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Summary

Soybean and meal continued uptrend consecutive 3rd week on supportive buying in bean by the oilseeds processors and good overseas demand in soy meal. However, weak sentiments featured in the rapeseed-mustard on higher supplies after good production.

Besides, rise in the oil recovery in the rapeseed-mustard by 2-3% across the key growing belt remained bearish for the seed.

The bean prices slightly edged-up and are moving within the price band of 2960–3110 levels which has kept the prices of by-products competitive including soy meal and oil.

India's soy meal exports are good better despite appreciation of INR against US dollar, but strong supplies from South America and their competitive price for soy along with strength in the currency may render India's meal exports non competitive.

Rapeseed-mustard arrivals continued to be strong and it is continuously pressuring the seed market.

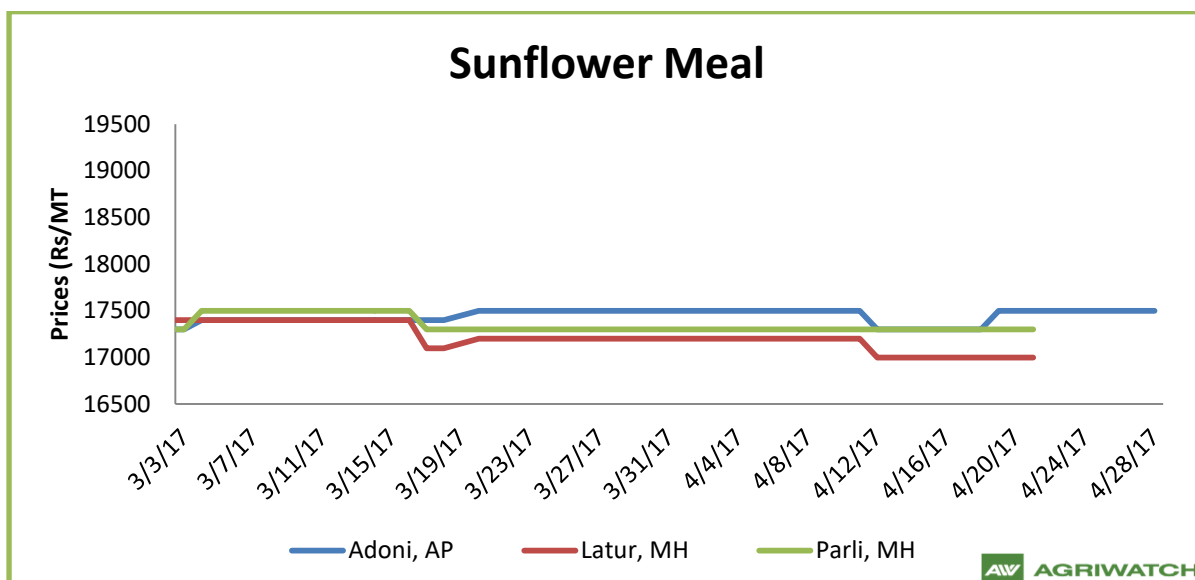
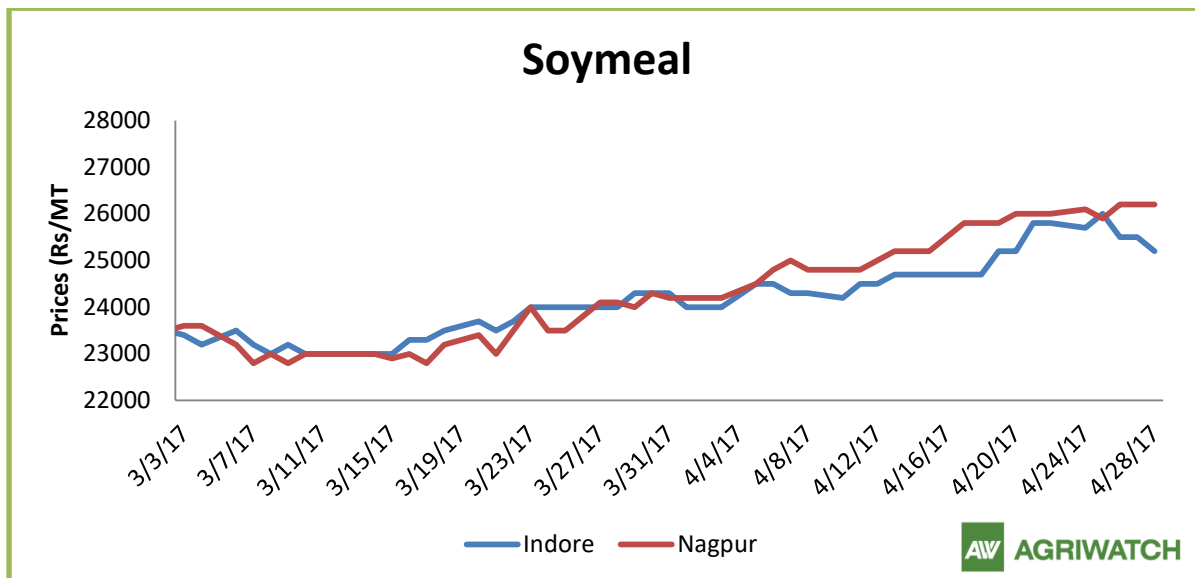
The rapeseed-mustard prices will continue to remain under pressure and they are expected to slightly move lower from current levels in near-term. Also, soybean and meal will continue to reel under supply pressure in near to medium-term.

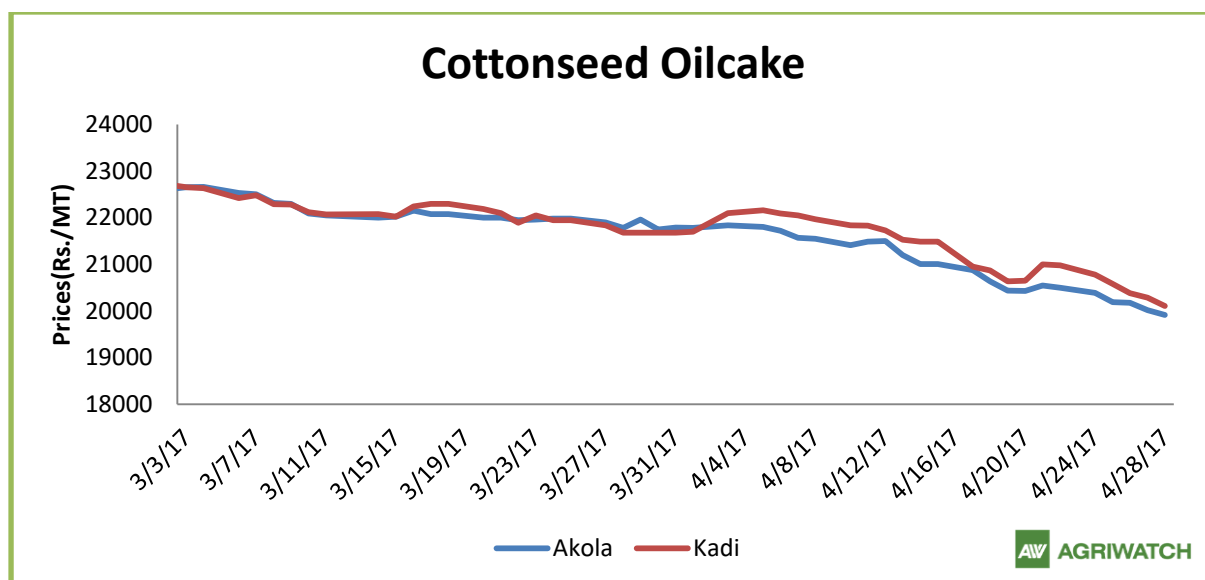
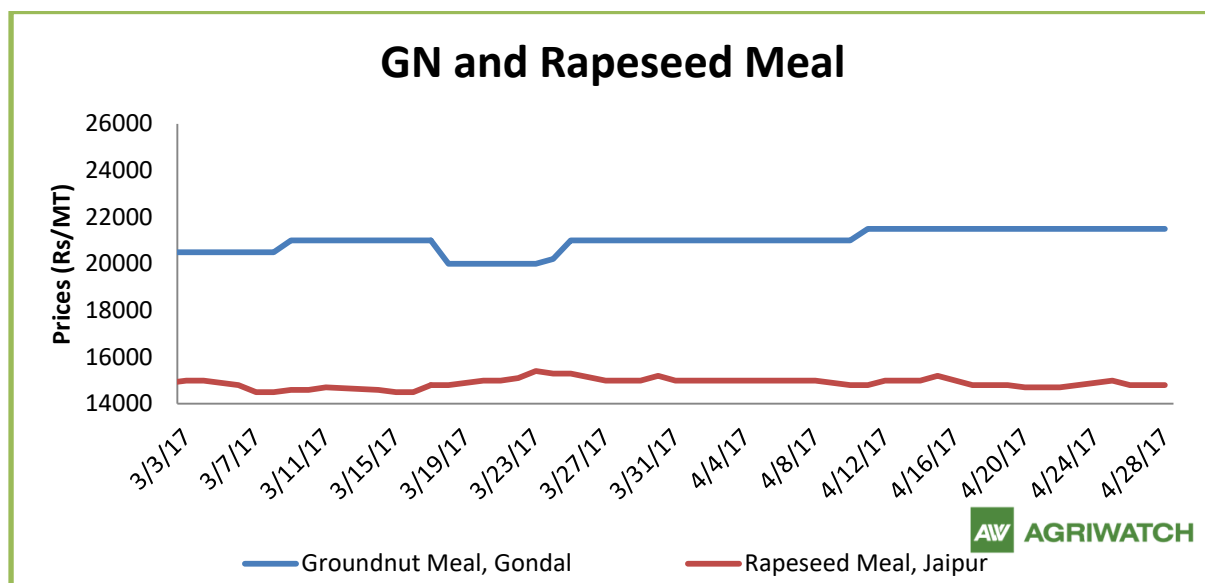
Overall maize cash markets traded mixed during the week and are expected to trade steady in the near term amid fresh demand and arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 10 per quintal to Rs. 1540 per quintal while starch feed makers quoted it down by Rs. 10 per quintal to Rs. 1570 per quintal compared to last week.

In Gulabbagh, new crop of maize containing 14% moisture traded down by Rs. 40 per quintal at Rs. 1310 per quintal (Bilty) compared to last week. However, it is likely to trade steady in near term amid huge demand and supply.

All India weekly average prices increased by 0.28 percent to Rs. 1829.29 per quintal during the week ended 30th April 2017. Wheat average price were ruling at Rs 1824.13 per quintal during 16-23 April 2017. As compared to prices in the week 24-30 April 2016, the prices are firm by 3.69 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 mild gains on supportive buying by the oilseeds processors to cater the overseas soy meal demand, during the week under review.

As discussed, the volume of soy meal exports are expected ease in coming months. Seasonally India's soy meal exports are at high in volume during October thru February due to higher pace in crushing the bean.

But, the strength in INR against US dollar remained limiting factor as the Indian soy meal price has been out-priced in the international market with the rise of US \$ 20-30/ton.

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– 80,000 bags of soybean have arrived in the cash markets of Madhya Pradesh in a day against 10,000 – 45,000bags during the corresponding period last year.

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.

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 fell primarily on higher South American production outlook and forecast of higher US soybean planting in 2017.

At CBOT, the soybean, in the most active May contract, witnessed the prices at US \$ 9.45/bushel compared to US \$ 9.51/bushel last week.

Abiove has once again raised Brazil's 2016/17 soybean production forecast to 110.7 million tonnes, up 3.2% from the previous estimate released in March.

The agency has also raised Brazil's 2016/17 soybean exports forecast to 60.3 million tonnes, which is slightly above from its previous estimate by 0.8%.

Higher than expected soybean yields across Argentina could offset the losses in 1 million hectares lost due to drought and flooding this season, said Buenos Aires grains Exchange.

The exchange has estimated Argentina's 2016/17 soybean production at 56.5 million tonnes.

The Argentina's 2016/17 harvesting has advanced by 16% over the previous week to a total 32.3% of the total planted area. The harvesting window lasts from March to June.

EU soybean imports fell 5% by 25 April 2017 and registered imports of 10.9 million tonnes from 11.5 million tonnes during the corresponding period last season.

EU soy meal imports during Jul. – Jun. 2016/17 season stood at 14.4 million tonnes, down 14% from 16.7 million tonnes during the corresponding period last year.

NOPA member's soybean crush figures stood below expectations during March, this was yet another pressurizing factor for the international soybean.

The National Oilseed Processors Association (NOPA) reported that its members processed 153.060 million bushels during March, down from 156.690 million bushels during the corresponding period last year and also below from market expectations.

The volume is higher compared to 142.792 million bushels crushed in February.

Soy meal

The domestic soy meal prices posted extended gains in tandem with soybean on continued overseas demand in meal.

India's soy meal prices have surged by over 6% (Rs1500/MT) in during April.

The forward booking for soy meal is good while the domestic demand is weak due demand from poultry industry.

Slack in seasonal domestic soy meal demand remained a limiting factor. The poultry demand falls during summers across the country subsequently reducing the soy meal demand for feed.

Despite some gains, the current domestic meal prices are lower compared to the corresponding period last year.

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

Soy meal fell in international market, during the week, the May CBOT soy meal settled at US \$ 311.7 per short ton compared to US \$ 309.6 per short ton last week.

Brazil's harvesting is almost and Argentina's soybean crop harvesting is in full swing and the global bean supplies are strong.

The domestic soy meal prices at Indore, were quoted at Rs25,200 – 26,000/MT compared to Rs24,700 – 25,800/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed steady to weak tone and were quoted at Rs26,300/MT and 25,800/MT respectively compared to Rs25,200/MT in Indore and Rs26,200/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard extended losses primarily on higher supply outlook after rise in the seed production this season.

Weakness in international palm oil and canola due to the steep fall in the rival - soy oil, the biggest edible oil traded in volume, globally too remained pressurizing factors for domestic rapeseed-mustard.

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

Further, higher recovery in oil by 2-3% is witnessed this season, which is again bearish for the seed.

The all India seed supplies were reported between 2.25– 4.45 lakh bags in a day compared to around 4.44 – 5.0 bags a day, previous week. The supplies were 3.65 – 4.5 lakh bags a day during the corresponding period last year.

As expected the seed arrivals are gradually easing from its peak and the in the states of Rajasthan, Madhya Pradesh, Haryana, Punjab and Uttar Pradesh. The traders have partially switched to wheat trade.

The new crop seed fell and was quoted at around Rs3780 – 3855 a quintal compared to Rs4,485 – 4,620 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at May contract fell and was quoted at 3760/Qtl compared to 3,800/Qtl previous week.

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.

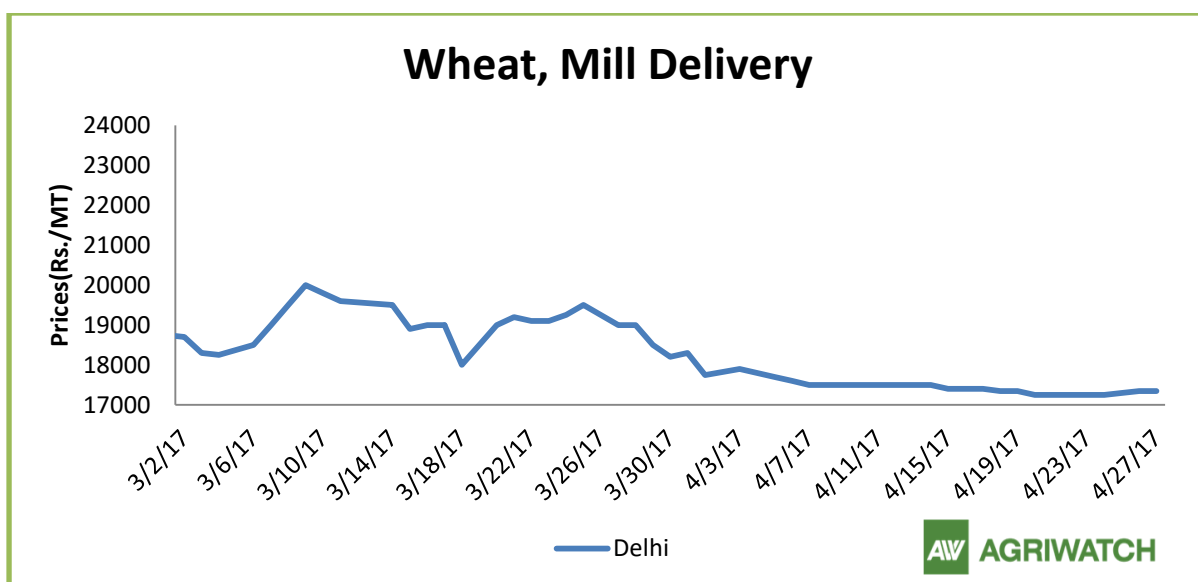
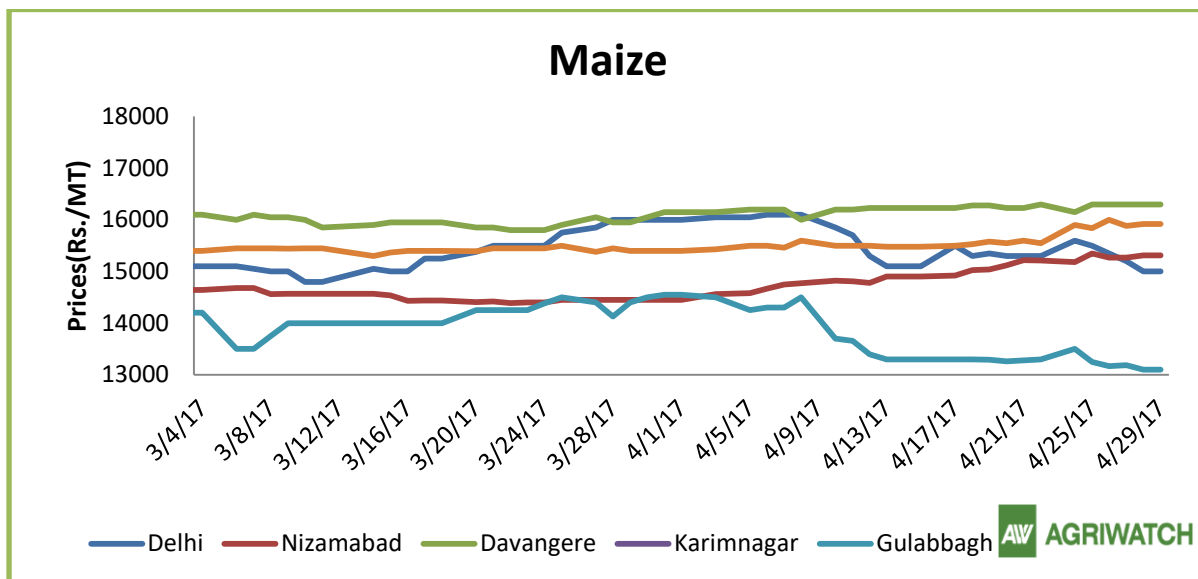
RBD palmolein imports rose 5.3 percent y-o-y to 2.19 lakh tons from 2.08 lakh tons in March 2016. Soy oil imports fell 28.6 percent y-o-y to 2.30 lakh tons from 3.21 lakh tons in March 2016. Sunflower oil imports fell 4.3 percent y-o-y to 1.77 lakh tons from 1.85 lakh ton in March 2016. Rapeseed (Canola)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

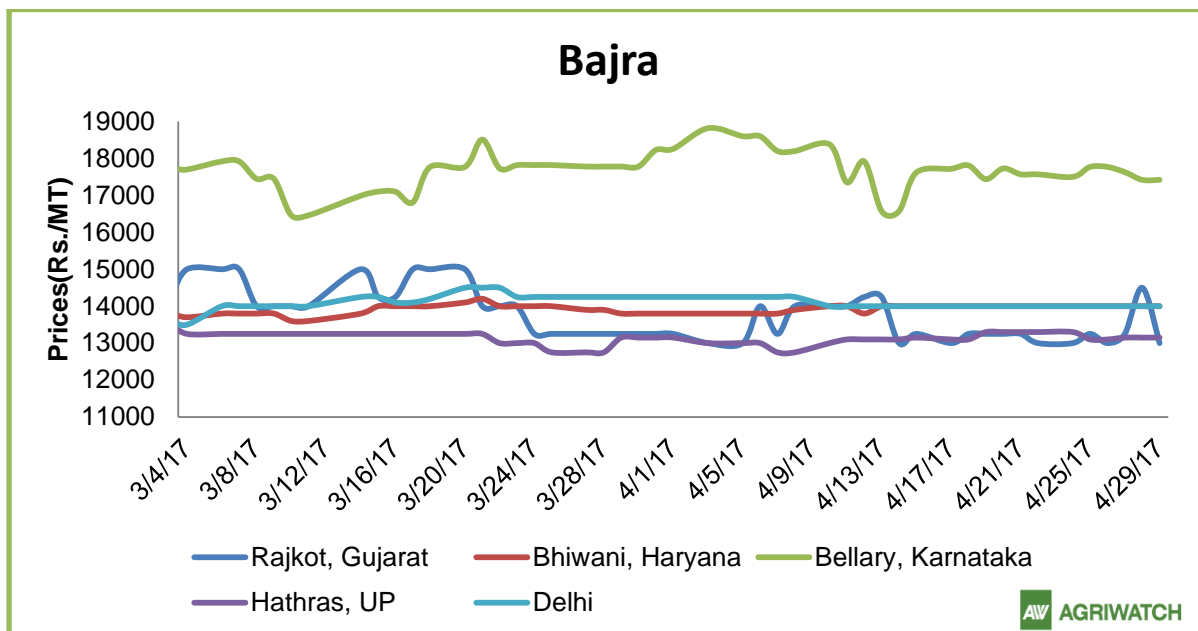
India's March edible oil stocks at ports and pipelines fell 1 Percent m-o-m to 19.13 lakh tons from 19.65 lakh tons in February 2017. Stocks of edible oil at ports rose to 688,000 tons (CPO 230,000 tons, RBD Palmolein 150,000 tons, Degummed Soybean Oil 150,000 tons, Crude Sunflower Oil 155,000 tons and 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 1-25 palm oil exports rose 1.2 percent to 891,725 tonnes compared to 902,628 tonnes in the corresponding period last month. Top buyers were European Union at 245,993 tonnes (187,530 tonnes), India at 135,300 tonnes (152,195 tonnes), China at 127,450 tonnes (110,740 tonnes), United States 40,155 tonnes (41,800 tonness) and Pakistan 10,000 tonnes (31,500 tonnes). Values in brackets are figures of corresponding period last month, said a cargo surveyor SocieteGenerale de Surveillance.

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 (bilty) traded firm by Rs. 20 per quintal to Rs. 1500 per quintal compared to last week and is likely to trade steady in the near term. Maize is moving towards Hyderabad at Rs. 1560 per quintal (Delivered Price) sourced from Nizamabad.

In Davangere, Maize (loose) traded firm by Rs. 60 per quintal to Rs. 1580 per quintal compared to last week and is likely to trade firm in the near term too due to high feed makers demand from Bangalore and Nammakal. Unfavorable weather conditions are likely to support maize prices.

As per USDA, U.S corn exports reached 35.98 MMT in the 2016-17 marketing year. At 1.37 MMT (for the period 14th April –20th April, 2017) exports were down 2 percent from the previous week, but unchanged from the prior 4-week average. The primary destinations were Japan (364,800 MT), Mexico (275,400 MT), Peru (149,700 MT), Saudi Arabia (133,800 MT), and Taiwan (129,500 MT).

In U.S 17% corn planting has been completed as of 23rd April, 2017, lower by 11% compared to corresponding period of last year and 1% from last 5 year average period. 4% crop of corn has emerged, same compared to last year and last 5 year average period.

Taiwan's feed industry procurement association MFIG purchased about 65,000 MT of corn likely to be sourced from Brazil at a premium of 105.37 U.S. cents c&f over the Chicago September 2017 corn contract for the shipment between July 1-20. The Seller was ADM.

IGC raised its forecast for the 2016/17 global corn production by 6 MMT to 1059 MMT compared to previous forecast. It also raised its forecast for 2017/18 global corn production by 2 MMT to 1026 MMT compared to previous forecast. Forecast for global corn ending stock was up by 2 MMT to 207 MMT compared to last forecast for 2017/18.

All India weekly average prices increased by 0.28 percent to Rs. 1829.29 per quintal during the week ended 30th April 2017. Wheat average price were ruling at Rs 1824.13 per quintal during 16-23 April 2017. As compared to prices in the week 24-30 April 2016, the prices are firm by 3.69 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government agencies have started procurement since 15th March'17. Until 27th April'17 government has procured around 222.71 lakh tonnes of wheat. Of the total quantity procured, around 45.49 lakh

tonnes has been procured from Madhya Pradesh, 66.82 lakh tonnes from Haryana, 98.14 lakh tonnes from Punjab and 6.12 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 67.4% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

IMD has forecasted near normal monsoon with close to 50% probability that El Nino will occur during the period of July-September. This forecast was further reduced to 40% by IMD. Although international agencies like National oceanic and atmospheric administration (NOAA) and Australian Bureau of meteorology (ABM) have predicted close to 50% probability of El Nino. NOAA and ABM will release their next forecast on 11th May and 26th April. As per US-based International Research Institute for Climate and Society there is a probability of around 55% of El Nino occurring in May-July and 70% that it will occur in July-September. If the probability increases in coming time period it will lead to a poor southwest monsoon thereby leading to unfavorable condition for the crops.

Wheat WPI has decreased from 247.7 in February to 238.8 in March-2017. Monthly wheat inflation has decreased by 3.59 percent in March-17 compared to February-17. As compared to March-16, wheat WPI has increased by around 4.65% and by 10.81% 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.

Indian FoB quote is hovering around \$262.58 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$180.5, \$183.2, \$162.75, \$175.43 and \$181.63 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.

Government may not increase import duty to 25% and keep it unchanged at 10% as it is expecting a production of 96.6 million tonnes. At prevailing duty of 10%, Indian flour millers are still importing wheat from Australia. Around 150000 tonnes of Australian wheat has been purchased for May shipment with a protein content of 9% at \$220-221 per tonne cost & freight.

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. Australia is likely to produce 24 MMT in 2017 compared to 35MMT in 2016. The fall in production is mainly due to lower area compared to last year. 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. Argentina is expecting to harvest around 17.5 MMT in 2017-18 compared to 16.3 MMT in 2016-17. Russia has harvested recorded crop of 73.3 MMT in 2016 up by 18.6 percent compared to 2015. 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. 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)		
	28-Apr-17	17-Mar-17	Parity To
Indore (MP)	25200	25800	Gujarat, MP
Kota	25200	26000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	26500	26700	Mumbai, Maharashtra
Nagpur (42/46)	26200	26000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	25800	25800	Andhra, AP, Kar, TN
Latur	26500	27000	-
Sangli	27000	26700	Local and South
Sholapur	26500	26600	Local and South
Akola	26000	25800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	26400	26000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	25300	25000	-

Soy DOC at Port:

Centers	Port Price	
	27-Apr-17	20-Apr-17
Kandla (FOR) (INR/MT)	26500	26800
Kandla (FAS) (USD/MT)	413	415

International Soy DOC			
Argentina FOB USD/MT	27-Apr-17	20-Apr-17	Change
Soybean Pellets	314	314	Unch
Soybean Cake Flour	314	314	Unch
Soya Meal	322	322	Unch
Soy Expellers	322	322	Unch
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	28-Apr-17	21-Apr-17	Change
Adoni	17500	17500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	NA	NA	-

Groundnut Meal (Rs/MT)	28-Apr-17	21-Apr-17	Change
Basis 45%, Saurashtra	19600	19800	-200
Basis 40%, Saurashtra	17800	18000	-200
GN Cake, Gondal	21500	21500	Unch
Mustard DOC/Meal	28-Apr-17	21-Apr-17	Change
Jaipur (Plant delivery)	14800	14700	100
Kandla (FOR Rs/MT)	15500	15200	300
Sri Ganganagar	1840	1850	-10

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	27-Apr-17	20-Apr-17	27-Mar-17	27-Apr-16	27-Apr-15
Delhi	Hybrid	1500	1550	1550	NA	1570
Davangere	Loose	1580	1520	1500	NA	NA
Nizamabad	Bilty	Closed	1480	1450	1430	1280
Ahmadabad	Feed	1540	1530	1540	1500	1400
	Starch	1570	1580	1575	1520	1400

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	155.61	142.68	155.12	252.89
Cost and Freight	205.61	197.68	215.12	287.89

Soy Meal Exports (In MT):

Month	2012	2013	2014	2015	2016
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>27-Apr-17</u>	<u>20-Apr-17</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1763	1744	19
		Hybrid	Bangalore	1950	2050	-100
Jowar	Karnataka	White	Bangalore	2300	2600	-300
		White	Bellary	1697	1754	-57
Maize	Karnataka	Yellow	Davanger e	1580	1520	60
	Andhra Pradesh	Yellow	Nizamaba d	1440	1420	20
Rice	Haryana	IR8	Karnal	3050	3200	-150
		Parmal Raw	Karnal	3200	3400	-200
Soy meal	Madhya Pradesh	DOC	Indore	2520	2580	-60
	Maharashtra	DOC	Sangli	2700	2670	30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1750	1750	Unch
	Maharashtra	Ex-factory	Latur	NA	NA	-
Mustard	Rajasthan	Plant delivery	Jaipur	1480	1470	10
Groundnut Meal	Gujarat	GN Cake	Gondal	2150	2150	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2011	2100	-89
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1992	2055	-63
Note: Prices Rs./Qtl						

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