

OILMEAL

3rd August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Showed Firm Trading
- CBOT Soymeal Sharply Higher On Weather, Spec Buying

COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal market is showing some reversal in the price sentiments. The cash market showed a firm trading due to strong buyers support and favourable market sentiments. At NCDEX, the August soymeal future contract opened on the higher side but later did show some weakness and moved down further due to some uncertainty regarding the yield. The soymeal futures at CBOT on Tuesday remained on the higher side due to weather concerns and speculative buying.

Following improvement in rains situation in central India, especially Malwa-Nimar belt, soybean sowing is now up 7 per cent at 62.84 lakh hectares compared with 58.73 lakh hectares last year. Plant delivery quotes of Soy seeds remained in the range of Rs 1275 per qtl in Indore while soymeal in physical market has been offered at Rs 9000 - 9200 per MT, as per quality. FOR quotes remained at Rs 9700-9800 per MT in Kandla in jute bags, FAS has been put at \$ 228- 230 per MT.

India's soymeal exports totalled **115,750** tons in June 2005 compared with 94,500 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9000-9200
Satna/Morena	9400
Nanded	9000
Nagpur (42-43%)	9100
Latur	9100
Sangli	-
Dhulia/Jalna	----/9200
Kota	9300
Kandla	9800
Mumbai	9900
Vizag	-

Soy meal vessel report (03.08.05)

Loading of 6,000 MT of SBM is continuing at Mumbai Port on the vessel 'Lisa L' to Sharja. SDS agents is handling the vessel. The port is loading 3,000 MT of SBM on the vessel 'Zale'. The vessel is being handled by Seagull agents.

NCDEX Soy meal Futures price (3rd August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8928.00	9020.00	8913.00	8913.00	-15.00
Sep	9050.00	9096.00	9095.00	9095.00	+45.00

Rape/ Mustard meal

The rapeseed market is at a constant level and maintained the last day's tone. The demand in the market is yet to pick up. The floods and rains hit the trading and the rapemeal market is following the weakness of other oilmeals.

In Shivpuri/ Morena, rates remained at Rs 4500 per MT; Kota & Barah at Rs. 4450 per MT.

Central Organisation For Oil Industry And Trade (COOIT), 1st Advance estimates for the year 2004-2005 has put the Rapeseed/Mustard crop production along with Kharif Toria (1.8 lakh tonnes) to 72.0 lakh tonnes in 2005.

India exported **53,975** tons of rapemeal in June 2005 as compared to 45,575 in June 2004.

Groundnut meal

Groundnut meal market carried on from where it left off. The market lay flat at the same price level for today. In the coming days the prices may remain within the range and later on will be better off.

Groundnut sowing is down 15.4 per cent to 38.41lakh hectare compared to 45.40 lakh hectare. Late rains followed by heavy rains had delayed sowing of the crop in Gujarat. Currently, sowing is said to be in full swing in groundnut-regions in Gujarat.

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

Central Organisation for Oil Industry and Trade (COOIT), 1st Advance Rabi Estimates for the 2004-2005 has put the Rabi GN crop at 17 lakh tonnes, same as last year.

India exported around **8,900 MT** groundnutmeal in June 2005 as compared to 30,475 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Sharply Higher On Weather, Spec Buying

Soybean futures at the Chicago Board of Trade surged ahead on Tuesday, on speculative buying amid the market's sensitivity to dry weather forecasts. Soymeal futures ended higher, following the strength of soybeans and technically inspired buying.

December soymeal settled \$3.80 higher at \$216.50 a short ton; and December soyoil ended 89 points higher at 25.38 cents a pound.

Private weather forecasters are indicating that there will be no rain in the key areas of the Midwest soybean belt during its key pod-filling stage of development and this news served as the catalyst for the rise, raising the threat of declining yield potential.

(One million metric tons of soybeans or wheat equals 36.74 million bushels.)

CBOT Soymeal Futures as on 2nd August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.4	214.0	217.5	212.2	3	215.4
Oct'05	210.9	212.2	216.4	211.2	3.5	214.4

CBOT remained closed on Saturday and Sunday

China: Soymeal Showed Rebound in Eastern Province; Pig Disease Alert

The Chinese soymeal market showed a rebound of RMB 10-20/MT in eastern provinces while rest of the markets remained firm. There was no change in the procurement of soybean in major markets. The imported fishmeal softened at Dalian and Tianjin ports. Chinese rapeseed procurement has slowed down and China has ordered another cargo of Canadian canola recently.

China is still on pig disease alert to prevent further spreading of the virus. There was 1 new death related to pig borne endemic in Sichuan. The bird flu has also spread to Russia's Tyumen region.

It is expected that 2-3 typhoons might hit China in August for which the Government has stepped up precautionary measure. The Ministry has announced that revaluation of Yuan will have little impact on agriculture in the country.

Soybean futures on the Dalian Commodity Exchange settled mostly higher Tuesday, thanks to bouts of bargain hunting that pushed prices up in the afternoon session. The benchmark January 2006 soybean contract inched up CNY3 a metric ton to CNY2,895/ton, after trading between CNY2,858 and CNY2,917/ton.

NEWS ANALYSIS

Maharashtra Poultry Industry in Danger amid Rains & Flood

The poultry industry in Raigad, Thane and Ratnagiri districts of Maharashtra witnessed a worst affected due to the heavy rains and floods. It was noticed that around half a million ready-to-market broiler birds have perished in the floods, leading to losses of over Rs 2.5 crore for the poultry farmers. The poultry feed, which worth lakhs of rupees has been destroyed, in addition to poultry sheds. Due to the breakdown in transportation, poultry feed and raw material for the feed could not reach the farms, leading to starvation of birds. For the State's poultry industry, the recent years have proved to be lucky with the monsoons bringing down the prices of maize, which is the main ingredient of poultry feed. But if the current crisis continues for long, the farmers will find themselves in the same situation they were in a couple of years ago when the industry was on a slide due to drought and fear of bird flu.

WEATHER WATCH: (03.08.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at a few places in Himachal Pradesh, Uttarnchal and East Uttar Pradesh and isolated in the rest region. Increase in rainfall activity over the area from 4th onwards.

East: Rain/thundershowers likely at most places over Gangetic West Bengal and Orissa; at many places over Northeastern states, Sub-Himalayan West Bengal & Sikkim, Jharkhand and Chhattisgarh and at a few places in the rest region.

South: Rain/thundershowers likely at many places over Coastal Karnataka and at a few places in the rest region outside South Andhra Pradesh and Tamil Nadu & Pondicherry where it may be at isolated places..

West: Rain/thundershowers likely at many places in Konkan & Goa and Gujarat state, Madhya Maharashtra and Rajasthan and at a few places in the rest region. Further decrease in the rainfall activity over Gujarat State and south Rajasthan from 4th.

Warning

Heavy to very Heavy rainfall likely at a few places over Orissa and Gangetic West Bengal. Isolated heavy rainfall also likely over Konkan & Goa, Chhattisgarh, Jharkhand, Coastal Karnataka, Madhya Maharashtra and Rajasthan.

Outlook for subsequent two days

Increase in rainfall activity over Eastcentral India, Gangetic plains and Western Himalayan Region.

Decrease in rainfall activity over northeastern States.

Forex Rates (03.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
European Union	Euro	53.04

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - June '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)
TOTAL	371,100 (739,425)	214,525 (242,450)	24,875 (90,025)	19,550 (5,800)	88,225 (6,200)	718,275 (1,083,900)
2004-05	1,861,325	588,805	121,475	43,056	70,750	2,685,411
2003-04	2,683,675	447,050	126,750	---	65,550	3,323,025
2002-03	1,333,318	455,533	15,225	---	92,445	1,896,521
2001-02	2,509,207	313,012	101,001	---	97,557	3,020,777
2000-01	2,182,142	62,968	18,609	---	10,992	2,336,638
1999-00(F.Y)	2,249,505	79,874	1,808	---	93,365	2,428,470

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	MUMBAI	BHAV-NAGAR	KANDLA	VIZAG	KAKI-NADA	MAGD-ALLA	MUNDRA	TOTAL
April 2005	35,175 (61,525)	43,250 (102,175)	---	126,625 (235,500)	15,850 (24,125)	---	---	---	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	---	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---	---	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)
TOTAL	45,675 (177,125)	91,575 (163,425)	---	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---	---	506,750 (901,350)

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