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Summary

Soybean noticed mostly positive tone during the week amid buying interest in the cash market and lower arrivals in the mandis. Soybean at CBOT noticed upside movement amid short –covering ahead of the weekend. The weekly export sales released by USDA were within the market expectation and rains in the soybean growing regions of Argentina limited upside movement of the market. With harvesting of soybean over in U.S., overall supply scenario remains bearish amid record crop this year and higher production is also expected next year.

In the domestic market, lower arrivals in the mandis and good demand for edible oils during winter season remain supportive factor for the market. Arrival of soybean continues to decline with harvesting pressure slowly easing in the growing regions. All India average soybean arrival per day was around 4.5 -5.5 lakh bags. Crushing activities are likely to be in full swing amid expected good demand for edible oils.

The weekly export sales of soybean released by USDA was within market expectation of 0.8 -1.2 MMT. According to a latest long –term crop forecast report released by the USDA, soybean acreage in 2018 is forecast at a record 91.0 million acres compared to 90.2 million acres in 2017. Overall supply scenario remains bearish in the global market.

There is forward booking of soy meal shipments according to market sources.

Rapeseed prices noticed firm tone during the week on good demand in the cash market and recovery of palm oil at BMD. During winter season, demand for mustard oil increases, thereby adding to the positive tone of the market. Lower rabi oilseeds acreage till date remained another supportive factor for the market.

However upside movement will be limited in the coming days on bearish supply scenario in the global market. Sowing of the rabi crop will guide the market in the coming days.

As per Ministry of Agriculture, in India, maize has been sown in around 8.54 lakh hectares as on 1st December'17 for Rabi season (2017-18) which is higher than 7.78 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.

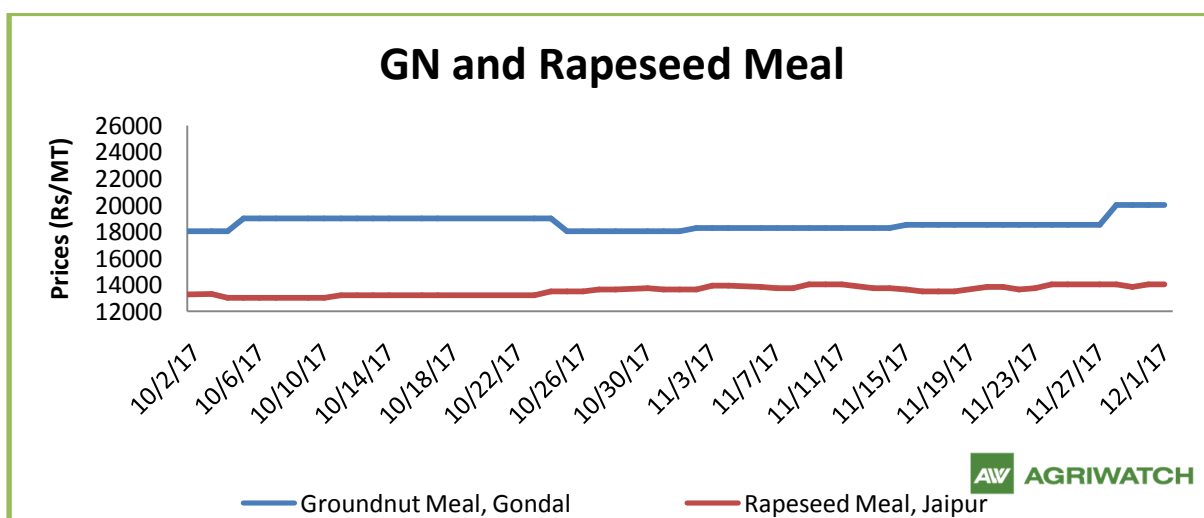
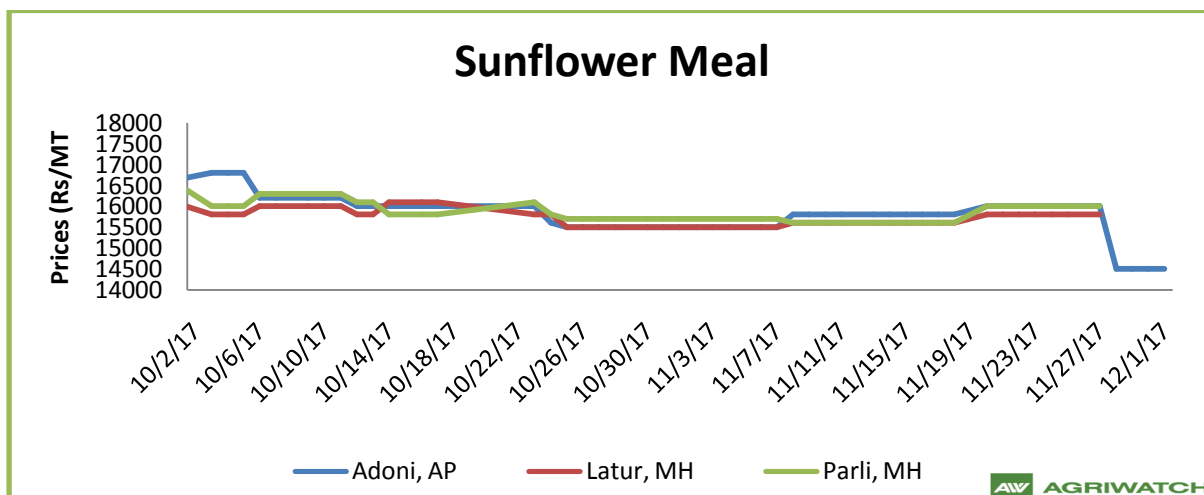
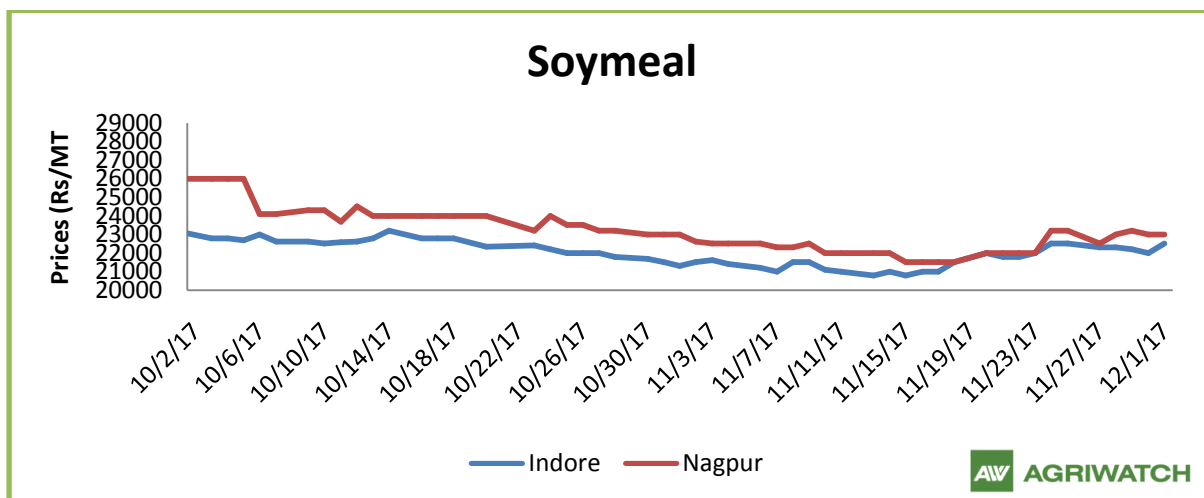
Overall maize cash markets traded steady to range bound during the week and are expected to be steady in near term.

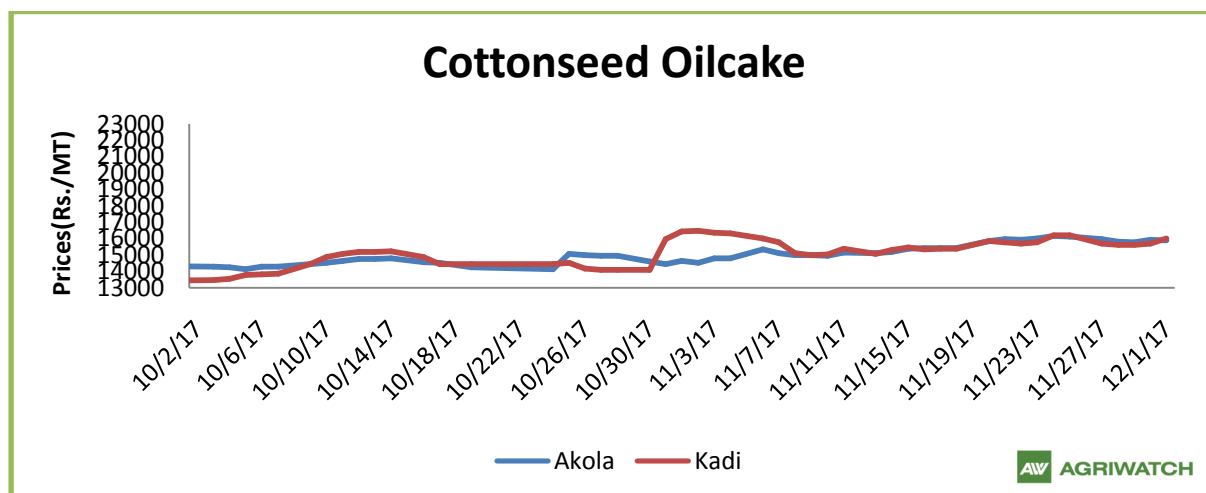
The material presently arriving in the Nizamabad market contains 30% damaged grains and 10-12% fungus has high moisture content and also fungus infestation in some places. Standard quality maize prices are expected to be steady due to limited trade in major mandi as large traders/stockists too are not actively purchasing. However, village level aggregators continue to collect small quantities from farmers and sell it to feed industry. Thus, feed industry immediate demand continues to be catered through small channel so far.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.55 % to Rs. 1312 per quintal (weekly average price) while starch feed makers quoted it firm by 2.45 % to Rs. 1339 per quintal compared to last week average price.

All India weekly average prices increased by 1.45 percent to Rs. 1856.01 per quintal during the week ended 30th November 2017. Wheat average price were ruling at Rs 1829.45 per quintal during 16-23 November 2017. As compared to prices in the week 24-30 November 2016, the prices are weak by 8.11 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean continued positive tone during the week amid buying interest in the market and lower arrivals in the mandis. Upside movement in soybean at CBOT added to the firm tone of the market. Rains in the soybean growing regions of Argentina and likely record crop in the coming season limited upside movement of soybean at CBOT. The weekly export sales of soybean was neutral and within market expectation of 0.8 -1.2 MMT.

In the domestic market, lower arrivals in the mandis and good demand for oils during winter season supported prices. Arrivals are declining in the mandis with harvesting pressure continuing to ease in the growing regions. Average arrival in the domestic market per day was around 4.5 -5.5 lakh bags. Crushing activities are in full swing with expected good demand for oil.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 13,65,000 bags compared to 18,60,000 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 1st December 2017, is lower compared to the previous year's level which is down by 9.51% at 63.41 lakh hectares compared to 68.15 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 slightly higher amid short-covering ahead of the weekend.

At CBOT, the soybean, in the most active January contract, ended higher at US \$ 9.94/bushel compared to US \$ 9.93/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

The domestic meal prices witnessed mostly steady to weak tone amid lack of good demand in the cash market. Firm tone of soy meal at CBOT limited the downside movement of the market.

With increase in crushing activities, meal production will increase in the coming days. Soy meal ready for delivery in PP bags at Dhule was quoted at 23500+GST by MOEPI. This is with 46.5% protein content. However, it was quoted at 23700+GST at Latur by ADM for ready and 24000 for 15 -31 December delivery, 24500 for January delivery and 25000 for February delivery. This is with 46% protein content and 10% deposit is required for December, January and February 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 January contract settled at US \$ 330.20 per short ton compared to US \$ 325.90 per short ton last week.

Net sales of 176,600 MT of soybean cake and meal for 2017/2018 were reported for Mexico (67,500 MT), Thailand (53,500 MT, including 50,000 MT switched from unknown destinations), the Philippines (45,200 MT), Guatemala (28,800 MT, including 24,000 MT switched from unknown destinations), Honduras (13,200 MT, including 13,300 MT switched from unknown destinations and decreases of 100 MT), and Nicaragua (9,000 MT) during the week November 17 -23, 2017. Reductions of 81,400 MT were reported for unknown destinations. For 2018/2019, net sales of 2,000 MT were reported for Mexico. Exports of 173,900 MT were reported to Thailand (53,500 MT), Morocco (33,000 MT), the Philippines (22,000 MT), Canada (17,100 MT), and Mexico (12,000 MT). The current week's net sales for 2017/18 are lower compared to net sales of 379,800 MT during the previous week.

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

Rapeseed - Mustard Seed

The domestic rapeseed-mustard continued positive tone during the week amid good demand for mustard oil from the retailers and some recovery in palm oil at BMD. Lower rabi oilseeds acreage under rapeseed/mustard till tone added to the firm tone of the market.

According to Government of India figures, rapeseed and mustard seed has been sown in 55.51 lakh hectares as on 01 December 2017 compared to 61.34 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 1.45 – 1.75 lakh bags in a day compared to around 1.50 – 1.85 bags a day, previous week. The supplies were 0.35 – 0.45 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 4,830 – 4,905 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at January contract ended higher at 4145/Qtl compared to 4068/Qtl previous week.

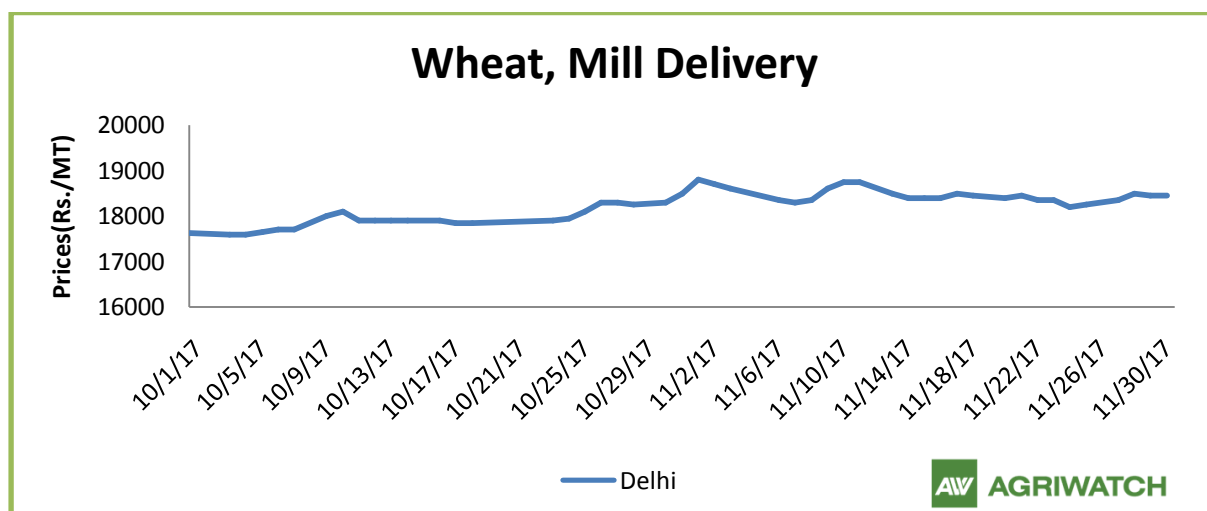
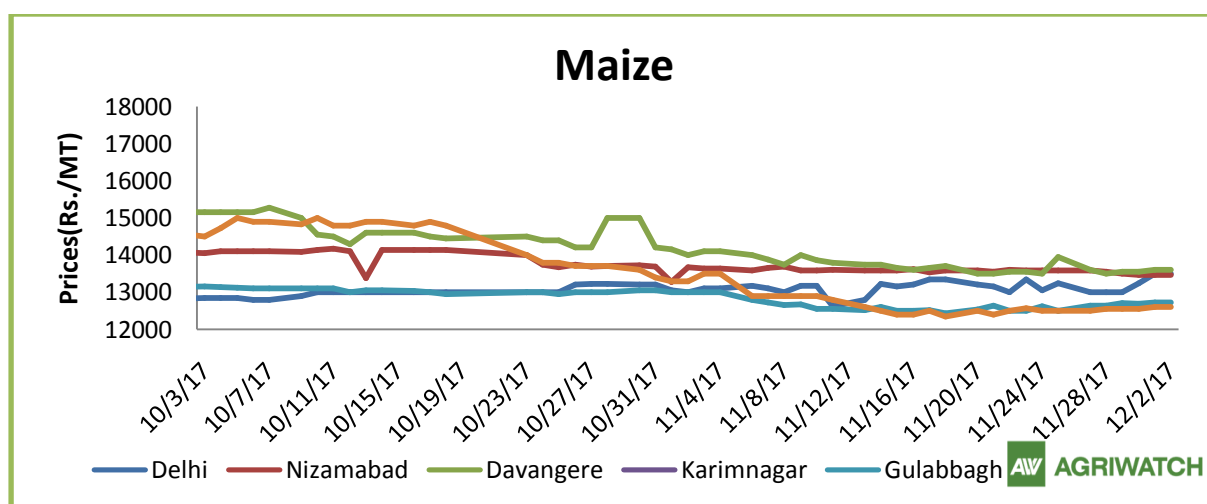
The area coverage under rapeseed, as on 01 December, is reported down 9.51% at 55.51 lakh hectares compared to 61.34 lakh hectares at the same period last year.

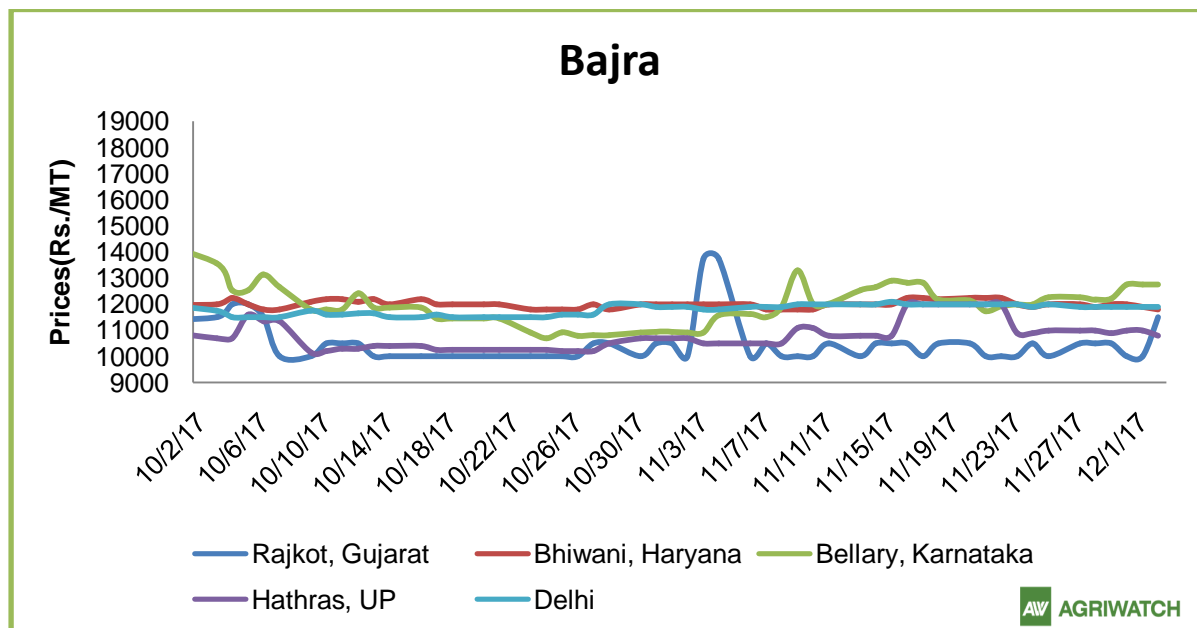
The total sown area under *rabi* oilseeds, as on 01 December, is lower compared to the previous year's level which is down by 9.51% at 63.41 lakh hectares compared to 68.15 lakh hectares during the corresponding period last year.

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 sources, stock of maize in the hands of Private traders could be around 1.25 lakh bags (1 bag=50 kg) which was 2 lakh bags during corresponding period last year.

In Davangere, Maize crop contains moisture up to 18% now. About a second 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 favorable 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 7.49 MMT in the 2017-18 marketing year. At 0.65 MMT (for the period 17th November –23rd November, 2017) U.S corn exports were primarily to Mexico (268,800 MT), Japan (114,700 MT), Peru (111,500 MT), Colombia (70,200 MT), and Costa Rica (28,100 MT).

China has bought around 10 to 12 cargoes of mainly U.S. corn in the previous month and is expected to import more corn during 2017/18 because of import parity and high prices of substitute's crops like sorghum and feed barley.

In U.S, 95% crop of corn has been harvested as of 26th November, 2017, which is lower by 3% than that of corresponding period of last year and last 5 year average period.

Corn prices on CBOT are likely to trade up on the concern over dry weather in Argentina and Southern Brazil. However, parts of Argentina's Corn Belt received some beneficial rains during last week but dry weather remains a concern across several regions. As U.S. corn competitive with South American' corn crop. We expect that U.S. export sales would increase and lead to CBOT corn prices.

All India weekly average prices increased by 1.45 percent to Rs. 1856.01 per quintal during the week ended 30th November 2017. Wheat average price were ruling at Rs 1829.45 per quintal during 16-23 November 2017. As compared to prices in the week 24-30 November 2016, the prices are weak by 8.11 percent. Prices are expected to remain steady to firm in coming days.

According to latest update, area sown until 30th November'17 is 156.80 lakh hectares compared to 169.57 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Bihar, Punjab, Haryana, Rajasthan and Madhya Pradesh compared to 01st December'17.

As per market sources Glencore has loaded largest vessel in South Australia. The Adraina Rose has been loaded with 74000 tonnes of wheat and Barley. The quantity loaded is a mixture of old as well as new crop and is destined for MENA region, South East Asia and Indian subcontinent.

FCI has offered a total of 25818002 tonnes of wheat through E-Auction since June until fifth 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 on 09th November wheat stock in central pool stood at 238.50 lakh tonnes down by around 7.79 percent compared to last month. Highest stock was with Punjab (66.95 lakh tonnes) followed by Madhya Pradesh (52.43 lakh tonnes), Haryana (50.89 lakh tonnes) and Uttar Pradesh (22.12 lakh tonnes). FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

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 1970 per quintal, ASW is Rs 1900 per quintal and Ukrainian wheat at Rs 1740 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

Indian FoB quote is hovering around \$281.67 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$182.90, \$183.70, Euro 156.00, \$177.42 and \$208.64 per tonne respectively. There is little hope for recovery at export front this year however India is expected to import 3 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 slightly firm as overall feed ingredients prices traded steady to 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)		
	1-Dec-17	24-Nov-17	Parity To
Indore (MP)	22500	22500	Gujarat, MP
Kota	23000	23200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	23500	23800	Mumbai, Maharashtra
Nagpur (42/46)	23000	23200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	23000	23000	Andhra, AP, Kar ,TN
Latur	23800	24000	-
Sangli	23600	23500	Local and South
Sholapur	23500	23500	Local and South
Akola	22900	22000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	23500	23500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	22800	22000	-

Soy DOC at Port

Centers	Port Price	
	30-Nov-17	23-Nov-17
Kandla (FOR) (INR/MT)	24000	24200
Kandla (FAS) (USD/MT)	372	367

International Soy DOC			
Argentina FOB USD/MT	30-Nov-17	23-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	1-Dec-17	24-Nov-17	Change
Adoni	14500	16000	-1500
Khamgaon	NA	NA	-
Parli	NA	16000	-
Latur	NA	15800	-

Groundnut Meal (Rs/MT)	1-Dec-17	24-Nov-17	Change
Basis 45%, Saurashtra	19300	18500	800
Basis 40%, Saurashtra	16800	16000	800
GN Cake, Gondal	20000	18500	1500

Mustard DOC/Meal	1-Dec-17	24-Nov-17	Change
Jaipur (Plant delivery)	14000	14000	Unch
Kandla (FOR Rs/MT)	14400	14300	100
Sri Ganganagar	1795	1770	25

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	30-Nov-17	23-Nov-17	30-Oct-17	30-Nov-16	30-Nov-15
Delhi	Hybrid(U.P)	1320	1320	1300	1600	1680
Davangere	Loose	1300	1300	1300	1450	1500
Nizamabad	Bilty	1400	1400	1400	1450	1546
Ahmadabad	Feed	1300	1300	1375	1430	1630
	Starch	1340	1300	1350	1475	1650

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	156.79	151.00	158.60	236.75
Cost and Freight	206.79	206.00	218.60	271.75

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	30-Nov-17	23-Nov-17	Change
Bajra	Karnataka	Hybrid	Bellary	1275	1199	76
		Hybrid	Bangalore	2050	2050	Unch
Jowar	Karnataka	White	Bangalore	2200	2150	50
		White	Bellary	1565	1464	101
Maize	Karnataka	Yellow	Davanger e	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1340	1340	Unch
Rice	Haryana	IR8	Karnal	2400	2500	-100
		Parmal Raw	Karnal	3000	2950	50
Soy meal	Madhya Pradesh	DOC	Indore	2250	2250	Unch
	Maharashtra	DOC	Sangli	2360	2350	10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1450	1600	-150
	Maharashtra	Ex-factory	Latur	NA	1580	-
Mustard	Rajasthan	Plant delivery	Jaipur	1400	1400	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2000	1850	150
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1598	1618	-20
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1589	1614	-25
Note: Prices Rs./Qtl						

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