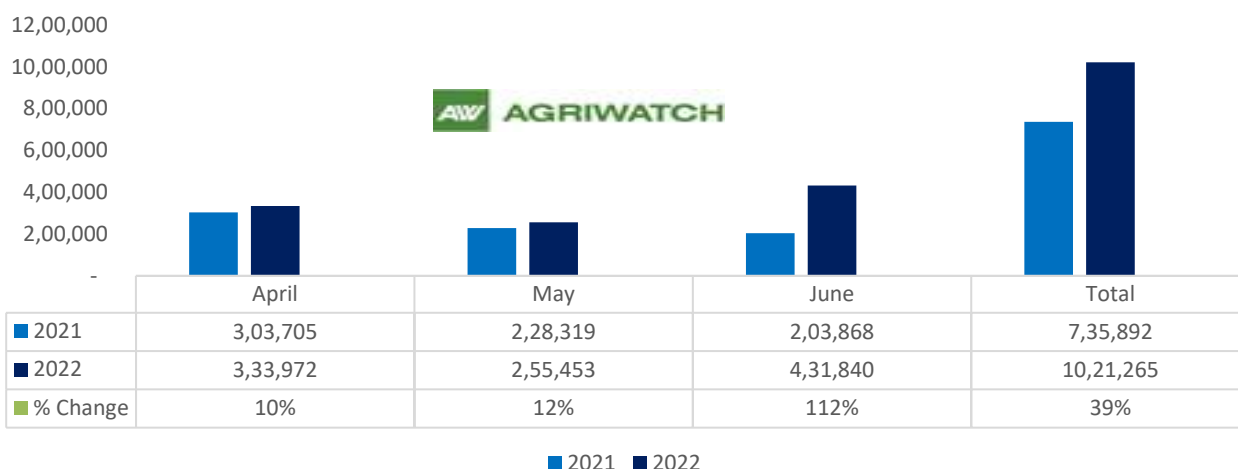
During the week under review, Indore Soymeal prices and weekly average prices of soymeal went marginally up by 0.3% at INR 50,083/MT as compared to last week at INR 49,916/MT. Overall the prices quoted between INR 49,500 – 51,000/MT throughout the week.



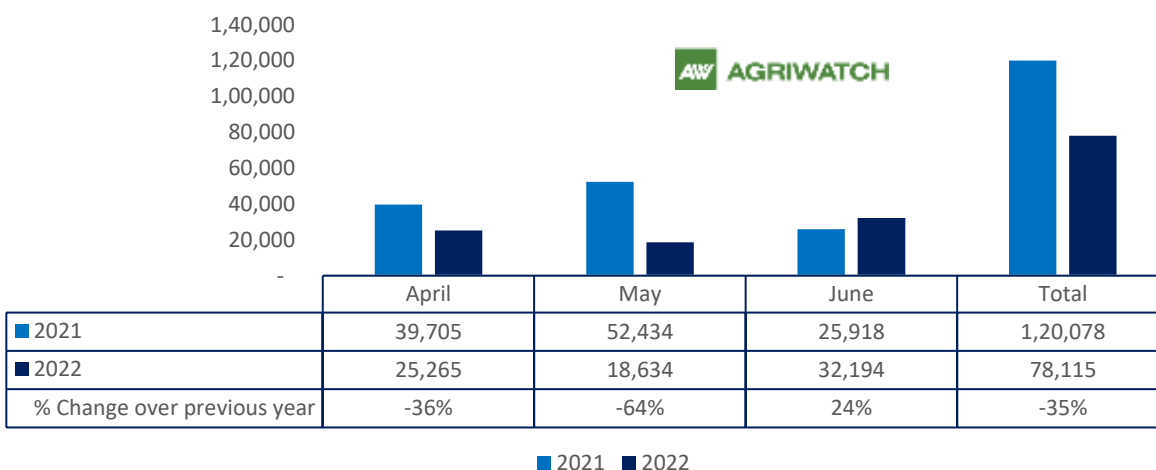
At Nanded, the weekly average prices traded at INR. 55,000/MT compared to INR. 54,666 MT a week ago. In Kota the meal prices were up at INR. 52,700/MT compared to INR. 51,750/MT previous week.



### Total oil meal export



### Soy meal export



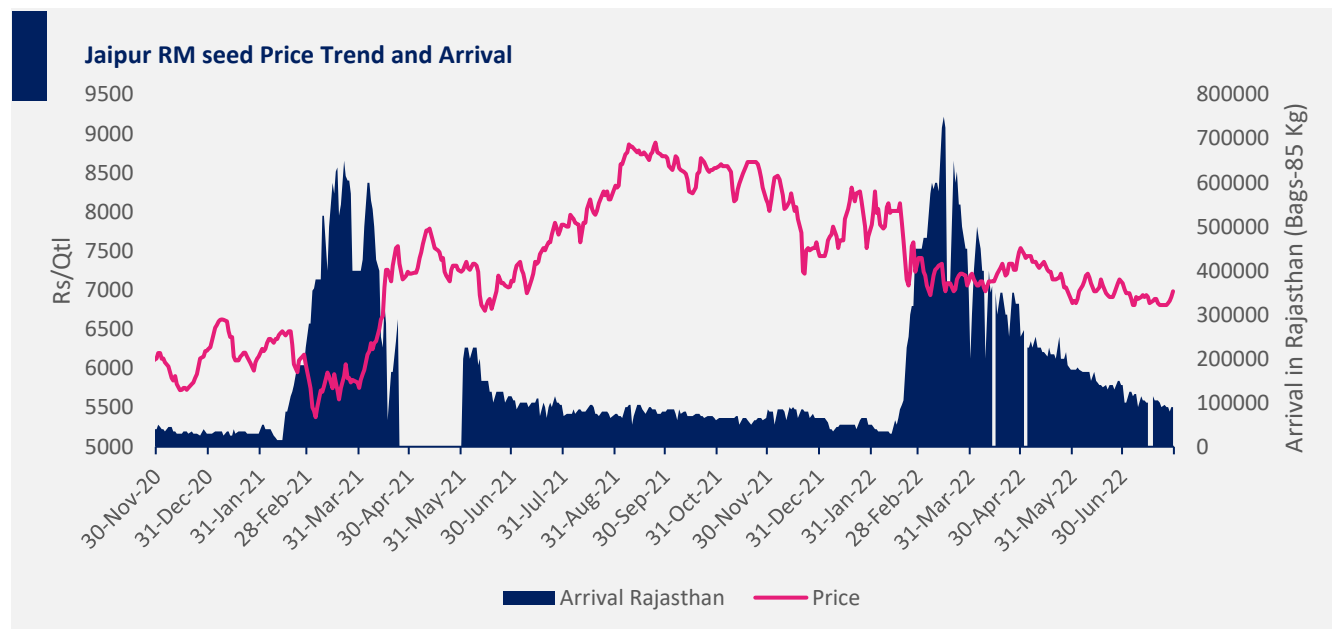
Total oil meal exports in April- June'22 went up by 39% to 10.21 Lakh tonnes vs 7.35 Lakh tonnes previous year same period. However, Soy meal exports went down by 35% to 0.78 Lakh tonnes in April-June'22 Vs 1.20 Lakh tonnes previous year same period. Soy meal exports went down due to over-priced Indian soy meal in the global markets.

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.

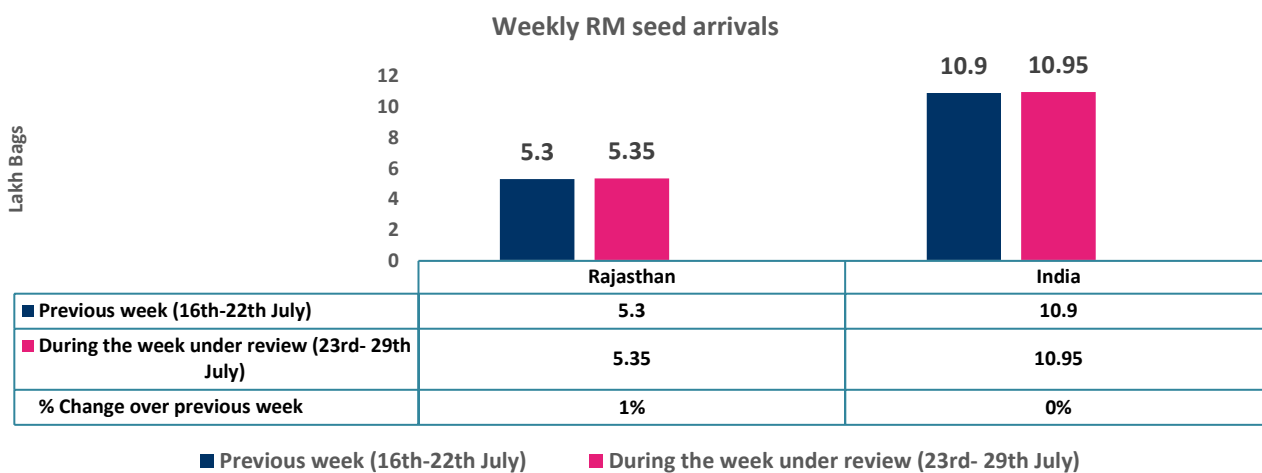
**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to rebound from lower level amid bullish global cues.

Soymeal Indore Price Outlook (INR./MT)	Week Under review 16th July- 22nd July'22	Week Under review 23rd July- 29th July'22	Next week 30th July- 05th Aug'22
Weekly Average Price	49,000-51,000	49,500-51,000	49,000-52,000

## Rapeseed - Mustard Seed



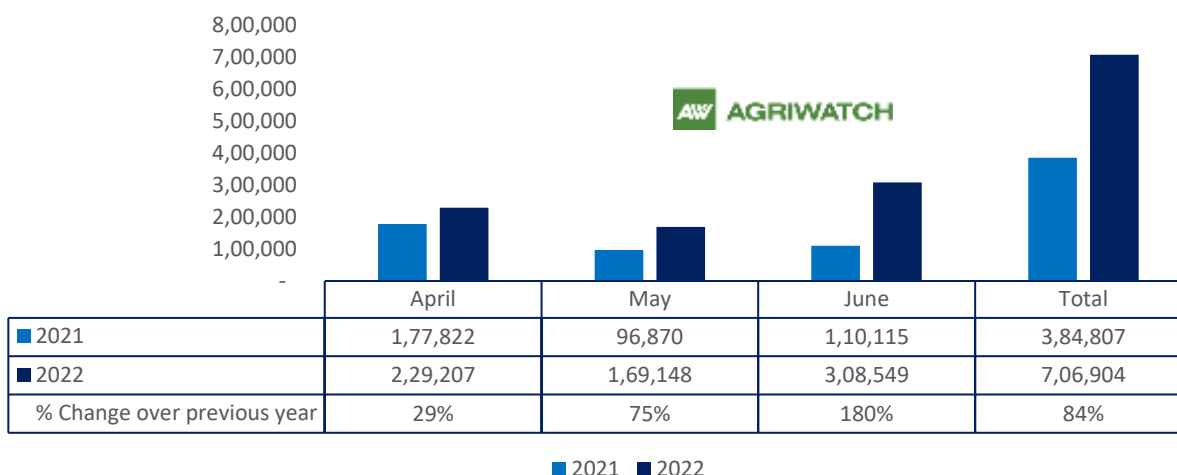
RM seed extended previous week loss, during the week under review, Jaipur RM seed weekly average prices went marginally down by 0.18% to INR. 6,842/qtl as compared to INR. 6,854/qtl last week. Prices went down amid weak demand from crushers due to disparity. Farmers are still holding new crops in anticipation of better prices in future.



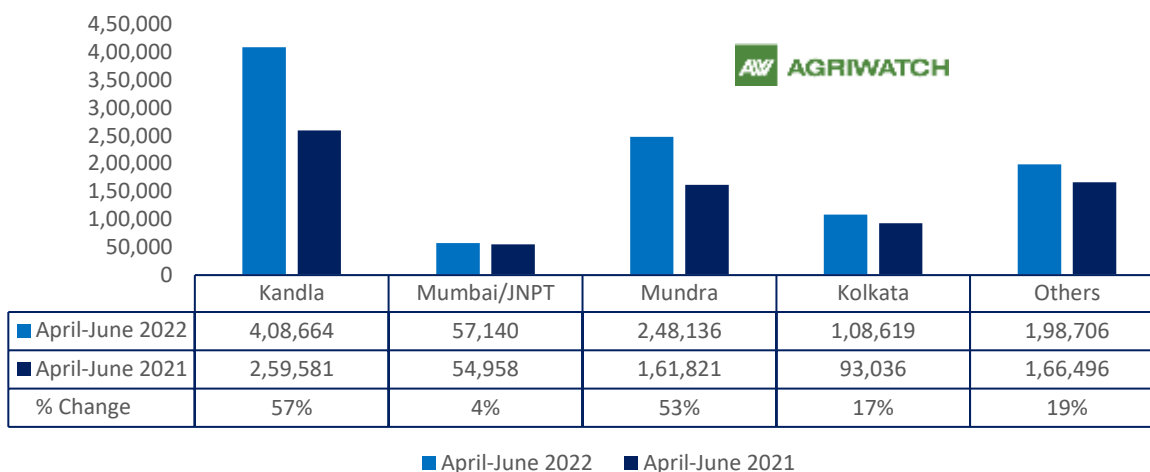
All India Arrivals remained stable during the week under review, in Rajasthan, total mustard arrivals continued to shrink and recorded marginally up by 1% at 5.3 Lakh bags. All India arrivals stood at 10.95 Lakh bags Vs 10.9

Lakh bags previous week. Most of the stockists/ traders are not aggressively buying due to stock limits and farmers are holding their stocks in anticipation of better prices.

### Rapeseed meal export



### Port wise Oil meal export



During the first three months of the current financial year, there is a significant jump in export of rapeseed meal and reported at 706,904 tons compared to 384,807 tons i.e., up by 84%. And in June 22 exports recorded up by 180% to 3.08 Lakh tonnes vs 1.10 Lakh tonnes in the previous year same period. Upon record crop of rapeseed and crushing resulted in the highest processing, availability of rapeseed meal and export. Currently India is the

most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other Far East Countries. In upcoming months too, we expect good exports amid firm demand from South east Asia.

**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 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 – Technical Outlook

### RM seed Jaipur Spot -Weekly time frame

#### Technical Chart:



#### Technical Commentary:

- As depicted in the above chart, market is in down trend and trading below 9,18,50 and 100 DMA indicating weak sentiments.
- 50% Fibonacci retracement level and 100 DMA can be characterized as resistance whereas 61.8% fibonacci retracement level can be characterized as support level.
- Immediate support is at 6,700, next support is at 6500 and immediate resistance is at 7000, next resistance is at 7200.

#### Recommendation-

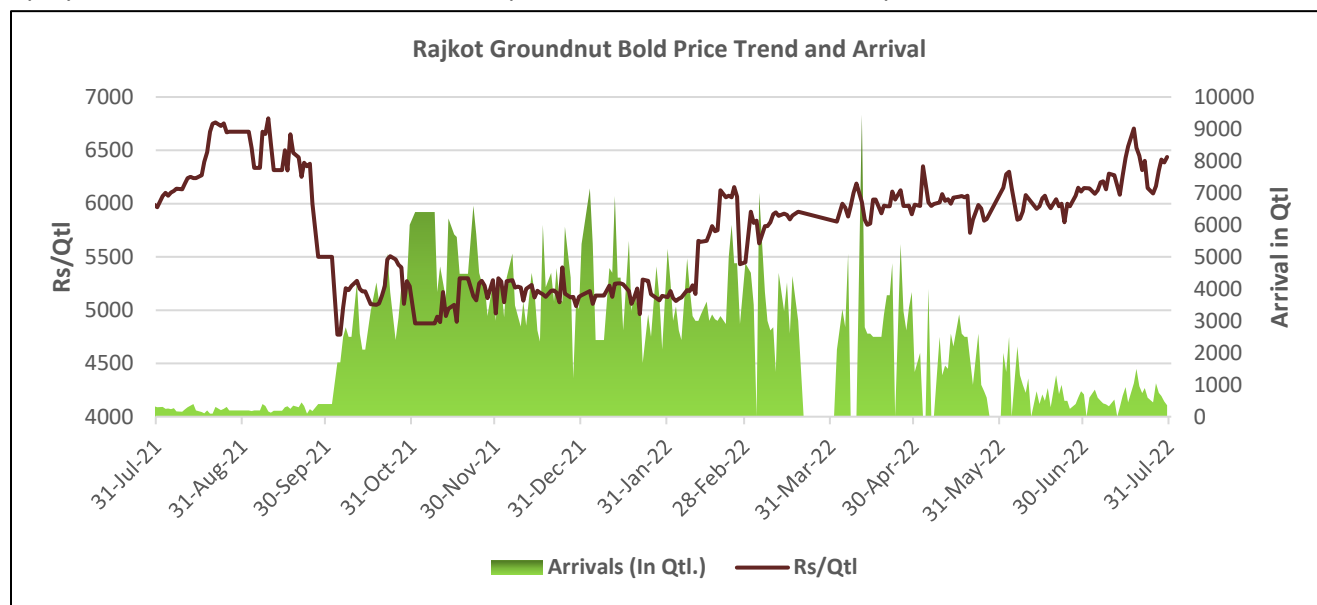
Market participants are recommended to do need based buying at current levels.

**RM seed Price Outlook for coming week:** RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Week Under review 16th July- 22nd July'22	Week Under review 23rd July- 29th July'22	Next week 30th July- 05th Aug'22
Weekly Average Price	6,813-6,888	6,813-6,913	6,800-7,000

## Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices went down by 3.6% by to INR 6,252/Qtl. as compared to previous week at INR 6,488/qtl. amid increase in arrivals. All India arrivals recorded up by 9% to 46.2 thousand tonnes as compared to 42.2 thousand tonnes previous week.



Statewise Groundnut sowing progress as on 29th July'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 29th July'22
Gujarat	16.27	18.68	-13%	56%
Rajasthan	7.71	7.27	6%	57%
Karnataka	2.15	3.66	-41%	25%
Andhra Pradesh	3.00	3.27	-8%	19%
Others	8.28	8.44	-2%	
<b>Total</b>	<b>37.41</b>	<b>41.32</b>	<b>-9%</b>	

As on 29th July'22 All India Kharif Groundnut sowing progress is lagging by 9% to 37.41 Lakh hectare as compared to 41.32 Lakh hectare last year in the same period. From 1st June'22 to 29th July'22 cumulative rainfall departure is up by 56% in Gujarat, 57% in Rajasthan, 25% in Karnataka and 19% in



Andhra Pradesh. Agriwatch expects Groundnut 2022-23 Kharif sowing acreage is likely to decline by 8-12%. Acreage is likely to shift to cotton on lucrative prices.

Groundnut pre sowing intentions: According to Agriwatch, Groundnut 2022-23 Kharif sowing acreage is likely to decline by 08-12%. 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 decline in acreage.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Week Under review 16th July- 22nd July'22	Week Under review 23rd July- 29th July'22	Next week 30th July- 05th Aug'22
Weekly Average Price	6,315-6,705	6,095-6,413	6,200-6,600

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>29-Jul-22</b>	<b>22-Jul-22</b>	<b>28-Jun-22</b>	<b>29-Jul-21</b>
Indore –Plant	2%	6200	6100	6600	9700
Indore–Mandi	0%	6000	6000	6350	9500
Nagpur-Plant	1%	6480	6400	6450	9400
Nagpur – Mandi	0%	6080	6100	6150	9250
Latur – Mandi	2%	6450	6325	Closed	9500
Akola – Mandi	3%	6235	6080	6270	9100
Kota-Plant	9%	6380	5850	6550	9550
Kota – Mandi	8%	6280	5800	6450	9350
Bundi-Plant	7%	6200	5800	6650	9200
Bundi-Mandi	6%	6100	5760	6350	9100
Baran-Plant	4%	6230	5970	6700	9400
Baran-Mandi	6%	6130	5770	6400	9200
Bhawani Mandi Jhalawar–Plant	6%	6250	5870	Closed	9450
Jhalwar-Mandi	3%	6050	5850	Closed	9250
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	1%	6925	6825	7150	7775
Alwar-(Condition)	3%	6600	6400	6700	7450
Sri Ganganagar-(Non-Condition)	-	-	6170	6450	7150
New Delhi–(Condition)	-2%	6425	6525	6900	7350
Kota-(Condition)	2%	6350	6220	6600	7000
Agra-(Condition)	-	-	6810	7238	7905
Neewai-(Condition)	-	-	6400	6850	7100
Hapur (UP)-(Condition)	-	-	6500	7000	7650
<b>Groundnut Seed</b>					
Rajkot	3%	1165	1130	1110	1021

Sunflower Seed					
Gulbarga	-	NA	-	5200	-
Latur	0%	6700	6700	Closed	7400
Sholapur	0%	6700	6700	7200	7400

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.

**Oilseed Arrivals in Key Centers:**

Commodity / Centre	Arrivals in Bags/Qtl		Change
<b>Soybean</b>	<b>29-Jul-22</b>	<b>23-Jul-22</b>	
Madhya Pradesh	125000	125000	Unch
Maharashtra	85000	80000	5000
Kota	10000	12000	-2000
Bundi (Raj)	600	500	100
Baran (Raj)	500	500	Unch
Jhalawar (Raj)	400	1200	-800
<b>Rapeseed/Mustard</b>			
Rajasthan	90000	90000	Unch
Alwar	800	700	100
Sri Ganganagar	800	500	300
Kota	0	800	-800
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	6385	6145	240
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	500	600	-100

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

Oilseeds	29-Jul-22	23-Jul-22	Change
Groundnut Kernel	8100	8250	-150
Gr. Bolds 60/70	9900	9900	Unch
Gr. Javas 60/70	10100	10100	Unch
Gr Javas 70/80	10700	10700	Unch

Gr.Javas 80/90	10150	10150	Unch
KardiSeed 2% Exp Qly	5300	5300	Unch
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9700	9600	100
Brown 48/3 FFA/4 FM	9300	9200	100
Brown 48/4 FM/* No FFA Guarantee	8700	8600	100
Sunflower Seed	7000	7000	Unch
Niger Seed (4% FM)	8000	8000	Unch

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