

**Contents:**

---

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Spreads**
- ❖ **Annexure – Prices**

## Summary

---

Soybean and soy meal rebound on buying support and fall in the seed supplies during the week under review. Overall, the bean supplies are good and comparatively higher than the same period last year.

Improved soy meal exports from India remained supportive for domestic soybean and meal. Solvent extractors are the key bean buyers and are keen to meet the increased overseas soy meal exports obligations.

However, weak domestic soy meal demand remained limiting factor for the soy in recent days. Further, attractive soy meal and soy oil exports price at the international market too remained limiting factors.

The rapeseed-mustard harvesting has gained momentum and it is in full swing, increasing the seed supplies in recent weeks at the key market centers

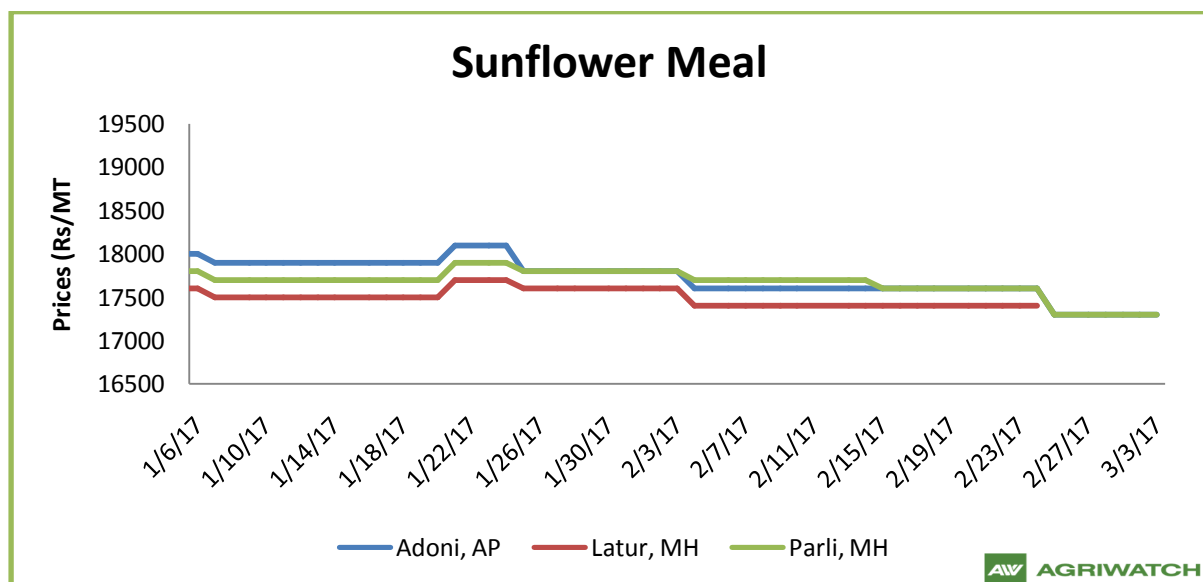
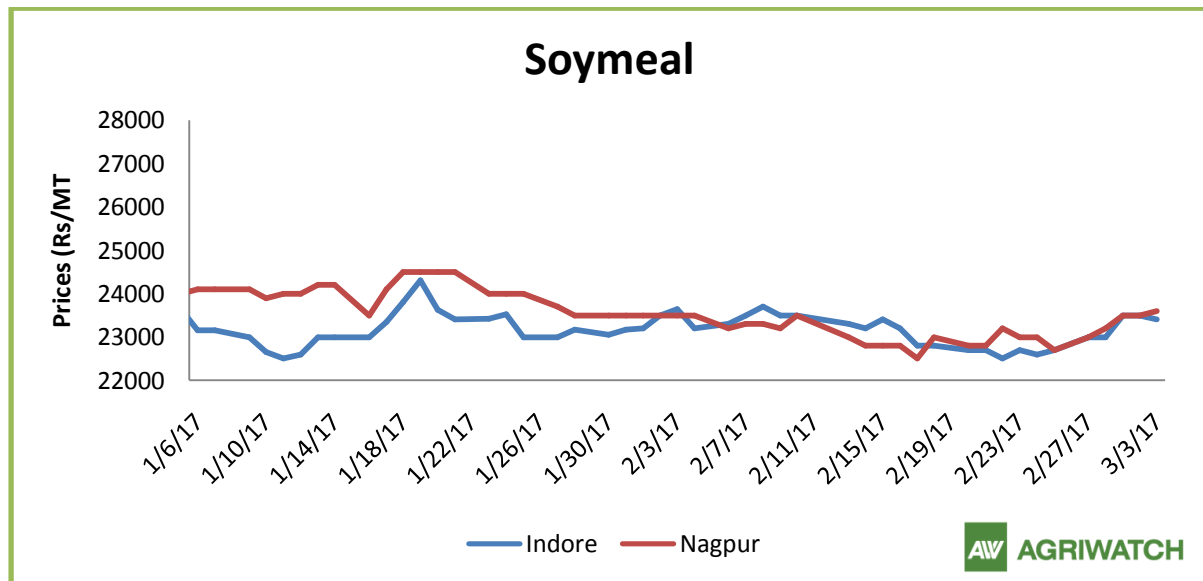
The rapeseed-mustard is expected to feature range bound movement with weak bias on rising new crop supplies, higher production estimate this season coupled. Besides, soybean will continue to remain under supply pressure in near-term.

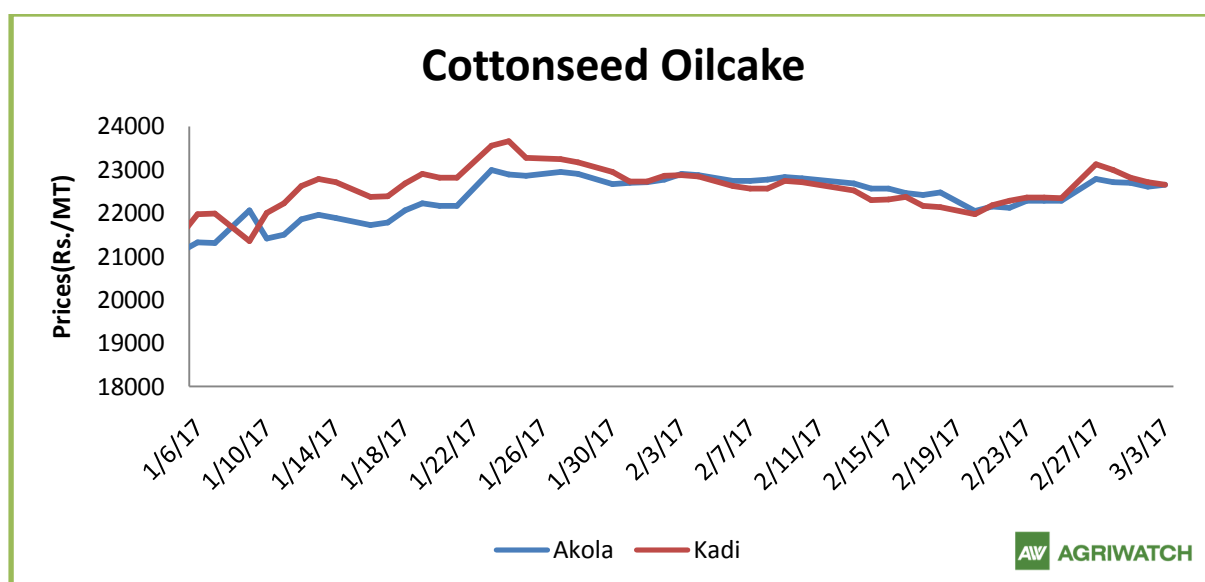
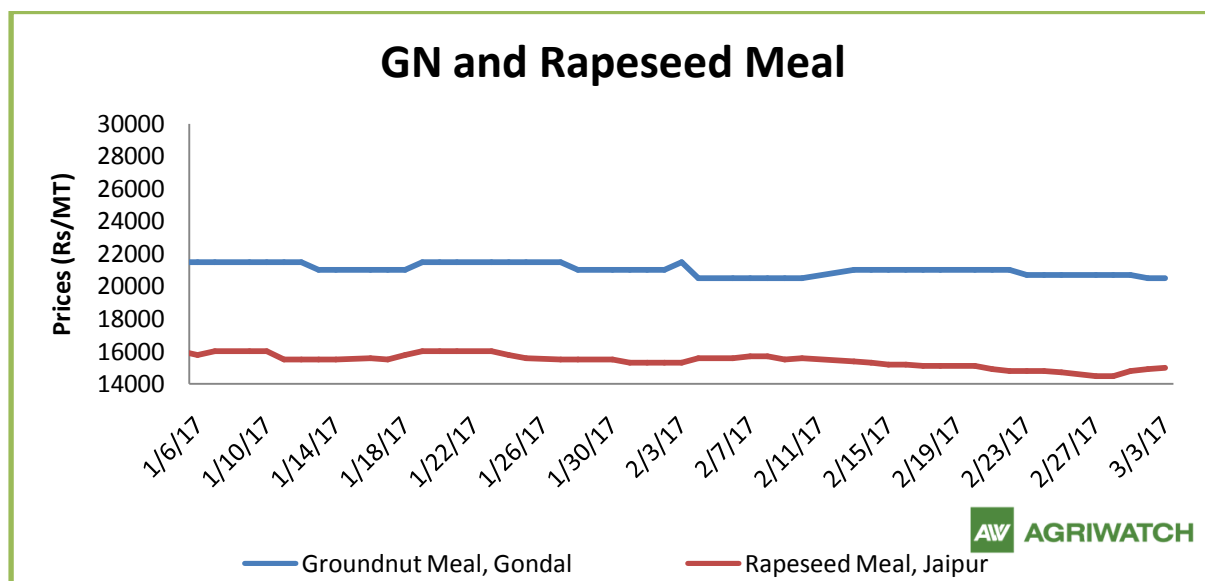
Most of the cash markets of maize traded steady during the week except Gulabbagh market; traded weak due to sluggish demand. Maize cash markets are expected to trade steady to weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 20 per quintal to Rs. 1540 per quintal while starch feed makers quoted it firm by Rs. 10 per quintal to Rs. 1520 per quintal compared to last week.

Overall maize crop conditions are favorable now. No loss reported till date. Agriwatch preliminary estimates maize Rabi production at around 6.24 MMT for 2016/17.

*All India weekly average prices decreased by 6.76 percent to Rs. 1950.91 per quintal during the week ended 28th February 2017. Wheat average price were ruling at Rs 2092.28 per quintal during 16-23rd February 2017. As compared to prices in the week 24-28 February 2016, the prices are firm by 12.54 percent. Prices are expected to remain range bound to slightly weak in coming days.*

**Trend – Raw Material, Feed**





Source: AgriWatch

## Soybean

The domestic soybean rebound on good buying support from solvent extractors to cater improved soy meal exports commitment and strength in the international soybean, during the week under review.

However, higher domestic production and better supplies of bean kept the lip on the gains.

Currently, about 0.65 – 1.20 lakh bags of soybean are arriving in cash markets of Madhya Pradesh against 0.15 – 0.35 lakh bags during the corresponding period last year.

Slack in domestic soy meal offtake due to weak poultry demand too remained limiting factor.

Besides, cheap soy oil imports remained bearish for the bean.

However, better soy meal exports from India could lend support to bean in coming days.

The crushers are still not eager to quote higher for the bean in a bid to keep the meal prices attractive for the foreign buyers and keep the exports window open for some more time.

Currently, the bean prices are around the levels where they were at the time of harvest in October.

The rabi oilseeds has gained momentum and the oilseeds production is forecast to be higher.

***The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, Ambika Joara, Agrawal Soy Dewas, Agrawal Neemuch, Adani, Agro Sol. Datia, Avi Agro, Bansal, Bajrang, Betul Oil, Dhanuka, Divya Jyoti, G. Ambuja, Itarsi, Indian Soya, Khandwa, Khyati, Kriti, K.P. Newari, Mahakali, M.S. Neemuch, Prakash, Oyster Exim, Prestige, Ruchi, Rama, RH Solvex, SSA Mandideep, Shanti Overseas, Sawariya Itarsi, Sitashri, Vippy (10-2-2 specification) for Dewas and Mandsaur delivery during the week.***

#### **International:**

The benchmark CBOT soybean posted gains on logistic constraints in Brazil due to heavy rains, prospects for rise in demand for soy based biodiesel after White House statement that no executive order was in the works on ethanol, during the week under review.

Around 3000 trucks and 11 ships are stranded on highway and port respectively as the rains have washed out roads disrupting trucks carrying soybean to key ports for exports.

However, forecast of record soybean crop in the Brazil and bumper global bean supplies along with technical selling limited the gains.

The CBOT soybean posted gains and the March contract soybean prices ended at US \$ 10.27/bushel compared to US \$ 10.11/bushel last week.

Brazil's 2016/17 soybean crop production is forecast at 105 million tonnes which is up from 95.4 million tonnes estimated in 2015/16 by Oil World.

Brazil is expected to export around 52.3 million tonnes during February/August 2017 against 47.8 million tonnes in the corresponding period last year.

Informa Economics has also raised its Brazil's 2016/17 soybean production estimate to 108 million tonnes from 106.5 million tonnes projected previously.

Informa has projected Argentina's 2016/17 soybean crop at 55.0 million tonnes.

EU soybean imports fell 1% by 28 February 2016/17 and registered imports of 8.8 million tonnes from 8.9 million acres during the corresponding period last season.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 11.8 million tonnes, down 15% from 13.9 million tonnes during the corresponding period last year.

US 2017 soybean seeding is seen up at 88 million acres compared to 83.4 million in 2016 while corn area is reduced to 90 million acres from 94 million in 2016, projected by USDA.

Agroconsult has projected Brazil's 2016/17 soybean production at 107.8 million tonnes up from 105.3 million projected initially in February.

The agency has estimated Brazil's 2016/17 soy exports at 61.1 million tonnes.

Argentina's Agriculture Ministry has slashed its estimate for planted soybean to 19.45 million hectares from 19.8 million hectares estimated previously.

EU soybean imports fell 3% in 2016/17 season and registered imports of 8.4 million tonnes by Feb. 21 from 8.7 million acres during the corresponding period last season.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 11.7 million tonnes, down 15% from 13.7 million tonnes during the corresponding period last year.

US soybean crushers crushed higher than the market expectations in January, third highest January crush on record, said National Oilseed Processors Association.

NOPA reported that its members have processed 160.621 million bushels during January, up from 150.453 million bushels during the corresponding period last year and up from 160.176 million bushels in December 2016.

The US soybean inventories of January 31 surged to 1.629 billion lbs from 1.582 billion lbs in January 2016 and also from 1.434 billion lbs at the end of December.

AgRural consultancy has raised its Brazil's 2016/17 soybean production forecast to 105.4 million tonnes from 103.1 million tonnes projected previous month.

## Soy meal

---

The domestic soy meal featured gains in sync with soybean on better overseas meal demand. However, weak domestic offtake in meal due to slack in poultry demand remained limiting factor.

However, soy meal witnessed fall in the international market and the March CBOT soy meal settled at US \$ 328 per short ton compared to US \$ 331 per short ton last week.

As discussed earlier, India's soy meal exporters want to keep the meal prices attractive for the foreign buyers, in a bid to keep the exports window open and compete with the South American meal prices.

India's soy meal shipments have significantly improved this season after sluggish exports in last 3 seasons. We expect India's February exports figure higher than the corresponding period last year.

India's meal exports are expected to ease once the new crop crushing and exports picks up the pace in Argentina and Brazil.

Brazil's soybean crop harvesting is underway and it has gained momentum in recent days, but disruption in logistics due to heavy rains will prove supportive for India's. Argentina's soybean harvesting is expected to commence within a fortnight.

India's soy meal exports are up consistently y-o-y. In January'17 soy meal exports surged 446% after it registered a gain of 736% in December 2017.

The domestic soy meal prices at Indore, fell and were quoted at Rs 22,700 – 23,500/MT compared to Rs 22,500 – 22,800/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 24,200/MT and 23,600/MT respectively compared to Rs 23,400/MT in Indore and Rs 23,500/MT in Kota.

NOPA report reveals that the US soy meal shipments stood at 891,143 tons up from 686,493 tons during the corresponding period last year but down from 949,615 tons in December 2016.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 11.7 million tonnes, down 15% from 13.7 million tonnes during the corresponding period last year.

## Rapeseed - Mustard Seed

---

The domestic rapeseed-mustard continued downward movement on rising new crop supplies with harvesting in full swing across the key producing regions.

The all India seed supplies surged to 1.85 – 3.85 lakh bags compared to around 1.50 – 2.20 bags in the previous week. The supplies were 1.45 – 3.25 lakh bags during the corresponding period last year.

The seed harvesting is in full swing in the key producing states of Rajasthan, UP and Madhya Pradesh. The supplies are likely to consistently increase further in coming days and it is expected to reach its peak in first half of April.

The standing mustard seed crop is mostly under maturity phase and there are no reports of crop damage yet due to adverse weather or disease yet.

The new crop seed is quoted around Rs 3,825 – 3,955 a quintal compared to Rs 4,015 – 4,380 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the April contract has improved and the seed is trading around 3900/Qtl compared to 3770/Qtl previous week.

India's edible oil imports are consistently falling m-o-m on improved domestic oilseeds crushing.

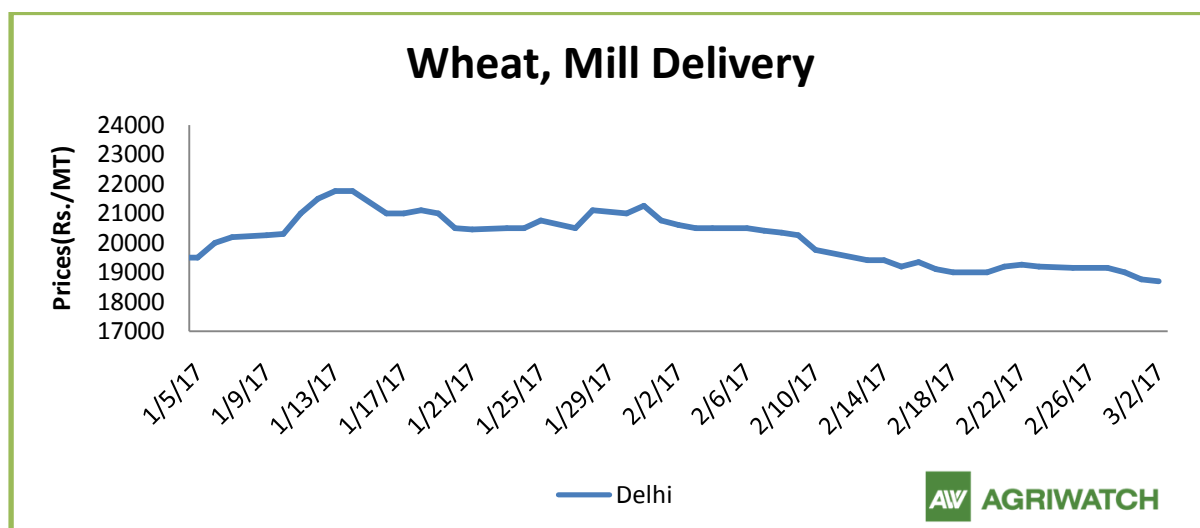
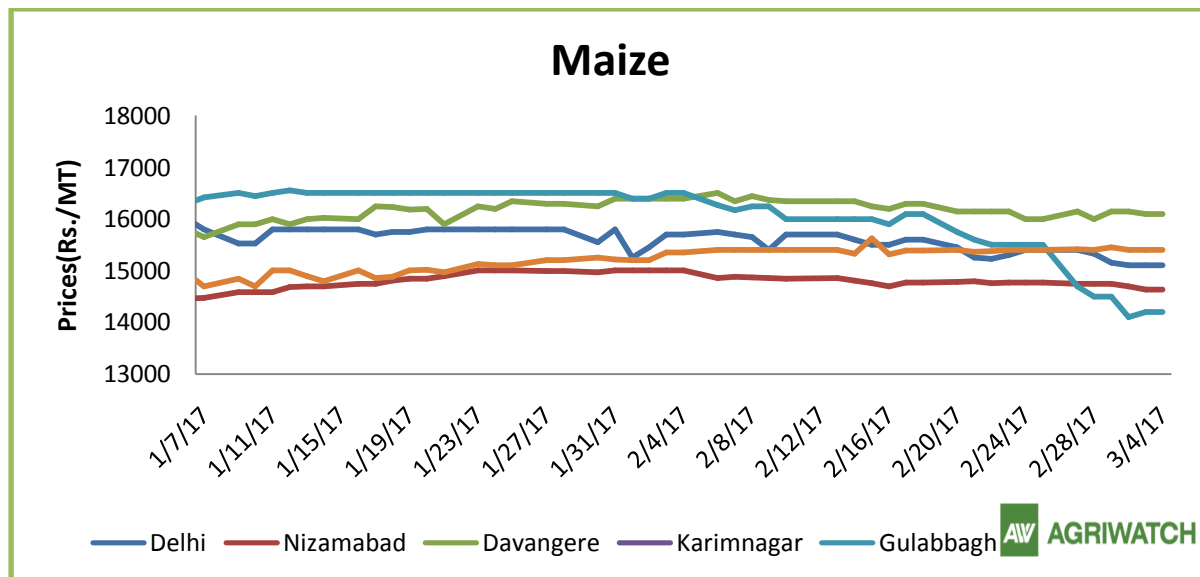
India's January edible oil imports fell 19.7 percent y-o-y to 10.08 lakh tons from 12.55 lakh tons in January 2016. Palm oil imports fell 11.5 percent y-o-y to 6.08 lakh tons y-o-y from 6.88 lakh tons in January 2016. CPO Imports fell 23 percent y-o-y to 4.08 lakh tons from 5.30 lakh tons in January 2016. RBD palmolein imports rose 30.7 percent y-o-y to 1.97 lakh tons from 1.50 lakh tons in January 2016.

Soy oil imports fell 62 percent y-o-y to 1.67 lakh tons from 4.41 lakh tons in January 2016. Sunflower oil imports rose 27.1 percent y-o-y to 2.15 lakh tons from 1.18 lakh ton in January 2016. Rapeseed (Canola) oil imports rose 134 percent y-o-y to 0.18 lakh tons from 0.07 lakh tons in January 2016, reported by Solvent Extractors Association (SEA).

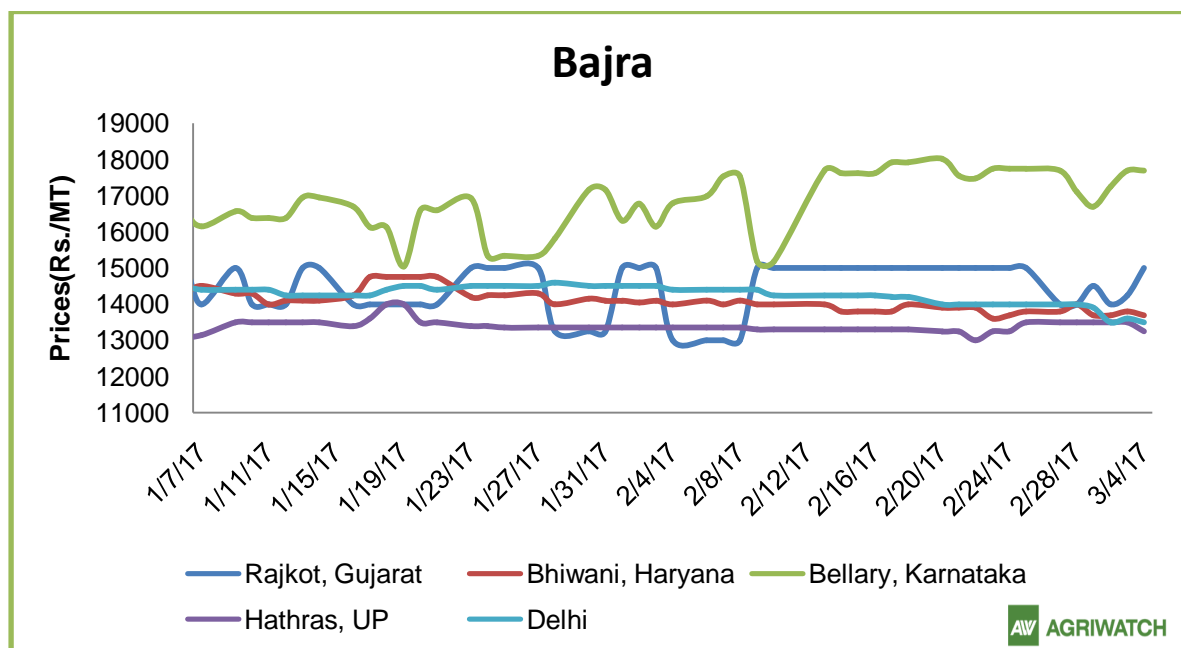
India's January edible oil stocks at ports and pipelines fell 6.6% m-o-m to 17.30 lakh tons from 18.45 lakh tons in December 2016. Stocks of edible oil at ports fell to 642,000 tons (CPO 220,000 tons, RBD Palmolein 150,000 tons, Degummed Soybean Oil 180,000 tons, Crude Sunflower Oil 85,000 tons and 7,000 tons of Rapeseed (Canola) Oil) and about 1,088,000 tons in pipelines (stocks in pipelines were at 1,150,000 tons in December 2016).

India is presently holding 32 days of edible oil requirement on 1st February, 2017 at 17.80 lakh tons compared to 34 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons

Malaysia's February palm oil exports fell 12 percent to 1,018,604 tons compared to 1,157,288 tons last month. Top buyers were European Union at 195,090 tons (213,950 tons), China at 143,560 tons (145,510 tons), India at 139,790 tons (140,550 tons), United States at 70,030 tons (50,350 tons) and Pakistan at 24,000 tons (31,500 tons). Values in brackets are figures of last month. reported cargo surveyor Societe Generale de Surveillance (SGS).







**Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)**

In Nizamabad, maize is likely to trade steady to slightly weak in the near term. Some quantity of new crop of maize arrived into the market, contains 20% moisture level. New crop arrival pressure will emerge after Holi festival.

It is likely to trade steady in the near term. Arrival pressure from Maharashtra limit the demand of Tamil Nadu' feed makers.

As per USDA, U.S corn exports reached 24.75 MMT in the 2016-17 marketing year. At 1.49 MMT (for the period 17<sup>th</sup> February –23<sup>rd</sup> February, 2017) exports were up 24 percent from the previous week and 38 percent from the prior 4-week average. The primary destinations were Mexico (376,300 MT), Japan (254,700 MT), Colombia (144,000 MT), South Korea (119,900 MT), and Saudi Arabia (115,500 MT).

All India weekly average prices decreased by 6.76 percent to Rs. 1950.91 per quintal during the week ended 28<sup>th</sup> February 2017. Wheat average price were ruling at Rs 2092.28 per quintal during 16-23<sup>rd</sup> February 2017. As compared to prices in the week 24-28 February 2016, the prices are firm by 12.54 percent. Prices are expected to remain range bound to slightly weak in coming days.

As per latest update, India is likely to import 25% import duty in order to restrict imports and provide favorable grounds for the upcoming crop. In the current MY 2016-17, more than 4 MMT of wheat has already been imported. Government has made it compulsory for wheat shipments to be fumigated in the exporter's country. India is expecting a good crop this year and government has set a procurement target of 33 MMT higher by 10% compared to last year.

Government has fixed wheat procurement target at 33MMT for 2017-18. Of the total target around 11.5 MMT will be procured from Punjab, 8.5 MMT from Madhya Pradesh, 7.5 MMT from Haryana, 3MMT from Uttar Pradesh and 1.7 MMT from Rajasthan. Government target procurement for MY 2016-17 was 30.5 MMT against which it procured only 22.96 MMT. Wheat production target is kept at 96.5 MMT for 2016-17.

*As per second advance estimate for 2016-17 wheat production is likely to be around 96.6 MMT which is higher compared to fourth advance estimate of 93.5 MMT issued in 2015-16. This year overall acreage is higher by around 4.5% over normal acreage of 304.05 lakh hectares.*

*Wheat WPI has decreased slightly from 251.7 in December'16 to 250.3 in January-2017. Monthly wheat inflation has decreased by 0.55 percent in January-17 compared to December-16. As compared to January-16, wheat WPI has increased by around 9.49% and by 5.54% compared to January-2015.*

*As per latest update, area sown until 03 February'17 is 317.81 lakh hectares compared to 297.25 lakh hectares in the previous Rabi season. Among various States, the area is down in Jammu & Kashmir and Karnataka, whereas Punjab, Haryana and Uttar Pradesh have seen an increase in area compared to corresponding date of last year. The normal area is 304.05 lakh hectares. Area is expected to be higher this year as government has increased MSP of wheat which has motivated farmers to sow more area.*

*Agriwatch has given its preliminary production estimate of 94.7 MMT for 2017-18. Carryout is expected to be around 12.18 MMT. Availability would be 107.18 MMT, higher compared to last year on account of increased production. Consumption is likely to be around 94 MMT.*

*As per latest update, Government has sold around 3.40 lakh tonnes of wheat in the month of February. In the month of January around 3.41 lakh tonnes of wheat was sold. For the year 2016-17, government has sold around 44.17 lakh tonnes of wheat until last week of February. Of this total quantity around 37.53 lakh tonnes have been purchased by private trade and 5.98 lakh tonnes has been purchased by state governments. Apart from this 66250 tonnes of wheat has been sold through dedicated movement.*

*Indian FoB quote is hovering around \$254.02 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$184.5, \$186, \$174.25, \$184.6 and \$179.16 per tonne respectively. The latest consignments from Australia landed at Tuticorin (28901 T), Cochin port (1000 T) and Mangalore (4000 T) at CiF of \$239.42, \$243.6 and \$226.02 per tonne respectively. Around 1500 tonne and 94665 tonne of wheat have been imported from France and Ukraine respectively.*

*Wheat cash market is expected to trade steady to slightly weak in the coming week.*

*Global wheat market is expected to trade from steady to slightly weak as ample supplies are available in the market. Russia has harvested recorded crop of 73.3 MMT in 2016 up by 18.6 percent compared to 2015. Argentina witnessed substantial increase in area sowed and has harvested around 18.3 MMT. Forecast for EU wheat harvest has been revised down due to severe cold in eastern EU. However the reduced forecast of 143.5 MMT is still higher compared to last year. Australia is set to harvest record crop of around 34 MMT beating its previous record 29.9 MMT. Furthermore, Canada harvested around 31.7 MMT as higher yields compensated for a 7% drop in harvested area. Increase in export demand from various countries is also providing support to prices of exporting countries. Therefore, Steady to slightly weak market is expected in short to medium term.*

**Outlook:** Feed prices are expected to trade steady as feed ingredients prices traded mixed during last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	03-Mar-17	24-Feb-17	Parity To
Indore (MP)	23400	22600	Gujarat, MP
Kota	23500	22800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	24500	24300	Mumbai, Maharashtra
Nagpur (42/46)	23600	23000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	23600	23000	Andhra, AP, Kar, TN
Latur	24200	23400	-
Sangli	24200	23700	Local and South
Sholapur	24200	23500	Local and South
Akola	23400	23200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	23900	23500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	23500	23300	-

#### Soy DOC at Port:

Centers	Port Price	
	2-Mar-17	23-Feb-17
Kandla (FOR) (INR/MT)	25000	24650
Kandla (FAS) (USD/MT)	375	369

International Soy DOC			
Argentina FOB USD/MT	2-Mar-17	23-Feb-17	Change
Soybean Pellets	341	346	-5
Soybean Cake Flour	341	346	-5
Soya Meal	349	354	-5
Soy Expellers	349	354	-5
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	3-Mar-17	24-Feb-17	Change
Adoni	17300	17600	-300
Khamgaon	NA	NA	-
Parli	17300	17600	-300
Latur	NA	17400	-

<b>Groundnut Meal (Rs/MT)</b>	<b>3-Mar-17</b>	<b>24-Feb-17</b>	<b>Change</b>
Basis 45%, Saurashtra	20200	19700	500
Basis 40%, Saurashtra	18700	18200	500
GN Cake, Gondal	20500	20700	-200
<b>Mustard DOC/Meal</b>	<b>3-Mar-17</b>	<b>24-Feb-17</b>	<b>Change</b>
Jaipur (Plant delivery)	15000	14800	200
Kandla (FOR Rs/MT)	15000	15200	-200
Sri Ganganagar	1825	1805	20

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	2-Mar-17	23-Feb-17	2-Feb-17	1-Mar-16	2-Mar-15
Delhi	Red	1580	1580	1600	1650	1490
Davangere	Local Delivered	NA	NA	1600	NA	NA
Nizamabad	Bilty	1470	1480	1500	1410	NA
Ahmadabad	Feed	1540	1520	NR	1570	1375
	Starch	1520	1510	NR	1585	1425

#### FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India (Bihar Origin)
<b>FOB</b>	167.91	150.35	172.30	259.33
<b>Cost and Freight</b>	217.91	205.35	232.30	294.33

#### Soy Meal Exports (In MT):

<u>Month</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Jan	474993	620133	364444	103934	7707
Feb	344240	577589	183551	64515	1127
Mar	460464	320265	232176	46670	430.1
Apr	313832	100311	75884	18017	1442
May	142588	97546	8226	14046	1015
Jun	180987	213564	2636	2098	2672
Jul	168341	107038	6682	928	3290
Aug	10005	183555	2778	768	1726
Sep	6525	173381	868	6886	3343

Oct	49840	182724	29071	4237	3177
Nov	517103	503269	110806	8909	51805
Dec	510698	451314	193832	5667	160949
<b>Total</b>	<b>2668918</b>	<b>3512217</b>	<b>1210954</b>	<b>276674</b>	<b>238683.1</b>

<b>Feed Ingredient Prices at a Glance</b>						
<b>Commodity</b>	<b>State</b>	<b>Variety</b>	<b>Centre</b>	<b>2-Mar-17</b>	<b>23-Feb-17</b>	<b>Change</b>
Bajra	Karnataka	Hybrid	Bellary	1726	1775	-49
		Hybrid	Bangalore	2100	2150	-50
Jowar	Karnataka	White	Bangalore	2550	2400	150
		White	Bellary	1882	1860	22
Maize	Karnataka	Yellow	Davanger e	1500	1500	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1430	1430	Unch
Rice	Haryana	IR8	Karnal	2900	2800	100
		Parmal Raw	Karnal	3400	3100	300
Soy meal	Madhya Pradesh	DOC	Indore	2340	2260	80
	Maharashtra	DOC	Sangli	2420	2400	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1730	1760	-30
	Maharashtra	Ex-factory	Latur	NA	1740	-
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1480	20
Groundnut Meal	Gujarat	GN Cake	Gondal	2050	2070	-20
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2265	2236	29
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2265	2228	37
<b>Note: Prices Rs./Qtl</b>						

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>  
 © 2017 Indian Agribusiness Systems Pvt. Ltd.