

**Soy Meal Fundamentals:** Steady to weak tone are witnessed in Soymeal markets today, Wednesday. Soymeal (Indore) prices closed down at Rs.31000/T against Rs.31500.

- The provisional data of SOPA reveals India's August 2020 soymeal exports are down by 41% Y-o-Y at 45,000 metric tonnes compared to 76,000 metric tonnes. \*Figures may change later, if revised by the Association.
- 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 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.
- 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

Sep 17, 2020

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)		
	16-Sep-20	15-Sep-20	Parity To
Indore - 45%, Jute Bag	31000	31500	Gujarat, MP
Kota - 45%, PP Bag	33000	33000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34500	34800	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33500	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	33800	Andhra, AP, Kar, TN
Latur	33000	33300	-
Sangli	32800	33300	Local and South
Solapur	32500	32800	Local and South
Akola - 45%, PP Bag	32200	32800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	32800	32800	-

**Soy DOC at Ports**

Centers	Port Price		
	15-Sep-20	14-Sep-20	Change
Kandla (FOR) (INR/MT)	35000	31000	4000
Kandla (FAS) (USD/MT)	475	410	65
CNF Indonesia - Yellow SBM (USD/MT)	410	410	Unch

Rapeseed Meal	15-Sep-20	14-Sep-20	Change
FAS Kandla (USD/MT)	245	245	Unch
FOR Kandla (Rs/MT)	17700	17700	Unch
FOR Mundra (Rs/MT)	18000	18000	Unch
CNF Indonesia (USD/MT)	270	270	Unch

Sep 17, 2020

International Soy DOC			
Argentina FOB USD/MT	15-Sep-20	14-Sep-20	Change
Soybean Pellets	367	368	-1
Soybean Cake Flour	367	368	-1
Soya Meal	363	369	-6
Soy Expellers	363	369	-6

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	16-Sep-20	15-Sep-20	Change
Adoni	23200	23000	200
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	22200	21800	400

Groundnut Meal (Rs/MT)	16-Sep-20	15-Sep-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25500	25500	Unch
GN Cake, Gondal	29000	29000	Unch

Mustard DOC	16-Sep-20	15-Sep-20	Change
Jaipur (Plant delivery)	17000	17000	Unch
Kandla (FOR Rs/MT)	17600	17600	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	16-Sep-20	15-Sep-20	Change
G.N. Extr (45%)	27000	27000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	23500	23500	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	19500	19500	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	32348	32870	-522
Castor Extr.	5500	5450	50

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

#### 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> © 2020 Indian