

# Oilmeals Monthly Research Report

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## Executive Summary

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To avoid severe impact of COVID-19, government has imposed lock down in India until 14th April 2020. Therefore no major trading activities are happening at trading centres. As on 6<sup>th</sup> April 2020, total 4314 cases of coronavirus have been identified in India including 118 death cases and 328 recovered cases. Crushing of oilseeds is likely to re-start to fulfill the regular demand of domestic users. However, millers can face big challenges like labor problem, transportation issues, less stocks availabilities due to lock down in India. Harvesting of mustard crop has been almost finished in Rajasthan state however farmers are not able to bring in the mandies with full speed. Time period for lock down has been decided until 14<sup>th</sup> April 2020. NCDEX Soybean & RM seed April contract declined on selling pressures in this month. CBOT prices increased due to supply concern of Soybean.

Agriwatch expects 7.21 million tonnes of Mustard crop for 2021-20 which is 8.76% lower from 7.90 million tonnes as estimated for 2019-20. Yield size may decline 8.5% to 1036.88 Kg/Hac. against 1133 Kg/Hac in 2019-20 due to non-seasonal rainfall in Jan 2020 and March 2020. India received 46% excess rainfall during 1<sup>st</sup> March 2020 to 25<sup>th</sup> March 2020 compared to Normal rainfall which may damage seed quality and also delay harvesting of this season. Heavy Rainfall and hailstorm in early Jan month 2020 have affected standing mustard crops in Rajasthan, Western Uttar Pradesh and Southern Haryana states of India as a result the stem rot and white rust disease are seen at growth stage. Area of India is reported 0.29% lower to 6.95 million Hectares compared to 6.97 million hectares in 2019-20 as mustard area have shifted to Wheat, garlic and Barley crop in some growing belt of India.

As per the Mustard Oil Producers Association of India, India crushed 500,000 tonnes of oilseeds in February 2020 which is higher by 33.3% against previous year record after higher arrivals and robust demand of mustard meal exporters. Total crushing is also higher by 25% against Jan month record. In Feb month, around 200,000 tonnes of new mustard crop had hit the market including 60,000 tonnes of old crop. During Mar-Feb, total mustard seed supply was at 7.05 million tonnes. Arrivals in Rajasthan were reported at 2.55 million tonnes. While in UP, it was registered at 1.25 million tonnes and a combined 825,000 tonnes in Madhya Pradesh and Chhattisgarh. Total available stocks with processors, stockiest and state-run agencies stood at 200,000 tons as on February 28, 2020. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season

Sopa has revised Soybean Kharif production for 2019 from 89.94 lakh tonnes to 93.06 lakh tonnes after its recent field survey in Maharashtra, Madhya Pradesh and Rajasthan states. The revision is only for Maharashtra from 36.295 lakh tonne to 39.416 lakh tonne as sowing area stood higher side at 37.36 lakh ha. in 2019 against 36.39 lakh ha. in 2018. India may harvest 14.85 per cent lower Soybean crop at 93.06 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record. Sopa has increased soymeal consumption at 50 lakh tones higher from 47.5 lakh tonnes from its earlier estimates.

***Soybean and Mustard seed prices may increase once lock down would be removed in India. However, rising cases of Coronavirus may compel government to extend lock down time period in few sensitive states of India which may limit any major trading activities in the next month.***

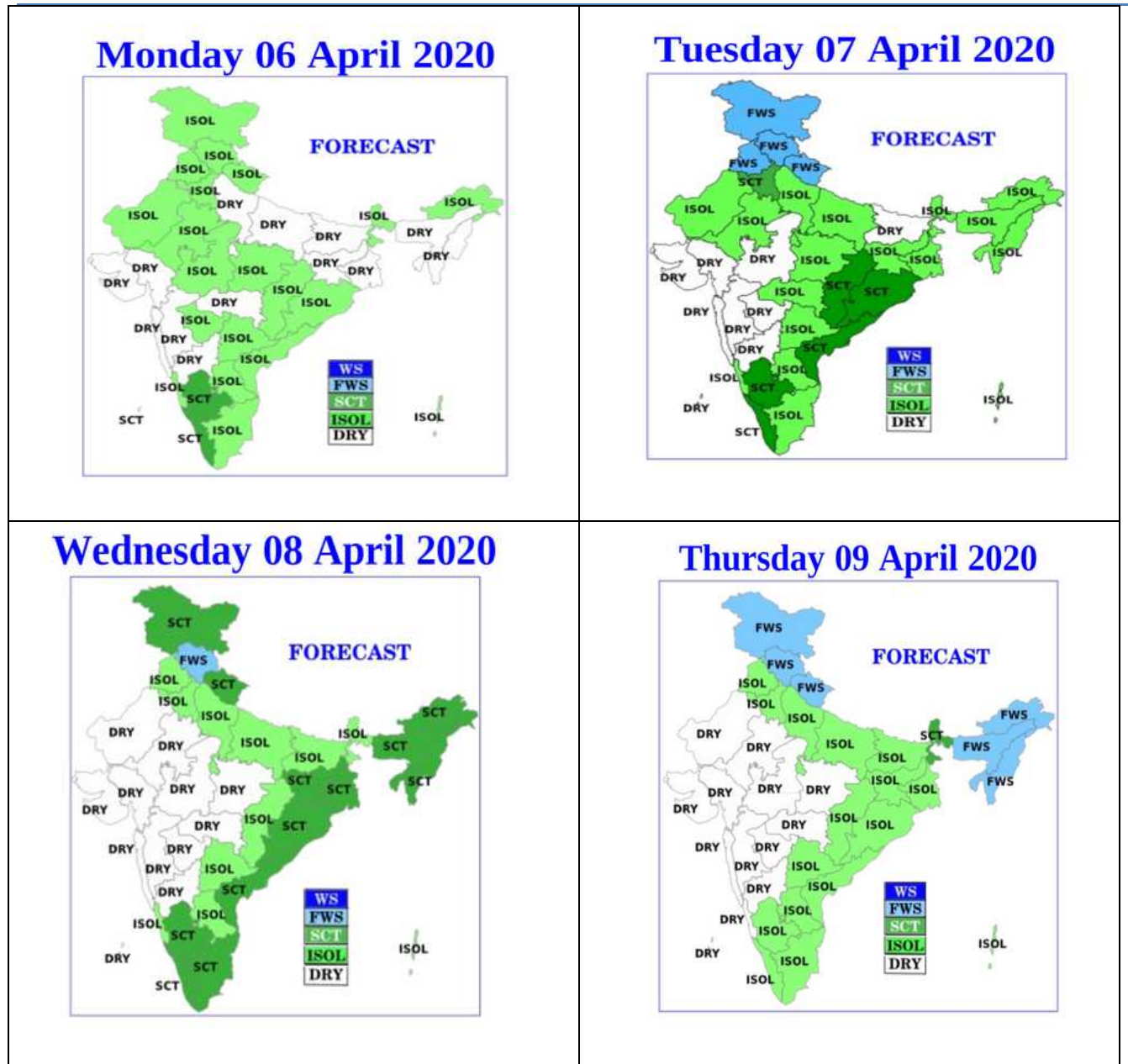
## Outlook – Cash Market

**Outlook-Soybean (Spot, Indore):** Soybean Indore plants are remain closed amid lock down condition in India. Expected higher crushing ahead of rise in oil demand will support soybean prices to increase in future. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition, Kharif crop size estimates & global sentiments, condition of COVID-19 in India as well as in the World.

**Outlook – Soy meal (Spot, Indore):** Soymeal prices traded higher side amid good demand of organic millers. Lock down in India has curbed any major trading activities in the market. Soymeal prices are likely to trade higher side followed by expected price hike in soy oil complex in future.

**Outlook-Rapeseed-Mustard (Spot, Jaipur basis)** Jaipur markets are closed due to lock down in India. The quality of new harvested crops are very good in Rajasthan which may boost up domestic demand and support prices to rise in future. However, rainfall is the major concern for new mustard harvested as well as standing crops in the fields. NCDEX future prices of RM Seed may decline on sellers' interest.

## Weather Forecast (For Rabi Oilseeds)



Scattered to fairly widespread rainfall/thunderstorm likely over northeast India during 8<sup>th</sup> and 9<sup>th</sup> April and isolated squall over Assam & Meghalaya and Nagaland, Manipur, Mizoram and Tripura on 7<sup>th</sup> & 8<sup>th</sup> April. Isolated to scattered rainfall/ thunderstorm accompanied with lightning likely over eastern parts of India on 7<sup>th</sup> & 8<sup>th</sup> April and over southern peninsula during 6<sup>th</sup> 7<sup>th</sup> & 8<sup>th</sup> April 2020.

## Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 31.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
<b>Rapeseed &amp; Mustard</b>	60.48	69.15	69.76	<b>-0.24</b>
<b>Groundnut</b>	7.76	4.76	4.59	<b>0.17</b>
<b>Safflower</b>	1.41	0.63	0.43	<b>0.20</b>
<b>Sunflower</b>	2.96	1.04	1.13	<b>-0.09</b>
<b>Sesamum</b>	3.12	0.56	0.71	<b>-0.15</b>
<b>Linseed</b>	2.99	3.46	3.44	<b>0.02</b>
<b>Others Oilseeds</b>	0.14	0.34	0.30	<b>0.04</b>
<b>Total-Oilseeds (Nine)</b>	<b>78.85</b>	<b>80.29</b>	<b>80.36</b>	<b>-0.07</b>

## Soybean

### Domestic Market

Markets are closed on account of lock down in India on coronavirus. The Solvent Extractor's Association may re-start soybean crushing from 1st April 2020. However, lack of labors, transportations issues and un-availability of raw material will be a big challenge for the plant to run smooth crushing on account of lock down in India. India may lock down until 14th April 2020.

Sopa has revised Soybean Kharif production for 2019 from 89.94 lakh tonnes to 93.06 lakh tonnes after its recent field survey in Maharashtra, Madhya Pradesh and Rajasthan states. The revision is only for Maharashtra from 36.295 lakh tonne to 39.416 lakh tonne as sowing area stood higher side at 37.36 lakh ha. in 2019 against 36.39 lakh ha. in 2018. India may harvest 14.85 per cent lower Soybean crop at 93.06 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record. Sopa has increased soymeal consumption at 50 lakh tones higher from 47.5 lakh tonnes from its earlier estimates.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaur, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop

damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

Total balance stock of Soybean with Nafed is 10,677.68 MT consisting 10,651.45 MT in Telangana and 26.23 MT in Maharashtra.

As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandasaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record.

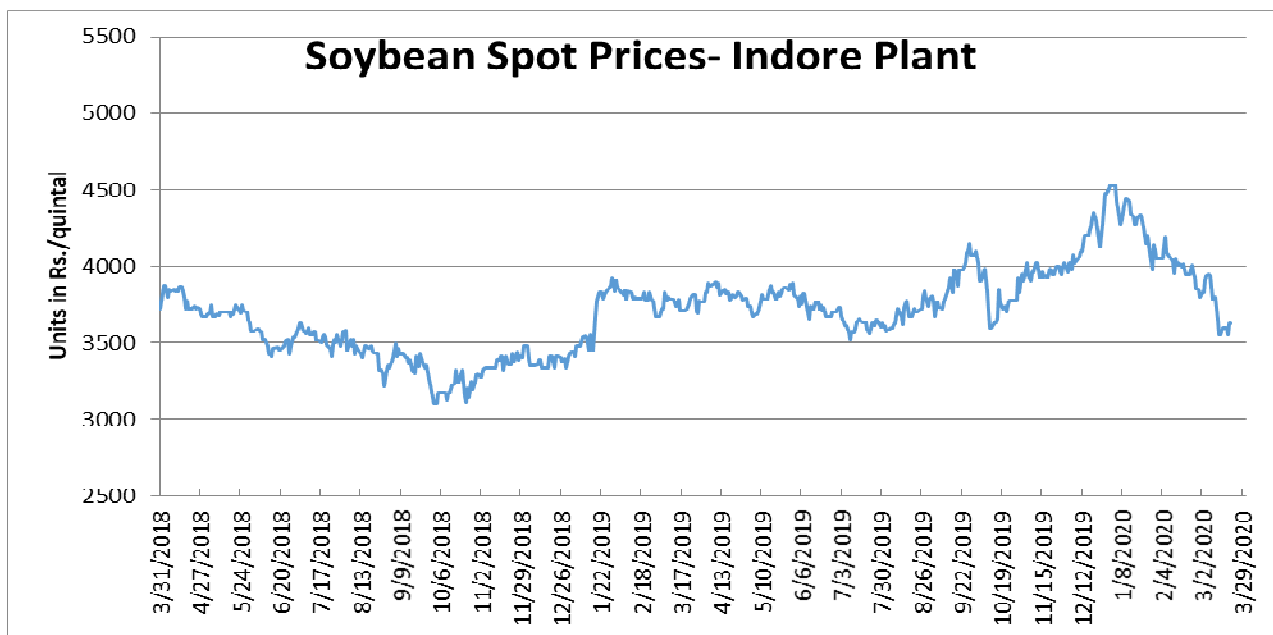
As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tonnes compared to 10.46 lakh tonnes in previous year.

As per the second advanced crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated higher at 136.28 lakh tonnes as compared to 132.68 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

***The domestic soybean prices are likely to trade in steady to firm tone in coming days.***

***The domestic Soybean Price trend:-***





**International Market:**

CBOT prices declined amid rising concern about coronavirus in the world. As per Reuter poll trade estimates, U.S. may plant 84.86 million acres which is higher from 76.10 million acres in 2019. Agmarket keeps its estimates at 85.50 million acres.

As per Ag Rural, farmers in Brazil have harvested 76% of the soybean area of 2019/20 season as on March 26, 2020 of this season. It is higher from 66% in last week and in line with last year's record during the same period of time. As per Safras and Mercado in Feb month review, Brazil may grow lower soybean to 124.2 million tonnes against 124.5 million tonnes in 2019/20.

Brazil shipped total 12.6 million tonnes in March 2020 which is 35% above last month and also 43% higher from last five years average March exports as supported by robust demand of China. China bought total 7.8 million tonnes in March 2020 which is higher by 2% from last year record i.e. 5.8 million tonnes in the corresponding period of time.

As per Abiove, Brazil is likely to harvest 123.7 million tonne in 2020 higher from 120.75 million tonnes in 2019. The country may ship total 73.5 million tonnes in 2020. As per Agroconsult, Brazil may harvest lower soybean 123.5 million tonnes in 2019-20 lower from 124.3 million tonnes in its earlier forecast due to drought which have damaged crop mainly in Rio Grande do Sul state.

As per sources, European Union bought total 10.59 million tonnes of Soybean till March 29, 2020 (season started on July 1) which is lower by 3% from last year record in Mar 24, 2020. EU soymeal imports had reached higher by 3% to 13.25 million tonnes against the year-earlier period, while Rapeseed imports went up by 45% to 4.93 million tonnes against last year record. However, palm oil imports stood down by 15% to 4.16 million tonnes.

During this week (20<sup>th</sup> to 26<sup>th</sup> March 2020), US exported 6% higher soybean at 957,400 MT for 2019/2020 from the previous week and also 75% higher from the prior 4-week average. Increases primarily for Mexico (388,000 MT, including 47,500 MT switched from unknown destinations and decreases of 2,300 MT), China (131,000 MT), Bangladesh (108,300 MT, switched from unknown destinations and decreases of 300 MT), Indonesia (97,800 MT, including 68,000 MT switched from unknown destinations and decreases of 2,100 MT), and Egypt (55,000 MT), were offset by reductions for Barbados (1,200 MT). For 2020/2021, net sales of 114,000 MT were for unknown destinations (65,000 MT), Mexico (47,500 MT), and Japan (1,500 MT). Exports of 468,400 MT were down 23 percent from the previous week and 20 percent from the prior 4-week average. The destinations were primarily to Mexico (124,600 MT), Bangladesh (108,300 MT), Indonesia (86,400 MT), Japan (44,200 MT), and Malaysia (26,100 MT).

As per recent Conab report, Brazil is likely to grow 0.81% higher soybean at 124.20 million tons in 2019-20 (crop year September-August) from its Feb month estimates i.e. 123.2 and also higher by 7.9% from last year record due to supportive weather condition. Soya yield is likely to stay higher at 3373 KG/ Ha. against 3349 Kg/Ha. in Feb month forecast and also higher from 3206 Kg/Ha. in last year. Planting area is estimated 0.05% higher to 36.82 million ha. against 36.80 million Ha. and 2.64% higher from 35.87 million Ha. in 2018-19. Brazil is likely to export total 72 million tonnes in 2019-20 higher by 3% against last year. Ending stocks are forecast 39% lower to 2.18 million tonnes.

According to China's General Administration of Customs (CNGOIC), China's Jan and Feb soybean imports rose 14.2 percent to 13.51 MMT from 11.83 MMT a year earlier. Imports in Dec were 9.54 million tonnes.

As per sources, Argentina may grow higher soybean crop at 54.5 million tonnes in 2019-20 compared to its previous forecast i.e.53.1 million tonnes on account of good rainfall.

As per IGC (International Grain Council), Global soybean output for 2019-20 may decline by 5 million tonne to 345 million tonnes due to slight shortfall in U.S Soybean output. In 2020-21, U.S. may cover 4% higher soybean planting area.

As per NOPA recent data, NOPA members have crushed total 166.28 million bushels of Soybeans in February 2020 which is lower from 176.94 million bushels in January 2020. However, it is higher from 154.49 million bushels in February 2019. Crushing is slightly lower than the average trade estimate of 164.95 million bushels, based on data gathered by Reuters from 8 analysts. Soybean oil stocks rose to 1.92 billion pounds at the end of February against 2.013 billion pounds in January month however higher from 1.752 billion pounds at the end of February 2019. Soymeal exports has been reported higher in February 2020 at 762,745 tons against 931,061 tons in January 2020 and 784,660 tons exported in February 2019.

As per WASDE March report, world oilseed production for 2019/20 is projected at 580.13 million tons in Mar month, higher against 576.82 million tonnes in last month after larger crops of Soybean and sunflower. Total oilseeds crushing has been decreased by 1 million tons to 497.94 million tons against last month estimates however it is higher from 488.59 million tonnes in previous year. Ending stocks for the world is kept 3.56 million tons higher to 117.37 million tonnes against 113.81 million tons in last month estimates however lower from 129.82 million tonnes in 2018/19.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted unchanged at 96.84 million tons in March 2020 against previous month. Exports of U.S are unchanged at 49.66 million tonnes in this month against last month estimates however higher from 47.56 million tonnes in 2018-19. U.S crushing is unchanged at 57.28 million tonnes in March month and higher from 56.93 million tonnes in last year. Ending stocks of the country is expected to be lower at 11.55 million tonnes in Mar. month review against 24.74 million tonnes in 2018/19.

As per USDA, the soybean planted area in Brazil is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 9 million tonnes to 126 million tonnes in normal weather condition as compared to last year i.e.117 million tones. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million hac.and the production at 120.7 million tonnes in the current season. Exports of soybean in 2019-20 is expected to 77 million tons higher from 74.59 million tonnes in 2018-19.

As per USDA, U.S. Gulf FOB soybean export bids in February averaged \$346/ton, lower \$13 from January. Brazil Paranagua FOB averaged \$346/ton down by \$ 13 from January. Argentina Up River FOB averaged \$347/ton, down \$15.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 126 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and also higher from previous month record i.e.125 million tonnes. As per the latest update from USDA, China soybean production is estimated at 18.10 million tonnes on higher-than-expected area. Total imports of China are estimated at 88 million tonnes for



2019/20 season higher from last year. While crushing is forecasted higher at 86 million tonnes against 85 million tonnes in previous year.

Currently, 12.74 cases in the world have been identified under Coronavirus impact where 69,501 people could not survive and 265,883 people were recovered. The outbreak has reached almost whole of the world. This has led to lockdown of various countries leading to breakdown of global supply chain of soybean. Many countries have imposed complete lock down to prevent from COVID-19.

## Balance Sheet – Soybean, India

Soybean (Fig in MT) MY- Oct.-Sep.			Q3	Q4	Q1	Q2
	2018-19 E	2019-20 F	Oct- Dec'19 F	Jan- Mar'20 F	Apr- Jun'20 F	July-Sep 20 F
Carry In	1.91	1.97	1.97	5.47	3.81	2.90
Production	12.59	8.74	8.74	0	0	0
Imports	0.00	0.10	0	0	0.05	0.05
Total Availability	14.50	10.82	10.72	5.47	3.86	2.95
Processing/Crushing	11.40	8.27	5.00	1.41	0.46	0.37
Exports & Direct Consumption	0.13	0.05	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	1.00	1.00	0	0	0.5	0.5
Total Usage	12.53	9.32	5.25	1.66	0.96	0.87
Carry Out	1.97	1.50	5.47	3.81	2.90	2.07
Stock/Consumption Ratio	0.16	0.16				

Fig. in MnT

Source: Agriwatch

## Soy meal

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Soymeal prices showed firmness in the markets. However, there is limited trading activities on account of lock down in India.

According to trade source, one vessel (DODO) and one vessel (TROGIR) are expected to arrive at Tuticorin port for sunflower oil meal with total capacity of 31253 tons and 33000 tons respectively.

During the week (Mar.20 to Mar 26, 2020) US sold lower soybean cake and meal to 125,200 MT for 2019/2020 from the previous week and 39% lower from prior 4-week average. Increases primarily for the United Kingdom (29,400 MT, switched from unknown destinations), Mexico (25,300 MT, including decreases of 100 MT), New Zealand (25,000 MT), Canada (22,600 MT), and Guatemala (11,200 MT, including decreases of 10,700 MT), were offset by reductions primarily for unknown destinations (30,000 MT), Nepal (5,000 MT), Honduras (4,700 MT), and Chile (4,500 MT). For 2020/2021, net sales reductions of 15,900 MT were for Guatemala (15,400 MT) and El Salvador (500 MT). Exports of 324,900 MT were up 12 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (66,200 MT), the Philippines (50,500 MT), Morocco (42,300 MT), the United Kingdom (29,400 MT), and Canada (25,900 MT).

As per recent report of USDA, India may produce higher Soymeal to 6.6 million tonnes in 2019/20 compared to 6.4 million tonnes in Feb month estimates however lower from 7.6 million tonnes in 2018/19 season. Domestic consumption is forecast at 5.49 million tonnes for this season higher from 5.3 million tonnes in Feb month estimates and also from 5.2 million tonnes in previous year record.

As per USDA, global production of soymeal is estimated at 238.49 million metric tonnes lower against last month estimates however it is higher as compared to last year record i.e. 233.33 million metric tonnes. Exports of soymeal may stand lower at 66.89 million metric tonnes against 67.80 million metric tonnes in Feb month estimates and 67.24 million metric tonnes from last year record.

As per USDA, U.S. soybean meal export bids in February averaged \$334/ton, down \$6 from January. Brazil Paranagua FOB averaged \$317/ton, down \$4 from January, and Argentina Up River FOB averaged lower by \$7 to \$330/ton.

As per recent SEA report, India shipped Oilmeals lower by 74% to 76,017 tons in February 2020 against 294,510 tons in February 2019. India shipped total 20,309 tons of soymeal, 40,585 tons of Rapeseed meal, 3500 tons of Rice Bran Ext., 11,623 tons of castor seed meal in Feb 2020. The overall export of oilmeals during April-Feb. 2020 is reported 25% lower to 2,200,690 tons compared to 2,941,971 tons in April-Feb.2019 on account of disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased by 50% to 505,194 against 359,351 tons in Apr-to Feb 2020 compared to last season.

During April-February 2020, Vietnam imported 276,655 tons of oilmeals (compared to 592,697 tons); consisting of 6,417 tons of soybean meal, 167,643 tons of rapeseed meal and 102,595 tons of De-oiled Rice Bran Extraction. South Korea imported 809,733 tons of oilmeals (compared to 699,334 tons); consisting 51,098 tons of soybean meal, 365,243 tons of rapeseed meal and 393,392 tons of castor seed meal. Thailand imported 218,320 tons of oilmeals (compared to 298,400 tons) consisting 197,798 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2905 tons of soybean meal.

During April-February 2020, the export from Kandla is reported at 754,590 tons (34%), followed by Mundra handled 703,303 tons (32%), and Mumbai including JNPT handled 172,169 tons (8%) and Kolkata handled 131,269 tons (6%) and Others Ports handled 439,359 tons (20%).

Indian Soymeal premium quoted higher side by \$52 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

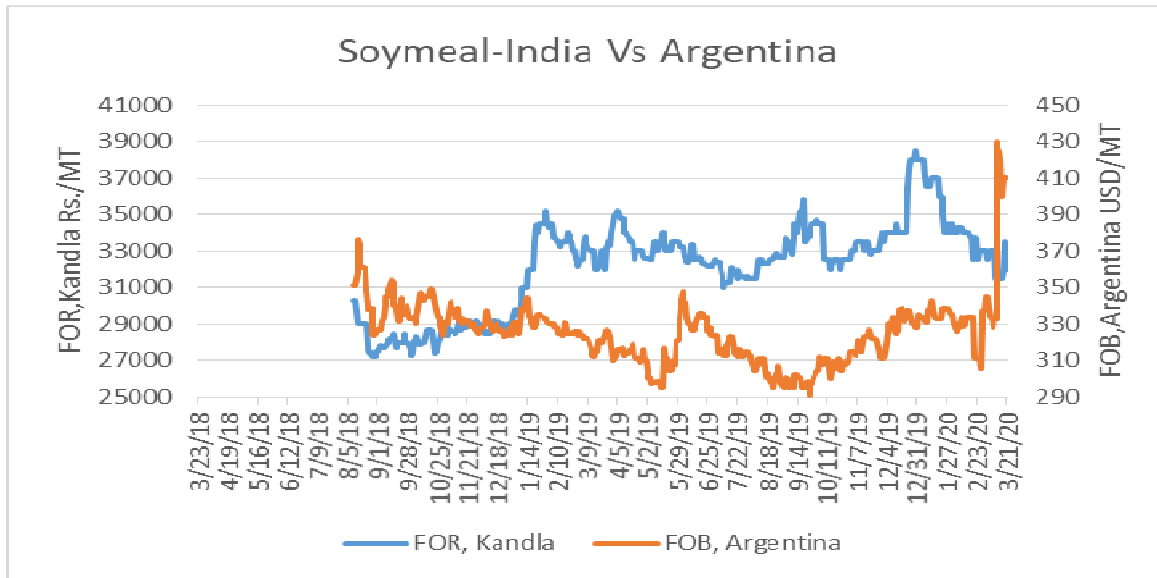
## Soy Meal Export (In Thousand Tons)

Soy Meal Export (In Thousand Tons)										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Oct</b>	405	224	50	183	29	4	31	71	150	63
<b>Nov</b>	443	398	517	503	111	9	98	208	186	69
<b>Dec</b>	611	798	511	451	194	6	241	169	170	72
<b>Jan</b>	575	475	620	364	104	28	155	106	86	41
<b>Feb</b>	540	344	578	184	65	30	208	74	132	20
<b>Mar</b>	411	460	302	232	47	27	107	39	193	
<b>Apr</b>	305	314	100	76	18	12	124	68	40	
<b>May</b>	177	143	98	8	14	10	49	41	53	
<b>Jun</b>	118	181	214	3	2	18	46	104	62	
<b>Jul</b>	140	168	107	7	1	12	81	64	76	
<b>Aug</b>	166	10	184	3	1	11	88	60	95	
<b>Sep</b>	226	7	173	1	7	12	102	45	35	
<b>Total</b>	4116	3521	3453	2015	592	180	1331	1049	464	

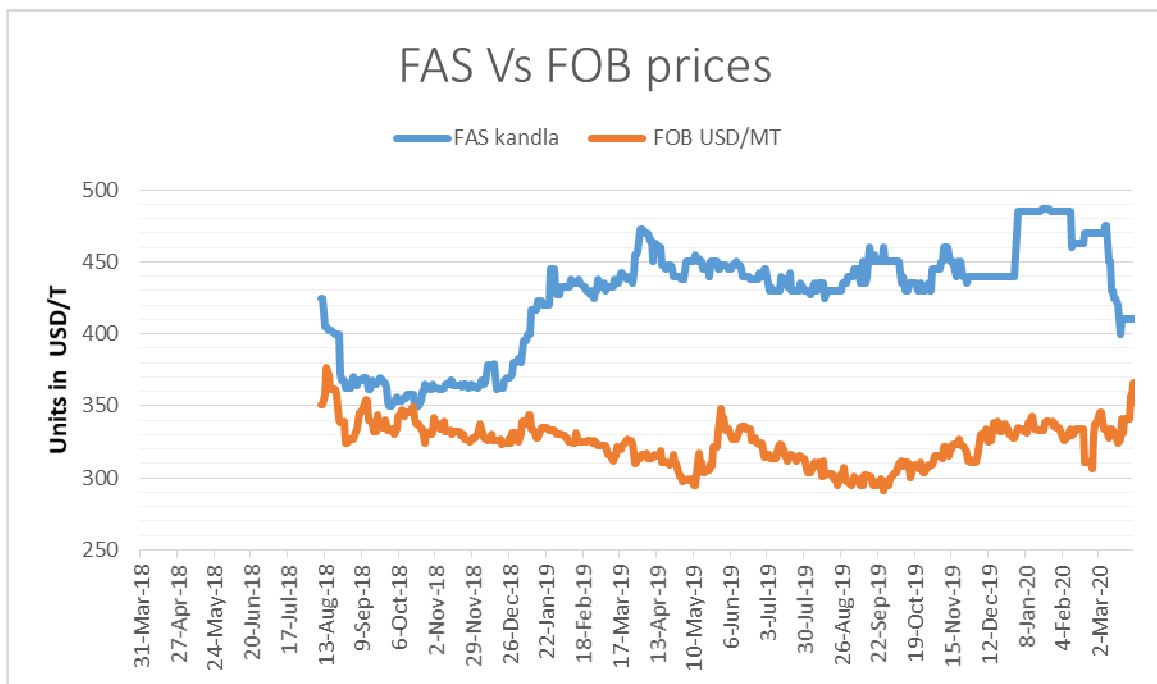
Source: SEA

**Soymeal prices:**

**Soymeal India Vs. Argentina:**



**FAS SBM, Kandla Vs FOB SBM, Argentina – (US \$/tonne)**



**Technical Analysis:**

**NCDEX Soybean Futures C1 Chart**



**Soybean Spot, Indore weekly Chart**



- The Candlestick depicts weakness in the market on selling pressures in March month.
- RSI has been inching towards downtrend in neutral zone.
- Trade Recommendation (NCDEX Soybean –May.): **Sell- Below 3650** Levels: Target –T1 3569; T2- 3464 SL –3770
- In Reverse case, traders can start buying on above 3700 and can add on positions on every 20 points below.

**Support & Resistance NCDEX Soybean May. contract**

Apr. contract as on 5 <sup>th</sup> Apr.				
S1	S2	PCP	R1	R2
3480	3550	3702	3823	3910
May. contract as on 5 <sup>th</sup> Apr.				
S1	S2	PCP	R1	R2
3380	3440	3632	3800	3890

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## Rapeseed - Mustard Seed

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No major trading activities are happening due to lock down in India. Farmers in Rajasthan have completed harvesting now. While, 50% harvesting has been completed in UP state as harvesting was delayed due to rainfall in the last week.

The quality of harvested crops are very good. However, farmers are not able to bring new harvested crop in mandies due to transports and labor issues on account of lock down in India on Coronavirus. Recent rainfall may cause 15 to 20% total crop loss in UP. In Bundelkhand, trader expect 15% crop loss on account of heavy rainfall and hailstorm. Heavy rainfall may cause the stem rot disease and leave the plant wilted which may reduce 10 to 15% yield size compared to last season.

COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year. As per trade body, India is likely to grow 7.8 million tonnes of Rapeseed crop in this season supported by higher yields on account of favorable weather condition.

.As per recent released data of Ministry, the total area under Oilseeds is reported lower by 0.07 lakh hectares to 80.29 lakh hectares as on 31st Jan 2020 against 80.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.51 lakh hectares lower by 0.24 lakh hac. against 69.76 lakh hectares in last year. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. Farmers have covered total mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.81 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat. Sunflower has been planted on 1.04 lakh hectares lower against 1.13 lakh hectares in last year. Sesame has been planted on 0.56 lakh hectares lower from last year i.e.0.71 lakh hac. However, total covering area of groundnut stood at 4.76 lakh hectares higher against 4.59 lakh hectares in last year. Safflower has been planted on 0.63 lakh hectares higher from last year record i.e.0.43 lakh hectares. Linseed has been planted on 3.46 lakh hectares higher against 3.44 lakh hectares in last year.

According to United States Department of Agriculture (USDA) March estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. Ending stocks of mustard seed have been lowered to 4.69 lakh tonnes from 5.69 lakh tonnes in last year record. India's 2019-20 Rapeseed oil production is expected at 25.84 lakh tonnes unchanged from previous year while mustard oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.

***Outlook: The rapeseed-mustard is likely to notice range –bound to firm tone after rise in domestic demand.***

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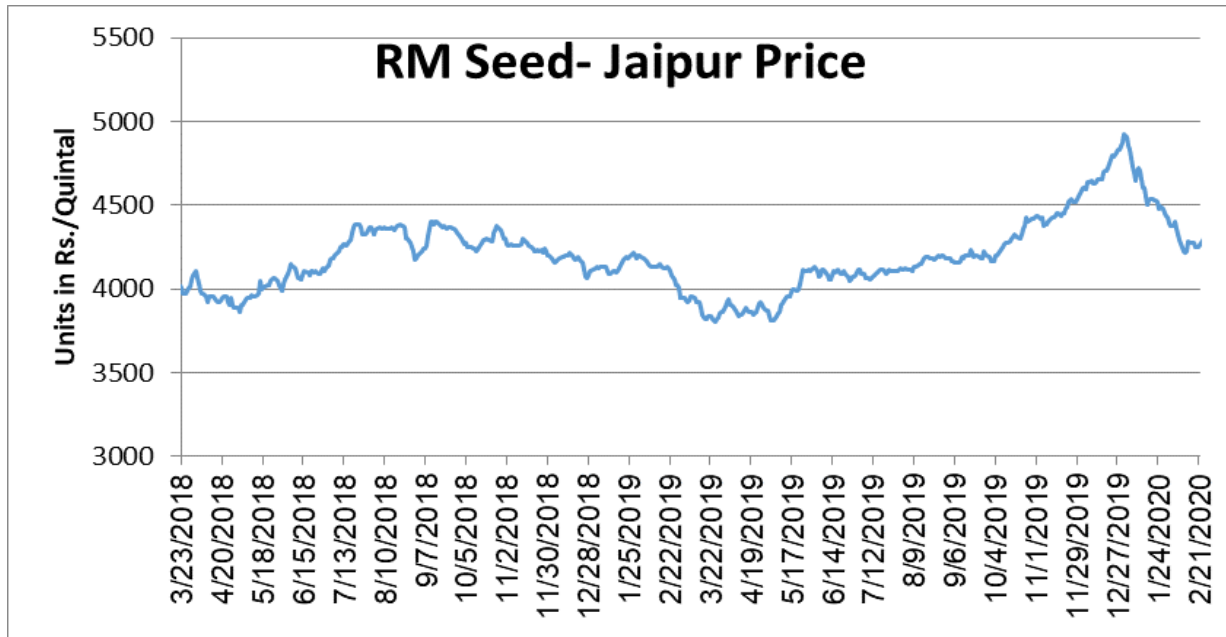
## Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

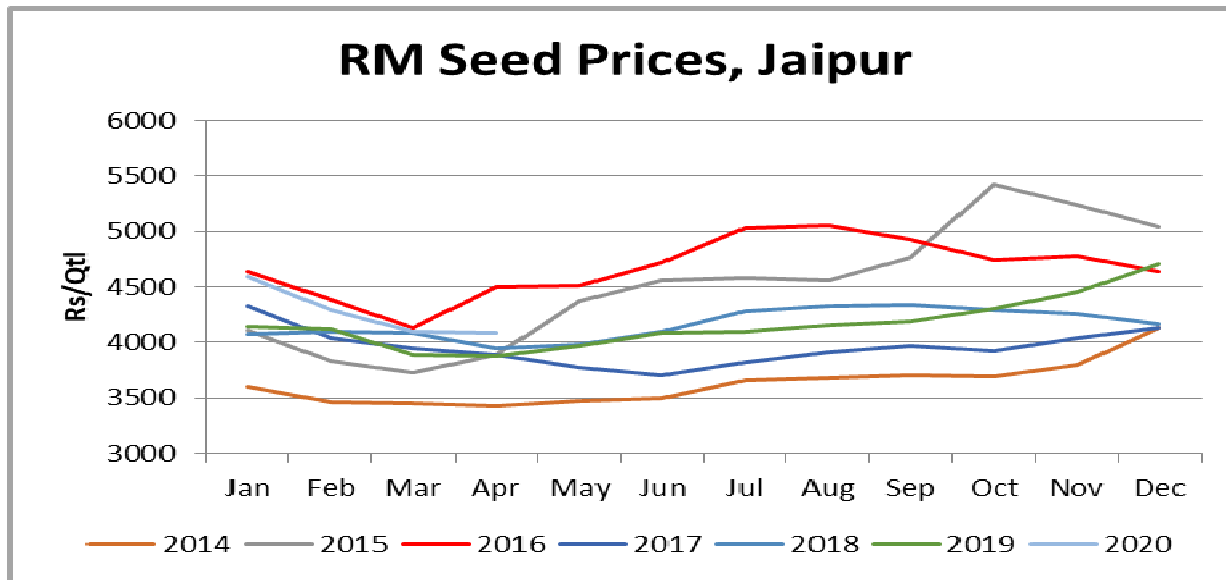
Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2019-20	2020-21	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	0.23	0.33	0.33	3.93	2.13	1.23
Production	7.90	7.21	7.21	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	8.13	7.53	7.53	3.93	2.13	1.23
Processing/Crushing	7.50	7.10	3.55	1.75	0.80	0.80
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Retained for Sowing & Direct Consumption	0.30	0.30	0.05	0.05	0.10	0.10
Total Usage	7.80	7.40	3.60	1.80	0.90	0.90
Carry Out/Ending Stock	0.33	0.13	3.93	2.13	1.23	0.33
Monthly Use	0.65	0.62				
Stock/Consumption Ratio	0.04	0.02				
Stock to Month Use Ratio	0.50	0.21				

(Source: AgriWatch)

**Mustard seed price trends of Jaipur:**



**Mustard Monthly Average Price Trends of Jaipur:**



**Technical Analysis:**

**NCDEX RM Seed Futures Daily C1 Chart**



**RM Seed Spot, Jaipur Weekly Chart**



- The Candlestick depicts weakness in the market on selling pressures.
- RSI is hovering in neutral zone.
- Trade Recommendation (NCDEX RM seed – May.):
- **Sell- Below- 4060** Levels: Target –T1 3980; T2-3880, SL –above 4120
- In Reverse case, traders can start buying on above 4100 and can add on positions on every 20 points above.

**Support & Resistance NCDEX RM Seed – Apr. contract as on 5<sup>th</sup> Apr.**

S1	S2	PCP	R1	R2
3720	3850	4045	4157	4205

**Support & Resistance NCDEX RM Seed – May. contract as on 5<sup>th</sup> Mar.**

S1	S2	PCP	R1	R2
3690	3800	4001	4080	4150

## Groundnut

Groundnut in Shell auction prices at Rajkot APMC fetched at 5000 per quintal in Mar. month and likely to trade in steady to firm tone amid good demand. Trading activities were closed after 21<sup>st</sup> March 2020 when lock down was announced in India to fight against COVID-19. Groundnut prices on monthly basis is increasing due to good demand in domestic market ahead of less stock availability. The prices have adjusted to the fundamentals and thus have been looking towards Rabi and summer supplies as well as the pace of NAFED disposable activities. However, lock down in India may limit any major trading activities in the markets.

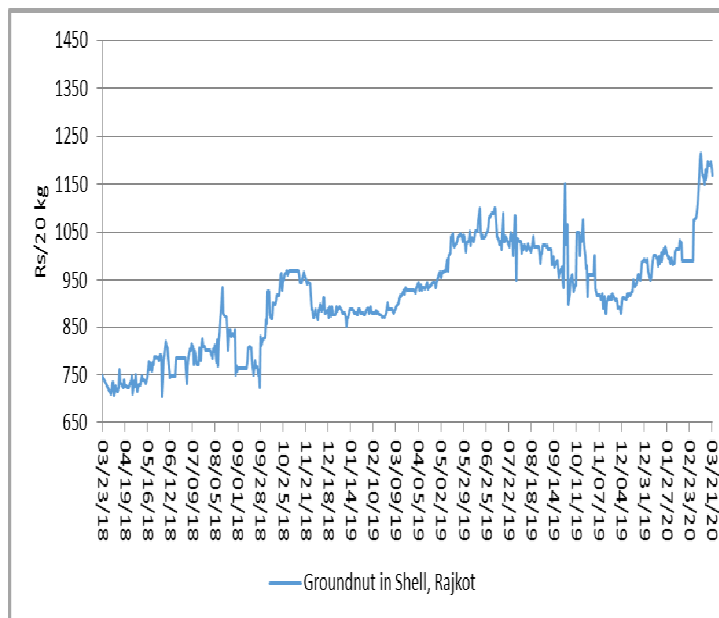
**Outlook:** The yield size of Rabi crop may report higher side due to good rainfall at maturity period of time and ample water availability at the time of sowing. Limited stocks availabilities with Farmers and traders against good demand of GN Oil may support prices to rise in future. As of now, farmers don't have groundnut stocks in some of districts like Parchur, chirala, bapatla, ongole of Andhra Pradesh states. Exporters are silent on account of lock down in India and restrictions for overseas countries on Coronavirus. Ample stock availabilities with Nafed will curb any major rise.

### Fundamentals:

Rabi groundnut crop's condition is good in the field. Recent rainfall in Gujarat is beneficial for the crop. Time span of ground nut is 90-100 days. The expected yield will be higher compared to last year and farmers are likely to harvest in May end or first week of June. Farmers may get groundnut seeds in the range of 16 to 17 quintals per acres in case of supportive weather condition.

Procurement period is over in Gujarat, Rajasthan, & UP. Total progressive purchase of Nafed in 2019-20 was 7.20 lakh tons. Purchase in Gujarat was 5 lakh tons, 1.93 lakh tons in Rajasthan, 0.21 lakh tons in Andhra Pradesh and 2546.19 MTs in UP, 3543.99 MTs in Karnataka. Total 3.46 lakh farmers have benefitted from NAFED purchase of K-19 groundnut.

As per second advanced estimates of ministry, India is likely to grow 22.55% higher groundnut seed at 82.44 lakh tonnes in 2019-20 compared to 67.27 lakh tonnes in 2018-19. India may get 69.49 lakh tones of kharif crop of groundnut which is higher from 53.87 lakh tonnes however 3.3% lower Rabi season groundnut crop at 12.95 lakh tonnes in 2019-20 against last season. Mustard output of Rabi season is expected to stay at 91.13 lakh tonnes in 2019-20 which is 1.54% lower from 92.56 lakh tonnes in last year. Soybean crop size for kharif season is estimated at 136.28 lakh tonnes higher by 2.71% against 132.68 lakh tonnes in 2018-19. Total oilseeds crop size is placed at 341.88 lakh tonnes in 2019-20 higher against 315.22 in last year supported by higher kharif season crop size.



As of now, farmers don't have groundnut stocks in some of districts like Parchur, chirala, bapatla, ongole of Andhra Pradesh states.

As per trade source, India exported total 61.04 thousand tonnes of groundnut (Organic groundnuts, Groundnut in shell, Groundnut Kernels) in February 2020 which is lower by 5.60% from previous month record i.e. 64.63 thousand tonnes. Vietnam, Thailand, Senegal, Malaysia, Indonesia, China, Algeria were the main buyers. Indonesia was the major buyer and bought total 27.72 thousand tonnes.

As per DGCIS data, India has exported total 5.33 lakh tone including groundnut seed, other groundnut nut in shell, Kernel H.P.S, kernels others so far of this season during Apr to Jan 2019-20 which is higher by 8.92% against 4.89 lakh tonnes of groundnut in the last season. Agriwatch expects total 6 lakh tones of exports for this season higher from last year record in expectation bumper crop of this season.

Groundnut nut in shell, Kernel H.P.S, kernels others so far of this season during Apr to Jan 2019-20 which is higher by 8.92% against 4.89 lakh tonnes of groundnut in the last season. Agriwatch expects total 6 lakh tones of exports for this season higher from last year record in expectation bumper crop of this season.

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As per recent released data by GOI, total groundnut Rabi sowing area in all over the country is reported at 4.75 lakh ha. on 31<sup>st</sup> Jan. 2020 higher against 4.59 lakh ha. in previous year. Farmers have sown 0.66 lakh ha. in Andhra Pradesh higher from previous year 0.54 lakh ha., 1.07 lakh ha. in Karnataka against 0.72 lakh ha. in previous year, 1.16 lakh ha. in Telangana higher against 1.07 lakh ha. in the last season in the corresponding period of time. While, sowing area has been reported in Chhattisgarh at 0.12 lakh hac lower against 0.15 lakh hac., in Odisha at 0.70 lakh hac. lower against 0.84 lakh hac., in Tamilnadu at 0.99 lakh hac. lower against 1.16 lakh hac., in West Bengal at 0.04 lakh hac. lower against 0.079 lakh hac.

As per SEA of India latest report, the exports of Groundnut meal are reported at 697 MT during April- February 2020 lower from 8693 MT from April-February 2019.

As per Farm ministry, Groundnut output for Kharif season in 2019-20 will reach at 6.3 million tonnes higher against 5.4 million tonnes in last season.

According to first advance estimate for Kharif 2019-20, issued by Gujarat's Department of Agriculture for Groundnut, the area, production and yield are 15.51 lakh hac. , 32.61 tonnes and 2101 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Groundnut the area, production and yield are 15.66 lakh hac. 21.43 lakh tonnes and 1368.35 kg/hectare respectively.

According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Groundnut, the area, production and yield are 7.34 lakh hectares, 15.65 tonnes and 2131 kg/hectare respectively.

In Gujarat, around 5-7% crop in Gujarat was totally lost while 10-20% of groundnut crop is reported to be of inferior quality. Kernels are discoloured and damaged due to moisture and shell is damaged due to fungus. Kesod and Junagad district reported major damage to the crop while Rajkot, Jamnagar and Gondal and Amreli reported little to no damage. Major crop losses were also reported to groundnut in costal Karnataka districts with Dharwad reporting major losses to the tune of 30%. Crop was discolored and shell is affected with fungus and quality loss reported in 20% of the crop. Agriwatch expects total groundnut crop of this season at 75.54 lakh

tonnes higher against 66.95 lakh tonnes in 2018-19. Kharif crop may stand at 59.13 lakh tonnes higher against 53.63 lakh tonnes in previous year.

As per report of SEA, Groundnut crop for Kharif season is projected at 51 lakh tonnes for this season in India which is 36.54% higher than 37.35 lakh tonne in previous year. The crop area in Gujarat state is estimated at 15.52 lakh tonnes higher against 14.68 lakh hac. in 2018-19. Total yield of the state is forecasted higher by 90.78% to 2070 kg. per hectare from 1085 kg. per hectares in last year due to good rainfall of this season. Farmers in Gujarat may harvest total 32.15 lakh tonnes in 2019/20 which is just double against previous year record.

## Groundnut Exports (In Thousand Tons)

Groundnut Exports (Includes in Shell, Kernels, Blanched and Normal Groundnuts (Thousand Tons)							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Oct	21.8	21	22.9	25.8	30.4	32.59	28.54
Nov	71.1	92.6	50	80.9	109.6	65.18	126.22
Dec	79.1	135.9	91.3	145.1	69.4	44.86	113.75
Jan	47.3	82.2	67.7	105.2	31.7	33.85	64.63
Feb	48	54	53.7	78.8	30.7	39.16	61.01
Mar	52.6	61.7	55.7	67.5	54.8	56.44	
Apr	48.6	50.4	54.5	45	46.5	48.73	
May	55.2	38.6	41.3	19.1	39.6	35.84	
Jun	50	30.7	58.4	25.4	40.1	39.64	
Jul	42.7	25	39.2	37.2	39.4	43.36	
Aug	40.8	35.8	16.8	30.6	35.5	32.92	
Sep	23.8	16.1	12.2	20.1	17.1	15.46	

\* Estimated Exports Value and EXIM data

## Groundnut Prices in Shell

Groundnut							
Center	Variety	% Change over	% Change over	As on	Month Ago,	Year Ago,	2 Year Ago,
		Previous year	Previous month	31-March-20	29-Feb-20	30-Mar-19	31-Mar-18
Rajkot	GN in Shell (Rs/20kg)		-	Closed	1075	930	750
Saurashtra	GN Seed Kernel (Rs/MT)	NA	NA	NA	NA	NA	NA

(Source: AW)



<b>Soy DOC Rates at Different Centers</b>			
<b>Centres</b>	<b>Ex-factory rates (Rs/ton)</b>		
	<b>31-Mar-20</b>	<b>29-Feb-20</b>	<b>Parity To</b>
Indore - 45%, Jute Bag	34000	30800	Gujarat, MP
Kota - 45%, PP Bag	37000	31300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33500	32700	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32000	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32500	33000	Andhra, AP, Kar ,TN
Latur	35900	32200	-
Sangli	33500	32800	Local and South
Solapur	35700	32500	Local and South
Akola – 45%, PP Bag	36300	31200	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	36800	31100	-

<b>Soy DOC at Ports</b>			
<b>Centers</b>	<b>Port Price</b>		
	<b>30-Mar-20</b>	<b>28-Feb-20</b>	<b>Change</b>
Kandla (FOR) (INR/MT)	Unq	33000	-
Kandla (FAS) (USD/MT)	Unq	470	-
CNF Indonesia – Yellow SBM (USD/MT)	Unq	NA	-

<b>Rapeseed Meal</b>	<b>30-Mar-20</b>	<b>28-Feb-20</b>	<b>Change</b>
FAS Kandla (USD/MT)	Unq	227	-
FOR Kandla (Rs/MT)	Unq	16400	-
FOR Mundra (Rs/MT)	Unq	16800	-
CNF Indonesia (USD/MT)	Unq	245	-

<b>International Soy DOC</b>			
<b>Argentina FOB USD/MT</b>	<b>30-Mar-20</b>	<b>28-Feb-20</b>	<b>Change</b>
Soybean Pellets	372	338	<b>34</b>
Soybean Cake Flour	372	338	<b>34</b>
Soya Meal	352	337	<b>15</b>
Soy Expellers	352	337	<b>15</b>

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	31-Mar-20	29-Feb-20	Change
Adoni	Closed	23300	-
Khamgaon	Closed	-	-
Parli	Closed	-	-
Latur	Closed	23000	-

Groundnut Meal (Rs/MT)	31-Mar-20	29-Feb-20	Change
Basis 45%, Saurashtra	Closed	25500	-
Basis 40%, Saurashtra	Closed	24000	-
GN Cake, Gondal	Closed	26000	-

Mustard DOC	31-Mar-20	29-Feb-20	Change
Jaipur (Plant delivery)	Closed	15500	-
Kandla (FOR Rs/MT)	Closed	16500	-

Mumbai Oil Meal Quotes:			
Rs/M.T.	31-Mar-20	29-Feb-20	Change
G.N. Extr (45%)	Closed	25000	-
Kardi Extr	Closed	NA	-
Undec Cottonseed Exp	Closed	19000	-
Rice Bran Extr.	Closed	NA	-
Sunflower Extr.	Closed	21500	-
Rapeseed Extr.	Closed	NA	-
Soymeal 48%	Closed	32139	-
Castor Extr.	Closed	35500	-

## India's Total Oilseeds Production Seen at 315.22 Lakh Tons in 2<sup>nd</sup> Adv. Est. - GOI (Kharif + Rabi)

The 2<sup>nd</sup> Advance Estimates of production of major crops for 2018-19 have been released on 18<sup>th</sup> Feb, 2020 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received less rainfall. As a result, the production of oilseeds crops estimates for 2018-19 has witnessed below than their normal production. Oilseeds production of India is placed higher by 0.62 lakh tonnes to 315.22 lakh tonnes against the production of 314.60 lakh tonnes in Final Estimates of 2017-18. However, the estimated figure is high by 21.2 lakh tonnes than five years average oilseeds production.

### The estimated production of major Oilseeds during 2018-19 is as under:

Oilseeds – 315.22 Lakh tonnes

- Soybean – 132.68 Lakh Tons
- Groundnut – 67.27 Lakh Tons
- Rapeseed – 92.56 Lakh Tons
- Castorseed – 11.97 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.89 Lakh Tons
- Nigerseed – 0.45 Lakh Tons
- Sunflower – 2.16 Lakh tons
- Linseed – 0.99 Lakh Tons

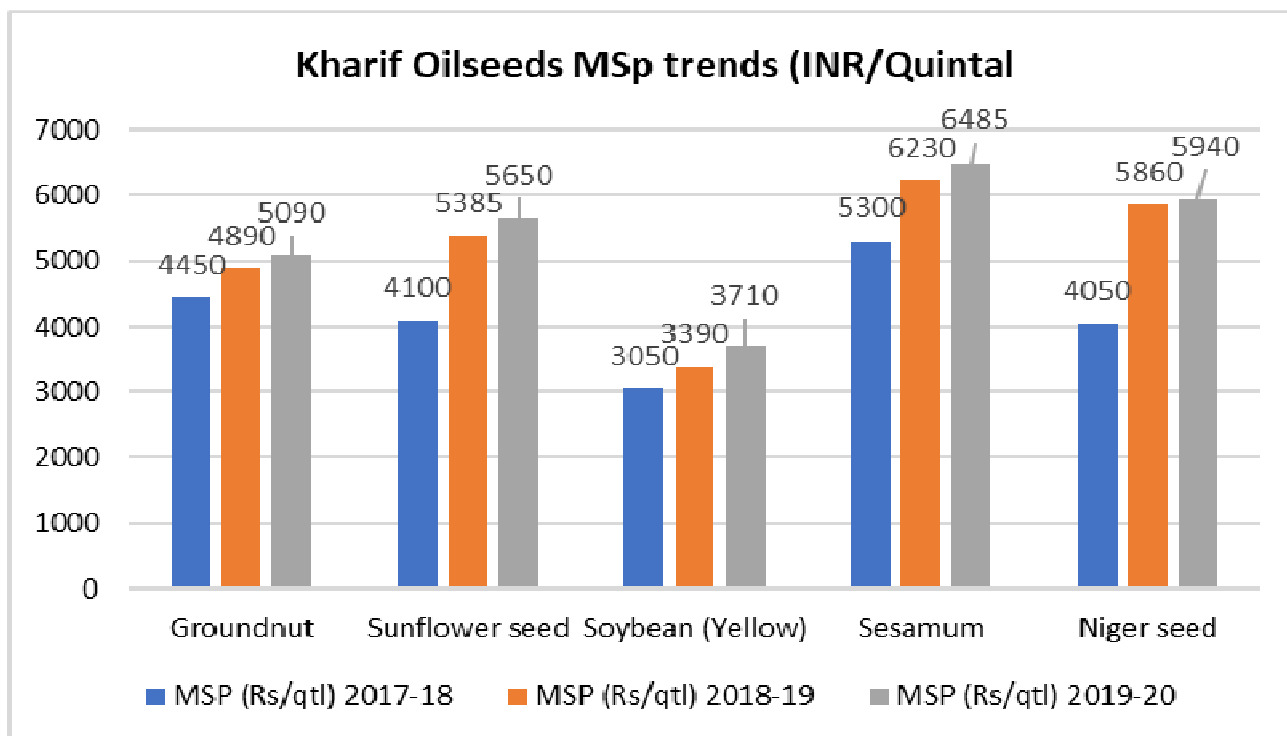
Oilseed Wise production in India (Kharif+Rabi) Lakh Tons										
Oilseed	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Soybean	127.36	122.14	146.66	118.61	103.74	85.7	131.59	109.33	132.68	136.28
Groundnut (In Shell)	82.7	69.6	47	97.1	74	67.3	74.6	92.53	67.27	82.44
Rapeseed & Mustard	81.79	66.04	80.29	78.77	62.8	67.97	79.17	84.3	92.56	91.13
Castorseed	13.5	22.95	19.64	17.27	18.7	17.52	13.76	15.68	11.97	20.43
Sesamum	8.93	8.1	6.85	7.15	8.28	8.5	7.47	7.55	6.89	6.64
Sunflower	6.51	5.17	5.44	5.04	4.34	2.96	2.51	2.22	2.16	2.56
Linseed	1.42	1.55	1.49	1.42	1.55	1.26	1.84	1.74	0.99	1.36
Nigerseed	1.08	0.98	1.01	0.98	0.76	0.74	0.85	0.7	0.45	0.79
Safflower	1.5	1.45	1.09	1.13	0.9	0.53	0.94	0.55	0.25	0.27
<b>Total</b>	<b>324.79</b>	<b>297.98</b>	<b>309.47</b>	<b>327.47</b>	<b>275.07</b>	<b>252.48</b>	<b>312.73</b>	<b>314.6</b>	<b>315.22</b>	<b>341.9</b>

Source: Ministry of Agriculture.

Note: 2018-19 & 2019-20 is based on 2<sup>nd</sup> Adv. estimates.

## MSP for 2019/20 Kharif Oilseeds

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qt in 2018-19 to Rs.3710/qt in 2019-20, Groundnut is increased by Rs.200 from Rs.4890/qt in 2018-19 to Rs.5090/qt in 2019-20, Sunflower is increased by Rs.262 from Rs.5388/qt in 2018-19 to Rs.5650/qt in 2019-20, Sesamum is increased by Rs.236/qt from Rs.6249/qt in 2018-19 to Rs.6485/qt in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qt in 2018-19 to Rs.5940/qt in 2019-20.



Source: MoA, GOI

## India's Total Oilseeds Production Seen at 341.88 Lakh Tons in 2<sup>nd</sup> Adv. Est. - GOI (Kharif+Rabi)

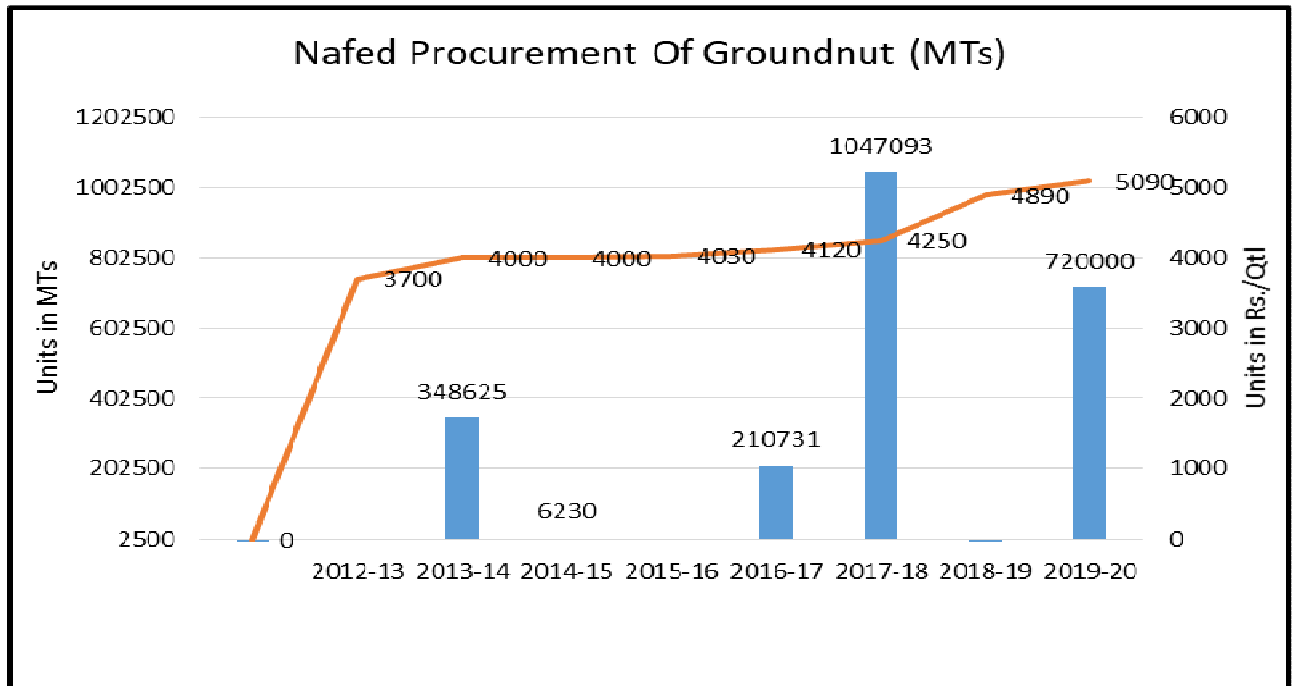
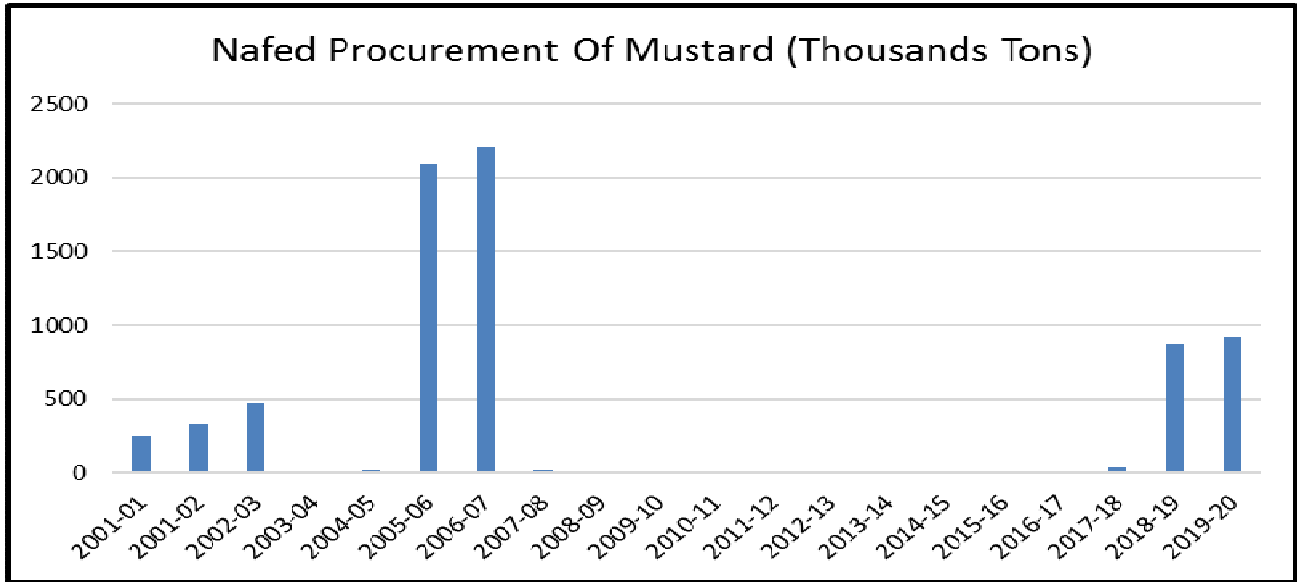
The first Advance Estimates of production of major crops for 2019-20 have been released on 18<sup>th</sup> Feb 2020 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif and Rabi crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 26.66 lakh tonnes to 341.88 lakh tonnes against the production of 315.22 lakh tonnes in 2<sup>nd</sup> advanced estimates for 2019-20. The estimated figure is also higher by 47.67 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 341.9 Lakhtonnes

- Soybean – 136.28 Lakh Tons
- Groundnut – 82.44 Lakh Tons
- Castorseed – 20.43 akh Tons
- Sesame/Sesamum/Gingelly/Til – 6.64 Lakh Tons
- Nigerseed – 0.79 Lakh Tons
- Sunflower – 2.56 Lakh tons
- Mustard See-91.13
- Safflower-0.27
- Linseed-1.36

## NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically





## Soybean Production Estimates Kharif 2019-20 As On 10.10.2019

SOPA Soybean Estimates Kharif						
State	2018-19			2019-20		
	Area	Yield	Production	Area	Yield	Production
Gujarat	1.32	925	1.241	1.003	858	0.861
Maharashtra	36.39	944	34.34	37.363	971	36.295
Karnataka	3.19	911	2.90	3.302	816	2.694
Madhya Pradesh	54.1	1075	58.18	51.952	772	40.107
Chhattisgarh	1.281	865	1.108	0.742	726	0.539
Telangana	1.791	877	1.571	1.783	846	1.508
Rajasthan	9.212	971	8.945	9.627	681	6.56
Others	1.09	955	1.041	1.841	748	1.377
<b>Total</b>	<b>108.4</b>	<b>940.4</b>	<b>109.3</b>	<b>107.6</b>	<b>802.3</b>	<b>89.9</b>

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