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Summary

Soybean and meal posted gains on supportive buying by the solvent extractors with improved soy meal exports from India. However, rapeseed-mustard fell on higher supplies as expected.

India's rapeseed –mustard harvesting along with Sri Ganganagar and Hanumangarh is complete, where the harvesting is always behind the other key growing belts.

The appreciation of INR against US dollar continued to remain the cause of concern for India's soy meal exports as the strength in currency will render the soy meal prices non competitive against South American meal.

Currently, India's soy meal exports are higher compared to the corresponding period last year.

Competitive exports prices in meal continued to remain attractive for the foreign buyers. But 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 and 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.

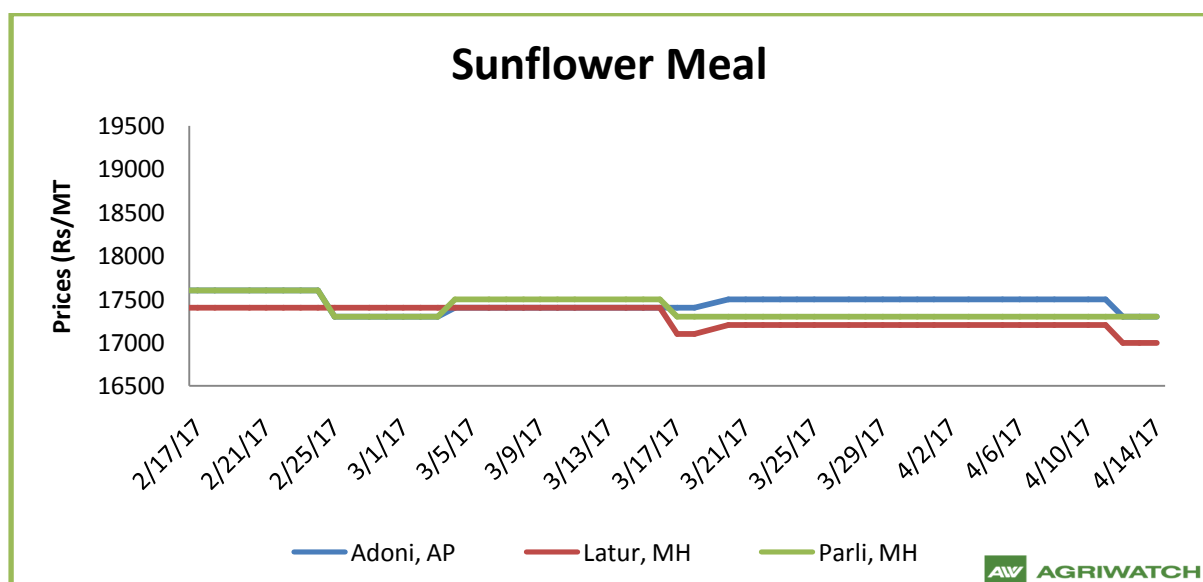
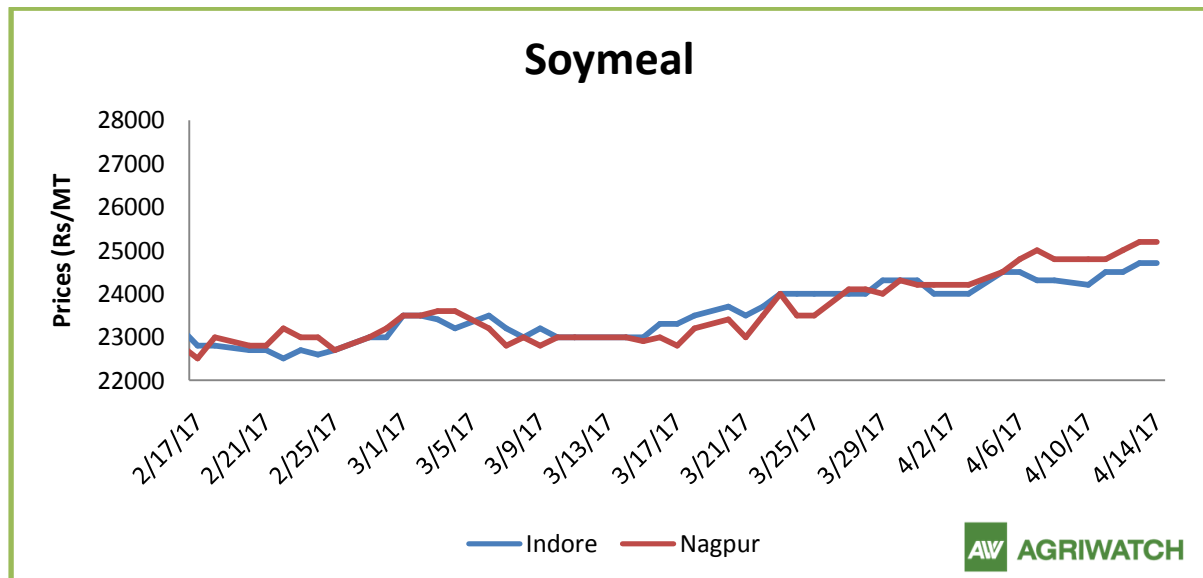
Overall maize cash markets traded steady to weak during the week and are expected to trade steady to weak in the near term too due to crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 15 per quintal to Rs. 1515 per quintal while starch feed makers quoted it steady at Rs. 1550 per quintal compared to last week.

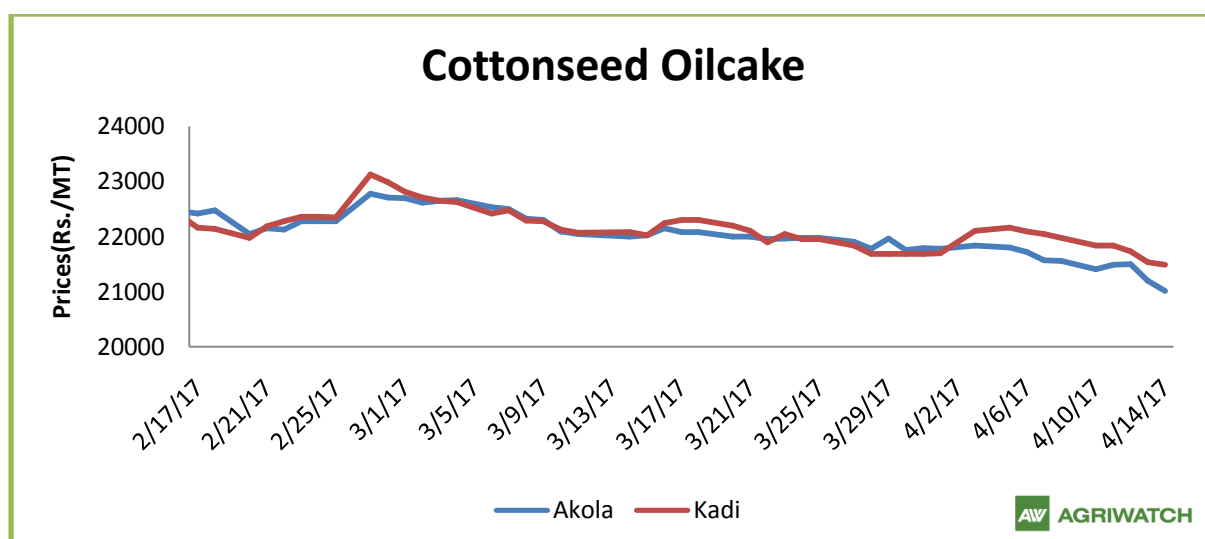
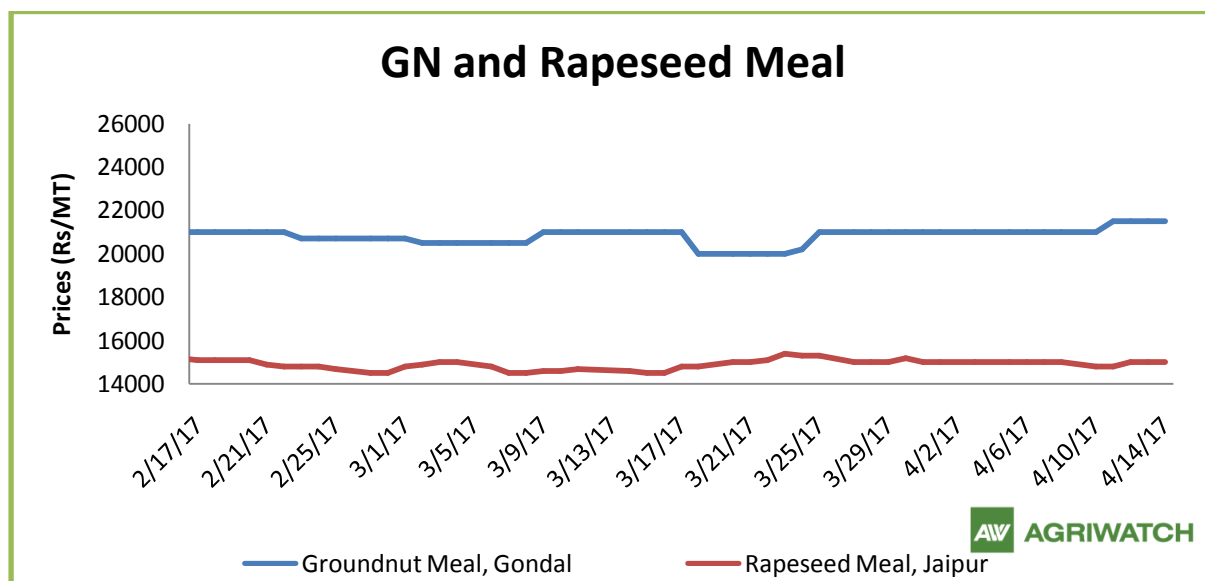
Due to variation in moisture level from 14 to 29% in new maize crop, prices in Gulabbagh market varies per quality and moisture level available in coming crop.

In Gulabbagh, new crop of maize containing 14% moisture traded down by Rs. 125 per quintal at Rs. 1325 per quintal (Bilty) compared to last week. However, it is likely to trade steady to slightly firm in near term due to fresh demand.

All India weekly average prices decreased by 2.24 percent to Rs. 1811.13 per quintal during the week ended 15th April 2017. Wheat average price were ruling at Rs 1852.57 per quintal during 01-08 April 2017. As compared to prices in the week 09-15 April 2016, the prices are firm by 4.83 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 after it remained almost flat for last 3-4 weeks. The gains are attributed to some demand from solvent extractors to meet the soy meal exports commitment.

However, the gains were capped by weak soy meal demand and weak international oils and fats market allowing India to import edible oils at attractive prices.

There are no fresh developments in the domestic soybean market.

Further, recent strength in currency by more than 5% against USD has lead to noncompetitiveness 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– 70,000 bags of soybean have arrived in the cash markets of Madhya Pradesh in a day against 40,000 – 42,000bags 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: AmritMandsaur, AmbikaJoara, Agrawal Soy Dewas, Agrawal Neemuch, Adani, Agro Sol. Datia, Avi Agro, Bansal, Bajrang, Betul Oil, Dhanuka, DivyaJyoti, 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, Sawariyaltarsi, Sitashri, Vippy (10-2-2 specification) for Dewas and Mandsaur delivery during the week.

International:

The benchmark CBOT soybean extended rebound from its lowest level in a year and hit a near two-week high after traders diverted their attention to US planting prospect

The CBOT soybean continued downtrend and the most active May contract witnessed the soybean prices at US \$ 9.55/bushel compared to US \$ 9.42/bushel last week.

Conab has increased the Brazil's 2016/17 soybean production estimate for the fourth time to 110.2 million tonnes, up 2.4% from its previous forecast in March.

The agency has raised the forecast for country's soybean shipments to 61 million tonnes, up from previous estimate of 59 million tonnes. It has also raised the domestic soybean consumption by 7% in the current season to 46.5 million tonnes.

Reserved selling by the Brazilian farmers is witnessed due weak international soy prices and country's record production in hopes the market will rebound in coming weeks. The market participants feel, the assumption can go wrong.

China's 2016/17 soybean imports are projected up at 86.5 million tonnes compared to the previous forecast of 85.31 milion tonnes.

Forecast of clear and sunny weather in key soy growing belts will allow farmers to resume soybean harvesting which was disrupted by the heavy rains in recent days.

China's 2016/17 soybean utilization is estimated at 100.81 million tonnes compared to 99.87 estimated previously.

The country's soybean inventory deficit is estimated at 1.89 million tonnes down from deficit of 2.19 million estimated previously, said China's Ministry of Agriculture.

China's soybean imports in the first quarter stood at 19.52 million tonnes, up 20% from the corresponding period last year.

China's soy imports in January stood at 7.66 million tonnes and in February at 5.54 million tonnes, figures from the General Administration of Customs of China showed.

Soy meal

The domestic soy meal prices witnessed mild gains in tandem with soybean and on continued improved overseas 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.

Despite strength in INR against US dollar, India has registered gains in the soy meal exports in the current season. The INR has appreciated by 5% in 2017 and it will eventually make India's soy meal exports prices unattractive.

India's soy meal exports registered gains, as expected, in March (y-o-y) by 579%. India's oilmeal exports in March edged up 42 percent from a year earlier to 150,773 tonnes as shipments of soymeal rose from the last year's upper base.

However, weak demand in poultry with the commencement of summer and higher than normal weather temperature in several states have led to further fall in the poultry demand with higher soy meal supply outlook remained limiting factors.

Soy meal fell in international market, during the week, the May CBOT soy meal settled at US \$ 312.2 per short ton compared to US \$ 307.4 per short ton last week.

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

The domestic soy meal prices at Indore, were quoted at Rs24,200 – 24,700/MT compared to Rs24,000 – 24,300/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs 26,000/MT and 25,500/MT respectively compared to Rs 24,700/MT in Indore and Rs 25,000/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard extended previous losses, as expected, on huge supplies in the cash market.

The harvesting of the seed is complete in almost all the key growing belts, including Sri Ganganagar and Hanumangarh of Rajasthan.

The all India seed supplies were reported between 4.25 – 5.50 lakh bags in a day compared to around 3.45 – 6.55 bags a day, previous week. The supplies were 3.5 – 6.85 lakh bags a day during the corresponding period last year.

We expect gradual fall in the seed supplies in the cash markets with wheat harvesting in full swing in the states of Rajasthan, Madhya Pradesh, Haryana, Punjab and Uttar Pradesh. Generally the traders gradually switch to wheat trade after wheat harvesting picks up the pace.

The new crop seed is quoted at around Rs3,890 – 3,940 a quintal compared to Rs4,420 – 4,555 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the May contract the seed prices are hovering around 3,900/Qtl compared to 3890/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 March edible oil imports fell 7 percent y-o-y to 10.93 lakh tons from 11.76 lakh tons in March 2016. Palm oil imports rose 5.9 percent y-o-y to 6.8 lakh tons from 6.42 lakh tons in March 2016. CPO Imports rose 5.8 percent y-o-y to 4.54 lakh tons from 4.29 lakh tons in March 2016.

RBD palmolein imports rose 5.3 percent y-o-y to 2.19 lakh tons from 2.08 lakh tons in March 2016. Soy oil imports fell 28.6 percent y-o-y to 2.30 lakh tons from 3.21 lakh tons in March 2016. Sunflower oil imports fell 4.3 percent y-o-y to 1.77 lakh tons from 1.85 lakh ton in March 2016. Rapeseed (Canola) oil was zero in March compared to 0.27 lakh tons in March 2016, reported by Solvent Extractors Association (SEA).

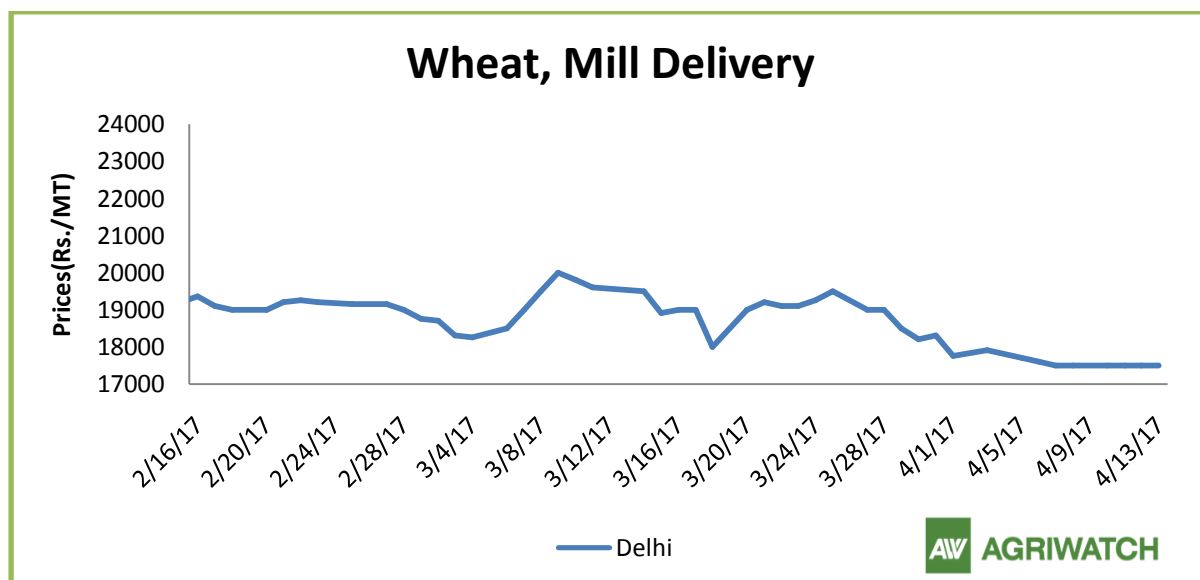
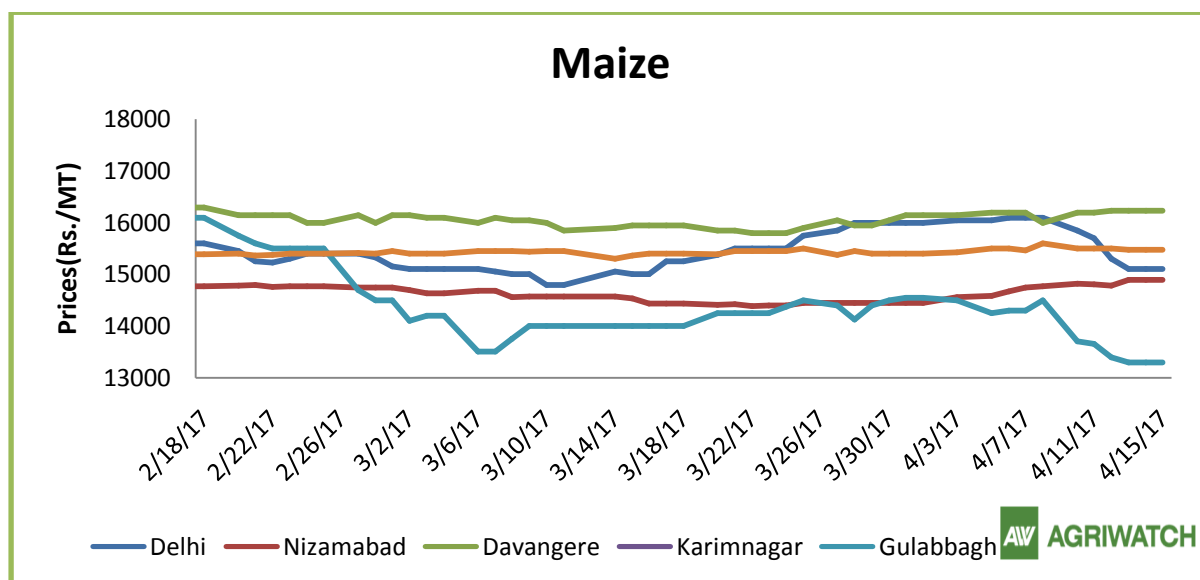
India's March edible oil stocks at ports and pipelines fell 1 Percent m-o-m to 19.13 lakh tons from 19.65 lakh tons in February 2017. Stocks of edible oil at ports rose to 688,000 tons (CPO 230,000 tons, RBD Palmolein 150,000 tons, Degummed Soybean Oil 150,000 tons, Crude Sunflower Oil 155,000 tons and 3,000 tons of Rapeseed (Canola) Oil) and about 1,225,000 tons in pipelines (Stocks in pipelines were at 1,190,000 tons in February 2017). India is presently holding 35 days of edible oil requirement on 1st April, 2017 at 19.13 lakh tons compared to 36 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.

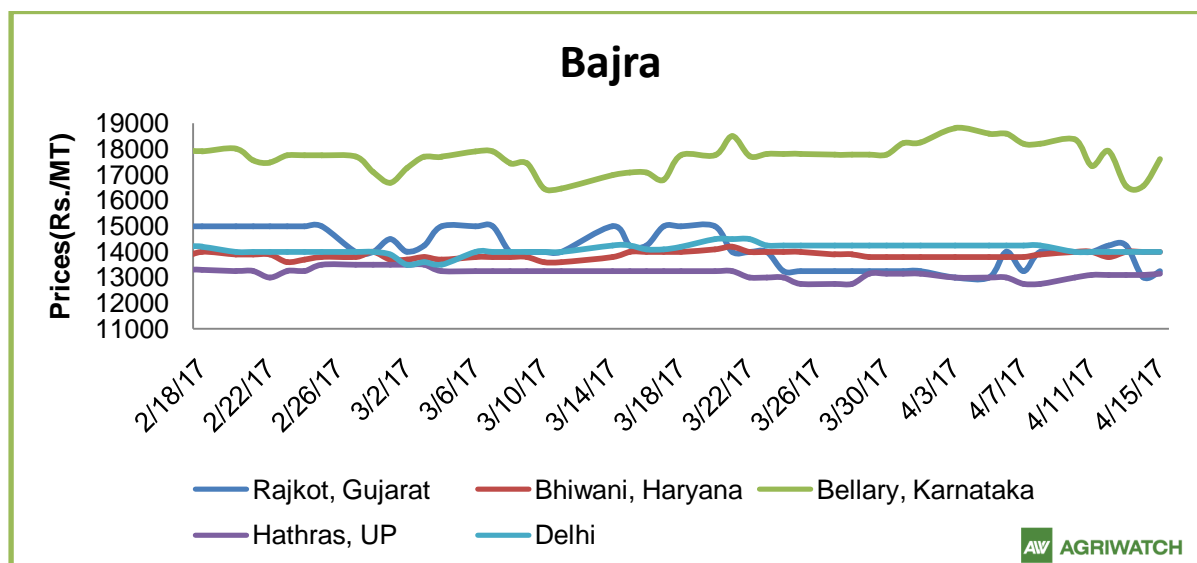
Malaysia reduced May crude palm oil export duty to 7 percent from 7.5 percent in April. Tax is calculated at reference price of 3,008.09 ringgit (\$680.41) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent, said Malaysia Palm Oil Board (MPOB).

Malaysia's April 1-15 palm oil exports rose 15.2 percent to 567,280 tons compared to 492,321 tons in corresponding period last month. Top buyers were European Union at 111,953 tons (137,440 tons), India & subcontinent at 58,500 tons (76,100 tons), and China at 95,050 tons (74,100 tons). Values in brackets are figures of corresponding period last month, reported Intertek Testing Services (ITS).

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.





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

In Nizamabad, maize cash market reported closed most of the days due to Hanuman Jayanti and Ambedkar Jayanti. Maize (bilty) traded firm by Rs. 20 per quintal to Rs. 1470 per quintal compared to last week and is likely to trade steady in the near term.

In Davangere, Maize (loose) traded steady at Rs. 1520 per quintal compared to last week and is likely to trade steady in the near term.

As per USDA, U.S corn exports reached 33.20 MMT in the 2016-17 marketing year. At 1.07 MMT (for the period 31st March –6th April, 2017) exports were down 33 percent from the previous week and 27 percent from the prior 4-week average. The primary destinations were Mexico (245,800 MT), Japan (224,400 MT), Taiwan (154,000 MT), Colombia (120,800 MT), and Saudi Arabia (67,600 MT).

USDA increased its world corn ending stock estimates by 2.299 MMT to 222.977 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop. Brazil crop production is increased by 2 MMT to 93.5 MMT while Argentina crop production is increased by 1 MMT to 38.5 MMT for 2016/17 compared to last month forecast.

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Government agencies have started procurement since 15th March'17. Until 12th April'17 government has procured around 39 lakh tonnes of wheat compared to 36 lakh tonnes during the same period last year. Of the total quantity procured, around 21 lakh tonnes has been procured from Madhya Pradesh, 14.9 lakh tonnes from Haryana, 2.5 lakh tonnes from Punjab, 50000 tonnes from Rajasthan and 11883 tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 33 MMT.

As per latest update, until 16th April around 37.15 lakh tonnes have arrived in Haryana. Traders and five government agencies have purchased 3000 tonnes and 37.12 lakh tonnes of wheat. Of the total quantity procured by government agencies around 9.36 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 12.54 lakh tonnes by HAFED, 4.25 lakh tonnes by FCI, 3.09 lakh tonnes by Haryana Agro Industries corporation and 7.58 lakh tonnes by Haryana warehousing corporation. Highest arrivals were recorded in Kaithal (4.71 lakh tonnes) and Karnal (4.61 lakh tonnes) districts.

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.

As per latest circular released by NCDEX transaction charges on list A commodities has been increased and they will be in effect from 17th April'17. List A commodities include Wheat, Guar seed, Guar gum, Soybean, coriander, sugar, etc. Furthermore castor seed will also be moved from list B to list A from 17th April. Transaction charges for list B and C commodities shall be charged at a flat rate of Rs 2 per lakh of trade and Rs 0.10 per lakh of trade respectively.

Indian FoB quote is hovering around \$262.61 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$183.5, \$185, \$160.5, \$183.6 and \$182.43 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. US crop plantings are likely to fall in 2017 to 18.7 million hectares lowest since 1919. Overall crop condition in northern hemisphere is good as crop exits dormancy period. 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. Therefore, Steady to slightly weak market is expected in short to medium term.

Outlook: Feed prices are expected to trade steady as overall 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)		
	14-Apr-17	17-Mar-17	Parity To
Indore (MP)	24700	24300	Gujarat, MP
Kota	25000	24300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	26000	25800	Mumbai, Maharashtra
Nagpur (42/46)	25200	25000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	25500	24700	Andhra, AP, Kar, TN
Latur	26000	25600	-
Sangli	26500	25500	Local and South
Sholapur	26000	26000	Local and South
Akola	25000	24700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	25700	25200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	24700	24000	-

Soy DOC at Port:

Centers	Port Price	
	13-Apr-17	6-Apr-17
Kandla (FOR) (INR/MT)	26300	26000
Kandla (FAS) (USD/MT)	409	400

International Soy DOC			
Argentina FOB USD/MT	13-Apr-17	6-Apr-17	Change
Soybean Pellets	315	313	2
Soybean Cake Flour	315	313	2
Soya Meal	323	321	2
Soy Expellers	323	321	2
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	14-Apr-17	7-Apr-17	Change
Adoni	17300	17500	-200
Khamgaon	NA	NA	-
Parli	17300	17300	Unch
Latur	17000	17200	-200

Groundnut Meal (Rs/MT)	14-Apr-17	7-Apr-17	Change
Basis 45%, Saurashtra	19750	19500	250
Basis 40%, Saurashtra	18000	18000	Unch
GN Cake, Gondal	21500	21000	500
Mustard DOC/Meal	14-Apr-17	7-Apr-17	Change
Jaipur (Plant delivery)	15000	15000	Unch
Kandla (FOR Rs/MT)	15500	15200	300
Sri Ganganagar	1870	1865	5

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	13-Apr-17	6-Apr-17	13-Mar-17	13-Apr-16	13-Apr-15
Delhi	Hybrid	1500	1600	1500	1350	1550
Davangere	Loose	1520	1520	NA	NA	NA
Nizamabad	Bilty	Closed	1450	1470	1420	1275
Ahmadabad	Feed	1515	1530	1550	1460	1425
	Starch	1550	1550	1560	1480	1475

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	165.75	145.81	162.60	251.32
Cost and Freight	215.75	200.81	222.60	286.32

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>13-Apr-17</u>	<u>6-Apr-17</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1792	1860	-68
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2600	2600	Unch
		White	Bellary	1658	1793	-135
Maize	Karnataka	Yellow	Davanger e	1520	1520	Unch
	Andhra Pradesh	Yellow	Nizamaba d	Closed	1400	-
Rice	Haryana	IR8	Karnal	3200	2900	300
		Parmal Raw	Karnal	3400	3300	100
Soy meal	Madhya Pradesh	DOC	Indore	2470	2430	40
	Maharashtra	DOC	Sangli	2650	2550	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1730	1750	-20
	Maharashtra	Ex-factory	Latur	1700	1720	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1500	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2150	2100	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2149	2205	-56
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2101	2157	-56
Note: Prices Rs./Qtl						

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