

**Soy Meal Fundamentals:** Steady to weak tone are continued in Soymeal markets today, Friday. Overall, the factors for soymeal are bearish on lower than normal local meal demand from poultry sector and bearish supply scenario with higher soybean output estimates this season. Soymeal (Indore) prices closed steady at Rs.30500/T.

- India's July 2020 soymeal exports improved by 9% to 61,957 metric tonnes compared to 56,638 metric tonnes in July 2019. However, it fell during April-July'20 by 22% to 1, 91,149 metric tonnes compared to 2, 33,183 metric tonnes during the same period last year.
- The soybean crush margins continued to remain negative due to the weak factors and we expect them to recover if the demand in meal picks up and the soyoil imports fall which surged by 52% in July'20. Given the bearish global soybean supply outlook for the season, both demand in meal and reduction in soyoil import are unlikely in in short-to-medium-term.
- 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 July 2020 is provisionally reported at 262,085 tons compared to 233,042 tons in July, 2019 i.e. up by 12%. The main reason in increased of oilmeals in July 2020 is sharpened increased in export of rapeseed meal to 148,170 tons from 122,573 tons in July 2019. The overall export of oilmeals during April to July 2020 is provisionally reported at 841,195 tons compared to 917,811 tons during the same period of previous year i.e. down by 8.34% - 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.

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- During the week (August 28 to September 3, 2020) US Net sales of 26,600 MT for 2019/2020--marketing-year low--were down 77 percent from the previous week and 72 percent from the prior 4-week average. Increases primarily for Indonesia (24,100 MT), Mexico (15,100 MT), the Dominican Republic (11,000 MT), Vietnam (8,800 MT), and Japan (5,200 MT), were offset by reductions primarily for Canada (41,600 MT). For 2020/2021, net sales of 333,000 MT primarily for the Philippines (175,000 MT), Colombia (81,000 MT), Panama (22,600 MT), the Dominican Republic (21,000 MT), and Canada (13,300 MT), were offset by reductions for Jamaica (10,500 MT). Exports of 179,000 MT were up 12 percent from the previous week, but down 12 percent from the prior 4-week average. The destinations were primarily to the Philippines (45,900 MT), the Dominican Republic (32,000 MT), Mexico (21,900 MT), Canada (15,500 MT), and Morocco (15,400 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)		
	11-Sep-20	10-Sep-20	Parity To
Indore - 45%, Jute Bag	30500	30500	Gujarat, MP
Kota - 45%, PP Bag	32500	32500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33500	33500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	32300	32500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33500	33000	Andhra, AP, Kar, TN
Latur	32000	31800	-
Sangli	32300	32300	Local and South
Solapur	32300	32300	Local and South
Akola - 45%, PP Bag	32800	32800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	32800	33000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	32300	32300	-

#### Soy DOC at Ports

Centers	Port Price		
	10-Sep-20	9-Sep-20	Change
Kandla (FOR) (INR/MT)	31000	31000	Unch
Kandla (FAS) (USD/MT)	410	410	Unch
CNF Indonesia - Yellow SBM (USD/MT)	410	410	Unch

Rapeseed Meal	10-Sep-20	9-Sep-20	Change
FAS Kandla (USD/MT)	242	240	2
FOR Kandla (Rs/MT)	17500	17500	Unch
FOR Mundra (Rs/MT)	17900	17900	Unch
CNF Indonesia (USD/MT)	268	268	Unch

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International Soy DOC			
Argentina FOB USD/MT	10-Sep-20	9-Sep-20	Change
Soybean Pellets	363	363	Unch
Soybean Cake Flour	363	363	Unch
Soya Meal	366	365	1
Soy Expellers	366	365	1

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	11-Sep-20	10-Sep-20	Change
Adoni	22800	22800	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	21500	21500	Unch

Groundnut Meal (Rs/MT)	11-Sep-20	10-Sep-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25500	25500	Unch
GN Cake, Gondal	29000	29000	Unch

Mustard DOC	11-Sep-20	10-Sep-20	Change
Jaipur (Plant delivery)	16700	16700	Unch
Kandla (FOR Rs/MT)	17600	17500	100

Mumbai Oil Meal Quotes:			
Rs/M.T.	11-Sep-20	10-Sep-20	Change
G.N. Extr (45%)	27000	28000	-1000
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	2250	23000	-20750
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	19000	19000	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	31826	31826	Unch
Castor Extr.	5350	5200	150

**Outlook:** The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 30,000 – 31,500 /MT on slack in demand from poultry sector, in near to medium-term.

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