

OILMEAL

22 April -29 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 Oilmeal 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	712175	46050	30475	9500	....	11725	809925
	225825	19525	4750	....	252	....	250352
Total (Apr05 - March 06)	3424600	533275	137925	125325	750	201150	4423025
(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

USDA Exports Sales Highlight for Soy Meal

The USDA exports sales data released on Thursday (27.04.06). This summary is based on reports from exporters for the period April 14-20, 2006. Soybean Cake and Meal: Net sales of 18,400 MT--a marketing-year low--were 87 percent below the week earlier and 83 percent under the prior 4-week average. Major increases for Canada (27,000 MT), Japan (11,100 MT), and Turkey

(8,100 MT, including 7,500 MT switched from unknown destinations) were partially offset by decreases for Egypt (15,000 MT) and Mexico (14,000 MT). Exports of 64,400 MT were 57 percent below the previous week and 48 percent under the prior 4-week average. Canada (25,000 MT), Mexico (15,500 MT), Turkey (8,100 MT), and Guatemala (7,100 MT) were the primary destinations.

CBOT Soy Futures Rally Up

CBOT soy futures settled up on Friday. July Soybeans settled up 10.50 cent at \$6.01/bushel, 13 cent off the high and 12 cent up from the low. November Soybeans settled up 11.25 cent at \$6.2075/bushel, which was 11.75 cent up from the low and 8.25 cent off the high. July Soymeal settled up \$1.8 at \$173.7/ton that was \$0.2 up from the low and \$3.3 off the high. July Soybean Oil closed up 0.07 cent at 25.72 cent/pound, 0.85 cent off the high and 0.17 cent up from the low. Gap higher opening and strength then after in soybean oil helped to boost the prices of the other soy complex amid short covering rally. Strength in

bullions and other commodity markets gives additional support to soybean. Fund buyers dominated the session and were noted buyers of at least 10,000 contracts into the mid-session. Commitment-of-Traders report with reveals a record net short position from speculators for the first week of April and therefore it is expected that short covering is expected at this stage. Heavy rains are likely to over western cornbelt in coming days which may halt down the corn plantings. Bio-diesel demand is expected to increase in coming days which supported the soybean oil.

CBOT Soymeal Futures as on 28th April '06

Months	Previous Settle	Open	High	Low	Change	Close
May 06	171.2	174.0	175.8	172.2	+1.7	172.9
July 06	171.9	175.0	177.0	173.5	+1.8	173.7

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Soymeal prices keep on increasing this week as well due to reduced supply and increasing demand. The seed prices continue to increase in the physical market and therefore soymeal closely follow the soy meal and remain in tandem with the seed. Low crushing inflate the meal prices in the market thereby results into improvement in the prices. Recent declaration required by the importers for import of GM oil and other products also helped to support the meal

prices as the rate of oil and seed improved significantly thereby supporting the prices of meal as by-product. Meal prices also got support from the international developments, as there is improvement of the bird flu hit countries and demand came from Philippine and some other Far East Countries. Some support is also derived from firmness of international exchanges like CBOT. Limited working of plants results into underutilization of the

capacity and thereby increased the cost of crushing. High demand from the export end is also supporting the market up and providing underlying support. Recent hike in the wagon charges and freight value by the railway minister by a circular probably results into the increase in the prices of soymeal. Revision in the classification of soy meal from 100 to 110 for rake load and 110 to 150 in wagon load; Surcharge of 5% of commodities in class 160 and below; A busy route surcharge of 20% for exports to Bangladesh and Pakistan. The revision in classification has imposed a direct burden of approx. 10% on the movement of soy meal from places in Madhya Pradesh which are hinterland and exporters are required to move cargoes from hinterland to the ports. This along with the surcharge would add at least Rs. 200/MT to the cost of movement of DOC by railways, making it uncompetitive in the international market. Such an export unfriendly step would hit the export of DOC which earn almost 3000 crores worth of Foreign Exchange for the country and contributes a similar amount by way of edible oil to the domestic edible oil pools as import substitution. The soybean industry which is an agro based, exports oriented industry, earns valuable foreign exchange for the country every year using the produce of lacs of farmers. It also provides direct and indirect employment to thousands of skilled and semi

skilled workers. Already the railways are charging about 10 to 12% extra freight on account of minimum loading charges as it is impossible for any one to load the minimum prescribed weight as soy meal being lighter in weight and therefore occupy more volume. In order to provide a competitive edge to the soy meal exporters, SOPA urged the Hon'ble Minister to "ROLLBACK" the classification to the earlier one and "ABOLISH" the surcharge imposed. If the increase in freight charges due to change in classification is not restored and new surcharge imposed is not removed. Soybean Industry will be severally hit and even the soybean farmer will also suffer.

The soymeal prices at Indore spot increased slightly and varied between 8200-8400. The prices at different ports varied between Rs 8800 (Buyers)-9000 (sellers) per MT during the period. In the futures market, May and June contract witnessed little trading and remain stale for most part of the week. We are in the phase of the market where there is improved domestic demand and fast depleting stocks results into bargaining position of the sellers. Mid term international scenario remain bearish as the market is going through the over bought region. Bio-diesel demand and possible shrinkage in production area in Brazil could be the governing force to drive the market.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	23.04.06	29.04.06
Indore	8000-8300	8200-8400
Nanded/Latur	8000-8200	8900-9000
Dhulia/Jalna	8300-8400	8700
Kota	8125	8600
Kandla	8900 (Buyers)- 9000 (Sellers)	8800 (Buyers)-9000 (Sellers)
Mumbai	8900 (Buyers)- 9000 (Sellers)	8800 (Buyers)-9000 (Sellers)
Vizag	-	-
Sangli	8700	9100

NCDEX Soy meal Futures price (29th April' 06)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
April 06	8300.0	-	-	-	-
May 06	7950.0	-	-	-	-

Soy Meal Vessel Report (29.04.06)

`Bao Heng Men' has berthed at Kandla Port and continues to load 12,300 MT of SBM to Japan. Shantilal 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. Mumbai Port is loading 4,800 MT of SBM on the vessel `Seven Star'.

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	
	Bao Heng	12300	Arrived	Japan
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
Mumbai	Lever Star	6400	Expected	Indonesia
	Kibishio Maru	13000	Loading	Vietnam
	Indruwa Valley	2600	Expected	
	Seven Star	4800	Arrived	

Rape/ Mustard meal

Prices of mustard meal remain range bound this week due to high demand in the domestic market with high availability amid heavy crushing in various plants. High rate of other oils in the market results into parity for crushing the mustard seeds and thereby increasing the availability of meal into the market. High demands from exporters also supported up its prices. The arrivals of Mustard seed in different mandis of Rajasthan during the week were seen around 200000-400000 bags. The procurement by different agencies were going on with pace and expected to continue for the next week as well. Mustard mills are also started crushing as they are getting parity for the same. This week mustard DOC remains range bound in Morena at Rs 4000-4200 per MT, whereas mustard meal was traded at Rs 4000-4150 in Kota. Ex-factory rate at Jaipur varied between 4100-4200. Mundra and Kandla port witnessed trading at Rs. 4800-4900 and 4700 –4800 respectively.

Groundnut meal

The prices of groundnut meal increased this week due to acute shortage of the meal, as crushing is not going in different meals. What so ever the stocks are left; those stocks are in strong hands. Availability of seeds also decreased as stockists hold the stocks in view of fetching the premiums. Unavailability of seeds to the millers and high rate of seeds in the market results into disparity and this results into acute shortage of meals into the market. Though there is good demand from the exporters but shortage of meals results into low pace of export. The prices of the groundnut meal varied between Rs. 6200-6500 (40%) and Rs. 6700-7000 per MT for 45 % protein content. The average arrivals of groundnut seed remain at 30000-35000 bags/day during the week. Due to firmness in other oils and combined with hike in the prices of Vanaspati may results into more crushing of groundnut which is expected to improve the prices of groundnut meal in coming days. There is some demand from the exporters as well

WEEKLY WEATHER WATCH METEOROLOGICAL ANALYSIS

Last week's upper air cyclonic circulation over central Pakistan & adjoining west Rajasthan extending upto 2.1 km a.s.l persisted on 20th and became less marked on 21st. A western disturbance as an upper air system moved across Western Himalayan region during first half of the week. Under its influence, an induced cyclonic circulation has formed over central Pakistan and adjoining West Rajasthan extending upto 2.1 km a.s.l. on 23rd. It persisted on 24th and became less marked on 25th. A low pressure area formed over southeast Bay of Bengal on 24th. It intensified into a depression on 25th morning with its centre near lat.8.5°N/long.91.0°E. It rapidly intensified into a deep depression at 1430 hrs. IST and further into a cyclonic storm

at 1730 hrs. IST of the same day, with its centre near lat.10.0°N/ long.89.5°E. Moving slowly northwestwards, it lay centred near lat.10.5°N and long.89.0°E at 0830 hrs. IST of 26th. It then moved in a north-northeasterly direction and lay centred at 1730 hrs. IST of 26th near lat.11.5°N/ long.90.0°E. An upper air cyclonic circulation extending upto 0.9 km a.s.l lay over Jharkhand and Chhattisgarh on 21st. It persisted upto 23rd and was seen over East Uttar Pradesh and Bihar on 24th & 25th. A wind discontinuity/trough was seen running from north Madhya Maharashtra to South Tamil Nadu during first half of the week and from Vidarbha to south Tamil Nadu during 2nd half of the week.

RAINFALL

Light to moderate rain/thundershowers occurred at a few

places over plains of northwest India on many days of the week and over western Himalayan region on 23rd & 24th. Rain/thundershowers also occurred at a few places accompanied with isolated squalls over northeastern states, West Bengal & Sikkim during the week. It was isolated over coastal Orissa, East Uttar Pradesh and Coastal Andhra Pradesh on 1 to 2 days of the week. Rain/thundershowers occurred at many places over Andaman & Nicobar Islands during the week with isolated heavy rainfall on some days. It also occurred at a few places over Kerala and south Tamil Nadu during first half of the week. Dry weather prevailed in the rest regions of the country.

TEMPERATURES

Temperatures remained 2-3° C below normal over east Uttar Pradesh, Bihar, Jharkhand, West Bengal & Sikkim during the entire week and over Chhattisgarh, Orissa and Telangana during first half of the week. They were generally 1-2° C above normal over northwest & adjoining central India during first half of the week and gradually increased over northwest, central & Peninsular India during 2nd half of the week. Heat wave conditions developed over parts of northwest India on last 2 days of the week, when temperatures were 4-6° C above normal. They remained near normal over rest parts of the country. Highest maximum temperature of 45.0°C was recorded at Sriganganagar (Rajasthan) on 25th April.

RAINFALL DURING THE WEEK ENDING ON 26TH APRIL 2006:

Rainfall was excess/normal in 3, deficient/scanty in 26, and no rain in 7 out of 36 meteorological sub-divisions (Actual: 2.6 mm, Normal: 9.4mm and Departure: -72%).

CUMULATIVE SEASONAL RAINFALL (1ST MARCH TO 26^H APRIL, 2006):

Rainfall was excess/normal in 24, deficient/scanty in 12 out of 36 meteorological sub-divisions. (Actual: 63.0 mm, Normal: 64.6 mm and Departure: -3%).

OUTLOOK FOR THE WEEK ENDING ON MAY 3, 2006)

The cyclonic storm over southeast Bay of Bengal is likely to intensify further and move in a northeasterly direction and cross Arakan coast by night of 29th April. Temperatures likely to increase further over northwest, central and Peninsular India during first half of the week with possibility of heat wave conditions over parts of northwest and central India and coastal areas of Andhra Pradesh and Tamil Nadu. Isolated to scattered rain/thundershowers activity accompanied with squall likely over east India and northeastern States. A western disturbance is likely to affect northwest India during 2nd half of the week with possibility of rain /thundershowers over Western Himalayan region and duststorm/ thunderstorm over the plains of northwest India.

Source: IMD, GOI.

Forex Rates (29.04.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.97
European Union	Euro	56.81
Japan	100 Yen	39.50
United Kingdom	GBP	82.10

All India Production of Oilseed Crops (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	33.5	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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