

**Contents:**

---

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

## Summary

---

Soybean, meal and rapeseed-mustard posted gains in tandem on supportive buying by the stockists and the solvent extractors in cash market.

The soybean crushers are interested in meeting their soy meal exports commitment as the meal exports have much improved in recent months compared to the same period last year.

But the slack in domestic meal demand, cheap soy oil imports and weakness in international soybean remained bearish for domestic soy market.

Soy meal exports are better in March too and we expect them to be higher above 500% compared to the same period last year. Competitive exports prices in meal remained attractive for the foreign buyers. But the appreciation of Indian Rupee against US dollar is expected hurt the competitiveness of soy meal export prices - Indian origin.

Rapeseed-mustard supplies are increasing week-on-week on harvesting in the key growing states. The all India supplies have reached above 6 lakh bags a day and we feel the arrivals will increase further in due course.

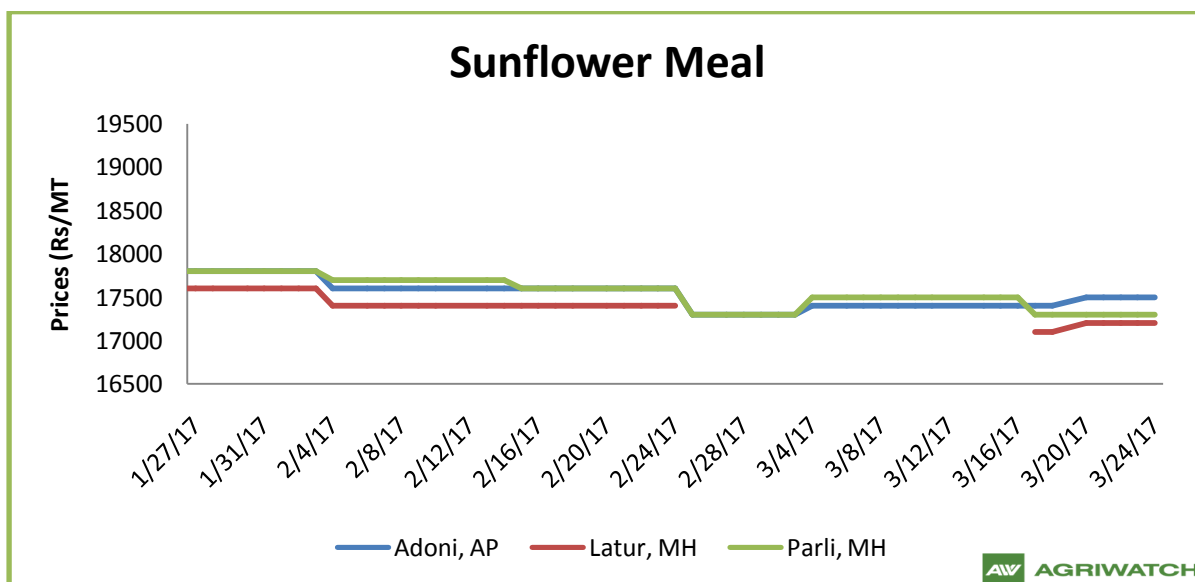
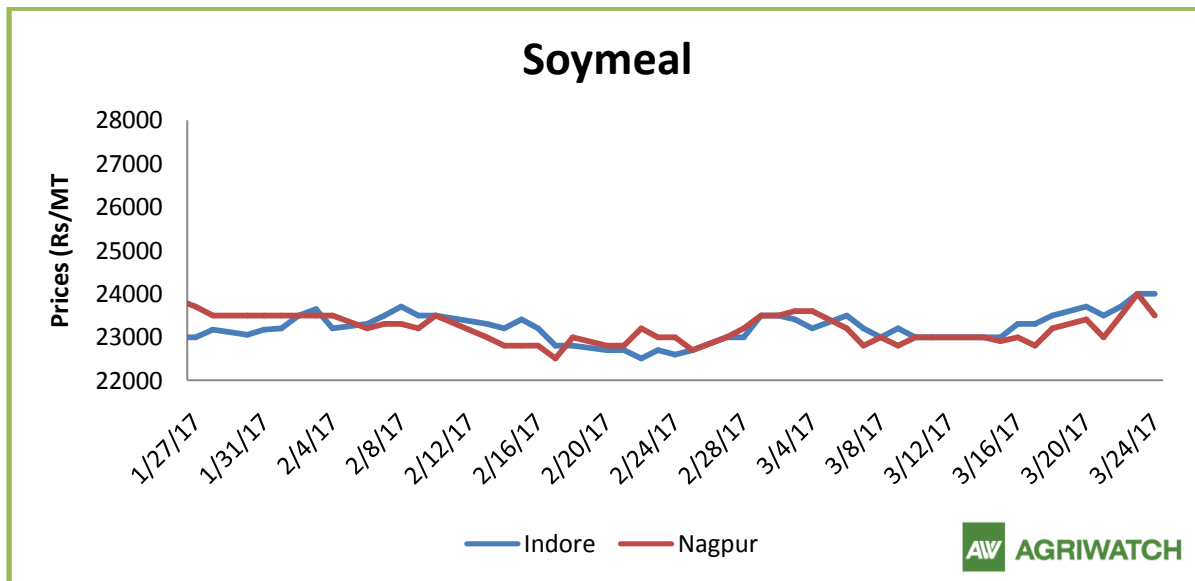
The rapeseed-mustard is to witness further fall on rising new crop supplies and higher production estimate this season. Besides, soybean and meal will continue to reel under supply pressure in near-term.

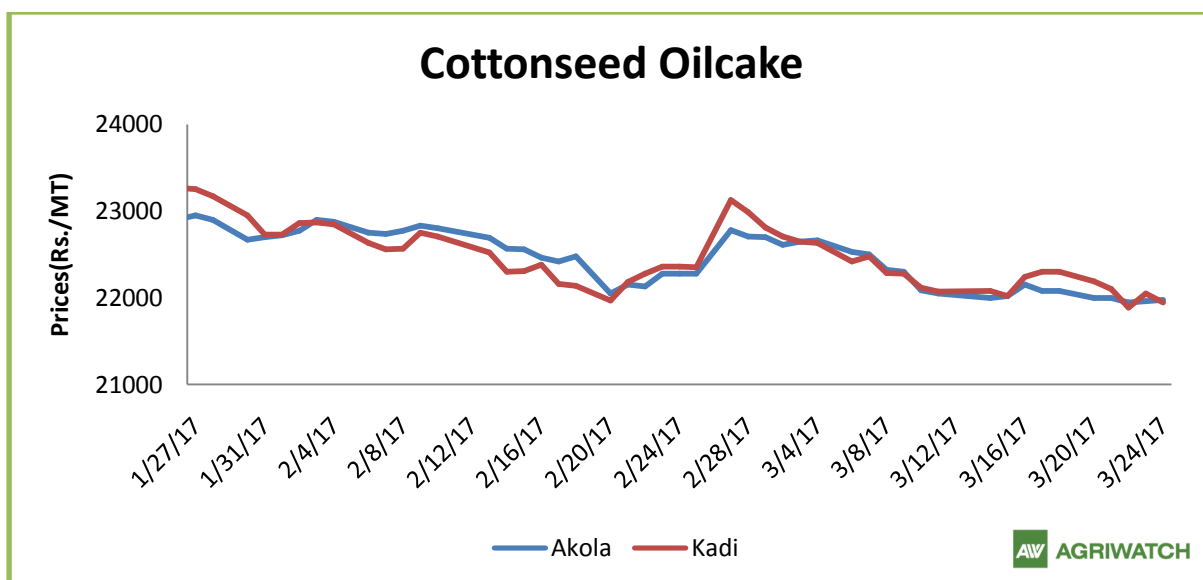
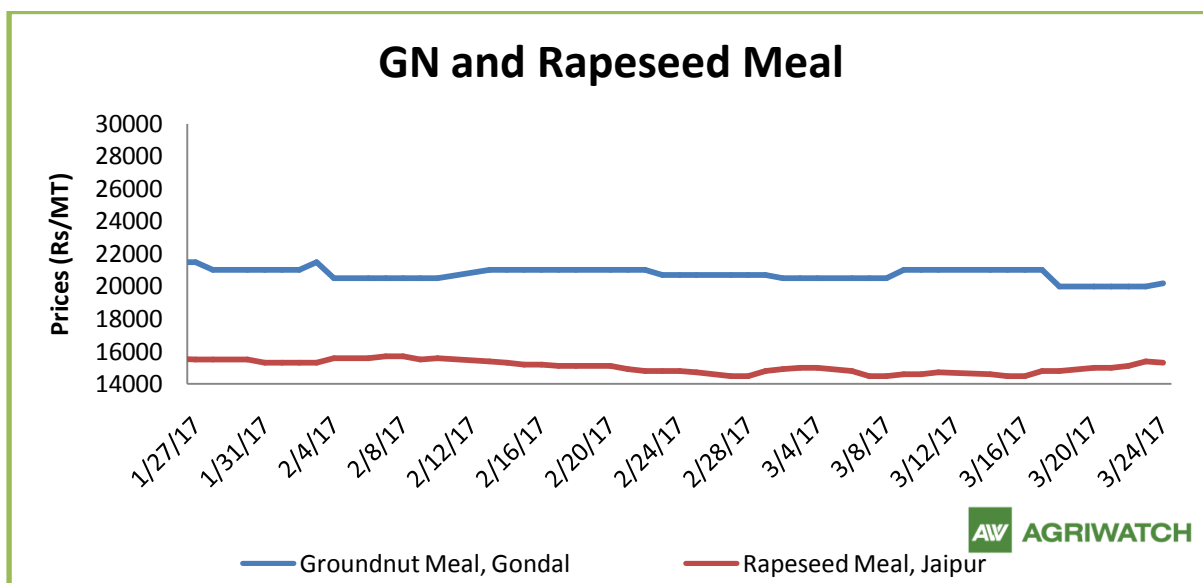
Overall maize cash markets traded mixed during the week and are expected to trade steady to slightly weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1540 per quintal while starch feed makers quoted it steady at Rs. 1560 per quintal compared to last week.

In Gulabghat, new crop of maize traded at Rs. 1480 per quintal (Bilty). It is likely to trade steady to weak in near term. Some quantity of new crop of maize arrived into the market. Crop quality is good.

*All India weekly average prices increased by 5.53 percent to Rs. 2002.83 per quintal during the week ended 23rd March 2017. Wheat average price were ruling at Rs 1897.91 per quintal during 09-15 March 2017. As compared to prices in the week 16-23 March 2016, the prices are firm by 15.62 percent. Prices are expected to remain range bound to slightly weak in coming days.*

**Trend – Raw Material, Feed**





Source: AgriWatch

## Soybean

The domestic soybean edged-up on supportive buying and falling supplies in the cash market during the period under review.

However, we are skeptical towards the gain as the Indian Rupee against the US Dollar has rendered noncompetitiveness in soy meal exports from India, making the exports dearer for foreign buyers. Indian Rupee appreciated by more than 4% in 2017.

Besides, higher domestic soybean production subsequently higher soy meal production outlook may again pressure the bean market. Slack in domestic soy meal offtake due to weak poultry demand and cheap soy oil imports too remained limiting factor.

The bean supplies have fallen week-on-week. Currently, about 30,000 – 75,000 bags of soybean are arriving in cash markets of Madhya Pradesh against 25,000 – 32,000 bags during the corresponding period last year.

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 extended losses on ongoing soybean harvest in South America and forecast of higher US soybean planting in 2017 by various agencies in recent weeks.

The CBOT soybean continued downtrend and the most active May contract witnessed the soybean prices at US \$ 9.75/bushel compared to US \$ 10.0/bushel last week.

There is a concern that US soybean exports will ease in coming weeks with the increase in South American supplies on peak season.

Brazil's 2016/17 soybean harvest have reached 68% compared to 67% during the corresponding period last year and 62% from the previous week.

Further, the harvesting in Mato Grosso and do Sul is nearing completion.

Agroconsult has raised Brazil's 2016/17 soybean production by around 3 million tonnes to 111 million tonnes, highest by any agency.

The agency had estimated country's production at 107.8 million tonnes in its previous projection made in February.

Brazil's 2016/17 soybean crop production is estimated up at 107.3 million tonnes compared to 104.6 million tonnes projected in February by above.

#### **Soy meal**

---

The domestic soy meal prices posted gains in association of soybean and rapeseed-mustard during the week in review.

Better overseas demand in meal in recent months on competitive price remained supportive for domestic meal prices.

However, overall the meal prices are weak and the domestic demand is dull for the same on slack in poultry demand.

India's soy meal exports have made commendable gains right from the beginning of new marketing season (Oct. – Sept.), which remained weak in more three seasons.

But appreciation of INR against USD, by more than 4% in 2017, this will eventually pressure the domestic prices to keep them competitive in coming days.

Despite strength in INR against USD, India's soy meal exporters continued to keep the meal prices attractive for the foreign buyers, this is in a bid to keep the exports window open and compete with the South American meal prices.

Soy meal fell in international market, during the week, the May CBOT soy meal settled at US \$ 318.2 per short ton compared to US \$ 328.9 per short ton last week.

India's soy meal shipments have significantly improved this season after sluggish exports in last 3 seasons.

As expected, India's soy meal exports are up y-o-y. In February'17 soy meal exports surged 594% after it registered a gain of 446% in January 2017.

We feel the March exports figure will be higher by more than 500% compared to the same 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 has hit the soy exports in recent days.

It remained supportive for India's soy meal exports. Argentina's soybean harvesting is expected to commence in a couple of weeks.

The domestic soy meal prices at Indore, were quoted at Rs 23,500 – 24,000/MT compared to Rs 23,000 – 23,300/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 25,300/MT and 23,800/MT respectively compared to Rs 24,000/MT in Indore and Rs 24,400/MT in Kota.

## **Rapeseed - Mustard Seed**

---

The domestic rapeseed-mustard continued uptrend on strong demand for the new crop seed from oilseeds processors and stockists.

The seed prices surged by 7.5% in a fortnight while the all-India seed supplies went up by 18%.

Oilseed crushers are keen in buying the seed at the current prices to cover their stock and meet the future demand mustard oil demand.

The new crop seed is quoted around Rs 3,960 – 4,105 a quintal compared to Rs 3,985 – 4,105 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 3955/Qtl compared to 3840/Qtl previous week.

The all India seed supplies were reported at 5.10 – 6.05 lakh bags in a day compared to around 2.25 – 5.25 bags a day, previous week. The supplies were 2.50 – 6.80 lakh bags a day during the corresponding period last year.

The seed harvesting is in progress in the key producing states of Rajasthan, UP and Madhya Pradesh. The yield of the seed is projected to be higher, at around 1000kg/ha, on the favourable weather.

India's edible oil imports once again registered a m-o-m surge consistently falling in recent months.

India's February edible oil imports rose 15.9 percent y-o-y to 12.4 lakh tons from 10.66 lakh tons in February 2016. Palm oil imports rose 23.5 percent y-o-y to 7.35 lakh tons from 5.95 lakh tons in February 2016. CPO Imports rose 22 percent y-o-y to 4.98 lakh tons from 4.08 lakh tons in February 2016.

RBD palmolein imports rose 30.9 percent y-o-y to 2.33 lakh tons from 1.78 lakh tons in February 2016. Soy oil imports fell 31 percent y-o-y to 2.52 lakh tons from 3.66 lakh tons in February 2016. Sunflower oil imports rose 140 percent y-o-y to 2.09 lakh tons from 0.87 lakh ton in February 2016. Rapeseed (Canola) oil imports rose 118 percent y-o-y to 0.37 lakh tons from 0.17 lakh tons in February 2016, reported by Solvent Extractors Association (SEA).

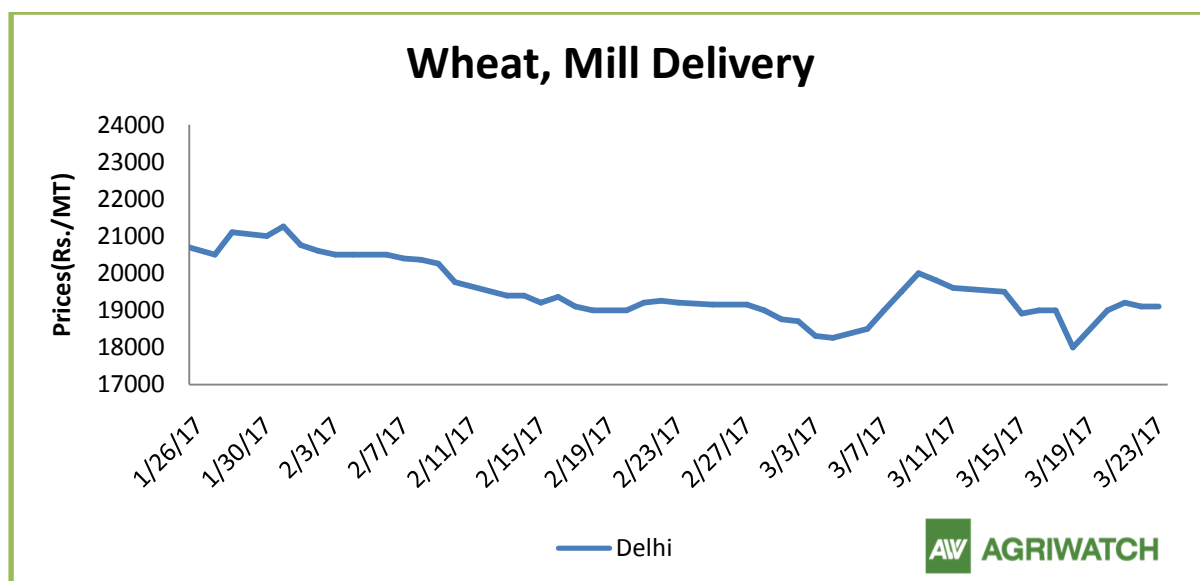
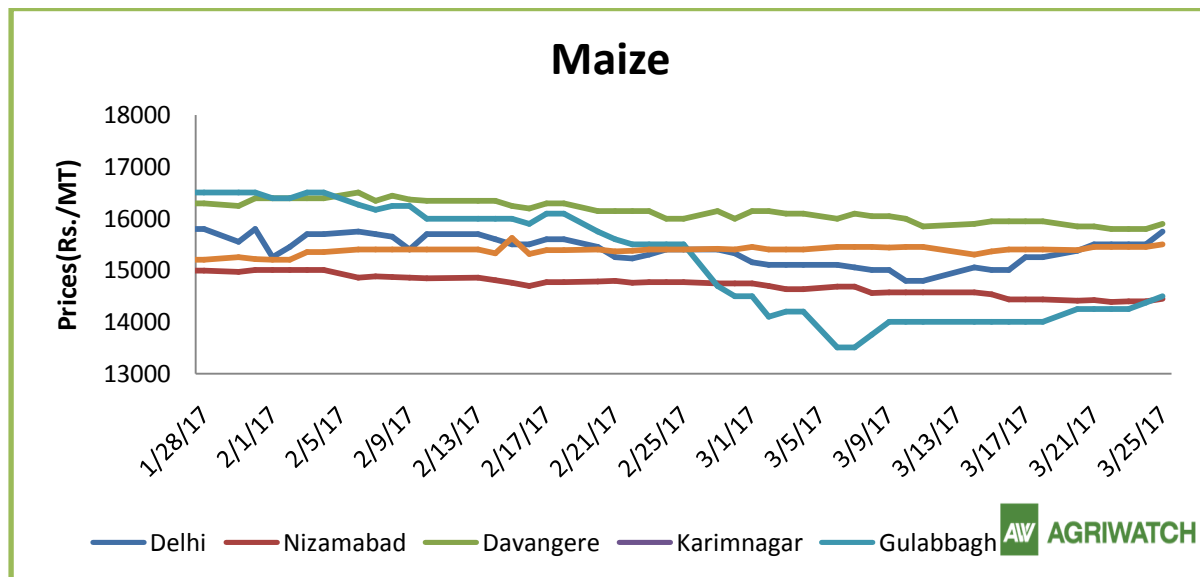
India's February edible oil stocks at ports and pipelines rose 13.6 m-o-m to 19.65 lakh tons from 17.30 lakh tons in January 2017. Stocks of edible oil at ports rose to 775,000 tons (CPO 290,000 tons, RBD Palmolein 160,000 tons, Degummed Soybean Oil 180,000 tons, Crude Sunflower Oil 130,000 tons and 15,000 tons of Rapeseed (Canola) Oil) and about 1,190,000 tons in pipelines. (Stocks in pipelines were at 1,088,000 tons in January 2017). India is presently holding 36 days of edible oil requirement on 1st March, 2017 at 19.65 lakh tons compared to 32 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.

Malaysia's March 1-15 palm oil exports fell 1.1 percent to 507,491 tons compared to 501,748 tons in corresponding period last month. Top buyers were European Union at 107,750 tons (45,700 tons), China at 83,740 tons (79,500 tons), India at 44,100 tons (58,290 tons), United States at 41,800 tons (37,130 tons) and Pakistan at 11,500 tons (24,000 tons). Values in brackets are figures of last month, reported cargo surveyor Societe Generale de Surveillance (SGS).

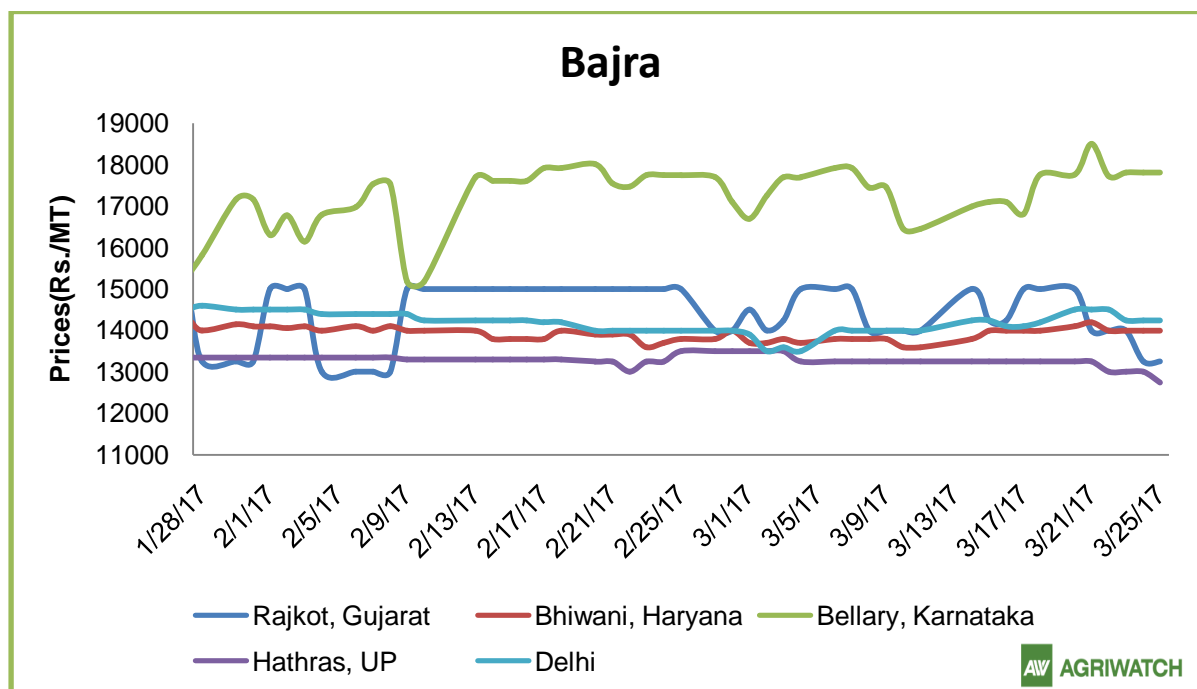
According to Indonesia Palm Oil Association (GAPKI), Indonesia January palm oil exports rose 30 percent to 2.72 MMT compared to 2.1 MMT in January 2016. Exports rose 1.5 percent m-o-m from December 2016, which was reported at 2.68 MMT. Rise in shipments were primarily due to higher exports to India and Africa.

Malaysia's February palm oil end stocks fell 5.32 percent to 14.59 lakh tons compared to 15.41 lakh tons in January. Production dropped 1.43 percent in February to 12.59 lakh tons compared to 12.79 lakh tons in January. Exports in January fell 13.97 percent to 11.07 lakh tons compared to January exports at 12.86 lakh tons. Imports in February fell 43.66 percent to 0.40 lakh tons compared to 0.72 lakh tons in January, reported by Malaysian Palm Oil Board.

China's imports of edible vegetable oil in February fell 25.5 percent to 4.1 lakh tons compared to 5.5 lakh tons in January. Imports rose 2.5 percent compared to last year which was at 4 lakh tons. Year to date imports of edible vegetable oil rose 2.6 percent to 9.6 lakh tons, figures by China's General Administration of Customs (CNGOIC).







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

Nizamabad market will remain closed during the week due to March end closing. Maize is likely to trade steady in the near term. Some quantity of new crop of maize with 16% moisture content, traded at Rs.1400 per quintal (loose price).

In Davangere, maize is likely to trade steady in the near term. Stock of maize could be around 5,00,000 quintal which is same compared to last year.

As per USDA, U.S corn exports reached 29.12 MMT in the 2016-17 marketing year. At 1.38 MMT (for the period 10<sup>th</sup> March –16<sup>th</sup> March, 2017) exports were down 10 percent from the previous week and 3 percent from the prior 4-week average. The primary destinations were Mexico (259,100 MT), South Korea (244,500 MT), Japan (234,600 MT), Colombia (196,300 MT), and Saudi Arabia (143,100 MT).

All India weekly average prices increased by 5.53 percent to Rs. 2002.83 per quintal during the week ended 23rd March 2017. Wheat average price were ruling at Rs 1897.91 per quintal during 09-15 March 2017. As compared to prices in the week 16-23 March 2016, the prices are firm by 15.62 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government agencies have started procurement in Madhya Pradesh, Rajasthan and Gujarat since 15th March'17. On first day of procurement, government agencies procured around 6570 tonnes of wheat at MSP. Of this quantity 6435 tonnes was procured from Madhya Pradesh and 135 tonnes from Gujarat. No quantity was procured from Rajasthan as arrivals are very low. Procurement in other states like Punjab, Haryana and Uttar Pradesh will start from 01st April'17. In Rabi marketing season 2017-18 government has set procurement target of 33 MMT.

As per latest update, wheat stock in central pool as on 1st March'17 stood at 9.429 MMT down by 18.19% compared to last month. This is the lowest quantity recorded in the last ten years. In the month of February around 3.40 lakh tonnes of wheat was sold. For the year 2016-17, government has sold around 44.91 lakh tonnes of wheat until first week of March. As per second advance estimate for

2016-17 wheat production is likely to be around 96.6 MMT and the procurement target has been fixed at 33 MMT higher by ten percent compared to last year.

Wheat WPI has decreased from 250.3 in January to 247.7 in February-2017. Monthly wheat inflation has decreased by 1.04 percent in February-17 compared to January-17. As compared to February-16, wheat WPI has increased by around 8.36% and by 14.36% compared to February -2015.

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.

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.

Government may impose import duty on wheat in order to restrict the flow of imported wheat and provide favorable grounds for the upcoming wheat crop. In the current MY 2016-17, more than 5 MMT of wheat has already been imported. Government has already 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.

Indian FoB quote is hovering around \$260.83 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$186.5, \$188, \$168.1, \$180.79 and \$179.44 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 firm as overall feed ingredients prices traded firm during last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	24-Mar-17	17-Mar-17	Parity To
Indore (MP)	24000	23300	Gujarat, MP
Kota	24400	23500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	25000	24000	Mumbai, Maharashtra
Nagpur (42/46)	23500	22800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	23800	23500	Andhra, AP, Kar, TN
Latur	25300	23600	-
Sangli	25000	23700	Local and South
Sholapur	25400	23800	Local and South
Akola	23900	23400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	24700	23500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	24300	23000	-

### Soy DOC at Port:

Centers	Port Price	
	23-Mar-17	16-Mar-17
Kandla (FOR) (INR/MT)	25500	24800
Kandla (FAS) (USD/MT)	390	371

International Soy DOC			
Argentina FOB USD/MT	23-Mar-17	16-Mar-17	Change
Soybean Pellets	341	341	Unch
Soybean Cake Flour	341	341	Unch
Soya Meal	349	349	Unch
Soy Expellers	349	349	Unch
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	24-Mar-17	17-Mar-17	Change
Adoni	17500	17400	100
Khamgaon	NA	NA	-
Parli	17300	17300	Unch
Latur	17200	17100	100

<b>Groundnut Meal (Rs/MT)</b>	<b>24-Mar-17</b>	<b>17-Mar-17</b>	<b>Change</b>
Basis 45%, Saurashtra	19500	19300	200
Basis 40%, Saurashtra	18000	17800	200
GN Cake, Gondal	20200	21000	-800
<b>Mustard DOC/Meal</b>	<b>24-Mar-17</b>	<b>17-Mar-17</b>	<b>Change</b>
Jaipur (Plant delivery)	15300	14800	500
Kandla (FOR Rs/MT)	15300	14800	500
Sri Ganganagar	1880	1810	70

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

Market	Grade	23-Mar-17	16-Mar-17	23-Feb-17	23-Mar-16	23-Mar-15
Delhi	Hybrid	1550	1550	1580	1650	1540
Davangere	Loose	1480	1490	1560	1360	NA
Nizamabad	Bilty	1450	1450	1480	1410	NA
Ahmadabad	Feed	1540	1540	1540	NA	1420
	Starch	1560	1560	1540	NA	1450

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

	Argentina	Brazil	US	India (Bihar Origin)
<b>FOB</b>	161.32	144.02	159.2	271.84
<b>Cost and Freight</b>	215.35	202.09	223.19	305.35

**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>

Feed Ingredient Prices at a Glance						
<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>23-Mar-17</u>	<u>16-Mar-17</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1782	1710	72
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2600	2450	150
		White	Bellary	1734	1779	-45
Maize	Karnataka	Yellow	Davanger e	1480	1490	-10
	Andhra Pradesh	Yellow	Nizamaba d	1400	1400	Unch
Rice	Haryana	IR8	Karnal	2900	2950	-50
		Parmal Raw	Karnal	3400	3900	-500
Soy meal	Madhya Pradesh	DOC	Indore	2400	2330	70
	Maharashtra	DOC	Sangli	2500	2370	130
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1750	1740	10
	Maharashtra	Ex-factory	Latur	1720	1710	10
Mustard	Rajasthan	Plant delivery	Jaipur	1530	1480	50
Groundnut Meal	Gujarat	GN Cake	Gondal	2020	2100	-80
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2195	2230	-35
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2198	2208	-10
<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.