

Soy Meal Fundamentals: Firm tone are featured in the domestic soymeal markets, Tuesday. However, the gains will be limited on account of the multiple bearish factors including, higher soybean production estimate for 2020/21, weak soymeal exports and fall in local demand from poultry sector, and suspension of MEIS benefit/ incentive of 5% for soymeal exports by the Indian government. Soymeal (Indore) prices closed higher at Rs. 29500/T compared to 29200/T in previous 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 31 to August 6, 2020) US net sales of 182,400 MT for 2019/2020 were up 75 percent from the previous week and 24 percent from the prior 4-week average. Increases primarily for Canada (95,700 MT), Mexico (24,600 MT, including decreases of 100 MT), Colombia (16,000 MT, including decreases of 3,000 MT), Peru (12,000 MT), and Indonesia (11,200 MT), were offset by reductions for Guatemala (4,900 MT), Costa Rica (1,900 MT), Belgium (1,700 MT), Jamaica (1,100 MT), and El Salvador (900 MT). For 2020/2021, net sales of 70,000 MT primarily for El Salvador (18,000 MT), Colombia (18,000 MT), Mexico (15,900 MT), Canada (6,200 MT), and Panama (6,000 MT), were offset by reductions for the Philippines (2,200 MT). Exports of 196,500 MT were down 15 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Japan (35,700 MT), Canada (35,600 MT), Mexico (34,700 MT), the Dominican Republic (24,500 MT), and Panama (16,400 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) | | |
| | 18-Aug-20 | 17-Aug-20 | Parity To |
| Indore - 45%, Jute Bag | 29500 | 29200 | Gujarat, MP |
| Kota - 45%, PP Bag | 30900 | 30700 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 31200 | 31000 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 30800 | 31000 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 32000 | 31700 | Andhra, AP, Kar ,TN |
| Latur | 32000 | 32200 | - |
| Sangli | 32000 | 31300 | Local and South |
| Solapur | 31000 | 31400 | Local and South |
| Akola – 45%, PP Bag | 30800 | 30000 | Andhra, Chattisgarh, Orrisa,Jharkhand, WB |
| Hingoli | 31500 | 31500 | Andhra, Chattisgarh, Orrisa,Jharkhand, WB |
| Bundi | 30700 | 30500 | - |

| Soy DOC at Ports | | | |
|-------------------------------------|------------|-----------|--------|
| Centers | Port Price | | |
| | 17-Aug-20 | 14-Aug-20 | Change |
| Kandla (FOR) (INR/MT) | 32500 | 32500 | Unch |
| Kandla (FAS) (USD/MT) | 445 | 445 | Unch |
| CNF Indonesia – Yellow SBM (USD/MT) | 420 | 420 | Unch |

| Rapeseed Meal | 17-Aug-20 | 14-Aug-20 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 220 | 220 | Unch |
| FOR Kandla (Rs/MT) | 16500 | 16500 | Unch |
| FOR Mundra (Rs/MT) | 16900 | 16900 | Unch |
| CNF Indonesia (USD/MT) | 248 | 248 | Unch |

| International Soy DOC | | | |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT | 17-Aug-20 | 14-Aug-20 | Change |
| Soybean Pellets | NA | 335 | - |
| Soybean Cake Flour | NA | 335 | - |
| Soya Meal | NA | 336 | - |
| Soy Expellers | NA | 336 | - |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) | | |
|-----------------------|---------------------------|-----------|--------|
| Centers | 18-Aug-20 | 17-Aug-20 | Change |

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| | | | |
|----------|-------|-------|------|
| Adoni | 22700 | 22700 | Unch |
| Khamgaon | NA | NA | - |
| Parli | NA | NA | - |
| Latur | 22200 | 22200 | Unch |

| Groundnut Meal (Rs/MT) | 18-Aug-20 | 17-Aug-20 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra | Closed | Closed | - |
| Basis 40%, Saurashtra | Closed | Closed | - |
| GN Cake, Gondal | Closed | Closed | - |

| Mustard DOC | 18-Aug-20 | 17-Aug-20 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 16000 | 16000 | Unch |
| Kandla (FOR Rs/MT) | 16600 | 16600 | Unch |

| Mumbai Oil Meal Quotes: | | | |
|-------------------------|-----------|-----------|--------|
| Rs/M.T. | 18-Aug-20 | 17-Aug-20 | Change |
| G.N. Extr (45%) | 26000 | 26000 | Unch |
| Kardi Extr | NA | NA | - |
| Undec Cottonseed Exp | 22500 | 22500 | Unch |
| Rice Bran Extr. | NA | NA | - |
| Sunflower Extr. | 18500 | 18500 | Unch |
| Rapeseed Extr. | NA | NA | - |
| Soymeal 48% | 30783 | 30470 | 313 |
| Castor Extr. | 4550 | 4650 | -100 |

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

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