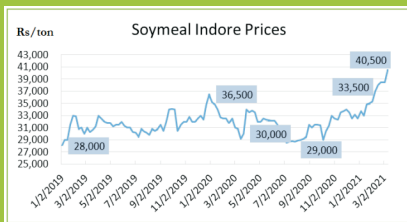




CLFMA OF INDIA
ASSOCIATION OF LIVESTOCK INDUSTRY



April 12, 2021 - Time : 5 pm to 6.30 pm

Online Panel Discussion
on
“Soybean and other Oilmeals
Demand and Supply Outlook -
Present & Future”



Industry Expert
Dr. Davish Jain
Chairman, SOPA



Industry Expert
Dr. B. V. Mehta
ED, SEA



Industry Expert
Mr. Bahadur Ali
Chairman, AIPBA



Industry Expert
Mr. B. Soundarajan
MD, Suguna Holdings



Industry Expert
Dr. B.M. Masthan Rao
Chairman, BMR Group



Industry Expert
Dr P. Krishnaiah
IAS retd., advisor, Shrimp
Feed Manufacturers Association



Moderator
Mr. Neeraj Kumar Srivastava
Chairman, CLFMA OF INDIA



Industry Expert
Dr. Dinesh Bhosale
RSD, AB Vista, SA



Vote of Thanks
Mr. Suresh Deora
Hon. Secretary, CLFMA OF INDIA

Online Registration Link :

<https://forms.gle/Q5CZaXzcVSHHJv7o6>

Host :
Ms. Chandrika Venkatesh,
ED, CLFMA OF INDIA

Press Release Report

CLFMA OF INDIA, the apex organization and the voice of the country's dynamic livestock sector conducted an "Online Panel Discussion with the objective to discuss the Present Raw Material Situation (Demand & Supply) of Soybean and other Oil meals in India and to enable all industry players to come together and show solidarity for representing the government in all matters, as an expert opinion about this burning topic was the need of the hour.

The online panel discussion started with a welcome address by Mr. Neeraj Kumar Srivastava, Chairman, CLFMA OF INDIA, who moderated the session, he started by introducing CLFMA OF INDIA to the panellists and participants,

The panellists were Dr. Davish Jain, Chairman, Soybean Processors' Association of India (SOPA), Dr. B. V. Mehta, Executive Director, Solvent Extractors' Association of India, Mr. Bahadur Ali – IB Group and President of All India Poultry Breeders Association (AIPBA), Mr. B. Soundararajan - MD, Suguna Holdings and Former Chairman of CLFMA OF INDIA, Dr. B. M. Masthan Rao, Chairman, BMR Group, Dr. P. Krishnaiah, IAS (Retd.), Advisor, Shrimp Feed Manufacturers Association and Dr. Dinesh Bhosale – Regional Sales Director, AB Vista South Asia and Former Chairman of CLFMA OF INDIA.

Dr. Davish Jain, Chairman, Soybean Processors' Association of India (SOPA), thanked CLFMA OF INDIA for inviting him as the panellist and appreciated CLFMA OF INDIA to organize the panel discussion at the relevant time and gave an update of the demand and supply outlook of Soybean and meal keeping in mind the backdrop of covid crisis. He said that, the poultry and aquaculture put together requires 5 million tons of soya meal annually and to produce this a processor requires 6.5 MT/65 lakh tonnes of soya seeds, he said that, though the soya bean crop has been good the prices of the meal have gone up by 50% from Rs. 35/- to Rs. 58/- per kg. the demand from the poultry industry for soymeal has declined, He also said that, the soymeal consumption for feed industry has declined to 27 lakh tonnes as against 29 lakh tons during the same period last year in the period October 2020 to March 2021.

He said that, during the covid crisis year, most of the people invested in the commodity markets and real estates. With the huge stimulus packages introduced by all the countries all over the world lot of funds are seen pouring around in the commodity markets and in physical markets and in stock and real estate markets. There was a loss in the soyabean market of Argentina also, which is the largest exporters of soya bean oil in the world.

This year 104 MT of soyabean has been produced as per SOPA estimates. There will be 93.5 lakh tons available for crushing and sowing needs and other direct consumption ,hence the

residual meal after taking care of 18 lakh ton of exports should suffice i.e. 16 lakh tons has already been exported in first six months and for the remaining period exports should not be more than 2-3 lakh tons and the reason is that, the Indian exports contract has already been completed and as mentioned earlier the consumption of 27 lakh tons was estimated for the first 6 months and next 6 months the estimates of the consumption from feed industry is 23 lakh tons and the residual soya bean crop as per the SOPA's estimates at the end of March 2021 is 36.64 lakh tons of soya, which accounts roughly about 3 MT of soymeal or 30 lakh tons of soymeal for exports.

INDIA SOYBEAN: SUPPLY/USAGE/STOCK									
MTH	PRDN 2020-21 : 104.55 LT OPENING STOCK: 5.16 LT MP 41.72/MAH 45.44/RAJ 8.58/TELANGN 1.64/KTK 3.72/IMPORT 3.00 LT TOTAL SUPPLY 100.71 LT			PRDN 2019-20 : 93.06 LT OPENING STOCK: 1.70 LT MP 40.10/MAH 36.29/RAJ 6.56/AP 1.50/ CG 0.53/ GUJ 0.86 LT/IMPORT 3.00 LT TOTAL SUPPLY 97.76 LT			PRDN 2018-19 : 109.33 LT OPENING STOCK: 1.50 LT MP 59/MAH 38/RAJ 9.45/AP 1.17/ CG 1.10/ GUJ 1.2 LT/IMPORT LIKELY 1.80 LT/TOTAL SUPPLY 112.83 LT		
	ARRIVAL	CRUSH	STOCK FARMER +MILL	ARRIVAL	CRUSH	STOCK FARMER +MILL	ARRIVAL	CRUSH	STOCK FARMER +MILL
OCT	18.00	9.00	87.48	12.00	7.20	82.32	21.00	9.50	88.74
NOV	19.00	11.00	76.22	18.50	9.00	73.01	20.00	10.50	77.86
DEC	15.00	12.00	63.75	15.00	9.80	62.96	15.00	11.50	65.82
JAN	12.00	12.50	51.19	9.00	8.40	54.36	11.50	10.00	55.45
FEB	6.00	7.50	43.44	4.50	6.50	47.61	5.50	7.50	47.69
MAR	4.75	6.50	36.64	1.25	4.00	43.35	4.00	9.00	38.42
APR				0.20	3.70	39.41	4.00	6.00	32.18
MAY				2.00	6.50	32.65	3.75	5.50	26.46
JUNE				5.00	7.20	25.16	4.50	5.50	20.74
JULY				5.00	7.20	17.74	5.00	6.50	14.04
AUG				3.00	6.00	11.65	3.00	5.00	7.85
SEP				4.00	5.50	5.36	3.00	5.50	2.20
TOTAL	74.75	58.50	36.64	79.45	87.50	11.70	100.25	93.50	2.20
LAST YEAR	60.25	44.90	43.65	100.25	93.50	2.20	STOCK EXCLUDE FOR SOWING 12.00 LT NEW CROP ARRIVED IN SEP 2 LT, EXPORT 1.68 LT		

SOURCE : SOYBEAN PROCESSORS ASSN. OF INDIA, INDORE

Mr. B. Soundararajan gave the consumer perspective of the reason for spurt in the prices of soymeal even though there is availability. As per his overall estimation in India the broiler feed production is 14.5 MT, Breeder Feed accounts for about 3.3MT and Layer Feed is 10.22MT.

Poultry alone will require the total consumption of estimated soymeal of 56 lakh tones excluding aqua and dairy feed and is estimated based on the prices which may go up or down by another 10%. if prices are lower than the consumption will be 60 lakh tons and if high it will be around 50 lakh tons.

Currently 4.5 MT of meal is required in the country and overall, we are paying around Rs 20,000 to Rs 25,000/- more than the normal market prices. This is the excess price premium presently paid by the poultry industry.

Mr. Bahadur Ali said, that the poultry industry has reacted late and the poultry industry has asked for import of 12 MT and the govt has to consider this or not was questionable. He added that the price hike is due to the NCDEX commodity trading and the govt. should control this forward trading and we have to approach the govt. and ask them to support the soyabean farmers and the poultry industry as well.

Also, the poultry industry has started utilizing other alternate feed like DDGS, sunflower, maize protein and are not dependent on soya meal alone, but the price hike is artificially created on the social media. He also said that, the Feed Consumption in the poultry has reduced by 20% to 25% due to summer (April, May, June) and due to corona, the poultry production is reduced by 20%.

Dr. P. Krishnaiah, said that, the Shrimp Feed Manufacturers Association has estimated the requirement of soymeal including aquaculture to be 9 lakh tons.

Sudden surge of prices of soya meal directly impacts the cost of aqua feed and the major reason is soymeal constitutes 60% of the feed volume of aqua feed and in shrimp culture, feed cost alone is 60-75% and in this, 60% is by way of soymeal, hence, there is a direct impact on the aqua culture industry. Main reason for price hike is due to hoarding by certain states. He suggested to request import of soymeal of up to 9 lakh tons. He added that Fish and Shrimp has provided an employment opportunity for about 20 lakh individuals in the rural areas.

Dr. B. V. Mehta appraised that there is a surplus availability of other oil meals in the country. This year, we had a bumper soyabean, ground nut and cotton crop.

Rice bran production is 8.5 to 9 MT out of this 5.5MT is processed for rice bran oil. 3 MT of rice bran is used by cattle and poultry feed .out of 5.5 MT, we produce about 1 MT of the rice bran oil ,4.5 MT of rice bran extraction, out of 4.5 MT, we export about 2-3 MT mainly to Vietnam. This year there is a failure of crop in Bangladesh and export demand came from Bangladesh and hence export demand from India increased but now Bangladesh will be harvesting a new crop and hence the demand will reduce from Bangladesh. Overall Rice bran is at comfortable level. Out of 8.5 MT of rice bran, if we take out 1 MT of rice bran oil, the availability will be 7 MT of rice bran extract and is consumed by cattle feed industry.

Due to soyabean price increase the mustard oil has become cheaper than the soya bean oil. In the next 4-6 month there will be lot of availability of rape and mustard oil. He said that, to curb the false price rise, NCDEX trading should be regulated.

Also, to address the sentiments of the poultry industry govt. should allow import of at least 0.5 MT of soymeal and this will caution the hoarders.

The govt number of availabilities of soymeal is 13.5 MT as against 9 MT estimated by the industry association and it really a challenging situation to establish imports because of this gap.

Also, world production is not less. He added that, this shortage is a temporary, he advised to slow down distress buying and try to use alternated meals which ever is available in the lean period (March to August).

Dr. B. M. Masthan Rao, commented that, the Aqua culture particularly shrimp economy is very

sensitive to price variation, since 70 -75% of the cost of cultivation of shrimps is feed and any price fluctuation in the feed cost make the cultivation unviable. The BMR group being an organized sector survived with bare minimum margins. Also, Aqua culture employs about 20 lakh farmers and farm workers and another 25 lakhs from non-farm sector are also supported by the aquaculture industry. Most of the shrimp and fish farmers are dependent on the aquaculture.

Shrimp sowing of seeds in the pond will start from the month of Feb. This year the price of feed has gone up and hence shrimp industry is affected. He gave the suggestion to import certain quantity of DOC as it is the main ingredient i.e., 50% for shrimp and 20% of fish feed production and the shrimp & Aqua feed industry requirement is around 0.9 mt out of this 46% is soya meal. So far, our consumption of soya meal in Feb and March was hardly 1 lakh MT and another 8 lakh MT we need before Sep. Last year during the same time the prices of soya meal was 37,000/- per Mt ex-factory and now the price is 69,000/- per Mt soymeal. Since in the inclusion of preparation of compound feed 50% is protein, it is not viable, apart from this the ocean freight charges and transportation charges has also gone up. He suggested to present the case to the PMO . He said that the, hoarding is to be prevented first in the states of Maharashtra and MP.

Dr. Dinesh Bhosale gave the insights about of impact of soymeal being used as animal feed and compared the use of other meals with soymeal as alternatives and their limitations. He thanked CLFMA OF INDIA for organizing this online discussion. he said that, if farmers are protected then only our poultry industry can also be protected.

He added that 70% is the feed cost for cattle, fish, shrimp and poultry. If we consider broiler then, we have 35% inclusion of soymeal considered as starter, finisher feed- 30% is used as soymeal inclusion. One broiler gets ready after eating 3500 gms feed and out of this 1 kg is soymeal. Apart from soymeal the regularly used feed is meat and bone meal and synthetic amino acids like lysine, methionine and tryptophan is added while preparing compound feed. Soymeal digestibility is very good, as methionine is less in this.

He said that though, all the panelists are of the opinion that, we have to manage the industry with other alternative feeds, but govt should allow import especially in south India, as it makes the cost cheaper compared to other areas. Hence in south India govt. should allow at least 1MT of soymeal imports, we can discourage GM seeds. but GM soybean DOC can be imported.

Layer feed has a very complicated ingredients and in this the soymeal inclusion is 5-10% and in the complete life cycle layer bird consumes 48 kg feed and out of this 5 kg it consumes soybean DOC and since the prices of soya has increased and there is a shortage in availability of soya it is only used in chick mash and in the grower mash and layer mash the soybean doc has been completely suspended.

If we talk about cattle feed soybean DOC, 100 MMT is required and 12 MMT of cattle feed is manufactured by our industry and remaining 88 MMT raw material is fed to animal directly. The

12 MMT of soybean doc for cattle feed is very less, as calf starter, milk replacer, transition feed, all these high-cost feed uses soymeal DOC. In shrimp and fish feed dehulled soybean is required. He advised all SOPA members to manufacture de-hulled soybean meal and sell it to poultry and shrimp feed industry. He also said that NCDEX should encourage only actual buyers and speculators have no role to play.

Vote of thanks was proposed by Mr. Suresh Deora, Secretary, CLFMA OF INDIA

The main points summarized by him are as follows

- Govt statistics shows that, there is 30 lakh ton of soya availability for the feed industry and the largest consumer for both this industry is poultry and aqua.
- The prices of soya have gone up by 50% and the biggest culprit for this price increase is speculation by the NCDEX and is fuelled by social media, to ease this we should ask the govt. to allow a lesser quantity of import of soymeal to bring the sentiment down and cool the market
- The panic buying should be discouraged
- We have to approach the govt collectively on all these issues
- We have to approach jointly to SEBI for the purpose of regulating the NCDEX from doing speculations but move to real market and examine the controls we have to bring in

