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Summary

Soybean witnessed range –bound to weak tone amid lack of buying interest and rapeseed-mustard continued positive tone on good buying support during the week in review.

Demand for soybean especially for seeding is almost over.

The soyabean crop in Madhya Pradesh and Marathwada is under stress due to deficient rainfall for close to two weeks now. Rainfall is excess in East Rajasthan.

India's soybean planting is in full swing with the monsoon rains in the key growing belt. However the overall sowing progress is below previous year's level.

The overall monsoon is forecast to be normal.

We expect the domestic 2017 soybean planting lower compared to the previous year due to the lower remuneration in the crop to the farmers and the area is much likely to shift to cotton and urad.

Besides, higher South American soy supplies and rise in US soybean planting intention for 2017 is limiting any sharp gains in the cash markets.

Again, attractive price offer for soy meal by South America and strength in INR against USD is likely to cap gains.

The rapeseed-mustard prices witnessed some gains in recent days with the falling supplies and better demand by the solvent extractors.

However, the rapeseed-mustard prices will remain under overall higher supply pressure and it will further weigh on the prices, in near to medium-term.

Overall maize cash markets traded firm during the week and are expected to trade steady to firm in the near term too. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 15 per quintal to Rs. 1490 per quintal while starch feed makers quoted it firm by Rs. 20 per quintal to Rs. 1490 per quintal compared to last week.

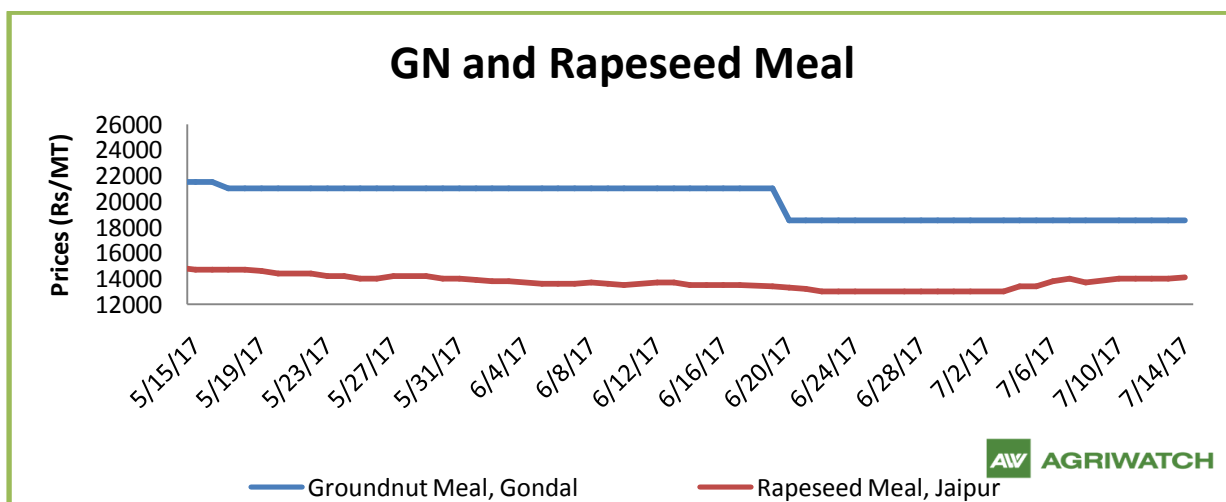
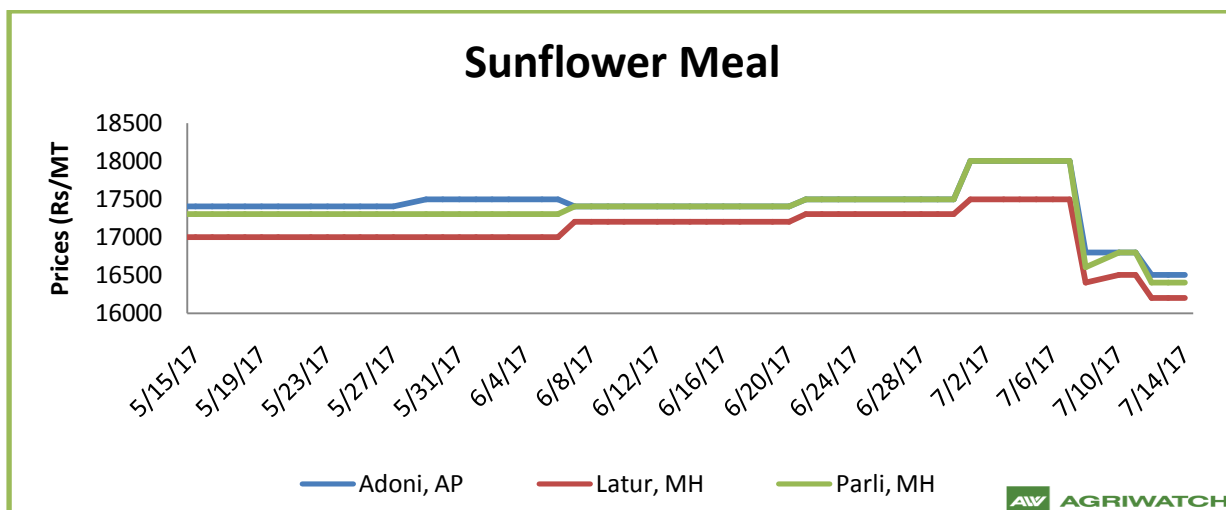
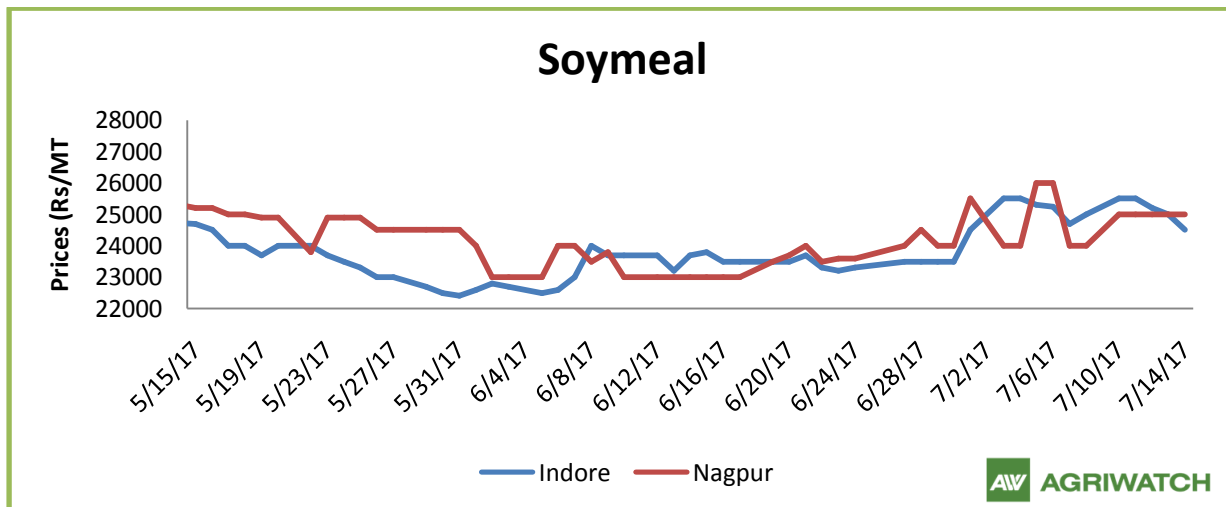
In India, maize has been sown in around 52.49 lakh hectares as of 14th July'17 which is lower than 55.49 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 5.21 lakh hectare which is lower than 8.75 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 3.83 lakh hectare which is lower than 5.23 lakh hectare covered during corresponding period last year.

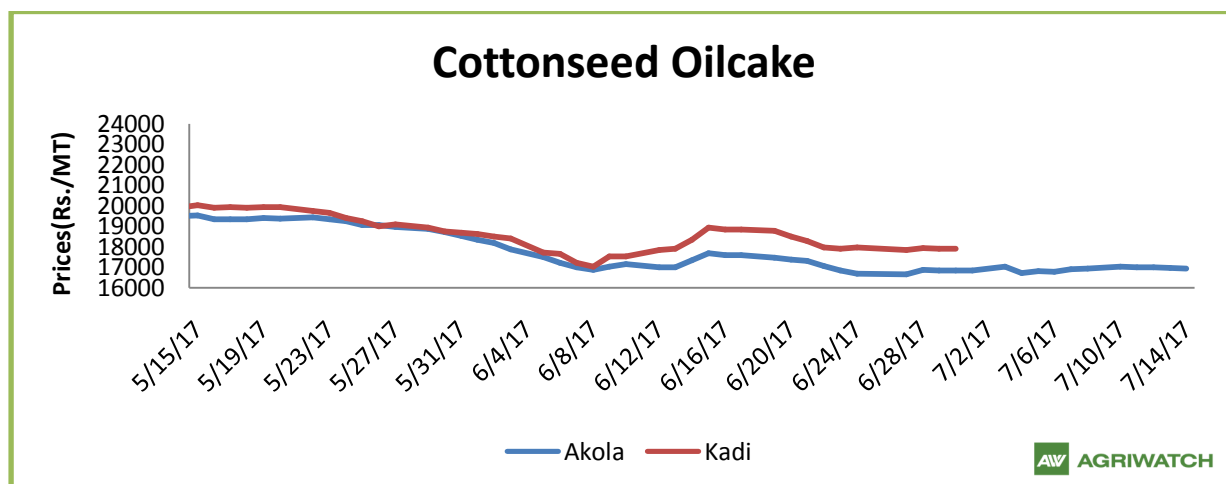
However, in Maharashtra, it has been sown in 5.39 lakh hectares which is higher than 4.34 lakh hectares covered during corresponding period last year and in M.P, it has been sown in 10.43 lakh hectares which is higher than 9.26 lakh hectares covered during corresponding period last year.

In Gulabbagh, maize traded down by Rs. 50 per quintal to Rs. 1320 per quintal (Bilty) compared to last week. However, it is likely to trade steady to slightly firm in near term.

All India weekly average prices increased by 1.45 percent to Rs. 1812.64 per quintal during the week ended 15th July 2017. Wheat average price were ruling at Rs 1786.77 per quintal during 01-08 July 2017. As compared to prices in the week 09th -15th July 2016, the prices are firm by 2.23 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

The domestic soybean noticed range –bound to weak tone amid lack of demand in the cash market. Overall bearish scenario in the global market added to the weak tone of the market coupled with strength in INR vs. Dollar.

Higher soy oil imports at competitive prices remained bearish for domestic soybean.

The domestic soybean planting is underway and currently it is lagging from the corresponding period last year. The soybean cultivators are cautious in planting the bean this year, as they couldn't get the considerable remuneration for their produce this season.

The domestic bean prices are 5 year low and we feel the prices are not expected to recover soon on record global supply pressure.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 2,260,000 bags compared to 2,25,000 bags reported in the previous week. The supplies improved after cash mandi yards resumed their operation which were closed in protest of GST, the operations were closed by the mandi traders.

The seasonal monsoon rains have covered most of India and the amount of precipitation so far is within expectations according to IMD raising hopes for higher farm output.

The soyabean crop in Madhya Pradesh and Marathwada is under stress due to deficient rainfall for close to two weeks now.

IMD in its weekly Southwest monsoon progress report (01.06.2017 to 12.07.2017) has reported India's actual rainfall at 268.7 mm against the normal 270.8 mm and departure stands at -1% till 12 July 2017.

In West Madhya Pradesh, the departure of Southwest monsoon has declined to normal by -22%, actual rains is reported at 157.7 mm vs 203.2 mm normal till 12 July 2017 by IMD. Vidarbha reported the departure of -27%, actual rains 207.5 mm vs 285.9 mm normal. Marathwada reported the

departure of -4% with actual rains of 198.8 mm vs 207.8 mm, East Rajasthan reported a departure of -10% with actual rains 118.3 mm vs 131.4 mm normal.

Forecast of normal seasonal/monsoon this season is expected to boost the soybean production.

The area coverage under soybean, as on 14th July, is reported down -11.7% at 73.44 lakh hectares compared to 83.14 lakh hectares at the same period last year.

The total sown area under *kharif* oilseeds, as on 14th July, is lower compared to the previous year's level which is down by 10.20% at 103.92 lakh hectares compared to 115.75 lakh hectares during the corresponding period last year.

India's total area under soybean in 2016 was 114.78 lakh hectares which was lower by 1.4% from 2015.

In Madhya Pradesh, the government has announced to procure soybean from farmers at Minimum Support Price.

We expect India's area under soybean in 2017 to be lower than 2016 with the fall in planting intention due to the lower remuneration for the crop to the farmers. The farmers are cautious in planting early this season and some are likely to shift to cotton or pulses which will eventually reduce the planted area under soybean this year.

Higher domestic soybean production which subsequently improved soy meal production outlook will continue to pressure the bean. Slack in domestic soy meal offtake due to weak poultry demand and cheap soy oil imports continued to remain limiting factor.

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, 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 international benchmark, CBOT soybean posted loss after touching a 3-month high buoyed by technical selling and spillover support from wheat and corn.

At CBOT, the soybean, in the most active August contract, ended lower at US \$ 9.89/bushel compared to US \$ 10.01/bushel last week.

Informa has projected US 2017 soybean production at 4.253 billion bushels with a productivity of 47.9 bushels per acre.

In the weekly USDA crop progress report released on 10 July; Soybeans blooming are reported at 34% which is down from 37% from the corresponding period last year and up from the 5 year average of 32%.

Soybean crop setting pods are reported at 7% slightly up from 6% during the corresponding period last year and also up from the 5 year average of 5%

About 64% of the soybean planted crop is under good to excellent condition which is down from 71% during the corresponding period last year.

The US soybean crop condition is below trade and market expectations.

Grains Exporters Association ANEC has projected Brazil's soybean exports at 61-62 million tonnes in 2017.

EU 2016/17 season, that ended June 30, soybean imports fell by 4% compared to the corresponding period 2015/16. EU registered soybean imports of 13.9 million tonnes during the period.

EU soy meal imports during Jul. – Jun. 2016/17 were 18.1 million tonnes, down 11% from 20.3 million tonnes during the corresponding period last year.

Soy meal

The domestic meal prices increased amid good demand from the poultry sector and weak soybean supplies in previous weeks.

The monsoon has covered almost whole country leading fall in the weather temperature by 5-8 degrees Celsius in recent days.

Monsoon will give respite to the poultry birds from heat waves and the feed intake is expected to improve which falls during summers.

Besides, we expect increase in the poultry demand with the fall in temperature, in coming days.

The domestic soybean planting is underway and forecast of normal monsoon should prove favourable for the bean production. But, the planted area under soybean is expected to fall this season.

Further, competitive price offer by South America for soy meal has already witnessed reduction in the international meal demand from India.

But, significantly lower domestic soy meal price, this season, have obviously lend support to India's soy meal exports in previous months.

India's soy meal exports and its other value added products (HS Code 2304 and 1208) during June 2017 is 0.64 lakh tons compared to 0.41 lakh tons in June 2016 showing an increase of 56% over the same period of last year.

On a financial year basis, the export during April'2017 to June'2017 stands at 3.41 lakh tons as compared to 0.90 lakh tons in the same period of previous year showing an increase of 278%.

During current oil year, (October – September), total exports during October 2016 to June 2017 is 15.19 lakh tons as against 3.19 lakh tons during the same period last year, showing an increase by 376%, reported by SOPA.

Currently, the domestic meal prices are lower compared to the corresponding period last year.

Strength in INR against USD in recent months and improved seasonal South American soy supplies still continue to be concern for meal exports from India.

The forward booking for soy meal have reduced as compared to the previous months with competitive price offers by South America.

Soy meal fell in international market, during the week.

CBOT soy meal August contract settled at US \$ 323.7 per short ton compared to US \$ 330.7 per short ton last week.

The domestic soy meal prices at Indore, were quoted at Rs 24,700 – 25,500/MT compared to Rs 24,500 – 25,000/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed firm tone and were quoted at Rs 26,700/MT and 26,000/MT respectively compared to Rs 24,200/MT in Indore and Rs 24,700/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard continued positive tone amid good buying support in the cash market.

The domestic crushing pace of the seed is considerably good; this is despite higher edible oil imports by India.

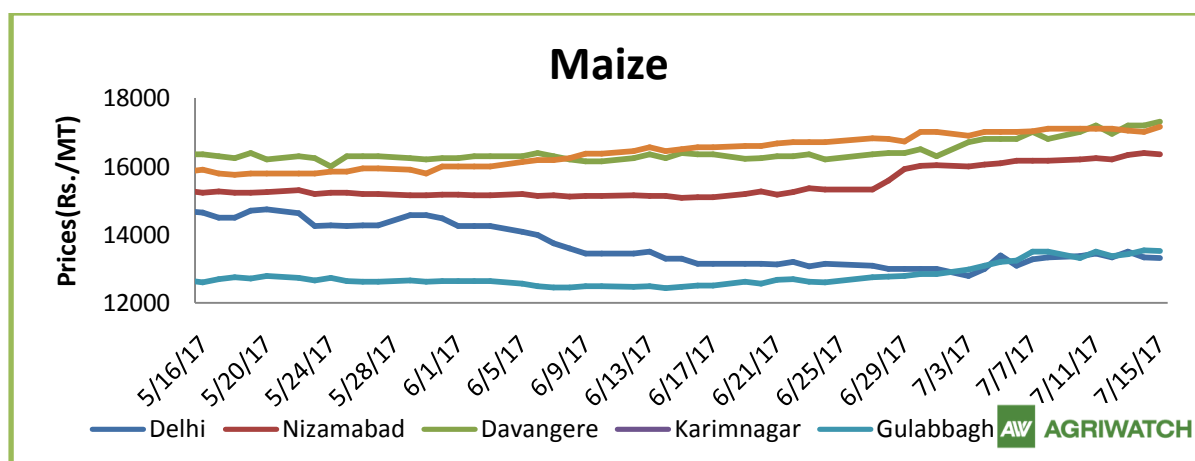
However, higher domestic production and eventually increase in the seed supplies will limit gains in the coming days.

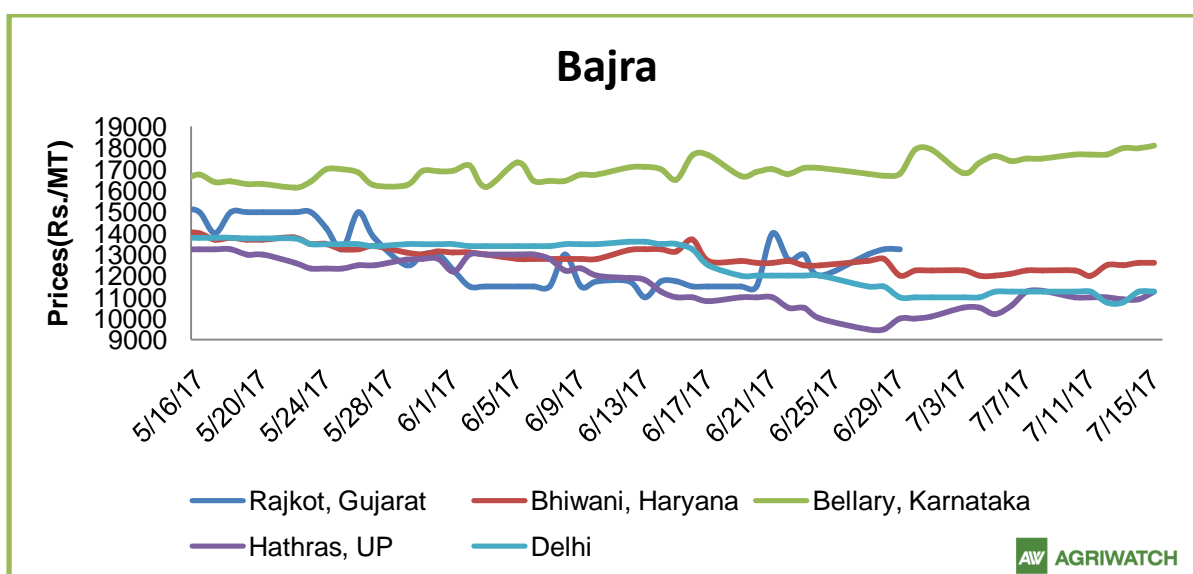
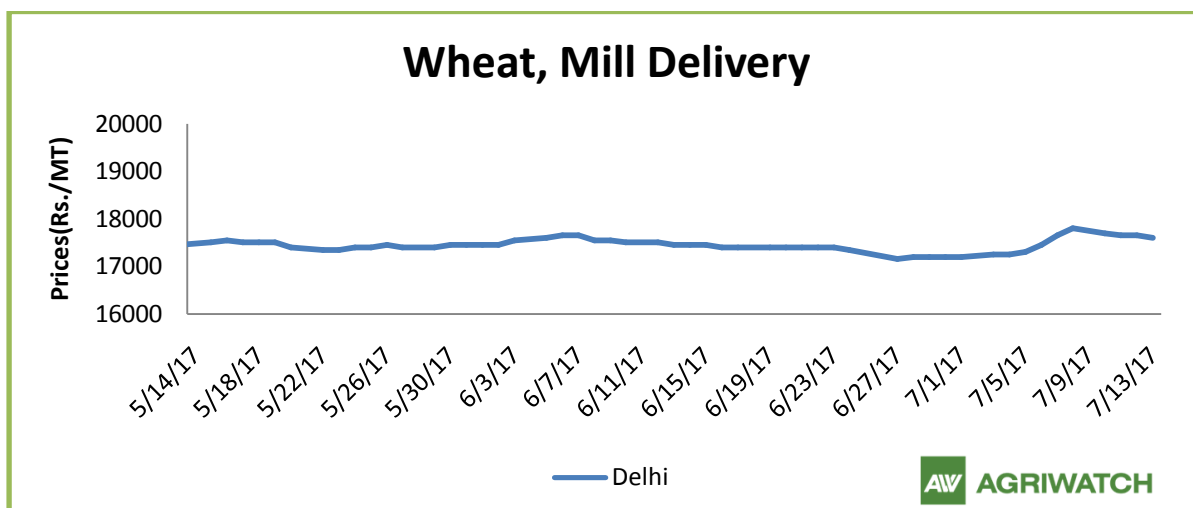
The all India seed supplies were reported between 1.00 – 130 lakh bags in a day compared to around 0.85 – 1.60 bags a day, previous week. The supplies were 0.80 – 1.20 lakh bags a day during the corresponding period last year.

The seed prices are still lower at spot market and are quoted at around Rs 3,775 – 3,815 a quintal compared to Rs 4,890 – 5,055 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at August contract ended slightly higher at 3700/Qtl compared to 3673/Qtl previous week.

The rapeseed-mustard prices are driven by India's edible oil imports and Malaysian palm oil. India's edible oil imports increased in May.





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

In Nizamabad, maize could trade steady to firm in the near term. As per trade sources, soybean crop area is likely to shift towards maize. It is moving towards Hyderabad at Rs. 1686 per quintal. Stock of maize could be around 70,000 quintals which was 100,000 quintals during corresponding period of last year.

In Davangere, Maize (loose) traded firm by Rs. 100 per quintal to Rs. 1800 per quintal compared to last week. Maize could trade firm in the near term as traders are not selling their stock on the expectation of further rise.

As per USDA, U.S corn exports reached 48.29 MMT in the 2016-17 marketing year. At 0.88 MMT (for the period 30th June –6th July, 2017) exports were down 21 percent from the previous week and 19 percent from the prior 4-week average. The primary destinations were Mexico (246,200 MT), Taiwan (98,700 MT), Spain (94,500 MT), Japan (92,200MT), and Colombia (52,800 MT).

In U.S, 19% crop of corn is at silking stage as of 9th July, 2017, lower by 11% compared to last year and 8% from last 5 year average period. 65% crop of corn is in good to excellent condition, down by 3% compared to last week.

USDA raised its corn ending stock estimates for U.S by 5.46 MMT to 59.06 MMT for 2017/18 due to increase in production estimates by 4.82 MMT to 362.09 MMT for 2017/18.

USDA also increased its global corn ending stocks estimates by 6.48 MMT TO 200.811 MMT for 2017/18 compared to last month due to decrease in its production estimates by 5.034 MMT to 1036.898 MMT for 2017/18 compared to last month estimates.

Taiwan's feed industry procurement association MFIG purchased about 65,000 MT of corn likely to be sourced from Brazil at a premium of 68.37 U.S. cents c&f over the Chicago December 2017 corn contract; for the shipment between Sept. 16 to Oct. 5 if it is sourced from the U.S. Gulf, Brazil or Argentina. For the shipment around Oct. 1 to 20 if sourced from the U.S. Pacific North West coast or South Africa.

All India weekly average prices increased by 1.45 percent to Rs. 1812.64 per quintal during the week ended 15th July 2017. Wheat average price were ruling at Rs 1786.77 per quintal during 01-08 July 2017. As compared to prices in the week 09th -15th July 2016, the prices are firm by 2.23 percent. Prices are expected to remain steady to firm in coming days.

East India is likely to receive more rainfall due to new low forming in Bay of Bengal. The low in Gujarat is likely to exit in the week which will lead to lower rainfalls. These lows in monsoon are necessary for bringing rainfall across India however they can also cause widespread flooding. The new low in monsoon will spread rains across Orissa, Chhattisgarh, eastern part of Maharashtra and Andhra Pradesh.

As per latest update, wheat stock in central pool as on 1st July'17 stood at 32.27 MMT down by 3.48% compared to last month. This quantity is higher by around 20.94% compared to last year for the same month. For the year 2017-18, FCI has decided to sell around 40 lakh tonnes of wheat. As per third advance estimate for 2016-17 wheat production is likely to be around 97.4 MMT which is higher compared to second advance estimate of 96.6 MMT issued in February 2017.

Government agencies have started procurement since 15th March'17. For Rabi marketing season 2017-18 government has procured 308 lakh tonnes. Of the total quantity procured, around 67.24 lakh tonnes has been procured from Madhya Pradesh, 74.11 lakh tonnes from Haryana, 117.05 lakh tonnes from Punjab, 36.99 lakh tonnes from Uttar Pradesh, 12.45 lakh tonnes from Rajasthan, 0.02 lakh tonnes from Uttarakhand, 0.08 lakh tonnes from Chandigarh and 0.06 lakh tonnes from Gujarat. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Last year government was able to procure only 229 lakh tonnes due to lower production.

Agriwatch has given its production estimate of 93.5 MMT for 2017-18. Carryout is expected to be around 13.98 MMT. Availability would be 108.48 MMT, higher compared to last year on account of increased production. Consumption is likely to be around 94 MMT.

As per third advance estimate for 2016-17 wheat production is likely to be around 97.4 MMT which is higher compared to second advance estimate of 96.6 MMT issued in February 2017. Grain quality is better this year compared to last year and there are no issues relating to higher moisture and pest. This year overall acreage is higher by around 4.5% over normal acreage of 304.05 lakh hectares.

FCI has offered a total quantity of 1369700 tonnes through various depots across India in OMSS until 13th July'17 at a reserve price of Rs. 1790 per quintal. The next auction will be on 20th July'17 and as

of now the quantity to be sold has been specified only for two states i.e. Uttarakhand (5600 tonnes) and Uttar Pradesh (9500 tonnes).

Indian FoB quote is hovering around \$266.21 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$182.50, \$189.25, Euro 173.88, \$210.22 and \$231.97 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 firm in the coming week.

Global wheat market is expected to trade from steady to firm as unfavorable weather is threatening upcoming crop in US, Black sea, Canada and EU. Yield for Wheat in France and Spain have been revised downwards due to heat wave observed in the past month. All this has led EU to revise its production forecast down by around 1.0 MMT to 140.7 MMT. Russian spring wheat planting has reached 12.8 million hectares (94.6% of the planned area) and total production for spring and winter season combined is likely to be 63 MMT in 2017 compared to 73.3 MMT in 2016. Production in US is likely to be around 47.8 MMT compared to last year's 62.8 MMT due to fall in area sowed. Australia is likely to produce 24 MMT in 2017 compared to 35 MMT in 2016. The fall in production is mainly due to lower area compared to last year. Argentina is expecting to harvest around 17.5 MMT in 2017-18 compared to 16.3 MMT in 2016-17. Furthermore, Canada harvested around 31.7 MMT as higher yields compensated for a 7% drop in harvested area. Therefore, Steady to firm 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 Centers

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	23-Jun-17	7-Jul-17	Parity To
Indore (MP)	24500	24700	Gujarat, MP
Kota	25200	25000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	26500	24400	Mumbai, Maharashtra
Nagpur (42/46)	25000	24000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	26200	24700	Andhra, AP, Kar, TN
Latur	25800	24200	-
Sangli	26200	25000	Local and South
Sholapur	27000	24800	Local and South
Akola	24800	25500	Andhra, Chattisgarh, Orissa, Jharkhand, WB

Hingoli	26000	24400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	25200	24800	-

Soy DOC at Port

Centers	Port Price	
	13-Jul-17	6-Jul-17
Kandla (FOR) (INR/MT)	27000	26000
Kandla (FAS) (USD/MT)	419	401

International Soy DOC			
Argentina FOB USD/MT	13-Jul-17	6-Jul-17	Change
Soybean Pellets	314	316	-2
Soybean Cake Flour	314	316	-2
Soya Meal	322	324	-2
Soy Expellers	322	324	-2
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	14-Jul-17	7-Jul-17	Change
Adoni	16500	18000	-1500
Khamgaon	NA	NA	-
Parli	16400	18000	-1600
Latur	16200	17500	-1300

Groundnut Meal (Rs/MT)	14-Jul-17	7-Jul-17	Change
Basis 45%, Saurashtra	19700	18700	1000
Basis 40%, Saurashtra	17300	16500	800
GN Cake, Gondal	18500	18500	Unch

Mustard DOC/Meal	14-Jul-17	7-Jul-17	Change
Jaipur (Plant delivery)	14100	14000	100
Kandla (FOR Rs/MT)	14400	14000	400
Sri Ganganagar	1630	1585	45

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	13-Jul-17	6-Jul-17	13-Jun-17	13-Jul-16	13-Jul-15
Delhi	Red (Bihar)	1325	1300	1300	1575	1320
Davangere	Loose	1800	1700	1600	1700	1380
Nizamabad	Bilty	1585	NA	1530	1760	1300
Ahmadabad	Feed	1490	1475	1480	1760	1430
	Starch	1490	1470	1510	1750	1425

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	145.96	153.40	157.60	260.74
Cost and Freight	195.96	208.40	217.60	295.74

Soy Meal Exports (In MT):

Month	2013	2014	2015	2016	2017
Jan	620133	364444	103934	7707	155160
Feb	577589	183551	64515	1127	207977
Mar	320265	232176	46670	430.1	107059
Apr	100311	75884	18017	12295	124374
May	97546	8226	14046	10400	48159
Jun	213564	2636	2098	17930	
Jul	107038	6682	928	12270	
Aug	183555	2778	768	10615	
Sep	173381	868	6886	12210	
Oct	182724	29071	4237	31390	
Nov	503269	110806	8909	97750	
Dec	451314	193832	5667	241250	
Total	3512217	1210954	276674	455374.1	642729

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	13-Jul-17	6-Jul-17	Change
Bajra	Karnataka	Hybrid	Bellary	1770	1762	8
		Hybrid	Bangalore	1950	1950	Unch
Jowar	Karnataka	White	Bangalore	2400	2600	-200
		White	Bellary	1759	1753	6

Maize	Karnataka	Yellow	Davangere	1800	1700	100
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	2500	2500	Unch
		Parmal Raw	Karnal	3100	3100	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2450	2470	-20
	Maharashtra	DOC	Sangli	2620	2500	120
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1650	1800	-150
	Maharashtra	Ex-factory	Latur	1620	1750	-130
Mustard	Rajasthan	Plant delivery	Jaipur	1410	1400	10
Groundnut Meal	Gujarat	GN Cake	Gondal	1850	1850	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	Closed	Closed	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1695	1692	3
Note: Prices Rs./Qtl						

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