

Soybean Outlook – December 2018

World scenario

USDA has reported that Argentina has become the largest importer of USA soybean over the last three months as trade declines between China and USA. Almost 1.3 million tonnes of USA soybean has been inspected for export to Argentina between 1st September and 22nd November as compared to nothing in the year ago period. Normally Argentina processes its own soybean to export meal and oil, but with China looking for non American soybean, the country is shipping out more raw beans and buying from USA to feed its own mills.

As per data reported by China's General Administration of Customs, the country's soy imports from Brazil were also reported to have nearly doubled in October 2018 to 6.53 million tonnes compared to 3.38 million tonnes in October 2017.

Indian scenario

Soybean is one of the fastest growing crops in India. It is recognized as one of the premier crops around the world. Due to high protein content and high oil content soybean is considered to be an important food commodity. The soya protein is called complete protein because it supplies sufficient amount of amino acids. In India during 2018-19, about 112.61 lakh ha area was covered under soybean as compared to 105.92 lakh ha covered during corresponding period of last year.

Table 1: State wise area under soybean in India

State	2017-18 Area in lakh hectares	2018-19 Area in lakh hectares	Change in area over 2017-18
Telangana	1.65	1.78	+ 0.13
Chhattisgarh	1.32	1.29	- 0.03
Gujarat	1.29	1.35	+ 0.06
Karnataka	2.71	3.39	+ 0.68
Madhya Pradesh	50.1	53.18	+ 3.08
Maharashtra	38.39	39.97	+ 1.58
Rajasthan	9.69	10.46	+ 0.77
Other States	0.77	1.19	+ 0.42
Total	105.92	112.61	+ 6.69

Source: www.agricoop.com

Soybean prices in India

There is arrivals pressure maintained in the cash soybean market but at the same time the crush demand is equally compensating the supplies pressure. Vertically integrated poultry units are also busy in buying as they fill up their pipelines ahead of peak winter demand for poultry products.

Table 2: Monthly prices of Soybean in major markets of India (Rs/q)

Market	Oct-18		Nov-18	
	Minimum	Minimum	Minimum	Maximum
Indore	3100	3000	3200	3400
Nagpur	3190	3090	3000	3320
Latur	3030	2930	2900	3485
Akola	3050	2950	2900	3300
Kota	3050	2950	3170	3275
Bundi	3020	2920	3140	3220
Baran	2900	2900	3200	3250

Source: www.agriwatch.com

Currently, soybean is being traded in all major markets of country at around Rs. 2900 to 3485 per quintal and in all markets prices had increased over the previous month.

Telangana State scenario

As on 26th September 2018 the area under soybean was 178935 hectares as against 164971 hectares during corresponding period of last year and the same was increased in Asifabad, Nirmal, Adilabad, Kamareddy and Sangareddy districts compared to last year.

Table 3: District wise area under soybean in Telangana State

District	2017-18 (Area in ha)	2018-19 (Area in ha)	Change over 2017-18
Kamareddy	41113	45223	+4110
Nirmal	37252	40344	+3092
Nizamabad	41474	39313	-2161
Adilabad	22998	30120	+7122
Sangareddy	12490	14880	+2390
Asifabad	3792	5552	+1760
Jagityal	3020	1490	-1530
Vikarabad	1250	1079	-171
Medak	1150	590	-560
Other Districts	432	344	-88
Total	164971	178935	+13964

Source: www.agritelangana.gov.in

Soybean Prices in Telangana**Table 4: Monthly Prices of Soybean during November 2018 at Nizamabad**

Date	Arrivals (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	253	2700	3308	3282
3	81	2058	3288	3258
9	256	2161	3333	3261
10	64	2158	3288	3258
12	113	2229	3318	3285
13	30	3000	3360	3360
14	93	2555	3368	3330
15	40	3000	3318	3228
16	123	2922	3320	3260
19	67	2233	3333	3295
20	13	2750	3288	3272
22	52	2978	3337	3306
24	29	2240	3337	3301
28	56	2990	3338	3301
29	30	3238	3268	3238
30	45	3058	3218	3138

Source: www.tsmarketing.in

Soybean arrivals were tepid through the week across all major states. On the whole approximately 28.5 lakh bags of arrivals were estimated in Madhya Pradesh, Maharashtra and Rajasthan put together, compared to about 45 lakh bags during the last week. The spot market has not made any gains despite the decline in arrivals, even though futures market has made significant gains.

Prices of soybean in Nizamabad market during November 2018 ranged between Rs.3138 to 3360 per quintal. Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Soybean is likely to trade in price range between **Rs. 3000 – 3400** per quintal in the month of December 2018.