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Summary

Soybean witnessed easy tone during the week amid increase in arrivals in the mandis after the festival of Diwali and spillover weakness from soy complex at CBOT. Soybean at CBOT continued easy tone amid harvesting pressure in U.S. Midwest. Harvesting in U.S. is lagging behind 5-year average. Planting is expected to pick up in Brazil amid expected rains in the coming week. Delay in planting of soybean in Argentina coupled with good demand from China will continue to remain positive factor for the market.

At the domestic front, new crop soybean arrivals have picked up and are above 700,000 bags at all India level. With the arrivals in full swing, expected good demand from the crushers should lend some support to the market. South-west monsoon will withdraw during the week and north –east monsoon will set by month –end. North –east monsoon is active in southern peninsula and will not have any impact in the soybean growing regions.

The weekly soybean export sales released by USDA are above analysts' expectation. However it has been negated following harvesting pressure in U.S. Planting is lagging in Argentina and is expected to pick up in Brazil in the coming week.

Soy meal exports remain attractive amid recent weakness in INR.

The rapeseed-mustard prices witnessed positive tone amid increase in MSP for the upcoming rabi season by the government and good demand from the retailers.

However overall supply pressure in the global market will limit upside movement. Sowing of the rabi crop will influence the market in the coming days.

Standard quality maize prices are likely to stay steady despite fresh demand of feed makers as new crop arrivals has started from Telangana, Karnataka and Maharashtra regions. As new crop contains high moisture at this time and some quality has been affected by fungus. Starch feed makers are actively buying low quality material at these lower rates. However, feed makers are still waiting for dry material and quoting lower rates on the expectation of crop arrival pressure in near term. In Nizamabad, maize crop contains moisture up to 20% at this time and has been affected by fungus while Davangere crop contains moisture up to 25% at this time.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.84% to Rs. 1370 per quintal (weekly average price) while starch feed makers quoted it down by 5.14 % to Rs. 1347 per quintal compared to last week average price.

In India, maize has been sown in around 80.91 lakh hectares as of 13th October'17 which is lower than 84.52 lakh hectare covered during corresponding period last year. Agriwatch estimates production of maize for Kharif season 2017-18, at 15.66 MMT, lower by 1.94 MMT from the last kharif season for 2016-17.

Corn prices on CBOT rose by 0.39 USD/MT to 138.18 USD/MT compared to last week for December contract.

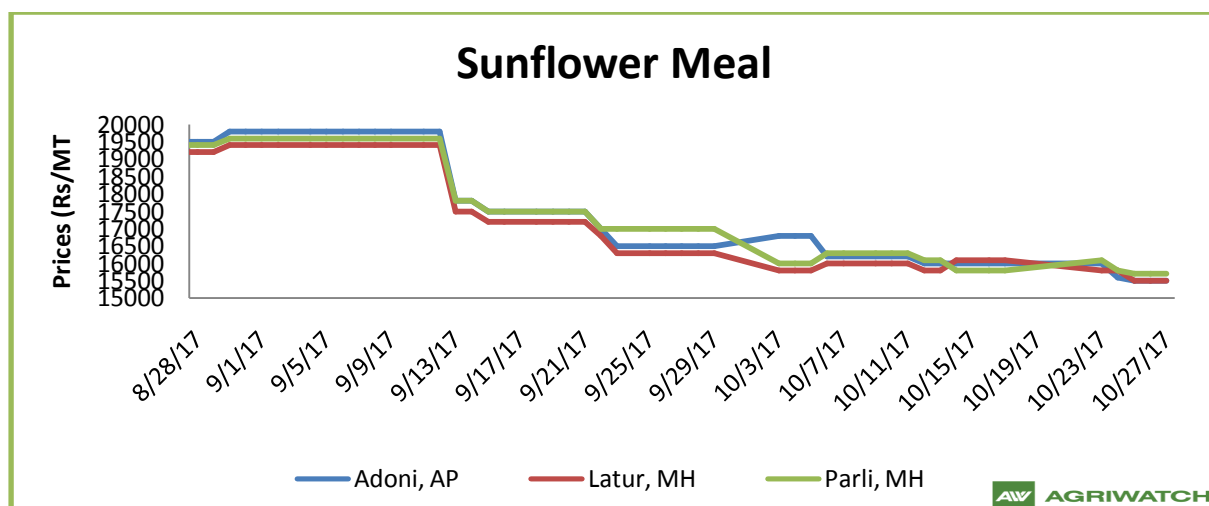
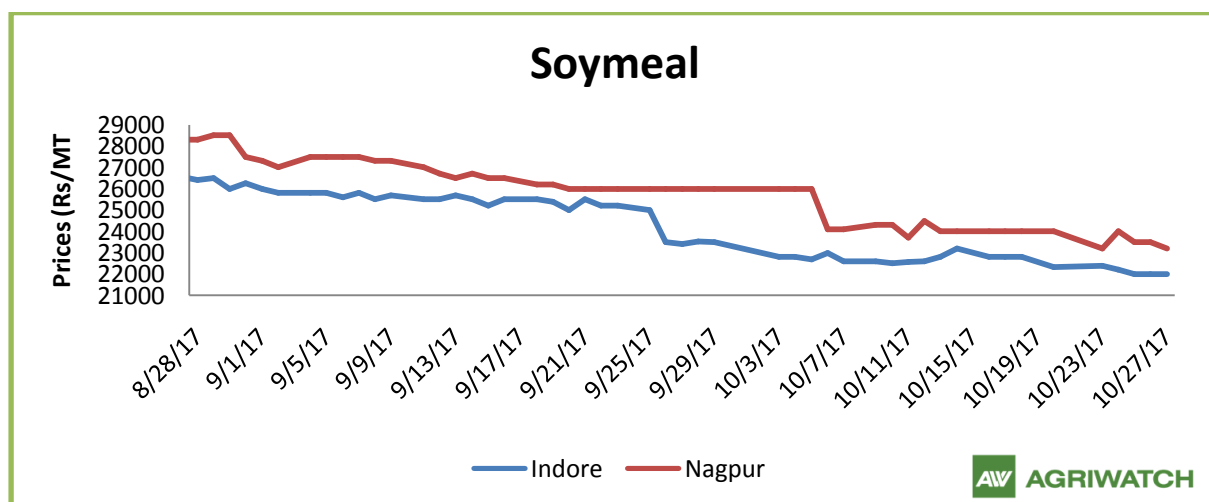
International Grains Council (IGC) increased its forecast for 2017/18 global corn production by 5 MMT to 1034 MMT compared to previous forecast.

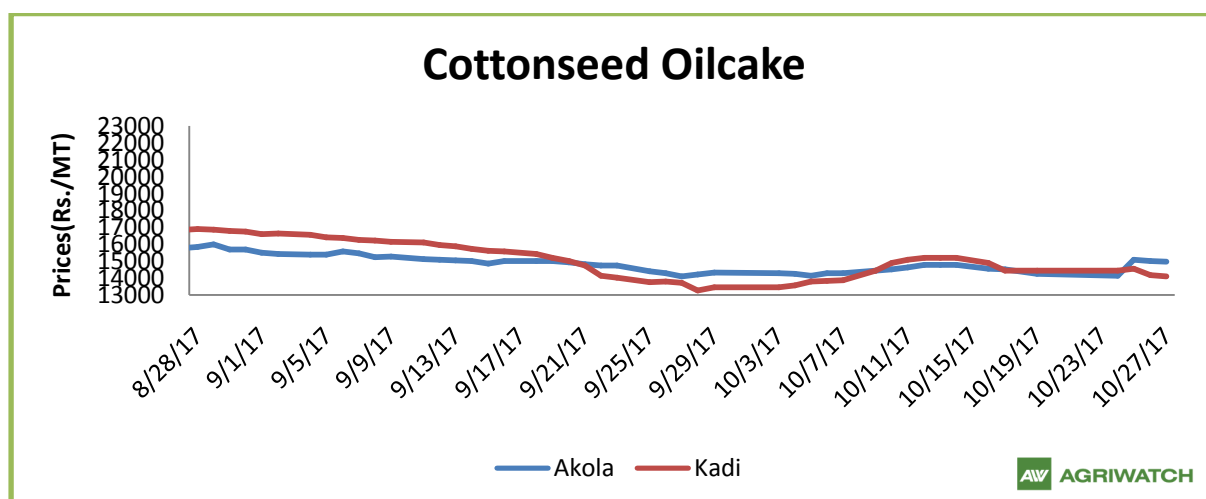
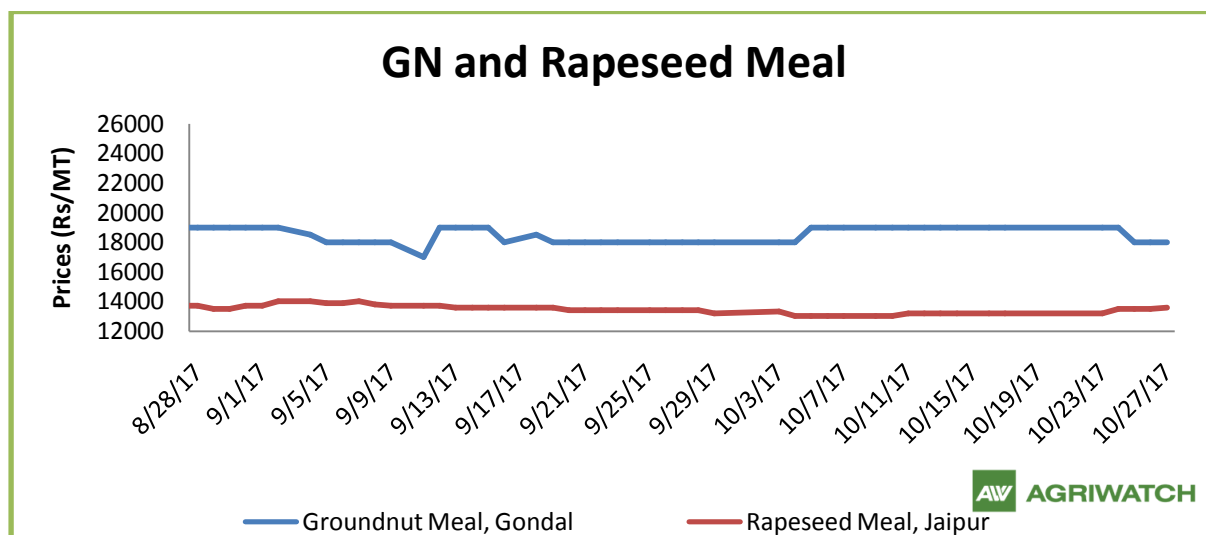
At 0.60 MMT (for the period 13th October –19th October, 2017) U.S corn exports were primarily to Mexico (198,400 MT), Peru (136,500 MT), Japan (95,500 MT), Colombia (90,900 MT), and Costa Rica (29,200 MT).

In U.S, 96% crop of corn has matured as of 22nd October, 2017, lower by 3% compared to last year. Meanwhile, 38% crop of corn has harvested which is lower by 21% from the corresponding period of last year. 66% crop of corn is in good to excellent condition, up by 1% compared to last week.

All India weekly average prices increased by 0.18 percent to Rs. 1940.83 per quintal during the week ended 31st October 2017. Wheat average price were ruling at Rs 1937.30 per quintal during 16-23 October 2017. As compared to prices in the week 24-31 October 2016, the prices are firm by 5.29 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean notice weak tone during the week amid increase in new crop arrivals in the mandis and spillover weakness from soybean at CBOT. Soybean at CBOT continued easy tone amid harvesting pressure in U.S. Midwest and expected rains in Brazil in the coming week. Slow pace of planting in Argentina will continue to remain positive factor for the market.

At the domestic front, arrival of the new crop is in full swing in the mandis and this will weigh on the market in the coming days. Expected good demand from the crushers during the season should lend some support to the market. South –west will withdraw during the week according to the Indian Meteorological Department. North –East monsoon will set in by next week. However it will be active in the Southern Peninsula and will not have any impact on soybean.

According to the latest estimates of SOPA, soybean production in the country for 2017 has been estimated at 91.46 lakh tonnes compared to 114.91 lakh tonnes during the previous year. Madhya Pradesh is estimated to produce 45.36 lakh tonnes compared to 57.17 lakh tonnes in 2016. Maharashtra's soybean production is estimated at 31.39 lakh tonnes in 2017 compared to 39.46 lakh

tonnes during previous year. Rajasthan is estimated to produce 7.62 lakh tonnes in 2017 compared to 9.50 lakh tonnes during the previous year.

The domestic bean prices are at 5 year low and we feel the prices are not expected to recover soon amid harvesting pressure in the domestic and global markets.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 15,25,000 bags compared to 330,000 bags reported in the previous week. Arrivals have increased as mandis have opened after the festival of Diwali.

As per Agriwatch estimates, soybean production in the current kharif season is expected to be 98 lakh metric tonnes compared to 115 lakh metric tonnes in the previous season. Lower soybean production will lend some support to the market. However comfortable carry-in stocks and harvest of soybean in U.S. Midwest will continue to be the limiting factor.

The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, Ambika Kalapipal, Agrawal Neemuch, Adani, Agro Sol. Datia, Avi Agro, Bansal, Bajrang, Betul Oil, Dhanuka, DivyaJyoti, G. Ambuja, Itarsi, Indian Soya (3-2-10 specification), Khandwa, Khyati, Kriti (2-2-11 specification), K.P. Newari, Mahakali, M.S. Neemuch, Prakash, Oyster Exim, Prestige, Ruchi, Rama, RH Solvex, SSA Mandideep, Shanti Overseas (1-2-10 specification), Sawariyaltarsi, Sitashri, Vippy for Dewas and Mandsaur delivery during the week.

International:

The international benchmark, CBOT soybean witnessed easy tone as harvesting has picked up in U.S. Midwest and planting of soybean in Brazil is expected to pick up pace during the week.

At CBOT, the soybean, in the most active November contract, ended lower at US \$ 9.79/bushel compared to US \$ 9.75/bushel last week.

According to the National Oilseed Processors Association (NOPA), 136.419 million bushels soybean was crushed in September 2017 compared to 142.424 million bushels previous month. It is below analyst's expectation of 138.071 million bushels and highest for the month in ten years. Soy oil stocks in U.S. at the end of September fell 8.12 percent to 1.302 billion lbs compared to 1.417 billion lbs in end August 2017. Stocks of soy oil in end September was lower by 5.38 percent compared to end September 2016, which was reported at 1.376 million lbs. Soy meal exports during the month declined to 487,397 tons compared to 426,896 tons in August and 439,605 tons a year earlier.

In the weekly USDA crop progress report released on 23 October; Soybeans dropping leaves are reported at 97% which is less than 98% during the corresponding period last year and same as the 5 year average of 97%.

Around 70% of the new soybean crop has been harvested which is less than 74% during the corresponding period last year and down from the 5 year average of 73%.

Net sales of 2,129,300 MT of soybean for 2017/2018 were up 67 percent from the previous week and 23 percent from the prior 4-week average. Increases were reported for China (1,576,200 MT, including 578,000 MT switched from unknown destinations and decreases of 5,100 MT), Taiwan (120,400 MT, including decreases of 2,500 MT), Japan (82,900 MT, including 54,000 MT switched from unknown destinations and decreases of 2,100 MT), Spain (70,900 MT, including 50,000 MT switched from unknown destinations), South Korea (58,600 MT, including 56,000 MT switched from

unknown destinations), and Germany (52,700 MT) during the week October 13 -19, 2017. Reductions were reported for the Dominican Republic (5,000 MT). For 2018/2019, net sales of 1,000 MT were reported for Japan. Exports of 2,522,600 MT were primarily to China (1,739,200 MT), Spain (146,900 MT), Mexico (112,500 MT), Thailand (81,300 MT), and Vietnam (73,300 MT). The current week's net sales are higher compared to net sales of 1,275,200 MT during the previous week and above analyst's expectation of 1,200,000 -1,600,000 MT.

Soy meal

The domestic meal prices noticed weak tone amid lack of good demand in the domestic market and spillover weakness from soy meal at CBOT. Demand is expected to pick up with increase in crushing activities in the coming days.

Usually export demand is good through October –February. According to market sources there is forward booking for soy meal in November. Soy meal ready and for November 2017 delivery in jute bags at Latur was quoted between 23500 and 23900 +GST by ADM last week. This is with 46% protein and 12.5% moisture condition. However, it was quoted between 23800 and 24000 in PP bags for ready and Nov '17 delivery.

Soy meal prices have to be competitive during the season to increase share in the global year. In the current year meal exports have been good following good monsoon and higher production. Lower soybean production this season will translate into lower meal production.

Further, competitive price offer by South America for soy meal has reduced demand for Indian soy meal in the global market.

On a financial year basis, India's export of oil meals during April 2017 to September 2017 stands at 1,101,689 metric tonnes as compared to 594,529 metric tonnes in the same period of previous year showing an increase of 85% according to data released by the Solvent Extractor's Association of India.

In the month of September 2017, export of oil meals increased by 5% to 115,083 metric tonnes compared to the same period previous year. Soy meal exports during the period April 2017 to September 2017 was reported at 397,364 metric tonnes compared to 75,720 metric tonnes during the same period previous year.

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

Recent weakness in INR against USD will remain positive factor for meal exports from India.

Soy meal declined in international market, during the week.

CBOT soy meal December contract settled at US \$ 312.10 per short ton compared to US \$ 317.10 per short ton last week.

Net sales of 142,800 MT of soybean cake and meal for 2017/2018 were reported for Mexico (64,300 MT), the Philippines (52,600 MT), Costa Rica (12,800 MT), Canada (8,600 MT, including decreases of 2,700 MT), the Dominican Republic (2,700 MT), and Burma (1,500 MT) during the week October 13 -19, 2017. Reductions were reported for Colombia (2,900 MT) and Jamaica (1,000 MT). Exports of 133,200 MT were reported to the Philippines (48,000 MT), Colombia (20,100 MT), Canada (17,600

MT), Mexico (13,600 MT), the Dominican Republic (7,200 MT), Venezuela (6,000 MT), and Israel (5,300 MT). The current week's net sales for 2017/18 are lower compared to net sales of 296,000 MT during the previous week.

According to China's General Administration of Customs, China imported 53,909 metric tonnes of soy meal during the period January –September 2017, an increase of 304.7% compared to the same period previous year. In the month of September 2017, China's imports of soy meal increased by 127.49% to 2,047 metric tonnes.

The domestic soy meal prices at Indore, were quoted at Rs 22,000 – 22,400/MT compared to Rs. 22,325/MT -23,200/MT in previous week. At Latur and Nanded, Maharashtra, soy meal noticed weak tone and were quoted at Rs 23,000/MT and 22,500/MT respectively compared to Rs 22,000/MT in Indore and Rs 22,500/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard noticed firm tone during the week amid good demand from the retailers and increase in MSP of mustard by Rs. 300/Qtl in the 2017 -18 Rabi season. Arrivals are higher as the mandis have opened after the festival of Diwali.

The Cabinet Committee on Economic Affairs has approved the Minimum Support Prices (MSPs) for Rabi Oilseeds Crops of 2017-18 season are as follows: The MSP of Rapeseed/Mustard is raised (8.1%) by Rs. 300/Qtl to Rs. 4,000/Qtl from Rs. 3,700/Qtl earlier.

The all India seed supplies were reported between 1.00 – 1.25 lakh bags in a day compared to around 0.70 – 1.10 bags a day, previous week. The supplies were 0.35 – 0.40 lakh bags a day during the corresponding period last year.

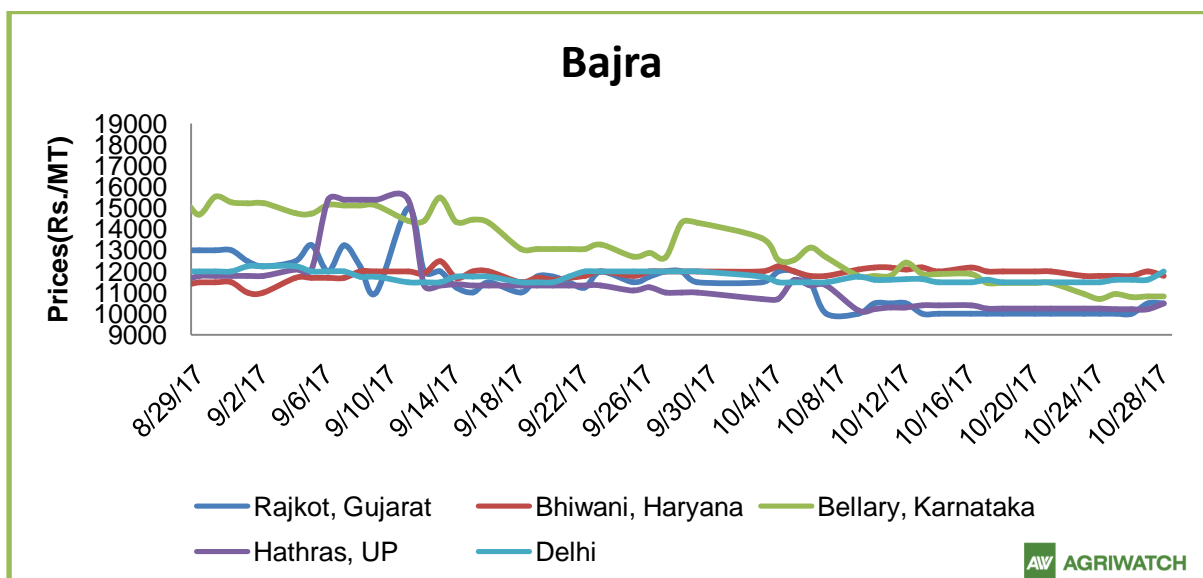
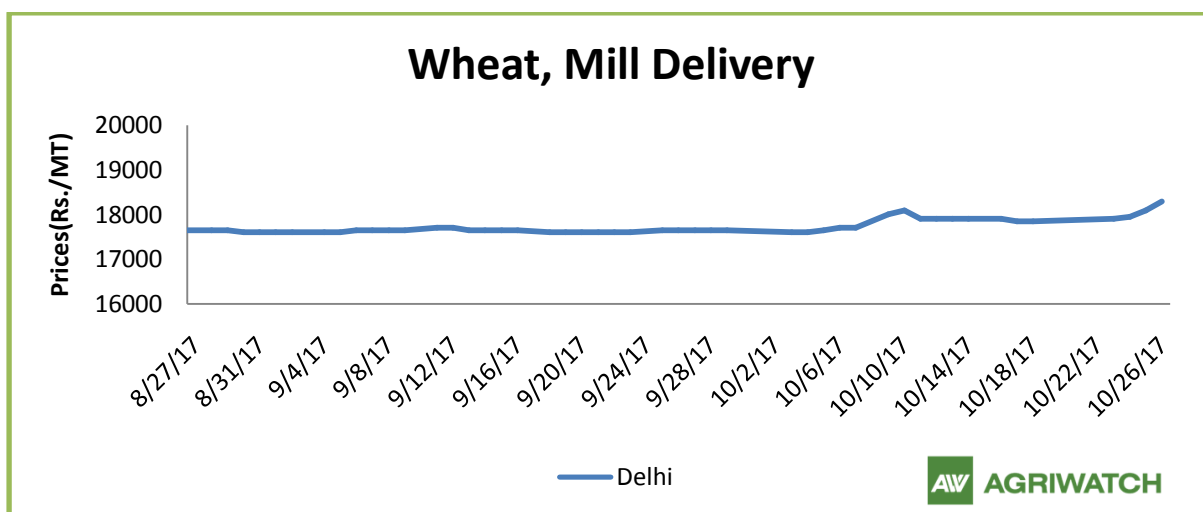
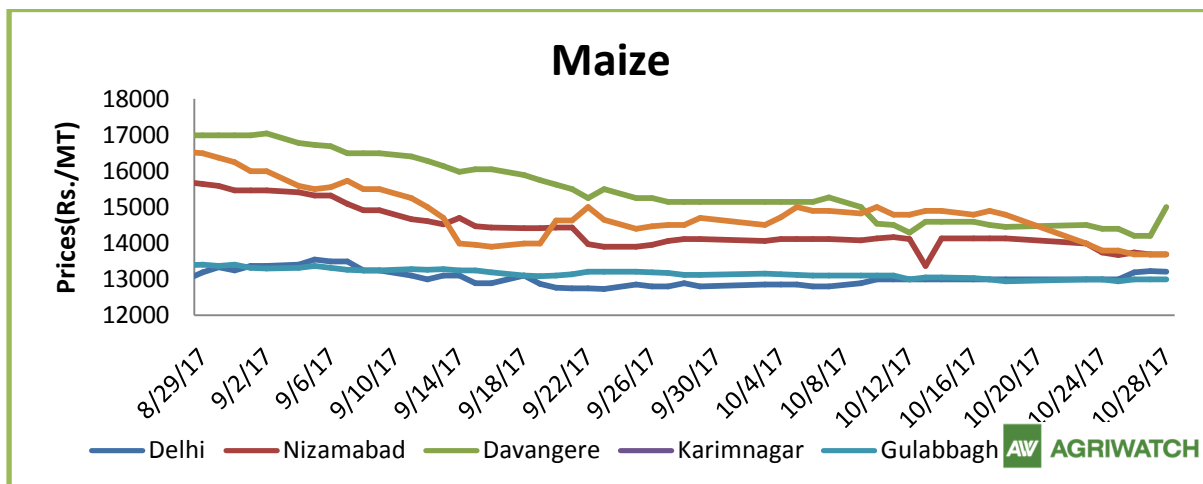
The seed prices are still lower at spot market and are quoted at around Rs 3,960 – 4,005 a quintal compared to Rs 4,660 – 4,750 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at November contract ended higher at 3892/Qtl compared to 3895/Qtl previous week.

According to China's General Administration of Customs, China imported 3,653,757 metric tonnes of rapeseed during the period January –September 2017, an increase of 23.53% compared to the same period previous year. In the month of September 2017, China's imports of rapeseed increased by 52.5% to 295,055 metric tonnes.

According to China's General Administration of Customs, China imported 724,874 metric tonnes of rapeseed meal during the period January –September 2017, an increase of 105.08% compared to the same period previous year. In the month of September 2017, China's imports of rapeseed meal declined by 35.3% to 83,272 metric tonnes.

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 September.



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

In Nizamabad, maize crop contains moisture up to 20% at this time. Some quality has been affected by fungus and being mostly bought by starch feed makers. On the other side; Standard quality maize prices are likely to stay steady despite fresh demand of feed makers on the expectation of crop arrival pressure.

In Davangere region, new crop arrivals of maize has started contains moisture up to 25% at this time. Around 50 bags (1 bag=60 kg) of new crop on daily basis has just started. It is likely to trade steady amid sluggish demand. As per trade source, In Davangere, stock of maize could be around 1 lakh bags which were 2 lakh bags during corresponding period last year.

As per USDA, at 0.60 MMT (for the period 13th October –19th October, 2017) U.S corn exports were primarily to Mexico (198,400 MT), Peru (136,500 MT), Japan (95,500 MT), Colombia (90,900 MT), and Costa Rica (29,200 MT).

International Grains Council (IGC) increased its forecast for 2017/18 global corn production by 5 MMT to 1034 MMT compared to previous forecast. However, forecast for global corn ending stock was down by 5 MMT to 203 MMT compared to last forecast for 2017/18 due to increase in trade and consumption estimates.

In U.S, 96% crop of corn has matured as of 22nd October, 2017, lower by 3% compared to last year. Meanwhile, 38% crop of corn has harvested which is lower by 21% from the corresponding period of last year. 66% crop of corn is in good to excellent condition, up by 1% compared to last week.

All India weekly average prices increased by 0.18 percent to Rs. 1940.83 per quintal during the week ended 31st October 2017. Wheat average price were ruling at Rs 1937.30 per quintal during 16-23 October 2017. As compared to prices in the week 24-31 October 2016, the prices are firm by 5.29 percent. Prices are expected to remain steady to firm in coming days.

India has received actual rainfall of 78 mm since the beginning of the month until 29th October. There is no departure from normal rainfall for the same period. Uttar Pradesh, Madhya Pradesh and Gujarat received deficient rainfall whereas Rajasthan, Haryana and Punjab received no rainfall during the same time period. Soil moisture is good in major wheat producing states as of now except Rajasthan. Rajasthan government has kept a target of 32 lakh hectares for 2017-18 Rabi season compared to actual sown area of 33.49 lakh hectares last year. Wheat prices are getting support from increase in MSP and an expected increase in import duty.

India is likely to increase import duty on wheat from 10 percent to 20 percent. India has scrapped import duty on wheat in December 2016 and reinstated 10 percent duty in March 2017 due to cheaper imports compared to domestic wheat prices. Millers in South India have put their import contracts on hold due to speculation regarding import duty.

As per Afghanistan Chamber of Commerce and Industries (ACCI), India will send around 130000 tonnes of wheat to Afghanistan via Chabahar port of Iran. This move is likely to improve trade relations of India and Afghanistan.

Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. This will motivate farmers to sow more area and thereby boost production of wheat. Sowing of wheat has started in irrigated areas of Madhya Pradesh and Gujarat. Furthermore sowing is likely to pick up in Punjab and Haryana in upcoming days. The crop will be marketed from next year in April onwards.

As per fourth advance estimate for 2016-17 wheat production is likely to be around 98.8 MMT which is higher compared to third advance estimate of 97.4 MMT. The total food grain production has been pegged at 275.68 MMT compared to 251.57 MMT in final estimate of 2015-16.

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 trade sources, Import quotes for wheat from different origins to Tuticorin port witnessed firm tone in last week. As of now Tuticorin port price for APW is Rs 1950 per quintal, ASW is Rs 1890-1900 per quintal and Ukrainian wheat at Rs 1790-1800 per quintal. India is likely to import 3-4 million tonnes of wheat in 2017-18. Government may increase import duty from 10% in order to curb imports and provide support to domestic prices.

Indian FoB quote is hovering around \$263.85 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$186.50, \$188.50, Euro 159.56, \$190.76 and \$209.50 per tonne respectively. There is little hope for recovery at export front this year however India is expected to import 3 to 4 million tonnes in MY 2017-18.

Global wheat market is expected to trade from steady to weak due to higher carryover stocks and good production. EU is likely to produce around 142.5 MMT in 2017. Russia and Ukraine are likely to harvest 86-88 MMT and 26.5 MMT of wheat in 2017-18 respectively. Production in US is likely to be around 47.37 MMT compared to last year's 62.8 MMT due to fall in area sowed. Australia is likely to produce 20.1 MMT in 2017 compared to 35 MMT in 2016 due to lower acreage and unfavorable weather conditions. Argentina is expecting to harvest around 15.9 MMT in 2017-18 compared to 17.6 MMT in 2016-17. Furthermore, Canada is likely to harvest around 27 MMT in 2017-18 due to lower acreage compared to 31.7 MMT in 2016-17.

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)		
	27-Oct-17	20-Oct-17	Parity To
Indore (MP)	22000	22325	Gujarat, MP
Kota	22500	23000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	22700	23800	Mumbai, Maharashtra
Nagpur (42/46)	23200	24000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	22500	24200	Andhra, AP, Kar ,TN
Latur	23000	24500	-

Sangli	23000	23800	Local and South
Sholapur	22500	24300	Local and South
Akola	23000	23000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	23200	24000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	22000	23500	-

Soy DOC at Port

Centers	Port Price	
	26-Oct-17	20-Oct-17
Kandla (FOR) (INR/MT)	24200	25000
Kandla (FAS) (USD/MT)	367	380

International Soy DOC			
Argentina FOB USD/MT	26-Oct-17	19-Oct-17	Change
Soybean Pellets	NA	NA	-
Soybean Cake Flour	NA	NA	-
Soya Meal	NA	NA	-
Soy Expellers	NA	NA	-
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	27-Oct-17	20-Oct-17	Change
Adoni	15500	16000	-500
Khamgaon	NA	NA	-
Parli	15700	16100	-400
Latur	15500	15800	-300

Groundnut Meal (Rs/MT)	27-Oct-17	20-Oct-17	Change
Basis 45%, Saurashtra	17200	18000	-800
Basis 40%, Saurashtra	18000	17000	1000
GN Cake, Gondal	18000	19000	-1000

Mustard DOC/Meal	27-Oct-17	20-Oct-17	Change
Jaipur (Plant delivery)	13600	13200	400
Kandla (FOR Rs/MT)	14300	14000	300
Sri Ganganagar	1715	1675	40

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	26-Oct-17	18-Oct-17	26-Sep-17	26-Oct-16	26-Oct-15
Delhi	Hybrid(U.P)	1310	1300	1300	1330	1440
Davangere	Loose	1300	Closed	1350	1450	1400
Nizamabad	Bilty	1400	Closed	1430	1450	NA
Ahmadabad	Feed	1380	Closed	1380	1440	1550
	Starch	1350	Closed	1390	1400	1550

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	147.15	153.90	157.81	231.21
Cost and Freight	198.03	207.80	214.50	269.91

Soy Meal Exports (In MT):

<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
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	48900
Jun	213564	2636	2098	17930	45975
Jul	107038	6682	928	12270	80797
Aug	183555	2778	768	10615	87668
Sep	173381	868	6886	12210	9650
Oct	182724	29071	4237	31390	
Nov	503269	110806	8909	97750	
Dec	451314	193832	5667	241250	
Total	3512217	1210954	276674	455374.1	867560

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	26-Oct-17	18-Oct-17	Change
Bajra	Karnataka	Hybrid	Bellary	1079	1146	-67
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	1310	1132	178
Maize	Karnataka	Yellow	Davangere	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamabad	1350	Closed	-
Rice	Haryana	IR8	Karnal	2600	2700	-100
		Parmal Raw	Karnal	3100	3250	-150
Soy meal	Madhya Pradesh	DOC	Indore	2200	2232	-32
	Maharashtra	DOC	Sangli	2300	2380	-80
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1550	1600	-50
	Maharashtra	Ex-factory	Latur	1550	1580	-30
Mustard	Rajasthan	Plant delivery	Jaipur	1360	1320	40
Groundnut Meal	Gujarat	GN Cake	Gondal	1800	1900	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1410	1442	-32
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1496	1423	73
Note: Prices Rs./Qtl						

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