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## Summary

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Soybean noticed firm tone during the week amid declining arrivals, good demand in the cash market and positive tone of soybean at CBOT. Soybean at CBOT noticed recovery amid short –covering ahead of Thanksgiving holidays, La Nina weather phenomenon leading to dry weather in Argentina and expected good demand from China in the coming days. Harvesting is almost over and demand has to be good to gain global share in the market. The weekly export sales of soybean was below market expectation of 1 -1.5 MMT. Dry weather in Argentina continue to remain supporting factor for the market.

At the domestic front, edible oils continued firm tone amid recent increase in import duty. This remained supportive factor for the oil complex. Arrival of soybean has declined during the week and all India average soybean arrival per day was around 5.5 -6.0 lakh bags. Rabi oilseeds acreage till date is lagging behind previous year. Demand is expected to be good in the coming days with the increase in crushing activities. Crushing demand picks up ahead of demand during winter season.

The weekly export sales of soybean released by the USDA was below market expectation of 1 -1.5 MMT. Trading remained lack –luster at CBOT amid Thanksgiving holidays. Harvesting is almost over in the US and overall supply pressure in the global market will continue to remain limiting factor. Soybean output is expected to be less in Argentina this season following dry weather in the growing regions.

Soy meal export demand is expected to be good in the coming weeks.

Rapeseed prices witnessed positive tone amid good demand for mustard oil during winter season and firm tone of palm oil at BMD. Overall positive tone in edible oils added to the firm tone of the market. Arrivals are higher in the market compared to previous week and rabi sowing is lower by around 11% till date compared to same period previous year.

However upside movement will be limited in the coming days amid harvesting pressure in the global and domestic market. Sowing of the rabi crop will influence the market in the coming days.

As per Ministry of Agriculture, in India, maize has been sown in around 6.49 lakh hectares as on 24th November'17 for Rabi season (2017-18) which is higher than 5.32 lakh hectare covered during corresponding period last year.

As per farmers sowing intention, in Telangana and Andhra Pradesh regions, maize area likely to be same compared to last year.

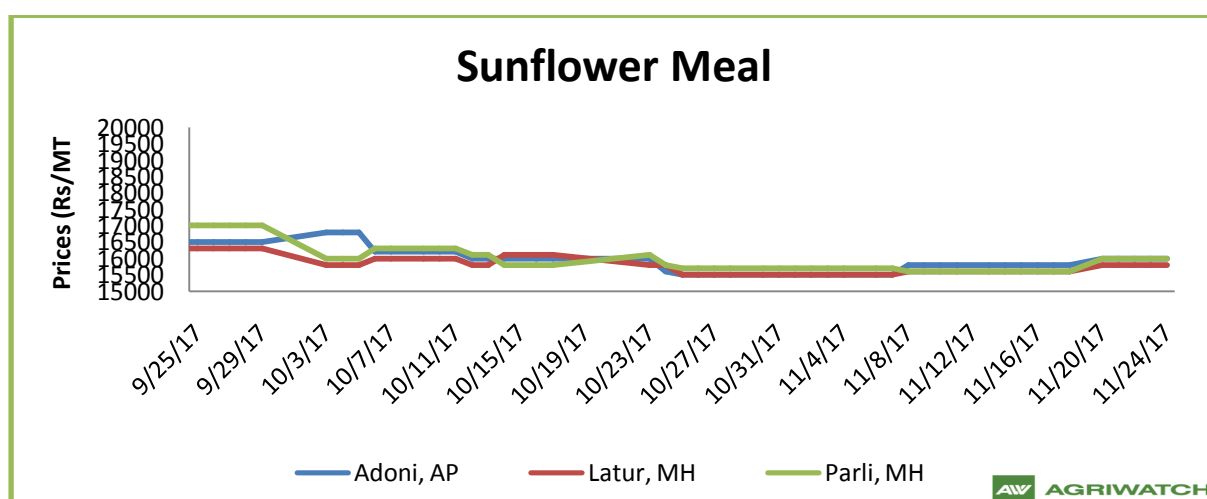
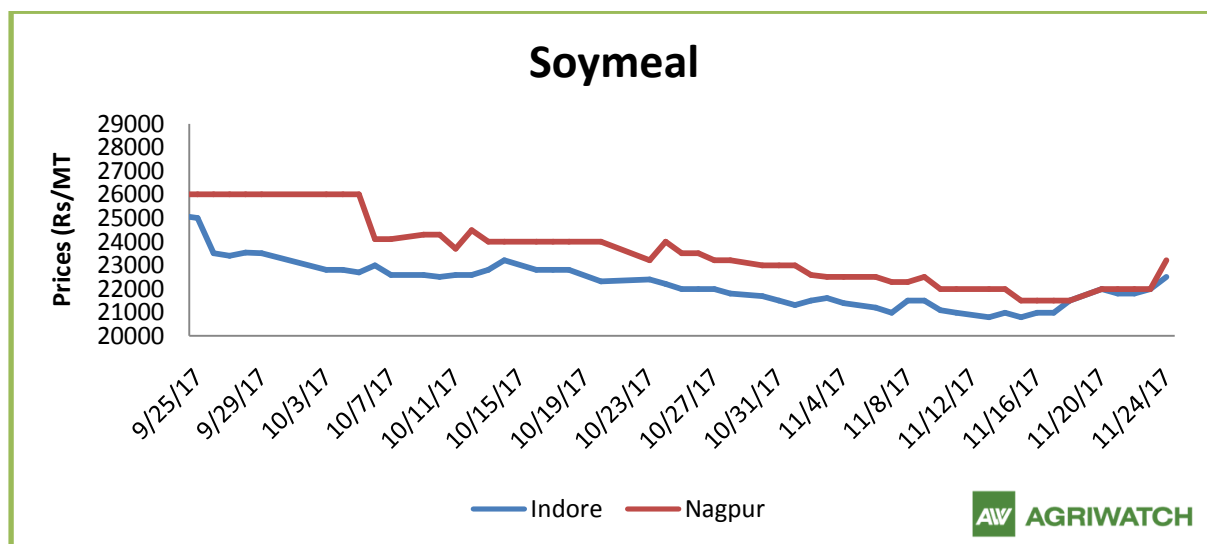
Overall maize cash markets traded steady to slightly firm during the week and are expected to be steady in near term.

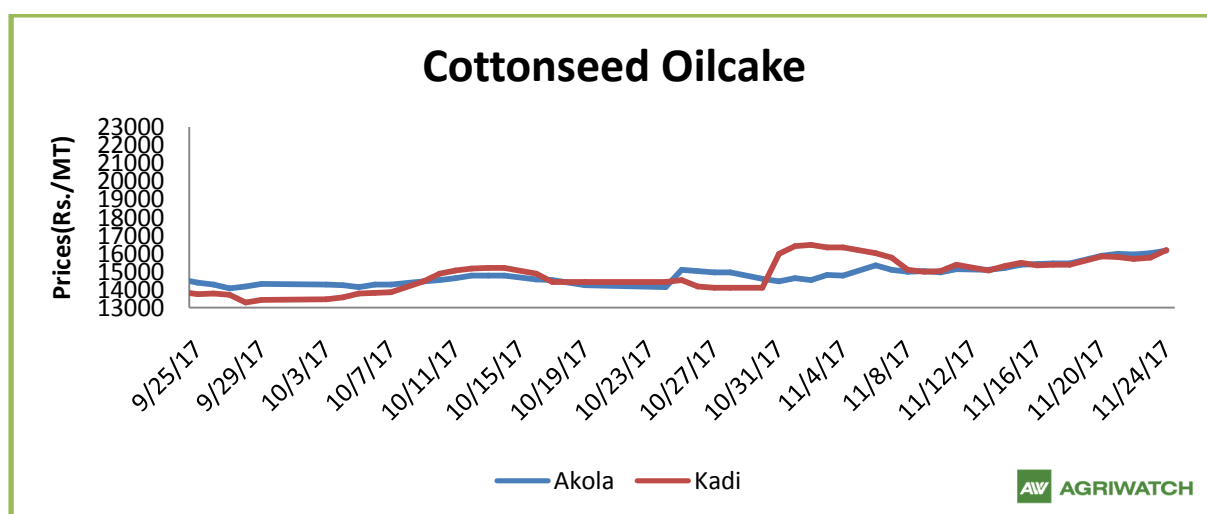
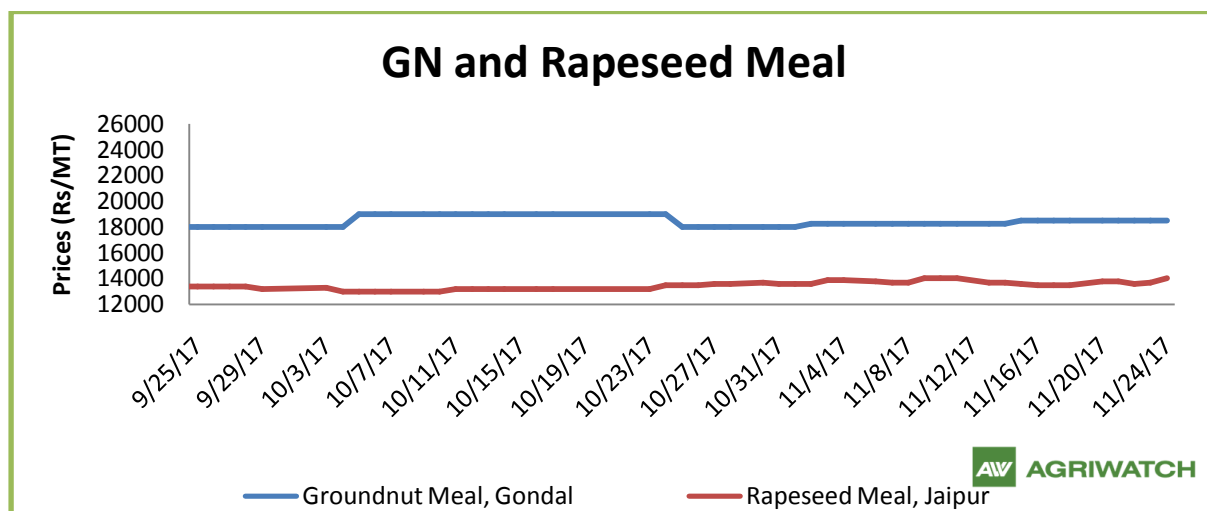
The material presently arriving in the Nizamabad markets contains 30% damaged grains and 10-12% fungus while in Davangere, maize crop contains moisture up to 20% now. About a third of the material arriving in the market is infested with fungus. In the affected lots between 2 to 8% of the grains are infested. In India, Standard quality maize prices are expected to be steady due to new crop arrival pressure amid high stock availability of old crop.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.17 % to Rs. 1292 per quintal (weekly average price) while starch feed makers quoted it firm by 0.15 % to Rs. 1307 per quintal compared to last week average price.

All India weekly average prices decreased by 4.34 percent to Rs. 1829.45 per quintal during the week ended 23rd November 2017. Wheat average price were ruling at Rs 1912.51 per quintal during 09-15 November 2017. As compared to prices in the week 16-23 November 2016, the prices are weak by 7.03 percent. Prices are expected to remain steady to firm in coming days.

### Trend – Raw Material, Feed





Source: AgriWatch

## Soybean

Soybean witnessed positive tone during the week amid declining arrivals, good demand in the cash market and positive tone of soybean at CBOT. Soybean at CBOT notice recovery amid short – covering ahead of Thanksgiving holidays, dry weather in Argentina's soybean growing regions and expected good demand from China. However upside was limited amid bearish weekly export sales of soybean released by the USDA. The weekly export sales of soybean was below market expectation of 1 -1.5 MMT.

At the domestic front, oils continued firm tone amid recent increase in import duty. This remained supportive factor for oil complex. Arrivals have declined in the mandis with the harvesting pace slowing down. All India average arrival of soybean was around 5.5 -6.0 lakh bags per day. Demand is expected to be good in the coming days with increase in crushing activities. Demand for oil increases during winter season.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 18,60,000 bags compared to 22,38,000 bags reported in the previous week.

*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 record soybean crop in U.S. Midwest will continue to be the limiting factor.*

The total sown area under rabi oilseeds, as on 17th November 2017, is lower compared to the previous year's level which is down by 4.95% at 49.78 lakh hectares compared to 51.30 lakh hectares during the corresponding period last year.

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

#### **International:**

The international benchmark, CBOT soybean closed higher amid short-covering and dry weather in the soybean growing regions of Argentina.

At CBOT, the soybean, in the most active January contract, ended higher at US \$ 9.93/bushel compared to US \$ 9.91/bushel last week.

Net sales of 869,100 MT for 2017/2018--marketing-year low--were down 21 percent from the previous week and 45 percent from the prior 4-week average. Increases were reported for China (407,100, including 326,000 MT switched from unknown destinations and decreases of 205,500 MT), unknown destinations (164,000 MT), Mexico (105,900 MT, including decreases of 3,400 MT), the Netherlands (69,300 MT, including 66,000 MT switched from unknown destinations), and Peru (36,400 MT, switched from unknown destinations and decreases of 1,300 MT) during the week November 10 -16, 2017. Reductions were reported for Pakistan (1,300 MT). For 2018/2019, net sales of 34,500 MT were reported for Japan. Exports of 1,925,500 MT were primarily to China (1,490,600 MT), Mexico (74,500 MT), Vietnam (73,200 MT), the Netherlands (69,300 MT), and Pakistan (66,700 MT). The current week's net sales are lower compared to net sales of 1,104,800 MT during the previous week.

#### **Soy meal**

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The domestic meal prices noticed firm tone during the week amid good demand in the cash market and positive tone in other legs of the complex. Firm tone of soy meal at CBOT added to the positive tone of the market.

Export demand is generally good during the period October –February. According to market sources there is forward booking for soy meal. Soy meal ready for delivery in PP bags at Dhule was quoted at 23800+GST by MOEPI. This is with 46.5% protein content. However, it was quoted at 24000+GST at Latur by ADM for ready and 1 -15 December delivery, 24300 for 15 -30 December delivery. This is with 46% protein content and 10% deposit is required for December contracts.

In the previous oil year meal exports have been good following good monsoon and higher production. In the current oil year, prices have to remain competitive to gain global share. Lower soybean production this season will translate into lower meal production in 2017 -18 oil year.

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 October 2017 stands at 1,358,651 metric tonnes as compared to 698,169 metric tonnes in the same period of previous year showing an increase of 95% according to data released by the Solvent Extractor's Association of India.***

***In the month of October 2017, export of oil meals declined by 29% to 73,863 metric tonnes compared to the same period previous year. Soy meal exports during the period April 2017 to October 2017 was reported at 537,145 metric tonnes compared to 107,110 metric tonnes during the same period previous year.***

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

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

Soy meal increased in international market, during the week.

CBOT soy meal December contract settled at US \$ 323.80 per short ton compared to US \$ 318.20 per short ton last week.

Net sales of 379,800 MT for 2017/2018 were reported for the Philippines (177,500 MT), Mexico (57,800 MT), Japan (41,500 MT), Cuba (24,600 MT), unknown destinations (23,000 MT), and Peru (21,000 MT) during the week November 10 -16, 2017. Reductions were reported for El Salvador (3,800 MT) and Nicaragua (800 MT). Exports of 146,600 MT were reported to Colombia (43,500 MT), Mexico (36,300 MT), Canada (16,000 MT), Venezuela (10,000 MT), and Peru (9,900 MT). The current week's net sales for 2017/18 are higher compared to net sales of 163,100 MT during the previous week.

The domestic soy meal prices at Indore, were quoted at Rs 21,000 – 22,500/MT compared to Rs. 20,800/MT -21,000/MT in previous week. At Latur and Nanded, Maharashtra, soy meal noticed firm tone and were quoted at Rs 24,000/MT and 23,000/MT respectively compared to Rs 22,500/MT in Indore and Rs 23,200/MT in Kota.

## Rapeseed - Mustard Seed

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The domestic rapeseed-mustard featured positive tone during the week amid good demand for mustard oil during winter season and firm tone of palm oil at BMD. Rabi sowing is lagging behind till date compared to same period previous year.

According to Government of India figures, rapeseed and mustard seed has been sown in 51.37 lakh hectares as on 24 November 2017 compared to 57.86 lakh hectares during the same period previous year.

Government of India (GOI) hiked import duty on imports of various edible oils to check surge in imports of edible oils and support domestic crushing industry which has been reeling due to lower priced imports of edible oils. Import duty on crude rapeseed oil was hiked from 12.5 percent to 25 percent while refined rapeseed oil will be charged import duty of 35 percent from 20 percent earlier.

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 1.50 – 1.85 lakh bags in a day compared to around 1.50 – 1.80 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 3,950 – 4,105 a quintal compared to Rs 4,755 – 4,850 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at December contract ended higher at 4038/Qtl compared to 3887/Qtl previous week.

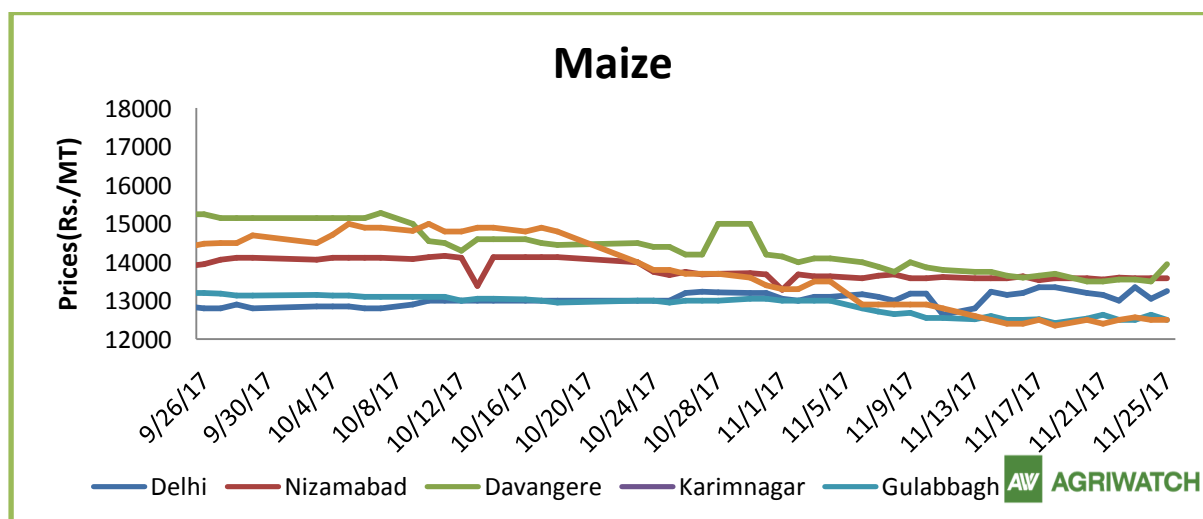
The area coverage under rapeseed, as on 24 November, is reported down 11.22% at 51.37 lakh hectares compared to 57.86 lakh hectares at the same period last year.

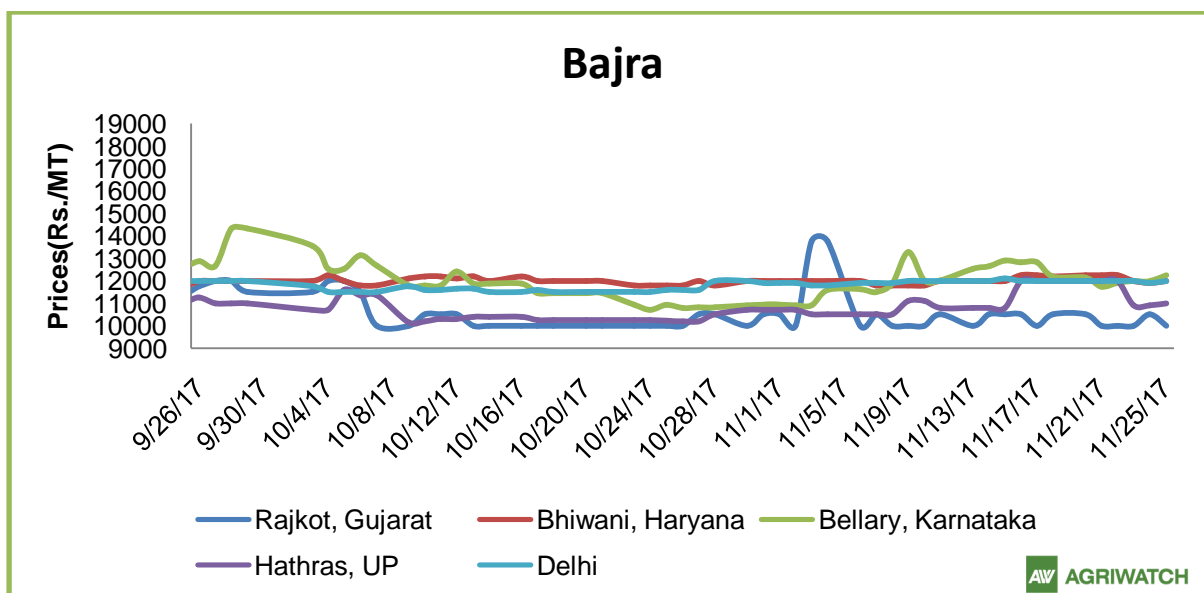
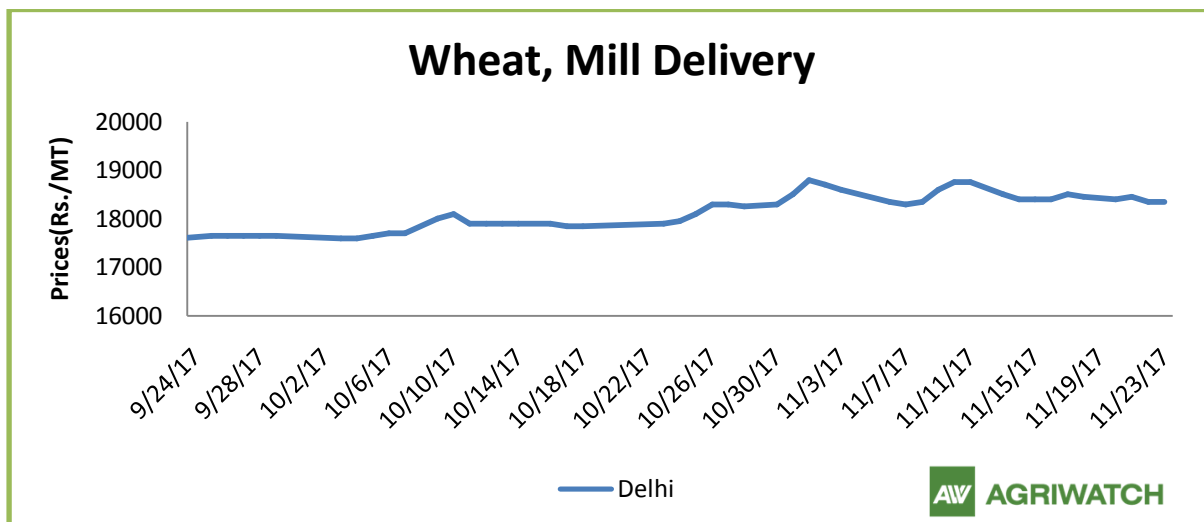
The total sown area under *rabi* oilseeds, as on 24 November, is lower compared to the previous year's level which is down by 9.43% at 57.93 lakh hectares compared to 63.96 lakh hectares during the corresponding period last year.

India's total area under rapeseed in 2017 was 70.56 lakh hectares which was higher by 9.3% from 2016.

According to the latest monthly estimates from Strategie Grains, rapeseed production estimates have been reduced to 21.86 million metric tonnes in European Union for 2017/18 compared to previous estimates of 21.89 million metric tonnes and 20.34 million metric tonnes in 2016/17.

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 prices are likely to be steady; Trade remains restricted in major markets as feed industries are getting supply directly from farmers. Maize arriving in to mandis contains 30% damaged grains and 10-12% fungus. As per trade source, stock of maize in the hands of Private traders could be around 1 lakh bags (1 bag=50 kg) which was 1.5 lakh bags during corresponding period last year.

In Davangere, Maize crop contains moisture up to 20% now. About a third of the material arriving in the market is infested with fungus. In the affected lots between 2 to 8% of the grains are infested. As per trade sources, weather conditions have become favourable so dry material is expected to become available soon. It is likely to trade steady amid sluggish demand. As per trade source, stock of maize in the hands of Private traders could be around 10,000 bags (1 bag=100 kg) which was 20,000 bags during corresponding period last year.



As per USDA, U.S corn exports reached 6.84 MMT in the 2017-18 marketing year. At 0.69 MMT (for the period 10<sup>th</sup> November –16<sup>th</sup> November, 2017) U.S corn exports were primarily to Mexico (344,400 MT), Peru (103,900 MT), Colombia (101,700 MT), Saudi Arabia (70,900 MT), and Ireland (15,700).

In U.S, 90% crop of corn has been harvested as of 19<sup>th</sup> November, 2017, which is lower by 6% than that of corresponding period of last year and 5% from last 5 year average period.

Turkey's state grain board TMO bought about 96,000 MT of corn for shipment to the ports of Derince and Marmara between Nov. 29 and Dec. 12. Around 72,000 MT was bought from Trading house Tiryaki Agro at 708 Turkish lira (\$180.61) per MT c&f. Rest 24000 MT was bought from Erser Group at 709 Turkish lira (\$180.87) per MT c&f.

Corn prices on CBOT rose by 3.45 USD/MT to 135.92 USD/MT compared to last week for December contract.

All India weekly average prices decreased by 4.34 percent to Rs. 1829.45 per quintal during the week ended 23rd November 2017. Wheat average price were ruling at Rs 1912.51 per quintal during 09-15 November 2017. As compared to prices in the week 16-23 November 2016, the prices are weak by 7.03 percent. Prices are expected to remain steady to firm in coming days.

According to latest update, area sown until 23rd November'17 is 110.66 lakh hectares compared to 126.35 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Punjab, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh compared to last year for the same date.

FCI has offered a total of 24858202 tonnes of wheat through E-Auction since June until fourth tender in November. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the month of June 115000 tonnes was sold against offered quantity of 1104050 tonnes, 34400 tonnes was sold in July against offered quantity of 4934602 tonnes, 43550 tonnes was sold in August against offered quantity of 5770100 tonnes, 18050 tonnes was sold in September against offered quantity of 4437300 tonnes, 131150 tonnes was sold in October against offered quantity of 4276700 tonnes and 230750 tonnes has been sold in four tenders of November against offered quantity of 4335450 tonnes.

As per latest update third shipment of Indian wheat consisting of 15000 tonnes has reached Chabahar on Saturday and will be unloaded and transited to southwestern Afghanistan. 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. Furthermore it will also increase job opportunities in Iran and Afghanistan.

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 because of increased production. Consumption is likely to be around 94 MMT.

As per trade sources, Import quotes for wheat from various origins to Tuticorin port witnessed weak tone in the week. As of now Tuticorin port price for APW is Rs 2000 per quintal, ASW is Rs 1825 per quintal and Ukrainian wheat at Rs 1750 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

Indian FoB quote is hovering around \$278.01 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$182.90, \$184.60, Euro 157.75, \$182.76 and \$210.40 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 steady to weak due to higher carryover stocks and good production. EU is likely to produce around 142.2 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 to firm as overall feed ingredients prices traded slightly firm 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)		
	24-Nov-17	17-Nov-17	Parity To
Indore (MP)	22500	21000	Gujarat, MP
Kota	23200	21500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	23800	22300	Mumbai, Maharashtra
Nagpur (42/46)	23200	21500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	23000	2250	Andhra, AP, Kar ,TN
Latur	24000	22800	-
Sangli	23500	22600	Local and South
Sholapur	23500	22800	Local and South
Akola	22000	21500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	23500	22500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	22000	21200	-

**Soy DOC at Port**

Centers	Port Price	
	23-Nov-17	16-Nov-17
Kandla (FOR) (INR/MT)	24200	23200
Kandla (FAS) (USD/MT)	367	360

International Soy DOC			
Argentina FOB USD/MT	23-Nov-17	16-Nov-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	24-Nov-17	17-Nov-17	Change
Adoni	16000	15800	200
Khamgaon	NA	NA	-
Parli	16000	15600	400
Latur	15800	15600	200

Groundnut Meal (Rs/MT)	24-Nov-17	17-Nov-17	Change
Basis 45%, Saurashtra	18500	18000	500
Basis 40%, Saurashtra	16000	15500	500
GN Cake, Gondal	18500	18500	Unch

Mustard DOC/Meal	24-Nov-17	17-Nov-17	Change
Jaipur (Plant delivery)	14000	13500	500
Kandla (FOR Rs/MT)	14300	14000	300
Sri Ganganagar	1770	1740	30

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	23-Nov-17	16-Nov-17	23-Oct-17	23-Nov-16	23-Nov-15
Delhi	Hybrid(U.P)	1320	1325	1300	1625	1625
Davangere	Loose	1300	1300	1300	1480	1550

<b>Nizamabad</b>	Bilty	1400	1400	1410	1450	1530
<b>Ahmadabad</b>	Feed	1300	1270	Closed	1450	1600
	Starch	1300	1300	Closed	1450	1600

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

	<b>Argentina</b>	<b>Brazil</b>	<b>US</b>	<b>India (Bihar Origin)</b>
<b>FOB</b>	153.54	156.55	154.61	235.98
<b>Cost and Freight</b>	203.54	211.55	214.61	270.98

**Soy Meal Exports (In MT):**

<b>Month</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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	
<b>Total</b>	<b>3512217</b>	<b>1210954</b>	<b>276674</b>	<b>455374.1</b>	<b>867560</b>

**Feed Ingredient Prices at a Glance**

<b>Commodity</b>	<b>State</b>	<b>Variety</b>	<b>Centre</b>	<b>23-Nov-17</b>	<b>16-Nov-17</b>	<b>Change</b>
Bajra	Karnataka	Hybrid	Bellary	1199	1283	-84
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2150	2150	Unch
		White	Bellary	1464	1409	55
Maize	Karnataka	Yellow	Davanger e	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1340	1350	-10
Rice	Haryana	IR8	Karnal	2500	2500	Unch
		Parmal Raw	Karnal	2950	3100	-150
Soy meal	Madhya	DOC	Indore	2250	2100	150

	Pradesh					
	Maharashtra	DOC	Sangli	2350	2260	<b>90</b>
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1600	1580	<b>20</b>
	Maharashtra	Ex-factory	Latur	1580	1560	<b>20</b>
Mustard	Rajasthan	Plant delivery	Jaipur	1400	1350	<b>50</b>
Groundnut Meal	Gujarat	GN Cake	Gondal	1850	1850	<b>Unch</b>
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1618	1537	<b>81</b>
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1614	1543	<b>71</b>
Note: Prices Rs./Qtl						

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