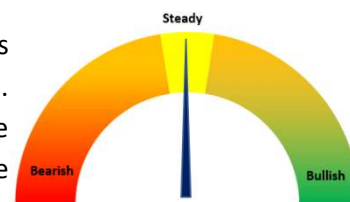


### Soy Meal Fundamentals:

**Today's Update-** Soymeal Indore prices remained steady at INR 43,800/MT as compared to previous day amid increase in Ex-Rotterdam and Ex-Kandla spread. In other markets too, soymeal traded with steady sentiments. Year-to-date Soymeal prices are up by 3.1%. 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.

### CBOT

CBOT Soy bean meal Futures (\$/ Tonnes)					31/May/2023
Contract	% Change	Open	High	Low	Close
Jul/2023	+3.1 (+0.79%)	393.40	393.30	396.90	396.50
Aug/2023	+2.7 (+0.70%)	387.80	387.20	391.00	390.50
Sep/2023	+2.5 (+0.66%)	378.10	377.70	381.00	380.60
Nov/2023	+2.2 (+0.60%)	367.30	366.90	369.70	369.50

### 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 Soybean meal consumption is estimated to be at 7.15 MMT Vs 6.72 MMT previous year. Moreover, Soybean meal 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
	1-Jun-23	31-May-23	Change	
Indore - 45%, Jute Bag	43800	43800	Unch	Gujarat, MP
Kota - 45%, PP Bag	46000	46000	Unch	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	46000	Unch	-
Sangli	43000	43000	Unch	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	45800	Unch	-

Soy DOC at Ports			
Centers	Port Price		
	31-May-23	30-May-23	Change
Kandla (FOR) (INR/MT)	NA	46000	-
Kandla (FAS) (USD/MT)	Unq	Unq	-

CNF Indonesia – Yellow SBM (USD/MT)	NA	593	-
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Rapeseed Meal	31-May-23	30-May-23	Change
FAS Kandla (USD/MT)	NA	280	-
FOR Kandla (Rs/MT)	NA	22200	-
FOR Mundra (Rs/MT)	NA	NA	-
CNF Indonesia (USD/MT)	NA	305	-

International Soy DOC			
Argentina FOB USD/MT	31-May-23	30-May-23	Change
Soybean Pellets	456	461	▼-5
Soybean Cake Flour	456	461	▼-5
Soya Meal	NR	NR	-
Soy Expellers	NR	NR	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	1-Jun-23	31-May-23	Change
Adoni	32000	33000	▼-1000
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	NA	NA	-

Groundnut Meal (Rs/MT)	1-Jun-23	31-May-23	Change
Basis 45%, Saurashtra	39000	39000	Unch
Basis 40%, Saurashtra	36000	36000	Unch
Basis 50%, Saurashtra	42000	42000	Unch

Mustard DOC	1-Jun-23	31-May-23	Change
Jaipur (Plant delivery)	21500	21500	Unch
Kandla (FOR Rs/MT)	22000	22000	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	1-Jun-23	31-May-23	Change
G.N. Extr (45%)	38000	38000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	29500	29500	Unch
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	29000	29000	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	46226	46226	Unch
Castor Extr.	8800	8800	Unch

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