

## OILMEAL

11<sup>th</sup>-17<sup>th</sup> September'05

### MAJOR ACTIVITY HIGHLIGHTS

- [USDA Oil Meal Export Data](#)
- [Data from National Oilseed Processors Association](#)
- [Latest Weather Watch](#)

### NEWS ANALYSIS

#### Soybean Crush Reaches 3,353,343 MT in August

Soybean crush in the United States during August totalled 3,353,343 metric tons (MT), according to the latest data available from the National Oilseed Processors Association. The latest monthly result is below the previous month's crush volume of 3,640,579 MT and up from year earlier levels of 2,626,163 MT.

Particulars	Aug 2004	July 2005	Aug 2005
Crushing capacity	4423877	4507049	4507049
Soybeans crushed	2626163	3353343	3640579
Meal produced	2099815	2668407	2881968
meal yield%	79.98	79.57	79.16
Meal exports	41924	295319	348039
Oil produced	507408	639391	692273
Oil yield %	19.32	19.07	19.02
Oil stocks	395292	523046	715305

Source: USDA

#### USDA Oilmeals Export Data

According to USDA Oilmeal Export data the Net sales of 59,800 MT were 31 percent below the previous week and 13 percent under the prior 4-week average. The major buyers were Mexico (46,200 MT), Colombia (4,400 MT, including 4,000 switched from unknown), Canada (4,000 MT), and Indonesia (3,300 MT). Net sales of 12,600 MT for delivery in 2005/06 resulted as increases for New Zealand (12,500 MT) and Canada (4,900 MT) were partially offset by decreases for Indonesia (3,300 MT), Hong Kong (800 MT), and the Philippines (600 MT) all being switched to 2004/05. Exports of 54,600 MT were 11 percent above the previous week, but 37 percent below the prior 4-week average. The primary destinations were Mexico (35,700 MT), Canada (9,800 MT), and Colombia (4,400 MT). The data released was for the week beginning from 2 September '05 and ending 8 September'05.

#### Canadian Canola Usage Pattern

The gradual declining phase is clearly seen in the Canadian Oilseed acreage.

Year	2001	2002	2003	2004	2005
<b>Inflow</b>					
Acreage	410000	715000	840000	783000	537000
Yield	660	476	593	860	904
Production	122800	154300	226100	305500	220300
Carrying	115000	45000	60000	92000	194000
Stocks	237800	199300	286100	397500	414300
<b>Outflow</b>					
Europe	69680	47425	44666	41600	44600
America	48371	42255	55868	57000	56900
Pacific Rim	52083	23884	18857	17100	48000
Arab/Africa	544	474	1894	2900	1700
Total Export	170678	114037	121285	118600	151200
Seed/Waste/Other	7714	9163	56554	68481	46519
Domestic	14408	16099	16260	16420	16580
Usage	192801	139300	194099	203501	214299
Carryover	45000	60000	92000	194000	200000
Usage/stocks	23.3	43.1	47.4	95.3	95.3

#### India Cuts base Import Prices for Soya Oil & Palm Oil

India the worlds largest importer of edible oil has reduced base import prices of Soy oil and Palm oil. India imports half of its consumption of palm oil requirements from Malaysia and Indonesia and soft oil from Argentina and Brazil. The base price of crude soyabean oil has been cut to US\$506 a tonne from US\$558 and crude palm oil price has been reduced to US\$397 a tonne from US\$423. India fixes base prices to calculate customs duties to prevent loss of revenue from under-invoicing by some importers. The base price of RBD palm oil has been cut to US\$418 a tonne from

US\$429 and of other palm oil has been reduced to US\$408 a tonne from US\$426. of 35,158 tons (3%).MSP Increased for Kharif Oilseeds

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS

#### Soymeal Futures Recovers on Technical Buying

Soymeal futures at Chicago Board of Trade (CBOT) recovered slightly following technical buying in Soybean futures.

Soymeal futures contract for December raised \$ 0.70 higher at \$ 176.60 a short ton as compared to previous days closing of \$175.90 a short ton. Soybean November futures contract ended 2.50 cents higher at \$5.71 ¼.

In soybean trades, Refco bought 200 December and 200 May, Man Financial bought 300 October, and Prudential Financial and Tenco each bought 100 December. Cargill sold 300 October, 300 December and 200 January.

CBOT remained closed on 17<sup>th</sup> September 2005

#### CBOT Soybean Futures as on 16<sup>th</sup> September'05 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	173.2	174.4	174.4	172.9	+0.3	173.5
Oct'05	175.9	176.8	177.0	175.8	+0.7	176.6

CBOT remained closed on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

This week most of the time soybean spot markets remained in a downtrend. The prices recovered on the last day of the week. The prices declined ahead of USDA crop production report and plant maintenance work. Other factors were increased rainfall activity that improved crop production. Fresh arrivals in domestic spot markets were observed.

Looking at the futures market, NCDEX soybean futures September contract remained mixed in the beginning and was in declining trend later this week. In September contract extremely thin trading was observed at the same time for October trading became visible on the last day of this week. The prices of both September and October contracts declined on the last trading day of the week.

Plant delivery quotes of Soy seeds traded at Rs1220 per qtl in Indore while soybean in physical market traded within a range of Rs.8400-8500 per MT, as per quality FOR quotes remained at Rs 9050-9150 per MT in Kandla in jute bags, FAS has been put at \$ 211-212 per MT.

India's soybean exports totalled 112,575 tons in August 2005 compared with 17,325 tons in August 2004.

#### NCDEX Soy meal Futures price (17<sup>th</sup> September)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8425.00	8400.00	8375.00	8400.00	-25.00
Oct'05	8745.00	8400.00	8400.00	8400.00	-345.00

### Soy Meal Vessel Report (17.09.05)

Kandla Port is expecting 'Phuong Dong 2' to load 12,000 MT of SBM to Vietnam. Hind Shipping will be handling the vessel.

#### Rape/ Mustard meal

The Rapeseed/mustard meal market remained range bound the whole week as most of the stocks are with NAFED. The prices for Mustard seed are expected to remain range bound.

In Shivpuri/ Morena, it was traded at Rs.4700 per MT; Kota 4450, which remained same compared to previous day.

India exported 43,825 tons of rapemeal in August 2005 as compared to 33,325 in August 2005.

#### Groundnut meal

The groundnut meal market remained in a steady trend throughout the week. According to the traders, the new kharif crop will hit the market in November and production is expected to be good particularly after slight rains. In the coming days the prices are expected to go down.

In Rajkot, the GN extraction has been quoted for Rs.6050/MT at a declining position and in Dhulia it remained same at Rs.7500/MT for 43% protein.

India exported around 15,100 MT groundnut meals in August 2005 as compared to 8750 MT in August 2004.

### DOC Rates at Different Centers

Places	Ex-factory rates (Rs/ton)	
	10.09.05	17.09.05
Indore	8500-8600	8400-8500
Shivpuri/Morena	8500	8300
Nanded	8950	8700
Nagpur (42-43%)	8900	8800-8400
Latur	8950	-
Jalna/Dhulia	8500-8600	8550-8600
Kota	8800	8600
Kandla	9300	9160
Mumbai	9400	9400
Vizag	9400	9300-9400
Sangli	-	8900-9000
Datia	-	8550

### WEATHER WATCH:

#### Chief Features

During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman & Nicobar Islands. Chief amounts of rainfall recorded (in cms) are: Bareilly-27, Pantnagar-17, Bagraich-12, Ayodhya-11, Port Blair, Mahabaleshwar & Mandi-8 each, Haridwar-7, Delhi (Safdarjung), Chandigarh & Baroda-6 each, Tehri, Delhi (Palam) & Ambala-5 each, Dahanu, Porbander, Dwarka & Gorakhpur-4 each.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar

Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. its associated upper air cyclonic circulation extends upto mid-tropospheric levels. it will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

#### Forecast valid 0830 hours IST of 20<sup>th</sup> September, 05

**NORTH:** Rain/thundershowers likely at many places over Himachal Pradesh, Uttaranchal, Haryana and Uttar Pradesh and a few places in the rest region. Rainfall likely to decrease further over the region from 18<sup>th</sup>.

**EAST:** Rain/thundershowers likely at many places over Nagaland, Mizoram, Manipur & Tripura, Gangetic West Bengal and Orissa and at a few places over the rest region. Rainfall will increase over eastcentral India from 19<sup>th</sup>.

#### Indian Export of Oilmeal

#### COMMODITY WISE

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

Quantity in metric tones						
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 (---)
August 2005	112,575 (17,325)	43,825 (33,325)	15,100 (8,750)	5,033 (5,761)	11,325 (15,225)	187,858 (80,386)
TOTAL	619,225 (776,000)	304,100 (330,175)	57,675 (101,075)	41,083 (11,561)	111,075 (21,425)	1,133,158 (1,240,235)
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 - Castoseed Extns, R.B.- Ricebran Extns

Source: SEA Data Bank

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh and Coastal Karnataka and isolated in the rest region.

**WEST:** Rain/thundershowers likely at many places over Gujarat State, Konkan & Goa, Madhya Maharashtra and East Rajasthan and at a few places over the rest region.

#### Heavy Rainfall Warning

Isolated heavy to very heavy rainfall likely over Uttar Pradesh, Himachal Pradesh, Uttaranchal, Gangetic West Bengal, Orissa, Konkan & Goa, Gujarat State and Andaman & Nicobar Islands.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

1) Increase in rainfall over east central and adjoining peninsular India.

2) Further decrease in rainfall activity over Northwest India.

Source: GOI (IMD)

#### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.8350
European Union	Euro	53.6431

## 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)
August 2005	--- (19,550)	31,625 (5,150)	--- (---)	146,800 (44,625)	4,400 (5,100)	5,033 (5,761)	--- (---)	--- (---)	187,858 (80,386)
TOTAL	75,675 (242,275)	209,875 (256,750)	--- (46,925)	701,300 (546,150)	110,400 (85,625)	35,158 (35,111)	750 (---)	--- (25,400)	1,135,158 (1,240,236)

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