

---

**Oilseeds Domestic Fundamentals:**

**Today's Update-**

In Indore, soybean plant prices went down by 1.33% to Rs. 7,400/qtl. In other cash markets prices traded with weak sentiments, tracking Soy meal ban by Ministry of Consumer, Food and Public Distribution. Most of the mandis remained closed on account of Eid. In MP and MH arrivals stood at 5 thousand bags each Soybean (plant delivery, Indore) prices are expected to trade with weak bias on the back of Soy meal import in the range of 7000-7500/qtl levels in the near-term.

**Previous Updates-**

- The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya mills for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects.
- SOPA has urged the Central government not to allow the import of genetically modified (GM) soyabean meal citing that it will adversely impact the local processors and farmers since the country does not allow cultivation of GM food crops.
- Solvent Extractor Association of India has said the storage control order of government is not serving the purpose of checking price of edible oil, but it is creating problems in maintaining a smooth supply chain and suggested to revisit norms of storage for whole sellers and retailers and fix a limit of 15 days of storage based on average sale of retailer or whole seller for the last six months sales based on GST returns filed by them.
- According to Solvent Extractor Association of India, country's March'2022 soymeal exports declined by 25% to 2,42,043 metric tonnes compared to 3,22,850 metric tonnes in the same period last year. Low arrivals, tight crush margin and weak export demand has resulted into decline in exports, in April and May too, exports likely to remain weak.
- SOPA reported Soybean Crushing low by 24% to 6.5 Lakh tonnes as compared to 8.5 Lakh tonnes previous years. Crushing remained low on low export demand and tight crush margin.
- However, arrivals recorded 26% higher at 6 lakh tonnes as compared to 4.75 Lakh tonnes previous years. Farmers released stocks on better prices in March.
- Skymet has forecasted South west Mon soon for 2022. Skymet expects the upcoming monsoon to be normal to the tune of 98% of LPA. In terms of geographical risk, Skymet expects Rajasthan, Gujarat, Nagaland, Manipur, Mizoram, and Tripura to be at risk of being rain deficit throughout the season.
- Upon low soymeal export demand, there is sluggish Soy demand by the crushers, arrivals has declined to seven months low. Farmers are still not releasing their holdings. Traders are more interested to buy Rabi crops such as mustard than Soybean at higher level, However stock limit is a hurdle to buy new stuff beyond 2000 Qtl.

## **International updates**

- According to USDA latest planting report USA Soybean sowing progress stood at 3% Vs 7% previous year and 5% five year average.
- As per latest data, Argentina soybeans were 14.4% harvested as of late last week compared to 7.2% last year and 27% average. High fuel cost attributed to the slow harvesting.
- China's 2022 Soybean demand may fall up to 6% on dip in feed requirement. Negative crush margin since Feb'22 too attributed to dip in demand.
- According to China's General Administration of Customs data, world's top importer of soybeans, China brought in 3.37 million tonnes, down sharply from 7.18 million a year earlier.
- According to NOPA, Soy crushing in US is up by 10.1% to (181.75 Million Bushels) from feb'22 and 2.1% up from March'22.
- According to CONAB, Brazil's 2021-22 soybean harvesting has reached to 80.4% as compared to 76.2% last year same period.

## **RM seed**

### **Today's Update-**

Today Jaipur RM seed prices went down by 0.7% at Rs 7,425/qtl. Most of the mandis RM seed prices are expected to trade with firm bias tracking palm oil and CPO export ban by Indonesia in the range of 7,400-7600 in near term.

RM seed crushers are facing challenges as farmers hold back anticipating higher price which has resulted into almost 45% decline in market arrivals in April'22 compared with March which is affecting the crushing of the oil seed.

### **Previous Updates-**

Currently, Mustard is trading at three months high, tracking Palm oil export ban by Indonesia coupled with shrinking arrivals. The premium of mustard oil over CPO has been reversed to discount due to low palm oil supply side. Currently, CPO to Mustard spread has become positive at INR 70-100/ 10 Kg. This is likely to push the demand for Mustard oil, as it's been seen that at palm oil demand at higher prices is usually substituted with comparatively discounted oils. It is inferred that discounted mustard oil price will boost crushing and so the RM seed demand which is likely to underpin RM seed prices.

Indonesia's flip-flops in export ban policy have sent global prices into turmoil. Indonesia is the world's biggest producer of palm oil-producing 59% of the global supply. Indonesia's Minister for Economic Affairs Airlangga Hartarto cleared in a media briefing on 27th April, that Indonesia has widened its export ban and has included Crude Palm Oil (CPO) and Refined Palm Oil (RPO) in addition to Refined Bleached Deodorized Palm Oil (RBDPO) in its new export policy. Upon palm oil export ban by Indonesia, oilseed complex likely to remain bullish.

Statistics Canada on Tuesday pegged Canada's 2022 canola plantings at 20.9 million acres, down 7% from last year, 6% below the five-year average and lighter than analyst expectations of 22.1 million.

In Haryana, government agencies have not procured even a single quintal of mustard so far, as private players have offered rates much more than the MSP (Rs 5,050 /qtl).

According to of Agriculture and Agri-Food Canada's (AAFC), Demand for Canadian Canola remains firm on a strong world oilseed crush and high prices for competing oilseeds and vegetable oils. Disruption of Black Sea exports of sunflower seed 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 8.5 Mt, a drop of 18% from last year, while exports are expected to fall by 49% to 5.4 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.

- In order to check blending of mustard oil with other edible oil, FSSAI has directed state food safety officials. And has also sought an action taken report from the states by May 15, 2022, and added that the enforcement department should be informed at regular intervals about the same.

- Union Ministry of Consumer Affairs, Food and Public Distribution has stated "Inspections have revealed very large hoardings of soyabean and mustard seeds in Dewas, Shajapur & Guna districts of Madhya Pradesh. Besides, large quantities of edible oils have been found in excess of the prescribed quantities of the control order in Maharashtra and Rajasthan. Upon hoarding of large quantities, prices went up in the domestic markets.

- USDA, in its April'22 reports, kept India's 2021-22 production estimate at 108 lakh tonnes, crushing estimate at 96.50 lakh tonne as compared to 75 lakh tonnes.

Amid Russia Ukraine conflict, India may face 25% or 4-6 lakh tonnes sunflower oil shortage, around 70% crude sunflower oil is imported from Ukraine and 20% from Russia. Refined sunflower oil constitutes 10% of the country's total consumption of 230-240 Lakh tonnes of edible oil annually and around 60% of demand is met from imports. However, Mustard oil is expected to fill the gap as this season Mustard oil production is estimated up by 27% at 43.6 Lakh tonnes as compared to previous year at 36.4 Lakh tonnes.

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
	03-May-22		02-May-22		
Soybean	Low	High	Low	High	
Indore –Plant	7200	7400	7300	7500	-100
Indore–Mandi	Closed	Closed	7000	7250	-
Nagpur-Plant	6800	7000	6800	7000	Unch
Nagpur – Mandi	Closed	Closed	5600	6500	-
Latur – Mandi	Closed	Closed	6700	7000	-
Akola – Mandi	Closed	Closed	5900	7070	-
Kota-Plant	7000	7200	7200	7300	-100
Kota – Mandi	Closed	Closed	6800	7200	-
Bundi-Plant	7000	7100	7000	7200	-100
Bundi-Mandi	Closed	Closed	6850	7000	-
Baran-Plant	7000	7300	7000	7400	-100
Baran-Mandi	Closed	Closed	6800	7150	-
Bhawani Mandi Jhalawar–Plant	7200	7300	7200	7400	-100
Jhalwar-Mandi	Closed	Closed	7000	7200	-
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	7400	7425	7450	7475	-50
Alwar-(Condition)	6800	6900	6900	7000	-100
Sri Ganganagar-(Non-Condition)	6900	7000	7000	7050	-50
New Delhi–(Condition)	6850	6950	6900	7000	-50
Kota-(Condition)	Closed	Closed	6800	7000	-
Agra-(Condition)	7238	7476	7286	7476	Unch
Neewai-(Condition)	Closed	Closed	6500	7100	-
Hapur (UP)-(Condition)	7100	7150	7200	7250	-100
<b>Groundnut Seed</b>					
Rajkot	1170	1170	1055	1055	115
<b>Sunflower Seed</b>					
Gulbarga	Closed	Closed	4800	5400	-
Latur	Closed	Closed	7600	7800	-
Sholapur	7500	7700	7600	7800	-100
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
	03-May-22	02-May-22	
<b>Soybean</b>			
Madhya Pradesh	5000	60000	-55000
Maharashtra	5000	60000	-55000
Kota	3000	8000	-5000
Bundi (Raj)	Closed	1000	-
Baran (Raj)	Closed	1200	-
Jhalawar (Raj)	Closed	1500	-
<b>Rapeseed/Mustard</b>			
Rajasthan	NA	265000	-
Alwar	5000	7000	-2000
Sri Ganganagar	2000	3000	-1000
Kota	Closed	3000	-
<b>Groundnut Seed</b>			
Rajkot (Gujarat)	6350	5977.5	372.5
<b>Sunflower Seed</b>			
Sholapur (Maharashtra)	700	700	Unch

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

Oilseeds	3-May-22	2-May-22	Change
Groundnut Kernel	Closed	8500	-
Gr. Bolds 60/70	Closed	8800	-
Gr. Javas 60/70	Closed	9900	-
Gr Javas 70/80	Closed	8900	-
Gr.Javas 80/90	Closed	9400	-
KardiSeed 2% Exp Qly	Closed	5500	-
Sesame White 98/2/1 FM	Closed	10000	-
Whitish 95/5/FFA/1FM	Closed	9800	-
Brown 48/2 FFA/4 FM	Closed	9400	-
Brown 48/3 FFA/4 FM	Closed	9100	-
Brown 48/4 FM/* No FFA Guarantee	Closed	8800	-
Sunflower Seed	Closed	6800	-
Niger Seed (4% FM)	Closed	8400	-

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Limited