Soy Meal Fundamentals: Indore soymeal prices remained steady in tandem with soybean prices as compared to previous day amid tight crush margin and sluggish soymeal export demand due to non-competitive prices in global market. In upcoming months too soymeal export is expected to remain low.

According to USDA Feb'22 report, India's 2021-22 soymeal production is estimated higher at 8 million tonne vs 7.6 million tonne last year while ending stock is estimated higher at 6.37 lakh tonne vs last year it was estimated at 3.82 lakh tonne.

Currently India is outpriced for soybean meal export as Jan'22 Monthly average FAS Kandla is quoted above USD 750/MT while Argentina FOB soymeal is available at USD 460/MT. SBM FAS kandla is still outpriced by USD 290. Usually FAS kandla trade slightly higher than other GM soymeal but difference between Indian soymeal and Argentina soymeal soared to $743 in Aug'21 and USD 670 in Sept'21. India's Soymeal export is likely to remain weak for the next few months too due to higher prices and tight crush margin.

In Jan'22, Soymeal prices went down by 6% as compared to previous month closing.

As crushing has been lower in first quarter of this season, if soymeal demand in rest of three quarter doesn't revive and crushing doesn't pick up, carry out stock is expected to be higher than previous year and prices may remain flat.

As per AgriWatch estimates, total availability of soymeal in the country for MY 2021-22 is likely to be 84.8 lakh tonne. Annual soymeal consumption stands between 60-65 lakh tonne while 15-18 lakh tonne soymeal is exported annually, demand and supply of soymeal in the country seems balanced.

SOPA has stated that govt. should consider to allow subsidy for inland freight to support exporters to compete for export of soy products as soymeal exports have fallen due to high prices in international market. As soymeal export has declined by 70% in Dec'21.

According to Solvent extractor association of india, India's December'2021 soymeal exports declined by 83% to 43,260 metric tonne compared to 2,51,221 metric tonne in the same period last year. Further, the soymeal shipments too declined by 70% to 2,62,337 metric tonne in aggregate, during the months (April-Dec.) of Financial Year 2020-21 compared to 8,88,202 metric tonne during the corresponding period last year. Export remained lower because of soybean crush margins in India are currently squeezed by pressure on meal prices. Additionally, lower crushing of soybean also pushing higher import of crude soybean oil in India.

Additionally, export of oilmeals for the month of December'2021 provisionally reported at 1,70,338 tonne compared to 5,16,006 tonne last year same period i.e. down by 67%. The overall export of oilmeals during April – Dec'2021 is reported at 17,66,687 tonne compared to 24,67,564 tonne i.e. down by 28%.

Further, India's exports for rapeseed meal during April-Dec'2021 was down 22% at 7,13,593 metric tonne compared to 9,16,715 metric tonne during the same period previous marketing season.

The export of rapeseed meal in December'21 is reported at 12,980 metric tonne against 1,41,566 metric tonne during the last year same period i.e. down by 91%. Rapeseed meal export remained lower due to less availability of seeds for crushing, new crop will be available from end of February or early of March for crushing.

According to SOPA, Oct-Dec'21 soy crush went down by 37% at 21 lakh tonne as compared to 33.5 lakh tonne previous year same period, while arrival too remained low by 23% at 40 lakh tonne as compared to 52 lakh tonne previous year same period. Additionally, estimated December'21 stock is at 90.86 lakh tonne vs 65.93 lakh tonne previous year. Low soymeal export demand and low crush margin has triggered tight crushing and kept prices soy prices checked in first quarter of this season.

It is inferred from SOPA data that arrivals are slower as farmers are expecting better prices for soybean, but on the other hand, industry is unable to find sufficient demand for soybean deoiled cake even at current prices.

Department of Consumer Affairs, Food and Public Distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include soymeal in the category.

Previous Update

According to Solvent Extractor Association of India, India's November'2021 soymeal exports declined by 78% to 42,951 metric tonne compared to 1,98,776 metric tonne in the same period last year. Further, the soymeal shipments too declined by 66% to 2,19,077 metric tonne in aggregate, during the months (April-Nov.) of Financial Year 2020-21 compared to 6,36,981 metric tonne during the corresponding period last year.

Additionally, export of oilmeals for the month of November'2021 was provisionally reported at 1,62,442 tonne compared to 3,32,336 tonne last year same period i.e., down by 51%. The overall export of oilmeals during April – Nov'2021 is reported at 15,96,131 tonne compared to 19,51,558 tonne i.e., down by 18%.

India's exports of rapeseed meal during April-Nov'2021 was down 10% at 7,00,613 metric tonne compared to 7,74,849 metric tonne during the same period previous Marketing Season and export of rapeseed meal in November'21 is reported at 42,383 metric tonne against last year 45,050 metric tonne during the same period i.e. down by 6%.

Soy DOC Rates at Different Centers				
Centres	**Ex-factory rates (Rs/ton)**			
	12-Feb-22	**11-Feb-22**	Change	**Parity To**
Indore - 45%, Jute Bag	55000	55000	**Unch**	Gujarat, MP
Kota - 45%, PP Bag	58200	57800	**400**	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	58000	58000	**Unch**	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	56000	57000	**-1000**	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	56500	56000	**500**	Andhra, AP, Kar ,TN
Latur	57500	57000	**500**	-
Sangli	54000	53800	**200**	Local and South
Solapur	53200	53200	**Unch**	Local and South

Akola – 45%, PP Bag	55000	54500	500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	55500	55000	500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	58000	57600	400	-

Soy DOC at Ports			
Centers	**Port Price**		
	11-Feb-22	**11-Feb-22**	**Change**
Kandla (FOR) (INR/MT)	57000	57000	Unch
Kandla (FAS) (USD/MT)	775	775	Unch
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

Rapeseed Meal	**11-Feb-22**	**11-Feb-22**	**Change**
FAS Kandla (USD/MT)	320	320	Unch
FOR Kandla (Rs/MT)	23200	23200	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	364	364	Unch

International Soy DOC			
Argentina FOB USD/MT	**11-Feb-22**	**11-Feb-22**	**Change**
Soybean Pellets	508	508	Unch
Soybean Cake Flour	508	508	Unch
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**12-Feb-22**	**11-Feb-22**	**Change**
Adoni	30500	30500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	30000	30000	Unch

Groundnut Meal (Rs/MT)	**12-Feb-22**	**11-Feb-22**	**Change**
Basis 45%, Saurashtra	38500	38500	Unch
Basis 40%, Saurashtra	33500	33500	Unch
GN Cake, Gondal	39000	39000	Unch

Mustard DOC	12-Feb-22	11-Feb-22	Change
Jaipur (Plant delivery)	22500	23000	-500
Kandla (FOR Rs/MT)	23500	23300	200

Mumbai Oil Meal Quotes:			
Rs/M.T.	**12-Feb-22**	**11-Feb-22**	**Change**
G.N. Extr (45%)	38500	38500	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	36000	36000	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	32000	32500	-500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	57391	56870	521
Castor Extr.	12550	12450	100

Outlook: *Soymeal prices in domestic market expected to trade range bound amid tight crush margin and low soymeal export demand due to higher prices in global market. Soymeal indore prices are likely to trade between 50,000-55,000 in near term.*