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Summary

Soybean witnessed mostly positive tone during the week amid good demand in the cash market and lower arrivals in the mandis. However upside was limited on weakness in soy complex at CBOT. Soybean at CBOT closed lower following rains in the soybean growing regions of Argentina and stringent norms specified for U.S. soybean imports in China. NOPA released soybean crush data for the month of November 2017 which is higher compared to same month previous year and lower in comparison to October 2016.

Good buying interest in the cash market added to the firm tone of the market. Arrivals are declining in the mandis. All India soybean average arrival per day is reported to be around 3.0 -3.75 lakh bags.

The weekly export sale of soybean at 1.74 MMT as reported by the USDA was higher compared to previous week. NOPA reported higher soybean crush by 1.7 per cent at 163.546 million bushels compared to November 2016. Crush figures are lower compared to October 2017. Rainfall received in the soybean growing regions of Argentina is likely to fasten planting progress in the coming days. According to USDA, China will reduce the amount of foreign material allowed in shipments of U.S. soybeans as on January 01, 2018.

Soy meal prices remained firm during the week amid good demand in the export market.

Rapeseed prices noticed range –bound to weak tone during the week amid increase in arrivals and weakness in palm oil at BMD and soy oil at CBOT. Edible oils are declining in the global market amid overall bearish supply scenario. Rabi mustard seed acreage till date is lower compared to previous year during the same period.

Prices are driven by overall bearish scenario of edible oils in the global market. Downside is limited amid lower rabi oilseeds sowing progress till date.

As per Ministry of Agriculture, in India, maize has been sown in around 12.75 lakh hectares as on 22nd December'17 for Rabi season (2017-18) which is higher than 12.17 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.13 lakh hectares which is higher than 3.97 lakh hectares covered during corresponding period last year. While, in Maharashtra, Karnataka and A.P it has been sown in around 1.56, 0.83 and 1.21 lakh hectares respectively as on 22nd December'17 for Rabi season (2017-18).

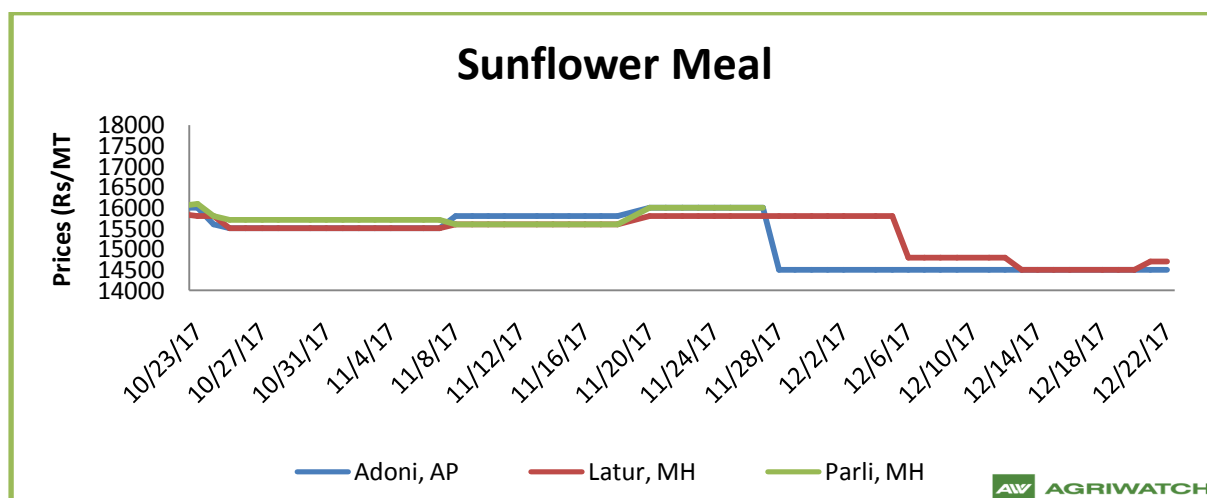
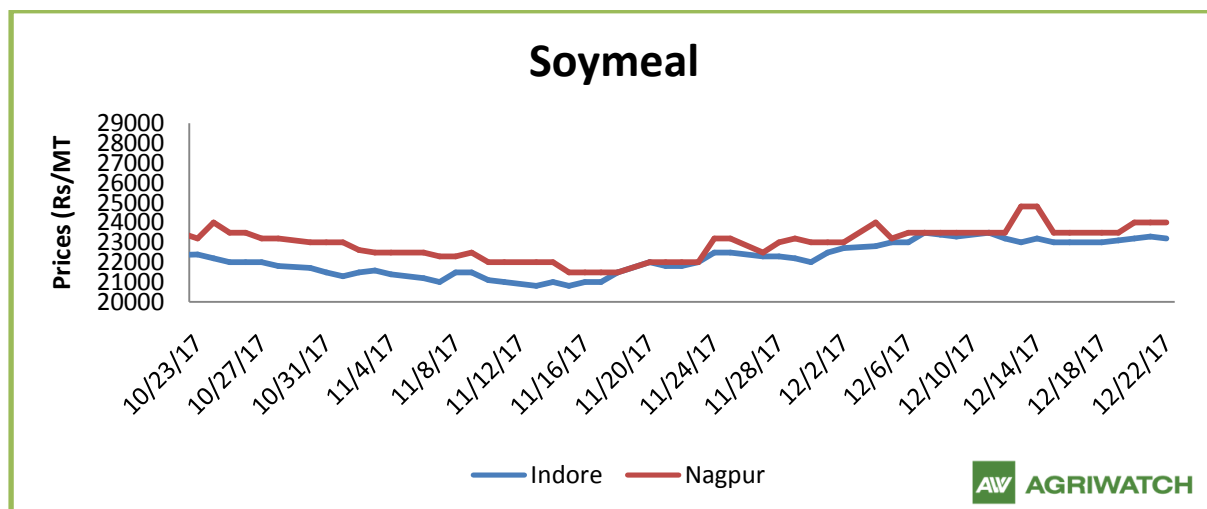
Overall maize cash markets traded steady to weak during the week and are expected to be steady to range bound in near term.

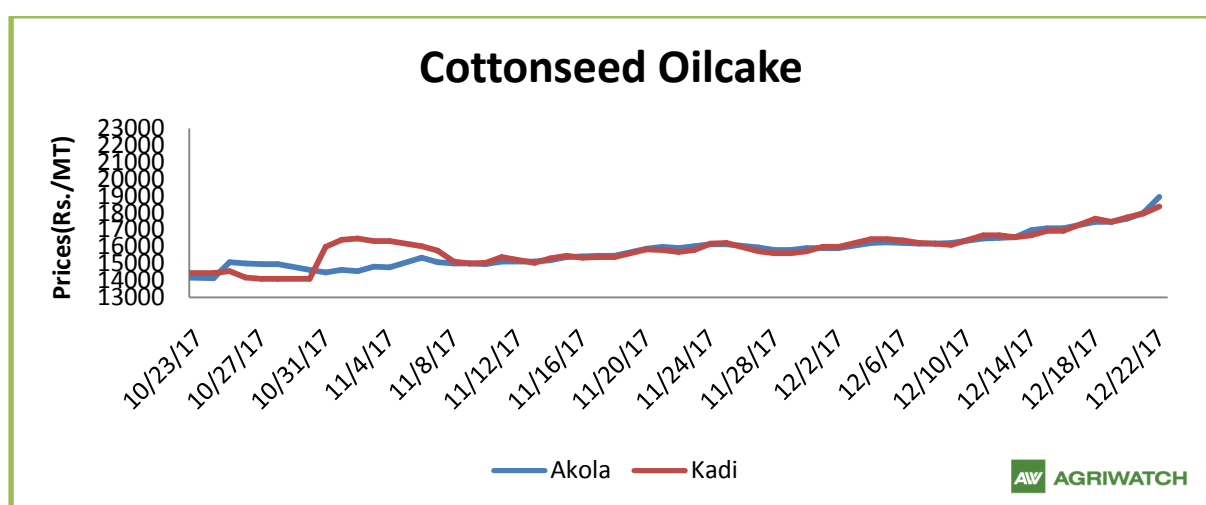
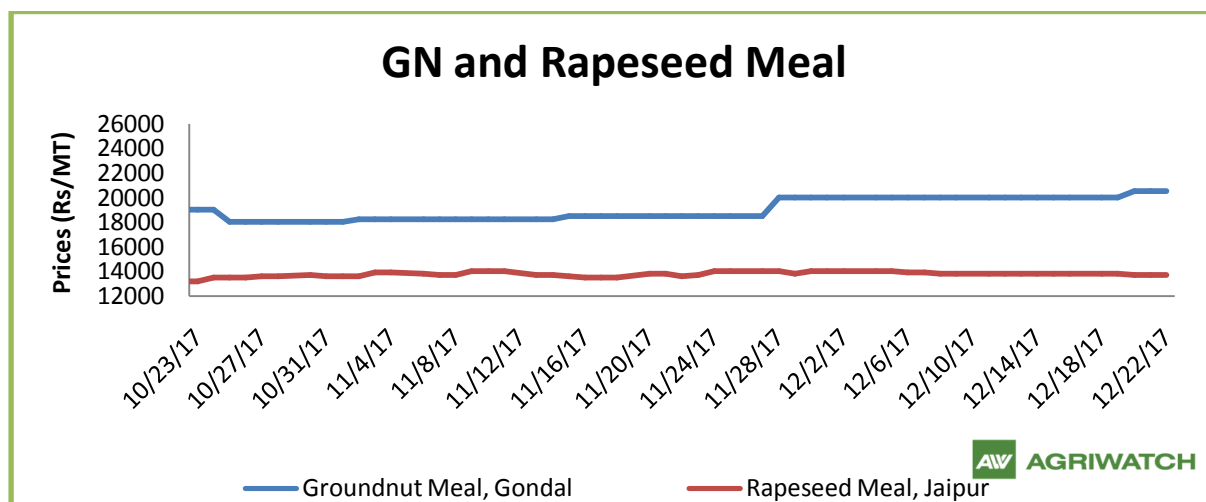
The material presently arriving in the Davangere market contains up to 16% moisture. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.49 % to Rs. 1331 per quintal (weekly average price) while starch feed makers quoted it down by 2.30 % to Rs. 1358 per quintal compared to last week average price.

All India weekly average prices increased by 2.28 percent to Rs. 1829.62 per quintal during the week ended 23rd December 2017. Wheat average price were ruling at Rs 1788.92 per quintal during 16-23 December 2017. As compared to prices in the week 16-23 December 2016, the prices are weak by 4.00 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean noticed mostly positive tone during the week amid good demand in the cash market and decline in arrivals in the mandis. However upside was limited amid weakness in soy complex at CBOT. Soybean at CBOT closed lower amid rains in the soybean growing regions of Argentina and stringent norms specified for U.S. soybean imports in China. NOPA released soybean crush data for the month of November 2017 which is higher compared to same period previous year and lower compared to October 2017. The weekly export sales of soybean released by the USDA were higher compared to previous week.

In the domestic market, buying interest added to the positive tone of the market. Arrivals are declining in the mandis. All India average soybean arrivals per day is around 3.0 -3.75 lakh bags.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 7,60,000 bags compared to 9,05,000 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 15th December 2017, is lower compared to the previous year's level which is down by 6.92% at 70.73 lakh hectares compared to 74.46 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 lower on rains in the soybean growing regions of Argentina and stringent norms specified for U.S. soybean imports in China.

At CBOT, the soybean, in the most active January contract, ended lower at US \$ 9.49/bushel compared to US \$ 9.67/bushel last week.

Net sales of 1,452,600 MT for 2017/2018 were down 28 percent from the previous week, but up 20 percent from the prior 4-week average. Increases were reported for China (872,300 MT, including 384,200 MT switched from unknown destinations and decreases of 74,100 MT), Japan (151,800 MT, including 40,500 MT switched from unknown destinations and decreases of 200 MT), Taiwan (88,800 MT, including 66,000 MT switched from unknown destinations and decreases of 7,000 MT), the Netherlands (70,700 MT, including 66,000 MT switched from unknown destinations), Mexico (69,900 MT, including decreases of 300 MT), and Egypt (65,500 MT, including 60,000 MT switched from unknown destinations) during the period December 1 -7, 2017. Reductions were reported for unknown destinations (130,200 MT). For 2018/2019, net sales of 113,200 MT were reported for unknown destinations (111,000 MT) and Japan (2,200 MT). Exports of 1,261,300 MT were primarily to China (768,400 MT), Taiwan (99,700 MT), the Netherlands (70,700 MT), Egypt (65,500 MT), and Bangladesh (52,800 MT). The current week's net sales are lower compared to net sales of 2,015,800 MT during the previous week.

Soy meal

The domestic meal prices noticed steady to firm tone during the week amid good export demand in the market. However upside was limited amid weakness in soy meal at CBOT.

Good export demand in the market around current levels added to the positive tone of the market. Soy meal ready for delivery in PP bags at Dhule was quoted at 24400+GST by MOEPI. This is with 46.5% protein content. However, it was quoted at 25300+GST in jute bags at Dharwad by ADM for 1 -15 January delivery.

Through export promotion scheme (MEIS) govt. would provide additional 2% incentive over and above existing incentives ranges from 2 to 5% for various export products including soya meal. This will make Indian oil meal more competitive in the world market and may result in to larger export of oil meals during current year.

Till date in the current financial year, exports of oil meals have been higher compared to previous year's levels. 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 November 2017 stands at 1,813,037 metric tonnes as compared to 868,358 metric tonnes in the same period of previous year showing an increase of 109% according to data released by the Solvent Extractor's Association of India.

In the month of November 2017, export of oil meals increased by 93% to 328,091 metric tonnes compared to the same period previous year. Soy meal exports during the period April 2017 to November 2017 was reported at 768,981 metric tonnes compared to 204,860 metric tonnes during the same period previous year.

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

Soy meal declined in international market, during the week.

CBOT soy meal January contract settled at US \$ 312.70 per short ton compared to US \$ 320.60 per short ton last week.

Net sales of 184,100 MT for 2017/2018 were down 60 percent from the previous week and 38 percent from the prior 4-week average. Increases were reported for Colombia (35,500 MT, including 20,000 MT switched from unknown destinations and decreases of 500 MT), Peru (30,000 MT), Turkey (26,000 MT, switched from unknown destinations), Mexico (25,600 MT), the United Kingdom (21,000 MT), and unknown destinations (20,000 MT) during the week December 08 -14, 2017. Reductions were reported for Spain (25,000 MT) and the French West Indies (3,900 MT). For 2018/2019, net sales reductions of 26,000 MT resulted as increases for Colombia (400 MT), were more than offset by reductions for unknown destinations (20,000 MT) and Canada (6,400 MT). The current week's net sales for 2017/18 are lower compared to net sales of 455,400 MT during the previous week.

The domestic soy meal prices at Indore, were quoted at Rs 23,000 – 23,300/MT compared to Rs. 23,000/MT -23,500/MT in previous week. At Latur and Nanded, Maharashtra, soy meal noticed firm tone and were quoted at Rs 24,500/MT and 24,000/MT respectively compared to Rs 23,200/MT in Indore and Rs 24,000/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard noticed range –bound to weak tone during the week amid increase in arrivals and weakness in palm oil at BMD and soy oil at CBOT. Rabi oilseeds acreage till date is lower compared to same period previous year, thereby lending some support to the market.

According to industry sources, India's rapeseed and mustard output in 2017/18 is likely to decline by 10 per cent compared to previous season. According to Government of India figures, rapeseed and mustard seed has been sown in 62.80 lakh hectares as on 22 December 2017 compared to 68.22 lakh hectares during the same period previous year.

Farmers have reduced the area in Rajasthan amid higher temperatures and lack of moisture at the time of sowing. According to Solvent Extractor's Association of India, India produced a record 6.73 MMT rapeseed in the 2016/17 marketing year.

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 1.20 – 1.65 lakh bags in a day compared to around 1.30 – 1.65 bags a day, previous week. The supplies were 0.50 – 0.55 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 4,090 – 4,125 a quintal compared to Rs 4,430 – 4,665 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at January contract ended higher at 4013/Qtl compared to 3973/Qtl previous week.

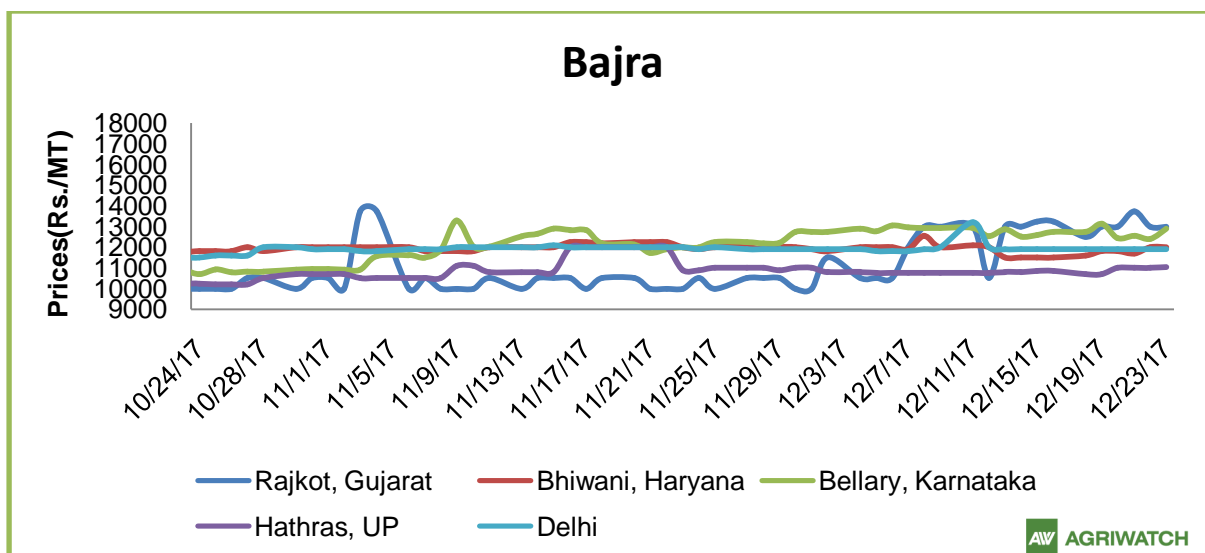
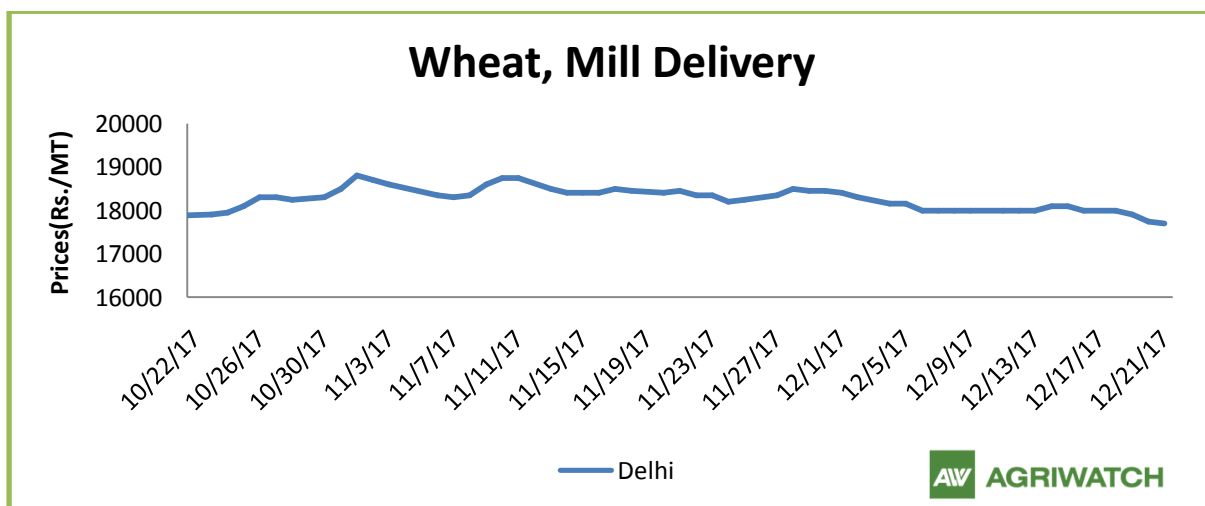
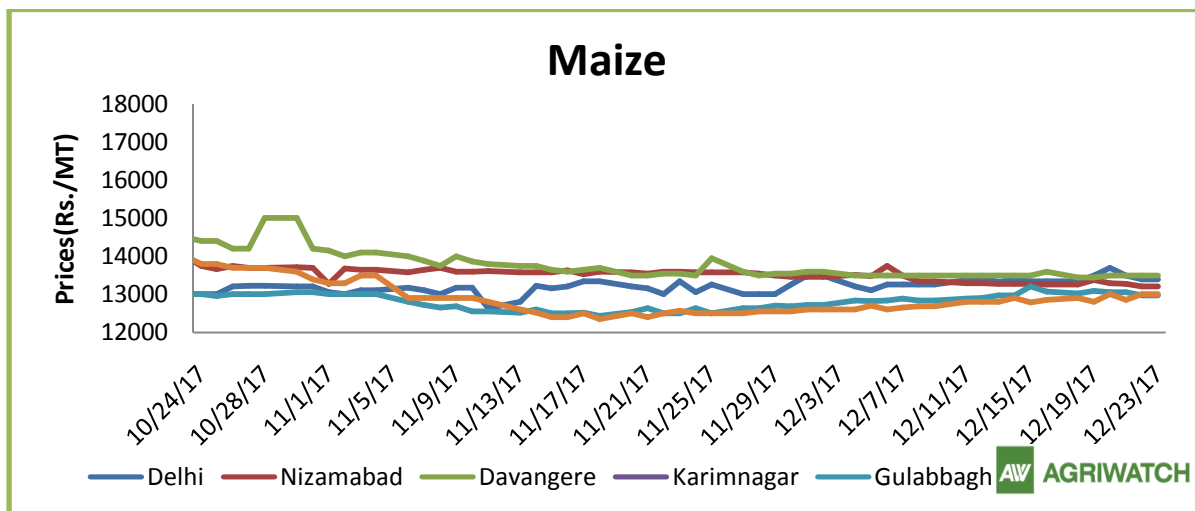
The area coverage under rapeseed, as on 22 December, is reported down 7.94% at 62.80 lakh hectares compared to 68.22 lakh hectares at the same period last year.

The total sown area under *rabi* oilseeds, as on 22 December, is lower compared to the previous year's level which is down by 7.94% at 73.03 lakh hectares compared to 78.27 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 United States Department of Agriculture (USDA) in its December review, India's 2017/18 imports of palm oil is hiked 0.4 MMT to 9.9 MMT from 9.5 MMT in its earlier review. Consumption of palm oil in India in 2017/18 is increased to 10.1 MMT from 9.8 MMT in its earlier review. End stocks of palm oil in India in 2017/18 is increased 0.1 MMT to 0.449 MMT from 0.349 MMT.

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 declined in October.



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

Lower prevailing price in other states has impacted Nizamabad maize market. It is expected to trade steady to range bound in near term amid limited trade. As per trade sources, in Telangana and Andhra Pradesh regions, maize area is likely to be same compared to last year.

In Davangere, Maize crop contains up to 16% moisture now. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested. Maize is likely to trade steady to weak due to supply pressure amid sluggish demand of stockiest.

As per USDA, U.S corn exports reached 9.47 MMT in the 2017-18 marketing year. At 0.70 MMT (for the period 8th December –14th December, 2017) U.S corn exports were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (311,500 MT), Japan (147,500 MT), Saudi Arabia (73,600 MT), South Korea (61,400 MT), and Colombia (40,600 MT).

China is likely to reduce corn planting area by 1.33 million hectares in 2017 due to excessive corn stock and could shift towards crop like soybean and potatoes which has less stock.

Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 47.1% in the Oct'17 from 46.0% during the corresponding month last year while users' reliance on alternatives such as Sorghum decreased.

All India weekly average prices increased by 2.28 percent to Rs. 1829.62 per quintal during the week ended 23rd December 2017. Wheat average price were ruling at Rs 1788.92 per quintal during 16-23 December 2017. As compared to prices in the week 16-23 December 2016, the prices are weak by 4.00 percent. Prices are expected to remain steady to firm in coming days.

According to latest update, area sown until 21st December'17 is 262.74 lakh hectares compared to 272.62 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Rajasthan, Maharashtra, Uttar Pradesh and Madhya Pradesh compared to last year for same date.

As per latest update, wheat stock in central pool as on 1st December'17 stood at 216.65 lakh tonnes down by 9.16% compared to last month. This quantity is higher by around 31.33% compared to last year for the same month. For the month of November off take from central pool was around 21.85 lakh tonnes compared to 23.45 lakh tonnes for October '2016 and 30.10 lakh tonnes for October'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

As per market sources, government may increase import duty on wheat from current 20 percent in order to put a complete stop on imports and provide support to domestic prices.

FCI has offered a total of 28105702 tonnes of wheat through E-Auction since June until second tender in December. 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, 294450 tonnes was sold in November against offered quantity of 5365150 tonnes and 81500 tonnes has been sold in two tenders of December against offered quantity of 2217800 tonnes.

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 12.98 MMT. Availability would be 108.48 MMT, higher compared to last year because of increased production. Consumption is likely to be around 95 MMT.

As per trade sources, import quotes for wheat from various origins to Tuticorin port witnessed firm tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2025-50 per quintal, ASW is being quoted at Rs 1925 per quintal and Ukrainian wheat at Rs 1760 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

Indian FoB quote is hovering around \$283.99 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$183.70, \$183.33, Euro 156.00, \$179.92 and \$203.16 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 20.2 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 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)		
	22-Dec-17	15-Dec-17	Parity To
Indore (MP)	23200	23000	Gujarat, MP

Kota	24000	23400	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	24800	24800	Mumbai, Maharashtra
Nagpur (42/46)	24000	23500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	24000	23000	Andhra, AP, Kar ,TN
Latur	24500	24000	-
Sangli	24500	24500	Local and South
Sholapur	24500	24200	Local and South
Akola	23500	23000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	24500	24100	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	23500	23500	-

Soy DOC at Port

Centers	Port Price	
	21-Dec-17	14-Dec-17
Kandla (FOR) (INR/MT)	25000	24700
Kandla (FAS) (USD/MT)	375	390

International Soy DOC			
Argentina FOB USD/MT	21-Dec-17	14-Dec-17	Change
Soybean Pellets	NA	NA	-
Soybean Cake Flour	NA	NA	-
Soya Meal	NA	NA	-
Soy Expellers	NA	NA	-
Sunflower (DOC) Rates			
Centers	Ex-factory rates (Rs/ton)		
	22-Dec-17	15-Dec-17	Change
Adoni	14500	14500	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	14700	14500	200

Groundnut Meal (Rs/MT)	22-Dec-17	15-Dec-17	Change
Basis 45%, Saurashtra	19300	19300	Unch
Basis 40%, Saurashtra	16800	16800	Unch
GN Cake, Gondal	20500	20000	500

Mustard DOC/Meal	22-Dec-17	15-Dec-17	Change
Jaipur (Plant delivery)	13700	13800	-100
Kandla (FOR Rs/MT)	14200	14200	Unch
Sri Ganganagar	1785	1790	-5

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21-Dec-17	14-Dec-17	21-Nov-17	21-Dec-16	21-Dec-15
Delhi	Hybrid(U.P)	1325	1330	1325	1560	1600
Davangere	Loose	1270	1300	1300	1470	1440
Nizamabad	Bilty	1360	1400	1400	1450	1530
Ahmadabad	Feed	1320	1370	1270	1460	1575
	Starch	1350	1400	1300	1510	1600

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	161.91	162.90	157.60	230.60
Cost and Freight	211.91	217.90	217.60	265.60

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	48900
Jun	213564	2636	2098	17930	45975
Jul	107038	6682	928	12270	80797
Aug	183555	2778	768	10615	87668
Sep	173381	868	6886	12210	102212
Oct	182724	29071	4237	31390	71425
Nov	503269	110806	8909	97750	207630
Dec	451314	193832	5667	241250	
Total	3512217	1210954	276674	455374.1	1239177

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	21-Dec-17	14-Dec-17	Change
Bajra	Karnataka	Hybrid	Bellary	1255	1252	3
		Hybrid	Bangalore	1800	2050	-250
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	1343	1469	-126
Maize	Karnataka	Yellow	Davangere	1270	1300	-30
	Andhra Pradesh	Yellow	Nizamabad	1320	1350	-30
Rice	Haryana	IR8	Karnal	2500	2500	Unch
		Parmal Raw	Karnal	3100	3000	100
Soy meal	Madhya Pradesh	DOC	Indore	2320	2300	20
	Maharashtra	DOC	Sangli	2450	2450	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1450	1450	Unch
	Maharashtra	Ex-factory	Latur	1470	1450	20
Mustard	Rajasthan	Plant delivery	Jaipur	1370	1380	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2050	2000	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1836	1691	145
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1893	1708	185
Note: Prices Rs./Qtl						

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