

**Tuesday, 15 March, 2022**

**Soy Meal Fundamentals:** Indore soymeal prices went down as compared to previous day. Soymeal export demand still remains weak on in-competitive price as compared to FOB Argentina. Crushing remained low in Feb too on low soymeal export demand.

- According to Soybean Processors Association of India, February'22 crushing stood 19% lower at 6.5 lakh tonnes as compared to 8 lakh tonnes previous year same period. While soybean crushing till february this oil year was remained low by 37% at 34 lakh tonnes compared to 54 lakh tonnes previous year. Additionally, soymeal production is expected to be lower at 27.14 lakh tonnes in the ongoing oil year compared to 43.10 lakh tonnes previous year.
- 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.

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- 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.
- 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
	14-Mar-22	12-Mar-22	Change	
Indore - 45%, Jute Bag	59000	59500	-500	Gujarat, MP
Kota - 45%, PP Bag	63000	63700	-700	Rajasthan, Del, Punjab, Haryana

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Dhulia/Jalna - 45%, PP Bag	64000	64000	Unch	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	61500	62500	-1000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	63000	64000	-1000	Andhra, AP, Kar, TN
Latur	64000	63000	1000	-
Sangli	58000	59000	-1000	Local and South
Solapur	57000	61000	-4000	Local and South
Akola – 45%, PP Bag	59000	59000	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	60000	63500	-3500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	62800	63500	-700	-

**Soy DOC at Ports**

Centers	Port Price		
	12-Mar-22	12-Mar-22	Change
Kandla (FOR) (INR/MT)	63000	63000	Unch
Kandla (FAS) (USD/MT)	835	835	Unch
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

Rapeseed Meal	12-Mar-22	12-Mar-22	Change
FAS Kandla (USD/MT)	330	330	Unch
FOR Kandla (Rs/MT)	24500	24500	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	370	370	Unch

**International Soy DOC**

Argentina FOB USD/MT	12-Mar-22	12-Mar-22	Change
Soybean Pellets	Closed	Closed	-
Soybean Cake Flour	Closed	Closed	-
Soya Meal	Closed	Closed	-
Soy Expellers	Closed	Closed	-

**Sunflower (DOC) Rates****Ex-factory rates (Rs/ton)**

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Centers	14-Mar-22	12-Mar-22	Change
Adoni	30000	30000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	29000	29000	Unch

Groundnut Meal (Rs/MT)	14-Mar-22	12-Mar-22	Change
Basis 45%, Saurashtra	44000	44000	Unch
Basis 40%, Saurashtra	39000	39000	Unch
GN Cake, Gondal	45000	45000	Unch

Mustard DOC	14-Mar-22	12-Mar-22	Change
Jaipur (Plant delivery)	22800	23000	-200
Kandla (FOR Rs/MT)	24000	24200	-200

Mumbai Oil Meal Quotes:			
Rs/M.T.	14-Mar-22	12-Mar-22	Change
G.N. Extr (45%)	42000	42000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	37500	37000	500
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	28000	30000	-2000
Rapeseed Extr.	NA	NA	-
Soymeal 48%	62087	62870	-783
Castor Extr.	13650	13650	Unch

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

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