

OILMEAL

16th-20th August, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Latest Kharif Sowing Progress
- USDA Latest Export Sales Report on Soymeal
- MSP Increased for Kharif Oilseeds

NEWS ANALYSIS

Latest Kharif Sowing Progress

According to the latest data released by the agriculture ministry that the shortfall in kharif sowing is minimizing now. Delay in onset and advancement of the south-west monsoon has led to shortfall in kharif acreage this year. As on 16 August, coarse cereals acreage is down 2.3 per cent on year followed by oilseeds and rice, which dropped 1.8 per cent each.

Kharif oilseed sowing progress decreased marginally by 1.8 per cent at 158.14 lakh hectares compared with 161.03 lakh hectares last year. This on-year shortfall is largely due to delayed monsoons. Groundnut sowing is also 4 per cent lower at 52.5 lakh hectares. The data reveals that this is mainly due to lower coverage in Andhra Pradesh, Gujarat, Maharashtra and Tamil Nadu. However, sowing is still on in AP, Karnataka and Tamil Nadu, AP too is witnessing crop diversion this year. It is reported that the sowing is almost completed in Gujarat and Maharashtra.

Soybean acreage is also lower on year. The acreage in MP is less on year, due to delayed onset and advancement of monsoon.

Experts, however, are still expecting that the area acreage would improve. Sowing in other states like Andhra Pradesh, Maharashtra and Rajasthan were higher on year. Acreage is down 2.2 per cent at 75.87 lakh hectares compared with 77.61 lakh hectares last year.

Sunflower sowing is down 10.3 per cent at 6.42 lakh hectares and niger seed down 31.6 per cent at 93,000 hectares. On the other hand, castor seed acreage is up 42.5 per cent at 7.18 lakh hectares and sesamum increased 1.3 per cent at 15.25 lakh hectares.

USDA Latest Export Sales Report on Soymeal

According to the latest report of USDA that the net sales of 52,400 MT soybean cake and meal were 35 percent above the previous week, but 14 percent under the prior 4-week average. The primary buyers were Mexico (26,200 MT), Venezuela (12,000 MT), Canada (9,700 MT), and Jamaica (5,900 MT). Reductions were reported for Australia (6,100 MT), unknown destinations (2,500 MT), and Guatemala (2,000 MT). Net sales of 9,200 MT for delivery in 2005/06 were mainly for Mexico (8,000 MT). Exports of 74,500 MT

were 26 percent above the previous week, but 11 percent under the prior 4-week average. The primary destinations were Canada (20,300 MT), Mexico (19,200 MT), New Zealand (9,700 MT), Japan (8,600 MT), and Colombia (8,200 MT). (This summary is based on reports from exporters for the period August 5-11, 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 Slipped Down on Technical Selling

Chicago Board of Trade (CBOT) soybean futures witnessed weak undertone on Friday, falling in unison with the defensive tone in soybeans, with technical selling a featured attraction. Most-active December slipped and settled below key support at the 200-day moving average of \$190.10. Soybean futures slipped to three-month lows on Friday, succumbing to speculative liquidation pressure attributed to favorable near- and longer-range weather outlooks. November soybeans ended 12.75 cents lower at \$6.075, December soybean settled \$3.70 lower at \$189.40 a short ton, and December soyoil ended 29 points lower at 22.52 cent a pound. Commodity fund selling was estimated between 6,000 and 7,000 contracts.

Beneficial rains moving through the Midwest and outlooks for another rain system to head into the region later next week was seen aiding the yield and production potential of the U.S. soybean crop. Weather remained as the bearish factor, with technical selling enhancing the price declines.

In soymeal trades, Fimat and RJ O'Brien each bought 400 December and Kottke bought 300 December. Bunge Chicago sold 500 October, Cargill sold 200 September and 200 December, Fimat sold 500 December, Man Financial and Calyon Financial each sold 300 December, and Prudential Financial sold 700 December.

In soyoil trades, Bunge Chicago bought 300 September, Iowa Grain bought 500 December, and Man Financial, Citigroup and Rand Financial each bought 200 December. Bunge Chicago, Cargill Investor Services, Citigroup, Man Financial, Refco and RJ O'Brien each sold 200 December and Cargill sold 200 October.

CBOT Soymeal Futures as on 20th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	190.9	189.5	189.5	186.3	-4.1	186.8
Oct'05	191.2	190.0	190.0	186.3	-4.1	187.1

CBOT remained closed on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

The soymeal market remained range-bound with stable in this week but slipped down at this weekend at most of the places due to lack of demand from poultry industry, poor global demand, released the stock by the stockists and lack of export situation at this time. 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 futures market at the NCDEX witnessed a tremendous downward tone in this week. The trading activity of September contract remained somehow well but others contract remained poor.

Plant delivery quotes of Soy seeds remained at downward position in this week as compared to previous week and traded at Rs 1240-1245 per qtl in Indore at this weekend while soymeal in physical market has been offered at Rs 8300-8400 per MT at this weekend, as per quality. FOR quotes remained at Rs 9200-9300 per MT in Kandla in jute bags, FAS has been put at \$ 216-217 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 (20th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sep	8380.00	8450.00	8450.00	8450.00	+70.00
Oct	8700.00	0.00	0.00	8700.00	0.00

Soy meal vessel report

Mumbai Port is expecting 'Asha Ashik' to load 10,000 MT of SBM. Astral Freight agents will be handling the vessel. Another vessel, 'Indruwa Valley' is expected at the port to deliver 2,500 MT of SBM. Sai Freight agents will be handling the vessel.

Loading of 11,000 MT of SBM is expected at Kandla Port on the vessel 'Jat Na Mu' to Vietnam. Interoccean agents is handling the vessel. The port is expecting 'IKI' to load 13,600 MT of SBM to Japan. JM Baxi agents will handle the vessel.

Rape/ Mustard meal

The Rapeseed/mustard meal market remained almost same with range bound in most of the places in this week as compared to previous week. The demand for rape/mustard meal remained stable. 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.4450per MT; Kota at Rs.4400 & Barah at Rs. 4350 per MT, which was remained range bound with stable undertone 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.

The market sentiment for groundnut meal showed slight weak undertone at this weekend. In the coming days the prices may remain within the range and later on will be comfortable.

In Gujarat the GN extraction in has been quoted at Rs.5600/ MT for 40% protein at much lower position and in Maharashtra it remained at Rs.7600-7700/MT.

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

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	20.08.05	13.08.05
Indore	8300-8400	8500-9000
Satna/Morena	8500	8500
Nanded	8600	8800
Nagpur (42-43%)	8600-8700	8700-8800
Latur	8600	8800
Sangli	-	-
Dhulia/Jalna	8500-8600	8600-8900
Kota	8600	8800
Kandla	9200-9300	9200
Mumbai	9400-9450	9450
Vizag	9350-9400	9400

WEATHER WATCH:

Meteorological Analysis

Last week's upper air cyclonic circulation extending in middle tropospheric levels over northwest Bay of Bengal off Orissa - west Bengal coast persisted upto 12th. It lay over northwest Bay of Bengal on 13th and 14th; this system

moved inland and lay over north Orissa and adjoining Jharkhand and Chhattisgarh on 15th and 16th. It was seen over Jharkhand and adjoining southeast Uttar Pradesh on 17th.

The other upper air cyclonic circulation over northeastern states persisted upto 12th and became less marked on 13th.

A western Disturbance as an upper air system moved across western Himalayan region during 15th and 16th. An upper air cyclonic circulation extending upto 1.5 km a.s.l. was seen over central Pakistan and neighbourhood on 16th and 17th. Another upper air cyclonic circulation extending between 2.1 and 4.5 km a.s.l. lay over Gujarat and neighbourhood on 16th and 17th.

The axis of the Monsoon Trough continued to remain close to the foothills of Himalayas during 1st half of the week. However it shifted southwards during 2nd half of the week and it's axis at sea level passed through Ferozpur, Delhi, Kanpur, Allahabad, Digha and thence southwards to central Bay of Bengal on 17th.

Rainfall

During this week rainfall activity remained subdued in many parts of the country. However moderate rainfall with isolated heavy falls occurred over Northeastern States, Sub-Himalayan West Bengal & Sikkim and Andaman & Nicobar Islands. Rainfall activity increased during 2nd half when Orissa, Gangetic West Bengal, Chhattisgarh, East Uttar Pradesh, East Madhya Pradesh, Jammu & Kashmir, Himachal Pradesh, Uttaranchal, Coastal Karnataka, Konkan & Goa and Madhya Maharashtra received fairly wide spread rainfall with isolated heavy falls. Scattered showers also occurred over the rest regions of the country outside West Rajasthan and Sauashtra & Kutch where only isolated rainfall occurred on one or two days during the week.

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

Rainfall During The Week (For the week ending on 17th August, 2005)

Rainfall was excess/normal in 8 and deficient/scanty in 28 out of 36 meteorological sub-divisions (Actual: 33.5 mm, Normal: 62.5 mm and Departure: -46%).

Cumulative Seasonal Rainfall (1st June to 17th August, 2005)

Rainfall was excess/normal in 29 and deficient in 7 out of 36 meteorological sub-divisions (Actual: 601.8 mm, Normal: 611.1 mm and Departure: -2%).

The sub-division-wise weekly and seasonal rainfall distribution is presented in the enclosed map.

Outlook For The Week Ending On August 24th, 2005

1. Moderate rainfall with isolated heavy falls likely over Northeastern states Sub-Himalayan West Bengal & Sikkim, Chhattisgarh, East Madhya Pradesh, Orissa, Konkan & Goa and Coastal Karnataka.
2. Scattered showers also likely over West Madhya Pradesh, Interior Maharashtra, Bihar, Jharkhand, Gangetic West Bengal and Uttar Pradesh
3. Weak monsoon conditions likely to prevail in 2nd half of the week with subdued rainfall activity over Northwest and westcentral India and also over interior peninsular India.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.58
European Union	Euro	53.01

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castoseed 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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