

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 288,400 MT were 59 percent above the previous week and 52 percent over the prior 4-week average. Increases reported for Japan (114,000 MT), Taiwan (65,400 MT), China (60,000 MT), Egypt (27,200 MT), and Malaysia (23,900 MT), were partially offset by decreases for unknown destinations (40,000 MT). Net sales of 28,400 MT for delivery in 2007/08 were primarily

for Mexico (9,800 MT), Guatemala (8,000 MT), and Colombia (7,000 MT). Exports of 174,400 MT were 46 percent below the week earlier and 42 percent under the prior 4-week average. The primary destinations were Japan (46,600 MT), Taiwan (44,300 MT), Mexico (42,700 MT), and Malaysia (23,900 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 87,000 MT were 14 percent below the previous week, but 17 percent above the prior 4-week average. Major increases were reported for unknown destinations (24,000 MT), Canada (15,200 MT), Honduras (11,100 MT), and Colombia (9,400 MT). Net sales of 25,100 MT for delivery in 2007/08 were primarily for Mexico (9,900 MT)

and Canada (8,600 MT). Exports of 114,400 MT were 7 percent below the prior week, but 7 percent above the previous 4-week average. The primary destinations were Mexico (46,100 MT), Canada (30,900 MT), the Dominican Republic (11,400 MT), and Guatemala (8,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 33,700 MT were primarily for unknown destinations (15,000 MT), Venezuela (7,500 MT, the first activity since 2001/02), Mexico (7,400 MT), and the

Dominican Republic (3,100 MT). Exports of 8,100 MT were mainly to Jamaica (3,300 MT) and the Dominican Republic (3,100 MT). Source: USDA

Reduction in Import Duty on Edible Oils

Ministry of Finance Vide Notification No.87/2007-Cus. Dt. 23.07.2007 have reduced the customs duty on edible oils as per details given below:

SR. No.	Oils	Existing	Revised On 23.07.07 Diff.
1.	Soybean Crude/Refined	45%	40% (-5%)
2.	Crude Palm Oil	50%	45% (-5%)
3.	RBD Palmolein	57.5%	52.5% (-5%)
4.	Crude Sunflower Oil	50%	40% (-10%)
5.	Refined Sunflower Oil	60%	50% (-10%)

Malaysian Palm Oil Exports Rebound 12.1% During July 1-25: SGS

According to SGS (a cargo surveyor) estimation, Malaysian palm oil exports rebound by 12.1% at 936,740 tonnes against 835,758 tonnes during July 1-25 as compared to

same period in June. To India, palm oil exports increased by over 17 times at 41,142 tonnes in July 1-25 against 2,250 tonnes same period a month ago.

Groundnut Sowing in Completed in Andhra Pradesh

The agriculture minister has clears the groundnut sowing is completed in Andhra Pradesh after arrivals of pre-monsoon shower. In Gujarat alone groundnut sowing is completed in

1.6 million hectares whereas in South India (mainly Tamil Nadu, Andhra Pradesh) sowing is completed in 2 million ha.

Oilseeds Witness Speedy Sowing Progress

The recent figures of oilseeds sowing are indicated for the speedy coverage. As on July soybeans sowing completed in 7.8 million hectares as compared to 7.34 million ha last

year, whereas groundnut is completed in 3.9 million ha against 3.46 million ha a year ago.

Argentina Sunflower Seeds Crush Decline by 31.7% in June

In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in June has dropped by 31.7% at 263,691 tonnes against 386,116 tonnes same

period last year. In June, sunflower seeds oil productions down by 35.13% at 105,121 tonnes, against 162,057 tonnes same period a year ago.

Argentina Soybean Seeds Crush Increase by 6.6% in June

In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in June has increased by 6.6% at 3,249,032 tonnes against 3,047,458 tonnes same

period last year. In June, soy oil productions rose by 9.75% at 619,384 tonnes, against 564,361 tonnes same period a year ago.

India: Cotton Sowing Increased to 7.228 Ha

According to the Indian Agriculture Ministry reports, the Kharif cotton sowing during the season are progressing well and reached at 7,228,000 hectares on May 1- July, which is significantly increased from the 6,417,000 hectares on the same date last year. Around 74% of the total coverage has been sown in the country, with BT acreage expected to expand more than 50% from last season. Indian growers are also increasing acreage planted to soybeans, with

cotton competing against soybeans for land in Madhya Pradesh and Maharashtra. Local soybean prices have rallied sharply from a year ago, just as cotton prices have. Sowing has started in Central Zone in Maharashtra and Madhya Pradesh, where there have been good rains. In South Zone (Tamil Nadu, Karnataka and Andhra Pradesh), sowing has started in Andhra Pradesh).

Table A: GOI: Revised Base Import Prices Unit (US \$/Ton)

Commodities	Current Tariff Rate (w.e.f. 31.10.06)	Previous Tariff Rate (26.09.06)	Change (US \$/Ton)
Crude Palm Oil	447	447	-
RBD Palm Oil	476	476	-
Others - Palm Oil	462	462	-

Crude Palmolein	481	481	-
RBD Palmolein	484	484	-
Others - Palmolein	483	483	-
Crude Soybean Oil	580	580	-

Source: CBEC, Dept of Revenue, GOI.

Major Importers of Malaysia's Palm Oil

Estimates of exports sale figure issued by Cargo Surveyor SGS for the period of June 1-25, 2007. The major importers of Malaysian palm oil were as follows: 1. EU 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 to China, USA and India increased by 35.13%, 31.63% and by more than 17times respectively on improved demand compared to the corresponding period under review while EU registered a drop in imports by 30.97% and 20.02% respectively.

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

(Unit: MT)

Countries/Continents	July 1-25	June 1-25	Change %
European Union	151,668	219,725	-30.97
China	260,774	192,980	+35.13
United States	118,043	89,677	+31.63
India	41,142	2,250	+1728.53

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Despite improving BMD CPO futures, prices of palm oil continue to trade weak amidst steady demand with subdued trade activities during the week started from July 23rd. Prices dropped sharply initially mirrored import duty slashed by Government and consolidated then after following firmness in other edible oil. Duty reduction on crude palm oil remained very dramatic and finally government continued at 45% from 50% earlier where as on RBD palm olein, it reduced at 52.5% (57.5% earlier). BMD CPO futures dropped initially followed by bullish

recovery on improving prospects of good exports demand from India and China coupled with fall in stocks in July. The most active October contract of crude palm oil futures traded between MYR2,480-2,583 per tonne. In current week, crude palm oil CIF prices for August shipment traded between \$802-825 per tonne. As per SGS figures, Malaysian palm oil exports rebound by 12.1% at 936,740 tonnes against 835,758 tonnes during July 1-25 as compared to same period in June.

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Kandla& Mumbai	802	810	810	825	817	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Kandla	424	417	414	420	423	424

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Kandla +VAT	458	454	452	460	457	471
Mumbai +VAT	475	472	454	460	465	456
Chennai +VAT	460	450	460	455	458	460
Kakinada +VAT	451	441	447	450	447	448
Hyderabad +VAT	473	462	464	468	468	468
Delhi	500	NA	490	500	495	495

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
CPO	760	765	777	782	787	790
RBD Palmolein	797	802	812	812	815	817

MC: Market Closed

Soybean Complex

The week saw some consolidation in prices of soymeal, soy oil and soybean. The main features for the week were, Centre reducing import duty on edible oils by 5-10 percentage points, anxiety over monsoon rains during first week of August, higher imports of palm oils over soy oil, hot and dry weather to persist over US soybean crop by first week of August and higher soybean acreage for Kharif 2007 vis-à-vis last year. As per Central Board of Excise and Customs [CBEC], the government had on July 23 reduced import duty on crude and refined soybean oil to 40 % from 45 % while Customs duty on crude palm oil has been cut from 50 % to 45 %. India is expected to import more palm oil in coming months on account of cheaper landing rates, lesser voyage time and better logistics, however soy oil continues to be refiner's choice on its suitability for blending and lower processing losses. As per data compiled by Agriculture Ministry, the total coverage of oilseeds as on

19th of July has been 121.6 lakh ha as compared to 117.4 lakh ha last year. A total area of 71.67 lakh hectares have till now been sown under soybean, which is more than the 67.45 lakh ha covered in the same period last year. The soybean area in Madhya Pradesh reached 40.65 lakh hectares as against 39.26 lakh hectares last year while a 9 per cent jump was recorded in Maharashtra at 21.8 lakh hectares from 20.08 lakh hectares. During the week the prices of soybean across spot markets and across plants firmed up by Rs 25/qtl and Rs 15/qtl respectively to Rs 1550-1725/qtl and Rs 1600-1740/qtl. Arrivals stood steady at 33,000 to 45,000 bags. The CIF prices for crude soy oil for July shipment rose to \$ 875-880/MT from previous week's \$ 865-880/MT. The soy oil prices in Indore stood steady at Rs 480-488/10 Kg from previous weeks Rs 481-486/10 Kg.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai +VAT	484	478	476	480	477	479
Indore +VAT	486	482	480	483	483	484
Kota +VAT	490	481	480	482	482	483
Jaipur +VAT	495	486	486	488	489	490
Hyderabad +VAT	500	495	495	499	499	499
Chennai +VAT	495	490	490	495	495	495
Rajkot +VAT	476	465	465	465	465	470

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai	459	455	454	455	456	460

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Kandla & Mumbai	875	875	875	880	878	884

Mustard Complex

With Centre reducing import duty on edible oils by 5-10 percentage points on 23rd of July, mustard expeller oil prices couldn't extend previous weeks firmness and continued to trade weak during midweek, except for slight recovery in prices noticed by weekend. Evidently, mustard seed prices too followed the suit and traded steady. The total arrivals during the week stood steady at 20,000-30,000 bags. Prices of mustard expeller oil in Kota stood steady at Rs 472-478/10 Kg for the whole week. Prices of Condition and Non-Condition seeds stood at Rs 2120-

2350/qtl and Rs 1890-1950/qtl over previous week's Rs 2140-2325/qtl & Rs 1915-1960/qtl respectively. Market observers expect that steep fall in prices of seeds and edible oils is likely to witness renewed buying interest at lower levels as demand from millers and expeller oil units continue to hold firm. The temporary weakness in prices of seeds is likely to be short lived as prices for expeller oil are likely to improve on upcoming festive demand [Aug-Sept] at the back of dwindling seed stocks with traders and millers.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai + VAT	500	496	495	496	500	504
Kota +VAT	478	475	474	472	474	476
Jaipur +VAT	488	485	484	482	484	484
Delhi	509	NA	500	502	508	510
Neewai +VAT	478	475	475	473	475	475

Groundnut Oil

Firmness in refined cottonseeds oil and tight supplies coupled with holding back activities of stockists strengthened groundnut oil, despite initially fluctuation by duty reduction on imported oil. The agriculture minister has recently announced the groundnut sowing is completed in Andhra Pradesh. In Gujarat alone groundnut sowing is completed in 1.6 million hectares as compared to 1.5 million hectares last year whereas in South India (mainly Tamil Nadu, Andhra Pradesh and Karnataka) sowing is completed in 2 million hectares. Market also generated bullish support from stalled monsoon progress that has

raised the fears of repetition of last year drought and high temperature condition. The good demand of HPS groundnut seeds from Southeast countries added bullish support on depleting stocks from crushing. As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. In Rajkot market groundnut oil prices traded between Rs. 755-780 per 10 kg during the week.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai +VAT	745	740	735	735	740	740
Rajkot +VAT	760	755	760	770	780	780
Andhra Region	765	750	750	765	760	760
Chennai +VAT	685	680	680	680	685	680
Delhi	780	NA	770	775	780	780

Sunflower Oil

Reduction in imported oil duty sparked the bearishness across domestic markets. Govt. has reduced the duty structure on sunflower oil from 60% to 50% to quell the upside movement in prices, whereas demand remained weak. In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in June has dropped by

31.7% at 263,691 tonnes against 386,116 tonnes same period last year. In June, sunflower seeds oil productions down by 35.13% at 105,121 tonnes, against 162,057 tonnes same period a year ago. The sunflower oil CIF prices for August shipment traded in range of \$1029-1034 per tonne on during the weak. Tight supplies in global

markets and firmness in other edible oil is likely to supported refined sunflower oil in short-term.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai +VAT	580	565	570	572	575	572
Chennai +VAT	585	565	565	565	565	565
Hyderabad +VAT	580	570	570	570	570	570

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Kandla & Mumbai	1029	1029	1029	1032	1039	1034

Refined Cottonseeds Oil

Steady demand, subdued trade activities managed to favor the prices of refined cottonseeds oil to trade on higher sides in domestic markets. As per latest government Kharif estimation cotton sowing has been completed in 7.37 million hectares as compared to 6.61 million hectares last year. As per trade source, cotton sowing has been completed in Gujarat and covered in 25 lakh hectares as compared to 93 lakh ha across country. Whereas in country sowing in completed about 85%. The current cotton sown data reflected the expected bright prospects of cotton

harvest in Kharif 2007-08. The major lead taken by Gujarat and Andhra Pradesh, where sowing is completed in 12.5 and 8.68 lakh hectares as compared to 9.54 and 5.49 lakh ha last year. As per trades refined cottonseeds oil is likely to behaviour according to groundnut oil. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil. Traders are expecting oil refined cottonseeds oil prices are likely to trade with slightly undertone ahead in lack of supportive demand.

Prices for Refined Cotton Oil during this week

Markets	23.07.07	24.07.07	25.07.07	26.07.07	27.07.07	28.07.07
Mumbai +VAT	506	500	500	500	505	505
Hyderabad +VAT	500	495	495	500	500	500
Rajkot +VAT	510	496	495	498	498	508
Delhi	495	NA	490	490	495	495

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Mixed

Soy futures settled mixed on Chicago Board of Trades. November soybeans closed 6 down at \$308.8 per MT. August soybeans ended down at 6 cents at \$ 299.61 per MT. December soy meal closed \$3.6 down at \$245.59 per MT. December soybean oil ended 0.23 up at \$833.55 per

MT. More than expected rainfall in Iowa with forecast of more to follow cast the weakness for soy futures on Chicago Board of Trades. But the dry weather in South Dakota and Minnesota manage to support the market but buying interest was limited by sluggishness in wheat.

BMD CPO Futures Settle Up

Crude palm oil futures continue to trade firm on Friday amidst expectation of good exports demand major importing nations (India and China) on Bursa Malaysia

Derivatives. The most active October contract of CPO futures finished up MYR15 at MYR2,583 per tonne.

However, gains were limited by overnight bearish soy oil

future on CBOT and declined in crude oil futures.

WEEKLY WEATHER WATCH

The axis of monsoon trough continued to run close to foothills of Himalayas. Fairly widespread to widespread rainfall activity with isolated heavy to very heavy fall is likely to continue over Uttarakhand, Uttar Pradesh, Bihar, West Bengal and northeastern states during next 3-4 days. Northwest India is also likely to experience scattered to fairly widespread rainfall activity during the same period. However, rainfall over central & adjoining peninsular India will remain subdued. Model prediction suggests that southwest monsoon is likely to remain in a weak phase for the next 4-5 days. An off-shore trough continues to persist along west coast. Under its influence fairly widespread rainfall activity is likely over Kerala, Coastal Karnataka and Lakshadweep during 3-4 days. A Western disturbance is lying over northern most parts of the country. Under its influence scattered to fairly widespread rainfall is likely over J&K, H.P. and Uttarakhand during next 24-48 hrs. Model predictions suggest that there is possibility of formation of an upper air cyclonic circulation over Bay of Bengal around 3-4th August 07.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Scattered to fairly widespread rain is likely over J&K, H.P., Uttarakhand and scattered over Punjab, Haryana, Delhi and west Uttar Pradesh during next 24-48 Hrs.

EAST AND NE INDIA: Fairly widespread rainfall is likely over east U.P., Bihar, West Bengal and NE States during next 3-4 days. Scattered to fairly widespread rainfall is likely over Jharkhand and Orissa during next 3-4 days.

CENTRAL INDIA: Scattered to fairly widespread rainfall is likely over Chhatisgarh and East Madhya Pradesh. Isolated rainfall is likely over rest of the region.

SOUTH INDIA: Fairly widespread rainfall is likely over Coastal Karnataka, Kerala and Lakshadweep. Scattered rainfall is likely over South Interior Karnataka and Tamilnadu and Pondichery. Isolated rainfall is likely over rest of region.

WEST INDIA: Scattered to fairly widespread rainfall is likely Konkan & Goa and Madhya Maharastra. Isolated rainfall is likely over rest of the region. **Source: NCMRWF**

PORT WATCH

Port updates of edible oils in India (July 23-28, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	10,500	42,439	52,939
Palm oil	24,500	12,000	36,500
CDSBO	50,000	34,000	84,000
Total	85,000	88,439	173,439

Source: ANAS

Forex Rates:

(July 28 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.48
European Union	Euro	55.24
Japan	100 Yen	34.13
United Kingdom	Pound Sterling	82.13

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