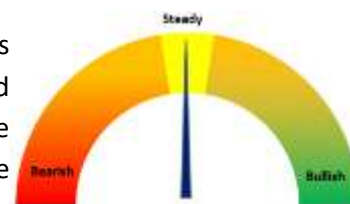


**Soy Meal Fundamentals:**

**Today's Update-** Soymeal Indore prices declined by 1.14% to INR 43,800/MT as compared to previous day at INR 44,500/MT amid increase in Ex-Rotterdam and Ex-Kandla spread. In other markets soymeal traded with weak bias. Year-to-date Soymeal prices are down by 1.6%. Soymeal prices in the domestic market are expected to trade range bound with weak bias in the range of 40,000-44,000 in near term tracking good export demand.



Between August 2021 and October 2021, the prices of Ex-Kandla Soymeal reached a record high of US\$ 1235/ton, which was 152% higher than the Ex-Rotterdam prices at US\$ 472. As a result, India's Soymeal exports decreased. However, in the six-month period between September 2022 and March 2023, the Ex-Kandla prices dropped below those of Ex-Rotterdam, which encouraged exports from India. India has several advantages over Argentina in Soymeal exports, including lower freight charges, the option to export in smaller quantities, the preference for non-GMO Indian soymeal by some European countries and the USA, and the depreciation of the rupee, which boosts overall exports. During the last month, Ex-Rotterdam prices consistently fell below Ex-Kandla prices, and since last week, the difference has been between 9% and 14%. Soymeal prices have decreased by 1.1% to INR 44,500/ton month-to-date, and Soybean prices have declined by 3.6% to INR 5400/Qtl. If this price difference continues for a prolonged period, there is a possibility that export demand may shift to competing countries like Argentina. Moreover, weaker export demand could lead to further declines in soymeal and soy seed prices in the upcoming weeks.

**In April, oil meal exports rose by 48%, propelled by soybean meal shipments**

India's overall export of oilmeals experienced a remarkable growth of 48.47 percent in April, driven by a surge in soymeal exports. According to data from the Solvent Extractors' Association (SEA) of India, the country exported 4.93 lakh tonnes (lt) of oilmeals in April 2023, a significant increase from 3.32 lt during the same period in 2022.

BV Mehta, the Executive Director of SEA of India, pointed out that the price of soybeans has dropped to around INR 4,550 per quintal from its peak of INR 7,640 per quintal in April 2022. This decline has made the export of soybean meal more attractive over the past seven months.

In April 2023, India exported 1.77 lt of soybean meal, compared to 24,937 tonnes in April 2022. As of May 12, the price of Argentina soybean meal (ex-Rotterdam) was quoted at \$516 per tonne, while Indian soybean meal (ex-Kandla) was quoted at \$570 per tonne.

Mehta highlighted that Southeast Asia is a major consumer of Indian soybean meal, and India has a logistical advantage in supplying to this region, even in small quantities. Additionally, the depreciation of the rupee is contributing to the overall increase in exports.

Furthermore, the export of rapeseed meal also showed an upward trend. In April 2023-24, India exported 2.46 lt of rapeseed meal, surpassing the 2.29 lt exported during the corresponding period in 2022-23.

According to USDA May'23 report, India's 2023/24, Soybean crush is estimated to be at 9.8 MMT as compared to previous year at 9.9 MMT and country's domestic Soymeal consumption is estimated to be at

7.15 MMT Vs 6.72 MMT previous year. Moreover, Soymeal exports is projected at 0.8 MMT as compared to 1.45 MMT previous year.

#### **RAPEMEAL EXPORTS**

India achieved a remarkable milestone by exporting a record-breaking 22.96 million metric tons of rapeseed meal in the fiscal year 2022-23.

India has established itself as the most competitive supplier of rapeseed meal to various Far East countries, including South Korea, Vietnam, and Thailand, offering it at a competitive price of \$240 per tonne (FOB India). The ex-mill price of rapeseed meal in Hamburg, Germany, has been quoted at \$299 per tonne.

Mustard is currently being sold at 5,100 rupees per quintal, which is below the Minimum Support Price (MSP) of 5,450 rupees per quintal. This decline in mustard prices is a result of the deteriorated prices of edible oil in both international and domestic markets. Consequently, farmers are being discouraged from selling their mustard crop for crushing purposes.

| Centres                    | Ex-factory rates (Rs/ton) |           |        | Parity To   |
|----------------------------|---------------------------|-----------|--------|---|
|                            | 31-May-23                 | 29-May-23 | Change |   |
| Indore - 45%, Jute Bag     | 43800                     | 44500     | ▼-700  | Gujarat, MP   |
| Kota - 45%, PP Bag         | 46000                     | 46500     | ▼-500  | Rajasthan, Del, Punjab, Haryana                     |
| Dhulia/Jalna - 45%, PP Bag | 46500                     | 46500     | Unch   | Mumbai, Maharashtra                                 |
| Nagpur - 45%, PP Bag       | 46500                     | 46500     | Unch   | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded                     | 46500                     | 46500     | Unch   | Andhra, AP, Kar, TN                                 |
| Latur                      | 46000                     | 46500     | ▼-500  | -   |
| Sangli                     | 43000                     | 43500     | ▼-500  | Local and South                                     |
| Solapur                    | 46800                     | 46800     | Unch   | Local and South                                     |
| Akola – 45%, PP Bag        | 44500                     | 44500     | Unch   | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Hingoli                    | 46000                     | 46000     | Unch   | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Bundi                      | 45800                     | 46300     | ▼-500  | -   |

| Soy DOC at Ports                    |            |           |        |
|-------------------------------------|------------|-----------|--------|
| Centers                             | Port Price |           |        |
|                                     | 30-May-23  | 29-May-23 | Change |
| Kandla (FOR) (INR/MT)               | 46000      | NA        | -      |
| Kandla (FAS) (USD/MT)               | Unq        | Unq       | -      |
| CNF Indonesia – Yellow SBM (USD/MT) | 593        | NA        | -      |

| Rapeseed Meal       | 30-May-23 | 29-May-23 | Change |
|---------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 280       | NA        | -      |
| FOR Kandla (Rs/MT)  | 22200     | NA        | -      |

|                        |     |    |   |
|------------------------|-----|----|---|
| FOR Mundra (Rs/MT)     | NA  | NA | - |
| CNF Indonesia (USD/MT) | 305 | NA | - |

| International Soy DOC |           |           |        |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT  | 30-May-23 | 29-May-23 | Change |
| Soybean Pellets       | 461       | 468       | ▼-7    |
| Soybean Cake Flour    | 461       | 468       | ▼-7    |
| Soya Meal             | NR        | NR        | -      |
| Soy Expellers         | NR        | NR        | -      |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) |           |        |
|-----------------------|---------------------------|-----------|--------|
| Centers               | 31-May-23                 | 29-May-23 | Change |
| Adoni                 | 33000                     | 33000     | Unch   |
| Khamgaon              | NA                        | NA        | -      |
| Parli                 | NA                        | NA        | -      |
| Latur                 | NA                        | NA        | -      |

| Groundnut Meal (Rs/MT) | 31-May-23 | 29-May-23 | Change |
|------------------------|-----------|-----------|--------|
| Basis 45%, Saurashtra  | 39000     | 39000     | Unch   |
| Basis 40%, Saurashtra  | 36000     | 36000     | Unch   |
| Basis 50%, Saurashtra  | 42000     | 42000     | Unch   |

| Mustard DOC             | 31-May-23 | 29-May-23 | Change |
|-------------------------|-----------|-----------|--------|
| Jaipur (Plant delivery) | 21700     | 21700     | Unch   |
| Kandla (FOR Rs/MT)      | 22000     | 22200     | ▼-200  |

| Mumbai Oil Meal Quotes: |           |           |        |
|-------------------------|-----------|-----------|--------|
| Rs/M.T.                 | 31-May-23 | 29-May-23 | Change |
| G.N. Extr (45%)         | 38000     | 38000     | Unch   |
| Undec Cottonseed Exp    | 29500     | 28000     | ▲1500  |
| Sunflower Extr.         | 29000     | 29000     | Unch   |
| Soymeal 48%             | 46226     | 46957     | ▼-731  |
| Castor Extr.            | 8800      | 8750      | ▲50    |

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Limited