

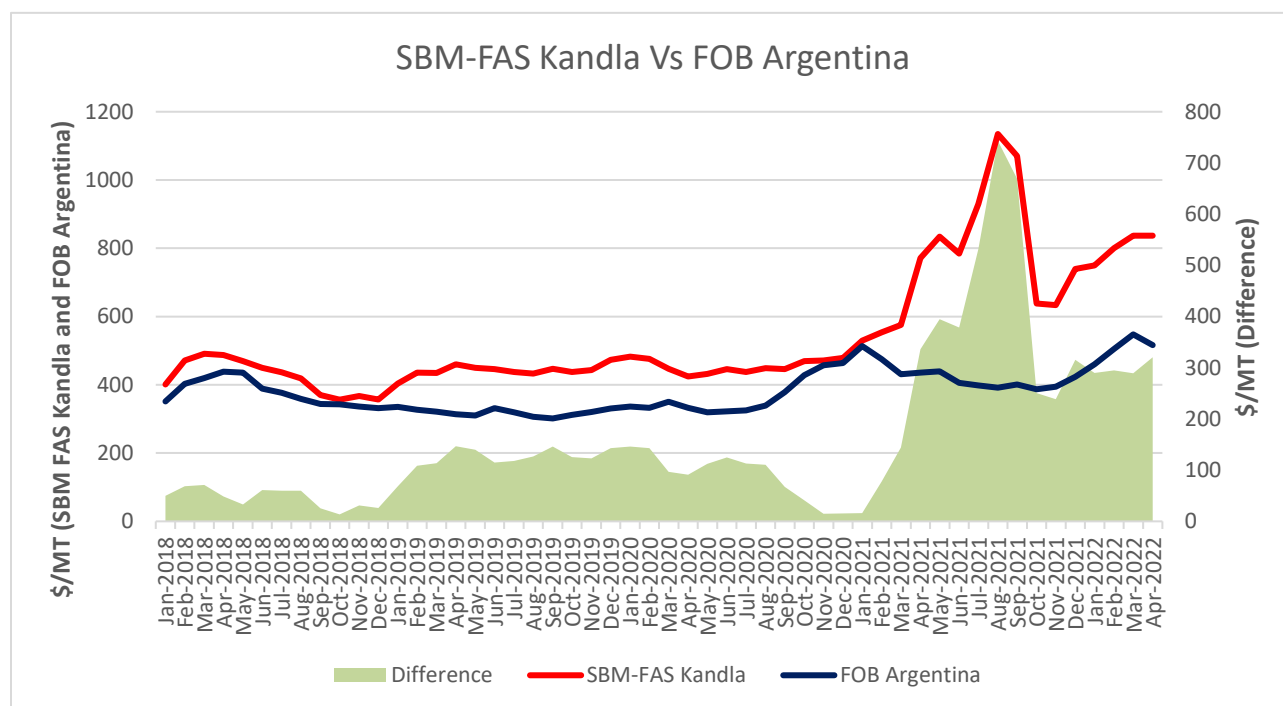
7th May, 2022

Soy Meal Fundamentals:

Todays Update- Soymeal prices in various markets traded with mixed sentiments, amid government decision to allow Soymeal import. Soymeal prices in domestic market expected to trade range bound with weak bias between 52,000-56,000 in near term.

Previous Update

Month ended April'22, FOB Argentina monthly average prices remained at USD 516/ MT as compared to previous month at USD 548/MT. India's FAS Kandla soymeal price went up to USD 837 /MT as compared to USD 837/MT previous month. Soymeal FAS Kandla is still outpriced to FOB Argentina by USD 321/MT compared to previous month at USD 289/MT. Usually, FAS Kandla trades slightly higher than other GM soymeal but price 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 due to non-competitive prices in global markets. However spread between SBM FAS kandla and FOB SBM Argentina is expected to shrink on correction in Indian Soymeal prices.



The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya mills for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects, with the effect of this, soya meal is likely to trade with weak bias.

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According to the Cordoba Grain Exchange, Argentina's soybean grinding jumped 9% on the prior season to 41.03 million mt in the marketing year which runs from April 2021 until March 2022, record high soy oil prices boosted bean processing.

SOPA has urged the Central government not to allow the import of genetically modified (GM) soyabean meal citing that it will adversely impact the local processors and farmers since the country does not allow cultivation of GM food crops. However, the major concern is import parity from Argentina, as soymeal FOB Argentina prices are high with 33% export tariff.

- Crush to arrival ratio in March'22 stood at 108% as compared to previous month at 93%. It is inferred that old stocks is being crushed in March.
- According to Solvent Extractor Association of India, country's March'2022 soymeal exports declined by 25% to 2,42,043 metric tonne compared to 3,22,850 metric tonne in the same period last year.
- Further, the soymeal shipments too declined by 84% to 3,72,740 metric tonne in aggregate, during the months of April-Mar of Financial Year 2021-22 compared to 15,64,833 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 Mar'2022 provisionally reported at 2,42,043 tonne compared to 3,22,850 tonne last year same period i.e. down by 25%. The overall export of oilmeals during April – Mar'2022 is reported at 23,73,744 tonne compared to 36,89,483 tonne i.e. down by 36%.
- Further, India's exports for rapeseed meal during April-Mar'2022 was down 22% at 8,66,407 metric tonne compared to 11,13,021 metric tonne during the same period previous year.
- The export of rapeseed meal in Mar'22 is reported at 93,984 metric tonnes against 84,276 metric tonnes during the last year same period i.e., up by 12%. Rapeseed meal export is picking up on new crop crushing and firm export demand.
- According to Soybean Processors Association of India, March'22 crushing stood 24% lower at 6.5 lakh tonne as compared to 8.5 lakh tonne previous year same period. While soybean crushing till March this Oil Year was low by 35% at 40.5 lakh tonne compared to 62.5 lakh tonne previous year. Additionally, soymeal production is expected to be lower at 32.34 lakh tonne in the ongoing Oil Year compared to 49.89 lakh tonne previous year. We expect lower crushing in April too on low export demand 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.

Centres	Ex-factory rates (Rs/ton)			Parity To
	06-May-22	05-May-22	Change	
Indore - 45%, Jute Bag	53500	53500	Unch	Gujarat, MP
Kota - 45%, PP Bag	57200	56500	700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	56000	55000	1000	Mumbai, Maharashtra

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Nagpur - 45%, PP Bag	54500	54000	500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	55000	56000	-1000	Andhra, AP, Kar, TN
Latur	55500	54000	1500	-
Sangli	52000	51500	500	Local and South
Solapur	54000	54000	Unch	Local and South
Akola – 45%, PP Bag	52500	52500	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	56000	56000	Unch	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	56800	56300	500	-

Soy DOC at Ports

Centers	Port Price		
	05-May-22	05-May-22	Change
Kandla (FOR) (INR/MT)	NA	NA	-
Kandla (FAS) (USD/MT)	NA	NA	-
CNF Indonesia – Yellow SBM (USD/MT)	NA	NA	-

Rapeseed Meal	05-May-22	05-May-22	Change
FAS Kandla (USD/MT)	NA	NA	-
FOR Kandla (Rs/MT)	NA	NA	-
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	NA	NA	-

International Soy DOC

Argentina FOB USD/MT	05-May-22	05-May-22	Change
Soybean Pellets	467	467	Unch
Soybean Cake Flour	473	473	Unch
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	06-May-22	05-May-22	Change
Adoni	35000	35000	Unch
Khamgaon	NA	NA	-

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Parli	NA	NA	-
Latur	34000	34000	Unch

Groundnut Meal (Rs/MT)	06-May-22	05-May-22	Change
Basis 45%, Saurashtra	35000	36000	-1000
Basis 40%, Saurashtra	31000	32000	-1000
GN Cake, Gondal	36000	37000	-1000

Mustard DOC	06-May-22	05-May-22	Change
Jaipur (Plant delivery)	20500	21200	-700
Kandla (FOR Rs/MT)	22200	22000	200

Mumbai Oil Meal Quotes:			
Rs/M.T.	06-May-22	05-May-22	Change
G.N. Extr (45%)	37000	37000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	35500	35500	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	24000	24500	-500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	55304	55304	Unch
Castor Extr.	8875	8875	Unch

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