

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 185,100 MT were 36 percent below the previous week and 8 percent under the prior 4-week average. Increases reported for unknown destinations (101,000 MT), Taiwan (24,400 MT), Indonesia (20,100 MT), Japan (16,300 MT), and Mexico (15,100 MT), were partially offset by decreases for Guatemala (8,600 MT) and Egypt (8,500 MT). Net sales of 255,200 MT for delivery in

2007/08 were primarily for China (120,000 MT) and unknown destinations (55,000 MT). Exports of 155,200 MT were 11 percent below the week earlier and 36 percent under the prior 4-week average. The primary destinations were Mexico (67,300 MT) Taiwan (27,900 MT), Colombia (17,300 MT), and Costa Rica (12,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 76,800 MT were 12 percent below the previous week and 7 percent under the prior 4-week average. The primary buyers were Canada (15,400 MT), Venezuela (15,400 MT), Japan (10,300 MT), Indonesia (7,700 MT), and Syria (7,100 MT, including 7,000 MT switched from Lebanon). Net sales of 33,600 MT for delivery in 2007/08

were primarily for Canada (22,700 MT) and Guatemala (8,000 MT). Exports of 126,000 MT were 10 percent above the previous week and the prior 4-week average. The major destinations were Canada (27,400 MT), Mexico (25,900 MT), Venezuela (15,400 MT), Bulgaria (11,000 MT), and Cuba (9,000 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 24,000 MT were primarily for unknown destinations (15,000 MT), China (7,000 MT), and Mexico (1,100 MT). Sales of 3,400 MT for delivery in 2007/08 were

for Mexico. Exports of 3,400 MT were mainly to Mexico (1,400 MT), Trinidad (1,300 MT), and Canada (500 MT). Source: USDA

Oilseeds Witness Speedy Sowing Continues

The recent figures of oilseeds sowing are indicated for the speedy coverage. As on August 2nd soybeans sowing completed in 8.18 million hectares as compared to 7.8

million ha last week and 7.73 million ha a year ago, whereas groundnut is completed in 4.42 million ha against 3.9 million ha last week and 4.01 million ha a year ago.

Argentina May Soy oil Exports down 9.5%

In latest report, Agricultural Secretariat highlighted Argentina May soy oil exports declined 9.5% at 0.61 mmt, against 0.68 mmt same period a year ago. Soybeans exports in May increased 7.1% at 1.49 mmt compared to

the 1.39 mmt same period last year. Where as China and India purchased was totaled at 0.21 mmt and 0.16mmt respectively.

Malaysian Palm Oil Exports Rise 8.3% in July: SGS

According to SGS (a cargo surveyor) estimation, July Malaysian palm oil exports remained below to trade expectation and hovered at 8.3% at 1,091,916 tonnes

against June's 1,007,424 tonnes. India, July Malaysian palm oil exports increased by 182% at 42,287 tonnes against 14,994 tonnes in June.

India: Around 85-90% of Cotton Sowing Completed

In Gujarat, the cotton sowing has been completed during this Kharif season. The total area of cotton cultivation in the state covers 25 lakh hectares of the 93 lakh hectare in the entire country. The present weather condition is to be the most favorable for cotton cultivation. The one's with irrigation facility started cotton cultivation in May and also benefited from the season's early showers. In the country, around 85-90% of the total coverage of cotton has been completed. At least 3.25 crore bales of cotton production is estimated in the country and 115 lakh bales of cotton

production is estimated in Gujarat. In Gujarat, the cotton cultivation area was 24 lakh hectares in the last year and the production was around 104-105 lakh bales. Increase in Bt cotton cultivation area is the main reason of enhancing the cotton production. Most of the farmers are cultivating Bt cotton. Three years ago the average productivity of cotton in the nation was 300 kg per hectare and 435 kg of Bt cotton per hectare. Now in Gujarat it has increased up to 500 kg and 700 kg respectively.

India: Cotton Acreage Touched at 7.37 Mln Ha from May 1- July 27

According to the latest government data, the cotton crops have been sown in around 7.37 million hectares of land as of May 1-July 27, which was up 11% as compared to last year same period. Out of this, insect-resistant BT cotton was sown on around 4.03 million hectares. In Gujarat, the cotton sowing has been completed during this Kharif

season. The total area of cotton cultivation in the state covers 25 lakh hectares of the 93 lakh hectare in the entire country. The area under BT cotton crops has almost doubled on the year, which will ensure a bumper production this year.

India: Cotton Acreage Rose to 8.51 Mln Ha as on May 1- August 3

According to the latest government data, the cotton crops have been sown in around 8.51 million hectares of land as of May 1-August 3, which was up from 7.98 million ha as compared to last year same period. Out of this, insect-resistant BT cotton was sown on around 4.67 million hectares. In Gujarat, the cotton sowing has been completed

during this Kharif season. The total area of cotton cultivation in the state covers 25 lakh hectares of the 93 lakh hectare in the entire country. The area under BT cotton crops has almost doubled on the year, which will ensure a bumper production this year.

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, 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 32.49%, 33.93% and 182.03% respectively on improved demand compared to the corresponding period under review while EU registered a drop in imports by 27.76% on sluggish demand.

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

(Unit: MT)

Countries/Continents	July	June	Change %
European Union	187,579	259,650	-27.76
China	303,585	229,130	+32.49
United States	138,932	103,737	+33.93
India	42,287	14,994	+182.03

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

In current week the spot prices of palm oil remained in correction mode owing to sluggish demand and bearish global cues. As per trade sources, the Free Trade Agreement (FTA) is engulfing the domestic vanaspati industry as the vanaspati prices difference (which is nearly Rs. 80-100/tin) between domestic produced and imported from neighboring countries. This has sapped the palm oil demand from major buyers (vanaspati makers). The improved demand of crude palm oil from Asian countries (mainly India and Singapore) raised Indonesian July CPO exports worth by 19.23% at \$798.4 million to May's \$669.6

million. Indonesian government is also likely to continue the CPO exports taxes at 6.5% despite reaction of exporters. BMD CPO futures remained bearish though out of week on unclear fundaments of demand and supplies and bearish undertone in CBOT soy futures. The most active October contract of crude palm oil futures traded between MYR2,582-2,636 per tonne. In current week, crude palm oil CIF prices for August shipment traded between \$825-840 per tonne. As per SGS cargo surveyors, July Malaysian palm oil exports rise at 8.3% at 1,091,916 tonnes against June's 1,007,424 tonnes.

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Kandla& Mumbai	840	832	830	825	NA	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Kandla	424	425	425	420	420	419

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Kandla +VAT	469	476	465	450	456	456
Mumbai +VAT	455	462	457	460	456	454
Chennai +VAT	460	460	460	458	458	458
Kakinada +VAT	448	450	448	450	450	448
Hyderabad +VAT	468	468	468	471	471	470
Delhi	495	495	495	495	490	490

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
CPO	785	800	802	NA	797	790
RBD Palmolein	822	832	832	NA	827	822

MC: Market Closed

Soybean Complex

Soybean crop in India and US are in early vegetative and pod filling stages respectively with traders in both countries discounting market sentiments based on their individual weather models. During the week, prices of soybean crashed not only on account of subdued demand for oil meals from animal feed industry but also on better prospects of soybean production and acreage this season. Revival of monsoon rains over Central India reaffirmed the same. Sluggishness in soy oil trade coupled with threat of Bird Flu hitting hard on poultry exports induced some weakness in prices of soybean and soymeal. However, good offtake of soybean by processing units/millers in MP and Rajasthan in anticipation of better prospects of soymeal exports after November 2007 prevented any abrupt downslide in prices of soybeans. With Centre contemplating to import more edible oils through state trading bodies [1 lakh MT each], demand compression is

unlikely in short to medium term as consumptive demand exceeds supply during festive season. During the week, the prices of soybean across spot markets and plants eased down to Rs 1520-1625/qlt and Rs 1570-1670/qlt from previous week's Rs 1550-1725/qlt and Rs 1600-1740/qlt. Arrivals declined in tandem to around 35,000 to 40,000 bags registering a overall decline of 5,000 bags over previous week. The CIF prices for crude soy oil for August shipment rose by \$ 38 to \$ 888-918/MT from previous week's \$ 875-880/MT. The soy oil prices in Indore softened by Rs 3 to Rs 477-485/10 Kg. The soybean acreage during May 1-August 2 is estimated at 81.8 lakh ha against 77.3 lakh ha for the same time period last year. Plantings of oilseeds are estimated at 14.93 million hectares, compared with 14.18 million hectares a year earlier. Industry sources expect production to touch 80 lakh MT including surplus of 3 lakh MT from last year.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai +VAT	478	480	480	481	476	475
Indore +VAT	485	486	484	478	477	476
Kota +VAT	483	483	480	480	480	479
Jaipur +VAT	490	490	488	488	488	486
Hyderabad +VAT	499	500	500	498	498	495
Chennai +VAT	495	500	500	500	500	495
Rajkot +VAT	475	476	472	470	470	470

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai	460	462	462	460	456	452

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Kandla & Mumbai	888	904	915	918	915	910

Mustard Complex

Despite extending previous week's firmness, prices of mustard seeds & expeller oil continued to soften on consolidation in prices of major oilseeds and oil meals across domestic markets. The daily arrivals declined sharply from 40,000 bags on Monday to mere 10,000 to 15,000 bags by weekend. Subdued demand for oil meal from livestock and feed industry couldn't provide support to prices of seeds and expeller oil. Millers continued to replenish their stocks. Paucity of seeds in UP, West

Bengal, Haryana, MP and Delhi region kept the demand steady to slightly firm. A further consolidation in prices of seeds is likely to witness renewed buying interest at lower levels. Prices of mustard expeller oil in Kota declined marginally by Rs 2 to Rs 470-478/10 Kg for the whole week. Prices of Condition and Non-Condition seeds declined to Rs 2110-2325/qlt and Rs 1860-1925/qlt respectively from previous week's Rs 2120-2350/qlt & Rs 1890-1950/qlt.

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

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai + VAT	500	498	498	495	495	492
Kota +VAT	476	478	478	478	470	468
Jaipur +VAT	484	488	488	488	478	475
Delhi	510	505	508	505	501	500
Neewai +VAT	475	476	477	477	468	468

Groundnut Oil

The timely decision by Gujarat state government to import palm oil, sluggish demand and forecast of revival of monsoon has finally depressed prices of groundnut oil despite market is struggling for good supplies of groundnut seeds and oil. In recent past state government had decided to import 18,000 tonne of palm oil, out of this nearly 16,000 tonnes has arrived and remaining 2,000 tonnes yet to arrivals. With the hope of revival of monsoon in next one or two days with spell of rains from August 1st in parts of

Gujarat is expecting good for crop in vegetative stage. As per government figures, in Gujarat nearly 16 lakh hectares have been covered with groundnut with expectation of exceed to 17 lakh hectares as compared to 14 lakh tonne last year. As per government latest figures groundnut sowing is completed in 4.42 million hectares on Aug 2nd as compared to 3.9 million hectares last week and 4.01 million hectares last year. In Rajkot market groundnut oil prices traded between Rs. 770-790 per 10 kg during the week.

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

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai +VAT	740	750	740	740	735	735
Rajkot +VAT	785	790	785	780	770	760
Andhra Region	760	760	760	765	765	NA
Chennai +VAT	685	690	690	690	690	690
Delhi	780	780	780	780	780	780

Sunflower Oil

Despite weakness in global market and sluggish trade activities, refined sunflower oil remained range bound on balance in demand and supply in physical market. Anticipating fall in production of sunflower in EU respecting the unfavorable weather conditions in Southern Europe aided the bullish support despite slightly weakness in other edible oil. As per government latest figures, sunflower

sowing in lagging and on August 3, 5.39 lakh hectares has been planted as compared to 4.99 lakh ha last week and 6.95 lakh ha last year. The sunflower oil CIF prices for August shipment traded in range of \$1034-1072 per tonne on during the week. 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	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai +VAT	572	575	575	575	575	570
Chennai +VAT	570	570	570	570	570	575
Hyderabad +VAT	570	570	570	570	570	575

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

Center	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Kandla & Mumbai	1034	1039	1037	1039	1067	1072

Refined Cottonseeds Oil

Sluggish demand, subdued trade activities depressed price of refined cottonseeds oil in domestic markets. Weakness in meals and soy oil are driven forces for subdued trade activities. As per latest government Kharif estimation on acreage, cotton sowing has been completed in 8.51 million

hectares as on August 3rd against 7.37 million hectares last week and 7.98 million hectares last year. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil.

Prices for Refined Cotton Oil during this week

Markets	30.07.07	31.07.07	01.08.07	02.08.07	03.08.07	04.08.07
Mumbai +VAT	502	502	502	498	498	496
Hyderabad +VAT	500	505	505	500	500	500
Rajkot +VAT	510	512	515	515	505	500
Delhi	495	495	495	495	490	490

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Mixed

November Soybeans finished up 6.5 cents at \$ 316.33 per MT. August Soybeans closed up at 8 cents at \$ 308.24 per MT. December Soybean closed up at \$ 2.6 at \$ 252.42 per MT. December Soybean Oil finished down at 0.02 at \$ 845.03 /MT. The news of private consultant "Informa"

estimated the 2007 soybean crop at 2.7 billion bushels in comparison to USDA's forecast of 2.62 billion bushels. The view led to fund and speculative buying. However, good deliveries of soybean may limit the upside.

BMD CPO Futures Settle Down

Lacklustre trade activities and extending unclear direction of demand and supplies pushed down crude palm oil futures on Bursa Malaysian Derivatives. The bearish undertone trade on CBOT with reluctance of traders for

fresh position aided the bearishness. The selling interest of palm oil in physical market also strengthened the weakness. The most active October contract of crude palm oil futures finished MYR20 down at MYR2,582 per tonne

WEEKLY WEATHER WATCH

Models predictions suggest that a low pressure area is likely to form over northwest Bay of Bengal during next 24 Hrs. and become well marked. Under the influence of its expected slow movement in west-northwest direction monsoon is likely to revive and rainfall activity will enhance with isolated heavy to very heavy fall over Orissa, north Andhra Pradesh and Chhattisgarh during 5-7 August. Subsequently, the rainfall belt is likely to shift to Madhya Pradesh, Madhya Maharashtra, Konkan & Goa, Gujarat State and south Rajasthan with west-northwestward movement of the system. Present heavy rainfall along west coast of India may continue and enhance during next 3-4 days. A westerly trough lies over northwest India, it is likely to move eastwards direction during next 48 hrs. Under its influence fairly widespread rainfall is likely over northwest India except West Rajasthan. Rainfall activity is likely to decrease over northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar and East Uttar Pradesh from tomorrow onwards. Models also predict for development of a middle level cyclonic circulation over NE Arabian Sea and adjoining Gujarat coast during 6-7 August 07.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Fairly widespread rain is likely over entire region during next 2 days.

EAST AND NE INDIA: Fairly widespread rainfall is likely over east U.P., Bihar and NE States during next 24-48 Hrs. and reduce thereafter. Widespread rainfall with isolated heavy to very heavy fall is likely over Orissa, Gangetic West Bengal and Jharkhand during next 3-4 days then decrease thereafter.

CENTRAL INDIA: Wide spread rainfall with isolated very heavy fall is likely over Chhattisgarh and M. P. during 6- 7 August. Scattered rainfall is likely over Vidarbha during next 24 hrs then increase further.

SOUTH INDIA: Widespread rainfall with isolated very heavy fall is likely over coastal A.P. and Coastal Karnataka during next 3 days. Fairly widespread rainfall is likely over Interior Karnataka, Kerala and Lakshadweep. Scattered rainfall is likely over Rayalseema, Tamilnadu and Pondichery.

WEST INDIA: Widespread rainfall with isolated heavy fall is likely over Konkan & Goa, Gujarat, East Rajasthan, Madhya Maharashtra and Marathwara during 6-8 August. Isolated rainfall is likely over West Rajasthan during 3 days, then increase thereafter. **Source:NCMRWF**

PORT WATCH

Port updates of edible oils in India (July 30-August 04, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CFA	-	2,000	2,000
CPO	-	52,939	52,939
G'nut oil	-	3,000	3,000
Palm oil	63,450	12000	75,450
CDSBO	80,849	16,000	96,849
Total	144,299	85,939	230,238

Source: ANAS

Forex Rates:

(August 04 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.23
European Union	Euro	55.46
Japan	100 Yen	34.08
United Kingdom	Pound Sterling	82.17

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