

VEGOIL

May 8-13, 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 11, 2006. This summary is based on reports from exporters (for the period of April 28-May 4, 2006).

Soybeans: Net sales of 389,100 MT were two and one-tenth times the week earlier and 87 percent above the prior 4-week average. Major increases were reported for Indonesia (92,100 MT, including 81,000 MT switched from unknown destinations), Mexico (81,400 MT), Japan (74,600 MT), unknown destinations (61,000 MT), and Cuba (35,800 MT). Exports of 263,900 MT were 27 percent below the week earlier and 5 percent under the prior 4-week average. The primary destinations were Indonesia (160,600 MT), Mexico (56,900 MT), and Japan (31,000 MT).

Soybean Cake and Meal: Net sales of 61,800 MT were 50 percent below the previous week and one-third under the prior 4-week average. Major increases were reported for

Mexico (21,300 MT), unknown destinations (10,000 MT), Libya (7,500 MT, the first activity since the program began), Panama (5,200 MT), and Colombia (5,000 MT, switched from unknown destinations). Sales of 2,800 MT for delivery in 2006/07 were for Canada (1,500 MT) and Nicaragua (1,300 MT). Exports of 58,900 MT were 45 percent below the week earlier and the prior 4-week average. The primary destinations were Canada (24,000 MT), Mexico (11,500 MT), Japan (8,400 MT), Panama (7,300 MT), and Jamaica (6,900 MT).

Soybean Oil: Net sales of 1,900 MT were primarily for Canada (1,500 MT). Exports of 7,100 MT were mainly for Nicaragua (3,500 MT), El Salvador (2,000 MT), Canada (900 MT), and Mexico (500 MT).

Source: USDA

WASDE released its monthly projections report on Thursday i.e. May 11. This report presents USDA's initial assessment of U.S. and world crop supply and demand prospects and U.S. prices for the 2006/07 season.

OILSEEDS:

U.S. oilseed production for 2006/07 is projected at 94.7 million tons, down 2 percent from 2005/06. Soybean production is projected at 3,080 million bushels, down 6 million bushels from 2005/06. With soybean production projected near last season's level, most of the reduction comes from other oilseeds including sunflowerseed, cottonseed, peanuts, and canola. Soybean supplies are projected to reach a record 3,649 million bushels, up 9 percent from 2005/06 due to sharply higher beginning stocks. Soybean crush is projected to increase to 1,750 million bushels, reflecting sharply higher domestic soybean oil demand, a moderate increase in domestic soybean meal disappearance, and increased soybean meal export prospects. Although increased availability of corn by-products limits prospects for growth in domestic soybean meal use, domestic soybean oil disappearance is projected

to increase 6 percent primarily due to rapidly expanding biodiesel production. Soybean exports are projected to increase to 1,090 million bushels for 2006/07. Large U.S. soybean supplies combined with lower-than-expected Brazilian

stocks are projected to boost U.S. soybean exports to near-record levels. Ending stocks for 2006/07 are projected at a record 650 million bushels, up 85 million bushels from 2005/06.

Global oilseed production for 2006/07 is projected at 390 million tons, down 0.7 million tons from 2005/06, the first year-to-year decline in global oilseed production since 1995/96. Lower production in the United States will be partly offset by a small increase in foreign production.

The 2006/07 U.S. season-average soybean price is projected at \$5.10 to \$6.10 per bushel, compared with \$5.65 per bushel in 2005/06. Despite projected record U.S. soybean stocks, prices are expected to remain firm mainly due to relatively strong corn and soybean oil prices. Soybean meal prices are forecast at \$155 to \$185 per short ton, compared with \$175 per ton for 2005/06. Soybean oil

prices are projected at 22.5 to 26.5 cents per pound compared with 23.0 cents per pound for 2005/06.

Global oilseed output for 2005/06 is projected at 391 million tons, unchanged from last month. Brazil's soybean crop is reduced 0.5 million tons to 56.5 million tons, reflecting

Brazil Pegs 2005-06 Crops At 55.2 Million Tonnes

Brazil's Ministry of Agriculture last week forecast that the country's 2005-06 soybean production at 55.2 million tonnes, down from its previous forecast mainly due to a cut in the estimate for Mato Grosso, currently forecast at 16.5 million tonnes. Last year, the Ministry of Agriculture forecast Brazil's soybean production in May at 50.2 million tonnes. The Ministry estimates the 2004-05 crop at 51.4 million tonnes. However, market estimates peg the 2004-05 crop at 53 million to 54 million tonnes, based on export and processing data. In related news, Brazilian soybean

USDA: Argentina's Record Plantings

USDA estimates Argentina's 2005-06 soybean production to be a record 40.5 million tonnes. Harvested area is estimated to be 15.2 million hectares - also a record. However, USDA says yield should be 2.66 tonnes per hectare, which is near the 5-year average. USDA says three drivers are responsible for the increase in soybean planted area: biotechnology, no-till practices, and the current wetter phase of the climactic cycle. First, biotechnology is shortening soybean production cycles, which have allowed double cropping in areas previously planted with one crop per growing season. No-till technology has allowed areas to be cropped which were

Soybean Harvest in Brazil is 94% Complete

Brazilian soybean growers reaped 94% from the estimated area up to May 5, according to the report released today by SAFRAS & MERCADO. The harvest pace is lower than in year-ago comparative period (98%) and the historic

Argentina To Produce 41.3 MT Soybeans in 2006-07

The soybean production of Argentina is likely to hit 41.3 million tons in 2006/07, with a planted area of 15.5 million hectares. The projections were released by the USDA, according to which the planted area must rise, even with economic results below the expected in the current season.

Harvest of Soybean Crop Hits 73% in Argentina

According to Secretariat of Agriculture of Argentina, the soybean harvest in Argentina for the 2005/06 season hit 73%, according to data released up to May 04, against 63% last week and 78% in the same period last year. 11.024 million hectares have been reaped. The total lost area is of

Bio-fuel Programme In Villages

The Ministry of Panchayat Raj, under its Rural Business Hubs initiative has been working to promote the cultivation of Jatropha for bio-diesel by involving Panchayati Raj Institutions (PRIs). This was stated by the Minister of Panchayat Raj Shri Mani Shankar Aiyar in Lok Sabha yesterday. In a written reply, he said, the Government is acting as a facilitator between the State Governments, Panchayati Raj Institutions and the Corporate Sector with the help of the Confederation of Indian Industries (CII). Interested PRIs are being introduced to business houses which express their desire to encourage the local

lower-than-expected yields as harvest nears completion. Largely offsetting the reduction in Brazil's soybean crop is an increase in copra production for the Philippines.

Source: WASDE

farmers have been staging protests in an attempt to make the government aware of their need for financial aid. Reduced trading, high debts and record high world soybean stocks are plaguing Brazil's soy sector. Producers want the local currency to be weakened against the dollar to offset some the freight costs of getting the soybeans to ports. They also want debt payments extended to as much as 10 years. The government recently released a farm aid package, but it only extends producer debts for about a year.

previously unsuitable for agriculture, such as in the expansion areas of the north and west, according to USDA. The third driver is the general increase of precipitation in many areas due to an agriculturally favorable, moister phase of the climactic cycle. Meanwhile, seed technology, including shorter growing-season soybeans and Roundup Ready technology are seen a major reason soybeans make up such a large percentage of the total area. And the technology has led to soybeans having increased profitability over other crops, says USDA.

average (96%). Last week, the index was 87%. The work is ended in Mato Grosso, Mato Grosso do Sul and Suo Paulo. The harvest, however, remains delayed in Minas Gerais (65%), Santa Catarina (77%) and Bahia (80%).

As for the 2005/06 crop, the USDA estimates a production of 40.5 million tons and area of 15.2 million hectares. With the harvest still in progress, the highlight is on yield that oscillates by 3,300 to 3,800 kg/hectare. (DP)

133.922 thousand hectares. In the 2005/2006 season, according to the Secretariat, the area planted with soybeans in Argentina reached 15.182 million hectares, above 14.400 million hectares seeded in the season earlier. (AB)

community to take up Jatropha cultivation in their respective jurisdiction. Three MOUs in this connection have been signed between D-1 Oil (India), on the one hand, and PRIs in the districts of Mewat, Faridabad and Yamuna Nagar in Haryana on the other, backed up by a letter of intent from Indian Oil Corporation to D-1 Oil offering to purchase bio-diesel so produced within the framework of Government's Bio-Diesel purchase policy formulated by the Ministry of Petroleum and Natural Gas. Shri Mani Shankar Aiyar said, the Central Government in association with State Governments, PRIs and the

Petroleum Conservation and Research Association (PCRA) has conducted several awareness programmes on the plantation of *Jatropha*, collection of seeds and extraction of oil for the production of bio diesel. A joint Committee of the Ministries of Petroleum and Natural Gas, Panchayati Raj and the Planning Commission has been formed with

High Oil Content *Jatropha* Variety Released for Cultivation

The Indian Council of Agricultural Research has identified first ever *Jatropha* variety, SDAUJ 1 (Chatrapati) with higher oil content and yield for commercial cultivation. The seeds contain 49.2 per cent oil and the non-edible protein in defatted seed case is 47.8 per cent. Farmers can get an average yield of 1000-1100 kg per hectare under rainfed conditions. It is recommended for the semi-arid and arid regions of Gujarat and Rajasthan. It is drought resistant and can be raised successfully in areas where annual rainfall is 300-500mm. The plant attains a height up to 8 feet and shows resistance to all major pests. SDAUJ 1 (Chatrapati) is developed by Sardarkrushinagar based Sardarkrushinagar Dantiwada Agricultural University (SDAU). The variety has been identified and recommended for release in Group Meet of All India Coordinated Research Project on Underutilised Crops held at Punjab Agricultural University, Ludhiana. At Regional Research Station, SDAU, crop improvement on *Jatropha* was initiated in late 90's. Large

***Jatropha* Cultivation For Energy Security**

Oil and gas prices are escalating. The import cost of oil and natural gas today is over Rs. 120,000 crores. The presently known resources and future exploration of oil and gas may

***Jatropha* - Biodiesel**

The country has nearly 63 million hectares of wasteland, out of which 33 million hectares have been allotted for tree plantation. Certain multi-purpose trees such as *Jatropha* can grow well in wasteland with very little water. Once grown, the crop has fifty years of life. Fruiting can take place in this plant in two years. It yields up to five tonnes per hectare oil seeds and produces two tonnes of bio-diesel. Presently, the cost of bio-diesel through the plant is approximately Rs. 17 to Rs. 19 per litre, which can be substantially reduced through choice of right size of the plant and using high yield variety plantation that has already been established by the researchers. Bio-diesel plants grown in 11 million hectares of land can yield a revenue of approximately Rs. 20,000 crore a year and provide employment to over 12 million people both for

Low Risk Venture

A quick estimate of land requirements to meet the fuel needs of a 500 MW combined cycle power plant is 2,70,000 hectares, which is significantly large. The yield of bio-diesel is 1.62 tonnes/hectare. The bio-diesel requirement for a 500 MW (CCGT plant) is approximately 4,40,000 tonnes per annum operating at 70 per cent plant load factor. The bio-diesel cost is estimated to be around Rs. 20 per litre, which accounts for all the costs associated with plantation and seed collection, oil extraction, trans-esterification and

Latest Find

The Indian Council of Agricultural Research has identified first ever *Jatropha* variety, SDAUJ 1 (Chatrapati) with higher oil content and yield for commercial cultivation. The seeds contain 49.2 per cent oil and the non-edible protein in defatted seed case is 47.8 per cent.

several stakeholders and specialized technical agencies to encourage PRIs in promoting the cultivation of *Jatropha* for bio-diesel.

Source: PIB

number of collections was made from different parts of India. These genotypes were evaluated in replicated trial and found that entry SDAUJ 1 (Chatrapati) performed well and recorded significantly highest yield over other local varieties. The other parts of *Jatropha* i.e. leaves, roots and latex are also useful in traditional medicine. An alkaloid derived from *Jatropha* plant i.e. crucin shows anticancer properties. *Jatropha* (*Jatropha curcus*) locally known as Ratanjot belongs to family Euphorbiaceae and shows resemblance with castor. In India about nine species are reported out of which *Jatropha curcus* has economic value by virtue of oil present in its seed. The Govt. of India and Planning Commission are emphasizing on alternative fuels as a result the area under *Jatropha* cultivation is catching up. The oil finds many applications in various industries like soaps, illuminants and paints.

Source: PIB

give mixed results. Keeping in mind the changing scenario, research has to be intensified in the areas of alternate sustainable energy sources such as bio-fuel.

plantation and running of the extraction plants. This is a sustainable development process leading to large-scale employment of rural manpower. Also, it will reduce the foreign exchange outflow paid for importing crude oil, the cost of which is continuously rising in the International market. Use of Bio-diesel is carbon neutral. This oil can also be used for soap and candle industries. De-oiled cake is a raw material for composting and plantation is good for honey production. Bio-diesel has so far not been used for a power plant of large capacity. However, chemical analyses indicate that bio-diesel can safely be used in gas turbines in combined cycle mode, as they are normally used for high capacity power plants. Use of bio-diesel in diesel engines has been well demonstrated.

transportation. The risks associated with *Jatropha* derived bio-fuel appears to be low as these can grow on degraded lands. However, the oil contents in seeds can vary between 28 to 38 per cent by weight. The research is also required to increase the oil content to at least 50 per cent. Another area of interest will be to develop seeds, which can give regular fruiting throughout the year. Development of such seeds can increase the productivity substantially.

Farmers can get an average yield of 1000-1100 kg per hectare under rainfed conditions. It is recommended for the semi-arid and arid regions of Gujarat and Rajasthan. It is drought resistant and can be raised successfully in areas

where annual rainfall is 300-500 mm. The plant attains a height up to 8 feet and shows resistance to all major pests.

SDAUJ I (Chatrapati) is developed by Sardarkrushinagar based Sardarkrushinagar Dantiwada Agricultural University (SDAU). The variety has been identified and recommended

Economic Value

Jatropha (*Jatropha curcus*) locally known as Ratanjot belongs to family Euphorbiaceae and shows resemblance with castor. In India about nine species are reported out of which *Jatropha Curcus* has economic value by virtue of oil present in its seed. The Union Government and Planning Source: PIB

MPOB: April Palm Oil Export Rose 4.64%

MPOB: Malaysia's April Palm Oil Exports Rose 4.64% Malaysia's palm oil exports rose to 1,238,881 metric tons in April, up 4.64% as compared to 1,183,966 metric ton. Palm oil stocks declined at the end of April to

for release in Group Meet of All India Coordinated Research Project on Underutilised Crops held at Punjab Agricultural University, Ludhiana.

Commission are emphasizing on alternative fuels as a result the area under *Jatropha* cultivation is catching up. The oil also finds many applications in industries relating to soaps, illuminants and paints.

1,510,048 tons (down 4.78%) as against March palm oil stocks of 1,585,909 tons. Details are given below.

Table: MPOB Data (April Vs March)

(Unit: MT)

Items	April 2006	March 2006	Change % (on month)
Crude Palm Oil Output	1310805	1243204	+5.44
Palm Oil Exports	1238881	1183966	+4.64
Palm Kernel Oil Exports	66343	62945	+5.40
Palm Oil Imports	49403	52885	-6.58
Closing Stocks	1510048	1585909	-4.78
Crude Palm Oil	911674	918019	-0.69
Processed Palm Oil	598374	668051	-10.43

Source: MPOB, Malaysia

Malaysia: May Palm Oil Exports Down 7.10%

A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Wednesday i.e. May 10, 2006. Malaysian palm oil exports during May 1-10, 2006 totaled 348719 metric tonnes, down 7.10 % from 375355 metric tonnes in April 1-10, 2006.

Details of major items, which is estimated by SGS are as follows: Table 1 shows that Export of RBD Palm Olein and Palm Oil increased by 12.12 and 0.21 per cent respectively during May 1-10, 2006 as against of April 1-10, 2006. However, RBD Palm Oil and Crude Palm Oil declined by 7.66 and 48.96 respectively during the same period.

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

(Unit: MT)

Items	May 1-10, 2006	April 1-10, 2006	Change %
RBD Palm Olein	162103	144575	+12.12
RBD Palm Oil	39447	39366	+0.21
RBD Palm Stearin	38279	41456	-7.66
Crude Palm Oil	42700	83668	-48.96

Source: SGS (Malaysia) Bhd.

Major Importers of Malaysia's Palm Oil

Estimates of export data released by Cargo Surveyor SGS on Wednesday i.e. May 10, for the period of May1-10, 06. The major importers of Malaysian palm oil were as follows:

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

Country wise brief highlights of imports are as follows: Table 2 shows that import of Malaysia's palm oil from EU and India declined by 31.43 and 8.02 percent respectively in May 1-10 as compared to April 1-10, 2006. On the other

hand, Import of Malaysia's palm oil from China and USA increased by 18.93 and 14.09 per cent respectively during the same period.

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

(Unit: MT)

Countries/Continents	May 1-10, 2006	April 1-10, 2006	Change %
European Union	62140	90628	-31.43
China	93622	78720	+18.93
United States	63155	55357	+14.09
India	16280	17700	-8.02

Source: SGS (Malaysia) Bhd.

Malaysia: April Palm Oil Exports Down 12.43 %

A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Wednesday i.e. May 10, 2006. Malaysia's palm oil exports in May 1-10, 2006 totaled

353216 metric tonnes, down 12.43% from 403354 metric tonnes in April 1-10, 2006.

DOMESTIC MARKET ANALYSIS**Palm Oil**

Palm oil prices on domestic spot market improved slightly in the beginning of second week of May on technical corrections and demands for biodiesel on crude oil rise. However prices start to decline later on due to strong Malaysian ringgit against US \$ and low export figures in May 1-10 from SGS cargo surveyors. A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Wednesday i.e. May 10, 2006. Malaysia's palm oil exports during May 1-10, 2006 totaled 348719 metric tonnes, down 7.10 % from 375355 metric tonnes April 1-10, 2006. According to SGS cargo surveyors for the period of May 1-10, export of RBD Palm Olein and Palm Oil increased by

12.12 and 0.21 per cent respectively during May 1-10, 2006 as against of April 1-10, 2006. However, RBD Palm Oil and Crude Palm Oil declined by 7.66 and 48.96 respectively during the same period. India imported totalled 16280 metric ton in May 1-10, down 8.02 per cent as compared to 17700 metric ton of April 1-10. RBD palmolein prices on domestic spot market moved in range of Rs 380-383 in Kandla, Rs 390-396 in Mumbai, Rs 377-383 in Kakinada and Rs 400-404 in Chennai market per 10 kg excluding VAT. FOB prices of CPO (May) were constant at \$ 392.50/MT and RBD Palmolein moved in range of \$ 420.00- \$425.00/MT for the period of May 8-11.

Weekly prices for CPO

(Rs/ 10 kg)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Kandla	364.00	363.00	363.00	365.00	368.00	369.00

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Kandla	383.00	380.00	382.00	382.00	390.00	385.00
Mumbai	392.00	390.00	390.00	396.00	397.00	396.00
Chennai	Closed	400.00	404.00	400.00	402.00	400.00
Kakinada	378.00	377.00	380.00	383.00	388.00	385.00
Hyderabad	400.00	400.00	402.00	402.00	405.00	403.00
Delhi	428.00	428.00	428.00	430.00	435.00	435.00

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
CPO	392.50	392.50	392.50	392.50	Closed	Closed
RBD Palmolein	425.00	422.50	420.00	422.50	Closed	Closed

Refined Soy Oil

Refined soy oil prices declined in the beginning of second week of May on Postponement of GMO import upto July 7, 2006 and prices improved due to strong talk in the market about the hike in tariff value on soy oil. Refined soy oil prices on domestic spot markets were traded in a range of Rs 394-405 in Mumbai, Rs 392-404 in Indore, Rs 392-393

in Hyderabad, Rs 388-392 in Kota, and Rs 390-395 per 10 kg excluding VAT in Jaipur market. CIF (Cost, Insurance and Freight) charges for soy oil (May Shipment) at Kandla port were in a range of \$541/MT to \$542/MT and prices for soy degum (High-Seas) at Kandla were quoted in range of Rs 370 to 374 per 10 kg. Daily arrivals of soybeans were in

range of 40,000-45,000 bags (bags=85 kg) in major markets during the May 8-11. Soy oil prices are expected to

improve in coming days on account of depleting stock of soybean and anticipation of hike in tariff value on soy oil.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Mumbai	402.00	405.00	394.00	399.00	402.00	400.00
Indore	399.00	405.00	392.00	397.00	401.00	405.00
Kota	388.00	388.00	390.00	392.00	395.00	400.00
Jaipur	392.00	390.00	392.00	395.00	398.00	403.00
Hyderabad	393.00	392.00	392.00	393.00	398.00	397.00
Chennai	Closed	398.00	398.00	398.00	400.00	398.00
Rajkot	377.00	381.00	383.00	385.00	392.00	389.00

Prices for Soy Degum (High Sea) during the week

(Rs/ 10 kg)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Mumbai	371.00	370.00	372.00	374.00	380.00	378.00

Prices for CIF Soya during the week

(US \$/ MT)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Kandla & Mumbai	542.00	541.00	541.00	541.00	551.00	550.00

Rape/Mustard Oil

Mustard oil prices on domestic spot market improved slightly during the second week of May on account of lower arrivals in most markets. Mustard oil prices moved in range of Rs385-387 in Mumbai, Rs 368-375 in Kota, Rs 370 -377 in Jaipur and Rs 390 from 392 per 10 kg in Delhi market.

Daily arrivals of mustard seeds were in range of 1,50,000-1,75,000 bags in Rajasthan and 35,000-45,000 bags in Madhya Pradesh (bags= 85 kg). Mustard oil prices are expected to improve in coming days on low arrivals.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Mumbai	385.00	384.00	384.00	387.00	391.00	392.00
Kota	368.00	368.00	370.00	375.00	380.00	385.00
Jaipur	370.00	370.00	372.00	377.00	383.00	388.00
Delhi	390.00	390.00	392.00	392.00	395.00	400.00
Neewai	369.00	368.00	370.00	372.00	374.00	Closed

Groundnut oil

Groundnut oil prices on domestic spot markets declined slightly in beginning of second week of May on higher estimates of summer crop production amid lower demand at retail ends in most markets. Harvesting of summer crop started in Bhavnagar area, Gujarat. However prices started

to improve from mid of second week of May due to strong futures market of soy oil. Groundnut oil prices moved in range of 464-645 in Mumbai and Rs 444-456 per 10 kg in Rajkot markets. 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	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Mumbai +VAT	465.00	464.00	464.00	465.00	468.00	468.00
Rajkot +VAT	450.00	444.00	450.00	456.00	460.00	456.00
Andhra Region	472.00	472.00	472.00	473.00	478.00	475.00
Chennai +VAT	Closed	455.00	455.00	452.00	452.00	450.00
Delhi	508.00	508.00	510.00	510.00	510.00	510.00

Sunflower Oil

Domestic spot market prices of sunflower oil were range bound with positive sentiments in most of the markets. Refined SFO prices moved in range of Rs 435-442 in

Mumbai and Rs 438-450 in Hyderabad market per 10 kg during this week. Crude SFO prices were quoted in a wide range of Rs 400-405 per 10 kg in Kandla and Mumbai

during this week. CIF on sunflowers were in range of \$ 626/metric ton to \$ 644/ 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	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Chennai	Closed	450.00	450.00	450.00	450.00	450.00
Mumbai	442.00	438.00	435.00	435.00	440.00	440.00
Hyderabad	440.00	438.00	440.00	445.00	450.00	450.00

Prices for Crude Sunflower Oil during the week

(US \$/ MT)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Kandla & Mumbai	405.00	403.00	402.00	400.00	400.00	400.00

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Kandla & Mumbai	630.00	626.00	626.00	627.00	643.00	644.00

Cotton Refine Oil

Cotton oil prices on physical market moved up at the end of this week amid positive sentiments in most markets. Cotton oil prices followed with soy oil prices. Cotton oil prices are

expected to move range bound with positive sentiments in next week due to lower supply in major markets.

Prices for Refined Cotton Oil during this week

Markets	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
Mumbai +VAT	398.00	397.00	397.00	402.00	404.00	405.00
Hyderabad +VAT	395.00	392.00	400.00	403.00	410.00	405.00
Rajkot +VAT	382.00	386.00	390.00	392.00	398.00	397.00
Delhi	395.00	395.00	395.00	395.00	398.00	400.00

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Palm oil Market Malaysia

Crude palm oil futures at Bursa Malaysia Derivatives settled marginally higher after choppy trading on Thursday. Most of the participants took a cautious approach before a long weekend. BMD will be closed on Friday due to Wesak Day in Malaysia. The benchmark July CPO contract ended at MYR1,448 a metric ton, up MYR2 from Wednesday, after

moving in a narrow range of MYR1,443-to-MYR1,452/ton. Most of the participants are waiting for USDA monthly SND, which are due to issue by Friday for market directions. On Monday, cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are also due to issue estimates for Malaysian palm oil exports in the first 15 days of May.

Soybean Market United States

July Soybeans settled unchanged at \$6.13/bushel, 7 cent off the high and 5 cent up from the low. November Soybeans settled up 0.75 cent at \$632/bushel, which was 4 cent up from the low and 7 cent off the high. July Soymeal settled down \$0.9 at \$177.8/ton that was \$1.8 up from the low and \$3.7 off the high. July Soybean Oil closed down 0.13 cent at 26.19 cent/pound, 0.53 cent off the high and 0.08 cent up from the low. Strength in corn and wheat helped to provide initial support but July soybean pulled to the lower side on low supply news and settled unchanged. The USDA projected ending stocks at 565 million bushels as compared to trade expectations near 567 million bushels

and compared with last month's record high ending stocks at 565 million bushels. The USDA projected ending stocks for the 2006/2007 season at 650 million bushels as compared to trade expectations at 683 million bushels. At the same time world ending stocks for the 2005/2006 season were projected at 55.94 million tonnes from 53.75 million tonnes last month. This all set to new record high of the world ending stock. Meal suffer due to record supply of soybeans. The USDA projection for oil ending stocks remain at 2.379 billion pounds for the 2006/2007 season as compared to 2.749 billion pounds for this season.

Futures Markets (Vayda Bazaar)

Weekly settlement prices for soy oil at NBOT

Contracts	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
May, 2006	407.80	408.50	412.10	414.90	417.30	413.40
June, 2006	41.80	417.60	423.50	425.80	433.30	427.50

NCDEX Soy Futures Markets

NCDEX (June'06) refined soy oil contract prices went down slightly in the beginning of this week on postponement of new GM oil rules on import upto July 7,2006 and surged later on due to technical corrections and strong talk in the market about the hike in tariff value. NCDEX June refined

soy oil contract, prices moved in a range of Rs 415.00 to Rs 428.45 during May 8-11. Soy oil prices are expected to move range bound with positive sentiments in near term due to biodiesel concerns.

Weekly settlement prices for soy oil at NCDEX

Contracts	08.05.06	09.05.06	10.05.06	11.05.06	12.05.06	13.05.06
May, 2006	408.20	410.10	415.60	418.95	422.50	416.00
June, 2006	415.85	417.80	423.90	428.00	433.30	428.40

CBOT Soy Futures Markets

July soybean oil futures prices on Chicago Board of Trade improved in 2nd week of May on biodiesel concerns and the rise in energy prices results into firmness in oil. July soybean oil closed up 1.04 cent on Wednesday at 26.32 cent/pound, 0.2 cent off the high and 0.77 cent up from the low. Prices moved in range of 24.80-26.52 cents per pounds during May 8-11. Soybean oil still getting support from growing bio-diesel demand and fetching technical

buying support. Weekly US export sales for soybeans remain high at 389,800 metric tonnes as compared to trade expectations between 150,000-250,000. Soybean Oil sales remain at 1,900 tonnes compared to trade expectations between 1,000-10,000. This week strong soybean sales could be a result of protest in Brazil, which results into the disruption of supply chain.

WEEKLY WEATHER WATCH

Weather Outlook For Next 5 days

1. During past 24 hours, fairly widespread rainfall has occurred over West Bengal & Sikkim and northeastern

2. The model forecast suggests that while rainfall activity over NE States may increase during next 24 hours, there may be significant decrease in the activity over the region subsequently. However, the rainfall activity over eastern region e.g. Bihar, Jharkhand, Orissa and East UP may continue for another 3-4 days.

3. The day temperatures continue to remain above 40°C over the plains of northwest India, north Gujarat, central India, interior Maharashtra and interior Andhra Pradesh which are 2-4°C above normal. Heat wave

4. As indicated, the rainfall activity over Bay Islands may increase as favourable conditions are building up

States and at a few places over Bihar, Jharkhand and Orissa resulting in significant fall in day temperatures.

Certain areas of Central India viz., Chhattisgarh, East MP and Vidarbha and parts of North Peninsular India viz. North Coastal AP and Telangana may also receive isolated rains and thundershowers during this period.

conditions continue to prevail over many parts of Rajasthan, parts of west Haryana and northwest Madhya Pradesh, where day temperatures are still above 45°C. Heat wave conditions over these areas may continue during next 1-2 days.

for onset of SW Monsoon over South Andaman Sea and South Bay of Bengal around 18th or 19th.

Zone-wise weather forecast

NORTH & NORTH-WEST INDIA [J&K, HP, UTTANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

• J&K, H.P. and Uttranchal may experience isolated rainfall/snowfall during next 48 hours. Isolated

dustorm/ thunderstorm may occur over plains during this period.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

• Fairly widespread rains are expected over NE States and Sub-himalayan West Bengal during 24

hours. Thereafter, rainfall activity over these areas may decrease. Orissa, Gangetic West Bengal, East

UP, Bihar and Jharkhand may experience isolated rains during next 3-4 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

- Isolated thunder storm activity is likely over Chhatisgarh, east MP and Vidarbha during next 3-4 days

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

- Isolated to scattered thunderstorm activity is expected over Kerala, coastal Tamilnadu, south/north interior Karnataka, Bay Islands and Lakshadweep during next 3-4 days. Isolated thunder storm activity

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

is expected over Telangana, coastal Andhra Pradesh and Rayalaseema. The rainfall activity over Bay islands is expected to increase from 17th May, 2006.

- Andaman & Nicobar, Lakshadweep and Kerala are to experience enhanced rainfall from 17 May 2006.

- Mainly dry weather conditions are likely to prevail over the region. Isolated duststorm activity is expected in North Rajasthan during next 48 hours.

Source: NCMRWF, GOI.

PORT WATCH

Port updates of edible oils in India (May 8-13, 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
SBO	32000	39500	71500
Palm oil	23690	21399	45089
CPO	33214	28000	61214
Total	88904	88899	177803

Source: ANAS

Forex Rates: (May 13, 2006)

Country/Continent	Currency	Value in Rs
USA	Dollar	45.05
European Union	Euro	58.04
Japan	100 Yen	40.94
United Kingdom	Pound Sterling	85.36

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