

Soy Meal Fundamentals: Steady to weak trends are featured in Soymeal markets today, Thursday. Soymeal (Indore) prices closed lower at Rs.32800/T against Rs. 33000. Persistent weak demand from poultry sector and poor overseas demand will continue pressuring the domestic soymeal.

- 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.
- India's export of oilmeals for the month of September 2020 is reported at 2,86,957 metric tonnes compared to 1,41,184 metric tonnes in September , 2019 i.e. up by 103%.
- The overall export of oilmeals during April to September 2020 is also reported up by 1% at 13,00,134 metric tonnes compared to 12,87,479 metric tonnes during the same period last year.
- 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 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 (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).

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- 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)		
	29-Oct-20	28-Oct-20	Parity To
Indore - 45%, Jute Bag	32800	33000	Gujarat, MP
Kota - 45%, PP Bag	34400	34700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34500	35000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33700	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34500	Andhra, AP, Kar ,TN
Latur	35500	35500	-
Sangli	33800	34000	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33700	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35000	35500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	34200	34500	-

Soy DOC at Ports			
Centers	Port Price		
	28-Oct-20	27-Oct-20	Change
Kandla (FOR) (INR/MT)	36500	35000	1500
Kandla (FAS) (USD/MT)	500	500	Unch
CNF Indonesia – Yellow SBM (USD/MT)	510	515	-5

Rapeseed Meal	28-Oct-20	27-Oct-20	Change
FAS Kandla (USD/MT)	285	285	Unch
FOR Kandla (Rs/MT)	20500	20500	Unch
FOR Mundra (Rs/MT)	20900	20900	Unch
CNF Indonesia (USD/MT)	318	319	-1

International Soy DOC			
Argentina FOB USD/MT	28-Oct-20	27-Oct-20	Change
Soybean Pellets	454	464	-10
Soybean Cake Flour	454	464	-10
Soya Meal	450	457	-7
Soy Expellers	450	457	-7

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Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	29-Oct-20	28-Oct-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23500	23500	Unch

Groundnut Meal (Rs/MT)	29-Oct-20	28-Oct-20	Change
Basis 45%, Saurashtra	27000	27000	Unch
Basis 40%, Saurashtra	24000	24000	Unch
GN Cake, Gondal	27500	27500	Unch

Mustard DOC	29-Oct-20	28-Oct-20	Change
Jaipur (Plant delivery)	20200	20000	200
Kandla (FOR Rs/MT)	20700	20500	200

Mumbai Oil Meal Quotes:			
Rs/M.T.	29-Oct-20	28-Oct-20	Change
G.N. Extr (45%)	26000	26000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	22500	22800	-300
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	21000	21000	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	34226	34435	-209
Castor Extr.	5200	5175	25

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

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