

VEGOIL

30th May - 4th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- **Vegoil Imports Ongoing In Spite Of Losses**
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- **Brazil's Deforestation Criticized by the leading NGO's**
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- **Malaysia Produces 1.25 MMT Crude Palm Oil in April 2005**

*Latest Procurement details of NAFED (13.05.05)

Vegoil Imports Ongoing In Spite Of Losses

There is disparity between domestic and international edible oil prices due to negative margins and unattractiveness of edible oil imports. If anything import volumes are set to rise. It is an abnormal situation, however it does not upset the consumer who can be assured of sufficient availability of cooking oils in the coming months. The palm oil market has remained firm notwithstanding rising production and inventory levels. Crude palm oil has generally lined above 1,400 Malaysian ringgits a tonne in last two months amidst good demand and favourable fundamentals. But for Indian importers, they are losing due to local prices are quoted lower than landed cost in case of crude palm oil or refined palmolein. However, in spite of losses, importers continue to trade with the hope of making it up some time in future. Traders lose around Rs 800 a tonne on import of refined palmolein. While the landed cost works out to Rs 37,300 a tonne, inclusive of customs duty and related expenses, ex-port deliveries are quoted at Rs 36,500 a tonne or thereabouts. Vegetable oil imports in March were approximately 3.5 lakh tonnes, which increased to 5.5 lakh tonnes in April. For May, imports are estimated at about 4.5 lakh tonnes.

Buenos Aires Cereals Exchange Expects Record Argentine Production

Argentina could produce a record 38.85 million tonnes of soybean in 2004-05 soybeans that would put production up almost 21% from 32.2 million tonnes a year ago. An average yield of 2.72 tonnes/hectare is expected. The yield forecast is higher than previous estimates, especially those on second-crop beans, and is the main driver behind the expected record production. Planted area totals 14.67 million hectares, though just 14.28 million hectares will be collected. Last year farmers planted 14.5 million hectares. USDA, which sees the average yield this year at 2.76 tonnes/hectare, estimates Argentina's 2004-05 soybean output at 39 million tonnes. The Secretariat has forecast

production at 38 million tons. The Agriculture Secretariat reported that Argentine crushers processed 8.62 million tonnes of oilseeds in the first quarter of 2005, an increase of 15% on the 7.51 million tonnes processed in the same period last year. Of this total, soy accounted for 5.71 million tonnes, up 17% over the same period in 2004. Soybean production reached 1,094,000 tonnes in the first quarter - a 16% year-on-year increase. In terms of exports, shipments of soybean reached 976,557 tonnes in January-March 2005 a 9% year-on-year increase. However, lower world prices caused the value of shipments to fall over the two periods to \$459,522 - down 14% on last year.

Brazil's Deforestation Criticized by the leading NGO's

The latest satellite data from Brazil's Space Research Institute (INPE) showed that between August 2003 and August 2004 a total of 26,130 square kilometers of forest was destroyed in Amazonia. The figure is the second highest on record, and 6% higher than the area deforested in the previous 12 month period. Almost half of the total area cleared of forest was in Mato Grosso, where deforestation rates rose by 20% to 12,586 square kilometers in 2003-04, up from 10,458 square kilometers the previous year. The state is governed by Blairo Maggi, whose Maggi Group farming business is the world's largest soybean producer.

Cargill Buys Ukraine Sunflower Plant

Cargill will buy a sunflower seed crushing facility in Ukraine from Ukrainian consumer food company Chumak once Ukrainian regulatory approval is received. The facility is located in Kahovka in southern Ukraine and has a capacity of 1,200 metric tons (MT) per day. The acquisition would complement Cargill's existing oilseed crushing facility in Donetsk in eastern Ukraine. The sunflower seed crushing facility in Kahovka is part of Chumak's industrial complex that also includes an oil refinery and bottling plant. Neither

of these is included in the proposed acquisition. Chumak is one of Ukraine's most well-known consumer food brands with a strong market position in a range of categories including tomato ketchup, bottled sunflower oil, mayonnaise, pickled vegetables and tomato paste. The company markets its products in 16 countries.

Concessional import quota for edible oils, corn unchanged

Almost two months after the beginning of the new financial year, the Directorate General of Foreign Trade has notified the procedure for import of various items under the Tariff Rate Quota. In terms of public notice no. 13/2005 dated May 27 crude sunflower or safflower oil and refined rapeseed or mustard oil will be allowed for import at specified concessional duty through designated agencies during fiscal 2005-06. Entities allowed for allocation of quota for various items include NDDB, STC, NCDF, NAFED, MMTC, PEC and STCL, apart from CWC and State Co-operative Marketing Federations and State Co-operative Civil Supplies Corporations for the two edible oils. The quantities and rates of duty are unchanged from last year.

Tariff Rate Quota

ITC Code No. & Item	Quantity of Quota (M. Mt)	Concessional Duty (%)
Tariff Code No. 1512.11 Crude Sunflower seed or safflower oil or fractions thereof	1.50	50
Tariff Code No. 1514.19 & 1514.99 Rape, Colza or Mustard Oil, Other (Refined)	1.50	45

Sunflower Planting in United States Hovers Around Average

Seeding of this year's sunflower crop remains around the recent five-year average, judging from reports around the country. Seeding is most advanced in North Dakota, Minnesota and Texas; but started the week at less than 20% complete in Colorado and South Dakota. Seeding

progress was slowed in Minnesota during the past week because of week ending rains. Standing water in fields may cause some crops to be replanted. Dry warmer weather is needed for many crops to progress to the five-year average. Seeding of North Dakota's sunflower crop is now 56% complete. Roughly 12% of the crop has emerged, compared to 6% at this time last year and the recent average of 10%. South Dakota experienced another week of cool weather, which has slowed row crop development. Precipitation was scattered across the state with most reporting stations receiving less than an inch of moisture, but still improving stock water supply levels. Weather conditions in Texas were generally hot and dry across during early week.

Malaysia Produces 1.25 MMT Crude Palm Oil in April 2005

Crude palm oil (CPO) production in Malaysia rose 2.6% to 1.25 million metric tons (MT) in April and is entering into a cyclical high production season, reports the U.S. agricultural attache for the country. The Malaysian Palm Oil Board (MPOB) reports output in the East Malaysia increased by 8.3% while Peninsula's production declined by 1.5%. Compared to April 2004, output during April 2005 was 24% higher. With the CPO production entering into the cyclical high production season, production is expected to reach 3.5 million MT during the April through June period. The strong growth in CPO output during the first quarter of 2005 compared to the corresponding period of the previous year brought heavy pressure on prices during the month of May. The monthly average CPO price dropped from US\$376 MT in April to US\$372 MT in May 2005. For comparison, the average CPO price for May 2004 was US\$483 MT. However, the Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price rose marginally from US\$389 MT in April to US\$390 MT in May. With an anticipated small increase in CPO output against a bigger overseas demand during the second quarter of 2005, CPO prices should rebound in the next two months. Higher CPO output and lower PO exports resulted in a small increase in carryout stocks to 1.5 million MT at the end of April. However the sharp increase in PO exports in the month of May should lead to a draw down in carryout stock. Post still expects the carry-over stocks to be at 1.25 million MT by the end of June.

GLOBAL DYNAMICS

USDA Demand and Supply dynamics of Soybean (million metric tonnes)

Year	Beginning stock	Output	Import	Total consumption	Exports	Ending stocks
World						
2002-03	33.26	197.04	62.75	190.73	61.57	40.75
2003/04 (Est.)	40.75	188.55	53.95	190.53	55.30	37.41
2004/05 (Proj- Apr)	37.41	219.23	61.87	203.47	62.45	52.59
2004/05 (Proj- May)	37.41	216.88	61.60	202.57	62.24	51.08
USA						
2002-03	5.66	75.01	0.13	47.52	28.42	4.85
2003/04 (Est.)	4.85	66.78	0.15	44.78	23.95	3.06
2004/05 (Proj- Apr)	3.06	85.48	0.14	49.08	29.39	10.21
2004/05 (Proj- May)	3.06	85.48	0.14	49.08	29.94	9.67
Brazil						
2002-03	10.16	35.50	0.38	24.86	8.71	12.47
2003/04 (Est.)	12.47	33.00	0.54	26.62	6.71	12.68
2004/05 (Proj- Apr)	12.68	39.00	0.45	26.97	7.67	17.49
2004/05 (Proj- May)	12.68	39.00	0.45	26.97	7.57	17.59
Argentina						
2002-03	12.11	52.00	1.32	29.76	19.73	15.93
2003/04 (Est.)	15.93	52.60	0.33	32.24	19.82	16.80
2004/05 (Proj- Apr)	16.80	54.00	0.28	32.76	20.25	18.08
2004/05 (Proj- May)	16.80	53.00	0.28	32.76	20.25	17.08

USDA Demand and Supply dynamics of Soybean Oil (million metric tonnes)

Year	Beginning stock	Output	Import	Total consumption	Exports	Ending stocks
World						
2002-03	2.62	30.35	8.53	30.20	9.42	1.87
2003/04 (Est.)	1.87	30.03	8.36	29.73	8.99	1.53
2004/05 (Proj-Apr)	1.53	32.09	9.29	31.83	9.47	1.61
2004/05 (Proj- May)	1.53	31.90	9.28	31.64	9.49	1.59
USA						
2002-03	1.07	8.36	0.02	7.75	1.03	0.68
2003/04 (Est.)	0.68	7.75	0.14	7.65	0.42	0.49
2004/05 (Proj-Apr)	0.49	8.51	0.05	7.85	0.61	0.59
2004/05 (Proj- May)	0.49	8.51	0.05	7.85	0.64	0.56
Argentina						
2002-03	0.13	4.38	0.00	0.12	4.34	0.05
2003/04 (Est.)	0.05	4.51	0.00	0.11	4.41	0.04
2004/05 (Proj- Apr)	0.04	4.71	0.00	0.12	4.59	0.04
2004/05 (Proj- May)	0.04	4.71	0.00	0.12	4.59	0.04
Brazil						
2002-03	0.18	5.11	0.07	2.99	2.27	0.10
2003/04 (Est.)	0.10	5.64	0.03	2.95	2.72	0.10
2004/05 (Proj- Apr)	0.10	5.65	0.05	3.01	2.68	0.10
2004/05 (Proj- May)	0.10	5.65	0.05	3.01	2.68	0.10

World Supply and demand dynamics of Oilseed (million metric tones)

Year	Output	Supply	Trade	Use	Ending stock
Oilseeds					
2002-03	329.67	368.27	70.44	267.66	45.14
2003/04 (Est.)	336.37	381.60	66.40	278.98	42.25
2004/05 (Proj- Apr)	380.26	422.52	72.62	298.10	57.58
2004/05 (Proj- May)	378.00	435.58	-	-	-
Oil Meals					
2002-03	184.56	190.35	53.96	184.38	4.84
2003/04 (Est.)	190.72	195.87	57.20	189.95	5.30
2004/05 (Proj- Apr)	202.92	208.22	57.90	202.63	4.71
2004/05 (Proj- May)	-	-	-	-	-
Veg Oils					
2002-03	94.74	103.03	36.18	95.36	6.68
2003/04 (Est.)	100.53	107.17	38.34	98.31	6.76
2004/05 (Proj- Apr)	107.19	113.95	40.02	105.54	6.99
2004/05 (Proj- May)	-	-	-	-	-

Rapeseeds

Production (M. Mt)	1998	1999	2000	2001	2002	2003	2004
China	8.30	10.13	11.38	11.33	10.55	11.41	11.90
Canada	7.64	8.80	7.21	5.02	4.18	6.77	7.00
India	4.70	5.66	5.79	4.19	5.08	3.92	6.80
Germany	3.39	4.28	3.59	4.16	3.85	3.64	5.25
France	3.73	4.39	3.48	2.88	3.32	3.36	3.96
U K	1.57	1.73	1.16	1.16	1.47	1.77	1.61
Australia	1.69	2.43	1.78	1.76	0.87	1.62	1.55
Poland	1.10	1.13	0.96	1.06	0.95	0.79	1.29
Czech Republic	0.68	0.93	0.84	0.97	0.71	0.39	0.91
U S A	0.71	0.62	0.91	0.91	0.71	0.69	0.57
Others	2.24	3.07	2.43	2.49	2.36	2.24	2.81
Total	35.75	43.18	39.51	35.92	34.05	36.60	43.65

Soybeans

Production (M. Mt)	1998	1999	2000	2001	2002	2003	2004
U S A	74.60	72.22	75.06	78.67	74.82	66.78	85.74
Brazil	31.31	30.99	32.73	37.88	42.12	51.48	49.21
Argentina	18.73	20.00	20.20	26.86	30.18	34.80	32.00
China	15.15	14.25	15.41	15.41	16.51	15.66	17.75
India	7.14	7.08	5.28	5.96	4.56	6.80	7.00
Paraguay	2.86	3.05	2.98	3.51	3.30	4.21	3.80
Canada	2.74	2.78	2.70	1.64	2.34	2.26	2.92
Bolivia	1.07	0.97	1.23	0.83	1.30	1.55	1.55
Indonesia	1.31	1.38	1.02	0.83	0.67	0.67	0.71
Nigeria	0.41	0.41	0.43	0.44	0.44	0.48	0.48
Others	4.79	4.66	4.37	4.73	4.67	4.52	5.25
Total	160.10	157.80	161.41	176.76	180.91	189.21	206.41

Groundnut seeds (Shelled)

Production (M. Mt)	1998	1999	2000	2001	2002	2003	2004
U S A	11.95	12.71	14.52	14.47	14.90	13.49	14.08
Brazil	8.98	5.26	6.48	7.03	4.36	7.70	7.50
Argentina	2.53	2.89	2.90	2.68	2.70	2.70	2.70
China	1.80	1.74	1.48	1.94	1.51	1.88	1.91
India	1.22	1.16	1.29	1.25	1.27	1.38	1.45
Paraguay	0.78	1.05	0.95	0.99	1.27	1.20	1.20
Canada	0.54	0.56	0.63	0.73	0.76	0.71	0.72
Bolivia	0.47	0.37	0.36	0.45	0.45	0.45	0.45
Indonesia	0.21	0.19	0.21	0.26	0.52	0.44	0.44
Nigeria	0.39	0.32	0.36	0.36	0.40	0.40	0.42
Others	5.27	5.83	5.79	5.91	5.13	4.97	5.19
Total	34.14	32.07	34.96	36.07	33.26	35.32	36.05

DOMESTIC DYNAMICS

Crop Condition Of Rabi Oilseeds (Area In Lakh Hectares)

Crop	Normal area	Area Coverage (as reported on 24.05.05)			Important States	Area Difference in absolute percentage over last estimate
		This Year	Last Year	Difference		
Groundnut	10	10.35	10.38	-0.03	Andhra Pradesh Gujarat Tamil Nadu West Bengal	(-0.4, -11.8) (-0.5, -54.9) (+1.0, +40.9) (-0.2, -32.3)
Rapeseed & Mustard	53	71.15	60.02	11.13	Gujarat Haryana Madhya Pradesh Rajasthan Uttar Pradesh	(+0.4, +14.9) (+0.5, +7.1) (+1.2, +18.2) (+8.0, +36.4) (+0.8, +8.3)
Safflower	4	3.87	3.59	0.28	Karnataka Maharashtra	(+0.1, +11.1) (+0.2, +9.8)
Sunflower	9	13.94	14.27	-0.33	Andhra Pradesh Karnataka Punjab	(-1.0, -2.6) (-0.4, -5.8) (-0.1, -45.0)
Sesamum	1.2	3.06	2.94	-0.12	Andhra Pradesh Tamil Nadu	(-0.2, -36.0) (+0.3, +78.8)
Linseed	6	6.30	6.82	-0.52	Chattisgarh Maharashtra Madhya Pradesh	(-0.2, -9.4) (-.03, -34.5) (+0.1, +6.0)
Total Oilseeds	82	109.76	99.61	10.15	Andhra Pradesh Assam Haryana Madhya Pradesh Rajasthan Tamil Nadu Uttar Pradesh	(-0.7, -8.8) (-0.2, -5.0) (+0.5, +8.0) (+1.3, +15.4) (+7.9, +36.3) (-0.1, +32.8) (+0.7, +7.2)

DOMESTIC MARKET ANALYSIS

Palm oil

The palm oil market continued to trade on the range bound side in the domestic market this week amidst declining demand support in the domestic market.

The Malaysian palm oil prices moved below the psychological level of MYR 1400 per tonne, owing to the declining support in the price in the US soybean complex markets. Intertek pegged May exports at 1.38 million tons, up 22% on month. SGS, which is more closely followed, estimated May exports at 1.36 million tons, up 19%. End-April stocks were at 1.48 million tons. Earlier in May, speculation was for stocks to drop by 200,000 tons by end-May, but in recent days, market talk has been for a fall of only around 50,000-100,000 tons.

Looking at the increase in palm oil stock levels in places like India and China, it does seem that this could well be what is happening.

In April, Malaysian palm oil production totaled 1.25 million tons against exports of 1.1 million tons. Official May production, export and stock figures are due to be issued by the Malaysian Palm Oil Board in about five days time, which is expected to be quite bearish.

This sentiment was adequately reflected in the domestic market, which noticed a gradual and range bound trading in the prices over the week. For both CPO and RBD Palmolein, the prices declined in the range of Rs. 4.00 to Rs. 8.00 at major ports.

The lack demand continues to be the driving factor behind the declining movement of the port prices. The import of palm oil in the domestic ports has already touched 3.11 lakh tonnes for the period 01 - 28 of May.

All these factors in the domestic market expected to pressure the domestic market prices and are thus expected to continue range bound on the lower side in the coming week.

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

CENTERS	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Kandla	354	354	352	353	353	350
Mumbai	362	363	363	362	362	361
Chennai	364	365	363	360	361	358
Kakinada	368	365	362	357	358	359

Weekly prices for CPO

(Rs/ 10 kg)

Center	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Kandla	328	328	329	328	328	326

Rape oil

The rape oil market prices continued with its range bound movement for the whole of the week amidst increased selling pressure and growing uncertainty in the domestic markets.

The main sentiment governing the trade was the decline in the supply owing to the nearing of the supply season. NAFED had purchased over 19.46 lakh tonnes of rapeseed.

The purchasing of the rapeseed NAFED has greatly slowed down on account of the lack of the storage facilities and payment crises for the earlier purchases. With the moving out of the NAFED from the market, the traders are playing a more active role in the market resulting in lowering of the prices.

The news of the NAFED is interested in the selling the mustard seed to the domestic millers is also expected to pull down the market in the coming days.

The arrival of the new crop for the week reached to the average of 0.75-0.90 lakh bags for Rajasthan, 0.35-0.40 lakh bags for Madhya Pradesh, 0.30 - 0.35 lakh bags for Gujarat and about 0.20-0.30 lakh bags for Haryana & Punjab.

The prices in the major spot markets declined marginally within the range of Rs.2.00 to Rs. 4.00.

With the declining demand for the new crop the rape oil market is expected to continue trading range bound on the lower side for the coming week.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Centers	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Mumbai	384	381	380	380	379	380
Kota	368	366	364	360	360	361
Delhi	393	390	388	385	385	385

Soy oil

The sentiment in the soy oil market declined marginally at the domestic exchanges in line with the increasing uncertainty in the international markets.

The market started traded mostly in the negative territory in the US with minor short covering following increased

uncertainty owing to the constantly improving weather conditions.

The planting in US is estimated to be about 85.00 per cent complete. The declining interest of the Chinese and other Asian traders in the US soybean and the shift of their

interest to Argentina and Brazil are expected to affect the trade sentiments in the coming week.

The future market experienced a significant decline in the sentiments with the movement in the range of Rs. 2.00 to Rs. 5.00 for the week.

The sentiment in the global market is weakening continuously by the consistent decline in the export demand of the US soy and the improving crop weather owing to the continuous rains in major soybean growing belts in the US.

The domestic trade in the spot markets also declined marginally by Rs. 4.00 to 7.00. All through the week, the domestic market felt the increased pressure of sellers' interest in the market.

The market arrival for the week averaged to 0.25 lakh bags per day, for the week. The largest supplies came from Madhya Pradesh averaging between 0.15 lakh bags followed by Rajasthan with 0.50 lakh bags and Maharashtra with 0.10 lakh bags.

The overall sentiment in the soy oil market still looks very uncertain and is expected to decline significantly in the coming week as the import of the SBO was on the higher side for the month of May at 1.30 Lakh tonnes.

The market is expected to be on the lower side for the coming week amidst declining demand and constantly increasing import pressure.

Prices for Soy (ref) during the week

(Rs/ 10 kg)

Centers	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Mumbai	361	361	360	361	361	359
Indore	375	376	374	373	372	374
Kota	375	374	373	370	371	370

Groundnut oil

The groundnut oil market traded range bound on the lower side over the week amidst increased uncertainty in the edible oil futures towards the weekend and uncertain demand of the GN oil in the domestic markets.

The spot market prices of groundnut oil in the major spot markets traded range bound with marginal decline of Rs. 5.00 - 7.00 per 10 Kg.

The decline in the domestic groundnut production along with the rising level of imported edible oil stocks is increasingly pressuring the groundnut oil prices.

The increasing pressure of the imported edible oil stock (4.81 lakh tonnes for the month of May) is also expected to keep the GN prices under intense pressure.

The groundnut market is expected to continue with the range bound trade in the coming week.

Prices for groundnut oil during the week

(Rs/10 kg)

Centers	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Mumbai	459	459	458	456	460	360
Rajkot	456	454	450	448	450	348
Andhra Pradesh	495	492	490	488	490	389
Chennai	495	493	490	489	492	390

Sunflower Oil

The sunflower oil market this week continued on the lower side with mild variations following the declining retail demand owing to the excess liquidity of the other edible oil in the market.

More over NAFED has also stopped purchasing of the sunflower and from the last few weeks and has not improved from 28 metric tonnes.

The strong port report with the import of 4.81 lakh tonnes of palm oil and the soy oil, encouraging stock of groundnut

and rapeseed at the domestic level and consistent decline in the domestic demand is causing wide spread uncertainty in the sunflower market.

The continuous instability in the retail end demand and the declining supplies of the sunflower crop is expected to keep the prices on the range bound on the lower side in the coming week.

Prices at Indian Centers

(Rs/10 Kg)

Centers	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Mumbai (Sun Expeller oil)	395	395	395	392	395	395
Mumbai (Sun Refined oil)	415	418	415	420	422	423
Chennai (Sun Expeller oil)	408	405	405	408	410	410
Chennai (Sun Refined oil)	418	415	418	420	422	425
Hydrabad (Sun Expeller oil)	408	410	408	412	410	410
Hydrabad (Sun Refined oil)	418	420	422	425	430	433

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Palm oil Market Malaysia

Intertek pegged May exports at 1.38 million tons, up 22% on month. SGS, which is more closely followed, estimated May exports at 1.36 million tons, up 19%. The export figures reached a fresh record high but had little impact on prices, as the estimates fell just short of the 1.4 million tons market participants were expecting.

Malaysian CPO production totaled 1.25 million tons in April, with end-month stocks at 1.48 million tons. Official May production and stock figures are due to be issued by the Malaysian Palm Oil Board June 10.

Market participants were also closely watching global currency movements. The euro has been weakening substantially against the dollar touching fresh seven-month lows. Traders opined that a weak euro is negative for

dollar-denominated commodities like palm oil, as it could hurt demand from European consumers, which is among the world's top three markets for palm oil.

End-April stocks were at 1.48 million tons. Earlier in May, speculation was for stocks to drop by 200,000 tons by end-May, but in recent days, market talk has been for a fall of only around 50,000-100,000 tons.

The Malaysian Palm Oil Board is due to issue official May production, exports and stocks data June 10. Recent estimates issued by cargo surveyors have indicated a record export volume in May.

The market is thus, expected to be range bound in the coming week amidst declining support from the global export demand and the increased pressure of uncertain US market.

Soybean Market United States

The weather models were a little drier for the weekend for the eastern cornbelt, which helped support the higher trade early and traders are likely to remain hyper sensitive to weather developments.

The USDA rust-monitoring web site indicated that soybean rust has spread to two counties in Georgia and likely spread to other areas of the state.

Weather jitters amid concerns that weekend rains won't be sufficient to offset the moisture deficiencies in the eastern Midwest coupled with soybean rust concerns sparked upside momentum that was accelerated by technical buying. The crop was 81% planted as compared with 71% as the 5-year average.

Taiwan bought 60,000 tonnes of soybeans from Brazil overnight and South Korea bought 150,000 tonnes of US soybeans.

China exchange prices were lower overnight and the US dollar has pulled back to move lower after the recent two-day surge to 7 month highs.

South Korea bought 150,000 tonnes of US soybeans for delivery in the 2005/2006 season.

Talk of a weaker short-term demand trend from China helped to limit the gains.

Weekly export sales came in at 208,500 tonnes as compared with trade expectations at 75,000-200,000 tonnes. Cumulative sales for the old crop season have reached 97.7% of the USDA forecast for the year as compared with 97% on average for this time of the year.

Meal sales were 54,700 tonnes from expectations near 40,000-80,000 tonnes and oil sales were 2500 tonnes vs. expectations at 2,000-6,000 tonnes.

The market is expected to be range bound on the lower side in the coming week amidst expectation of good and favourable crop weather in the coming week.

Vayda Bazaar

Soy oil futures at National Commodity & Derivatives Exchange Limited (NCDEX) improved for the week on increased speculative selling amidst lack of demand from the domestic markets. Settlement prices for June soy oil

future at National Commodity and Derivatives Exchange (NCDEX) was in between Rs 368.05 - 376.30 kg and at National Board of Trade (NBOT) was in the range of 366.60 - 375.20 per 10 kg.

Weekly settlement prices for soy oil at NBOT

CENTERS	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Jun '05	374.60	376.80	373.50	376.20	375.40	374.00
Jul '05	378.40	380.90	377.60	380.20	379.20	378.30
Aug '05	N.A	N.A	N.A	N.A	N.A	N.A

Weekly settlement prices for soy oil at NCDEX

Months	30.06.05	31.06.05	01.06.05	02.06.05	03.06.05	04.06.05
Jun '05	376.20	377.60	375.40	377.65	376.75	376.40
Jul '05	379.55	381.45	378.95	381.45	379.90	379.90
Aug '05	381.85	383.30	381.15	383.65	382.75	382.25

***Latest Procurement details of NAFED (24.05.05)**

Commodity	State	Amount (mt)
Mustard/ Rapeseed	Rajasthan	1334715
	Uttar Pradesh	36280
	Gujarat	188255
	Madhya Pradesh	137509
	Chattisgarh	2159
	Punjab & Haryana	233540
	Delhi	8978
	Punjab	5338
	Total	1946774
Safflower	Maharashtra	19187
	Karnataka	4757
	Andhra Pradesh	4376
	Total	28320
Sunflower	Karnataka	28

PORT WATCH

Port updates of Edible oils in India (01 May - 31, May 2005)

(Amount in Tonnes)

Particulars	Expected	Arrived	Total
SBO	59000	130023	189023
Palm Oil	65619	74034	139653
CPO	98340	277820	376160
Total Palm	163959	351854	515813
Total Oil	222959	481877	704836

Source: ANAS

Forex Rates

(As on 04.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
Malaysia	Ringgit	11.48
European Union	Euro	53.33
United Kingdom	GBP	79.10
Japan	100 Yen	40.50

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