

Soy Meal Fundamentals: Firm tone are extended in Soymeal markets today, Monday. Soymeal (Indore) prices closed higher at Rs.32500/T against 31500/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.
- India's export of oilmeals for the month of August 2020 is reported at 171,515 tonnes compared to 228,484 tonnes in August, 2019 i.e. down by 25%. The overall export of oilmeals during April to August 2020 is provisionally also reported down at 1,013,177 tonnes compared to 1,146,295 tonnes during the same period of previous year i.e. down by 12%.
- The soymeal exports fell by 6% to 58,190 tonnes in August 2020 compared to 61,957 tonnes in the same period last year. Besides, it fell by 24% to 2,49,339 tonnes during the last five months (Apr.-Aug.) of financial year 2020-21 compared to 3,28,633 tonnes during the corresponding period last year.
- 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

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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 25 to October 1, 2020) US Net sales for the 2020/2021 marketing year, which began October 1, totaled 271,700 MT primarily for Mexico (117,800 MT), Colombia (36,400 MT), Japan (29,300 MT, including decreases of 1,400 MT), Panama (14,000 MT), and Guatemala (12,500 MT, including 3,000 MT switched from El Salvador and decreases of 1,000 MT). A total of 309,600 MT in sales were carried over from the 2019/2020 marketing year, which ended September 30. Exports for the period ending September 30 of 216,300 MT brought accumulated exports to 11,818,300 MT, up 3 percent from the prior year's total of 11,427,800 MT. The primary destinations were to Colombia (70,700 MT), Guatemala (32,000 MT), the Dominican Republic (29,600 MT), Honduras (18,000 MT), and Mexico (13,400 MT). Exports for October 1 totaled 30,200 MT, with Honduras (6,800 MT), the Dominican Republic (6,200 MT), Guatemala (5,800 MT), El Salvador (4,200 MT), and Canada (3,300 MT) being the primary destinations.
- 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)		
	12-Oct-20	10-Oct-20	Parity To
Indore - 45%, Jute Bag	32500	31500	Gujarat, MP
Kota - 45%, PP Bag	34000	31600	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	33800	33500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33800	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	33000	Andhra, AP, Kar ,TN
Latur	34500	32800	-
Sangli	33000	32000	Local and South
Solapur	32500	31500	Local and South
Akola – 45%, PP Bag	33000	32000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	33500	33000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	33800	31400	-

Soy DOC at Ports			
Centers	Port Price		
	10-Oct-20	9-Oct-20	Change
Kandla (FOR) (INR/MT)	34000	34000	Unch
Kandla (FAS) (USD/MT)	460	460	Unch
CNF Indonesia – Yellow SBM (USD/MT)	475	475	Unch

Rapeseed Meal	10-Oct-20	9-Oct-20	Change
FAS Kandla (USD/MT)	250	250	Unch

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FOR Kandla (Rs/MT)	18100	18100	Unch
FOR Mundra (Rs/MT)	18500	18500	Unch
CNF Indonesia (USD/MT)	280	280	Unch

International Soy DOC			
Argentina FOB USD/MT	10-Oct-20	9-Oct-20	Change
Soybean Pellets	Closed	420	-
Soybean Cake Flour	Closed	420	-
Soya Meal	Closed	421	-
Soy Expellers	Closed	421	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	12-Oct-20	10-Oct-20	Change
Adoni	23500	23500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23000	23000	Unch

Groundnut Meal (Rs/MT)	12-Oct-20	10-Oct-20	Change
Basis 45%, Saurashtra	24500	24500	Unch
Basis 40%, Saurashtra	22500	22500	Unch
GN Cake, Gondal	25500	25500	Unch

Mustard DOC	12-Oct-20	10-Oct-20	Change
Jaipur (Plant delivery)	17500	17300	200
Kandla (FOR Rs/MT)	18300	18300	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	12-Oct-20	10-Oct-20	Change
G.N. Extr (45%)	26000	25000	1000
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	23000	23000	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	18500	18000	500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	33913	32780	1133
Castor Extr.	5450	5450	Unch

Outlook: The soy meal prices (Indore) are likely to feature upside movement between Rs. 32000–33000 /MT amid improved demand from poultry sector, in near to medium-term.

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