

12th April, 2022

**Soy Meal Fundamentals:** Indore soymeal prices remained stable at Rs 62,500/ MT as compared to previous YoY Indore soymeal prices is currently trading 13.6% up. Agriwatch expects, weak Someal export for the next two to three months on higher Soymeal prices in the international market and tight crush margin.

- USDA in its April'22 report, Soymeal production is estimated at 81 Lakh tonnes as compared to 76 Lakh tonnes previous year. Soymeal export is estimated at 21 Lakh tonnes Vs 20 Lakh tonnes previous 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%.
- 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 tonnes against 37,790 metric tonnes during the last year same period i.e., up by 13%. Rapeseed meal export is picking up on new crop crushing and firm export demand.
- 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 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.
- 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.

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- 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
	11-Apr-22	09-Apr-22	Change	
Indore - 45%, Jute Bag	62500	62500	Unch	Gujarat, MP
Kota - 45%, PP Bag	66400	66000	400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	64000	63500	500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	63000	63000	Unch	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	63500	64000	-500	Andhra, AP, Kar, TN

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Latur	65500	63500	2000	-
Sangli	60800	60000	800	Local and South
Solapur	62000	61000	1000	Local and South
Akola – 45%, PP Bag	61500	62000	-500	Andhra, Chattisgarh, Orissa,Jharkhand, WB
Hingoli	63000	63500	-500	Andhra, Chattisgarh, Orissa,Jharkhand, WB
Bundi	66200	65800	400	-

**Soy DOC at Ports**

Centers	Port Price		
	09-Apr-22	09-Apr-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	09-Apr-22	09-Apr-22	Change
FAS Kandla (USD/MT)	325	325	Unch
FOR Kandla (Rs/MT)	24000	24000	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	NA	NA	-

**International Soy DOC**

Argentina FOB USD/MT	09-Apr-22	09-Apr-22	Change
Soybean Pellets	Closed	Closed	-
Soybean Cake Flour	Closed	Closed	-
Soya Meal	Closed	Closed	-
Soy Expellers	Closed	Closed	-

**Sunflower (DOC) Rates**

Centers	Ex-factory rates (Rs/ton)		
	11-Apr-22	09-Apr-22	Change
Adoni	36000	36000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	35000	35000	Unch

**Groundnut Meal (Rs/MT)**

	11-Apr-22	09-Apr-22	Change
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Basis 45%, Saurashtra	40500	41000	-500
Basis 40%, Saurashtra	36500	37000	-500
GN Cake, Gondal	41500	42000	-500

Mustard DOC	11-Apr-22	09-Apr-22	Change
Jaipur (Plant delivery)	23000	23000	Unch
Kandla (FOR Rs/MT)	23800	23800	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	11-Apr-22	09-Apr-22	Change
G.N. Extr (45%)	41000	41000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	36500	37500	-1000
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	30000	30000	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	64696	64696	Unch
Castor Extr.	10350	10450	-100

**Outlook:** Soymeal prices in domestic market expected to trade range bound between 57,000-63,000 in near term. 63,000 is near term resistance which is 50 Day moving average and 57,000 is near term support.

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