

**January 27, 2021**

**Soy Meal Fundamentals:** The domestic soymeal fell on weak off-take by the poultry units. The confirmed reports of Bird flu in the states Delhi, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and Uttarakhand may eventually hit the soymeal demand for short-term. However, the oilmeal export figures of December 2020 are higher as compared to the same period last year.

Improved overseas demand in soymeal in last couple of months and firm global market remained supportive for the meal to some extent in recent while. Overall slack in poultry consumption due to COVID pandemic has hit the local soymeal demand. We expect the poultry demand to gradually improve in coming days.

International soymeal prices are appreciating due to the supply concerns and decline in Argentine soybean crushing and shipments in December 2020, following strike at crushing plants and export terminals. It has been over a fortnight since the workers have called on the strike on wage woes.

The Argentine soymeal prices have got dearer in last couple of months due to lean season, this has narrowed down the price spread of India vs Argentina, opening some exports window for India.

- India's December 2020 soymeal exports improved by +248% to 2,51,221 metric tonnes compared to 72,233 metric tonnes in the same period last year. Further, the soymeal shipments improved by +56% to 8,88,202 metric tonnes in aggregate, during the last eight months (Apr.-Dec.) of financial year 2020-21 compared to 5,69,349 metric tonnes during the corresponding period last year.
- India's export of oilmeals for the month of December 2020 is reported at 5,12,997 metric tonnes compared to 2,20,404 metric tonnes in December 2019 i.e. up by +13%.
- The overall export of oilmeals during April to December 2020 is also reported up by +26% at 24,61,696 metric tonnes compared to 19,55,276 metric tonnes during the same period last year.
- Of the total soymeal exports of 2,51,221 metric tonnes in December 2020, Bangladesh, Iran and US remained to top buyers with imports figures touching 43,794 metric tonnes, 42,000 metric tonnes and 26,051 metric tonnes respectively..
- In spite of tough competition in world market, export of rapeseed meal and ricebran extraction performed well, during the last eight months of financial year 2020-21.
- India's exports for rapeseed meal during April-December 2020 was up +24% at 9,16,715 metric tonnes compared to 7,41,199 metric tonnes during the same period previous marketing season.
- The export of rapeseed meal in December'20 is reported at 1,41,866 metric tonnes against last year 60,178 metric tonnes during the same period i.e. up by +136%, and ricebran extraction is reported at 59,470 metric tonnes against last year 43,891 metric tonnes i.e. +35% higher compared to the same period last year.
- The global soy outlook is bullish as the Latin America is hit by dry weather conditions, downward revision of the US 2020/21 crop which have been recently harvested and strong Chinese soy demand.

| Soy DOC Rates at Different Centers |                           |           |   |
|------------------------------------|---------------------------|-----------|---|
| Centres                            | Ex-factory rates (Rs/ton) |           |   |
|                                    | 25-Jan-21                 | 23-Jan-21 | Parity To   |
| Indore - 45%, Jute Bag             | 34000                     | 34500     | Gujarat, MP   |
| Kota - 45%, PP Bag                 | 35000                     | 35200     | Rajasthan, Del, Punjab, Haryana                     |
| Dhulia/Jalna - 45%, PP Bag         | 36000                     | 36700     | Mumbai, Maharashtra                                 |
| Nagpur - 45%, PP Bag               | 35800                     | 35600     | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded                             | 35000                     | 35500     | Andhra, AP, Kar, TN                                 |
| Latur                              | 35500                     | 36500     | -   |
| Sangli                             | 35600                     | 35600     | Local and South                                     |
| Solapur                            | 33700                     | 33700     | Local and South                                     |
| Akola – 45%, PP Bag                | 34800                     | 35000     | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Hingoli                            | 35000                     | 35500     | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Bundi                              | 34800                     | 35000     | -   |

| Soy DOC at Ports                    |            |           |        |
|-------------------------------------|------------|-----------|--------|
| Centers                             | Port Price |           |        |
|                                     | 23-Jan-21  | 22-Jan-21 | Change |
| Kandla (FOR) (INR/MT)               | 37500      | 37500     | Unch   |
| Kandla (FAS) (USD/MT)               | 535        | 535       | Unch   |
| CNF Indonesia – Yellow SBM (USD/MT) | 560        | 560       | Unch   |

| Rapeseed Meal          | 23-Jan-21 | 22-Jan-21 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT)    | 290       | 290       | Unch   |
| FOR Kandla (Rs/MT)     | 20600     | 20600     | Unch   |
| FOR Mundra (Rs/MT)     | 20900     | 20900     | Unch   |
| CNF Indonesia (USD/MT) | 335       | 335       | Unch   |

| International Soy DOC |           |           |        |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT  | 23-Jan-21 | 22-Jan-21 | Change |
| Soybean Pellets       | Closed    | 491       | -      |
| Soybean Cake Flour    | Closed    | 491       | -      |
| Soya Meal             | Closed    | 485       | -      |
| Soy Expellers         | Closed    | 485       | -      |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) |           |        |
|-----------------------|---------------------------|-----------|--------|
| Centers               | 25-Jan-21                 | 23-Jan-21 | Change |
| Adoni                 | 26500                     | 25500     | 1000   |
| Khamgaon              | NA                        | NA        | -      |
| Parli                 | NA                        | NA        | -      |
| Latur                 | 26000                     | 25000     | 1000   |

| Groundnut Meal (Rs/MT) | 25-Jan-21 | 23-Jan-21 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra  | 24500     | 24500     | Unch   |
| Basis 40%, Saurashtra  | 22000     | 22000     | Unch   |
| GN Cake, Gondal        | 25500     | 25500     | Unch   |

| Mustard DOC             | 25-Jan-21 | 23-Jan-21 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 19700     | 20000     | -300   |
| Kandla (FOR Rs/MT)      | 20500     | 20800     | -300   |

| Mumbai Oil Meal Quotes: |           |           |        |
|-------------------------|-----------|-----------|--------|
| Rs/M.T.                 | 25-Jan-21 | 23-Jan-21 | Change |
| G.N. Extr (45%)         | 25000     | 24500     | 500    |
| Kardi Extr              | NA        | NA        | -      |
| Undec Cottonseed Exp    | 24500     | 23750     | 750    |
| Rice Bran Extr.         | NA        | NA        | -      |
| Sunflower Extr.         | 24500     | 24500     | Unch   |
| Rapeseed Extr.          | NA        | NA        | -      |
| Soymeal 48%             | 35478     | 36313     | -835   |
| Castor Extr.            | 4350      | 4250      | 100    |

**Outlook:** The domestic soymeal prices are expected to feature range-bound movement with weak bias on rains in South America and outbreak of bird flu in several Indian states, in near term. But strong overseas meal demand will limit any sharp fall in the same.

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