

VEGOIL

May 22-27, 2006

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA: Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. May 25, 2006. This summary is based on reports from exporters (for the period of May 12-18, 2006).

Soybeans: Net sales of 234,500 MT were 29 percent below the week earlier and 8 percent under the prior 4-week average. The major buyers were Mexico (112,000 MT), Indonesia (57,000 MT, switched from unknown destinations), and Japan (26,600 MT). Sales of 18,000 MT for delivery in 2006/07 were for Japan. Exports of 180,400 MT were 11 percent below the week earlier and 34 percent under the prior 4-week average. The primary destinations were Japan (77,100 MT) and Mexico (72,400 MT).

Soybean Cake and Meal: Net sales of 87,300 MT were 45 percent below the previous week and 3 percent under the

prior 4-week average. The major buyers were Mexico (37,500 MT), Turkey (14,000 MT), Canada (11,900 MT), Colombia (8,100 MT), and the Dominican Republic (7,500 MT). Decreases of 7,000 MT were reported for Guatemala. Exports of 126,600 MT were 12 percent below the week earlier, but 35 percent above the prior 4-week average. The primary destinations were Canada (25,400 MT), Mexico (23,900 MT), Cuba (20,000 MT), the Dominican Republic (17,500 MT), New Zealand (14,000 MT), and Colombia (12,600 MT).

Soybean Oil: Net sales of 9,500 MT were primarily for Cuba (8,000 MT) and Canada (1,000 MT). Exports of 1,700 MT were mainly for Mexico (800 MT), Canada (600 MT), and Trinidad (100 MT).

Source: USDA

Approvals by Genetic Engineering Approval Committee

The GEAC in the Ministry of Environment & Forests has approved the following proposals:
A. Import of GM Soybean oil.

The Ministry of Environment & Forests (MoEF) has notified the Rules for the Manufacture, Use, Import, Export and Storage of Hazardous microorganisms /Genetically Engineered Organisms or Cells, 1989 (Rules 1989) under the Environment (Protection) Act, 1986. As per the provisions of Section 11 of Rules 1989, "Food stuffs, ingredients in food stuffs and additives including processing aids containing or consisting of genetically engineered organisms or cells, shall not be produced, sold, imported or used except with the approval of the Genetic Engineering Approval Committee" (GEAC). The new import policy on GMOs/LMOs, issued by DGFT The Ministry of Commerce through DGFT vide notification No. 2(RE-2006)/2004-2009 dated 7.4.2006., mandates prior approval of GEAC for all GM products including food item. Therefore import of soybean oil (refined or de-gummed) derived from GM Soya would require the prior approval of GEAC.

However, in light of the recommendation made by the Swaminathan Committee on Agricultural Biotechnology and Mashelkar Committee on r-Pharma, the MoEF has taken a policy decision that GEAC would be involved only in regulation of organisms or products where the end product is a LMO. Accordingly it is proposed to amend Rule 11 of rules 1989 through an inter-ministerial consultation. Subsequent to the amendment processed food including oil will not attract the provision of Rule 11 of Rules 1989 of EPA.

On an interim basis the GEAC approved the import of refined soybean oil subject to certification from the country of export that it has been derived from Roundup Ready Soybeans. In case of crude degummed soybean oil, in addition to the certification, regarding it having been derived from Round up Ready Soyabean, the importer is also required to submit the analytical report from either CFTRI/NIN/Shri Ram Laboratories on the composition of crude-degummed Soybean oil both pre and post processing stage before a final view is taken. The test

results should also include the pre and post refining levels of glyphosate in the oil as well as in the residue. The GEAC clearance does not exempt the importers from the requirements under PFA.

B. Commercial Release of transgenic Crops:

The GEAC has approved commercial release of Bt Cotton hybrids in the North, Central and South zones as follows:

- | | | | | | |
|----|---------|------|---|----|---------|
| a. | North | Zone | : | 8 | hybrids |
| b. | Central | Zone | : | 12 | hybrids |
| c. | South | zone | : | 16 | hybrids |

In addition to Bt hybrids containing the Cry 1 Ac gene (MON 531 event), which was earlier approved by the GEAC and is in commercial cultivation since 2002. the GEAC approved hybrids with three new gene/event namely Bt hybrids expressing encoding fusion genes (cry 1Ab+Cry Ac) ' GFM developed by M/s Nath Seeds, Bt hybrids expressing cry 1Ac gene (Event-1) by M/s JK Seeds Ltd and Bt hybrids expressing stacked genes Cry1 Ac and Cry 2Ab (MON 15985 event)-BG-II by M/s Mahyco.

C. Large Scale Trial of bt Cotton

1. The GEAC has approved large scale trials of Bt Cotton hybrids in the North, Central and South zones as follows:
2. North Zone: 16 hybrids containing cry 1 Ac (Mon 531 event) and 21 hybrids expressing new gene events.
3. Central Zone: 20 hybrids containing cry 1 Ac (Mon 531

Import of GM Soybean Oil

The confusion regarding imports of GM Soybean oil started with the Notification issued by DGFT on 7th April, 2006. This has created apprehension among the foreign exporters as well as Indian importers for smooth supply of GM Soybean oil. Subsequently, the DGFT Notification particularly condition No.18 was placed under abeyance up to 7th July, 2006. The Association received number of queries from the members refining soybean oil to get proper clarification and the procedures to be followed for imports of GM Soybean oil. The Association has promptly taken up this matter both with Genetic Engineering Approval Committee (GEAC) as well as DGFT to advise the exact procedure to be followed for import of GM Soybean oil. Subsequently, I and Shri B.V. Mehta, Executive Director met Dr. R. Warriar, Addl. Director, in Ministry of Environment & Forest on 4th May, 2006 to seek the required clarification. The GEAC has now notified the procedure on interim basis, stating that the import of refined soybean oil subject to certification from the country of export that it has been derived from Roundup Ready Soybeans. In case of crude de-gummed soybean oil, in

Soybean Production Scenario in Japan

Soybeans and peanuts are the two major oilseeds produced in Japan. In 2005, soybeans (13,390 ha) occupied about 86 percent of the total planted area for oilseeds and peanuts (21,400 ha) occupied about 14 percent. Total soybean planted area increased from 81,800 ha in 1996 to 151,900 ha in 2003, as a result of policy efforts made by the Ministry of Agriculture, Forestry and Fisheries (MAFF) to divert rice production to alternate crops such as soybeans. Responding to lower yields resulting

- event) and 12 hybrids expressing new gene events.
4. South zone: 25 hybrids containing cry 1 Ac (Mon 531 event) and 27 hybrids expressing new gene events.
 5. Streamlining of the Regulatory Procedure for transgenic crops.

The MoEF has constituted a sub-Committee on Bt cotton and related issues under the Chairmanship of Dr C D Mayee, Chairman Agricultural Scientist Recruitment Board and Co-Chair GEAC with a view to rationalize the regulatory procedure and facilitate introduction of new technology to make available cheaper options to farmers.

E. Transgenic Bt Brinjal developed by M/s Mahyco-First GM Food crop

M/s Mayhco has produced transgenic brinjal plants with cry 1Ac gene from Bacillus thuringiensis tolerant to the fruit and shoot borer, one of the major pests which attack the brinjal crop throughout its life cycle. Their application for large scale trials and seed production of four Bt Brinjal hybrids namely MHB-4 Bt, MHB 9 Bt MHB 80 Bt and MHB-99 Bt containing cry 1 Ac gene during Kharif 2006 is under consideration of the GEAC. The biosafety data will be placed on MoEF website envfor@nic.in under the sub heading GEAC Clearance shortly.

F. Recombinant Pharma

The GEAC has approved the import and conduct of Phase II clinical trials with Chimerivaxtm -JE (Japanese Encephalitis vaccine) in children of descending age from USA by M/s. Quintiles. Source: PIB

addition to the certification, regarding it having been derived from Round up Ready Soybean, the importer is also required to submit the analytical report from either CFTRI/ NIN/ Shri Ram Laboratories on the composition of crude-degummed soybean oil both pre and post processing stage. The test results should also include the pre and post refining levels of glyphosate in the oil as well as in the residue. However, DGFT has conveyed to the Association that prior approval under 18(B) for import of soybean oil is required from Genetic Engineering Approval Committee (GEAC). This has further created confusion about prior approval. The Association has written to GEAC to provide clear-cut procedure to avoid hardship and loss to the importers. The Association has circulated GEAC letter to all members for their information. In case members have any suggestions for simplification or required clarification, please do write to the Association, so that we can compile the suggestions and take up with GEAC for appropriate clarification / simplification.
Source: A.R. Sharma,President,Seaofindia

from unfavorable cold weather conditions in major production areas in 2003. The planting area decreased to 136,800 in 2004, which continues to be the same in 2005. MAFF set a production target in 2010 for soybeans of about 250,000 tons (240,000 tons for food use) equal to a self-sufficiency ratio of 5 percent as part of a legislated policy to increase the country's self-sufficiency rate for major crops. The soybean production in 2005 could not meet the self-sufficiency set by the government. The demand for

domestic beans in the food industry has not been very enthusiastic, even though there has been a relatively adequate supply of domestic soybeans, because of their expense and poor quality.

On October 27, 2005, the Ministry of Agriculture, Forestry and Fisheries (MAFF) announced the outline of a new farm subsidy program that departs from the current commodity-specific support given to practically all farmers and launches direct payments targeting larger scale farmers.

More Emergency Aid for Soybeans

The Federal Government announced on May 12th a subsidy of 1 billion reais (\$470 million) for emergency aid in the form of soybean price supports. The package is aimed to alleviate Brazilian farmers' indebtedness and help improve the generally adverse agricultural situation, owing to the strong Real and high production and transportation

The new scheme is scheduled to commence in JFY 2007. Soybeans are one of the "targeted farm products" under this plan and will receive a subsidy based on the then-current difference between the cost of domestic production and the sales (farm gate) price. That equals roughly 30,200 yen/ 10 ares (or 8,840 yen/ 60 KG), though subsidies are subject to changes in prices. Soybean farmers are also eligible for an income relief payment, which is paid out on a cost-sharing basis with the GOJ, due to price fluctuations. Source: USDA

Half Yearly Imports of Edible Oils - Down by 19%

The Association has just released half yearly import of Edible Oil showing that import is down by 19% in the first half of the year 2005-06. This is mainly due to better availability from the domestic oilseeds crushing, rice bran and cottonseed oil production in last six months. As I said earlier, NAFED is holding stock of 34 lakh tonnes on day. If they sell at least 75% stock before harvesting of next kharif

costs. The mini-package was not well received by the soybean sector, who considered it belated and insufficient to remedy their losses. Neither did the emergency aid prevent farmers, mostly from the Center-west, from continuing their protests against the federal government on May 16th. Source: USDA

oilseed crop, the import can be reduced by at least 5 lakh tonnes during this period. This would also support the domestic crushing industry and solvent extraction units through better availability of raw material and boost the export of rapeseed meal during this period. Source: Solvent Extractor's Association of India

Malaysia: May Palm Oil Exports Down 13.53%

A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Tuesday i.e. May 23, 2006. Malaysian palm oil exports during May 1-20, 2006 totaled 662404 metric tonnes, down 13.53% from 766044 metric tonnes in April 1-20, 2006.

Details of major items, which is estimated by SGS are as follows: Table 1 shows that Export of RBD Palm Olein, Palm Oil, Palm Stearin and Crude Oil declined by 6.45, 3.79, 26.32 and 10.83 respectively in May 1-20, 2006 as against of April 1-20, 2006.

Table1: Shows the details of the major items in SGS estimate

(Unit: MT)

Items	May 1-20, 2006	April 1-20, 2006	Change %
RBD Palm Olein	276171	295205	-6.45
RBD Palm Oil	61203	89721	-31.79
RBD Palm Stearin	54608	74119	-26.32
Crude Palm Oil	129627	145372	-10.83

Source: SGS (Malaysia) Bhd.

Major Importers of Malaysia's Palm Oil

Estimates of export data released by Cargo Surveyor SGS on Tuesday i.e. May 23, for the period of May1-20, 06. The major importers of Malaysian palm oil were as follows:

1. European Union 2. China 3. USA 4. India and 5. Pakistan

Country wise brief highlights of imports are as follows: Table 2 shows that import of Malaysia's palm oil from EU, China and USA increased by 0.67, 46.55 and 9.46 percent respectively in May 1-20 as compared to April 1-20, 2006.

On the other hand, Import of Malaysia's palm oil from India and Pakistan declined by 8.02 and 22.64 per cent respectively during the same period.

Table 2: Shows the major import destination of Malaysian palm oil:

(Unit: MT)

Countries/Continents	May 1-20, 2006	April 1-20, 2006	Change %
European Union	172368	171217	+0.67
China	176875	120690	+46.55
United States	75591	69057	+9.46
India	16280	17700	-8.02
Pakistan	24911	32200	-22.64

Source: SGS (Malaysia) Bhd.

Malaysia: May Palm Oil Exports Down 12.80%

A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Thursday i.e. May 25, 2006. Malaysian palm oil exports during May 1-25, 2006 totaled 855297 metric tonnes, down 12.80% from 980876 metric tonnes in April 1-25, 2006.

Details of major items, which is estimated by SGS are as follows: Table 1 shows that Export of RBD Palm Olein, Palm Oil and Palm Stearin is declined by 8.68, 24.83 and 26.45. However, Crude Oil is slightly increased by 2.19 per cent respectively in May 1-25, 2006 as against of April 1-25, 2006.

Table1: Shows the details of the major items in SGS estimate

(Unit: MT)

Items	May 1-25, 2006	April 1-25, 2006	Change %
RBD Palm Olein	365628	400382	-8.68
RBD Palm Oil	84241	112071	-24.83
RBD Palm Stearin	70317	95610	-26.45
Crude Palm Oil	174911	171156	+2.19

Source: SGS (Malaysia) Bhd.

Major Importers of Malaysia's Palm Oil

Estimates of export data released by Cargo Surveyor SGS on Tuesday i.e. May 25, for the period of May1-25, 06. The major importers of Malaysian palm oil were as follows:

1. European Union 2. China 3. USA 4. India and 5. Pakistan

Country wise brief highlights of imports are as follows: Table 2 shows that import of Malaysia's palm oil from China and USA declined by 4.75 and 2.72 percent respectively in May 1-25 as compared to April 1-25, 2006. On the other

hand, Import of Malaysia's palm oil from EU, India and Pakistan increased by 15.06, 16.67 and 45.52 per cent respectively during the same period.

Table 2: Shows the major import destination of Malaysian palm oil:

(Unit: MT)

Countries/Continents	May 1-25, 2006	April 1-25, 2006	Change %
European Union	219397	190681	+15.06
China	208675	219083	-4.75
United States	75591	77702	-2.72
India	20650	17700	+16.67
Pakistan	61411	42200	+45.52

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Palm oil prices on domestic spot market moved range bound amid lower demands at retail ends during May 22-25. A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Thursday i.e. May 25, 2006. Malaysia's palm oil exports during May 1-25, 2006 totaled 855297 metric tonnes, down 12.80 % from 980876 metric tonnes in April 1-25, 2006. According to SGS cargo surveyors for the period of May 1-25, Export of RBD Palm Olein, Palm Oil and Palm Stearin is declined by 8.68, 24.83 and 26.45. However, Crude Oil is slightly increased by 2.19 per cent respectively in May 1-25, 2006 as against of April 1-25, 2006. India imported totalled 20650 metric ton in May 1-25, up 16.67 per cent as compared to 17700 metric ton of April 1-25. The major importers of Malaysian palm oil were as follows: 1. European Union 2. China 3. USA 4. India

and 5. Pakistan. According to SGS, Import of Malaysia's palm oil from China and USA declined by 4.75 and 2.72 percent respectively in May 1-25 as compared to April 1-25, 2006. On the other hand, Import of Malaysia's palm oil from EU, India and Pakistan increased by 15.06, 16.67 and 45.52 per cent respectively during the same period. RBD palmolein prices on domestic spot market moved in a narrow range of Rs 394-397 in Mumbai, Rs 381-382 in Kakinada and Rs 400-403 in Hyderabad market per 10 kg excluding VAT. FOB prices of CPO (June) were in a range of \$ 390.00 to 395.00/MT and RBD Palmolein moved in range of \$ 412.50- \$417.50/MT during the May 22-25..

Weekly prices for CPO

(Rs/ 10 kg)

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Kandla	365.00	365.00	367.00	367.00	367.00	370.00

Weekly prices for RBD Palmolein**(Rs/ 10 kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Kandla	385.00	385.00	388.00	388.00	388.00	390.00
Mumbai	394.00	395.00	394.00	397.00	396.00	394.00
Chennai	405.00	405.00	405.00	405.00	402.00	404.00
Kakinada	381.00	382.00	382.00	382.00	382.00	383.00
Hyderabad	403.00	400.00	400.00	400.00	400.00	400.00
Delhi	430.00	430.00	430.00	430.00	430.00	430.00

Weekly prices for FOB (Kandla)**(US \$ / MT)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
CPO	392.50	390.00	395.00	390.00	392.50	Closed
RBD Palmolein	417.50	417.50	415.00	412.50	415.00	Closed

Refined Soy Oil

Refined soy oil prices moved range bound with positive sentiments during the week. Prices improved slightly on technical corrections and speculative buying. Refined soy oil prices on domestic spot markets were traded in a range of Rs 393-398 in Mumbai, Rs 393-396 in Indore, Rs 390-392 in Kota, and Rs 392-395 per 10 kg excluding VAT in Jaipur market. CIF (Cost, Insurance and Freight) charges for soy oil (May20/June20 Shipment) at Kandla port were in a range of \$529/MT to \$534/MT and prices for soy degum

(Ready) at Kandla were quoted in range of Rs 373 to 380 per 10 kg. Daily arrivals of soybeans were in range of 28,000-32,000 bags (bags=85 kg) in major markets during this week. Soy oil prices are expected to improve in coming days owing to lower stock of soybean and import of edible oil declined as compared to corresponding period of last year.

Prices for Soy (Ref) during the week**(Rs/ 10 kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Mumbai	393.00	395.00	397.00	398.00	396.00	396.00
Indore	395.00	393.00	394.00	396.00	396.00	396.00
Kota	390.00	390.00	391.00	392.00	390.00	390.00
Jaipur	392.00	392.00	394.00	395.00	393.00	393.00
Hyderabad	399.00	399.00	399.00	399.00	396.00	396.00
Chennai	405.00	405.00	403.00	400.00	402.00	398.00
Rajkot	387.00	387.00	387.00	388.00	388.00	389.00

Prices for Soy Degum (High Sea) during the week**(Rs/ 10 kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Mumbai	373.00	375.00	378	378.00	378.00	380.00

Prices for CIF Soya during the week**(US \$/ MT)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Kandla & Mumbai	530.00	528.00	534.00	529.00	529.00	530.00

Rape/Mustard Oil

Mustard oil prices on domestic spot market moved range bound with weak sentiments in most markets amid lower demands at retail ends. Prices could not surge owing to huge stock of mustard seeds. Total stock of mustard seeds is around 34 lakh ton) with NAFED only (14 lakh ton carry over stock+20 lakh ton current season's procurement. Mustard oil (expeller) prices moved in a range of Rs390-

397 in Mumbai, Rs 372-375 in Kota, Rs 375 -380 in Jaipur and Rs 390-392 per 10 kg in Delhi market. Daily arrivals of mustard seeds were around 1,00,000 -1,25,000 bags in Rajasthan and 20,000-25,000 bags in Madhya Pradesh (bags= 85 kg). Mustard oil prices are expected to improve in coming days on declining supply of mustard seeds.

Prices for Rape Expeller Oil**(Rs/ 10 kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Mumbai	395.00	391.00	390.00	394.00	395.00	397.00
Kota	375.00	372.00	373.00	374.00	372.00	374.00
Jaipur	380.00	375.00	376.00	377.00	375.00	376.00
Delhi	390.00	392.00	392.00	392.00	390.00	391.00
Neewai	372.00	372.00	373.00	373.00	372.00	374.00

Groundnut oil

Groundnut oil prices on domestic spot markets moved range bound with positive sentiments in most markets amid export demands. Harvesting of summer crop is in progress in Bhavnagar area, Gujarat. Prices improved during the

week despite higher production estimates for summer crop groundnut only due to higher export demands. Groundnut oil prices are expected to move range bound with positive sentiments in next week.

Prices for groundnut oil during the week**(Rs/10 kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Mumbai +VAT	460.00	460.00	460.00	462.00	467.00	470.00
Rajkot +VAT	448.00	449.00	450.00	455.00	456.00	455.00
Andhra Region	470.00	470.00	472.00	474.00	472.00	472.00
Chennai +VAT	460.00	460.00	460.00	458.00	458.00	462.00
Delhi	510.00	510.00	510.00	510.00	510.00	510.00

Sunflower Oil

Domestic spot market prices of sunflower oil were range bound with weak sentiments in most of the markets. Harvesting is in progress in Tamil Nadu. Crude SFO prices were quoted in a wide range of Rs 396-400 per 10 kg in

Kandla and Mumbai during this week. CIF on sunflowers were in range of \$ 646/metric ton to \$ 649/ metric ton during this week. Sunflower oil prices are expected to move range bound.

Prices for Refined Sunflower Oil during this week**(Rs/10Kg)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Chennai	450.00	450.00	450.00	450.00	450.00	450.00
Mumbai	440.00	435.00	435.00	435.00	435.00	435.00
Hyderabad	442.00	442.00	442.00	443.00	400.00	400.00

Prices for Crude Sunflower Oil during the week**(US \$/ MT)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Kandla & Mumbai	400.00	396.00	396.00	396.00	396.00	400.00

Prices for CIF Sunflower during the week**(US \$/ MT)**

Center	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Kandla & Mumbai	649.00	647.00	649.00	646.00	646.00	647.00

Cotton Refine Oil

Cotton oil prices on physical market moved range bound with slight improvement during the week in most markets amid lower demands at retail ends. Prices improved slightly

due to lower supply in major markets. Cotton oil prices are expected to move range bound with positive sentiments.

Prices for Refined Cotton Oil during this week

Markets	22.05.06	23.05.06	24.05.06	25.05.06	26.05.06	27.05.06
Mumbai +VAT	397.00	397.00	400.00	400.00	405.00	403.00
Hyderabad +VAT	400.00	400.00	400.00	405.00	400.00	400.00
Rajkot +VAT	392.00	392.00	393.00	395.00	396.00	397.00
Delhi	390.00	390.00	390.00	390.00	390.00	390.00

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Palm oil Market Malaysia

Crude palm oil futures at Bursa Malaysia Derivatives settled Up on Friday. August CPO futures on BMD settled up on account of gains in soy oil on CBOT. The benchmark

August CPO contract settled at MYR1,446 a metric ton, up MYR5 from Thursday.

Soybean Market United States

July Soybeans settled down 1.75 cent at \$5.825/bushel, 5.50 cent off the high and 0.50 cent up from the low. November Soybeans settled down 0.75 cent at \$6.08/bushel, which was 1.25 cents up from the low and 4.75 cent off the high. July Soymeal settled down \$0.2 at \$173.3/ton that was \$0.2 up from the low and \$1.2 off the high. July Soybean Oil closed up 0.02 cent at 25.11 cent/pound, 0.29 cent off the high and 0.06 cent up from the low. Lack of interest by the fund buyers in July soybean

results into the weakness in the market sentiments despite firm opening. This week the weather remain favourable for the growing of soybean and likely to continue for the next week as well, which pressurized the market to settle down. Weakness in gold and energy market also helped to slide in the prices on later part. Brazil govt is trying to finish the unrest by increasing the governmental aid by 13% that will influence the soy futures in CBOT.

Futures Markets (Vayda Bazaar)

NCDEX Soy Futures Markets

NCDEX (June'06) refined soy oil contract prices revealed mixed sentiments during the May 22-25, 2006. Prices surged on Thursday i.e. May 25 on account of technical corrections and speculative buying. Soy oil futures prices settled higher Rs 4.35 on Thursday at Rs 421.30/10 Kg, Rs

0.70 off the high and Rs 6.30 up from the low. Prices moved in a range of Rs 413.25 - 422.20 during May 22-25. Prices are expected to move range bound with positive sentiments in next week on lower stock.

WEEKLY WEATHER WATCH

PROGRESS OF SOUTHWEST MONSOON

Southwest monsoon further advanced into some parts of southwest Bay, some more parts of southeast Bay and most parts of Andaman sea on 18th and into more parts of south Bay and Andaman sea on 19th. It covered some more parts of southwest and southeast Bay of Bengal, some parts of east central Bay and remaining parts of

Andaman sea on 22nd. The northern limit of monsoon as on 22nd passed through 5°N/80° E, 10° N/85° E, 13° N/90° E and 18° N/94.5°E. Current weather scenario indicates onset of monsoon over Kerala likely during early part of the coming week

METEOROLOGICAL ANALYSIS

An upper air cyclonic circulation extending upto 2.1 km a.s.l lay over West Uttar Pradesh on 18th. It was seen over East Uttar Pradesh on 19th & 20th and over Bihar and adjoining areas upto 24th.

Another upper air cyclonic circulation extending 2.1 km a.s.l lay over West Uttar Pradesh from 21st to 24th.

A fresh upper air cyclonic circulation extending upto 1.5 km a.s.l lay over West Rajasthan and adjoining areas from 18th to 23rd. It moved over to Punjab and adjoining areas on 24th.

Another upper air cyclonic circulation extending upto 3.1 km a.s.l lay over west-central Bay off Andhra Pradesh coast on 18th & 19th. It became less marked on 20th.

An east-west trough running from Punjab upto Gangetic West Bengal was seen on many days of the week.

The wind discontinuity/trough from East Uttar Pradesh to South Interior Karnataka was also seen during first two days of the week.

Rainfall

Under the influence of the above systems:

Fairly widespread rainfall occurred over Andaman & Nicobar islands throughout the week with isolated heavy to very heavy falls on a few days of the week.

Light to moderate rainfall also occurred at a few places over northeastern states, West Bengal & Sikkim, East Uttar Pradesh, Bihar, Jharkhand, Orissa and Chhattisgarh on 20th and isolated during remaining days of the week.

Isolated to scattered rainfall also occurred over western Himalayan region during the week. Isolated to scattered duststorm/thunderstorm activity also occurred over plains of northwest India.

Fairly widespread rainfall/thundershowers occurred over south peninsula and Lakshadweep area on 19th and 24th with isolated heavy falls over Kerala and Lakshadweep on

19th. Isolated to scattered rainfall occurred during the remaining days of the week.

Rain/thundershowers occurred at isolated places over Vidarbha, Madhya Maharashtra, Marathwada and south Konkan & Goa.

TEMPERATURES

Day temperatures remained in the range of 40-44° C over Gujarat region, West Madhya Pradesh, Madhya Maharashtra, Interior Karnataka and interior Andhra Pradesh during first half of the week and over West Rajasthan over the entire week.

They were 4-6°C below normal over plains of northwest India, Uttar Pradesh, Bihar, Jharkhand, West Bengal & Sikkim, Orissa, Chhattisgarh and East Madhya Pradesh during the entire week.

Day temperatures were 2-3°C below normal over peninsular India; 2-4°C above normal over northeastern states during the week

Outlook for the week ending on 31st May 2006

The current meteorological conditions indicate onset of monsoon likely over Kerala during 1st half of the week. It is likely to advance further and cover some more parts of west coast & interior peninsula and also enter into northeastern states in the subsequent 2-3 days.

Enhanced rainfall activity with heavy to very heavy rainfall at a few places likely over Lakshadweep, Kerala, coastal & South Interior Karnataka, south Konkan & Goa and northeastern states.

Scattered rain/thundershowers also likely over East India and isolated over northwest India.

Day temperatures are likely to increase over northwest and adjoining westcentral India with possibility of heatwave development in isolated pockets.

Source:IMD,GOI.

PORT WATCH

Port updates of edible oils in India (May 22-27, 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
SBO	3200	11700	14900
Palm oil	25850	3000	28850
CPO	55500	35000	90500
Total	84550	49700	134250

Source: ANAS

Forex Rates:

(May 27, 2006)

Country/ Continent	Currency	Value in Rs
USA	Dollar	45.84
European Union	Euro	58.40
Japan	100 Yen	40.66
United Kingdom	Pound Sterling	85.25

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