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Soy Meal Fundamentals: Indore soymeal prices went down as compared to previous day amid bullish oilseed complex. However, soymeal export demand expected to remain weak due to non- competitive prices in global markets.

- According to SOPA estimates, soymeal demand in food sector is up by 33% to 8 lakh tonnes in MY 2021-22 from previous year at 6 lakh tonnes. In the Oct'21-Feb'22 soymeal offtake in food sector was estimated at 3.45 lakh tonnes from 2.55 lakh tonnes in same period last year. And Oct'21-Feb'22 soymeal production dropped by 37% to 27.14 lakh tonnes compared with 43.10 lakh tonnes same period a year ago.
- Overall oil seed complex is bullish on supply concern and underpinning soymeal prices too. In Feb'22, Indore soymeal prices went up by 21.51% .
- According to USDA March'22 report, India's 2021-22 soymeal production is estimated higher at 8.16 million tonne Vs 8 MMT previous month vs 7.6 million tonne last year while ending stock is estimated higher at 6.27 lakh tonne vs last year it was estimated at 3.82 lakh tonne.
- Currently India is outpriced for soybean meal export in Feb'22, FAS Kandla average price is quoted at USD 800/MT, Argentina FOB soymeal USD 505/MT. SBM FAS kandla is still outpriced by USD 295. 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. India's Soymeal export is likely to remain weak for the next few months too due to non-competitive prices in global markets.
- 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.
- 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.

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- 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.

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 |
| | 11-Mar-22 | 10-Mar-22 | Change | |
| Indore - 45%, Jute Bag | 59500 | 60000 | -500 | Gujarat, MP |
| Kota - 45%, PP Bag | 65700 | 65700 | Unch | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 65000 | 64000 | 1000 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 62500 | 62500 | Unch | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 64000 | 64500 | -500 | Andhra, AP, Kar, TN |
| Latur | 65000 | 64500 | 500 | - |
| Sangli | 59000 | 60000 | -1000 | Local and South |

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| | | | | |
|---------------------|-------|-------|-------|--|
| Solapur | 61000 | 60000 | 1000 | Local and South |
| Akola – 45%, PP Bag | 59000 | 60000 | -1000 | Andhra, Chattisgarh, Orissa,Jharkhand, WB |
| Hingoli | 63500 | 63500 | Unch | Andhra, Chattisgarh, Orissa,Jharkhand, WB |
| Bundi | 65500 | 65500 | Unch | - |

Soy DOC at Ports

| Centers | Port Price | | |
|-------------------------------------|------------|-----------|--------|
| | 10-Mar-22 | 10-Mar-22 | Change |
| Kandla (FOR) (INR/MT) | 63500 | 63500 | Unch |
| Kandla (FAS) (USD/MT) | 845 | 845 | Unch |
| CNF Indonesia – Yellow SBM (USD/MT) | NA | NA | - |

| Rapeseed Meal | 10-Mar-22 | 10-Mar-22 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 325 | 325 | Unch |
| FOR Kandla (Rs/MT) | 24300 | 24300 | Unch |
| FOR Mundra (Rs/MT) | NA | NA | - |
| CNF Indonesia (USD/MT) | 368 | 368 | Unch |

International Soy DOC

| Argentina FOB USD/MT | 10-Mar-22 | 10-Mar-22 | Change |
|----------------------|-----------|-----------|--------|
| Soybean Pellets | 577 | 577 | Unch |
| Soybean Cake Flour | 577 | 577 | Unch |
| Soya Meal | NR | NR | - |
| Soy Expellers | NR | NR | - |

Sunflower (DOC) Rates

| Ex-factory rates (Rs/ton) | | | |
|---------------------------|-----------|-----------|--------|
| Centers | 11-Mar-22 | 10-Mar-22 | Change |
| Adoni | 30000 | 30000 | Unch |
| Khamgaon | NA | NA | - |
| Parli | NA | NA | - |
| Latur | 29000 | 29000 | Unch |

Groundnut Meal (Rs/MT)

| | 11-Mar-22 | 10-Mar-22 | Change |
|-----------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra | 43000 | 43000 | Unch |
| Basis 40%, Saurashtra | 39000 | 39000 | Unch |

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| | | | |
|-----------------|-------|-------|------|
| GN Cake, Gondal | 44000 | 44000 | Unch |
|-----------------|-------|-------|------|

| Mustard DOC | 11-Mar-22 | 10-Mar-22 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 23000 | 23000 | Unch |
| Kandla (FOR Rs/MT) | 24200 | 24200 | Unch |

| Mumbai Oil Meal Quotes: | | | |
|-------------------------|-----------|-----------|--------|
| Rs/M.T. | 11-Mar-22 | 10-Mar-22 | Change |
| G.N. Extr (45%) | 43000 | 42000 | 1000 |
| Kardi Extr | NA | NA | - |
| Undec Cottonseed Exp | 36500 | 36500 | Unch |
| Rice Bran Extr. | NA | NA | - |
| Sunflower Extr. | 30000 | 31000 | -1000 |
| Rapeseed Extr. | NA | NA | - |
| Soymeal 48% | 62870 | 63652 | -782 |
| Castor Extr. | 13150 | 13150 | Unch |

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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