

## Soyabean Outlook – July 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 third advance crop estimates 2019-20 of Ministry of Agriculture, Soyabean production is estimated at 122.42 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	47.40	60.30	43.90
Production	362.40	336.70	364.00
Imports	151.60	155.10	160.20
Total Availability	409.80	397.10	407.90
Food	19.30	20.40	21.00
Feed	13.80	13.80	14.70
Crush	306.70	309.80	317.30
Total Consumption	349.50	353.10	362.50
Exports	151.60	155.10	160.20
Ending Stocks	60.30	43.90	45.40

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	13.20
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	0.20
Ending Stocks	0.50	0.40	0.30

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
<b>Madhya Pradesh</b>	8.50	21.00	51.73	42.22	104.33	51.61
<b>Maharashtra</b>	0.90	2.22	5.48	29.13	71.98	35.61
<b>Rajasthan</b>	5.37	13.27	32.68	4.82	11.91	5.89
<b>Karnataka</b>	0.55	1.36	3.35	2.29	5.66	2.80
<b>Telangana</b>	0.42	1.04	2.56	1.42	3.51	1.74
<b>Others</b>	0.69	1.71	4.20	1.93	4.77	2.36
<b>All India</b>	16.43	40.60	100.00	81.81	202.16	100.00

Source: www.agricoop.com

In India, as on 2<sup>nd</sup> July 2020 area under soyabean during 2020-21 was 81.81 hectares as against 16.43 hectares during 2019-20. Among the states, Madhya Pradesh stood first with 42.22 lakh ha followed by Maharashtra (29.13 lakh ha), Rajasthan (4.82 ha), Karnataka (2.29 lakh ha) and Telangana (1.42 lakh ha).

**Soyabean prices in India**

**Table 4: State wise Monthly Wholesale Prices Analysis for Soyabean (Rs/q)**

State	June, 2020	May, 2020	June, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
<b>Chattisgarh</b>	3473.71	3511.69	3509.03	-1.08	-1.01
<b>Gujarat</b>	3743.01	3828.88	3678.4	-2.24	1.76
<b>Karnataka</b>	3579.84	3577.97	3594.8	0.05	-0.42
<b>Madhya Pradesh</b>	3618.22	3652.65	3502.95	-0.94	3.29
<b>Maharashtra</b>	3567.13	3727.46	3488	-4.3	2.27
<b>Rajasthan</b>	3707.68	3629.98	3626.99	2.14	2.22
<b>Telangana</b>	3510.03		3578.9	—	-1.92
<b>Uttar Pradesh</b>	5183.2	5218.7	4618.49	-0.68	12.23
<b>Average</b>	3797.85	3878.19	3920.63		

Source: [https://agmarknet.gov.in/PriceTrends/SA\\_Pri\\_MonthRep.aspx](https://agmarknet.gov.in/PriceTrends/SA_Pri_MonthRep.aspx)

Soybean is likely to remain under pressure on bearish global and domestic scenario of soymeal. The poultry demand is expected to improve with the relaxation in lockdown, currently the number of COVID cases are rapidly increasing in India posing risk in improvement in poultry demand.

**Telangana scenario**

In Telangana, as on 1<sup>st</sup> July 2020 area under soyabean was 3,51,420 acres as against 1,05,318 acres during 2019-20. Among the districts, Nirmal stood first with 81,120 acres followed by Nizamabad (75,474 acres), Kamareddy (74,895 acres), Adilabad (65,551 acres) and Sangareddy (47,771 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
<b>Nirmal</b>	29214	72190	68.54	32828	81120	23.08
<b>Nizamabad</b>	2934	7250	6.88	30543	75474	21.48
<b>Kamareddy</b>	3662	9050	8.59	30309	74895	21.31
<b>Adilabad</b>	2100	5190	4.93	26528	65551	18.65
<b>Sangareddy</b>	2399	5927	5.63	19332	47771	13.59
<b>Others</b>	2311	5711	5.42	2675	6609	1.88
<b>Telangana State</b>	42621	105318	100.00	142215	351420	100.00

Source: www.agritelangana.gov.in

Chinese purchases of soybeans reached new monthly records in May and June. In Oct/Sept 2019/20 they are now expected to reach 94.4 million tonnes, a new high – Oil World.

Soybean further declined mainly on subdued demand for soymeal export and cheaper edible oil imports prospective. Comfortable soybean stock in hand with crushers, weak soymeal exports and expectation of normal monsoon will continue to weigh the bean prices. Soybean plant delivery price further declined in Indore cash market to Rs. 3,650-3,920 from Rs. 3,700-4,050 previous week, on very limited buying in the market.

There is a weak demand from the poultry and feed manufactures due to the decline in poultry or consumption of animal protein since last couple of months. Currently, India's poultry industry continues to reel under pressure as it has been severely hit due to corona virus pandemic. Exports demand for oil meals of Indian origin continues to be thin as competitive price was offered for soymeal by South America.

SOPA is concerned on the falling demand from the traditional buyers like France, Japan, Iran, Korea and Nepal for soymeal of Indian origin. The poultry sector consumes 60% of the soymeal in India and there are no takers for it leading around half of the processing units being shut. The domestic soymeal prices at Indore fell and was quoted between Rs 29,500 – 30,000/MT compared to Rs 29,700 – 31,000/MT previous week.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Soybean is likely to trade in price range between **Rs. 3500 – 3700** per quintal in the month of July 2020.