

## OILMEAL

5<sup>th</sup>-10<sup>th</sup> September'05

### MAJOR ACTIVITY HIGHLIGHTS

- [USDA Exports Sales Data](#)
- [Latest Weather Watch](#)

### NEWS ANALYSIS

#### Oilmeals Exports Declines by 9%

According to the data compiled by The Solvent Extractors' Association of India the export of Oilmeal for August 2005 is of 187,858 tons as compared to 80,386 tons in August last year, which is, more than double. However the overall export of oilmeals for the month of April to August 2005 is of 1,133,158 tons as compared to 1,240,236 tons during the same period last year i.e. down by 9%. During first 5 months soybean meal export is showing a declining trend as it reduced to 619,225 tons from 776,000 tons, while rapeseed meal has slightly declined to 304,000 tons from 330,000 tons and groundnut meal exports reduced to 57,675 tons from 101,075 tons. The export from Kandla port is of 701,300 tons (62%), followed by Mumbai of 209,875 tons (19%), Vizag of 110,400 tons (10%), Bedi of 75,675 tons (6%), and Kakinada of 35,158 tons (3%). MSP Increased for Kharif Oilseeds

#### Canadian Soymeal Weekly Production Data

The Canadian Oilseed Processors Association (COPA) has declared weekly production of 35,458 of soymeal during the week ending September 7, 2005. The soymeal production this week raised by 18.3%. Soymeal production is about 183,474 MT from 1 August 2005 for the marketing year 2005-06. The crush capacity for Soybean was down 12.2 points at 79.1%.

**USDA Export Sales Data for Soybean Cake and Meal** United States Department of Agriculture declared its export sales data last evening. The net sales of 86,000 MT were 40 percent above the previous week and 50 percent over the prior 4-week average. 36800 MT of increase in export sales was observed at Mexico, Algeria reported an increase of 16000 MT, Jamaica reported 6000 MT and other unknown destinations reported an increase of export sales of 22000 MT.

Sales of 183,100 MT for delivery in 2005/06 were mainly for Canada of 86,900 MT, Philippines of 40,000 MT, Guatemala of 18,600 MT, unknown destinations of 18,000 MT, and the Dominican Republic of 16,000 MT. Exports of 49,100 MT were 59 percent less than the previous week and 45 percent below the prior 4-week average. The primary destinations were Mexico for 28,000 MT and Canada 20,400 MT.

### FUNDAMENTAL ANALYSIS

#### INTERNATIONAL MARKETS

##### CBOT Soymeal Futures Lower on Heavy Selling

Soymeal futures at Chicago Board of Trade (CBOT) traded lower yesterday ahead of USDA's crop production forecast to be declared this Monday. The consensus of a higher production forecast resulted in late technical selling. However Soymeal managed to get a support from higher than expected weekly export sales. Soymeal futures contract for December was \$ 2.80 lower at \$ 184 a short ton and soybean November futures contract ended 10.50 cents lower at \$5.90.

In soymeal trades, Bunge Chicago bought 200 October, while Cargill, Iowa Grain, Refco and Tenco were each light buyers. Cargill sold 200 October, Refco sold 200 December, and Fimat, Goldenberg, Hehmeyer and Prudential Financial were light sellers.

CBOT remained close on 10<sup>th</sup> September 2005

##### CBOT Soymeal Futures as on 9<sup>th</sup> September'05 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	184.4	184.8	184.8	180.3	-4	180.4
Oct'05	184.9	185.0	185.8	181.5	-3.2	181.7

CBOT remained closed on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

This week most of the time soyameal markets remained in a downtrend. The prices remained stable in the beginning and then declined. A correction was observed but finally it was in declining trend. This was mainly due to expectation of increase in production from coming harvest. Also due to plant maintenance work in oil extracting mills.

Looking at the futures market NCDEX soymeal future contract remained on a lower side. In September contract extremely thin trading was observed but at the same time for October no trading was observed. Overall futures market at NCDEX remained in a bearish tren. The prices of contract remained unchanged on the last trading day of the week.

Plant delivery quotes of Soy seeds remained weak last day of this week (on as compared to previous trading day) and traded at Rs1235 per qtl in Indore while soymeal in physical market has been traded within a range of Rs.8500-8600 per MT, as per quality. FOR quotes remained at Rs 9200-9300 per MT in Kandla in jute bags, FAS has been put at \$ 212-214 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 (10<sup>th</sup> September)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sep'05	8500.00	0.00	0.00	8500.00	0.00
Oct'05	8746.00	0.00	0.00	8746.00	0.00

#### Soy meal vessel report

##### Rape/ Mustard meal

The Rapeseed/mustard meal market remained stable during the whole week due to stable demand and supply. The prices for Mustard seed are expected to remain stable due to rains in Rajasthan.

In Shivpuri/ Morena, it was traded at Rs.4600 per MT; Kota 4500, which remained on a lower side as, compared to 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 in a steady trend followed by a weakness in the market at the end of 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 go down.

In Rajkot, the GN extraction has been quoted for Rs.6200/MT at stable position and in Dhulia it remained at Rs.7500/MT for 43% protein.

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)	
	5.09.05	10.09.05
Indore	8500	8500-8600
Shivpuri/Morena	8650	8500
Nanded	9000	8950
Nagpur (42-43%)	8400-8800	8900
Latur	9000	8950
Jalna/Dhulia	8700-8800	8500-8600
Kota	8950	8800
Kandla	9400	9300
Mumbai	9500	9400
Vizag	9300	9400

#### WEATHER WATCH: Meteorological Analysis

Last week's upper air cyclonic circulation over westcentral Bay of Bengal off Coastal Andhra Pradesh extending upto 4.5 km a.s.l. tilting southwards with height persisted upto 2nd. It moved westwards across Coastal Andhra Pradesh, Telangana, North Interior Karnataka and Konkan & Goa during 3rd to 6th. It was seen over Konkan & Goa and adjoining eastcentral Arabian Sea extending between 2.1 km and 5.8 km a.s.l. on 7th. A north-south trough extending in the lower tropospheric levels was seen from Uttar Pradesh to the above system on 2nd & 3rd and from southeast Rajasthan on 4th & 5th.

A fresh upper cyclonic circulation extending upto 3.1 km a.s.l. formed over southwest Bay of Bengal in the evening of the 5th. Under its influence, a low pressure area formed over Central parts of south Bay of Bengal on 6th. It moved northwestwards and lay over westcentral Bay of Bengal off coastal Andhra Pradesh on 7th morning and became well marked in the evening.

A fresh upper air cyclonic circulation extending upto 2.1 km a.s.l. was seen over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh on 6th. It became less marked on 7th. Another upper air cyclonic circulation formed over central Pakistan and adjoining west Rajasthan extending upto 1.5 km a.s.l. on 7th.

#### Rainfall

Southwest Monsoon was active to vigorous over Kerala and Rayalaseema on many days of the week and over Karnataka, Telangana, Tamil Nadu & Pondicherry, Konkan & Goa, Madhya Maharashtra, Sub-Himalayan West Bengal & Sikkim, Bihar, Jharkhand and East Uttar Pradesh on one to two days of the week.

Moderate rainfall occurred at many places with isolated heavy falls over south peninsula on many days of the week. Rainfall activity increased with light to moderate scattered rainfall over central India and adjoining Gangetic plains during 3rd to 7th. Light to moderate rainfall also occurred over western Himalayan region and northeastern States. Rainfall activity remained subdued over plains of northwest India with mainly dry weather over Punjab & West Rajasthan.

#### Temperature

Maximum Temperatures were above normal by 4 to 6°C over central India and northwest India during the 1st half of the week. They decreased over central India during 2nd half but continued to remain above normal over northwest India especially over Rajasthan where the departures were of the order of 6 to 8°C.

#### Rainfall During The Week (Week ending on 7th September, 2005)

Rainfall was excess/normal in 15; deficient/scanty in 20 and no rain in 1 (West Rajasthan) out of 36 meteorological sub-divisions (Actual : 34.7 mm, Normal : 47.4 mm and Departure: -27%).

#### Cumulative Seasonal Rainfall (1st June to 7th September, 2005)

Rainfall was excess/normal in 27 and deficient/scanty in 9 out of 36 meteorological sub-divisions. (Actual: 707.0 mm, Normal : 765.3 mm and Departure: -8%).

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

A comparative data of cumulative seasonal rainfall during the corresponding period of last five years is given in Table-

1. District-wise distribution of excess, normal, deficient and scanty rainfall is shown in Table-2.

### Outlook For The Week Ending On September 14, 2005

Fairly widespread rainfall with isolated heavy falls likely over south peninsula, Orissa, Gujarat and Maharashtra & Goa.

Moderate scattered rainfall likely over central India and northwest India.

Increase in rainfall activity is likely over Gangetic West Bengal, Jharkhand and Bihar during 2nd half of 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	2,249,505	79,874	1,808	---	3,918	93,365
(F.Y)						

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)

Generally subdued rainfall activity likely over northeast India.

Source: Indian Meteorological Department

### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.80
European Union	Euro	54.43

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