

**Soy Meal Fundamentals:** Steady to weak tone are seen in Soymeal markets today, Friday. Soymeal (Indore) prices closed higher at Rs.30000/T against 31000/T.

- 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 (September 11 to September 17, 2020) US Net sales of 28,600 MT for 2020/2021 were down noticeably from the previous week, but up 30 percent from the prior 4-week average. Increases primarily for Mexico

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(10,900 MT), Nicaragua (10,500 MT, including 6,000 MT switched from El Salvador, 4,600 MT switched from Guatemala, and decreases of 100 MT), Canada (8,900 MT, including decreases of 4,900 MT), Jamaica (4,600 MT), and Indonesia (3,100 MT), were offset by reductions primarily for El Salvador (6,000 MT) and Guatemala (5,600 MT). For 2020/2021, net sales of 294,700 MT were primarily for unknown destinations (100,000 MT), the Dominican Republic (58,000 MT), Mexico (26,800 MT), Canada (24,700 MT), and the Philippines (22,500 MT). Exports of 138,200 MT were down 40 percent from the previous week and 31 percent from the prior 4-week average. The destinations were to the Philippines (55,600 MT), Mexico (28,000 MT), Canada (18,300 MT), Nicaragua (15,500 MT), and Panama (9,800 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)		
	25-Sep-20	24-Sep-20	Parity To
Indore - 45%, Jute Bag	30000	31000	Gujarat, MP
Kota - 45%, PP Bag	32500	33000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34000	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33000	33000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33000	34000	Andhra, AP, Kar, TN
Latur	32500	33500	-
Sangli	32000	32300	Local and South
Solapur	31600	31800	Local and South
Akola - 45%, PP Bag	31000	32000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	32300	32800	-

**Soy DOC at Ports**

Centers	Port Price		
	24-Sep-20	23-Sep-20	Change
Kandla (FOR) (INR/MT)	35000	35000	Unch
Kandla (FAS) (USD/MT)	475	475	Unch
CNF Indonesia - Yellow SBM (USD/MT)	450	460	-10

Rapeseed Meal	24-Sep-20	23-Sep-20	Change
FAS Kandla (USD/MT)	248	247	1
FOR Kandla (Rs/MT)	17700	17600	100
FOR Mundra (Rs/MT)	18000	18000	Unch
CNF Indonesia (USD/MT)	272	270	2

International Soy DOC			
Argentina FOB USD/MT	24-Sep-20	23-Sep-20	Change
Soybean Pellets	396	404	-8
Soybean Cake Flour	396	404	-8
Soya Meal	389	402	-13
Soy Expellers	389	402	-13

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	25-Sep-20	24-Sep-20	Change
Adoni	23500	23500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	22800	22800	Unch

Groundnut Meal (Rs/MT)	25-Sep-20	24-Sep-20	Change
Basis 45%, Saurashtra	27000	27000	Unch
Basis 40%, Saurashtra	25000	25000	Unch
GN Cake, Gondal	28000	28000	Unch

Mustard DOC	25-Sep-20	24-Sep-20	Change
Jaipur (Plant delivery)	17000	17200	-200
Kandla (FOR Rs/MT)	17500	17700	-200

Mumbai Oil Meal Quotes:			
Rs/M.T.	25-Sep-20	24-Sep-20	Change
G.N. Extr (45%)	26500	27000	-500
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	23000	23000	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	18500	19000	-500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	31304	31513	-209
Castor Extr.	5500	5575	-75

**Outlook:** The soy meal prices (Indore) are likely to feature upside movement between Rs. 29500 – 30000 /MT amid improved demand from poultry sector, in near to medium-term.

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