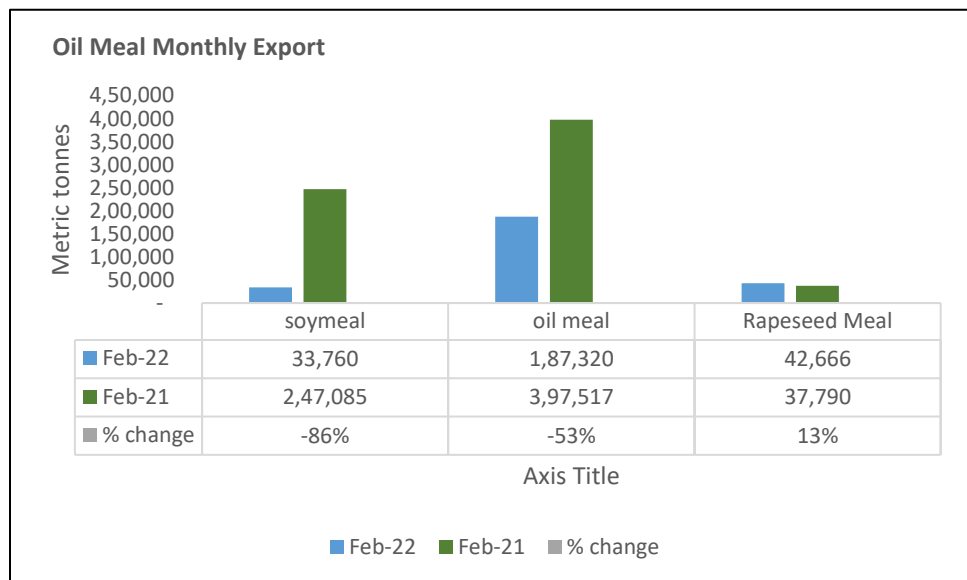


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**Soy Meal Fundamentals:** Indore soymeal prices remained sideways as compared to previous day and went marginally up by 0.9%. CBOT Soymeal export demand still remains weak on non-competitive price as compared to FOB SBM Argentina. Crushing remained low in February too on low soymeal export demand. Mustard DOC trading lower in tandem with RM seed prices.

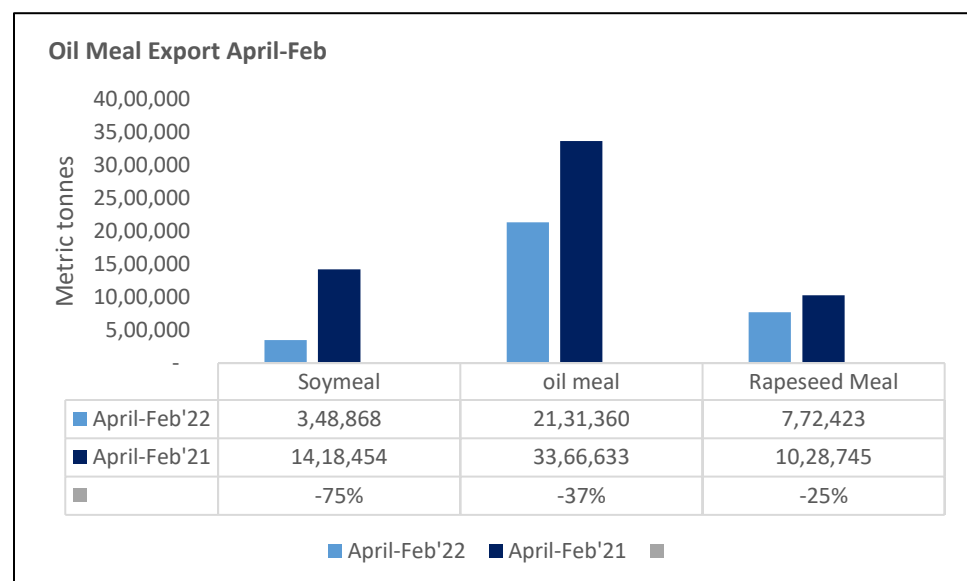
- Amid high inflation and decrease in forex reserve, Argentina has raised the export tax rate on soy oil and meal by two percentage points to 33% until the end of the year.

- According to Solvent Extractor Association of India, country's February'2022 soymeal exports declined by 86% to 33,760 metric tonne compared to 2,47,085 metric tonne in the same period last year. Further, the soymeal shipments too declined by 75% to 3,48,868 metric tonne in aggregate, during the months of April-Feb of Financial Year 2021-22 compared to 14,18,454 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. We expect low export in Upcoming month too.

- Additionally, export of oilmeals for the month of Feb'2022 provisionally reported at 1,87,320 tonne compared to 3,97,517 tonne last year same period i.e. down by 53%. The overall export of oilmeals during April – Feb'2022 is reported at 21,31,360 tonne compared to 33,66,633 tonne i.e. down by 37%.



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- Further, India's exports for rapeseed meal during April-Feb'2022 was down 25% at 7,72,423 metric tonne compared to 10,28,745 metric tonne during the same period previous year.
- The export of rapeseed meal in Feb'22 is reported at 42,666 metric tonne against 37,790 metric tonne during the last year same period i.e. down by 13%. Rapeseed meal export remained lower due to less availability of seeds for crushing.
- According to Soybean Processors Association of India, February'22 crushing stood 19% lower at 6.5 lakh tonne as compared to 8 lakh tonne previous year same period. While soybean crushing till February this Oil Year was low by 37% at 34 lakh tonne compared to 54 lakh tonne previous year. Additionally, soymeal production is expected to be lower at 27.14 lakh tonne in the ongoing Oil Year compared to 43.10 lakh tonne previous year. We expect lower crushing in March too on low export demand.
- According to SOPA estimates, soymeal demand in food sector is up by 33% to 8 lakh tonne in MY 2021-22 from previous year at 6 lakh tonne. In the Oct'21-Feb'22 soymeal offtake in food sector was estimated at 3.45 lakh tonne from 2.55 lakh tonne in same period last year. And Oct'21-Feb'22 soymeal production dropped by 37% to 27.14 lakh tonne compared with 43.10 lakh tonne 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.
- 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

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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
	23-Mar-22	22-Mar-22	Change	
Indore - 45%, Jute Bag	58000	57500	500	Gujarat, MP
Kota - 45%, PP Bag	62500	62500	Unch	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	62000	61000	1000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	60000	60000	Unch	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	61000	61000	Unch	Andhra, AP, Kar, TN
Latur	59500	59500	Unch	-
Sangli	57000	57000	Unch	Local and South
Solapur	56500	56500	Unch	Local and South
Akola – 45%, PP Bag	58000	58000	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	61500	61500	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	62300	62300	Unch	-

Soy DOC at Ports			
Centers	Port Price		
	22-Mar-22	22-Mar-22	Change
Kandla (FOR) (INR/MT)	63500	63500	Unch

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Kandla (FAS) (USD/MT)	835	835	Unch
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

Rapeseed Meal	22-Mar-22	22-Mar-22	Change
FAS Kandla (USD/MT)	320	320	Unch
FOR Kandla (Rs/MT)	23400	23400	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	365	365	Unch

International Soy DOC			
Argentina FOB USD/MT	22-Mar-22	22-Mar-22	Change
Soybean Pellets	548	548	Unch
Soybean Cake Flour	548	548	Unch
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	23-Mar-22	22-Mar-22	Change
Adoni	35000	35000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	34000	34000	Unch

Groundnut Meal (Rs/MT)	23-Mar-22	22-Mar-22	Change
Basis 45%, Saurashtra	39000	38000	1000
Basis 40%, Saurashtra	33000	32000	1000
GN Cake, Gondal	40000	39000	1000

Mustard DOC	23-Mar-22	22-Mar-22	Change
Jaipur (Plant delivery)	22500	22500	Unch
Kandla (FOR Rs/MT)	23700	24200	-500

Mumbai Oil Meal Quotes:			
Rs/M.T.	23-Mar-22	22-Mar-22	Change
G.N. Extr (45%)	40000	40000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	37000	37000	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	27500	27500	Unch

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Rapeseed Extr.	NA	NA	-
Soymeal 48%	61304	61565	-261
Castor Extr.	12350	12250	100

**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. 62,000 is near term resistance which is 50 Day moving average and 57,000 is near term support.

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