

**Voluntary Report** – Voluntary - Public Distribution

**Date:** December 28, 2021

**Report Number:** IN2021-0150

**Report Name:** Indian Government Imposes Stock Limits on Domestic Soybean Meal

**Country:** India

**Post:** New Delhi

**Report Category:** Agriculture in the News, Policy and Program Announcements, Agriculture in the Economy, Biotechnology and Other New Production Technologies, Grain and Feed, Oilseeds and Products, Trade Policy Monitoring

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**Report Highlights:**

On December 23, 2021, the Ministry of Consumer Affairs, Food and Public Distribution, through the Department of Food and Public Distribution, issued the “Soya Meal Stock Control Order, 2021.” Under the notification, stock limits on soybean meal are established from December 23, 2021, through June 30, 2022. The move is intended to check the rising domestic prices of soybean meal.

## BACKGROUND:

As of December 23, 2021, the Indian government includes soybean meal under the Essential Commodities Act,<sup>1</sup> a key ingredient used in manufacturing domestic compound feeds. Despite ample domestic soybean production, the Department of Food and Public Distribution, within the Ministry of Consumer Affairs, Food and Public Distribution, issued the “Soya Meal Stock Control Order, 2021.” The mandate places stock limits for market participants to check rising prices of the commodity. The implementation period lasts from December 23, 2021 through June 30, 2022.

According to the order, stock limits on domestic soybean meal are applicable for all states and union territories. The order further directs market players on the following:

- (A) For Plants, Millers, and Processors: Maximum stock of 90 days production, as per their daily input production capacities. Additionally, the storage location should also be declared.
- (B) For Trading companies, Traders: Only government registered enterprises are eligible to stock soymeal, with a maximum stock limit of 160 Metric Tons (MT) with a defined and declared storage location.

## Implications for Stock Limits

According to trade and industry associations, imposing stock limits on soybeans would likely prevent hoarding and ensured product availability for domestic crushers. Soybean processors do not typically stock soymeal, largely due to high price economics, and that the product does not maintain a long storage life within India. With domestic soybean production estimated at 11.9 million metric tons in 2021, it remains unclear how stock limits on soymeal, as opposed to soybeans, will ensure price correction, and maintain availability for compound feed manufacturers.

Imposing stock limits on soymeal may reduce crushing, which in turn would lead to higher soybean availability and potentially keep soybean prices in check. From September-December 2021, domestic soybean prices (ex-Indore market) ranged between \$706-\$892 per metric ton (MT) (Indian Rupee [INR] 53,000-67,000/MT), against the minimum support price of \$526/MT (INR 39,500/MT). In the same period, soymeal prices ranged between \$693-\$799/MT (INR 52,000-60,000/MT). A bumper crop in Brazil arriving in February 2022 may result in global price moderation.

India’s various poultry industry associations have welcomed the move. Domestic poultry companies have been the most affected by rising animal feed prices, which in August 2021, successfully advocated that the Indian government import genetically engineered (GE)-origin soymeal to ease feed supply challenges (See: USDA GAIN [IN2021-0106](#) and [IN2021-0141](#)). In December 2021, the Indian government decided against extending the import period for GE-origin soybean meal owing to ample domestic production and pressure from domestic soybean stakeholders.<sup>2</sup> In a similar move, to reduce food inflation, the Securities and Exchange Board of India barred commodity exchanges from launching new futures contracts for seven commodities, including soybean and its derivatives.<sup>3</sup>

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<sup>1</sup> Typically, under the Essential Commodities Act, stock limits are imposed on certain commodities impacted by inflated prices within a short period. More information on the Act can be found [here](#).

<sup>2</sup> Source: Indian Express. [Soya bean farmers hail Centre’s decision on import of GM soya cake](#). Published December 12, 2021.

<sup>3</sup> Source: Business Standard. [Centre bans futures trade in seven agri-commodities including soy complex](#). Published December 21, 2021.

The full text of the Order and Essential Commodities Act Notification are accessible in the Attachments.

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
**(Department of Food and Public Distribution)**

**ORDER**

New Delhi, the 23rd December, 2021

**S.O. 5370(E).**—In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Stock Control Order, 2021 namely:-

**1. Short Title and Commencement-**

- (1) This Order may be called the Soya Meal Stock Control Order, 2021.
- (2) It shall come into force with immediate effect.

2. Following stock limits is prescribed for Soya Meal for a period upto 30<sup>th</sup> June, 2022 for all States and Union Territories;

- (i) Plant/Miller/Processor: Maximum stock of 90 days production of Soya Meal, as per daily input production capacity of Plant/Miller/Processor, defined in its IEM. The storage location should be declared.
- (ii) Trading company/Trader/Private Chaupals: Only Government registered enterprise, maximum stock of 160 MT with a defined and declared storage location.

3. In case of stocks held by respective legal entities are higher than the prescribed limits then they shall declare the same on the portal [http://evegoils.nic.in/soya\\_meal\\_Stock/login](http://evegoils.nic.in/soya_meal_Stock/login) of Department of Food & Public Distribution and bring it to the prescribed stock limits within 30 days of the issue of this notification.

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[भाग II—खण्ड 3(ii)]

भारत का राजपत्र : असाधारण

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4. It shall be ensured that Soya Meal stock is regularly declared and updated on the above portal. The data on the portal will be regularly monitored by Department of Animal Husbandry & Dairying and any follow-up action will be taken by Department of Animal Husbandry & Dairying.

[F. No. 06/02/2017-Oil]

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THE GAZETTE OF INDIA : EXTRAORDINARY

[PART II—SEC. 3(ii)]

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
**(Department of Food and Public Distribution)**

**NOTIFICATION**

New Delhi, the 23rd December, 2021

**S.O. 5369(E).**—In exercise of the powers conferred by sub-section (2) of section 2A, of the Essential Commodities Act, 1955 (10 of 1955), the Central Government, hereby makes the following Order, to regulate the production, stocking and distribution of Soya Meal namely:-

1. (1) This Order may be called Essential Commodities Order, 2021.
- (2) It shall come into force from the date of its publication in the Official Gazette.
2. In the Essential Commodities Act, 1955, in the Schedule, after serial No. (8), the following item shall be added, namely:-  
“(9) Soya Meal”.

3. This Notification shall remain in force for a period up to 30<sup>th</sup> June, 2022 from the date of its publication in the Official Gazette.

[F. No. 06/02/2017-Oil]

**Attachments:**

[India Gazette Stock Limit Order Notifications.pdf](#)

[India Gazette Soymeal Addition ECA.pdf](#)