

Soy Meal Fundamentals: Mixed trends are featured in Soymeal markets today, Friday. Soymeal (Indore) prices closed steady at Rs.32800/T. 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)		
	30-Oct-20	29-Oct-20	Parity To
Indore - 45%, Jute Bag	32800	32800	Gujarat, MP
Kota - 45%, PP Bag	34800	34400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34500	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	34500	33700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34500	Andhra, AP, Kar ,TN
Latur	35500	35500	-
Sangli	33800	33800	Local and South
Solapur	32700	32700	Local and South
Akola – 45%, PP Bag	33800	33700	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35000	35000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	34600	34200	-

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

Rapeseed Meal	29-Oct-20	28-Oct-20	Change
FAS Kandla (USD/MT)	288	285	3
FOR Kandla (Rs/MT)	20700	20500	200
FOR Mundra (Rs/MT)	21100	20900	200
CNF Indonesia (USD/MT)	317	318	-1

International Soy DOC			
Argentina FOB USD/MT	29-Oct-20	28-Oct-20	Change
Soybean Pellets	454	454	Unch
Soybean Cake Flour	454	454	Unch
Soya Meal	450	450	Unch
Soy Expellers	450	450	Unch

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Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	30-Oct-20	29-Oct-20	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	23500	23500	Unch

Groundnut Meal (Rs/MT)	30-Oct-20	29-Oct-20	Change
Basis 45%, Saurashtra	27000	27000	Unch
Basis 40%, Saurashtra	24000	24000	Unch
GN Cake, Gondal	27500	27500	Unch

Mustard DOC	30-Oct-20	29-Oct-20	Change
Jaipur (Plant delivery)	20500	20200	300
Kandla (FOR Rs/MT)	21000	20700	300

Mumbai Oil Meal Quotes:			
Rs/M.T.	30-Oct-20	29-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.	21500	21000	500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	34226	34226	Unch
Castor Extr.	5150	5200	-50

Outlook: The soy meal prices (Indore) are likely to feature downside movement between Rs. 32000–32500 /MT amid lower demand from poultry sector, in near to medium-term.

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