

OILMEAL

7th -13th August, 2005

MAJOR ACTIVITY HIGHLIGHTS

- **Export of Oilmeals Decline by 18%**
- **Kandla Port Exported 59% of Oilmeals**
- **India Exports 15,000MT Soymeal to NOFI of S. Korea**
- **USDA Export Sales Highlights on Soybean Cake and Meal**
- **MSP Increased for Kharif Oilseeds**

NEWS ANALYSIS

Export of Oilmeals Decline by 18%

It is witnessing that the export of oilmeals during July 2005 is reported at 227,025 tons compared to 75,950 tons in July last year i.e. almost triple. However the overall export of oilmeals for the month of April to July 2005 is not promising and it is reported at 945,300 tons compared to 1,159,850 tons during the same period of last year i.e. down by 18%. During first 4 months soybean meal export shown decline trend and reduced to 506,650 tons from 758,675 tons, while rapeseed meal has more or less maintained the share. The groundnut meal exports has declined to 42,575 tons from 92,325 tons, while castor seed meal exports has jumped to 99,750 tons from 6,200 tons and mainly exported to Taiwan and South Korea. Rice bran extraction export has also revived after long time and reported at 36,050 tons compared to 5,800 tons of last year. South East Asia is the major market for Indian oilmeals. To check the overall declining trend and promote oilmeals export from India; SEA is deputing a 15 members strong delegation sponsored by Ministry of Commerce, GOI to Taiwan, South Korea, Vietnam and Thailand during middle of August 2005 to meet the leading feed millers & importers of oilmeals.

Kandla Port Exported 59% of Oilmeals

The export from Kandla is reported at 554,500 tons (59%), followed by Mumbai, which handled 178,250 tons (19%), Bedi handled 75,675 tons (8%), Vizag handled 106,000 tons (11%) and Kakinada handled 30,125 tons (3%).

India Exports 15,000MT Soymeal to NOFI of S. Korea

It was reported that South Korea's Nonghyup Feed Inc., or NOFI, bought 15,000 metric tons of Indian soymeal from trading firm Noble Group Ltd. (N21.SG) in a tender concluded Thursday, according to a Seoul-based trader. NOFI bought one cargo of soymeal at \$258.50/ton, after cost and freight, scheduled to arrive in South Korea Dec. 20, the trader said.

USDA Export Sales Highlights on Soybean Cake and Meal

According to the latest report of USDA that net sales of 38,800 MT were 46 percent under the previous week and

the prior 4-week average. The primary buyers were Canada (11,100 MT), Mexico (10,300 MT), Egypt (8,000 MT), Denmark (4,500 MT), and Honduras (4,100 MT). Sales of 4,500 MT for delivery in 2005/06 were for Canada. Exports of 59,200 MT were 24 percent below the previous week and 37 percent under the prior 4-week average. The primary destinations were Mexico (33,500 MT) and Canada (16,400 MT). (This summary is based on reports from exporters for the period July 29-August 4, 2005.)

MSP Increased for Kharif Oilseeds

The Cabinet Committee on Economic Affairs (CCEA) today approved the Minimum Support Prices (MSPs) for Kharif Oilseeds Crops for the year 2005-06 season announced by the Govt. These rates will be effective from coming Kharif season. The MSPs of various commodities will be at the rates given below:

Crops	2003-04 (Rs)	2004-05(Rs)	Change (Rs)
Groundnut-in-Shell	1520	1500	20
Soybean (Black)	900	900	Nil
Soybean (Yellow)	1010	1000	10
Sunflower	1500	1340	160
Sesameseed	1550	1500	50
Nigerseed	1200	1180	20

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

CBOT: Soymeal Future Analysis

Soybean futures at the Chicago Board of Trade ended a volatile two-sided session modestly lower Friday, chopping around with near-term weather overshadowing longer-term supportive crop data from U.S. Department of Agriculture. Soymeal futures followed the soybeans and ended on the lower side.

November soybeans ended 2 1/4 cents lower at \$6.48 a bushel, December soymeal settled \$1.90 lower at \$204.50 a short ton, while December soyoil ended 9 points higher at 23.00 cents a pound.

The news from the USDA was enough to trigger the early break but a lack of follow-through selling, the outlook for poor weather to return to the southern Midwest and continued poor growing conditions in Arkansas into next week helped support the strong turn around.

The USDA revised usage (both export and crush) down by 59 million bushels, which is seen as a bearish factor. World ending stocks for the 2005/2006 season was pegged at 48.27 million tonnes from 50.7 million last months forecast and from 45.98 million tonnes this season.

The US production was slightly lower than expected but the 20 million bushels adjustment lower in crush and 40 million lower in export usage was enough to keep ending stocks at an acceptable level. With uncertainty on weather for late next week and into the following week and deteriorating crop conditions since the August 1st (as of) date for the crop production estimate, the market found new buying support from the lower opening today. The US soybean is expected to trade on the higher side on Monday evening amidst increasing uncertainty in crop weather.

CBOT Soy meal Futures as on 12th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	207.6	207.0	211.0	203.0	-4.6	203.0
Oct'05	204.8	203.0	207.5	202.1	-2.6	202.2

CBOT remained closed on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

The soymeal market showed a rangebound with stable undertone in most of the places due to the stable demand from the market. However the demand from poultry industry was not acceptable due to the poor consumption pattern of human beings in this month and bird flue in the Asia. The futures market also did not show any tremendous volatility but fluctuate slightly. The market remained steady on Saturday at most of the spot markets. The Futures at NCDEX did not show any trading in all the contracts except a steady movement in the December contract. The spot market did show some upward movement before the weekend long holiday,

Plant delivery quotes of Soy seeds remained at unchanged position of previous day and traded at Rs 1275 per qtl in Indore while soymeal in physical market has been offered at Rs 8700 -9000 per MT, as per quality. FOR quotes remained at Rs 9500-9600 per MT in Kandla in jute bags, FAS has been put at \$ 224-226 per MT.

India's soymeal exports totalled **135,550** tons in June 2005 compared with 19,250 tons in June 2004.

NCDEX Soy meal Futures price (12th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8805.00	0	0	8805.00	0.00
Sep	8812.00	0	0	8825.00	0.00

Average ex-factory prices of SBM at Indore/ Sangli (July, 2005)

	07.8	08.8	09.8	10.8	11.8	12.8
Indore	8800 - 9000	8800 - 9000	8800 - 9200	8800 - 9200	8800 - 9200	8700 - 9000
Dhulia	NA	NA	NA	NA	NA	NA

Soy meal vessel report

Kandla Port is loading 13,000 MT of SBM to Japan on the vessel 'Far East Glory'. Interoccean agents are handling the vessel. Loading of 13,500 MT of SBM is continuing at Kandla Port on the vessel 'Thor Mercury' to Indonesia. A Shantilal agent is handling the vessel.

Rape/ Mustard meal

The Rapeseed/mustard meal market remained almost same with range bound in most of the places, however it remained firm at this weekend. The market demand was on the higher side amidst tight supply in the markets. The demand in the market is expected to be firm and continue the trend in the coming week.

In Shivpuri/ Morena, it was traded at Rs.4450 per MT; Kota at Rs.4400 & Barah at Rs. 4400 per MT, which was remained poor from previous day.

India exported **45,750** tons of rapemeal in June 2005 as compared to 54,400 in June 2004.

Groundnut meal

The groundnut meal market remained almost unchanged throughout this week, however slight promising result witnessed at this weekend.

Continuing the firmness the market remained flat before the weekend. The groundnut meal market did not show enough trading today against previous day. In the coming days the prices may remain within the range and later on will be better off.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6450 for 40% protein and at Dhulia market there was no trading for today.

India exported around **17,700 MT** groundnut meals in June 2005 as compared to 2,300 MT in June 2004.

WEATHER WATCH:

Meteorological Analysis

Last week's well marked low pressure area over north Bay of Bengal off Gangetic West Bengal coast lay over Jharkhand and neighbourhood on 4th. It weakened into a low pressure area over north Chhattisgarh and adjoining Jharkhand on 5th and was seen over Jharkhand and adjoining Bihar on 6th. It became less marked on 7th. However, its associated upper air cyclonic circulation extending in lower tropospheric levels moved east-northeastwards and lay over northeastern States and neighbourhood upto 10th.

Last week's upper air cyclonic circulation over East Rajasthan and neighbourhood lay over southwest Rajasthan and neighbourhood on 4th and became less marked on 5th.

A fresh upper air cyclonic circulation in the middle tropospheric levels formed over northwest Bay of Bengal off Orissa-West Bengal coast on 8th and persisted upto 10th.

The off-shore trough running from south Konkan to Kerala was seen on many days of the week.

The western end of monsoon trough shifted northwards on 5th. With the weakening of the low pressure area over Jharkhand & Bihar, its eastern end also shifted northwards on 7th. Thereafter the axis of monsoon trough continued to lay close to the foot hills of the Himalayas.

Rainfall

Moderate rainfall occurred at many places with isolated heavy falls over Gangetic West Bengal, Orissa, Chhattisgarh and East Madhya Pradesh during 1st half of the week. Subsequently the rainfall activity increased over Bihar, Sub-Himalayan West Bengal & Sikkim and parts of northeastern States.

Moderate rainfall with isolated heavy falls also occurred along the west coast on many days of the week. Increased rainfall activity occurred over Western Himalayan Region and adjoining plains of Punjab & Haryana during middle of the week.

Light to moderate showers also occurred in the remaining parts of the country. However, the rainfall activity was subdued over West Uttar Pradesh, Rajasthan, West Madhya Pradesh, Saurashtra & Kutch and Tamil Nadu & Pondicherry.

Rainfall During The Week (For the week ending on 10th August, 2005)

Rainfall was excess/normal in **16** and deficient/scanty in **20** out of **36** meteorological sub-divisions (Actual: 48.1 mm, Normal: 64.2 mm and Departure: -25%).

Outlook For The Week Ending On August 17th, 2005

Monsoon trough is likely to remain close to foot hills of Himalayas during 1st half of the week. Under this scenario moderate showers with isolated heavy falls likely over northeastern States, Sub Himalayan West Bengal & Sikkim and Bihar.

There is possibility of revival of monsoon with formation of low pressure area during middle of the week which may enhance the rainfall activity over eastcentral and adjoining Peninsular India.

Moderate rainfall activity likely to continue along the west coast.

Subdued rainfall likely in most parts of the remaining country.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.60
European Union	Euro	54.33

Indian Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - July 05 (compared to comparative period of previous year 2004-05)

Quantity in metric tonnes						
Month	S.B. EXT	R.S. EXT	G.N. EXT	R.B. EXT	CST EXT	TOTAL
April 2005	99,250 (366,625)	90,900 (96,000)	12,950 (14,800)	---	17,800 (---	220,900 (477,425)
May 2005	156,100 (278,300)	69,650 (100,875)	3,025 (44,750)	6,875 (---	50,200 (---	285,850 (423,925)
June 2005	115,750 (94,500)	53,975 (45,575)	8,900 (30,475)	12,675 (5,800)	20,225 (6,200)	211,525 (182,550)
July 2005	135,550 (19,250)	45,750 (54,400)	17,700 (2,300)	16,500 (---	---	11,525 (---
TOTAL	506,650 (758,675)	260,275 (296,850)	42,575 (92,325)	36,050 (5,800)	---	99,750 (6,200)
2004-05	1,861,325	588,805	121,475	43,056	---	70,750
2003-04	2,683,675	447,050	126,750	---	---	65,550
2002-03	1,333,318	455,533	15,225	---	---	92,445
2001-02	2,509,207	313,012	101,001	---	---	97,557
2000-01	2,182,142	62,968	18,609	---	---	10,992
1999-00 (F.Y)	2,249,505	79,874	1,808	---	3,918	93,365

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castorseed Extns, R.B.- Ricebran Extns
Source: SEA Data Bank

PORTWISE

MONTH	BEDI	MUM- BAI	BHAV- NAGAR	KANDLA	VIZAG	KAKI- NADA	MAGD- ALLA	MUNDRA	TOTAL
April 2005	35,175 (61,525)	43,250 (102,175)	--- (34,700)	126,625 (235,500)	15,850 (24,125)	--- (7,500)	--- (---)	--- (11,900)	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	--- (12,225)	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---)	--- (13,500)	285,850 (423,925)
June 2005	8,600 (39,300)	45,625 (70,925)	--- (---)	120,650 (59,475)	29,900 (---)	6,750 (12,850)	--- (---)	--- (---)	211,525 (182,550)
July 2005	21,400 (6,300)	41,050 (17,250)	--- (---)	118,250 (52,400)	29,825 (---)	16,500 (---)	--- (---)	--- (---)	227,025 (75,950)
TOTAL	75,675 (222,725)	178,250 (251,600)	--- (46,925)	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---)	--- (25,400)	945,300 (1,159,650)

COMMODITY & PORT WISE

PORT	S.B. EXT	R.S. EXT	G.N. EXT	R.B. EXT	S.F. EXT	CST EXT	TOTAL
BEDI	12,850 (61,950)	26,425 (72,925)	36,400 (87,550)	--- (---)	--- (---)	--- (---)	75,675 (222,725)
MUMBAI	135,350 (240,000)	39,125 (11,600)	300 (---)	--- (---)	--- (---)	3,475 (---)	178,250 (251,600)
PORBANDAR	750 (---)	--- (---)	--- (---)	--- (---)	--- (---)	--- (---)	750 (---)
BHAVNAGAR	--- (46,925)	--- (---)	--- (---)	--- (---)	--- (---)	--- (---)	--- (46,925)
KANDLA	257,625 (280,325)	194,725 (212,325)	5,875 (4,475)	--- (---)	--- (---)	96,275 (6,200)	554,500 (503,325)
KAKINADA	--- (23,550)	--- (---)	--- (---)	30,125 (5,800)	--- (---)	--- (---)	30,125 (29,350)
VIZAG	100,075 (80,525)	--- (---)	--- (---)	5,925 (---)	--- (---)	--- (---)	106,000 (80,525)
MUNDRA	--- (25,400)	--- (---)	--- (---)	--- (---)	--- (---)	--- (---)	--- (25,400)
TOTAL	506,650 (758,675)	260,275 (296,850)	42,575 (92,325)	36,050 (5,800)	--- (---)	99,750 (6,200)	945,300 (1,159,850)

COUNTRY- WISE - APRIL TO JULY 2005

Port	S.B.EXT	R.S.EXT	G.N.EXT	R.B.EXT	S.F.EXT	CSTEXT	TOTAL	April-June 2004
S.E.Asia								
Korea	6,875	100,050	---	---	---	66,700	173,625	317,300
China	450	56,700	30,875	---	---	---	88,025	90,075
Singapore								5,800
Thailand	13,750	13,125	8,375	---	---	---	35,250	114,25
Phillipines	3,850	750	---	---	---	---	4,600	15,525
Malaysia	2,700	2,650	---	---	---	---	5,350	60,925
Taiwan	1,025	24,500	1,375	---	---	26,750	53,650	17,400
Japan	176,900	19,375	---	---	---	1,550	197,825	69,725
Vietnam	148,875	11,125	300	36,050	---	---	196,350	112,200
Indonesia	101,350	19,650	1,650	---	---	---	122,650	179,025
Sri Lanka	28,550	500	---	---	---	---	29,050	21,475
Pakistan	6,025	---	---	---	---	---	6,025	---
Mauritius	100	---	---	---	---	---	100	---
Kenya	200	---	---	---	---	---	200	---
Sub-Total -I	490,650	248,425	42,575	36,050	---	95,000	912,700	1,003,675
Middle East Count.								
UAE	1,850	---	---	---	---	---	1,850	13,500
Oman	4,525	175	---	---	---	---	4,700	5,400
Baharain	1,375	---	---	---	---	---	1,375	3,075
Kuwait	2,850	---	---	---	---	---	2,850	5,775
Egypt	5,400	11,675	---	---	---	4,750	21,825	4,075
Dammam								23,950
Abu Dhabi								51,075
Jebel Ali								4,925
Iran								11,900
Sub-Total -II	16,000	11,850	---	---	---	4,750	32,600	123,675
European Countries								
Italy	---	---	---	---	---	---	---	24,325
Sub-Total -III	---	---	---	---	---	---	---	24,325
Grand Total - I,II,III	506,650	260,275	42,575	36,050	---	99,750	945,750	
(Apr.June'04)	758,675	296,850	92,325	5,800		6,200		1,159,850

Note: data does not include export of oilmeals to neighboring countries like Bangladesh, Pakistan and Nepal by road.

Update: 8th August 2005

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