

OILMEAL

11-18 Feb'06

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 05– January' 06
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- USDA Export Sales (tmt) - Week of 09 February 2006

NEWS ANALYSIS

Export of Oilmeal Increased This Year (April '05 to January'06)

Indian Oilmeals export during the financial year 2005-06 (10months) increased by 36.13% as compared to the export during the same period previous year. India exported 2950850 MT of Oilmeals during this period (April-January) according to SEA of India release. The main surge in export was seen in Castor meal (216.8%), Rice Bran Ex.(100%) and Soymeal(178.4%). However the export of GN meal were down during this

period as compared to previous year by 2.8%. According to SEA, groundnut meal exports fell during this period mainly on account of lower crush margin. Despite the bird flu fears and bearish factors in the overseas meal markets, the Indian meals export recorded growth due to its attractive prices and good quality.

Export of Oilmeal (Extractions) from April to January '06 with comparative period of previous year (Qty. in M.T.)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2005	99,250	90,900	12,950	---	---	17,800	220,900
	366,625	96,000	14,800	---	---	----	477,425
May 2005	156,100	69,650	3,025	6,875	---	50,200	285,850
	278,300	100,875	44,750	---	---	----	423,925
June 2005	115,750	53,975	8,900	12,675	---	20,225	211,525
	94,500	45,575	30,475	5,800	---	6,200	182,550
July 2005	135,550	45,750	17,700	16,500	---	11,525	227,025
	19,250	54,400	2,300	----	---	----	75,950
August 2005	112,575	43,825	15,100	5,033	---	11,325	187,858
	17,325	33,325	8,750	5,761	---	15,225	80,386
September 2005	102,675	31,025	8,500	---	---	15,950	158,150
	12,875	52,100	----	5,750	---	----	70,725
October 2005	160,250	37,250	8,825	.....	.....	3,100	209,425
	18,750	17,300	4,450	.....	....	7,225	47,725
November 2005	266,675	21,725	2,200	12,867	.....	18,225	321,692
	174,950	28,850	.....	11,820	...	...	215,620
December 2005	49,2950	47,400	18,000	6,500	750	14,100	579,700
	303,750	40,375	....	13,925	460	16,275	374,785
January 2006	483,225	16,975	8,400	25,950	....	14,175	548,725

	173,550	30,275	1,100	.....	1,096	10,825	216,846
Total (Apr05-Jan'06)	2,125,000	458,475	103,600	86,400	750	176,625	2,950,850
(Apr.04-Jan.'05)	1,459,875	499,075	106,625	43,056	3,272	55,750	2,167,653
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	---	70,750	2,685,411
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025
2002-2003(F.Y.)	1,333,318	455,533	15,225	---	---	92,445	1,896,521
2001-2002(F.Y.)	2,509,207	313,012	101,001	---	---	97,557	3,020,777
2000-2001(F.Y.)	2,182,142	62,968	18,609	---	---	72,919	2,336,638

Weekly Statistics, Past Five Weeks (\$/mt)					
Parameters	12-Jan	19-Jan	26-Jan	2-Feb	9-Feb
Nearby Soybean Futures (CBT)	206.50	207.60	210.54	214.58	215.96
Basis Central Illinois	211.27	206.50	209.44	212.74	213.39
Basis Gulf	225.97	227.81	231.12	232.95	236.17
Nearby Soybean Meal Futures (CBT)	197.09	196.65	198.74	200.51	200.18
Basis Decatur	195.11	191.14	194.34	192.79	192.46
Basis Gulf	222.24	224.21	225.20	224.76	221.12
Basis West Coast	227.96	224.21	223.00	224.76	227.74
Nearby Soybean Oil Futures (CBT)	472.45	464.73	474.12	483.91	499.34
Basis Decatur	461.64	444.67	457.67	450.84	466.27
Basis Gulf	461.42	453.71	463.19	483.91	499.34
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	20.00	18.52	17.40	18.15	19.04
US Gulf/Japan, grains basis	37.44	34.71	32.42	33.37	34.69
PNW/Japan, grains basis	25.19	23.85	23.22	24.24	25.06
PNW/Japan Spread	12.25	10.86	9.20	9.13	9.63
US Corn, CBOT Nearby Futures	83.76	80.70	85.43	86.81	87.20
US Sorghum, Gulf Cash Price	99.54	98.44	n/a	104.61	107.03
Canadian Canola, Nearby Winnipeg	203.56	206.53	n/a	168.28	213.54
Brazil Soybeans, FOB Paranagua	217.52	220.46	227.07	229.28	232.49
Brazil Soymeal, FOB Paranagua	197.09	198.85	198.74	202.71	205.69
Brazil Soyoil, FOB Paranagua	472.00	465.00	474.00	484.00	499.00
Rail Rate-Kansas City MO/Eagle Pass TX 1/	Dec '01		\$2,387	Sep '02	\$2,287
1/ Quoted rail rates, dollars per car, for a 54-car unit train.					

USDA Export Sales (tmt) - Week of 09 February 2006							
		New	Accum.			New	Accum.
Country	Commodity	Sales	Exports	Country	Commodity	Sales	Exports
Canada	Soybeans	3.4	143.3	Mexico	Soymeal	22.5	522.9
China	Soybeans	360.3	6660.9	Morocco	Soymeal	4.9	9.4
Colombia	Soybeans	10.6	81.1	New Zealand	Soymeal	11.5	23.9
Costa Rica	Soybeans	28.2	107.8	Nicaragua	Soymeal	2.8	22.3
Denmark	Soybeans	3.7	50.7	OPAC Is.	Soymeal	0.2	4
Egypt	Soybeans	8.3	401.5	Panama	Soymeal	7.5	57.8
Indonesia	Soybeans	69.8	568.8	Philippines	Soymeal	31.5	206.9
Italy	Soybeans	0.1	20.4	Salvador	Soymeal	1	50.7
Japan	Soybeans	9.5	1418.6	Venezuela	Soymeal	4	20
Mexico	Soybeans	129.5	1624.8	Barbados	Soyoil	0.2	0.6

Taiwan	Soybeans	97.8	940.9	Canada	Soyoil	1.8	10.9
Thailand	Soybeans	0.5	219.7	Hong Kong	Soyoil	0.1	0.7
Turkey	Soybeans	0.3	297.8	Kuwait	Soyoil	0.1	1.1
Canada	Soymeal	6	408	Trinidad	Soyoil	0.1	0.6
Chile	Soymeal	27.5	33.3				
Egypt	Soymeal	7	52.4	Export Sales Totals (tmt)			
Guatemala	Soymeal	8.5	101.3		Outstanding	Accum.	New
Hong Kong	Soymeal	0.3	8.6	Commodity	Sales	Exports	Sales
Indonesia	Soymeal	1.2	14.6	Soybeans	3,788.4	14,945.6	529.6
Jamaica	Soymeal	1.6	42.7	Soymeal	1,361.3	2,376.2	151.5
Japan	Soymeal	9.9	168.4	Soyoil	85.7	111.6	-3.3

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

Soymeal Futures at CBOT Settle Higher

Soy future settled high at Chicago Boards of Trades on Friday. March Soybeans closed up 9.75 cents at \$6.0125/bushel, 1.75 cents off the high and 11.25 cents up from the low. May Soybeans settled up 10.25 cents at \$6.1425 which was 12 cents up from the low and 2.50 cents off the high. March Soymeal settled up \$1.9 at \$185.3/ton that was 1.0 cent up from the low and 1.7 cents off the high. March Soybean Oil settled up 0.76 cents at 23.33 cents/pound, 0.06 cents off the high

and 0.58 cents up from the low. Stressful conditions for the Argentina soybean crop for at least for a week remain the key issue for surging the market up. Firmness in other commodity markets also provide underlying support for its firmness. Sellers remain dormant in cash market which further helped the market to go up. Recent energy crisis from Iran and terrorist threat in Nigeria helped further to boost the market up.

CBOT Soymeal Futures as on 17th February '06

Months	Previous Settle	Open	High	Low	Change	Close
Mar 06	591.4	596.0	603.0	590.0	+9.8	601.2
May 06	604.2	609.0	617.0	602.4	+10.2	614.4

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

The soymeal markets have witnessed slight improvements in the prices in this week and is likely to decline for some time due to bird flu factor. Indore, Jalna, Kota, Kandla, Mumbai witnessed improvement in prices and other places remain steady and range bound. Though the increase would give some relief to the crushers as far as margins are concerned. As the export demand has become prices sensitive and buyers are at bargaining position on account of huge stocks with U.S. The prices are likely to remain range bound at the current levels as the current situation is slightly mixed. Soymeal futures at NCDEX witnessed decrease by Rs. 225.0 in March contract and increase in April contract by Rs. 77.0 today. CBOT soymeal futures improve on account of bullish export sales news.

The prices at Indore spot market were slightly improved in the range of Rs 8500-8700 per MT levels. March soymeal contract at NCDEX improved at Rs. 8465.0. April contract gain Rs. 77.0 to 8877.0. Ports witnessed slight increase. The prices at Kandla port improved slightly to Rs 9400.0 as compared to Rs 9300.0 yesterday whereas Mumbai port witnessed increase at Rs 9300.0 per MT.

We are in the phase of the market where the demand is coming in trickles and buyers are at bargaining position. Also, in times to come, we are going to see a flood of supplies from the South American crop harvest. We expect the prices to remain steady to slightly bearish.

NCDEX Soy meal Futures price (17th February 06)

	Prev Close Price	High Price	Low Price	Close Price	Change
March'06	8690.00	8745.00	8460.00	8465.00	-225.00
April'06	8800.00	8877.00	8850.00	8877.00	+77.00

Soy Meal Vessel Report (18.01.06)

Loading of 2,000 MT of SBM is continuing at Kandla Port on the vessel 'Seven Star' to Kuwait. The vessel is being handled by Sai Shipping. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

'Pavonis' has berthed at Mumbai Port and continues to load 3,000 MT of SBM. The vessel is being handled by Able Marine agents. 'Mercs Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Inter ocean agents will be handling the vessel.

Jamnagara Port is loading 11,000 MT of SBM to China on the vessel 'Iran Kolhadoo'. The vessel is being handled by Seacrest agents. Loading of 12,600 MT of SBM is expected at the port on the vessel 'Iran Sokan' to China. The vessel will be handled by Seacrest agents. 'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Inter ocean agents will be handling the vessel. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Ever Power	15000	Expected	Japan	Kandla
	Seven star	2000	Loading	Kuwait	
	Asha Himani	3000	Expected	Hodaiddab	
Jamnagar	Iran Kolhadoo	11000	Loading	China	Jamnagar
	Iran Sokan	12600	Expected	China	
	Weston	26000	Expected	Vietnam	
Mumbai	Indruwa Valley	2500	Loading		Mumbai
	Pavonis	3000	Loading		
	Lover Star	6000	Loading		
	Mercs Ruhunnu'	2750	Expected		

Rape/ Mustard meal

Mustard seed arrivals (Fresh crop) at different mandis in Rajasthan is picking up slowly. At the moment fresh mustard seed is around 60000-70000 bags in Rajasthan market. Hefty previous stock (mainly with NAFED) along with the forthcoming harvest season projects a bearish picture for mustard seed. Further, increased expected production this year i.e. 8.20 million tonnes as compared to the previous year's 6.25 million tonnes, supports the same thought. To

some extent, Government buying (announced 25 lakh tonnes) of mustard seed at MSP Rs 1715 is likely to support the freefall of prices but looking at the crop size this effort of the government probably would not prove to be sufficient. So expect the mustard meal prices to stumble as the arrivals in mandis and crushing gets momentum during the coming time. Today there was no trading seen at Kandla port, as the buyers and sellers were standing apart. In this week the Mustard oilcake was quoted in Morena Rs 4600 per MT.

Exports of Rapeseed meal during January 06 increased 43.9% to 16975 MT, similarly, the export for the period between April to

January fell 8.13% to 458475 MT from 499075 MT during the same period last year. The main destinations were, South Korea (16100 MT) and Indonesia (575 MT).

Groundnut meal

There is nothing new input in the groundnut meal market as the arrivals, crushing and demand all seems to be steadied. The groundnut harvesting and arrivals in the southern market is nearby complete whereas the Gujarat markets are witnessing gradual fall in

arrivals. As, at the moment oil prices are at lower levels due to good supply position of the oil due to higher crushing activity in soybeans. The arrivals of GN are diminishing in the major producing areas in Gujarat. The prices are almost steady. The prices will improve slightly if the prices of the seeds jump higher in lower supply scenario. GN meals (40%) were slightly improved at Rs 6000 on credit and Rs 6500 per MT on cash in Saurashtra.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	11.02.06	18.02.06
Indore	8400-8600	8500-8700
Nanded	8400-8500	8400
Jalna/Dhulia	8300-8400	8500
Kota	8100	8250
Kandla	9000-9150	9400
Mumbai	9000-9150	9300
Vizag	...	9300
Sangli	8900	8900

WEATHER WATCH: (18.02.06)

Chief Features

Mainly dry weather conditions are likely to prevail over the country for the next 2-3 days outside northeastern states and sub-Himalayan west Bengal & Sikkim where rain/thundershowers are likely at a few places. Both day & night temperatures were above normal by 4-7 °C over northwest India, Gangetic Plains and central India. These warm condition are likely to continue for next 4-5 days, through a slight fall in night temperature is expected over northwest India and Gangetic plains during next 2 days.

NORTH-WEST INDIA: Largely dry weather is likely over the region. Light rain/snow likely over Jammu & Kashmir and Himachal Pradesh on 19th.

EAST INDIA: Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperature over the region is likely to remain 2-5 °C above normal.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.43
European Union	Euro	53.17
United Kingdom	GBP	77.49
Japan	100 Yen	37.58

NORTHEAST INDIA: Rain/thundershowers are likely over at a few places over Assam & Meghalaya and Arunachal Pradesh and isolated over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over the Peninsula are likely to remain near normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain significantly above normal.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

re likely to continue over most other parts of the country.

Source: IMD, GOI.

USDA Monthly Export Sales Highlights (9th Feb 06)

Projected U.S. soybean ending stocks for 2005/06 are increased 50 million bushels this month to a record 555 million bushels. Soybean exports are projected at 910 million bushels, down 40 million from last month, and 193 million below last year's record. Record Brazilian soybean exports for October through January have reduced demand for U.S. soybeans in EU-25 and China, and large new-crop supplies in South America are expected to further pressure U.S. exports in the second half of the marketing year. Domestic soybean meal and oil consumption are both reduced this month reflecting lower-than-expected disappearance during the first quarter of the marketing year. Consequently, U.S. soybean crush is reduced 10 million bushels to 1,720 million bushels. The U.S. season-average soybean price

range for 2005/06 is projected at \$5.20 to \$5.80 per bushel, up 10 cents on the bottom of the range. Soybean meal and oil price projections are unchanged from last month at 20.5 to 22.5 cents per pound and \$165 to \$180 per short ton, respectively.

Global oilseed production for 2005/06 is projected at a record 389.3 million tons, up 0.3 million tons from last month. Small reductions for soybeans and sunflower seeds are more than offset by increased cottonseed production in China. Global oilseed trade and crush are reduced this month, and global oilseed stocks are projected higher, mainly due to increased U.S. soybean stocks. Global oilseed stocks are projected at a record 63 million tons, 20 percent above year-earlier levels.

All India Statewise Production Estimates of Soybean, Groundnut and Mustard During 2005.

Area in Lakh Ha. Yield in kg per ha, Production in lakh MT

	Soyabean		Groundnut		Mustard/Rapeseed	
Name of the state	Yr.05-06	Yr. 04-05	Yr.05-06	Yr.04-05	State	Yr.05-06
Madhya Pradesh	33.50	34.5	1.5	1.5	Uttar Pradesh	8.5
Maharashtra	19.50	17.0	02.00	3.5	Rajasthan	29.0
Rajasthan	5.00	4.2	2.5	2.2	Punjab Haryana	9.0
Andhra Pradesh	1.30	0.2	12.5	14.5	Gujarat	4.0
Karnataka	1.40	1.0	5.0	8.2	Madhya Pradesh & Chhatisgarh	7.5
Chattisgarh	0.50	0.4	....		West Bengal	2.5
Gujrat			20.0	16.5	Eastern India and others	4.0
Tamilnadu			5.5	10.5	Sub Total	64.5
Rest of India	0.40	1.2	2.0	2.8	TORIA (All India)	1.5
Total	61.60	58.5	35.7	42.0	Grand Total	66.0

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.