



ICAR- Indian Institute of Soybean Research

SOYBEAN MONITOR/ MARKET WATCH

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PREPARED BY:

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

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Production of soybean in India

Soybean is a leading oilseed crop in India cultivated mainly as a rainfed crop during *kharif* season. As per first advance estimates, total production of soybean in India is estimated to be 12.22 million tonnes during 2017-18 from an area of 10.56 million hectares. Production of soybean during 2016-17 was estimated to be 13.79 million tonnes (4th advance estimates) from an area of 11.32 million hectares with the productivity of over 1.2 t/ha (Table 1). Area under soybean is estimated to decline during *kharif* 2017 by 6.7% from previous year mainly due to price concerns and high inter-year yield variability on account of weather woes. Due to uneven distribution of rainfall and drought conditions at critical stages of crop growth in major soybean growing districts, yield is expected to decline (by 5% over the previous year) and thus, the total production (by 11.4%) of soybean for *kharif* 2017 crop.

Table 1. 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	950.8			
2015-16	11604.5	8569.8	738.5	6.36	-17.39	-22.33
2016-17*	11320.0	13794.0	1218.6	-2.45	60.96	65.01
2017-18**	10560.0	12217.0	1156.9	-6.71	-11.43	-5.06

* Fourth advance estimates, ** First advance estimates.

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

International soybean scenario

Total production of soybean in the world is projected to be around 345.9 million tonnes during 2017-18, marginal decline of about 3 million tonnes over the previous year estimates, from an area of 126.1 million hectares. Five major producing countries (USA, Brazil, Argentina, India and China) account for more than 85.2% of global soybean area and 88.3% of production. The record production of soybean was estimated during 2016-17 at 348.6 million tonnes (Table 5). The highest ever global opening stock of soybean is projected this

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001

E-mail for suggestions: dsrdirector@gmail.com

year leading to record domestic supply. Although, higher domestic utilisation and exports of soybean is expected this year, but the closing stock is projected to be lower at around 45.9 million tonnes. Higher global production and supply of soybean and higher closing stock is expected to put pressure on international prices.

Soybean price scenario

Soybean farmers were facing typical problem of prices ruling below minimum support price (MSP), particularly after harvest period. Against the MSP of Rs. 3050/qt soybean prices traded in the range of Rs. 2000 to 3200/qt particularly after the harvest of *Kharif* 2017 crop (Table 2). Although, state government of Madhya Pradesh launched a scheme called 'Bhavanter Bhugtan Yojana' to compensate farmers the difference of prices in case of market price (corresponding Modal Rate for the particular month of sale) rules below MSP for selected agricultural products including soybean. Farmers were asked to register to get the benefit of this scheme. Central Board of Excise and Customs, GOI increased custom duty for import of soybean and soy oils through notification no. 87 & 88/ 2017 on 17.11.2017. These policy initiatives have helped in improving the soybean and its products prices particularly in the month of December.

Table 2. Prices of soybean in major mandies. (Rs/qt)

State	Market	Oct.2017		Nov.2017		Dec.2017	
		Minimum	Average	Minimum	Average	Minimum	Average
MP	Indore	2000.0	2810.0	2000.0	2714.6	2000.0	2968.6
	Dewas	2000.0	3050.0	2300.0	2672.5	2230.0	2823.7
	Dhar	2010.0	2727.5	2100.0	2655.8	2100.0	2938.9
	Manasa	2100.0	2597.0	2200.0	2610.0	2361.0	2803.7
	Ujjain	2100.0	2725.7	2000.0	2680.5	1999.0	2985.8
Mah	Akola	1900.0	2528.1	1900.0	2492.3	2350.0	2726.5
	Amrawati	2000.0	2404.3	1800.0	2288.0	2250.0	2631.6
	Latur	2200.0	2762.3	2200.0	2655.0	2475.0	2909.6
	Wasim	2350.0	2607.7	2350.0	2533.3	2400.0	2794.7
	Yeotmal	2400.0	2635.0	2315.0	2657.0	2600.0	2798.9
Raj	Kota	2365.0	2659.5	2401.0	2674.6	2401.0	2870.9
	Baran	2200.0	2600.8	2240.0	2625.7	2500.0	2808.2
	Bhawani mandi	2300.0	2607.5	2420.0	2650.8	2600.0	2801.8
	Ramganj mandi	2000.0	2392.2	2000.0	2483.5	2050.0	2671.7

Source: agmarknet.gov.in

Looking at the international scenario, the domestic prices of soybean and products are not expected to rebound to the level prevailed during the period 2014 to mid of 2016. The productivity enhancement of the crop and/or the reduction in cost of production seems to be the better policy option for the long term in order to improve the value productivity from the crop. Arrangement for the procurement of the commodity on the event of *mandi* prices ruling below MSP, would have helped farmers improving the value productivity from the crop.

Wholesale price index for soybean (2011-12=100) is continuously decreasing after reaching a peak of 188.5 during May, 2014 and dropped to around 120 during Nov., 2017. Similarly,

WPI of soy feed preparations (soybean meal) peaked during May 2014 at 167.8 and started declining afterwards and reached 133.5 at present (Fig. 1).

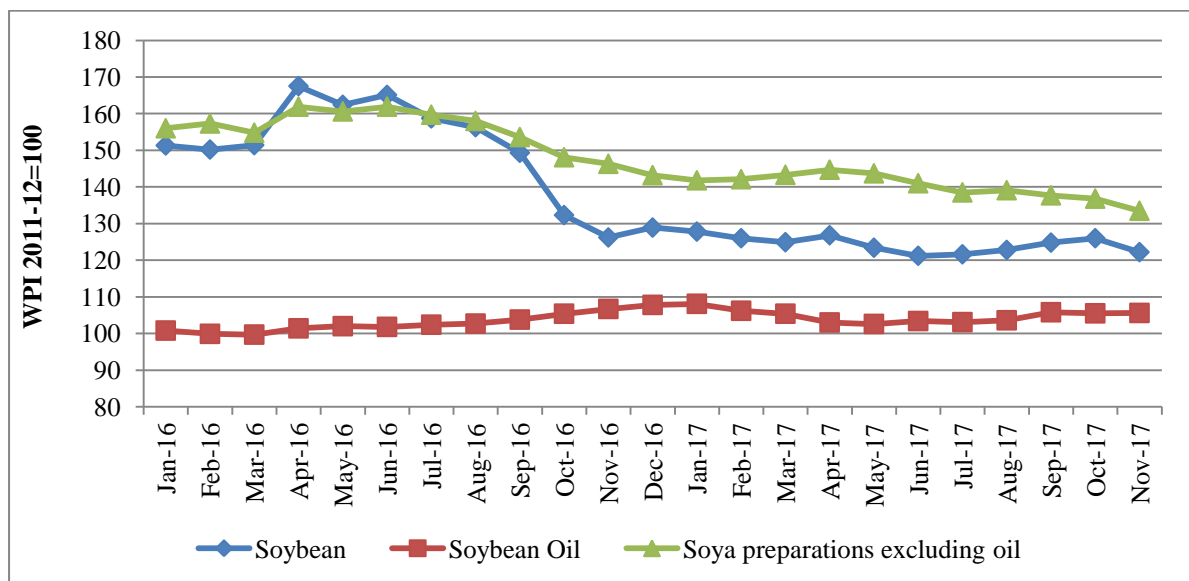


Fig. 1. Wholesale price index for soybean and products. (Data source: Office of Economic Advisor, Ministry of Commerce and Industry, GOI).

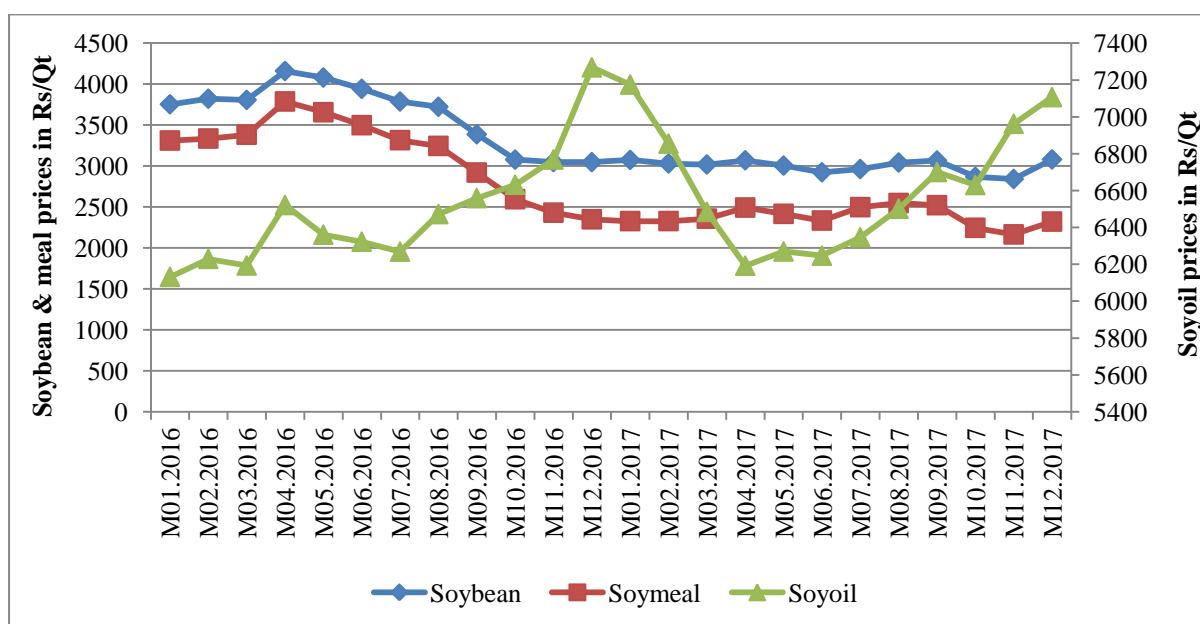


Fig. 2. Price movement of soybean and products at Indore market. (Data source: NCDEX)

Movement of international prices

Record total supply of soybean globally, slow pace of exports of soybean from US and soyoil from Argentina mainly on account of reduced import by China presently putting pressure on international markets and thus, soybean and other products prices are down in December month (Figure 3). Although, on account of growing demand of soy meal in animal and aquaculture feed, prices of soybean meal has improved slightly in December month.

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001

E-mail for suggestions: dsrdirector@gmail.com

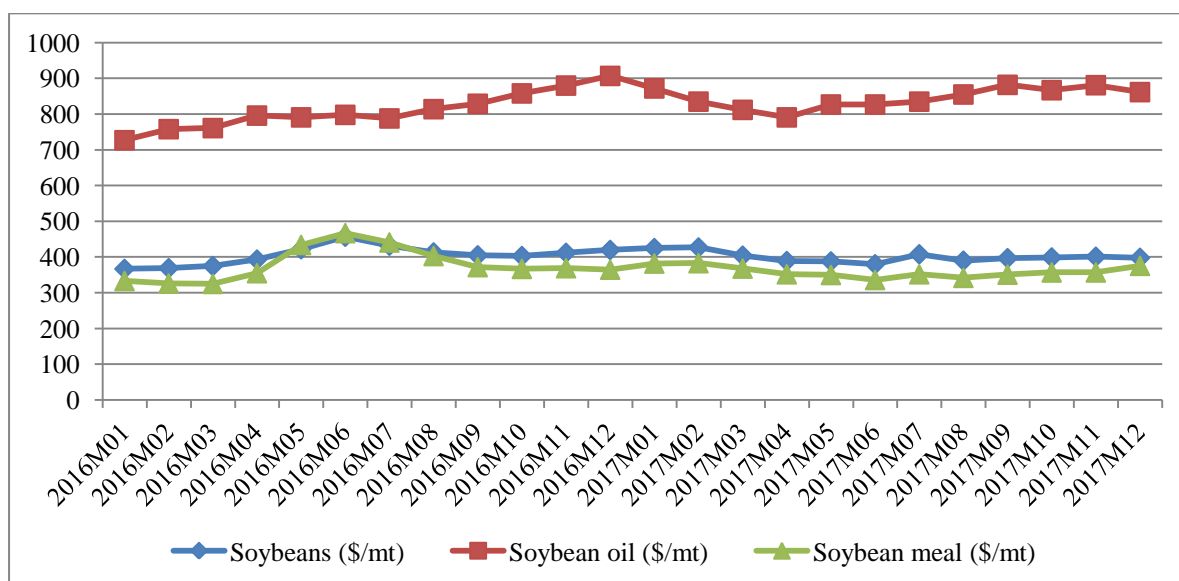


Fig. 3. International price movement of soybean and products. (Data source: World Bank Pink Sheet).

Policy initiatives

- On 17 November, **India's** Central Board of Excise and Customs issued notification No. 88/2017 raising customs duties on soybeans from 30 to 45 percent; and notification No. 87/2017 raising customs duties on crude soy oil from 17.5 to 30 percent, and on refined soy oil from 20 to 35 percent.
- On 24 November, **Argentina** authorized cultivation of a new genetically-modified soybean seed resistant to herbicides other than glyphosate (Source: <https://www.reuters.com>).

Export of soybean products from India

Export of soybean and products has increased during the period April-October, 2017 as compared to the same period last year (Table 7). Soybean meal exports has jumped to about four times during the corresponding period in terms of quantity exported and about two and half times in terms of value of the export. Month wise pattern of soybean meal exports also reflects that the export of the commodity was much higher almost every month (Table 3). Although, per unit value of soybean meal export realisation have declined by about 25-30 per cent during the period mentioned.

Major export destinations of soybean meal from India during the period April-October, 2017 were Bangladesh, Nepal, USA, France, Germany, Japan, Myanmar, and Sri Lanka. The improvement in price parity of Indian soybean DOC with international prices due to the higher production of soybean and import influx of cheap edible oils put pressure on domestic prices paved the way for the increased export. Export of soybean, soybean oil and isolated soy protein also witnessed higher growth during the period, while there was decline in export of soy flour and soy sauce.

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001

E-mail for suggestions: dsrdirector@gmail.com

Table 3. Month wise export of soybean meal from India

Months	Quantity (Tonnes)		Value (Rs. Lacs)	
	2016	2017	2016	2017
Jan	31,897.71	203,596.17	13,361.59	55,926.71
Feb	25,673.11	225,110.55	10,274.57	60,117.88
Mar	23,800.69	220,983.70	9,876.11	59,500.61
Apr	16,314.69	197,033.47	6,867.77	52,043.55
May	18,360.43	119,355.83	8,111.94	33,100.62
June	33,467.38	99,713.83	13,685.65	27,363.41
July	22,642.87	87,877.38	9,748.54	25,340.74
Aug	21,967.61	209,797.17	9,129.63	53,948.29
Sept	26,454.41	68,987.75	10,335.85	21,324.08
Oct	40,575.11	106,321.45	13,626.23	30,093.90

Source: DGCI&S, Kolkata

Import of soybean oil and other soy products to India

Country is mainly import dependent in terms of edible oil supply on the continuous growing demand of edible oils and as the growth in domestic production is not keeping pace with the increase in demand. During the year 2016-17, the country imported about 70 per cent of total edible oil consumption. However, the import of soybean crude oil has marginally slumped (reduced by 2.5%) during April-October, 2017 period as compared to same period last year (Table 6). Although, during the months of April, May and July, 2017 import of soybean crude oil was higher than the same months last year (Table 4). Import of soybean and other products has also witnessed a decrease during the corresponding period.

Table 4. Month wise import of soybean crude oil in India

Months	Quantity (Tonnes)		Value (Rs. Lacs)	
	2016	2017	2016	2017
Jan	368,131.21	197,018.02	182,765.90	118,871.74
Feb	346,858.00	209,070.00	178,187.73	126,524.73
Mar	386,921.00	267,680.00	193,024.45	154,624.97
Apr	316,354.50	326,575.00	158,471.59	173,553.02
May	301,341.00	364,824.16	152,941.96	183,261.09
June	296,029.15	284,596.00	156,328.44	143,459.01
July	321,420.09	393,957.00	169,431.12	201,918.54
Aug	380,344.04	338,787.00	197,902.62	174,350.72
Sept	370,921.11	346,652.00	194,496.35	181,491.17
Oct	365,945.98	238,639.50	194,635.35	128,277.75

Source: DGCI&S, Kolkata

Table 5. 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)	Tot. Utilization (m t)	Closing stock (m t)
Argentina	2017/18	17.70	53.69	15.50	69.19	1.65	70.84	51.84	8.50	70.84	10.50
Argentina	2016/17	17.75	56.00	16.20	72.20	1.60	73.80	50.80	7.50	73.80	15.50
Argentina	2015/16	19.53	57.50	15.00	72.50	0.40	72.90	47.65	9.04	72.90	16.20
Argentina	2014/15	19.79	61.40	9.90	71.30	0.02	71.32	44.80	11.52	71.32	15.00
Brazil	2017/18	34.80	108.00	6.46	114.46	0.30	114.76	46.86	64.70	114.76	3.20
Brazil	2016/17	33.90	114.07	1.99	116.06	0.30	116.36	45.40	64.50	116.36	6.46
Brazil	2015/16	33.25	95.43	0.95	96.39	0.40	96.79	43.21	51.58	96.79	1.99
Brazil	2014/15	32.09	96.22	1.93	98.15	0.32	98.48	43.20	54.32	98.48	0.95
China	2017/18	8.19	14.94	14.35	29.29	99.14	128.43	114.12	0.21	128.43	14.10
China	2016/17	7.20	12.94	14.75	27.69	95.52	123.21	108.65	0.21	123.21	14.35
China	2015/16	6.45	11.60	16.25	27.85	85.74	113.60	98.68	0.16	113.60	14.75
China	2014/15	6.59	12.15	14.22	26.37	81.09	107.47	90.90	0.31	107.47	16.25
India	2017/18	10.60	8.50	0.90	9.40	0.06	9.46	9.11	0.05	9.46	0.30
India	2016/17	11.50	10.50	0.10	10.60	0.05	10.65	9.57	0.18	10.65	0.90
India	2015/16	11.60	7.10	0.70	7.80	0.10	7.90	7.77	0.02	7.90	0.10
India	2014/15	11.00	8.50	0.29	8.79	0.01	8.80	8.07	0.03	8.80	0.70
USA	2017/18	36.22	120.44	8.20	128.64	0.68	129.32	56.51	61.24	129.32	11.57
USA	2016/17	33.46	116.92	5.35	122.27	0.61	122.88	55.52	59.16	122.88	8.20
USA	2015/16	33.06	106.85	5.19	112.04	0.65	112.70	54.66	52.69	112.70	5.35
USA	2014/15	33.42	106.87	2.50	109.38	0.89	110.27	54.94	50.13	110.27	5.19
World	2017/18	126.13	345.87	51.09	396.96	152.94	549.91	350.78	153.23	549.91	45.88
World	2016/17	120.91	348.63	44.39	393.02	147.57	540.60	340.28	149.22	540.60	51.09
World	2015/16	121.55	314.71	43.99	358.70	134.79	493.49	320.25	128.85	493.49	44.39
World	2014/15	119.63	319.79	33.32	353.12	126.54	479.67	304.23	131.44	479.67	43.99

Source: AMIS, FAO website.

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001

E-mail for suggestions: dsrdirector@gmail.com

Table 6. Import of soybean and products in India (Quantity in tonnes and Value in Rs. Lakhs)

HS Code	Crop commodity	2014-15		2015-16		2016-17		2016-17 (Apr-Oct)		2017-18 (Apr- Oct)	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
120110	Soybeans w/n broken of seed qlty	0	0	154	51.52	1645.44	452.59	420.44	125.56	7407.93	1924.69
120190	Other soybeans w/n broken	6311.56	2343.13	20557.7	8138.2	79729.65	27894.74	46397.82	16123.10	35498.14	11046.42
12081000	Flours and meals of soybeans	91.31	59.16	2.18	1.56	35.39	30.71	35.39	30.71	-	-
15071000	Soybean crude oil w/n degummed	2317045	1290774.68	3964009.5	1941900.55	3464460.5	1870341.10	2352355.87	1224207.44	2294030.65	1186311.31
15079010	Soybean oil of edible grade	5.42	10.74	21.79	50.28	23.73	69.13	17.90	49.12	12.47	33.09
15079090	Soybean oil other than edible grade	128.48	307.61	1105.83	848.86	113.79	318.77	57.40	202.80	54.81	157.38
21031000	Soy sauce	144.92	239.61	234.08	282.44	694.13	679.94	454.83	391.77	438.03	424.14
22029010	Soy milk drinks w/n sweetnd or flavrd	437.71	297.42	256.63	290.9	235.03	244.58	198.83	209.02	-	-
23040010	Oil-cake & oil-cake meal of soybean expeller variety	21.1	60.14	33.19	65.34	2109.63	886.02	1899.63	743.16	3633.52	1318.84
23040020	Oil cake of soybean solvent extracted (defatted) variety	1.04	378.3	4237	1264.64	4628.00	1388.34	4628.00	1388.34	-	-
23040030	Meal of soybean solvent extracted (defatted) variety	0	0	135	35.64	3049.15	940.40	2977.00	912.60	-	-
23040090	Other solid residues resulting from of extraction soybean oil	2.83	10.42	1836.64	540.39	24687.61	7095.73	24673.47	7086.73	14.32	33.58
35040091	Isolated soya protein	4498.49	10734.44	5768.97	13893.57	5585.00	12518.52	2111.79	4639.20	2318.84	5027.35

Source: DGCI&S, Kolkata

ICAR-Indian Institute of Soybean Research, Khandwa Road, Indore-452001
E-mail for suggestions: dsrdirector@gmail.com

Table 7. Export of soybean and products from India (Quantity in tonnes and Value in Rs. Lakhs)

HS Code	Crop commodity	2014-15		2015-16		2016-17		2016-17 (Apr-Oct)		2017-18 (Apr- Oct)	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
120110	Soybeans w/n broken of seed qlty	4382.25	1998.50	812.87	379.23	2501.05	1064.12	1746.64	813.49	277.43	103.99
120190	Other soybeans w/n broken	219491.30	97267.21	185046.94	82427.05	180797.11	74821.58	53453.36	24315.64	147126.53	53915.96
12081000	Flours and meals of soybeans	162762.17	71936.50	88186.77	38089.54	91243.82	36917.28	42820.49	19174.17	36235.46	12137.27
15071000	Soybean crude oil w/n degummed	28.13	21.13	40.37	33.09	36.46	22.25	-	-	54.83	35.65
15079010	Soybean oil of edible grade	307.10	261.91	1382.17	1060.09	175.40	152.50	150.38	130.19	382.94	293.86
15079090	Soybean oil other than edible grade	127.79	152.77	1210.89	817.58	208.08	285.07	115.68	166.18	412.06	334.86
21031000	Soy sauce	595.97	320.82	683.01	424.30	977.10	583.31	562.29	336.37	477.96	289.74
22029010	Soy milk drinks w/n sweetnd or flavrd	51.04	50.46	3.92	13.30	77.31	378.48	30.00	327.58	-	-
23040010	Oil-cake & oil-cake meal of soybean expeller variety	94747.28	33403.00	56618.32	23238.58	144011.08	54595.19	34963.55	16744.37	97412.99	35091.22
23040020	Oil cake of soybean solvent extracted (defatted) variety	44482.65	15201.08	6371.00	2105.30	55308.29	15875.56	7709.96	2951.42	74510.33	19872.04
23040030	Meal of soybean solvent extracted (defatted) variety	1125829.5	367499.7	285268.4	103482.2	833058.4	232734.8	84101.74	33643.17	532972.01	143158.45
23040090	Other solid residues resulting from of extraction soybean oil	202639.9	68832.9	64729.4	23194.2	243799.8	69963.6	53007.23	18166.67	184191.54	45092.88
35040091	Isolated soya protein	10.34	33.11	44.15	82.03	111.91	107.24	44.24	69.42	193.72	139.39

Source: DGCI&S, Kolkata

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