

**13th April, 2022**

**Soy Meal Fundamentals:** Indore soymeal prices remained stable at Rs 62,000/ MT as compared to previous day. 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 Processoser 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.

**13th April, 2022**

- 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.

<b>Soy DOC Rates at Different Centers</b>				
<b>Centres</b>	<b>Ex-factory rates (Rs/ton)</b>			<b>Parity To</b>
	<b>12-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>	
Indore - 45%, Jute Bag	62000	62500	<b>-500</b>	Gujarat, MP
Kota - 45%, PP Bag	66200	66400	<b>-200</b>	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	64000	64000	<b>Unch</b>	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	63500	63000	<b>500</b>	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	63500	63500	<b>Unch</b>	Andhra, AP, Kar, TN
Latur	65000	65500	<b>-500</b>	-

**13th April, 2022**

Sangli	60800	60800	Unch	Local and South
Solapur	59300	62000	-2700	Local and South
Akola – 45%, PP Bag	61500	61500	Unch	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	63500	63000	500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	66000	66200	-200	-

<b>Soy DOC at Ports</b>			
<b>Centers</b>	<b>Port Price</b>		
	<b>11-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>
Kandla (FOR) (INR/MT)	63000	63000	Unch
Kandla (FAS) (USD/MT)	850	850	Unch
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

<b>Rapeseed Meal</b>	<b>11-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>
FAS Kandla (USD/MT)	320	320	Unch
FOR Kandla (Rs/MT)	23500	23500	Unch
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	NA	NA	-

<b>International Soy DOC</b>			
<b>Argentina FOB USD/MT</b>	<b>11-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>
Soybean Pellets	521	521	Unch
Soybean Cake Flour	521	521	Unch
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

<b>Sunflower (DOC) Rates</b>	<b>Ex-factory rates (Rs/ton)</b>		
<b>Centers</b>	<b>12-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>
Adoni	36000	36000	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	35000	35000	Unch

<b>Groundnut Meal (Rs/MT)</b>	<b>12-Apr-22</b>	<b>11-Apr-22</b>	<b>Change</b>
Basis 45%, Saurashtra	40500	40500	Unch

**13th April, 2022**

Basis 40%, Saurashtra	36500	36500	Unch
GN Cake, Gondal	41500	41500	Unch

Mustard DOC	12-Apr-22	11-Apr-22	Change
Jaipur (Plant delivery)	22800	23000	-200
Kandla (FOR Rs/MT)	23600	23800	-200

Mumbai Oil Meal Quotes:			
Rs/M.T.	12-Apr-22	11-Apr-22	Change
G.N. Extr (45%)	40000	41000	-1000
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	36000	36500	-500
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	30000	30000	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	64696	64696	Unch
Castor Extr.	10350	10350	Unch

**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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