

**Soy Meal Fundamentals:** Mixed trend are seen in the domestic soymeal markets, Monday. Overall, the factors for soymeal are bearish on lower than normal local meal demand from poultry sector, weak exports sales and bearish supply scenario with higher soybean output this season. Soymeal (Indore) prices closed steady at Rs. 29500/T.

- Indian soymeal exports is already facing stiff competition from meal of South American origin due to their price competitiveness. The suspension of MEIS benefit/incentive of 5% by the Indian government have further made it challenging. India has lost the traditional South East Asian markets to South America in recent years. It is unable to market soymeal as non-GM which was an advantage few years back; Japan was the big buyer of non-GM soymeal of Indian origin earlier.
- 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.
- Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined together is forecast to import 19.75 Mn T of soymeal in 2020/21 mainly from Argentina, Brazil and US.
- 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 (August 7 to August 13, 2020) US net sales reductions of 12,700 MT for 2019/2020--a marketing-year low--were down noticeably from the previous week and from the prior 4-week average. Increases primarily for the Netherlands (137,000 MT, including 132,000 MT switched from unknown destinations and decreases of 3,200 MT), Indonesia (88,800 MT, including 49,800 MT switched from unknown destinations and decreases of 600 MT), Spain (40,000 MT, switched from unknown destinations), Japan (38,700 MT, including 36,200 MT switched from unknown destinations and decreases of 200 MT), and France (23,000 MT, including 25,000 MT switched from unknown destinations and decreases of 2,000 MT), were offset by reductions for unknown destinations (342,800 MT) and China (32,800 MT). For 2020/2021, net sales of 2,573,200 MT were primarily for China (1,654,000 MT), unknown destinations (701,000 MT), Pakistan (66,000 MT), Bangladesh (55,000 MT), and Taiwan (24,000 MT). Exports of 899,000 MT were down 19 percent from the previous week, but up 22 percent from the prior 4-

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week average. The destinations were primarily to China (411,500 MT), the Netherlands (137,000 MT), Mexico (80,000 MT), Indonesia (77,600 MT), and Japan (41,600 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.

| <b>Soy DOC Rates at Different Centers</b> |                                  |                  |   |
|---|----------------------------------|------------------|---|
| <b>Centres</b>                            | <b>Ex-factory rates (Rs/ton)</b> |                  |   |
|   | <b>24-Aug-20</b>                 | <b>22-Aug-20</b> | <b>Parity To</b>                                    |
| Indore - 45%, Jute Bag                    | 29500                            | 29500            | Gujarat, MP   |
| Kota - 45%, PP Bag                        | 31500                            | 31200            | Rajasthan, Del, Punjab, Haryana                     |
| Dhulia/Jalna - 45%, PP Bag                | 32300                            | 32000            | Mumbai, Maharashtra                                 |
| Nagpur - 45%, PP Bag                      | 32500                            | 31800            | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded                                    | 32500                            | 32500            | Andhra, AP, Kar ,TN                                 |
| Latur                                     | 32200                            | 32300            | -   |
| Sangli                                    | 32200                            | 32300            | Local and South                                     |
| Solapur                                   | 31500                            | 32000            | Local and South                                     |
| Akola – 45%, PP Bag                       | 31000                            | 31000            | Andhra, Chattisgarh, Orrisa, Jharkhand, WB          |
| Hingoli                                   | 32500                            | 32500            | Andhra, Chattisgarh, Orrisa, Jharkhand, WB          |
| Bundi                                     | 31300                            | 31000            | -   |

| <b>Soy DOC at Ports</b>             |                   |                  |               |
|-------------------------------------|-------------------|------------------|---------------|
| <b>Centers</b>                      | <b>Port Price</b> |                  |               |
|                                     | <b>22-Aug-20</b>  | <b>21-Aug-20</b> | <b>Change</b> |
| Kandla (FOR) (INR/MT)               | 32500             | 32500            | Unch          |
| Kandla (FAS) (USD/MT)               | 445               | 445              | Unch          |
| CNF Indonesia – Yellow SBM (USD/MT) | 400               | 400              | Unch          |

| <b>Rapeseed Meal</b>   | <b>22-Aug-20</b> | <b>21-Aug-20</b> | <b>Change</b> |
|------------------------|------------------|------------------|---------------|
| FAS Kandla (USD/MT)    | 221              | 221              | Unch          |
| FOR Kandla (Rs/MT)     | 16650            | 16650            | Unch          |
| FOR Mundra (Rs/MT)     | 17000            | 17000            | Unch          |
| CNF Indonesia (USD/MT) | 248              | 248              | Unch          |

| <b>International Soy DOC</b> |                  |                  |               |
|------------------------------|------------------|------------------|---------------|
| <b>Argentina FOB USD/MT</b>  | <b>22-Aug-20</b> | <b>21-Aug-20</b> | <b>Change</b> |
| Soybean Pellets              | Closed           | 339              | -             |
| Soybean Cake Flour           | Closed           | 339              | -             |
| Soya Meal                    | Closed           | 337              | -             |

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|               |        |     |   |
|---------------|--------|-----|---|
| Soy Expellers | Closed | 337 | - |
|---------------|--------|-----|---|

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) |           |        |
|-----------------------|---------------------------|-----------|--------|
| Centers               | 24-Aug-20                 | 22-Aug-20 | Change |
| Adoni                 | 23000                     | Closed    | -      |
| Khamgaon              | NA                        | Closed    | -      |
| Parli                 | NA                        | Closed    | -      |
| Latur                 | 22600                     | Closed    | -      |

| Groundnut Meal (Rs/MT) | 24-Aug-20 | 22-Aug-20 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra  | 27500     | Closed    | -      |
| Basis 40%, Saurashtra  | 24000     | Closed    | -      |
| GN Cake, Gondal        | 28000     | Closed    | -      |

| Mustard DOC             | 24-Aug-20 | 22-Aug-20 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 16100     | Closed    | -      |
| Kandla (FOR Rs/MT)      | 16600     | Closed    | -      |

| Mumbai Oil Meal Quotes: |           |           |        |
|-------------------------|-----------|-----------|--------|
| Rs/M.T.                 | 24-Aug-20 | 22-Aug-20 | Change |
| G.N. Extr (45%)         | 26000     | Closed    | -      |
| Kardi Extr              | NA        | Closed    | -      |
| Undec Cottonseed Exp    | 23000     | Closed    | -      |
| Rice Bran Extr.         | NA        | Closed    | -      |
| Sunflower Extr.         | 18200     | Closed    | -      |
| Rapeseed Extr.          | NA        | Closed    | -      |
| Soymeal 48%             | 30783     | Closed    | -      |
| Castor Extr.            | 4350      | Closed    | -      |

**Outlook: We expect the local soymeal demand to gradually pick-up with reducing COVID fear.**

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