

Contents:

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Annexure– Prices**

Summary

Soybean witnessed mostly positive tone on renewed buying interest, lower arrivals in the market and rapeseed-mustard noticed mostly weak tone on slack in demand in the market.

Recent rains in the growing regions of Madhya Pradesh and Rajasthan will be beneficial for the crop in the coming month.

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.

Attractive price for soy meal by South America and positive tone in INR is limiting the gains in the cash market.

Increase in US soybean planting intention for 2017 and higher supplies of soybean in South America will cap gains in the market.

The rapeseed-mustard prices noticed weak tone amid lack of buying interest in the domestic market and weak tone in palm oil at BMD.

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

Overall maize cash markets traded weak during the week due to low demand and are expected to trade range bound in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1470 per quintal while starch feed makers quoted it firm by Rs. 10 per quintal to Rs. 1430 per quintal compared to last week.

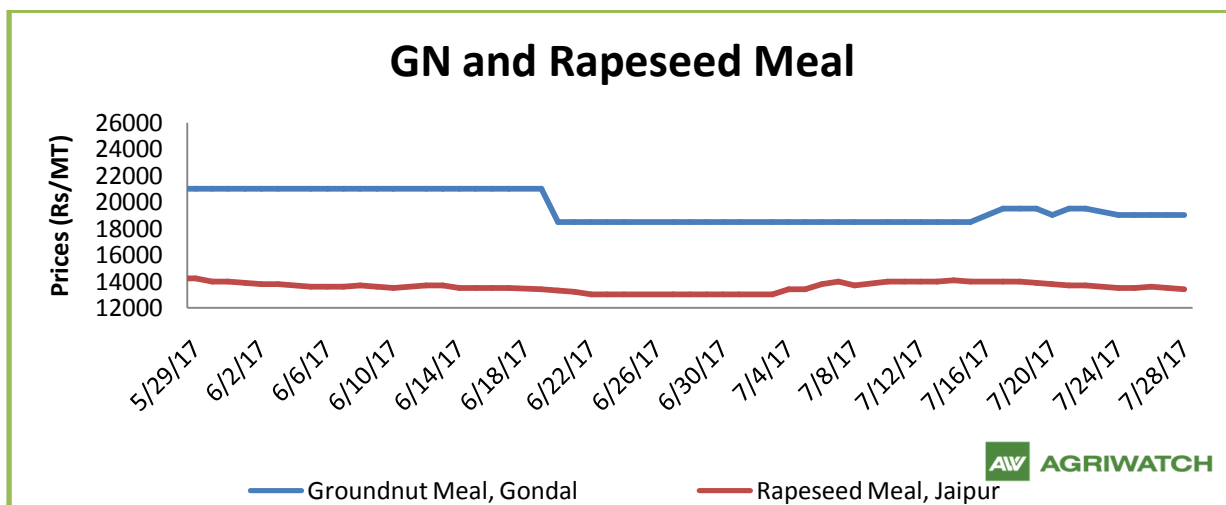
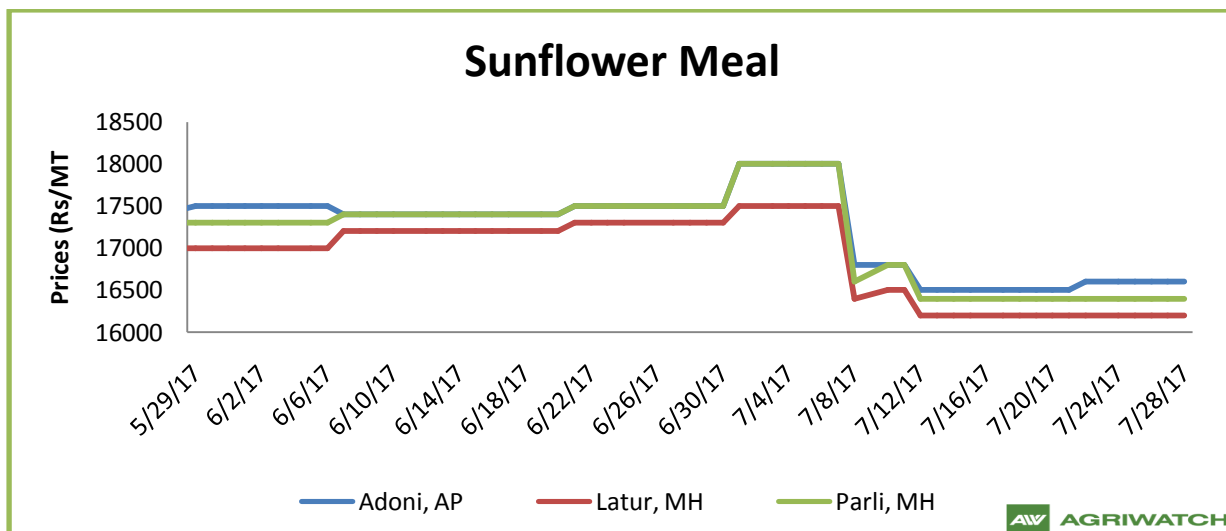
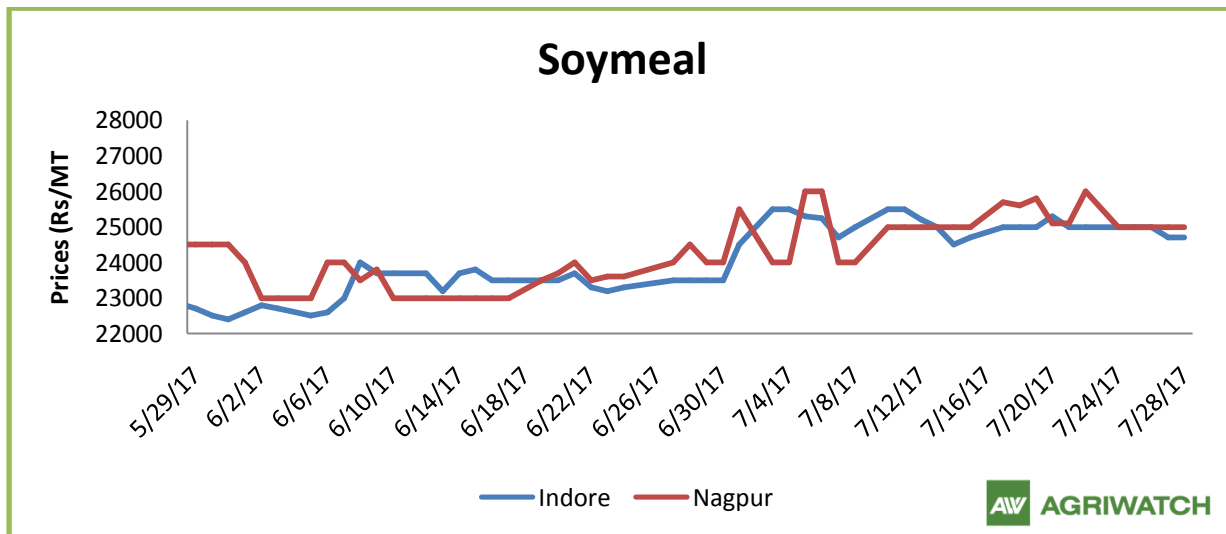
In India, maize has been sown in around 69.14 lakh hectares as of 28th July'17 which is lower than 72.94 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 7.68 lakh hectare which is lower than 11.00 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 6.46 lakh hectare which is lower than 6.74 lakh hectare covered during corresponding period last year.

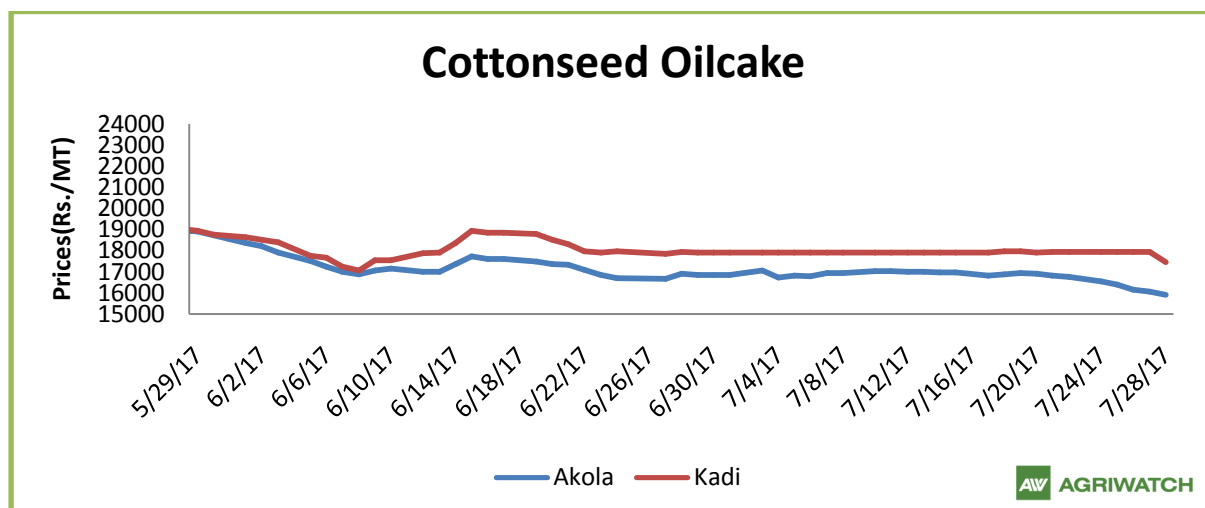
However, in Maharashtra, it has been sown in 7.49 lakh hectares which is higher than 6.71 lakh hectares covered during corresponding period last year and in M.P, it has been sown in 12.58 lakh hectares which is higher than 12.03 lakh hectares covered during corresponding period last year.

In Gulabghat, maize traded steady at Rs. 1350 per quintal (Bilty) compared to last week. Despite huge demand from Tamil Nadu, maize is likely to trade range bound due to low availability of high quality variety. Besides, stock of maize is high than corresponding period of last year which also put pressure on market sentiments.

All India weekly average prices increased by 4.61 percent to Rs. 1896.14 per quintal during the week ended 23rd July 2017. Wheat average price were ruling at Rs 1812.64 per quintal during 09-15 July 2017. As compared to prices in the week 16th -23rd July 2016, the prices are firm by 5.55 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

The domestic soybean witnessed positive tone amid renewed buying interest and decline in arrivals in major mandis during the week. Overall bearish scenario in the global market and strength in INR vs. Dollar will limit upside movement in the coming days.

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. Recent rains will be beneficial for crop development in the coming week.

According to Soybean Processors Association (SOPA), India's soybean output is estimated at 11.49 million tonnes for the year 2016 -17. Overall availability of soybean for crushing and direct consumption stood at 11.93 million tonnes, taking into account a carryover stock of 441,000 tonnes. Around 8.5 million tonnes of the overall availability is estimated to be used for crushing. Farmers are likely to use 1.2 million tonnes for sowing in the ongoing kharif 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 2,75,000 bags compared to 2,60,000 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.

Excessive rains have been reported in certain soybean growing regions of Madhya Maharashtra and East Rajasthan.

IMD in its weekly Southwest monsoon progress report (01.06.2017 to 26.07.2017) has reported India's actual rainfall at 424.2 mm against the normal 405.6 mm and departure stands at 5% till 26 July 2017.

In West Madhya Pradesh, the departure of Southwest monsoon has increased to normal by 2%, actual rains is reported at 354.3 mm vs 345.7 mm normal till 26 July 2017 by IMD. Vidarbha reported the departure of -11%, actual rains 381.3 mm vs 430.8 mm normal. Marathwada reported the departure of -11% with actual rains of 262.0 mm vs 293.9 mm, East Rajasthan reported a departure of 29% with actual rains 323.6 mm vs 251.5 mm normal.

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

The area coverage under soybean, as on 28th July, is reported down 10.31% at 95.66 lakh hectares compared to 106.66 lakh hectares at the same period last year.

The total sown area under *kharif* oilseeds, as on 28th July, is lower compared to the previous year's level which is down by 9.16% at 142.31 lakh hectares compared to 156.65 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 amid forecast of rains in certain growing regions and higher supply.

At CBOT, the soybean, in the most active November contract, ended lower at US \$ 10.13/bushel compared to US \$ 10.22/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 24 July; Soybeans blooming are reported at 69% which is down from 74% from the corresponding period last year and up from the 5-year average of 67%.

Soybean crop setting pods are reported at 29% which is down from 33% from the corresponding period last year and up from the 5-year average of 27%.

About 57% of the soybean planted crop is under good to excellent condition which is down from 71% during the corresponding period last year. 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 noticed weak tone amid lack of buying interest in the cash market and spillover weakness from CBOT.

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. Till date sowing is lagging behind previous year.

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 declined in international market, during the week.

CBOT soy meal December contract settled at US \$ 328.50 per short ton compared to US \$ 336.8 per short ton last week.

The domestic soy meal prices at Indore, were quoted at Rs 24,700 – 25,000/MT compared to Rs 25,000 – 25,300/MT in previous week.

At Latur and Nanded, Maharashtra, soy meal witnessed easy tone and were quoted at Rs 26,200/MT and 26,200/MT respectively compared to Rs 24,700/MT in Indore and Rs 24,500/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard witnessed mostly weak tone during the week amid lack of buying interest and higher supplies in the market.

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

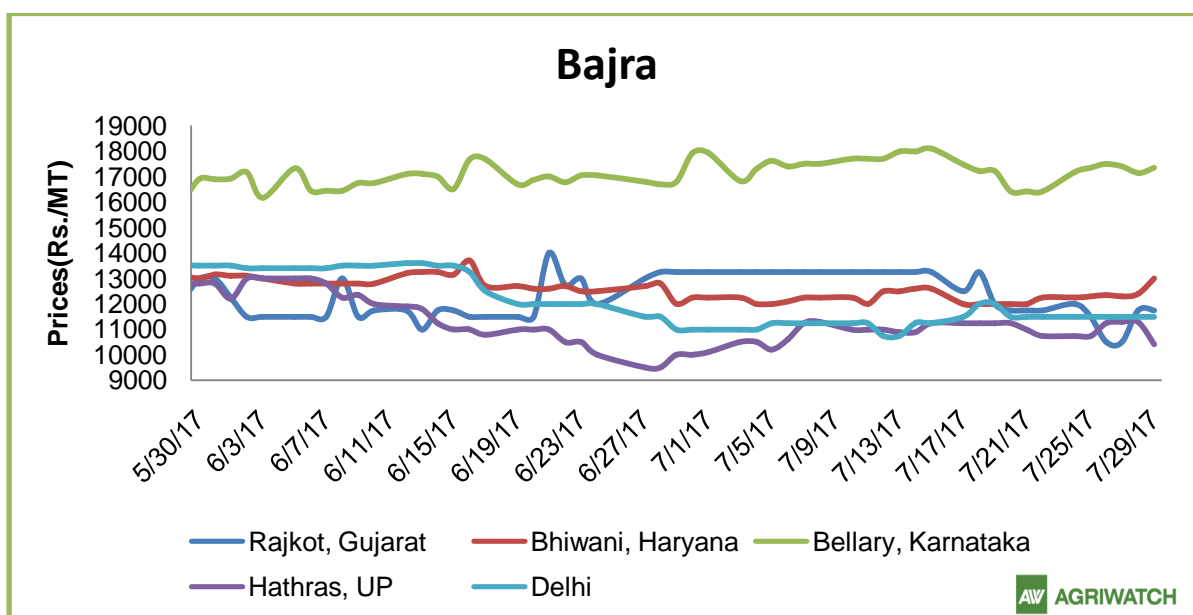
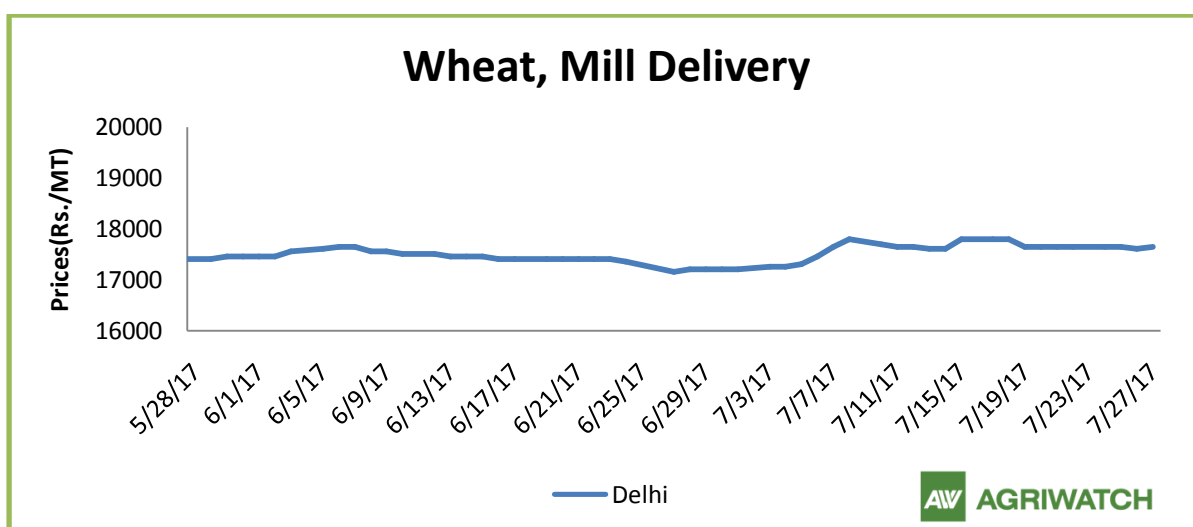
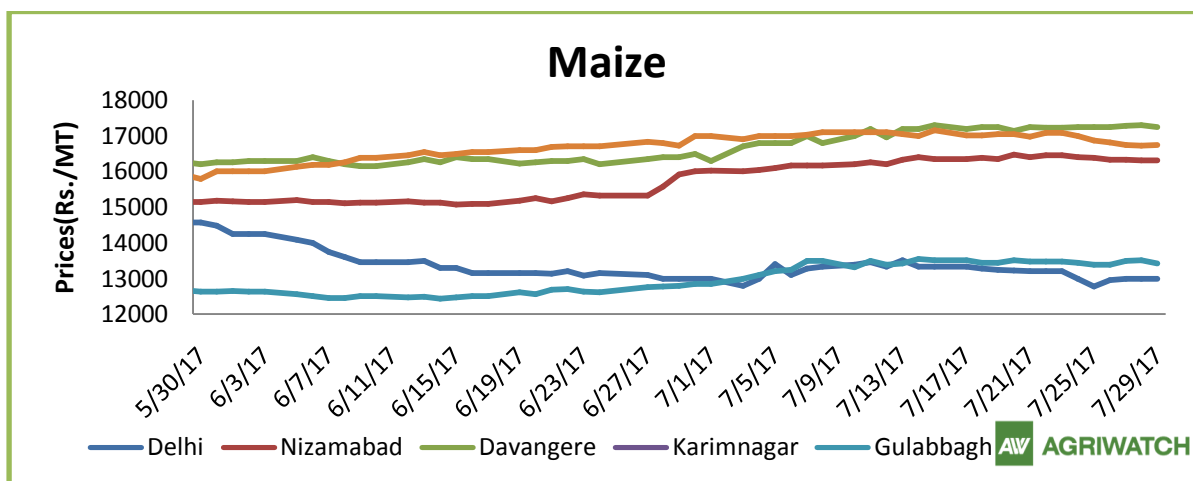
Higher domestic production and eventually increase in the seed supplies will add to the weak tone of the market in the coming days.

The all India seed supplies were reported between 0.95 – 1.00 lakh bags in a day compared to around 0.95 – 1.00 bags a day, previous week. The supplies were 0.80 – 0.95 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 3,850 – 3,880 a quintal compared to Rs 5,068 – 5,168 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at August contract ended higher at 3696/Qtl compared to 3678/Qtl previous week.

The rapeseed-mustard prices are driven by India's edible oil imports, Chinese veg. oil demand and Malaysian palm oil. India's edible oil imports increased in June.



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

In Nizamabad, maize (bilty) could trade firm in a range of Rs. 1650-1680 per quintal in the near term. As per trade sources, maize area are likely to be same compared to last year. It is moving towards Hyderabad at Rs. 1750 per quintal. Stock of maize could be around 45,000 quintals which was same during corresponding period of last year.

In Davangere, Maize (loose) traded down by Rs. 70 per quintal to Rs. 1700 per quintal compared to last week. It could trade in a range of Rs. 1680-1700 per quintal in the near term due to low demand. As per trade source, around 10% area of groundnut and cotton is likely to shift towards maize.

IGC decreased its forecast for 2017/18 global corn production by 5 MMT to 1020 MMT compared to previous forecast. Meanwhile, forecast for global corn ending stock was down by 2 MMT to 197 MMT compared to last forecast for 2017/18 due to decrease in production estimates for 2017/18.

As per USDA, U.S corn exports reached 50.22 MMT in the 2017-18 marketing year. At 0.89 MMT (for the period 14th July –20th July, 2017) exports were down 14 percent from the previous week and 12 percent from the prior 4-week average. The primary destinations were Japan (295,400 MT), Mexico (248,100 MT), Taiwan (79,300 MT), Portugal (72,300 MT), and Colombia (54,900 MT).

In U.S, 67% crop of corn is at silking stage as of 23rd July, 2017, lower by 9% compared to last year and 2% from last 5 year average period. 8% crop of corn is at dough stage, lower by 4% compared to last year and 5% from last 5 year average period. 62% crop of corn is in good to excellent condition, down by 1% compared to last week.

Corn prices on CBOT fall by 3.83 USD/MT to 146.75 USD/MT compared to last week for September contract due to low export demand for U.S corn.

As per market sources around 2-2.5 lakh tonnes of wheat have been contracted from Ukraine by south Indian millers for August-September delivery at \$216-220 per tonne CiF whereas Australia is also ready to provide wheat for \$275-280 per tonne CiF. The only fear importers are facing is an increase in import duty or abrupt change in phytosanitary measures. Furthermore wheat stocks at Indian port silos have also decreased. Imports are likely to affect off take from central pool as south Indian millers will prefer imported wheat over domestic wheat due to lower prices.

As per IMD, since the beginning of south-west monsoon the rains have been well distributed all over India except few areas in the south. The cumulative rainfall until Sunday in the country has been around 102% of the LPA and it is expected to be 99% of LPA in August which has 29% share in the overall monsoon rains. Until 28th July around 75 percent of Kharif sowing is done and because of normal rainfall this year better crop can be expected under normal conditions.

Since 29th June, FCI has offered a total quantity of 3529640 tonnes through various depots across India in OMSS until 27th July'17 at a reserve price of Rs. 1790 per quintal. The quantity bought through OMSS is lower this year compared to last year due to ample availability. In coming weeks the demand is likely to increase and buying activities in OMSS are likely to pick up. The next auction will be on 03rd August'17.

All India weekly average prices increased by 4.61 percent to Rs. 1896.14 per quintal during the week ended 23rd July 2017. Wheat average price were ruling at Rs 1812.64 per quintal during 09-15 July 2017. As compared to prices in the week 16th -23rd July 2016, the prices are firm by 5.55 percent. Prices are expected to remain steady to firm in coming days

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.

As per latest update, India has exported 41.15 thousand tonnes of wheat in the month of May'17 compared to 31.07 thousand tonnes in previous month. On import front India has imported 33 thousand tonnes of wheat in the month of May'17 compared to 185.17 thousand tonnes in the previous month. India is likely to import 3-4 million tonnes of wheat whereas exports are likely to be low as prices in India are ruling at higher side compared to other countries.

Indian FoB quote is hovering around \$273.04 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$184.50, \$186.60, Euro 166.65, \$194.76 and \$224.59 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. Rains in Germany and Britain have slowed down wheat harvest however harvest in France is progressing at a decent pace. 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 62 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 is likely to harvest around 28.4 MMT in 2017-18 due to lower acreage compared to 31.7 MMT in 2016-17. 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)		
	28-Jun-17	21-Jul-17	Parity To
Indore (MP)	24700	25000	Gujarat, MP

Kota	24500	24700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	26000	26100	Mumbai, Maharashtra
Nagpur (42/46)	25000	25100	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	26200	26200	Andhra, AP, Kar, TN
Latur	26200	26100	-
Sangli	26900	26700	Local and South
Sholapur	27000	27000	Local and South
Akola	24800	24800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	26000	26000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	25000	25000	-

Soy DOC at Port

Centers	Port Price	
	27-Jul-17	20-Jul-17
Kandla (FOR) (INR/MT)	26500	26000
Kandla (FAS) (USD/MT)	413	404

International Soy DOC			
Argentina FOB USD/MT	27-Jul-17	20-Jul-17	Change
Soybean Pellets	322	328	-6
Soybean Cake Flour	322	328	-6
Soya Meal	330	336	-6
Soy Expellers	330	336	-6
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	28-Jul-17	21-Jul-17	Change
Adoni	16600	16500	100
Khamgaon	NA	NA	-
Parli	16500	16400	100
Latur	16000	16200	-200

Groundnut Meal (Rs/MT)	28-Jul-17	21-Jul-17	Change
Basis 45%, Saurashtra	18500	19200	-700
Basis 40%, Saurashtra	17000	17000	Unch
GN Cake, Gondal	19000	19500	-500

Mustard DOC/Meal	28-Jul-17	21-Jul-17	Change
Jaipur (Plant delivery)	13400	13700	-300
Kandla (FOR Rs/MT)	14000	14500	-500
Sri Ganganagar	1605	1640	-35

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	27-Jul-17	20-Jul-17	27-Jun-17	27-Jul-16	27-Jul-15
Delhi	Hybrid(U.P)	1300	1325	1290	1625	1400
Davangere	Loose	1700	1770	1600	1700	1450
Nizamabad	Bilty	1650	1630	1540	1780	1350
Ahmadabad	Feed	1470	1470	1500	1800	1475
	Starch	1430	1420	1505	1760	1450

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	149.31	152.5	163.11	261.31
Cost and Freight	199.31	207.5	223.11	296.31

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	27-Jul-17	20-Jul-17	Change
Bajra	Karnataka	Hybrid	Bellary	1750	1722	28
		Hybrid	Bangalore	2050	1950	100
Jowar	Karnataka	White	Bangalore	2500	2500	Unch
		White	Bellary	1883	1837	46
Maize	Karnataka	Yellow	Davanger e	1700	1770	-70
	Andhra Pradesh	Yellow	Nizamaba d	NA	NA	-
Rice	Haryana	IR8	Karnal	2400	2500	-100
		Parmal Raw	Karnal	3100	3100	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2470	2500	-30
	Maharashtra	DOC	Sangli	2680	2670	10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1660	1650	10
	Maharashtra	Ex-factory	Latur	1600	1620	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1340	1370	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	1900	1950	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1745	1794	-49
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1589	1681	-92
Note: Prices Rs./Qtl						

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
 © 2017 Indian Agribusiness Systems Pvt. Ltd.