

**Soy Meal Fundamentals:** The domestic soymeal witnessed losses on slack in demand, Wednesday. However, some improvement of oilmeal exports in previous month remained supportive for the market. No major developments witnessed in the soymeal market. Dull demand continues from major consuming sectors like poultry and feed manufacturers. Soymeal consumption is severely hit due to the slack in demand from poultry sector with subsequent fall in poultry demand mainly due to coronavirus pandemic. Soymeal (Indore) prices fell at Rs. 28,800/MT compared to 29,000/MT the previous trading day.

- In a major blow to the domestic soymeal market, which was already reeling under pressure, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this week, on its portal from exports undertaken 01.04.2020 onwards.
- This will result in further decline in soymeal exports from India, as MEIS benefit of 5% is a significant incentive to compete in the world market. SOPA has made a representation to the government to revoke the suspension of the MEIS benefit immediately. The revenue department have argued against continuing the MEIS, calling it wasteful and inefficient.
- The export of oilmeals from India during May 2020 is provisionally reported at 247,879 tons compared to 201,768 tons in May, 2019 i.e. up by 23%. The main reason in increased of oilmeals in May 2020 is sharpened increased in export of rapeseed meal to 144,244 tons from 72,895 tons in May 2019. The overall export of oilmeals during April and May 2020 is provisionally reported at 349,880 tons compared to 456,353 tons during the same period of previous year i.e. down by 23% - SEA.
- India's soymeal shipments may fall to around 500,000 tonnes in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to slack in demand from traditional overseas buyers amid ongoing lockdowns, said, Soybean Processors Association of India Chairman Davish Jain.
- India's soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes lower output and non-competitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.
- During the week (July 17 to July 23, 2020) US net sales of 260,900 MT for 2019/2020 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for the Philippines (137,300 MT), Mexico (33,800 MT), Australia (25,000 MT), Canada (24,400 MT, including decreases of 300 MT), and Colombia (20,000 MT, including decreases of 200 MT), were offset by reductions for El Salvador (5,200 MT), Panama (3,400 MT), Belgium (1,500 MT), and the Dominican Republic (800 MT). For 2020/2021, net sales of 32,900 MT primarily for Canada (14,300 MT), Guatemala (11,800 MT), El Salvador (4,200 MT), Panama (3,400 MT), and the Philippines (2,000 MT), were offset by reductions for Morocco (5,000 MT). Exports of 185,300 MT were down 10 percent from the previous week and 19 percent from the prior 4-week average. The destinations were primarily to Colombia (41,700 MT), Morocco (30,600 MT), Canada (21,900 MT), Guatemala (21,800 MT), and Mexico (18,700 MT).
- In the July 20 report, USDA has kept India's soymeal production at 6.64 million tonnes for 2019/20 in lower from 7.68 million tonnes in 2018/19 season. Domestic consumption is also placed unchanged at 5.49 million tonnes for this season which was estimated at 5.28 million tonnes last season.

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	05-Aug-20	04-Aug-20	Parity To
Indore - 45%, Jute Bag	28800	29000	Gujarat, MP
Kota - 45%, PP Bag	30000	30200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31500	31500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31500	31500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32200	32000	Andhra, AP, Kar, TN
Latur	32200	32500	-
Sangli	31000	31000	Local and South
Solapur	31500	31500	Local and South
Akola – 45%, PP Bag	30400	30500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	31800	31800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	29800	30000	-

Soy DOC at Ports			
Centers	Port Price		
	04-Aug-20	01-Aug-20	Change
Kandla (FOR) (INR/MT)	32500	32500	Unch
Kandla (FAS) (USD/MT)	445	445	Unch
CNF Indonesia – Yellow SBM (USD/MT)	420	415	5

Rapeseed Meal	04-Aug-20	01-Aug-20	Change
FAS Kandla (USD/MT)	219	215	4
FOR Kandla (Rs/MT)	16500	16200	300
FOR Mundra (Rs/MT)	16900	16600	300
CNF Indonesia (USD/MT)	248	247	1

International Soy DOC
-----------------------

August 06, 2020

Argentina FOB USD/MT	04-Aug-20	01-Aug-20	Change
Soybean Pellets	332	334	-2
Soybean Cake Flour	332	334	-2
Soya Meal	332	334	-2
Soy Expellers	332	334	-2

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	05-Aug-20	04-Aug-20	Change
Adoni	22700	22700	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	22300	22300	Unch

Groundnut Meal (Rs/MT)	05-Aug-20	04-Aug-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25000	25000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC	05-Aug-20	04-Aug-20	Change
Jaipur (Plant delivery)	15700	16000	-300
Kandla (FOR Rs/MT)	16400	16700	-300

Mumbai Oil Meal Quotes:			
Rs/M.T.	05-Aug-20	04-Aug-20	Change
G.N. Extr (45%)	26000	26000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	22000	22000	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	18500	18500	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	30052	30260	-208
Castor Extr.	NA	NA	-

**Outlook:** The domestic soymeal prices will continue to featured range-bound movement with weak bias on weak demand in poultry amidst COVID-19 concerns in near-to-medium term.

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable.