

OILMEAL

29th August-3rd September'05

MAJOR ACTIVITY HIGHLIGHTS

- Latest Kharif Sowing Progress
- Latest Weather Watch

NEWS ANALYSIS

Kharif Season sowing near to completion

Kharif sowing is nearing completion and for the first time during the season. Oilseed acreage as on Aug. 26 was 16.5 million hectare against 16.9 million a year earlier, the latest government data showed.

Kharif crops are sown in June-July and harvested September onwards. These crops are mainly dependent on monsoon. However, due to vagaries of monsoon, sowing of certain varieties of crops continues till end-August.

As the ideal time for soybean sowing is already over the farmers are now opting for late-duration varieties to complete their sowing operations. Soybean acreage, as on August 26, was 7.6 million hectare against 7.8 million a year ago. Similar trends are visible in case of groundnut. The area under groundnut was 5.4 million hectare, against 5.6 million hectare a year earlier, while sunflower acreage declined to 783,000 hectare from 801,000 hectare.

Sesamum sowing dropped to 1.60 million hectare from 1.66 million. Nigerseed sowing was 138,000 hectare while 900,000 hectare has been brought under castorseed against 277,000 and 678,000 hectare respectively, last year.

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
Sesame seed	1550	1500	50
Nigerseed	1200	1180	20

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

CBOT remained close on 3rd September 2005

CBOT Soymeal Futures as on 3rd September'05 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sep'05	22.82	22.88	22.88	22.45	-0.29	22.53
Oct'05	22.99	23.00	23.00	22.55	-0.32	22.67

CBOT remained closed on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

This week most of the time soya meal market observed an uptrend but finally the week ended at a lower side. The week started with mixed market sentiments as the demand from poultry industry was low but then the prices improved due to expectation of improved demand from poultry industry due to end of Sawan, low crop estimates, increase in Soybean prices. But at the end of the week there was a steady movement in prices due to fall in prices at Indore market.

Looking at the futures market NCDEX soymeal future for September remained poor but at the same time for October remained strong on the first day of the week. But no trading took place for next two days followed by a bullish market and then a correction was observed. The prices of contract remained unchanged on the last trading day of the week.

Plant delivery quotes of Soy seeds witnessed slight weak last day of this week (on as compared to previous trading day and traded at Rs 1265 - 1270 per qtl in Indore while soymeal in physical market traded range bound with stable price of Rs.8500-8700 per MT, as per quality. FOR quotes remained at Rs 9350-9450 per MT in Kandla in jute bags, FAS has been put at \$ 217-218 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 (3rd September)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sep	8525	0	0	8525	0
Oct	8746	0	0	8746	0

Soy meal vessel report

Mumbai port is expecting 'Bright KC' to load 6000MT of SBM. Chowgule agents will be handling the vessel.

Rape/ Mustard meal

The Rapeseed/mustard meal market remained firm during the whole week. The prices for Mustard seed are expected to remain firm as demand for poultry industry is expected to shoot up in the near future.

On the last trading day of the week Shivpuri/ Morena, it was traded at Rs.4600 per MT; Kota (not available) & Barah (not available),

India exported **135,550** tons of rapemeal in June 2005 as compared to 19,250 tons in June 2004.

Groundnut meal

The groundnut meal market remained in a steady trend this week. According to the traders, the new kharif crop will hit the market in November and production is expected to be good. In the coming days the prices are expected to remain firm due to support from retail end, millers and exporters.

In Rajkot, the GN extraction has been quoted at Rs 6050/MT for 40% protein at stable position and in Dhulia it remained at Rs.7600/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)	
	27.08.05	3.09.05
Indore	8400-8850	8700
Satna/Morena	8600	8700
Nanded	8600-8700	9200
Nagpur (42-43%)	8600	8500-9000
Latur	8700	9100
Sangli	-	9150
Dhulia/Jalna	8600-8800	8700
Kota	8600-8700	8900
Kandla	9200	9400
Mumbai	9300	9500
Vizag	9200	9300

WEATHER WATCH:

Meteorological Analysis

Last week's upper air cyclonic circulations over Sub-Himalayan West Bengal & Sikkim and another over Lakshadweep area became less marked on 25th.

A fresh upper air cyclonic circulation extending between 1.5 & 4.5 km a.s.l. formed over Tamil Nadu and neighbourhood on 27th. It moved westwards and lay over Kerala on 28th

and over Lakshadweep area on 29th & 30th. It became less marked on 31st.

Another upper air cyclonic circulation extending upto 2.1 km a.s.l. was seen over South Interior Karnataka on 29th. A fresh upper air cyclonic circulation formed over southwest Bay of Bengal off Tamil Nadu coast on 30th. It lay over west central Bay of Bengal off south coastal Andhra Pradesh on 31st.

During 27th to 31st, an upper air cyclonic circulation extending between 1.5 & 4.5 km a.s.l. lay over Gujarat and neighbourhood.

A north-south trough extending upto 1.5 km a.s.l. was seen from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal during 29th to 31st. A western disturbance as an upper air system moved across Western Himalayan region during 27th to 29th.

The monsoon trough continued to lie close to foothills of Himalayas throughout the week.

Rainfall

During this week, rainfall activity remained generally subdued over most parts of the country. However, Northeastern States, West Bengal & Sikkim, Tamil Nadu & Pondicherry and Kerala experienced moderate rainfall with isolated heavy falls. Light to moderate rainfall also occurred at a few places over Andaman & Nicobar Islands Himachal Pradesh, Uttaranchal, Bihar, Orissa, south Gujarat, Konkan & Goa, Madhya Maharashtra, Coastal Andhra Pradesh, Rayalaseema, Karnataka and Lakshadweep on some days of the week. Light rainfall occurred over Jammu & Kashmir, East Uttar Pradesh, Jharkhand, Chhattisgarh south Madhya Pradesh, Telangana, Marathawada and north Gujarat on one or two days of the week. Weather remained mainly dry over Punjab, Haryana, West Uttar Pradesh, Rajasthan, Vidarbha and north Madhya Pradesh.

Rainfall During The Week (For the week ending on 31st August, 2005)

Rainfall was excess/normal in 8, deficient/scanty in 27 and no rain in 1 (West Rajasthan) out of 36 meteorological sub-divisions (Actual: 24.5 mm, Normal: 49.9 mm and Departure: -51%).

Cumulative Seasonal Rainfall (1st June to 31st August, 2005)

Rainfall was excess/normal in 31 and deficient/scanty in 5 out of 36 meteorological sub-divisions (Actual: 675.8 mm, Normal: 717.9 mm and Departure: -6%).

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

Outlook For The Week Ending On September 7, 2005

1. Southwest monsoon is likely to withdraw from West Rajasthan.
2. Ongoing rainfall activity over south Peninsula is likely to continue and may enhance over Karnataka and Andhra Pradesh during 2nd half of the week. The rainfall activity may also extend to central India and parts of east India during the 2nd half of the week.
3. A north-south trough with an embedded cyclonic circulation is likely to develop along east coast of India during first half of the week. This may cause isolated light showers over northeast & east central and adjoining gangetic plains.

4. Mainly dry weather is likely to prevail over northwest & west central India.

Source: Indian Meteorological Department

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.7902
European Union	Euro	54.9393

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)	---	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)
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)	---	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---)	---	945,300 (1,159,650)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.