

## OILMEAL

8 April -15 April, 06

### MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 05– February' 06
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- Latest Weather Watch

### NEWS ANALYSIS

#### Export of Oilmeal Increased This Year

#### (April '05 to March '06)

Indian Oilmeal export during the financial year 2005-06 (11months) increased by 60.82 % as compared to the export during the previous year oil year. India exported 4423025 MT of Oilmeals during this oil year (April-March) according to SEA of India release. The main surge in export was seen in Rice Bran Ex. (291.07%), Castor meal (284.30%), Rapeseed (101.41) and Soymeal (54.35%).

Soymeal exports surged to 3424600 MT during the period, in March the export rose by a huge 54.35% to 3424600 MT as compared to 1861325 MT in last year. 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. However, Mustard meal exports surged by 101.41% to 533275 MT in last year.

#### Export of Oilmeal (Extractions) from April 05 to March '06 with comparative period of previous year (Qty. in MT)

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	160250	37250	8825	...	...	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	492950	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
February 2006	587425	28750	3850	29425	....	12800	662250

	175625	70205	10100	....	1266	15000	272196
March 2006	<b>712175</b>	<b>46050</b>	<b>30475</b>	<b>9500</b>	....	<b>11725</b>	<b>809925</b>
	225825	19525	4750	....	252	....	250352
Total (Apr05 - March 06)	<b>3424600</b>	<b>533275</b>	<b>137925</b>	<b>125325</b>	<b>750</b>	<b>201150</b>	<b>4423025</b>
(Apr.04 -March.05)	1861325	588805	121475	43056	4790	70750	2690201
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

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS

#### Soy Meal: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. April 13, 2006. This summary is based on reports from exporters (for the period of March 31-April 6, 2006). Soybean Cake and Meal: Net sales of 85,300 MT were two and one-quarter times the week earlier, but 20 percent under the prior 4-week average. Major increases were reported for unknown destinations (24,000 MT), Canada (15,100 MT), Colombia (11,800 MT), and Honduras (9,400 MT). Exports of 107,300 MT were 12 percent under the previous week and 5 percent below the prior 4-week average. The primary destinations were Australia (25,300 MT), Canada (19,600 MT), Mexico (18,500 MT), and Cuba (13,100 MT).

U.S. 2005/06-soybean supply and use are little changed this month. Prospective soybean meal exports are raised 150,000 short tons reflecting strong year-to-date shipments, especially to Canada and Mexico. Domestic soybean meal use is reduced based on the slower-than-expected pace of domestic disappearance and strong competition from other protein sources including corn by-products. Soybean oil supply and use estimates also are

unchanged this month. The U.S. season-average soybean price for 2005/06 is projected at \$5.45 to \$5.75 per bushel compared with \$5.40 to \$5.80 last month. Soybean oil prices are projected at 21.5 to 23 cents per pound, up 0.5 cents on the bottom of the range. Soybean meal prices are unchanged at \$165 to \$180 per short ton. Global oilseed production for 2005/06 is projected at 391.0 million tons, down 2.0 million tons from last month, but 10.4 million tons above 2004/05. Global soybean production is reduced 1.9 million tons mostly due to lower production for Brazil. Brazil soybean production is reduced 1.5 million tons to 57.0 million tons based in part on lower-than-expected yields reported by the Brazilian government, especially in southern growing areas. Despite the reduction, production is 4 million tons above last year's record. Paraguay soybean production is also reduced this month reflecting abnormally warm and dry conditions during mid-season. Other changes include reduced sunflower seed production in South Africa and reduced cottonseed production in Argentina. Global oilseed stocks are reduced this month primarily due to lower projected soybean stocks in South America resulting from reduced Brazilian production and increased exports by Argentina.

#### CBOT Soy meal Futures as on 13<sup>th</sup> April '06

Months	Previous Settle	Open	High	Low	Change	Close
<b>May 06</b>	171.9	172.2	173.5	172.1	+1.5	173.4
<b>July 06</b>	173.6	174.0	175.2	173.9	+1.5	175.1

CBOT Remains Close on Saturday and Sunday

## DOMESTIC MARKETS

### Soy meal

Prices remain range bound this week with slight variations from different centers. International scenario remains still in favour of bears as the harvesting continue in full swing in South America. Traders are keenly watching the situation and waiting for any fresh news. It is expected that the prices may improve in near term on account of fresh demand from

Far East countries. Domestic demand of soy meal decreased this week but positive sign could be seen on the export front. Fast depleting stocks of soybean, current bearish international scenario and altogether had overall bearish impact on soymeal unless there could be any fresh demand from outside. Far East countries are looking towards India thereby seems some ray of hope for the exporters. The domestic prices are likely to remain subdued until the demand for soymeal rekindles. Mustard seed prices improved this week and therefore likely to

support the mustard meal, which in turn help to support the soy meal prices. At ports, Mumbai and Kandla witnessed very small trading during the period and marginal improvement could be witnessed as compared to the

The soymeal prices at Indore spot remain range bound and varied between 7800-8100. The prices at different ports varied between Rs 8500 (Buyers)-8600 (sellers) per MT during the period. In the futures market, March and April contract witnessed little trading and remain stale for most

previous week. The prices are likely to remain subdued until the demand for soymeal rekindles.

part of the week. We are in the phase of the market where the demand is coming in trickles and buyers are at bargaining position. Also, the supplies from the South American crop harvest are putting pressure on export prices. We expect the prices to remain steady to slightly bearish.

### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	8.04.06	15.04.06
Indore	7800-8000	7800-8100
Nanded/Latur	7500-7600	7500-7600
Dhulia/Jalna	7900-8000	7900-8000
Kota	7850	7800-7900
Kandla	8500 (Buyer)-8550 (Seller)	8550 (Buyer)-8600 (Seller)
Mumbai	8500 (Buyer)-8550 (Seller)	8550 (Buyer)-8600 (Seller)
Vizag	8500 (Buyer)-8550 (Seller)	8550 (Buyer)-8600 (Seller)
Sangli	8500	8500

### NCDEX Soy meal Futures price (15<sup>th</sup> April' 06)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
<b>April 06</b>	8050.0	-	-	-	-
<b>May 06</b>	7701.0	-	-	-	-

### Soy Meal Vessel Report (15.04.06)

`Multi Trader' has berthed at Kandla Port and continues to load 15,500 MT of SBM to Japan. Taurus agents is handling the vessel. The port is expecting `Luna Blue' to load 11,250

MT of SBM. JM Baxi agents will be handling the vessel. Jamnagar Port is loading 6,700 MT of SBM to Indonesia on the vessel `Jasmine Ace'. GAC agents is handling the vessel.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Delfinaki	16000	Expected	New Zealand
	Bright Dream	5000	Expected	Far East
	Multi Trader	15500	Arrived	Japan
	Luna Blue	11250	Expected	
Jamnagar	Iran Mahallati	12600	Loading	China
	Sunrise Ocean	19000	Expected	China
	New Yega	12000	Arrived	Singapore
	Sin Chon	14000	Loading	Vietnam
	Jasmine Ace	6700	Loading	Indonesia
	Lever Star	6400	Expected	Indonesia

	Kibishio Maru	13000	Loading	Vietnam
Mumbai	Indruwa Valley	2600	Expected	

### Rape/ Mustard meal

Prices of mustard meal witnessed mixed sentiments and remain range bound this week. The arrivals of Mustard seed in different mandis of Rajasthan during the week were seen around 250000-300000 bags. The procurement by government is going on at steady pace and has no major impact on the prices. Talk in the market about declaration about import of GM soy leads to support the market and therefore meal also expected to be influenced by the issue. This week mustard DOC prices decline in Morena at Rs 4100-4200 per MT, whereas mustard meal was traded at Rs 4000-4100 in Kota. Port rate from Mundra and Kandla witnessed at Rs. 4850-5000 and 4800-4900 respectively.

### WEEKLY WEATHER WATCH METEOROLOGICAL ANALYSIS:

#### Meteorological Analysis:

Last week's upper air cyclonic circulation over south Tamil Nadu persisted on 6<sup>th</sup> and 7<sup>th</sup> and became less marked on 8<sup>th</sup>. A western disturbance as an upper air system moved across Western Himalayan region during 8<sup>th</sup> to 11<sup>th</sup> April. An induced upper air cyclonic circulation over west Rajasthan persisted from 8<sup>th</sup> to 11<sup>th</sup> and became less marked on 12<sup>th</sup>. Incursion moist southerly flow from Bay of Bengal continued over northeastern states almost throughout the week. An upper air cyclonic circulation lay over Gangetic West Bengal extending upto 0.9 km a.s.l. on 6<sup>th</sup> & 7<sup>th</sup>. It lay over Jharkhand on 9<sup>th</sup> and became less marked on 10<sup>th</sup>. A wind discontinuity/trough at 0.9 km a.s.l. was seen running from Gangetic West Bengal to south Tamil Nadu through Chhattisgarh and south Interior Karnataka on 6<sup>th</sup>, 7<sup>th</sup> and 11<sup>th</sup>. An upper air cyclonic circulation over East Uttar Pradesh extending upto 0.9 km a.s.l. was seen from 6<sup>th</sup> to 9<sup>th</sup>. Another upper air cyclonic circulation extending 0.9 km a.s.l. was seen on 10<sup>th</sup> & 11<sup>th</sup> over northeastern States. Wind discontinuity/trough at 0.9 km a.s.l. running from East Uttar Pradesh to south Tamil Nadu through East Madhya Pradesh and south Interior Karnataka was seen on 8<sup>th</sup> & 9<sup>th</sup>.

#### Rainfall:

Scattered to fairly widespread rain/thundershowers occurred over northeastern states throughout the week with isolated heavy rainfall over Meghalaya on one or two days. Light to moderate rainfall/snowfall also occurred at a few places over Jammu & Kashmir on 9<sup>th</sup> and at many places over Jammu & Kashmir and Himachal Pradesh on 10<sup>th</sup>. Isolated very light rainfall was also received in Uttaranchal, Punjab and north Haryana on 10<sup>th</sup>. Isolated rainfall also occurred over South Interior Karnataka on 7<sup>th</sup> and Kerala and Andaman & Nicobar Islands on 11<sup>th</sup>. Mainly dry weather prevailed over the rest parts of the country.

### Groundnut meal

This week improved slight in the groundnut meal prices due to high demand of the oil from Vanaspati industry as well as from the AP. Though later part of the week observed exemption of VAT over groundnut. Now the prices are expected to remain range bound. Arrivals remain steady and varied from 30000-35000 bags this week in Gujarat. Stockists are in view of releasing the stock at higher prices, which will have an impact on groundnut meal on coming days. The prices of GN meals remain at (40%) traded at Rs 6100-6150 on credit and Rs 6500-6600 per MT on cash in Saurashtra.

### TEMPERATURES:

Heat wave conditions prevailed over most parts of Rajasthan, northwest Madhya Pradesh from 6<sup>th</sup> to 8<sup>th</sup> and over Chhattisgarh, East Uttar Pradesh on 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> where temperatures remained 5-6° C above normal. However, heat wave conditions abated from Rajasthan, Madhya Pradesh and part of Uttar Pradesh on 11<sup>th</sup> and Chhattisgarh on 12<sup>th</sup>. Day temperatures remained 2-4° C below normal over northeastern states, Sub-Himalayan West Bengal & Sikkim throughout the week. They remained 3-4° C above normal over south Peninsula from 6<sup>th</sup> to 9<sup>th</sup> and 1-3° C above normal on 10<sup>th</sup> & 11<sup>th</sup>.

#### Rainfall During The Week ending on 12<sup>th</sup> April, 2006

Rainfall was excess/normal in 5, deficient/scanty in 13, and no rain in 18 out of 36 meteorological sub-divisions (Actual: 6.9 mm, Normal: 8.1 mm and Departure: -15%).

#### Cumulative Seasonal Rainfall (1<sup>st</sup> March to 12<sup>th</sup> April, 2006)

Rainfall was excess/normal in 25, deficient/scanty in 11 out of 36 meteorological sub-divisions. (Actual: 45.0 mm, Normal: 45.3 mm and Departure: -1%).

#### Outlook For The Week Ending On April 19, 2006)

Scattered rainfall is likely over northeastern states and Sub-Himalayan West Bengal & Sikkim throughout the week with increase in rainfall over northeastern states during 2<sup>nd</sup> half of the week. Rain/snow is likely at many places over Jammu & Kashmir and at a few places over Himachal Pradesh and Uttaranchal during 15<sup>th</sup> -17<sup>th</sup> April. Isolated dust storm/thunderstorm likely over plains of northwest India on 16<sup>th</sup> & 17<sup>th</sup>. Scattered thundershower activity is likely over eastern & central Parts of the country and south peninsula for 3-4 days from 15<sup>th</sup> onwards. The day temperatures are expected to rise to 2-3° C above normal during the middle of the week over western India and fall over south peninsula & eastern parts of the country during the later half of the week.

Source: IMD, GOI.

**Forex Rates (15.04.06)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.29
European Union	Euro	54.85
Japan	100 Yen	38.16
United Kingdom	GBP	79.38

**All India Production of Oilseed Crops (Area in Lakh Ha. Yield in kg per ha, Production in lakh MT)**

Name of the state	Soyabean		Groundnut		Mustard/Rapeseed	
	Yr.05-06	Yr. 04-05	Yr.05-06	Yr.04-05	State	Yr.05-06
Madhya Pradesh	33.5	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
Gujarat			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

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