



Make markets work for the smallholder farmers

Samunnati - Introduction

What We Do?

Samunnati's AMLA Strategy

**CHANGE.
EMPOWER.
TRANSFORM.
ENABLE.
INVEST.**

As an agri value chain finance institution, we have transformed the agriculture industry with financial, non-financial and customised solutions over the last 6 years.

We make markets work for small holder farmers by helping value chains operate at a higher equilibrium.

Samunnati's first-of-its-kind holistic value chain finance approach focuses on the power of aggregation, making market linkages, and investing in relevant technology and skills for FPOs (Farmer Producer Organisations) and Agri Enterprises.

- A - Aggregation
- ML - Market Linkages
- AS - Advisory Services

With working capital structures at the core

Samunnati So Far



INR
8,100+ Crs

*Cumulative Disbursement since Inception

INR
~1200 Crs

*GLP (Own & managed) as of date

INR
505 Crs

Net-worth as of Date

500+ Farmer Collectives

4mn farmer base

INR
1800+ Crs

GMV till Date

22 States

Presence

1000+

Agri Enterprises on demand side

600+

Team with years of banking experience



3

Factors that are outside fundamentals of Oilseed Complex

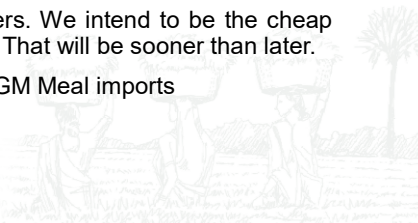
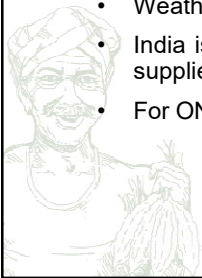


- Total stimulus from the Big Four (US, EU, England, Japan) plus China will come in at \$8 trillion for 2020, far exceeding the \$1.4 trillion annual average of the post-2008 years.- PIMCO
- 25% of total \$ supply was printed in last 18 months
 - 1.09 trn dollar fund flow into equity- 12 yr of cumulative flow in one year alone
- Climate change
- Supply shock but demand has not seen any shock
- The United States, Brazil, and Argentina are responsible for 83% of world's soybean production. Together, they respond to more than 80% of soybean grains and soybean meal exported and for more than 60% of soybean oil exportation



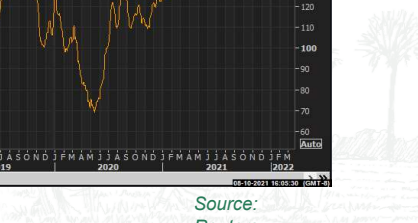
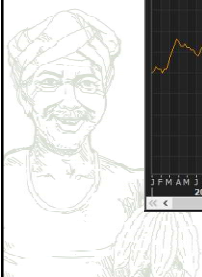
Various crisis looming round the corner

- Currency Crisis – Too much money chasing too few goods – inflation – Bullish for Soy Complex
- Freight Crisis - Commodities – Links broken between producing countries and consuming Countries – bullish for Indian Soybean Complex
- Value Chain Crisis – Trade war between China and rest of the world is stretching the value chain. China being the cheapest producer in last couple of decades is at the heart of value chain – Bullish for Indian Soybean Complex
- Energy Crisis – Triggered by trade war between China and Australia, Global consumption fueled by consumerism, rising crude and gas prices – Volatile and dependent of Bio-Fuel Mandates Across the world
- Weather Crisis - Bullish for Soy Complex
- India is at an advantage as we are producers as well as consumers. We intend to be the cheap supplier gap left by China. But it cannot come without the shake up. That will be sooner than later.
- For OND though we are facing meal glut due to first time ever Non-GM Meal imports

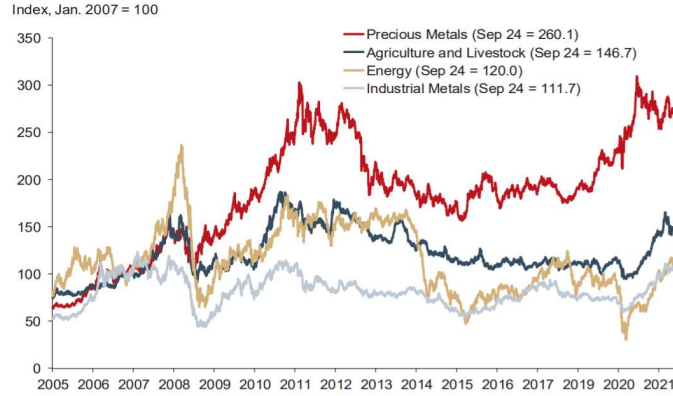


Freight Charges

IGC Grains and Oil Seeds Index



Commodity Prices



SOURCES: Goldman Sachs; Haver Analytics

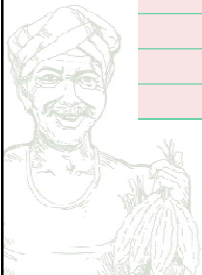
Globalization Institute
Federal Reserve Bank of Dallas



Global Scenario at a glance



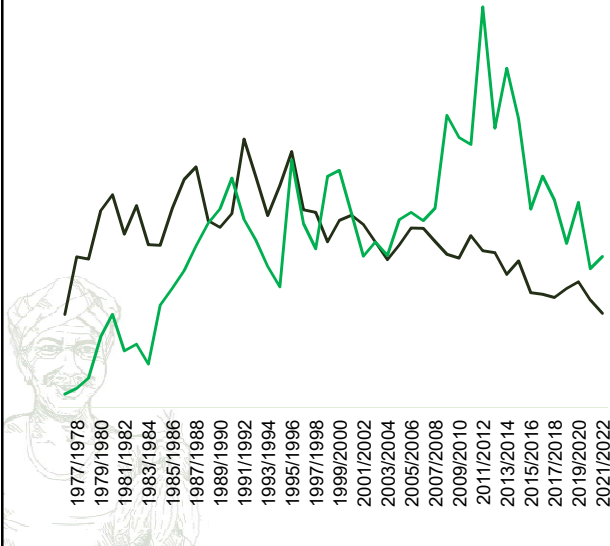
Vegetable Oil	% Share	Stock to Use Ratio Trend	
		Oil	Seed
Tightest Since.....			
All Oils		1997/98	2015/2016
Palm	36%	2015/16	
Soy	29%	1976/77	2015/16
Mustard	13%	2019/20, 2009/10	1997/98
Sun	10%	2020/21, 2003/04	Last 4 years is lowest is since 1997/98
Groundnut	3%	2020/21, 2014/15	2015/16
Cotton Seed	2%	2020/21, 1998/99	2015/16
Coconut	2%	1999/00	2001/02



Global Stock to Use Ratio (SUR) – Major Veg Oils

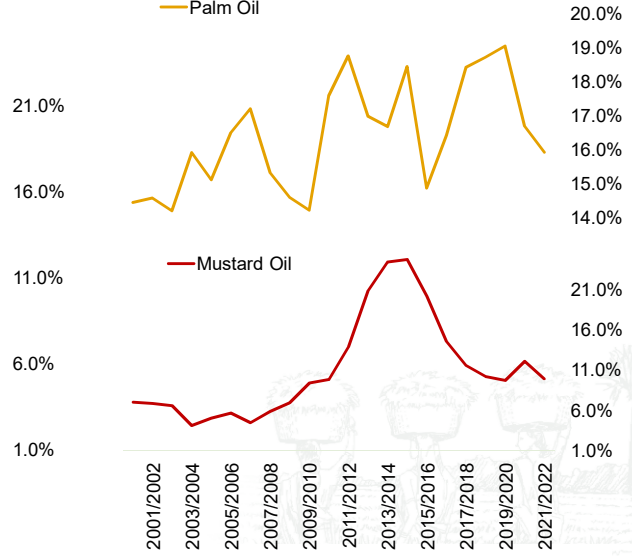


— Soy Oil — Sun Oil



— Palm Oil

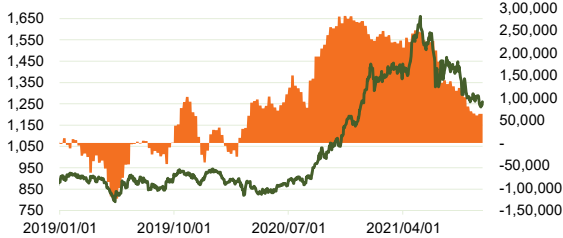
— Mustard Oil



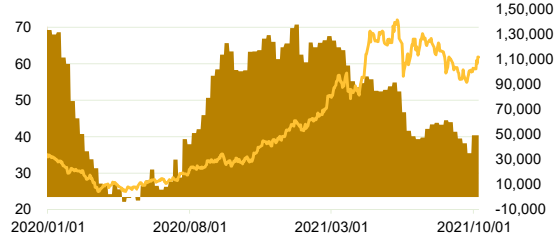
CFTC Report



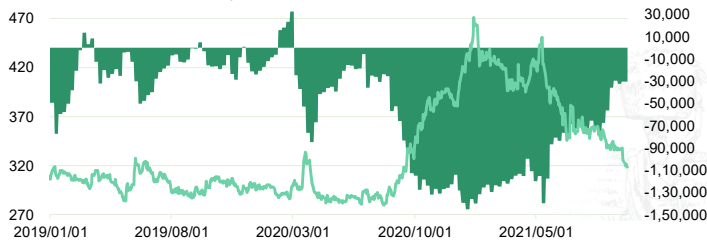
— CFTC Futures Soybean CBOT Non-Commercial Net — Sc1



— CFTC Futures and Option Soybean Oil CBOT Non-Commercial Net



— CFTC Futures Soybean Meal CBOT Commercial Net — SMc1



Biofuel Mandates

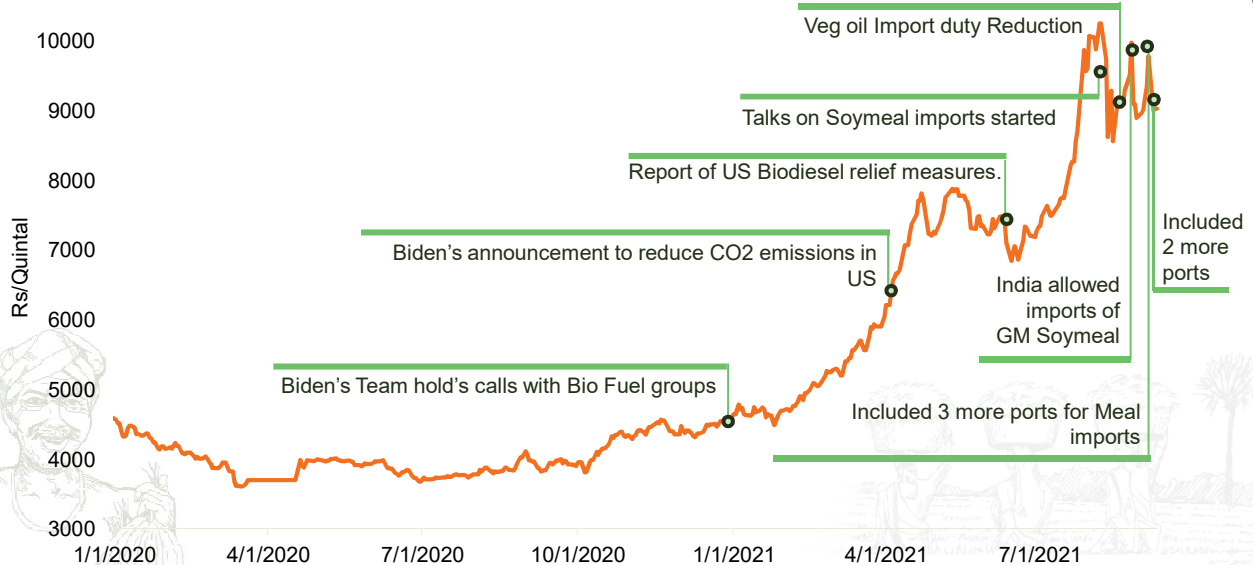
- At present, about 60% of ethanol is produced from maize and about 75% of biodiesel is based on vegetable oils (20% rapeseed oil, 25% soybean oil, and 30% palm oil) or used cooking oils (20%).
- Global ethanol production is projected to increase to 132 bln L by 2030, while global biodiesel production is projected to increase to 50 bln L.
- Biofuel production expanded 6% year-on-year in 2019, and 3% annual production growth is expected over the next five years. This falls short of the sustained 10% output growth per year needed until 2030 to align with the SDS. The consumption needs to almost triple by 2030 (to 298 Mtoe*) to be on track with the Sustainable Development Scenario (SDS).
- The Paris Agreement has set a target to limit global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.



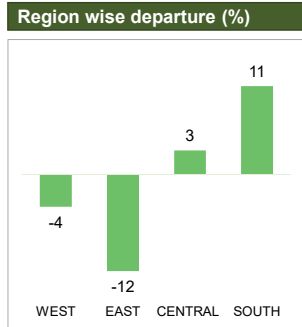
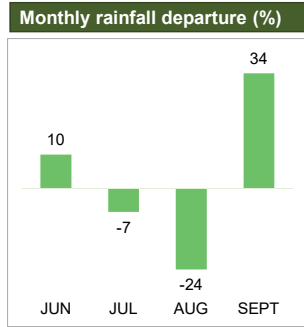
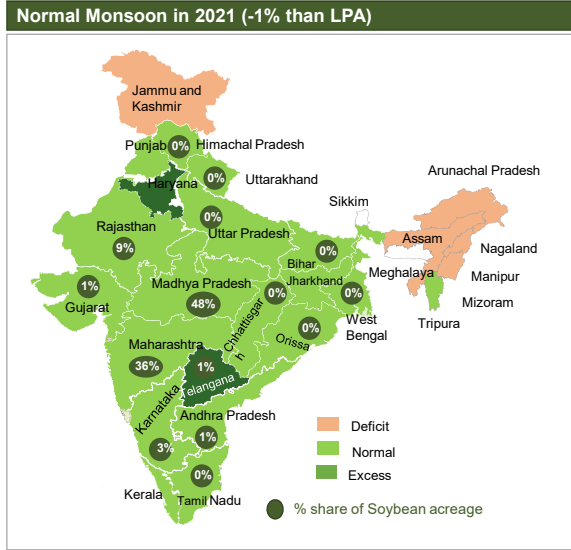
* Mtoe - mega tonnes of oil equivalent | Source – International Energy Agency, OECD – FAO Agricultural Outlook 2021-30



Market Review so far



Monsoon update: 2021



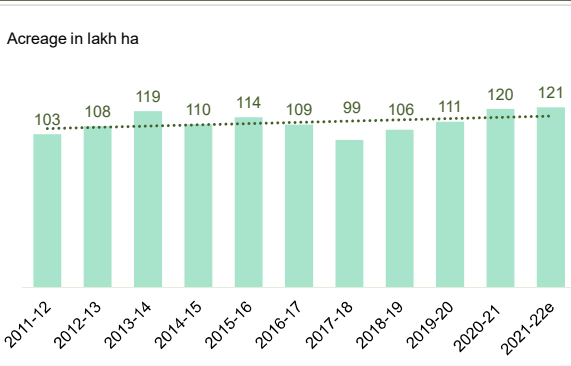
IMD: Post Monsoon forecast

- IMD is predicting normal post monsoon rains.
- Northeast Monsoon (October to December (OND)) season rainfall most likely to be normal (87-113 % of Long Period Average (LPA))
- The latest global model forecasts indicate that there is an increased possibility of re-emergence of the La Niña conditions during northeast monsoon season.

Notes: % share in production from crop year 2020
Source: GOI and SAM research

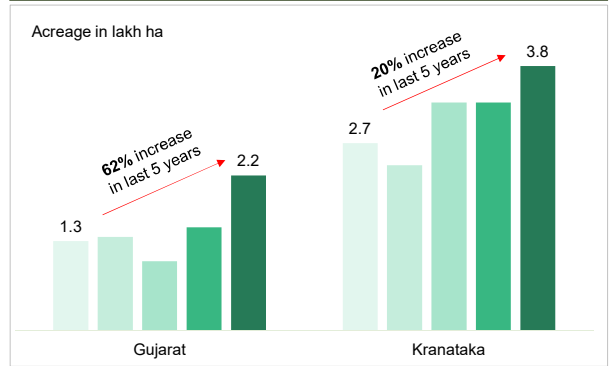
Soybean

In 2021, Soybean acreage reached at historical high of 112 lakh ha



- In last 10 years soybean acreage increased by 18% with average rate of 1.8% increase in every year.
- Higher soybean prices in couple of years, short duration of crop and lower cost of production resulted in acreage surge in last 10 years.
- Soybean harvest can complete in 90 days, so farmers can easily go for rabi crops.

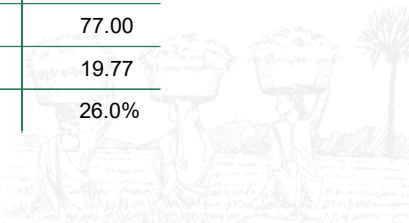
Acreage surge from non traditional areas like Gujarat & Karnataka.



- Soybean acreage increasing from non-traditional states like Gujarat and Madhya Pradesh.
- Following higher prices and lucrative returns farmers from Gujarat shifting towards Soybean from traditional crops like paddy.

Indian Supply and Demand Scenario

Soybean				
In lac tons	% Change	2021-22	2020-21	2019-20
Opening Stock	-92%	1.64	19.77	10.61
Availability	6%	99.00	93.02	94.17
Imports	0%	3.11	3.11	5.20
Supply	-11%	99.56	102.41	96.78
Export	46%	1.00	0.68	0.80
Crush	-13%	79.00	90.78	76.20
Demand	-16%	84.20	100.77	77.00
Ending Stock	299%	6.56	1.64	19.77
SUR Bean		8%	1.8%	26.0%



Indian OND Scenario

Scenario 1	Q1 20-21	Q1 21-22
Soybean Crush	31	29
Meal Import	0.01	4
Meal Carry Out	7.5	11.9
Meal SUR	35%	69%

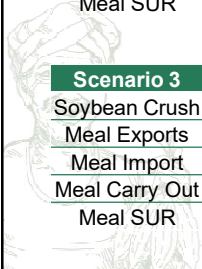
Situation
Normal crush, normal import, higher carry forward.

Scenario 2	Q1 20-21	Q1 21-22
Soybean Crush	31	25
Meal Import	0.01	6
Meal Carry Out	7.5	11.05
Meal SUR	35%	74%

Situation
Higher imports, lower crush parity, lower crush, higher meal carry forward, pressure on prices (Both meal & bean).

Scenario 3	Q1 20-21	Q1 21-22
Soybean Crush	31	32
Meal Exports	6.8	4
Meal Import	0.01	4
Meal Carry Out	7.5	12.6
Meal SUR	35%	84%

Situation
Aggressive crush, Pressure on meal prices, export parity emerges.



Price Outlook



Commodity (Indore)	CMP	Forecast		Outlook
		Target 1	Target 2	
Soy Bean (Rs/Q) Plant delivered	5,673	5,000	4,500	The underlying trends for soybeans are expected to be bearish in the near-term considering factors like higher arrivals from mid October, imposition of stock limits and higher meal supply into the system.
Soy Oil (Rs/10 kg)	1,359	1,330	1,300	The duty cut on oils and Kharif season arrivals in India is expected to put pressure on the prices in the near term. The tighter supply of soy oil as well other oils like sun oil and palm oil from the producing countries are expected to support the prices. Globally soy oil correction could be ending.
Soy Meal (Rs/MT)	50,000	45,000	43,000	Relaxation on GM meal imports along with higher crush from the new arrivals from the ongoing Kharif harvest is expected to take soymeal prices lower. Domestic price fall along with higher global prices along with higher freight, port congestion etc could set in the export parity for Indian meal.



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