

Soyabean Outlook – September 2020

World scenario

World soyabean production in 2018-19 is estimated as 348.71 million tonnes from a total area of 124.92 million hectares. United States of America ranks first in soyabean production with 123.66 million tonnes followed by Brazil (117.88 million tonnes), Argentina (37.78 million tonnes), China (14.19 million tonnes) and India (13.78 million tonnes) accounting for 35, 33, 10, 4 and 4 percent of world production. India ranks fourth in area with 11.40 million hectares (28.16 million acres) accounting for 9.12% of the world area and fifth in production with 13.78 million tonnes.

The major soyabean growing states are Madhya Pradesh, Maharashtra, Rajasthan, Karnataka, and Telangana. As per the fourth advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 112.15 lakh tonnes as compared to 132.68 lakh tonnes in 2018-19.

Table 1: Global Soyabean Supply and Demand (in million tonnes)

	2018/19 (Estimated)	2019/20 (Forecasted)	2020/21 (Projected)
Opening Stocks	47.60	61.10	47.20
Production	363.00	338.60	365.30
Imports	151.60	158.00	161.50
Total Availability	410.50	399.80	412.50
Food	19.30	20.40	21.10
Feed	13.80	12.50	15.10
Crush	306.60	310.60	318.60
Total Consumption	349.40	352.60	364.50
Exports	151.60	158.00	161.50
Ending Stocks	61.10	47.20	48.00

Source: <https://igc.int/en/default.aspx>

Indian scenario

Table 2: Indian Soyabean Supply and Demand (in million tonnes)

	2018/19 (Estimated)	2019/20 (Forecasted)	2020/21 (Projected)
Opening Stocks	0.50	0.50	0.40
Production	13.30	12.20	12.90
Imports	-	0.10	-
Total Availability	13.80	12.90	13.30
Food	0.40	0.50	0.50
Feed	0.70	0.80	0.80
Crush	12.00	11.20	11.50
Total Consumption	13.10	12.40	12.80
Exports	0.20	0.10	0.10
Ending Stocks	0.50	0.40	0.40

Source: <https://igc.int/en/default.aspx>

Table 3: State wise area under soyabean in India

State	2019-20			2020-21		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Madhya Pradesh	54.77	135.34	48.57	58.49	144.53	48.49
Maharashtra	39.46	97.51	34.99	42.70	105.51	35.40
Rajasthan	10.60	26.19	9.40	11.00	27.18	9.12
Karnataka	3.24	8.01	2.87	3.32	8.20	2.75
Telangana	1.72	4.25	1.53	1.58	3.90	1.31
Others	2.97	7.34	2.63	3.53	8.72	2.93
All India	112.76	278.64	100.00	120.62	298.06	100.00

Source: www.agricoop.com

In India, as on 3rd September 2020 area under soyabean during 2020-21 was 120.62 lakh hectares as against 112.76 lakh hectares during 2019-20. Among the states, Madhya Pradesh stood first with 58.49 lakh ha followed by Maharashtra (42.70 lakh ha), Rajasthan (11.00 lakh ha), Karnataka (3.32 lakh ha) and Telangana (1.58 lakh ha).

Soyabean prices in India

Table 4: State wise Wholesale Prices Monthly Analysis for Soyabean August, 2020

State	Prices August, 2020	Prices July, 2020	Prices August, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Chhattisgarh	3203.88	3418.33	3535.2	-6.27	-9.37
Gujarat	3752.62	3584.01	3531.17	4.7	6.27
Karnataka	3557.5	3566.97	3601.66	-0.27	-1.23
Madhya Pradesh	3567.39	3514.26	3462.71	1.51	3.02
Maharashtra	3583.42	3636.55	3532.81	-1.46	1.43
Rajasthan	3593.5	3576.95	3529.56	0.46	1.81
Telangana	3451.98		3689.22	—	-6.43
Uttar Pradesh	5108.98	5115.34	4511.8	-0.12	13.24
Average	3727.41	3773.2	3635.46		

Source: https://agmarknet.gov.in/PriceTrends/SA_Pri_MonthRep.aspx

The domestic soymeal demand continues to be weak mainly due to the weak demand in poultry attributed to the COVID-19 pandemic. The domestic average soymeal prices at Indore, witnessed gains to Rs. 29,722/MT compared to the average of Rs 28,715/MT previous month. India's Y-o-Y soy meal prices at Indore are currently lower. Soy meal Indore was quoted lower between Rs 29,722/MT during the week compared to Rs 30,556/MT during the corresponding period of last year.

Telangana scenario

In Telangana, as on 2nd September 2020 area under soyabean was 3,92,479 acres as against 4,25,563 acres during 2019-20. Among the districts, Kamareddy stood first with 82,907 acres followed by Adilabad (78,006 acres), Nirmal (75,888 acres), Nizamabad (73,613 acres) and Sangareddy (71,559 acres).

Table 5: District wise area under soyabean in Telangana State

District	2019-20			2020-21		
	Area (ha)	Area (acres)	% to total area	Area (ha)	Area (acres)	% to total area
Kamareddy	45035.92	111286	26.15	33551.32	82907	21.12
Adilabad	32290.32	79791	18.75	31567.96	78006	19.88
Nirmal	39192.25	96846	22.76	30710.83	75888	19.34
Nizamabad	31645.25	78197	18.37	29790.17	73613	18.76
Sangareddy	17775.44	43924	10.32	28958.94	71559	18.23
Others	6280.33	15519	3.65	4251.63	10506	2.68
Telangana State	172219.50	425563	100.00	158830.86	392479	100.00

Source: www.agritelangana.gov.in

Table 6: Prices and Arrivals of soyabean at Nizamabad Market in the Month of August 2020

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
21	10	3,412	3,412	3,412
24	1	3,320	3,320	3,320

China has bought 10.09 million tonnes of soybean in July'20, of which about 8.81 million tonnes is imported from Brazil alone, mainly due to the competitive price offer on bumper soybean production in Brazil.

India's July'20 soymeal exports were improved by 9% which lend some support to the soybean. However, higher soy oil imports and overall lower than normal soy meal demand kept the crush margin negative to the millers, which discouraged aggressive crushing this season.

India's July'20 edible oil imports increased 13% to 15.17 lakh tonnes on a year-on-year basis. This is the highest import in the last 11 months of the oil year 2019-20. India's July'20 soybean oil imports surged by 52% to 4.84 lakh tonnes compared to 3.19 lakh tonnes in July'19, discouraging the domestic bean crushing.

SOPA has pegged India's 2020 soybean output at 12.25 million tonnes after a recent crop survey. Country is expected to start the new marketing year with soybean carry-in stocks of 1.3-1.5 million tonnes, up from 150,000 - 170,000 tonnes a year ago.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Soybean is likely to trade in price range between **Rs. 3300 – 3500** per quintal in the month of September 2020.