

**Friday, 04 March, 2022**

**Soy Meal Fundamentals:** Indore soymeal prices went down 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.

- In Feb'22, Soymeal prices went up by 21.51% as compared to previous month closing.
- Currently India is outpriced for soybean meal export. FAS Kandla is quoted at USD 785/MT while Argentina FOB soymeal is quoted at USD 575/MT, as on 16<sup>th</sup> Feb. SBM FAS kandla is still outpriced by USD 210. Usually FAS Kandla trades 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. In last few weeks, price parity has decreased due to increase in South American soymeal prices. India's Soymeal export is likely to remain weak for the next few months too due to higher prices and tight crush margin
- According to Solvent Extractor Association of India, country's January'2022 soymeal exports declined by 81% to 52,771 metric tonne compared to 2,83,167 metric tonne in the same period last year. Further, the soymeal shipments too declined by 73% to 3,15,108 metric tonne in aggregate, during the months of April-January of Financial Year 2021-22 compared to 11,71,369 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 Jan'2022 provisionally reported at 1,76,815 tonne compared to 5,01,552 tonne last year same period i.e. down by 65%. The overall export of oilmeals during April – Jan'2022 is reported at 19,43,888 tonne compared to 29,69,116 tonne i.e. down by 35%.
- Further, India's exports for rapeseed meal during April-Jan'2022 was down 26% at 7,29,757 metric tonne compared to 9,90,955 metric tonne during the same period previous Marketing Season.
- The export of rapeseed meal in Jan'22 is reported at 16,164 metric tonne against 74,240 metric tonne during the last year same period i.e. down by 78%. Rapeseed meal export remained lower due to less availability of seeds for crushing.
- Upon the squeeze in crush margins and low soymeal export demand, soybean crush remained lower in Jan'22 by 48% at 6.5 lakh tonne as compared to previous year at 12.5 lakh tonne.
- 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.
- As per AgriWatch estimates, total availability of soymeal in the country for MY 2021-22 is likely to be 80 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.
- 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.

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### Previous Update

According to Solvent Extractor Association of India, country'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 of April-December 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.

Soy DOC Rates at Different Centers				
Centres	Ex-factory rates (Rs/ton)			Parity To
	03-Mar-22	02-Mar-22	Change	
Indore - 45%, Jute Bag	59000	61000	-2000	Gujarat, MP
Kota - 45%, PP Bag	64000	67000	-3000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	65000	66000	-1000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	65000	66000	-1000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	65000	66500	-1500	Andhra, AP, Kar, TN
Latur	67500	68000	-500	-
Sangli	61500	62500	-1000	Local and South
Solapur	60000	60000	Unch	Local and South
Akola – 45%, PP Bag	61500	62500	-1000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	61000	61000	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	63800	66800	-3000	-

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Soy DOC at Ports			
Centers	Port Price		
	02-Mar-22	02-Mar-22	Change
Kandla (FOR) (INR/MT)	64000	64000	Unch
Kandla (FAS) (USD/MT)	860	860	Unch
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

Rapeseed Meal	02-Mar-22	02-Mar-22	Change
FAS Kandla (USD/MT)	315	315	Unch
FOR Kandla (Rs/MT)	23000	23000	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	355	355	Unch

International Soy DOC			
Argentina FOB USD/MT	02-Mar-22	02-Mar-22	Change
Soybean Pellets	513	513	Unch
Soybean Cake Flour	513	513	Unch
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	03-Mar-22	02-Mar-22	Change
Adoni	30000	30000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	29000	29000	Unch

Groundnut Meal (Rs/MT)	03-Mar-22	02-Mar-22	Change
Basis 45%, Saurashtra	49000	49000	Unch
Basis 40%, Saurashtra	44000	44000	Unch
GN Cake, Gondal	49000	49000	Unch

Mustard DOC	03-Mar-22	02-Mar-22	Change
Jaipur (Plant delivery)	22500	22500	Unch
Kandla (FOR Rs/MT)	23000	23000	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	03-Mar-22	02-Mar-22	Change

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G.N. Extr (45%)	46500	47000	-500
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	35500	35500	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	33000	32000	1000
Rapeseed Extr.	NA	NA	-
Soymeal 48%	63130	64696	-1566
Castor Extr.	12350	11950	400

**Outlook:** Soymeal prices in domestic market expected to trade range bound with firm bias on the back of bullish CBOT soybean. Soymeal indore prices are likely to trade between 57,000-62,000 in near term.

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