



# ICAR- Indian Institute of Soybean Research, Indore

## SOYBEAN MONITOR/ MARKET WATCH

July- September, 2018

### CONTENTS:

- Monsoon Progress
- Soybean: Domestic scenario
- Soybean: International scenario
- Price movements
- Policy changes
- Export of soybean and products
- Import of soybean and products

### PREPARED BY:

**Dr. Purushottam Sharma**, Sr. Scientist  
**Sh. Ram Manohar Patel**, Scientist  
 (Market Intelligence Cell, ICAR-IISR)

### PUBLISHED BY:

**Dr. V. S. Bhatia**, Director

### Monsoon Progress

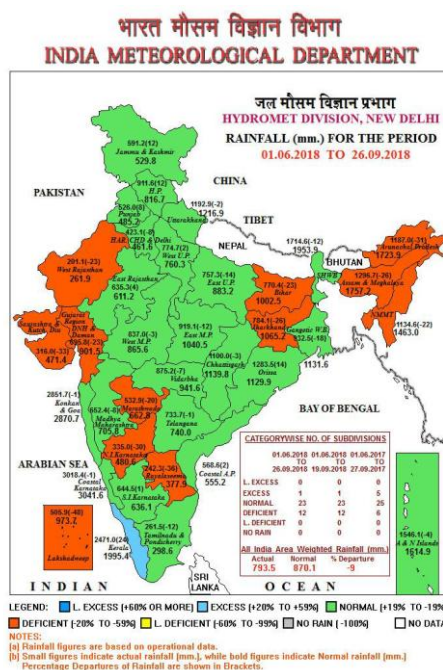
- Onset of monsoon in major soybean growing regions was timely and the rainfall was mostly well distributed, particularly in July and August months (crop establishment and growth phases). Although, there was a pause in monsoon progress after early onset in June and in early to mid-September month.
- Good rainfall during the week 20-26 Sept, 2018 after a dry spell, although slightly affected harvested crop (short duration varieties), proved life saving for the crop.
- For the country as a whole, cumulative rainfall during southwest monsoon 2018 up to 30<sup>th</sup> Sept., 2018 was below LPA by 9.4%.

Table 1. Rainfall distribution up to 30<sup>th</sup> Sept, 2018

Regions	Actual RF (mm)	Normal RF (mm)	% departure from LPA
Country	804.0	887.5	-9.4%
Northwest India	603.2	615.0	-1.9%
Central India	911.3	975.5	-6.6%
South Peninsula	704.4	716.1	-1.6%
East & Northeast India	1087.5	1438.3	-24.4%

Source: IMD

- The districts received less than normal rainfall up to 30.09.2018 are Dewas (-29%), Betul (-35%), Harda (-26%), Sehore (-18%), Anuppur (-28%), Balaghat (-26%), Chhindwara (-27%), Satna (-20%), Seoni (-25%) of Madhya Pradesh and Buldhana (-27%), Parbhani (-22%), Osmanabad (-23%), Aurangabad (-31%), Bid (-33%), Jalna (-29%), Latur (-30%), Sangli (30%) and Solapur (-41%) of Maharashtra.



## Sowing progress and crop condition

- As per first advance estimates for 2018-19 released by MoA&FW, sowing of soybean in the country during *kharif* 2018 (as on 28.09.2018) is completed on 109.6 lakh ha area, higher than 104.71 lakh ha sown during last year same time. Crop condition is good in all major soybean producing states, except sporadic reports of biotic stresses. Harvesting of the crop has started, and new produce started arriving in the markets.

## Soybean: Domestic scenario

- Soybean production in India for the year 2018-19 is estimated at 134.59 lakh tonnes as per first advance estimates of MoA&FW, up from 109.81 lakh tonnes of production estimated for the year 2017-18. (Table 2). Higher area sown under soybean and mostly well distributed monsoon rainfall in all major soybean growing districts expected to result in higher yield realisation.

Table 2. Estimates of area, production and yield of soybean in India.

Year	Area ('000 Ha)	Production ('000 Tons)	Yield (Kg/Ha)	Change in Area (%)	Change in Production (%)	Change in Yield (%)
2014-15	10910.8	10373.8	951			
2015-16	11604.5	8569.8	739	6.36	-17.39	-22.33
2016-17	11183.4	13158.7	1177	-3.63	53.55	59.33
2017-18*	10471.0	10981.0	1049	-6.37	-16.55	-10.87
2018-19**	10960.0	13459.0	1228	4.67	22.57	17.10

\* Fourth advance estimates, \*\* First advance estimates.

Source: Directorate of Economics and Statistics, MOA&FW, New Delhi.

## Soybean: International scenario (Source: AMIS, FAO)

- As per FAO Agricultural Market Information System, global soybean production forecast for 2018-19 raised to 370.5 million tonnes on higher than anticipated US soybean yields and expectations of another record-breaking crop in Brazil (Table 7).
- Soybean utilization in 2018-19 revised downward, reflecting subdued growth in soymeal demand in China and lower than earlier expected crush levels in Brazil and Argentina.
- Trade lowered as imports by China are now forecast to post a decline from 2017-18. Shipment forecasts for the major exporters lowered accordingly.
- Global carry forward stocks further revised sharply upwards, mainly supported by higher forecasts for Argentina and the US.
- China is mulling to cut the soy ration for hogs from the typical 20% to 12%, equal to a demand reduction of up to 25-27 million tonnes of soybeans per year.

## Soybean price movement

- Soybean prices have declined in September month in all major markets, as the harvesting of short duration varieties commenced and new soybean started arriving in the markets. Prices are low on higher arrivals and also on quality concerns. Prevailing prices are below minimum support prices declared for the season, procurement process or any support mechanisms are to be started from last week of September month. Although, soybean prices are ruling significantly higher than the same period previous year.
- Higher production estimates of soybean in the country from this *kharif* season harvest coupled with higher global supplies expected to put pressure on prices. Whereas, the hope of reviving soymeal export opportunities, particularly on expected resumption of exports to China, can help boost the trade sentiments.

- Minimum support prices of soybean increased to Rs. 3399 per quintal for the marketing season 2018-19 from Rs 3050 per quintal for previous year.

Table 3. Prices of soybean in major *mandies*. (Rs/qt)

State	Market	June		July		August		September	
		2017	2018	2017	2018	2017	2018	2017	2018
MP	Dewas	2725	3247	3050	3338	3050	3218	3050	3208
	Dhar	2808	3343	2808	3376	2900	3311	2810	3209
	Indore	2859	3357	2920	3353	2946	3319	2884	3183
	Manasa	2685	3306	2693	3039	2760	3126	2687	3057
	Ratlam	NA	3385	2822	3384	2896	3265	2873	3140
	Ujjain	2837	3468	2848	3429	2920	3346	2954	3225
Mah	Akola	2534	3213	2664	3349	2759	3227	2760	3128
	Amrawati	2611	3048	2620	3208	2673	3111	2693	3012
	Latur	2726	3427	2822	3538	2989	3511	2929	3400
	Wasim	2619	3525	2657	3492	2718	3367	2856	3230
	Yeotmal	2694	3149	2743	3289	2749	3301	2801	3096
Raj	Baran	2692	3200	2733	3285	2798	3208	2746	3197
	Bhawani mandi	2746	3311	2752	3374	2767	3198	2736	3155
	Kota	2797	3352	2831	3372	2877	3254	2853	3259
	Ramganj mandi	2728	3333	2953	3300	2852	3171	2276	3196

Source: agmarknet.gov.in, NA=Not Available

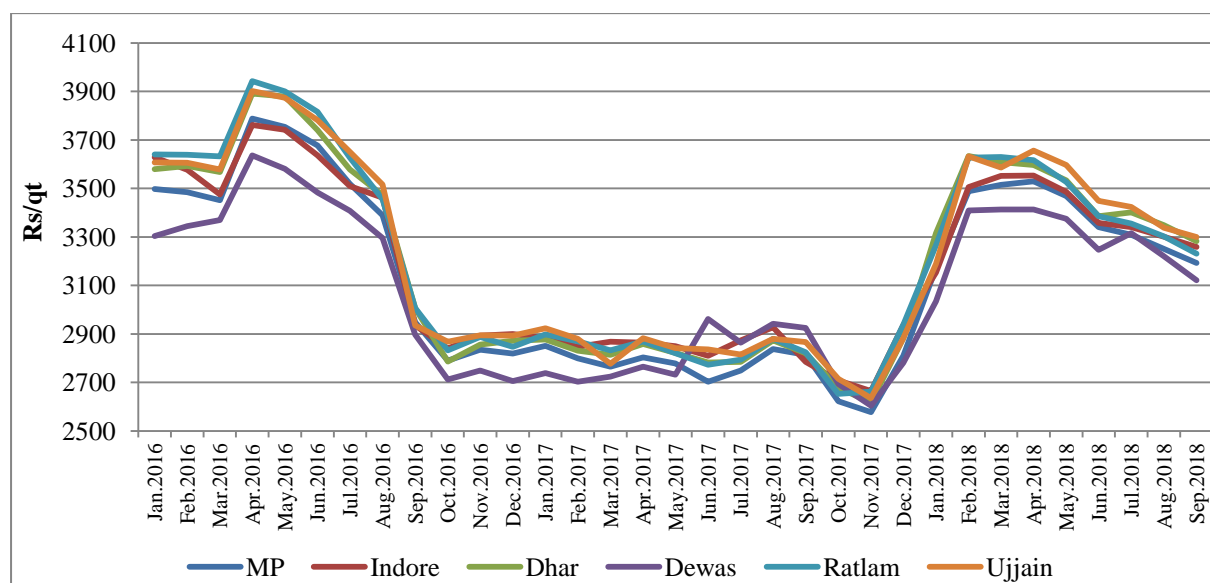


Figure 2. Price trends of soybean in Madhya Pradesh (district and state average of modal price)

- Wholesale price index of soybean (2011-12=100) has decreased in August (147.1) from 157.5 during April, 2018. The wholesale price index for soybean oil also decreased to 146 in August month from 150.4 in May, 2018. Similarly, WPI of soybean meal was 111.7 in August, down from 114.4 in April month (Fig. 3).

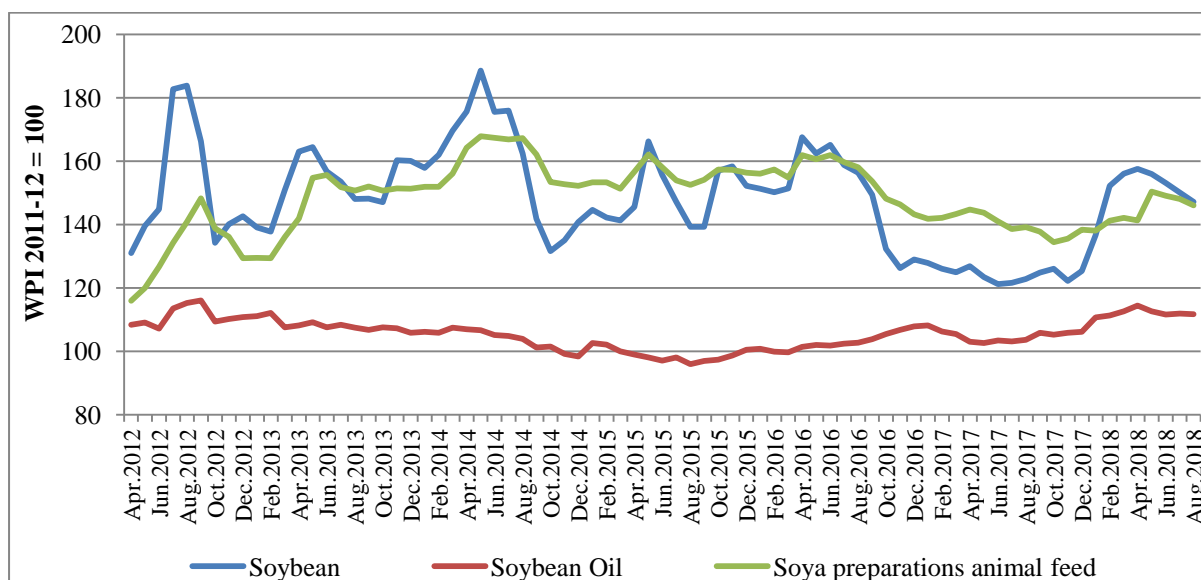


Fig. 3. Wholesale price index for soybean and products. (Data source: Office of Economic Advisor, Ministry of Commerce and Industry, GOI).

- Prices of soy meal and soybean oil continued to decline this quarter (Figure 4) on higher expected production of soybean and decline in international prices of soybean and products.

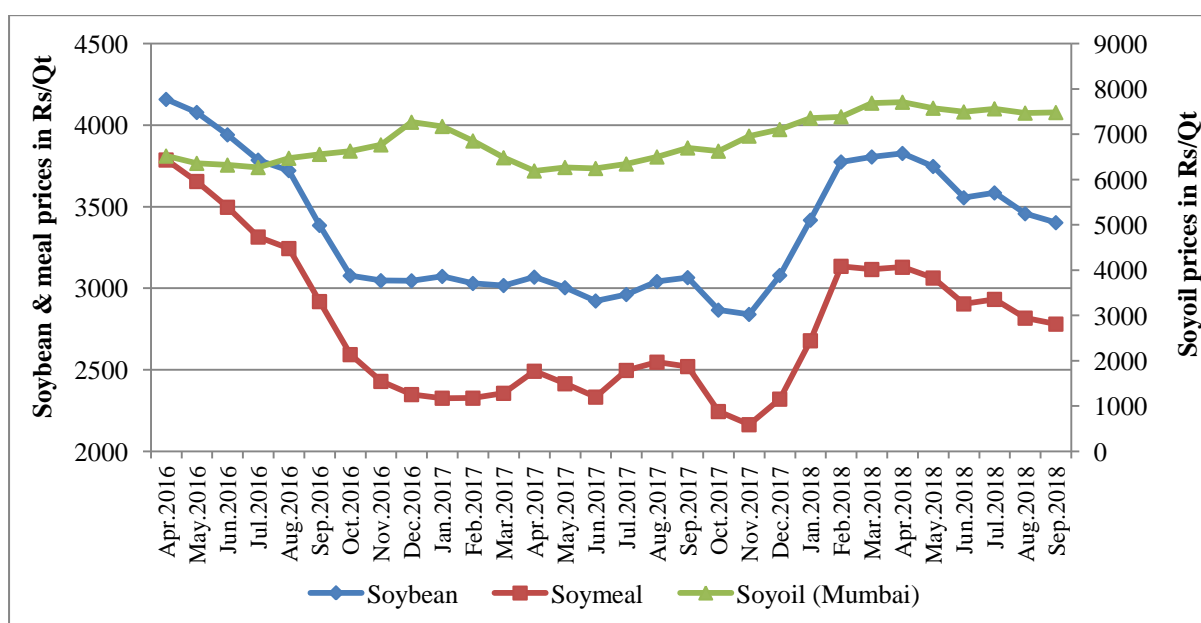


Figure 4. Price movement of soybean and products at Indore market. (Data source: NCDEX)

- Futures prices of soybean and soy oil decreased by 6 to 8 per cent and 1.3 to 2 per cent as compared to previous quarter, respectively for October and November contracts (Table 4). Higher soybean area planted, good monsoon rainfall distribution leading to higher expected domestic production coupled with record estimated global soybean production for 2018-19 added to the bearish sentiments in the market.

Table 4. Futures contract close price

Contract	29.06.2018	31.07.2018	31.08.2018	28.09.2018	% Change*
<b>Soybean (Rs/q)</b>					
Oct 2018	3471	3392	3222	3249	-6.40
Nov 2018	3475	3371	3233	3269	-5.93
Soybean spot	3577	3563	3346	3295.5	-7.87
<b>Soy oil (Rs/10 kg)</b>					
Oct 2018	761.5	739.05	739.75	746.50	-1.97
Nov 2018	764.15	739.05	740.00	748.30	-2.07
Soyoil spot	756.43	752.4	745.48	746.65	-1.29

\* Change in price on last day of Sept, 2018 over last day of June, 2018. Source: NCDEX website

### Movement of international prices

- Contrasting trends in soybean prices at major producers were observed. On the underlying demand strength from China, soybean prices in Brazil firmed up, even though there was pressure from weak currency. While on higher estimated production and low export demand, bearish sentiments prevails in US Gulf export prices. In Argentina, FOB prices were higher supported from tight availabilities and fresh export interest countered the influence of currency movements.
- Overall, the international prices of soybean witnessed downward trend this quarter amid record estimated production led higher supplies and reduced export demand.

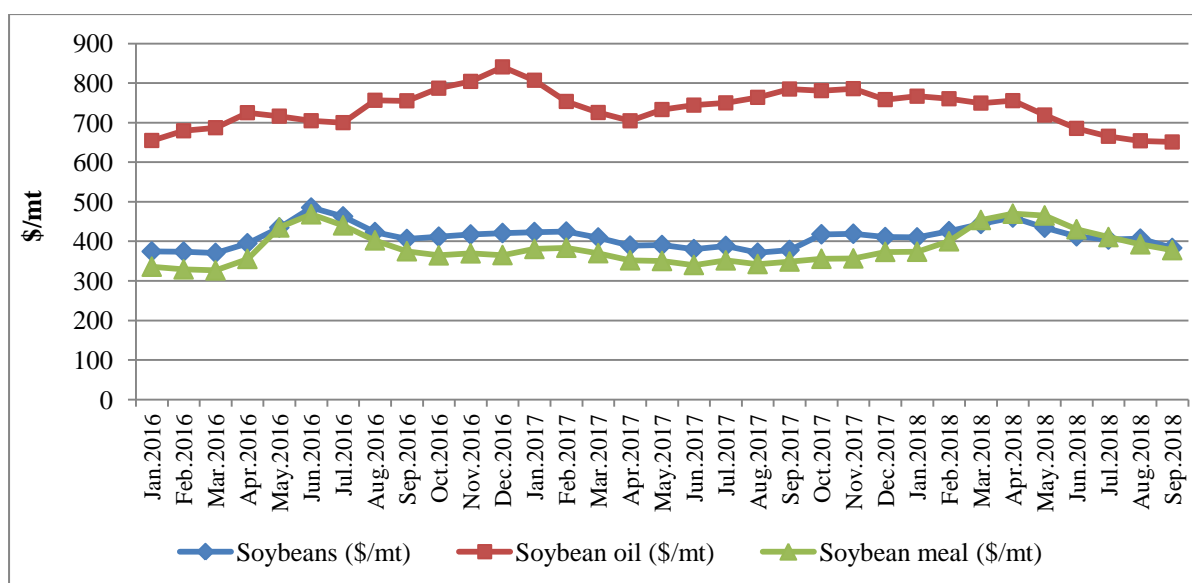


Fig. 5. International price movement of soybean and products (Data source: World Bank Pink Sheet).

- International prices of soy oil and meal also witnessed downward trend as compared to previous quarter, slow pace of import demand coupled with abundant supplies leading to bearish sentiments in international soyoil and meal markets (Figure 5).

### Policy initiatives

- Argentina reduced the tax applying on export shipments of soybeans from 25.5 to 18 percent on 3 September. Taxes on soyoil and soymeal exports, which currently stand at 23 percent, were also reduced to the same level (Source: AMIS, FAO). Earlier on 14 August Argentina's

Treasury Ministry suspended the gradual export tax reduction scheme for soymeal and soybean oil for a period of six months, as part of fiscal tightening.

- China imposed a 25 percent tariff on U.S. soybeans on July 6 in retaliation for U.S. tariffs on Chinese goods.

### Export of soybean products from India

- Export of soybean meals/ de-oiled cakes from during first four months of 2018-19 totalled at 4.96 lakh tonnes, 3% less than the figures during corresponding period 2017-18 export figures (Table 5 & 9). Although, the export of soymeal has increased during June and July months. Good estimated harvest this season, currency devaluation and lower domestic soybean prices coupled with Chinese demand expectations are likely to improve the export figures in the coming months.
- The major export destinations for soybean meal from India were Bangladesh (15.9%), France (11.8%), Germany (11.6%), USA (9.3%), Nepal (8.6%), Iran (7.7%) and Netherlands (4.3%).
- The country also exported soybean (HS 120190) to the tune of 39443 qt valued at Rs. 16218 lakhs during April-July this year and soybean of seed quality (HS 120110) at 3089 tonnes valued at Rs. 1310 lakhs. These products were mainly destined to Canada, USA, Belgium, France and Spain.
- The country also exported other soybean products such as soybean flour, soy oil, soy sauce and soy milk drinks (Table 9).

Table 5. Month wise export of soybean meal (HS 230400) from India

Months	Quantity (Tonnes)			Value (Rs. Lacs)		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
April	16314.69	202767.53	100355.41	6867.77	53457.30	32804.10
May	18360.43	119355.83	101511.95	8111.94	33100.62	35719.85
June	33467.38	100839.11	156045.34	13685.65	27654.02	53229.56
July	22642.87	87877.38	137839.43	9748.54	25340.74	47485.43
August	21967.61	209797.17		9129.63	53948.29	
September	26454.41	72159.84		10335.85	22250.21	
October	40575.11	107791.59		13626.23	30508.23	
November	129700.56	303928.39		37650.42	78924.66	
December	317004.01	294389.00		88467.90	76827.48	
January	203596.17	182407.30		55926.71	48616.11	
February	225110.55	128510.96		60117.88	36022.92	
March	220983.70	84629.25		59500.61	26391.93	
<b>Total</b>	1276177.46	1894453.34	495752.13	373169.14	513042.38	169238.94

Source: DGCI&S, Kolkata

### Import of soybean oil and other soy products to India

- The country imported 11.77 lakh tonnes of soybean crude oil, about 14 per cent less from same period last year, valued at Rs. 6313.34 Crores during April-July months of 2018-19. Nearly 69.4 per cent of soybean crude oil is sourced from Argentina, 21.9 per cent from Brazil and 2.3% from Switzerland, 1.8% from Germany and Netherlands each.



Table 6. Month wise import of soybean oil w/n refined not chemically treated (HS 1507) in India

Months	Quantity (Tonnes)			Value (Rs. Lacs)		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
April	316366.07	326582.88	235491.89	158499.36	173575.76	125604.73
May	301347.07	364836.73	325481.53	152973.25	183282.27	176372.71
June	296042.85	284603.33	331957.32	156366.95	143482.31	179707.99
July	321429.40	393968.97	283722.84	169450.72	201953.63	149,648.75
August	380359.23	338791.84		197947.71	174367.37	
September	370928.51	346653.54		194544.69	181494.94	
October	365958.05	238890.75		194676.67	128465.67	
November	206340.78	231827.93		112542.63	126236.39	
December	232007.96	139491.08		133606.68	75981.01	
January	197026.62	227464.04		118906.44	121265.30	
February	209100.24	117943.76		126565.53	63177.34	
March	267691.24	141315.68		154648.36	76017.72	
<b>Total</b>	<b>3464598.00</b>	<b>3152370.50</b>	<b>1176653.58</b>	<b>1870729.00</b>	<b>1649299.71</b>	<b>631334.18</b>

Source: DGCI&S, Kolkata

- The Import of soybean (HS 120190) has increased tremendously to 100991.7 tonnes during April-July 2018-19 valued at Rs. 346.60 Crores, mainly from Ethiopia (47.9%), Benin (20.9%), Malawi (10.6%), Mozambique (9%) and Djibouti (5%). The country imported about 81715 tonnes of soybean valued at 250.25 Crores during the year 2017-18.

**Table 7. Supply and distribution of soybean in major producing countries and the World.**

Country	Year	Area (m ha)	Production (m t)	Opening Stock (m t)	Domestic supply (m t)	Imports (m t)	Total Supply (m t)	Dom. Utilization (m t)	Exports (m t)	Closing stock (m t)
Argentina	2018/19	18.00	54.00	5.80	59.80	2.10	61.90	49.60	5.90	6.40
Argentina	2017/18	16.00	37.78	16.80	54.58	3.80	58.38	49.38	3.20	5.80
Argentina	2016/17	17.75	55.00	16.20	71.20	1.70	72.90	48.60	7.50	16.80
Argentina	2015/16	19.53	57.50	15.00	72.50	0.40	72.90	47.65	9.05	16.20
Brazil	2018/19	36.50	119.60	2.40	122.00	0.40	122.40	48.10	73.50	0.80
Brazil	2017/18	35.15	119.00	6.47	125.47	0.30	125.76	49.36	74.00	2.40
Brazil	2016/17	33.91	114.08	1.99	116.07	0.30	116.07	45.40	64.50	6.47
Brazil	2015/16	33.25	95.44	0.96	96.39	0.40	96.39	43.21	51.59	1.99
China	2018/19	8.39	15.37	13.40	28.77	95.50	124.27	112.37	0.30	11.60
China	2017/18	7.78	14.55	14.50	29.05	95.20	124.25	110.45	0.40	13.40
China	2016/17	7.20	12.94	14.70	27.64	93.50	121.13	106.43	0.20	14.50
China	2015/16	6.45	11.60	16.20	27.80	83.20	111.00	96.15	0.15	14.70
India	2018/19	11.80	12.50	0.16	12.66	0.05	12.71	12.03	0.28	0.40
India	2017/18	10.45	10.93	0.94	11.87	0.16	12.03	11.58	0.29	0.16
India	2016/17	11.18	13.16	0.14	13.30	0.09	13.39	12.18	0.28	0.94
India	2015/16	11.61	8.57	0.80	9.37	0.05	9.42	9.15	0.13	0.14
USA	2018/19	35.96	124.81	11.69	136.50	0.68	137.18	59.77	56.06	21.35
USA	2017/18	36.24	119.52	8.21	127.73	0.60	128.33	59.21	57.43	11.69
USA	2016/17	33.47	116.92	5.35	122.27	0.61	122.88	55.51	59.16	8.21
USA	2015/16	33.06	106.85	5.20	112.05	0.65	112.70	54.66	52.69	5.35
World	2018/19	129.30	370.50	40.20	410.70	151.00	561.70	355.70	152.10	53.90
World	2017/18	124.58	340.60	52.60	389.50	150.90	544.10	35..26	150.64	40.20
World	2016/17	120.77	350.48	44.41	394.89	148.55	543.44	341.53	149.31	52.60
World	2015/16	121.67	316.34	44.07	360.41	134.65	495.06	321.65	129.00	44.41

Source: AMIS, FAO website.

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001  
E-mail for suggestions: dsrdirector@gmail.com / Purushottam.Sharma@icar.gov.in



Table 8. Import of soybean and products in India (Quantity in tonnes and Value in Rs. Lakhs)

HS Code	Crop commodity	2015-16		2016-17		2017-18		2018-19 (April-July)	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
15071000	Soybean crude oil w/n degummed	3964009.5	1941900.55	3464460.5	1870341.10	3152168.50	1648879.32	1176032.54	630688.53
120190	Other soybeans w/n broken	20557.7	8138.2	79729.65	27894.74	81715.18	25024.61	100991.71	34660.24
35040091	Isolated soya protein	5768.97	13893.57	5585.00	12518.52	4472.65	9428.33	3171.21	7708.69
120110	Soybeans w/n broken of seed qty	154	51.52	1645.44	452.59	7407.92	1924.69	-	-
23040010	Oil-cake & oil-cake meal of soybean expeller variety	33.19	65.34	2109.63	886.02	4057.52	1485.00	619.00	209.23
21031000	Soy sauce	234.08	282.44	694.13	679.94	854.74	858.68	261.53	322.16
15079090	Soybean oil other than edible grade	1105.83	848.86	113.79	318.77	89.77	252.51	67.67	171.20
15079010	Soybean oil of edible grade	21.79	50.28	23.73	69.13	112.25	167.89	553.35	474.45
22029910	Soy milk drinks w/n sweetened or flavored	256.63	290.9	235.03	244.58	124.97	71.39	280.94	283.06
23040030	Meal of soybean solvent extracted (defatted) variety	135	35.64	3049.15	940.40	500.00	194.95	-	-
23040090	Oth. solid residues resulting from of extrn soybean oil	1836.64	540.39	24687.61	7095.73	48.91	78.54	40.02	80.87
12081000	Flours and meals of soybeans	2.18	1.56	35.39	30.71	0.91	0.65	-	-
23040020	Oil cake of soybean solvent extracted (defatted) variety	4237	1264.64	4628.00	1388.34	-	-	-	-

Source: DGCI&S, Kolkata

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001  
E-mail for suggestions: dsrdirector@gmail.com / Purushottam.Sharma@icar.gov.in

Table 9. Export of soybean and products from India (Quantity in tonnes and Value in Rs. Lakhs)

HS Code	Crop commodity	2015-16		2016-17		2017-18		2018-19 (April-July)	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
23040030	Meal of soybean solvent extracted (defatted) variety	285268.4	103482.2	833058.4	232734.8	1218605.0	317615.46	316637.24	102098.11
120190	Other soybeans w/n broken	185046.94	82427.05	180797.11	74821.58	270207.74	98517.46	39443.16	16217.99
23040090	Other solid residues resulting from of extraction soybean oil	64729.4	23194.2	243799.8	69963.6	299011.48	77737.16	50043.96	18065.77
23040010	Oil-cake & oil-cake meal of soybean expeller variety	56618.32	23238.58	144011.08	54595.19	229882.19	78997.29	76029.76	31394.77
23040020	Oil cake of soybean solvent extracted (defatted) variety	6371.00	2105.30	55308.29	15875.56	146954.53	38692.48	53041.18	17680.29
12081000	Flours and meals of soybeans	88186.77	38089.54	91243.82	36917.28	44126.09	15388.99	5922.51	2892.54
120110	Soybeans w/n broken of seed qty	812.87	379.23	2501.05	1064.12	5142.15	1,966.38	3089.29	1310.33
15079090	Soybean oil other than edible grade	1210.89	817.58	208.08	285.07	2566.60	2053.03	1890.49	1572.62
15079010	Soybean oil of edible grade	1382.17	1060.09	175.40	152.50	1154.08	916.60	674.77	630.10
21031000	Soy sauce	683.01	424.30	977.10	583.31	907.66	564.90	319.28	167.69
35040091	Isolated soya protein	44.15	82.03	111.91	107.24	214.91	247.43	14.47	51.81
22029910	Soy milk drinks w/n sweetened or flavored	3.92	13.30	77.31	378.48	26.32	121.74	17.25	18.92
15071000	Soybean crude oil w/n degummed	40.37	33.09	36.46	22.25	64.43	49.28	-	-

Source: DGCI&S, Kolkata

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001  
E-mail for suggestions: dsrdirector@gmail.com / Purushottam.Sharma@icar.gov.in