

20th May, 2022**Soy Meal Fundamentals:**

Todays Update- Soymeal Indore prices remained stable at at 53,000/ MT However, in other markets traded with mixed sentiments. Soymeal prices in domestic market expected to trade range bound with weak bias between 50,000-55,000 in near term tracking Soymeal import.

Previous Update

USDA in its May'22 report, India's 2022-23 Soymeal production is estimated at 81.6 Lakh tonnes as compared to 81.6 Lakh tonnes in 2021-22. Soymeal export is estimated at 19 Lakh tonnes in 2022-23 Vs 21 Lakh tonnes in 2021-22.

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, has allowed 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.

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.

- 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%.

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- 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.

| Centres | Ex-factory rates (Rs/ton) | | | Parity To |
|----------------------------|---------------------------|-----------|--------|---|
| | 19-May-22 | 18-May-22 | Change | |
| Indore - 45%, Jute Bag | 53000 | 53000 | Unch | Gujarat, MP |
| Kota - 45%, PP Bag | 56200 | 56700 | -500 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 54500 | 55000 | -500 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 54500 | 54500 | Unch | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 54000 | 55000 | -1000 | Andhra, AP, Kar, TN |
| Latur | 55500 | 55500 | Unch | - |
| Sangli | 51500 | 51500 | Unch | Local and South |
| Solapur | 51000 | 51000 | Unch | Local and South |
| Akola – 45%, PP Bag | 52000 | 51500 | 500 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Hingoli | 55000 | 55000 | Unch | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Bundi | 56000 | 56500 | -500 | - |

| Soy DOC at Ports | | | |
|-----------------------|------------|-----------|--------|
| Centers | Port Price | | |
| | 18-May-22 | 18-May-22 | Change |
| Kandla (FOR) (INR/MT) | 53000 | 53000 | Unch |
| Kandla (FAS) (USD/MT) | 565 | 565 | Unch |

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| | | | |
|-------------------------------------|----|----|---|
| CNF Indonesia – Yellow SBM (USD/MT) | NA | NA | - |
|-------------------------------------|----|----|---|

| Rapeseed Meal | 18-May-22 | 18-May-22 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 295 | 295 | Unch |
| FOR Kandla (Rs/MT) | 21600 | 21600 | Unch |
| FOR Mundra (Rs/MT) | NA | NA | - |
| CNF Indonesia (USD/MT) | NA | NA | - |

| International Soy DOC | | | |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT | 18-May-22 | 18-May-22 | Change |
| Soybean Pellets | 466 | 466 | Unch |
| Soybean Cake Flour | 466 | 466 | Unch |
| Soya Meal | NR | NR | - |
| Soy Expellers | NR | NR | - |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) | | |
|-----------------------|---------------------------|-----------|--------|
| Centers | 19-May-22 | 18-May-22 | Change |
| Adoni | 40000 | 40000 | Unch |
| Khamgaon | NA | NA | - |
| Parli | NA | NA | - |
| Latur | 39000 | 39000 | Unch |

| Groundnut Meal (Rs/MT) | 19-May-22 | 18-May-22 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra | 31500 | 31500 | Unch |
| Basis 40%, Saurashtra | 26500 | 26500 | Unch |
| GN Cake, Gondal | 32500 | 32500 | Unch |

| Mustard DOC | 19-May-22 | 18-May-22 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 20000 | 20000 | Unch |
| Kandla (FOR Rs/MT) | 21500 | 21500 | Unch |

| Mumbai Oil Meal Quotes: | | | |
|-------------------------|-----------|-----------|--------|
| Rs/M.T. | 19-May-22 | 18-May-22 | Change |
| G.N. Extr (45%) | 33500 | 33500 | Unch |
| Kardi Extr | NA | NA | - |
| Undec Cottonseed Exp | 34500 | 34500 | Unch |
| Rice Bran Extr. | NA | NA | - |
| Sunflower Extr. | 26500 | 26000 | 500 |
| Rapeseed Extr. | NA | NA | - |

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| | | | |
|--------------|-------|-------|------|
| Soymeal 48% | 55043 | 55565 | -522 |
| Castor Extr. | 10650 | 10850 | -200 |

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