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Summary

Soybean and meal continued to be flat on steady demand while rapeseed-mustard fell primarily on supply pressure in the seed and stiff soy price competition with South America and US.

Besides, appreciation of INR against US dollar continued to remain pressurizing factor during the week in review.

This lead to slack in demand in bean from solvent extractors, as the strength in currency has rendered India's soy meal prices slightly noncompetitive.

Currently, India's soy meal exports have recovered and are 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 are strong and it is continuously pressuring the seed market.

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

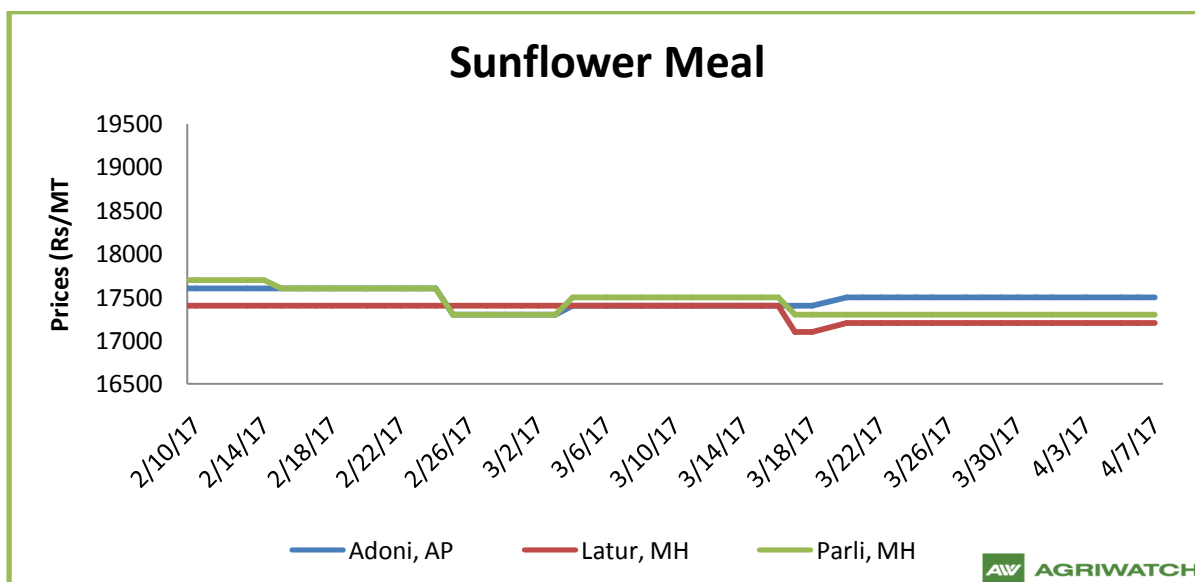
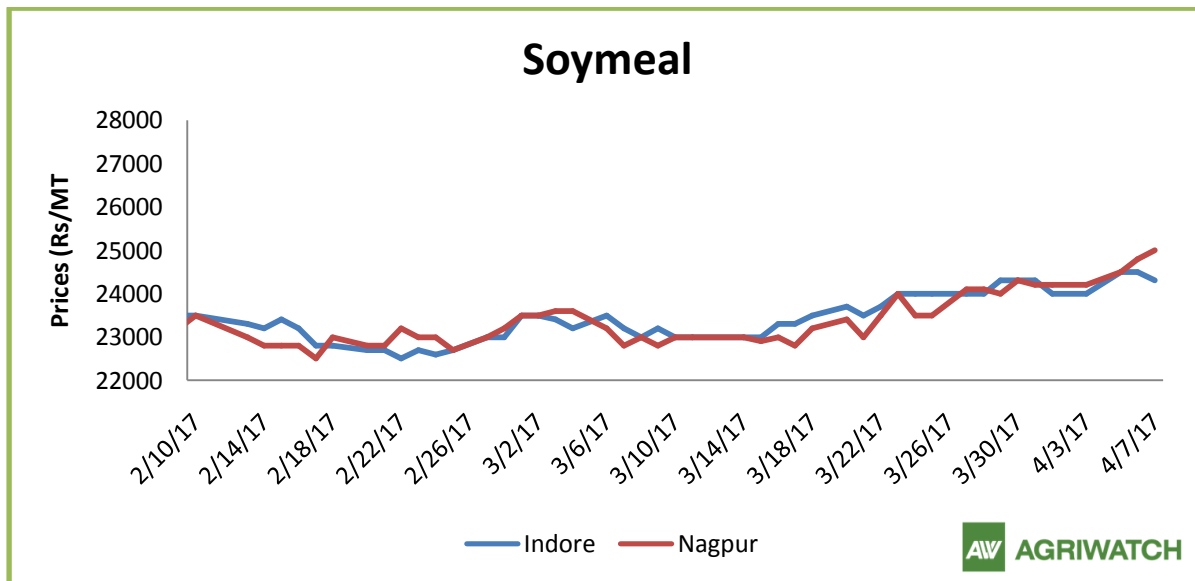
Maize cash markets, by and large, traded steady during the week. However, maize cash markets are expected to trade steady to slightly weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1530 per quintal while starch feed makers quoted it down by Rs. 25 per quintal to Rs. 1550 per quintal compared to last week.

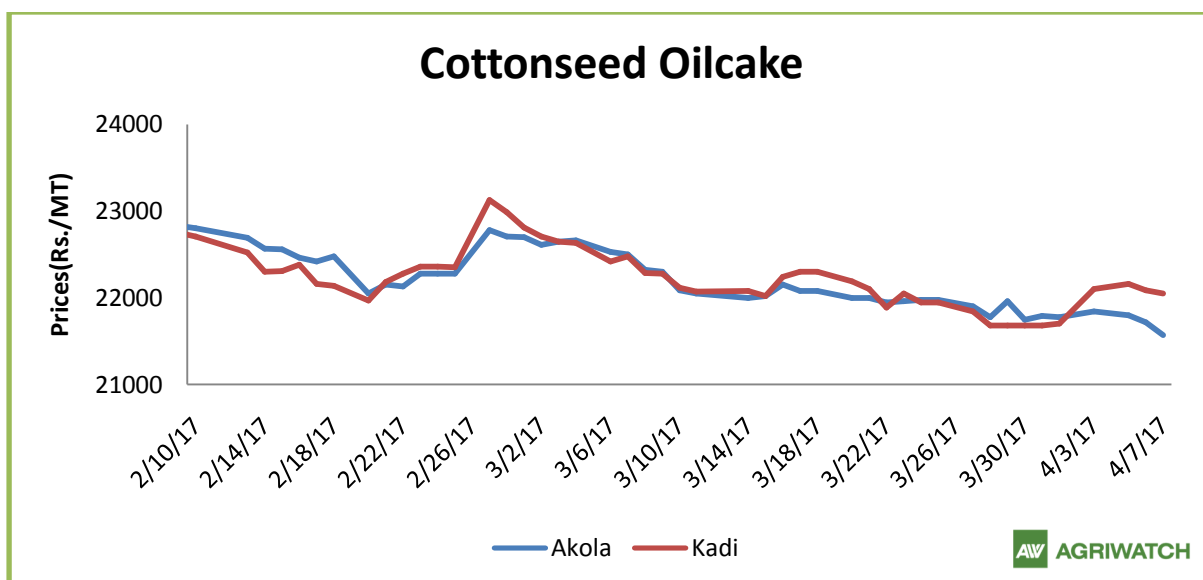
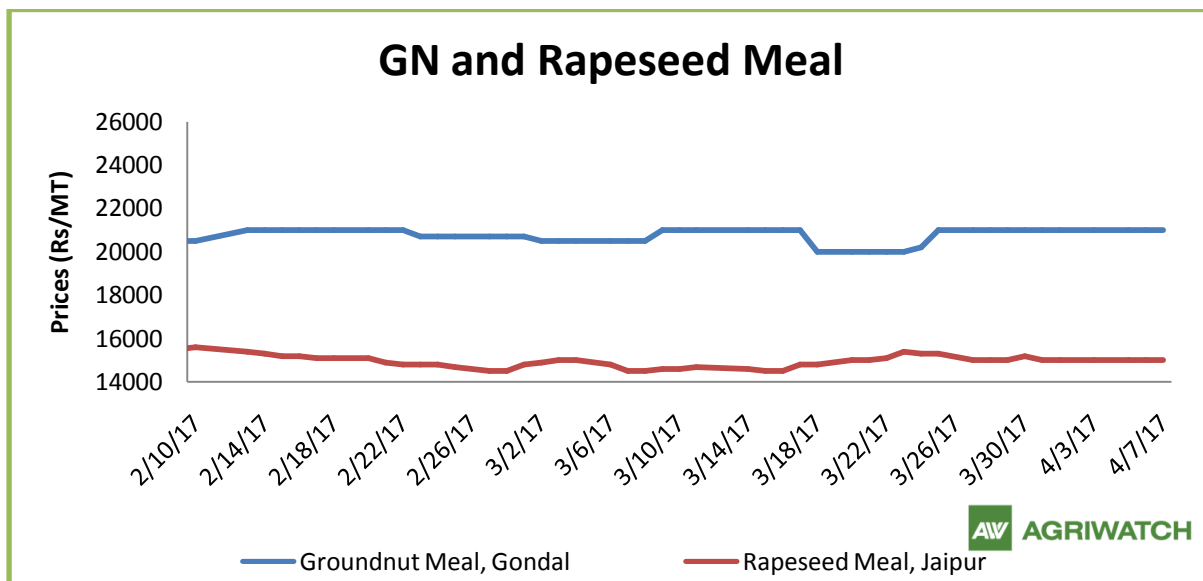
Government of India may increase MSP for Maize by Rs 25 per quintal for incoming kharif season 2017-18, starting from July this year. The Commission for Agricultural Costs and Prices (CACP) has recommended and sent it to ministry of Agriculture for examining the proposal. After examination, Ministry would send it to cabinet for approval. Generally govt. accepts recommendation of CACP as we have seen in past years. In percentage terms, these would be around 1.83% for maize and may be fixed at Rs 1390 a quintal.

In Gulabbagh, new crop of maize traded down by Rs. 20 per quintal to Rs. 1450 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 decreased by 1.51 percent to Rs. 1852.57 per quintal during the week ended 08th April 2017. Wheat average price were ruling at Rs 1881.04 per quintal during 24-31 March 2017. As compared to prices in the week 01-08 April 2016, the prices are firm by 8.27 percent. Prices are expected to remain range bound to slightly weak in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

The domestic soybean continued to remain flat on steady demand and appreciation of INR against US dollar during the week in review.

The strength in currency by more than 5% against USD has lead to non competitiveness in India's soy meal exports, which eventually remained bearish for the bean.

CACP has raised the recommendation of MSP for soybean to Rs 2,850 a quintal for the 2017-18 season, an increase of Rs 75. That for groundnut is recommended to be maintained at Rs 4,220 a quintal.

Higher domestic soybean production subsequently improved soy meal production outlook will continue to 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 20,000 – 60,000 bags of soybean have arrived in the cash markets of Madhya Pradesh in a day against 12,000 – 55,000 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 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 previous losses and tested below 8-month low, consecutive 5 weeks of decline, on bearish USDA soybean plantings forecast and record global supply scenario.

USDA has forecast that U.S. farmers would plant a record-high 89.5 million acres of soybeans in 2017 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.

The CBOT soybean continued downtrend and the most active May contract witnessed the soybean prices at US \$ 9.42/bushel compared to US \$ 9.46/bushel last week.

Argentina's 2016/17 soybean harvesting has picked-up the pace last week despite heavy rains, storm and floods in the west of Argentina, said Buenos Aires Grains Exchange.

The agency said that the farmers had harvested 5.9% of the soybean planted area. It has estimated Argentina's 2016/17 soybean production at 56.5 million tones.

AgRural has raised Brazil's 2016/17 soybean production estimate to 11.6 million tones from 107 million tones in March, citing favourable weather conditions which boosted the productivity.

Besides, the agency said Brazilian soybean harvesting is 82% complete, of the planted area, which is up from 74% last week and 78% of the last five years.

Brazil's soybean exports stood at 9.7 million tonnes in March, highest on record for March, according to Anec with record soybean productivity in 2016/17 season.

Anec is expecting Brazil's 2017 soybean exports at 60 million tones.

Brazil's 2016/17 soybean sales have estimated to have reached 46% (51.07 Mn T) of the total projected production as of first week of April, which is up from 57% of the historical average and 61% in the corresponding period last year, said the Safras & Mercado.

The consultancy has projected Brazil's 2016/17 soybean production at 115.5 million tonnes.

EU soybean imports fell 8% by 04 April 2017 and registered imports of 9.7 million tonnes from 10.5 million tonnes during the corresponding period last season.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 13.2 million tonnes, down 16% from 15.7 million tonnes during the corresponding period last year.

Soy meal

The domestic soy meal prices remained almost flat in tandem with soybean during the week under review.

Further, appreciation of INR against USD, by more than 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.

India's soy meal exports once again registered gains, as expected, in March (y-o-y) by 579%.

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.

Further, slack in domestic soy meal demand due to weak poultry offtake and higher supply outlook in meal this season remained limiting factor.

India's oilmeal exports in March edged up 42 percent from a year earlier to 150,773 tonnes as shipments of soy meal rose from the last year's upper base, a trade body said on Friday.

Soy meal fell in international market, during the week, the May CBOT soy meal settled at US \$ 307.4 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.

Brazil's and Argentina's soybean crop harvesting is underway and the global bean supplies are up.

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

The domestic rapeseed-mustard fell on new crop supply pressure during the week under review.

The seed arrivals are strong in the cash markets across the key producing states and they are close to its peak and the harvesting is nearing completion.

The all India seed supplies were reported between 3.45 – 6.55 lakh bags in a day compared to around 3.50 – 6.50 bags a day, previous week. The supplies were 5.0 – 7.0 lakh bags a day during the corresponding period last year.

The seed supplies could hamper in coming days with trader's diversion towards wheat trade, as the harvesting of wheat will pick up the pace in key growing belts in coming days.

The new crop seed is quoted at around Rs 3,955 – 4,025 a quintal compared to Rs 4,230 – 4,480 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the May contract the seed prices fell to around 3,890/Qtl compared to 3,953/Qtl previous week.

The rapeseed-mustard cultivators are forced to sell the newly harvested seed below MSP in few market centers. 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.

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.

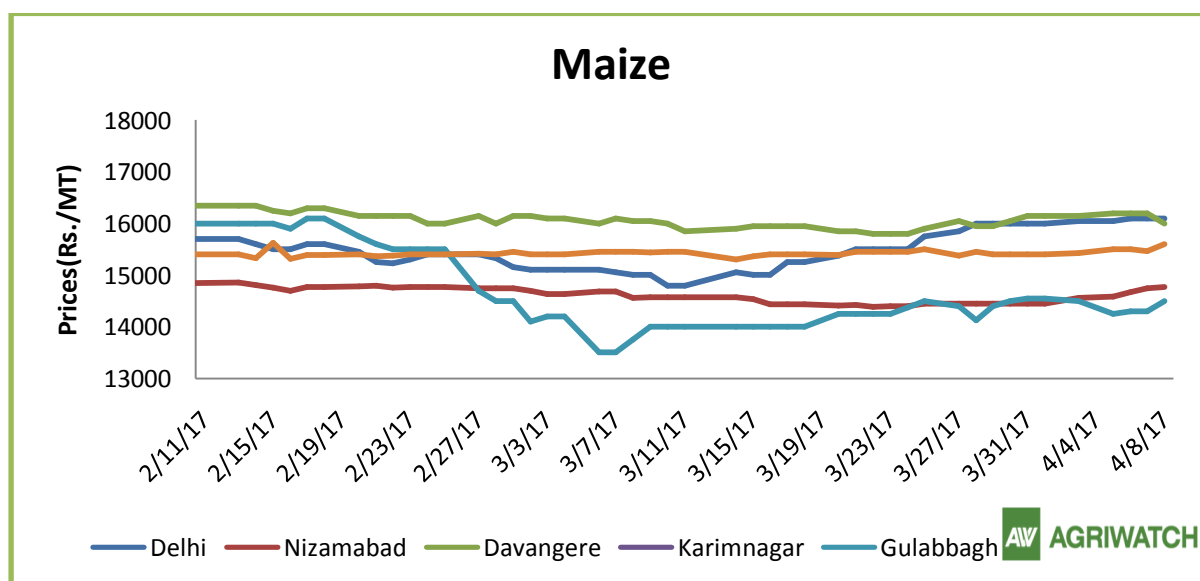
Indonesia's February palm oil exports fell 7% to 2.53 MMT compared to 2.72 MMT in January 2017. Exports in rose 10.5 percent compared to February 2016 which was reported at 2.29 MMT, said Indonesia Palm Oil Association (GAPKI).

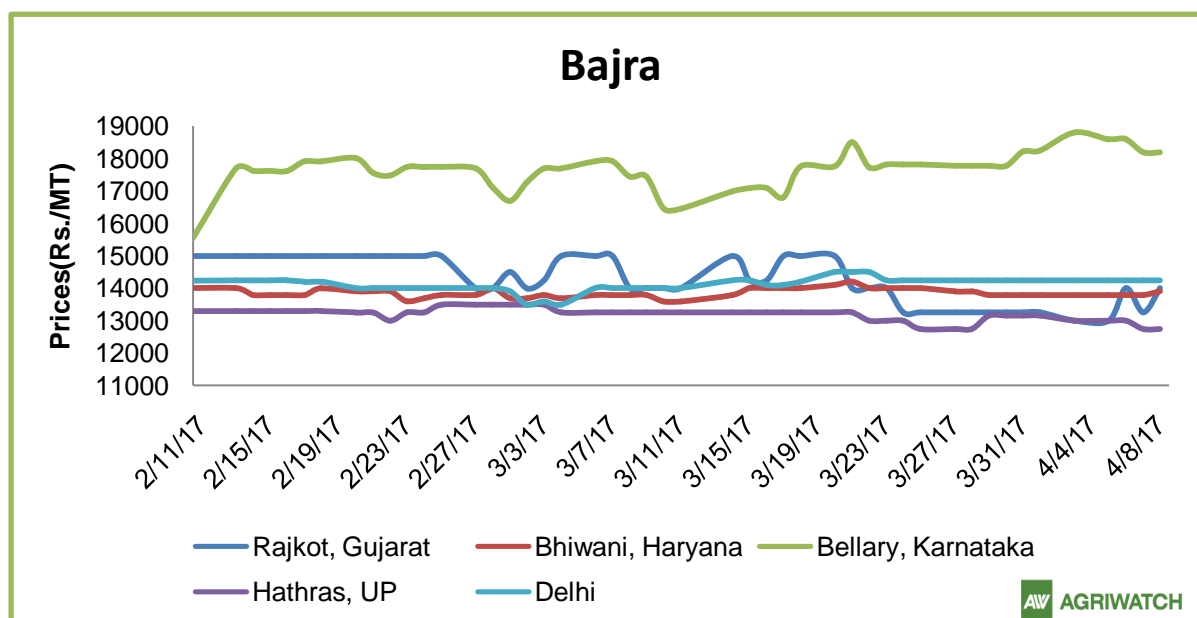
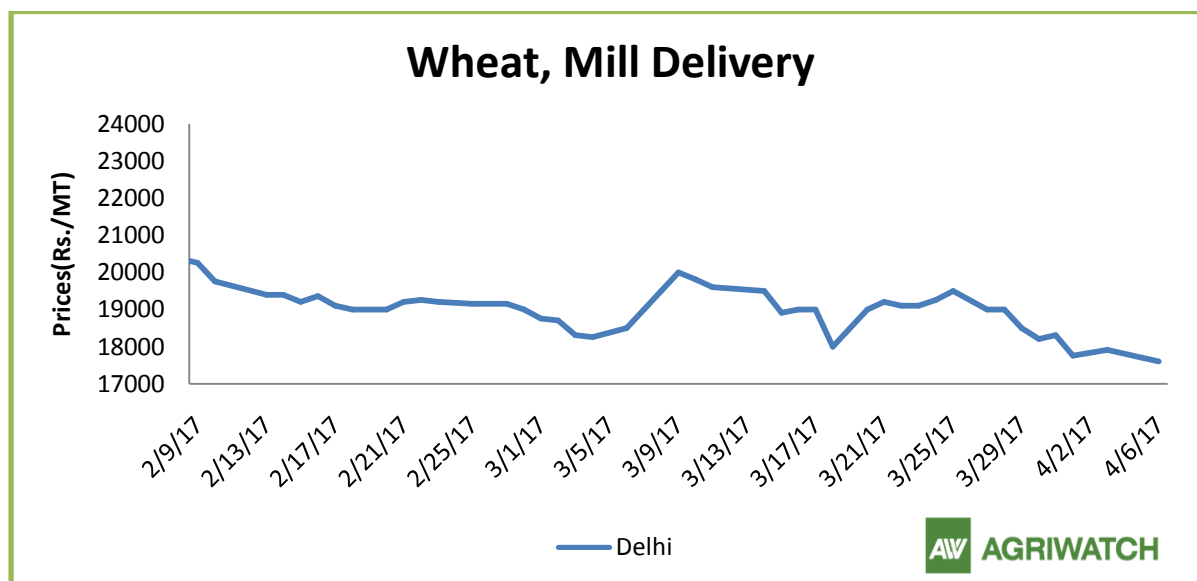
Malaysia's March palm oil exports rose 6.9 percent to 1,088,677 tons compared to 1,018,604 tons last month. Top buyers were European Union at 222,584 tons (195,090 tons), India at 170,020 tons (139,790 tons), China at 114,990 tons (143,560 tons), United States at 54,120 tons (70,030 tons) and Pakistan 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).





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

In Nizamabad, maize (bilty) traded steady at Rs. 1450 per quintal compared to last week and is likely to trade steady in the near term.

In Davangere, 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 32.12 MMT in the 2016-17 marketing year. At 1.59 MMT (for the period 24th March –30th March, 2017) exports were up 14 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Colombia (474,500 MT), Japan (373,100 MT), Mexico (242,600 MT), Saudi Arabia (134,700 MT), and South Korea (133,500 MT).

All India weekly average prices decreased by 1.51 percent to Rs. 1852.57 per quintal during the week ended 08th April 2017. Wheat average price were ruling at Rs 1881.04 per quintal during 24-31 March 2017. As compared to prices in the week 01-08 April 2016, the prices are firm by 8.27 percent. Prices are expected to remain range bound to slightly weak in coming days.

Indian flour millers have purchased around 150000 tonnes of Australian wheat with protein content of 9 percent for May shipment. The said quantity was purchased at \$220-221 per tonne including cost and freight. India has imposed 10 percent import duty but even after that Australian wheat is cheaper for mills in south India.

Hailstorm in many parts of Bijnor district damaged standing wheat crop. As per farmers around 15% to 20% of crop has been damaged. Wheat is cultivated in 1.10 lakh hectares in the district. Other districts like Kotwali, Dehat, Dhampur and Nehtaur were also affected and loss assessment is ongoing. Coming days are critical for Uttar Pradesh as harvesting is ongoing and if the weather worsens loss to wheat crop may be higher.

Government agencies have started procurement since 15th March'17. Until 06th April'17 government has procured around 15.79 lakh tonnes of wheat. Of the total quantity procured, around 13.87 lakh tonnes has been procured from Madhya Pradesh, 1.77 lakh tonnes from Haryana, 13000 tonnes from Rajasthan and 1000 tonnes from Gujarat. In Rabi marketing season 2017-18 government has set procurement target of 33 MMT.

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 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 28th March'17. However this was not able to cease flow of imports and millers are still importing wheat. As per latest update millers have purchased 150000 tonnes of Australian wheat for May shipment. Agriwatch recommends duty of 25 percent to halt imports completely.

Indian FoB quote is hovering around \$270.3 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$183.5, \$185, \$160.7, \$182.03 and \$179.04 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 weak as overall feed ingredients prices traded steady to weak during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	7-Apr-17	17-Mar-17	Parity To
Indore (MP)	24300	24300	Gujarat, MP
Kota	24300	24300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	25800	25200	Mumbai, Maharashtra
Nagpur (42/46)	25000	24300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	24700	24300	Andhra, AP, Kar, TN
Latur	25600	24800	-
Sangli	25500	24900	Local and South
Sholapur	26000	25700	Local and South
Akola	24700	24400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	25200	24700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	24000	24000	-

Soy DOC at Port:

Centers	Port Price	
	6-Apr-17	30-Mar-17
Kandla (FOR) (INR/MT)	26000	26000
Kandla (FAS) (USD/MT)	400	400

International Soy DOC			
Argentina FOB USD/MT	6-Apr-17	30-Mar-17	Change
Soybean Pellets	313	325	-12
Soybean Cake Flour	313	325	-12

Soya Meal	321	333	-12
Soy Expellers	321	333	-12
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	7-Apr-17	31-Mar-17	Change
Adoni	17500	17500	Unch
Khamgaon	NA	NA	-
Parli	17300	17300	Unch
Latur	17200	17200	Unch
Groundnut Meal (Rs/MT)	7-Apr-17	31-Mar-17	Change
Basis 45%, Saurashtra	19500	20000	-500
Basis 40%, Saurashtra	18000	18500	-500
GN Cake, Gondal	21000	21000	Unch
Mustard DOC/Meal	7-Apr-17	31-Mar-17	Change
Jaipur (Plant delivery)	15000	15000	Unch
Kandla (FOR Rs/MT)	15200	15200	Unch
Sri Ganganagar	1865	1850	15

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	6-Apr-17	30-Mar-17	9-Mar-17	6-Apr-16	6-Apr-15
Delhi	Hybrid	1600	1580	1580	1450	1550
Davangere	Loose	1520	NA	NA	NA	NA
Nizamabad	Bilty	1450	1450	1470	1410	1270
Ahmadabad	Feed	1530	1550	1560	1510	1400
	Starch	1550	1575	1600	1530	1450

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	160.53	142.72	157.30	267.02
Cost and Freight	210.53	197.72	217.30	302.02

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
Total	2668918	3512217	1210954	276674	238683.1

Feed Ingredient Prices at a Glance						
<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>6-Apr-17</u>	<u>30-Mar-17</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1860	1778	82
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2600	2600	Unch
		White	Bellary	1793	1789	4
Maize	Karnataka	Yellow	Davanger e	1520	NA	-
	Andhra Pradesh	Yellow	Nizamaba d	1400	Closed	-
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	3300	3100	200
Soy meal	Madhya Pradesh	DOC	Indore	2430	2430	Unch
	Maharashtra	DOC	Sangli	2550	2490	60
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1750	1750	Unch
	Maharashtra	Ex-factory	Latur	1720	1720	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1500	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2100	2100	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2205	2168	37
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2157	2179	-22
Note: Prices Rs./Qtl						

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