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## Summary

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Soybean and meal remained almost flat on steady demand while rapeseed-mustard featured mild gains on continued buying support mainly from solvent extractors.

Soybean demand is steady from solvent extractors to meet the soy meal exports commitment as the meal exports are consistent and better compared to last couple of years back. But the bean is quoted lower primarily due the stiff soy price competition with South America and US.

Currently, India's soy meal exports are better in and we expect exports volume to be 500% higher compared to the corresponding period last year.

Competitive exports prices in meal continued to remain attractive for the foreign buyers. But continued appreciation of Indian Rupee against US dollar will hurt the competitiveness of soy meal export prices - Indian origin.

Rapeseed-mustard supplies have further got stronger, as expected, and the supplies could be around at its peak.

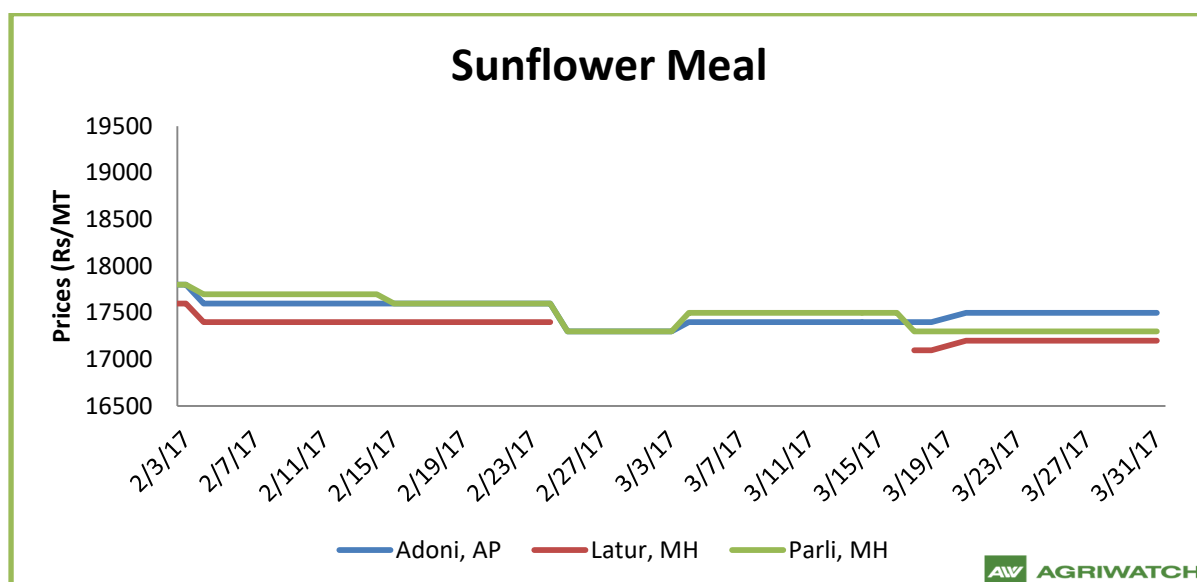
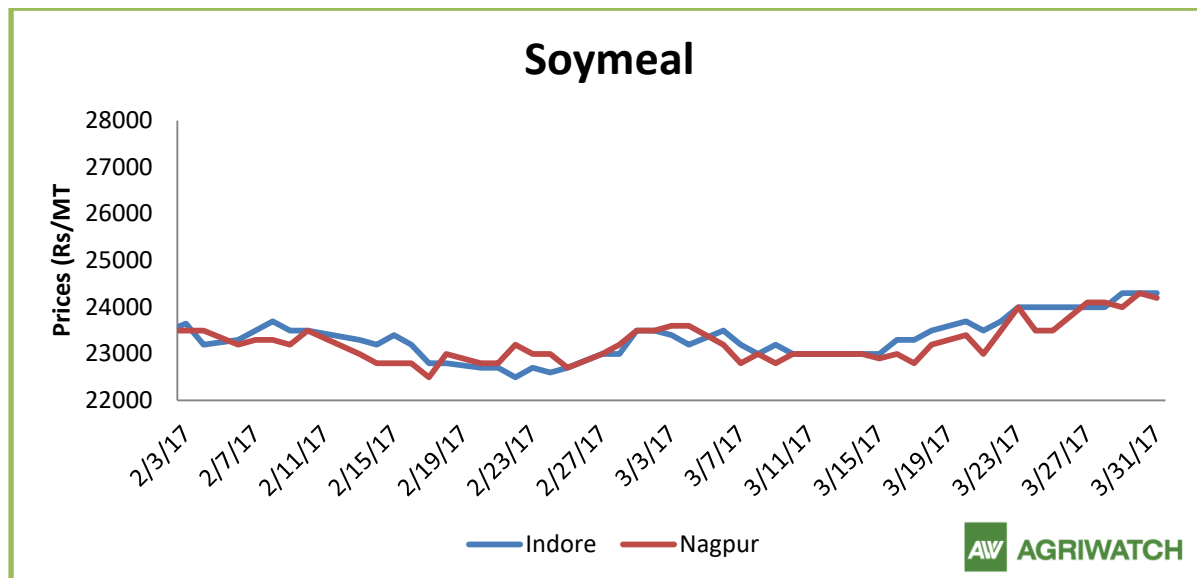
The rapeseed-mustard prices will remain under pressure they are expected to remain around current levels for some more time. Besides, soybean and meal will continue to reel under supply pressure in near to medium-term.

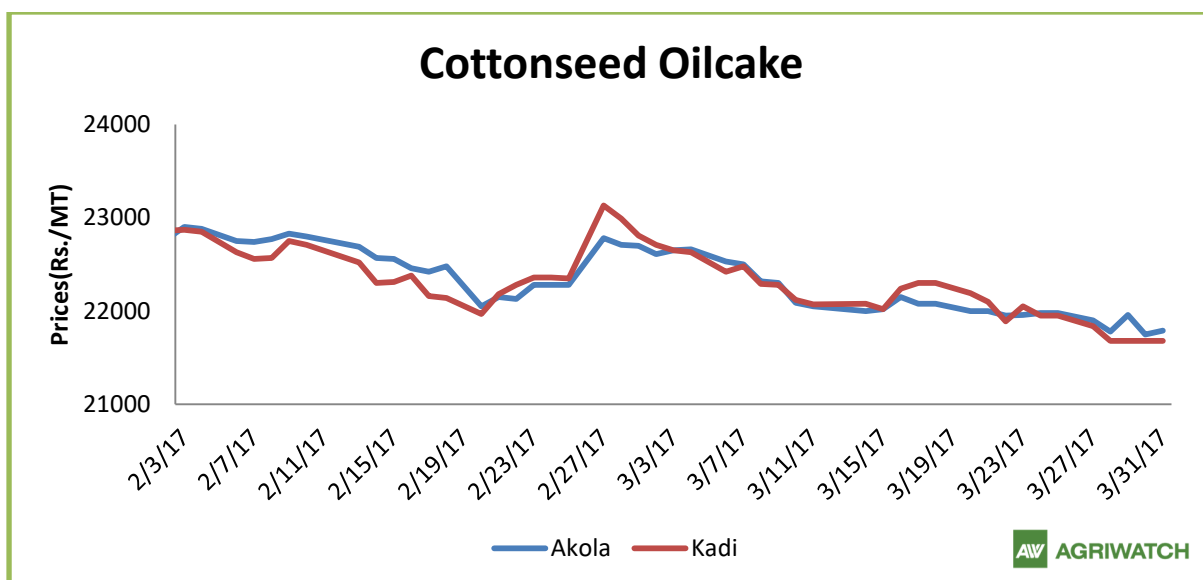
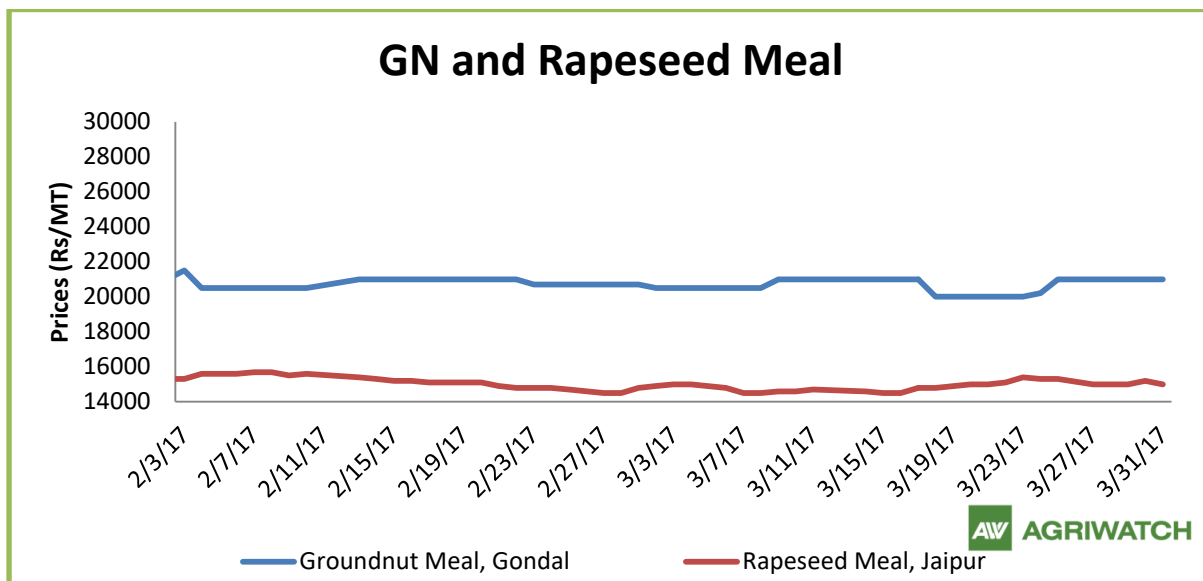
Overall maize cash markets traded range bound during the week and are expected to trade steady to slightly weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 10 per quintal to Rs. 1550 per quintal while starch feed makers quoted it firm by Rs. 15 per quintal to Rs. 1575 per quintal compared to last week.

In Gulabbagh, new crop of maize traded down by Rs. 20 per quintal to Rs. 1470 per quintal (Bilty) compared to last week. It is likely to trade steady to weak in near term due to crop arrival pressure.

*All India weekly average prices increased by 6.08 percent to Rs. 1881.04 per quintal during the week ended 31st March 2017. Wheat average price were ruling at Rs 2002.83 per quintal during 16-23 March 2017. As compared to prices in the week 24-31 March 2016, the prices are firm by 9.15 percent. Prices are expected to remain range bound to slightly weak in coming days.*

**Trend – Raw Material, Feed**





Source: AgriWatch

## Soybean

The domestic soybean featured steady to slightly weak tone as expected on bearish domestic and global supply scenario, during the week under review.

Indian Rupee is getting stronger against the US Dollar which will eventually render non-competitiveness in soy meal exports from India, making the exports dearer for foreign buyers. Indian Rupee appreciated by 5% in 2017.

Higher domestic soybean production subsequently higher soy meal production outlook will limit the gains in bean. 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. About 7,000 – 60,000 bags of soybean have arrived in the cash markets of Madhya Pradesh in a day against 12,000 – 35,000 bags during the corresponding period last year.

Weak supplies are attributed closer of several market yards before closing of financial year as the traders are busy maintaining their books.

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 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 continued downtrend and hit 5-month low on ample South American soy supply scenario, record US 2017 soybean planting intention and higher U.S. soybean stocks as of March 1.

The CBOT soybean continued downtrend and the most active May contract witnessed the soybean prices at US \$ 9.46/bushel compared to US \$ 9.75/bushel last week.

The USDA has reported U.S. soybean stocks as of March 1 at 1.735 billion bushels which is up 13% from the corresponding period last year and even above an average of trade expectations for 1.684 billion bushels.

USDA has projected US 2017 soybean plantings at record 89.5 million acres against 83.433 million planted in 2016.

If realized, this would be biggest to date, the average trade estimates stood at 88.2 million acres.

Brazil's 2016/17 soybean crop harvesting is 74% complete of the area planted, the figure is above 5 year average of 70% but below 76% harvested in the corresponding period last year, said AgRural.

Informa Economics has once again raised Brazil's 2016/17 soybean production estimate at 111.0 million tonnes from 108.0 million previously projected.

The agency has also raised Argentina's 2016/17 soybean crop at 57.5 million tonnes from 55.0 million estimated in the previous forecast.

Brazil's 2016/17 soybean production is raised by Agroconsult and projected at record 113.3 million tonnes compared to 111 million tonnes estimated in early March.

The agency projected Brazil's 2017 soybean exports at 2017 at 61.4 million tonnes compared to 61 million tonnes estimated early March.

Brazil's 2017 soybean exports are projected at 61.4 million tonnes which is up 9.8 million tonnes from 2016 by Oil World.

The exports figure by the agency is above 59.8 million tonnes projected by Abiove – Brazilian vegetable oil industry association.

Oil World has projected Brazil's 2016/17 soybean production at 108.5 million tonnes compared to 95.43 million tonnes estimated for last year.

EU soybean imports fell 7% by 28 March 2016/17 and registered imports of 9.5 million tonnes from 10.2 million tonnes during the corresponding period last season.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 12.85 million tonnes, down 17% from 15.4 million tonnes during the corresponding period last year.

## Soy Meal

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The domestic soy meal prices extended gains on better overseas meal demand during the week under review.

The forward booking for meal is good on competitive price which remained supportive for domestic meal prices. But, the meal prices are lower compared to the same period last year.

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

However, dull domestic soy meal demand on slack in poultry offtake and higher supply outlook in meal this season kept the lid on gains.

Further, appreciation of INR against USD, by 5% in 2017 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 \$ 318.2 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 expect the March exports figure to be higher by more than 500% compared to the corresponding period last year.

India's meal exports are expected to ease once the new crop crushing and exports pick up 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 24,000 – 24,300/MT compared to Rs 23,500 – 24,000/MT compared to previous week.

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

### Rapeseed - Mustard Seed

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The domestic rapeseed-mustard remained almost flat it posted considerable gains a couple of weeks back.

The seed supplies have further increased, as expected, and they close to its peak with harvesting in full swing in the key producing states.

The all India seed supplies were reported at 3.50 – 6.50 lakh bags in a day compared to around 5.10 – 6.05 bags a day, previous week. The supplies were 4.25 – 6.65 lakh bags a day during the corresponding period last year.

The new crop seed is quoted at around Rs 4,000 – 4,055 a quintal compared to Rs 3,960 – 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 3,900/Qtl compared to 3,955/Qtl previous week.

More than 50% of India's rapeseed-mustard area is harvested and the remaining is expected by the end of April.

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.

The rapeseed-mustard cultivators are forced to sell the newly harvested seed below MSP. The government has fixed the Minimum Support Price for rapeseed-mustard at Rs 3700/Qtl.

Higher 2016/17 seed production and eventually strong supplies in the physical market yards of the key producing states remained bearish for the market.

However, there is concern that National Agricultural Cooperative Marketing Federation of India (NAFED) have not intervened the seed market yet. Ideally if the seed prices fall below MSP NAFED should start procuring at the MSP set by the government.

Recently the farmers were forced to sell the seed at the rate of Rs 3,200 to Rs 3,500 per quintal in the cash market of Hissar, Haryana. At which the the Bhartiya Kisan Sangh (BKS) had taken steps to

draw attention of the administration to initiate the procurement process by the concern agency and save the farmer's interest.

Agriwatch has projected India's 2016/17 rapeseed production at 7.0 million tonnes while Solvent Extractors of India has estimated the seed production at 7.2 million tonnes.

India's edible oil imports have once again improved which had fallen for few month, m-o-m in past, we expect India's March 2017 edible oil imports figure higher from March 2016.

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 palm oil exports rose 6.9 percent to 1,088,677 tons compared to 1,018,604 tons last month. Top buyers were European Union at 222,584 tons (195,090 tons), India at 170,020 tons (139,790 tons), China at 114,990 tons (143,560 tons), United States at 54,120 tons (70,030 tons) and Pakistan at 37,500 tons (24,000 tons). Values in brackets are figures of last month, reported cargo surveyor Societe Generale de Surveillance (SGS).

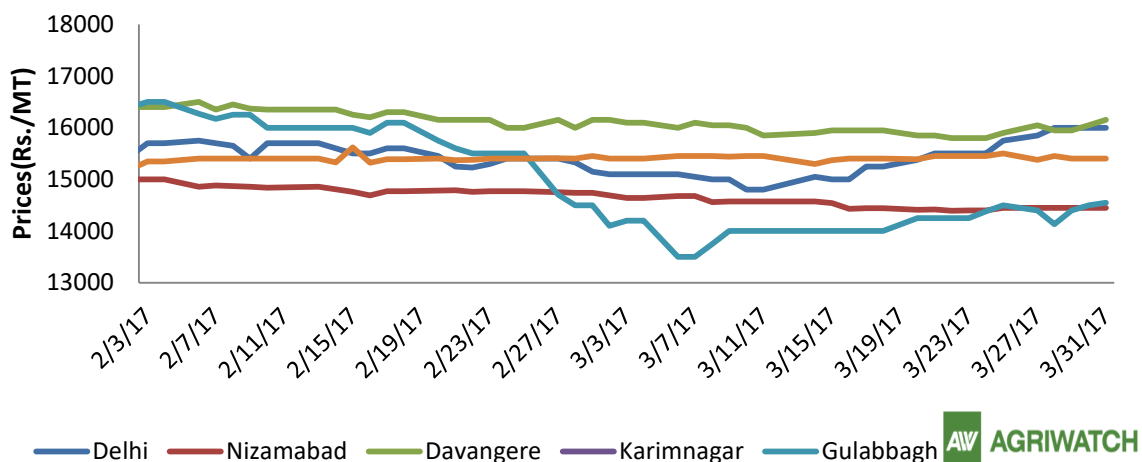
Indonesia has reduced April crude palm oil export duty to USD 3 per ton from USD 18 per ton in March. Reduction of export duty is due to fall in trigger prices, according to the trade ministry.

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.

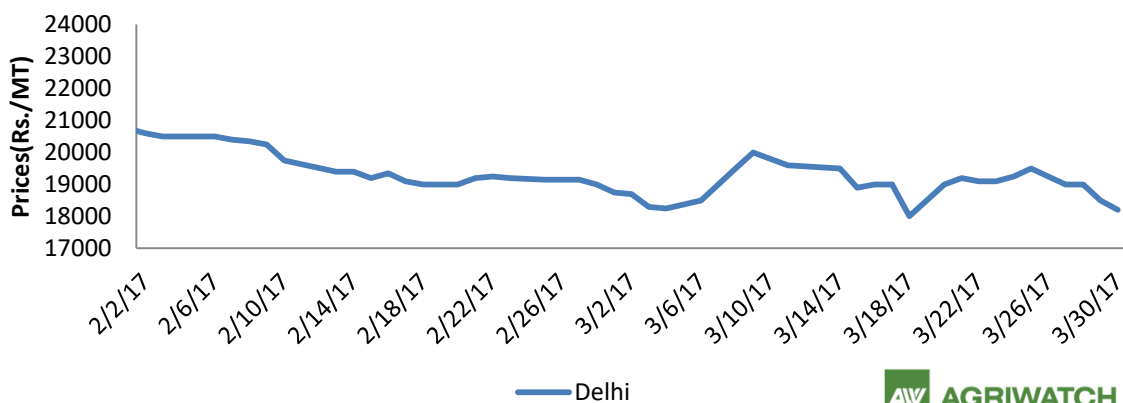
China's imports of edible vegetable oil in February fell 25.5 percent to 4.1 lakh tons compared to 5.5 lakh tons in January. Imports rose 2.5 percent compared to last year which was at 4 lakh tons. Year to date imports of edible vegetable oil rose 2.6 percent to 9.6 lakh tons, figures by China's General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



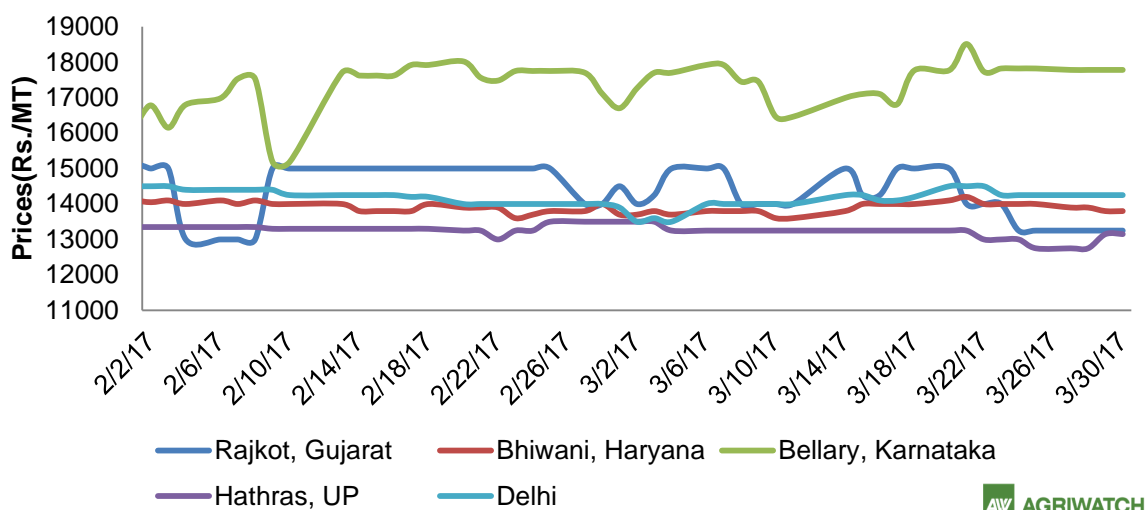
## Maize



## Wheat, Mill Delivery



## Bajra



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

Sentiments remained same as Nizamabad market was closed during the week due to March end closing. Maize is likely to trade steady in the near term.

In Davangere, farmers are not bringing their stock into the market due to local festival. Maize is likely to trade steady in the near term. Stock of maize could be around 5,00,000 quintals which is same compared to last year.

As per USDA, U.S corn exports reached 30.53 MMT in the 2016-17 marketing year. At 1.40 MMT (for the period 17<sup>th</sup> March –23<sup>rd</sup> March, 2017) exports were up 2 percent from the previous week, but down 4 percent from the prior 4-week average. The primary destinations were Colombia (398,200 MT), Mexico (228,000 MT), South Korea (191,200 MT), Taiwan (187,800 MT), and Japan (155,600 MT).

*All India weekly average prices increased by 6.08 percent to Rs. 1881.04 per quintal during the week ended 31st March 2017. Wheat average price were ruling at Rs 2002.83 per quintal during 16-23 March 2017. As compared to prices in the week 24-31 March 2016, the prices are firm by 9.15 percent. Prices are expected to remain range bound to slightly weak in coming days.*

*As per market sources wheat stock in central pool as on 16th March'17 is 8.57 MMT, which is lowest in last ten years. Due to lower production in the last two years government has to increase its release in OMSS to keep the prices under control which led to lower stocks. Last marketing season government was able to procure only 22.9 MMT. As good crop is expected this year, Government has kept a target of 33 MMT in current marketing season.*

*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 has imposed 10 percent import duty on wheat in order to restrict imports and provide favorable grounds for domestic crops. In the current MY 2016-17, more than 4.5 MMT of wheat has already been imported. 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. Currently Australian and Ukrainian FoB are coming around \$179/tonne and \$185/tonne.*

*Indian FoB quote is hovering around \$262.02 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$184.7, \$186.2, \$163.65, \$181.24 and \$177.28 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 slightly firm as overall feed ingredients prices traded steady to firm during last week.

### Annexure

#### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	31-Mar-17	17-Mar-17	Parity To
Indore (MP)	24300	24000	Gujarat, MP
Kota	24300	24400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	25200	25000	Mumbai, Maharashtra
Nagpur (42/46)	24300	23500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	24300	23800	Andhra, AP, Kar, TN
Latur	24800	25300	-
Sangli	24900	25000	Local and South
Sholapur	25700	25400	Local and South
Akola	24400	23900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	24700	24700	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	24000	24300	-

#### Soy DOC at Port:

Centers	Port Price	
	30-Mar-17	23-Mar-17
Kandla (FOR) (INR/MT)	26000	25500
Kandla (FAS) (USD/MT)	400	390

<b>International Soy DOC</b>			
<b>Argentina FOB USD/MT</b>	<b>30-Mar-17</b>	<b>23-Mar-17</b>	<b>Change</b>
Soybean Pellets	325	341	-16
Soybean Cake Flour	325	341	-16
Soya Meal	333	349	-16
Soy Expellers	333	349	-16
<b>Sunflower (DOC) Rates</b>	<b>Ex-factory rates (Rs/ton)</b>		
<b>Centers</b>	<b>31-Mar-17</b>	<b>24-Mar-17</b>	<b>Change</b>
Adoni	17500	17500	Unch
Khamgaon	NA	NA	-
Parli	17300	17300	Unch
Latur	17200	17200	Unch
<b>Groundnut Meal (Rs/MT)</b>	<b>31-Mar-17</b>	<b>24-Mar-17</b>	<b>Change</b>
Basis 45%, Saurashtra	20000	19500	500
Basis 40%, Saurashtra	18500	18000	500
GN Cake, Gondal	21000	20200	800
<b>Mustard DOC/Meal</b>	<b>31-Mar-17</b>	<b>24-Mar-17</b>	<b>Change</b>
Jaipur (Plant delivery)	15000	15300	-300
Kandla (FOR Rs/MT)	15200	15300	-100
Sri Ganganagar	1850	1880	-30

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	30-Mar-17	23-Mar-17	28-Feb-17	30-Mar-16	30-Mar-15
Delhi	Hybrid	1580	1550	1580	1600	1550
Davangere	Loose	NA	1480	NA	NA	NA
Nizamabad	Bilty	Closed	1450	1470	NA	NA
Ahmadabad	Feed	1550	1540	1540	1500	1400
	Starch	1575	1560	1520	1520	1450

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

	Argentina	Brazil	US	India (Bihar Origin)
<b>FOB</b>	162.80	142.64	160.07	272.13
<b>Cost and Freight</b>	212.80	197.64	220.07	307.13

**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>30-Mar-17</u>	<u>23-Mar-17</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1778	1782	-4
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2600	2600	Unch
		White	Bellary	1789	1734	55
Maize	Karnataka	Yellow	Davanger e	NA	1480	-
	Andhra Pradesh	Yellow	Nizamaba d	Closed	1400	-
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	3100	3400	-300
Soy meal	Madhya Pradesh	DOC	Indore	2430	2400	30
	Maharashtra	DOC	Sangli	2490	2500	-10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1750	1750	Unch
	Maharashtra	Ex-factory	Latur	1720	1720	Unch
Mustard	Rajasthan	Plant	Jaipur	1500	1530	-30

		delivery				
Groundnut Meal	Gujarat	GN Cake	Gondal	2100	2020	<b>80</b>
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2168	2195	<b>-27</b>
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2179	2198	<b>-19</b>
<b>Note: Prices Rs./Qtl</b>						

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