

Soy Meal Fundamentals: Mixed trends are featured in Soymeal markets today, Friday. Soymeal (Indore) prices closed steady at Rs.33300/T. Persistent weak demand from poultry sector and poor overseas demand will continue pressuring the domestic soymeal.

- 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 (October 9, to October 15,2020) US Net sales of 2,225,500 MT for 2020/2021 were down 14 percent from the previous week and 18 percent from the prior 4-week average. Increases primarily for China (1,222,000 MT, including 395,000 MT switched from unknown destinations and decreases of 6,600 MT), Egypt (194,400 MT, including 55,000 MT switched from China), unknown destinations (185,100 MT), Germany (111,300 MT), and Mexico (105,700 MT, including decreases of 2,400 MT), were offset by reductions primarily for the Netherlands (20,000 MT). Exports of 2,516,500 MT were up 8 percent from the previous week and 49 percent from the prior 4-week average. The destinations were primarily to China (1,960,200 MT, including 71,400 MT late – see below), Egypt (126,400 MT), Germany (111,300 MT), Mexico (59,700 MT), and Saudi Arabia (53,800 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)		
	23-Oct-20	22-Oct-20	Parity To
Indore - 45%, Jute Bag	33300	33000	Gujarat, MP
Kota - 45%, PP Bag	35200	35000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35200	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34800	35000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	35000	Andhra, AP, Kar ,TN
Latur	35200	35200	-
Sangli	34300	34300	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	34000	34500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35000	34500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	35000	34800	-

Soy DOC at Ports			
Centers	Port Price		
	22-Oct-20	21-Oct-20	Change
Kandla (FOR) (INR/MT)	35000	35000	Unch
Kandla (FAS) (USD/MT)	500	500	Unch
CNF Indonesia – Yellow SBM (USD/MT)	495	495	Unch

Rapeseed Meal	22-Oct-20	21-Oct-20	Change
FAS Kandla (USD/MT)	272	272	Unch
FOR Kandla (Rs/MT)	19250	19250	Unch
FOR Mundra (Rs/MT)	19650	19650	Unch

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CNF Indonesia (USD/MT)	297	297	Unch
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International Soy DOC			
Argentina FOB USD/MT	22-Oct-20	21-Oct-20	Change
Soybean Pellets	459	456	3
Soybean Cake Flour	459	456	3
Soya Meal	457	452	5
Soy Expellers	457	452	5

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	23-Oct-20	22-Oct-20	Change
Adoni	23500	23500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23000	23000	Unch

Groundnut Meal (Rs/MT)	23-Oct-20	22-Oct-20	Change
Basis 45%, Saurashtra	26500	26500	Unch
Basis 40%, Saurashtra	24000	24000	Unch
GN Cake, Gondal	27000	27000	Unch

Mustard DOC	23-Oct-20	22-Oct-20	Change
Jaipur (Plant delivery)	19300	18800	500
Kandla (FOR Rs/MT)	19700	19300	400

Mumbai Oil Meal Quotes:			
Rs/M.T.	23-Oct-20	22-Oct-20	Change
G.N. Extr (45%)	26000	26000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	23500	23500	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	19500	19000	500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	34748	34435	313
Castor Extr.	5350	5350	Unch

Outlook: The soy meal prices (Indore) are likely to feature downside movement between Rs. 33500–34000 /MT amid improved demand from poultry sector, in near to medium-term.

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