

Soybean Outlook – July 2018

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.

According to USDA, about 77% of the crop is in good to excellent condition which was only 66% during previous year. Favorable weather conditions in the soybean growing regions will weigh on the market in the coming days. The USDA estimated 89.6 million acres of soybean planted in the United States for 2018 was down by 1% from last year, according to the latest acreage report. According to Datagro consultancy, soybean output in Brazil is expected to increase to 189.5 MMT in 2018 -19 as compared to 170.3 MMT during the previous year.

According to USDA June estimate, India's soy oil imports estimate in 2018-19 is increased to 36.50 lakh tons from previous estimate of 35.50 lakh tons. Soy oil production estimate is unchanged at 16.35 lakh tons. Consumption estimate of soy oil is reduced to 51.0 lakh tons from previous estimate of 52.0 lakh tons. End stocks estimate of soy oil is increased to 4.28 lakh tons from 1.28 lakh tons of previous estimate.

Government of India (GOI) hiked import duty on soy oil and sunflower oil recently. Import duty on crude soy oil was hiked from 30 to 35%, while on refined soy oil it was hiked to 45% from 35%.

According to industry sources, acreage under soybean is expected to increase by around 10 to 15% this season. Farmers are likely to shift from cotton and pulses towards soybean. Higher soybean production will translate into higher soy meal production. This may likely to increase soy meal exports in the coming season. For the year 2018-19, Central Government has announced MSP of soybean as Rs. 3399 per quintal which is Rs. 349 more than that was during last year (Rs. 3050) and also 50% more than that of the CACP production cost estimate of Rs. 2266.

The price data given in Table 1 reveals that all major markets of soybean in the country were integrated. Except in Latur and Kota markets, soybean prices were declined in all other major markets as compared to previous month. Currently, soybean is being traded in all major markets of country at around Rs. 3150 to 3400 per quintal.

Table 1: Monthly prices of Soybean in major markets of India (Rs/q)

Centre	Prices (Rs/q)			
	May-18		June-18	
	Low	High	Low	High
Indore	3400	3600	3200	3400
Nagpur	3150	3500	3150	3375
Latur	3200	3460	3300	3625
Kota	3300	3400	3350	3400
Bundi	3500	3550	3750	3350
Baran	3300	3400	3200	3240
Jhalwar	3450	3530	3300	3350

Source: www.agriwatch.com

According to all India crop situation report, kharif 2018-19, Ministry of Agriculture, Government of India, the area covered under soybean in the country was 51.63 lakh as on 6th July 2018. The same in major soybean producing states i.e., Madhya Pradesh, Maharashtra, Karnataka, Rajasthan and Telangana was 27.55 lakh ha, 16.00 lakh ha, 2.62 lakh ha, 3.66 lakh ha and 1.09 lakh ha respectively. In Telangana state it is mainly cultivated as a kharif crop in Northern Telangana districts of Adilabad, Komaram Bheem, Nirmal, Nizamabad and Medak.

Table 2: Prices and arrivals of Soybean in Bainsa and Nizamabad market during June 2018

Market	Date	Arrival (Tonnes)	Model price (Rs/quintal)
Bhainsa	5	0.1	3109
	27	0.3	3009
	29	0.1	3279
	30	0.2	3286
Zaheerabad	11	0.9	3250
	18	0.6	3283
Nizamabad	26	0.2	3200
Pitlam	22	1.9	3050

Source: www.agrimarketing.telangana.gov.in

Prices and arrivals of Soybean in Bainsa, Zaheerabad, Nizamabad and Pitlam markets during June 2018 presented in Table 2 indicates that presently soybean price in the state is ruling around Rs.3000-3250 per quintal under low arrivals situation.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Soybean is likely to trade in price range between Rs. 3100 - 3200 per quintal in the month of July 2018.