

Soy Meal Fundamentals: Steady to weak tone are featured in Soymeal markets today, Saturday. Soymeal (Indore) prices closed lower at Rs.29500/T against 29800/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 18 to September 24, 2020) US Net sales of 13,600 MT for 2019/2020 were down 53 percent from the previous week and 15 percent from the prior 4-week average. Increases primarily for Vietnam

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(7,000 MT), Burma (5,700 MT), Malaysia (2,000 MT), Canada (1,700 MT, including decreases of 800 MT), and Colombia (1,500 MT), were offset by reductions primarily for Mexico (4,900 MT), unknown destinations (800 MT), and the Philippines (200 MT). For 2020/2021, net sales of 523,100 MT primarily for Colombia (110,600 MT), unknown destinations (100,800 MT), Spain (60,000 MT), Denmark (45,000 MT), and the Philippines (44,000 MT), were offset by reductions primarily for Burma (2,000 MT). Exports of 135,800 MT were down 2 percent from the previous week and 23 percent from the prior 4-week average. The destinations were to the Philippines (52,900 MT), Mexico (21,500 MT), Colombia (20,000 MT), Canada (19,500 MT), and Jamaica (6,400 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) | | |
| | 3-Oct-20 | 1-Oct-20 | Parity To |
| Indore - 45%, Jute Bag | 29500 | 29800 | Gujarat, MP |
| Kota - 45%, PP Bag | 32000 | 32000 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 32800 | 33500 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 32400 | 32500 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 32600 | 33000 | Andhra, AP, Kar, TN |
| Latur | 32800 | 33000 | - |
| Sangli | 31000 | 31300 | Local and South |
| Solapur | 30400 | 31200 | Local and South |
| Akola - 45%, PP Bag | 31500 | 31300 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Hingoli | 33000 | 33000 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Bundi | 31800 | 31800 | - |

| Soy DOC at Ports | | | |
|-------------------------------------|------------|-----------|--------|
| Centers | Port Price | | |
| | 1-Oct-20 | 30-Sep-20 | Change |
| Kandla (FOR) (INR/MT) | 35000 | 35000 | Unch |
| Kandla (FAS) (USD/MT) | 425 | 425 | Unch |
| CNF Indonesia - Yellow SBM (USD/MT) | 450 | 450 | Unch |

| Rapeseed Meal | 1-Oct-20 | 30-Sep-20 | Change |
|------------------------|----------|-----------|--------|
| FAS Kandla (USD/MT) | 247 | 247 | Unch |
| FOR Kandla (Rs/MT) | 17750 | 17750 | Unch |
| FOR Mundra (Rs/MT) | 18100 | 18100 | Unch |
| CNF Indonesia (USD/MT) | 275 | 275 | Unch |

| International Soy DOC | | | |
|-----------------------|----------|-----------|--------|
| Argentina FOB USD/MT | 1-Oct-20 | 30-Sep-20 | Change |
| Soybean Pellets | 403 | 397 | 6 |
| Soybean Cake Flour | 403 | 397 | 6 |
| Soya Meal | 405 | 391 | 14 |
| Soy Expellers | 405 | 391 | 14 |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) | | |
|-----------------------|---------------------------|----------|--------|
| Centers | 3-Oct-20 | 1-Oct-20 | Change |
| Adoni | 23200 | 23500 | -300 |
| Khamgaon | NA | NA | - |
| Parli | NA | NA | - |
| Latur | 23000 | 22800 | 200 |

| Groundnut Meal (Rs/MT) | 3-Oct-20 | 1-Oct-20 | Change |
|------------------------|----------|----------|--------|
| Basis 45%, Saurashtra | 25500 | 25000 | 500 |
| Basis 40%, Saurashtra | 23000 | 23000 | Unch |
| GN Cake, Gondal | 26000 | 26500 | -500 |

| Mustard DOC | 3-Oct-20 | 1-Oct-20 | Change |
|-------------------------|----------|----------|--------|
| Jaipur (Plant delivery) | 17200 | 17000 | 200 |
| Kandla (FOR Rs/MT) | 18000 | 17700 | 300 |

| Mumbai Oil Meal Quotes: | | | |
|-------------------------|----------|----------|--------|
| Rs/M.T. | 3-Oct-20 | 1-Oct-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 | 18000 | 500 |
| Rapeseed Extr. | NA | NA | - |
| Soymeal 48% | 30783 | 30783 | Unch |
| Castor Extr. | 5500 | 5500 | Unch |

Outlook: The soy meal prices (Indore) are likely to feature downside movement between Rs. 29000–29500 /MT amid declining demand from poultry sector, in near to medium-term.

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