

Contents:

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

Summary

Soybean witnessed sideways movement during the week amid lack of cluster trading ahead of the festival of 'Holi' and lower availability in the domestic market. Soybean at CBOT continued positive tone thereby supporting the market to certain extent. Dry weather continues in Argentina and output could be further affected under the current scenario. Harvesting has picked up in Brazil, however it is lagging behind compared to previous year. At the annual outlook forum this year, USDA has reduced soybean output and ending stocks this season. The weekly export sales of soybean and soy meal released by the USDA are above previous week's level.

In the domestic market, the arrival of soybean is declining in the mandis. There is lower availability at the plants for crushing. This coupled with positive tone of soybean at CBOT continue to support the market. Profit booking at higher levels weighed on the market to certain extent.

In Argentina, soybean output has been reduced to 47 MMT seeing the current drought situation from the previous estimates of 51 MMT. Output could decline further if there are no rains in the coming days. In Parana, Brazil's second largest grain producing state, harvesting has picked up compared to previous week. At the annual outlook forum, USDA has reduced soybean production is estimated 2 per cent lower in 2017 -18 at 4.320 billion bushels.

Soy meal prices noticed mostly firm tone recovering the recent losses to certain. Lower availability in the domestic and some forward booking in the export market lent support to the market. Upside movement of soy meal at CBOT added to the positive tone of the market.

Rapeseed prices witnessed easy tone amid increasing pace of new crop arrival in the domestic market. All India average arrival of rapeseed during the week was around 2.50 lakh bags. Lack of demand from the retailers weighed on the market.

Overall bearish supply scenario in the global market will weigh on the market in the coming days.

Maize kharif and rabi production estimate has been pegged higher at 27.14 MMT against production target of 26.00 MMT in the second advance estimate released on 27th february-2018 by Department of Agriculture, Cooperation and Farmers welfare. For 2016-17, final production kharif and rabi has been pegged at 25.9 MMT. Kharif Maize production has been pegged at 19.51 MMT against target of 19.00 MMT while rabi production has been pegged at 7.63 MMT against target of 7.00 MMT.

In Maharashtra, maize prices are likely to increase in near term due to increase in demand from Gujarat feed makers.

In A.P., considering current weather conditions, Agriwatch expects good crop production compared to last year while in Bihar, maize production is expected to be almost same compared to last year despite increase in area as there is chance of yield loss.

Bihar crop is expected to be delayed and likely to hit the market in the month of April.

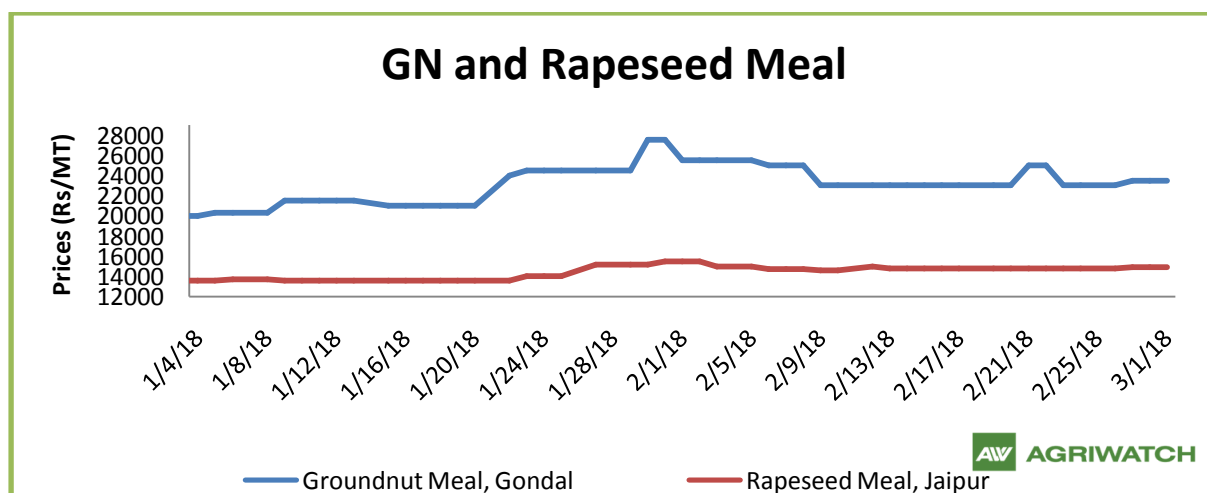
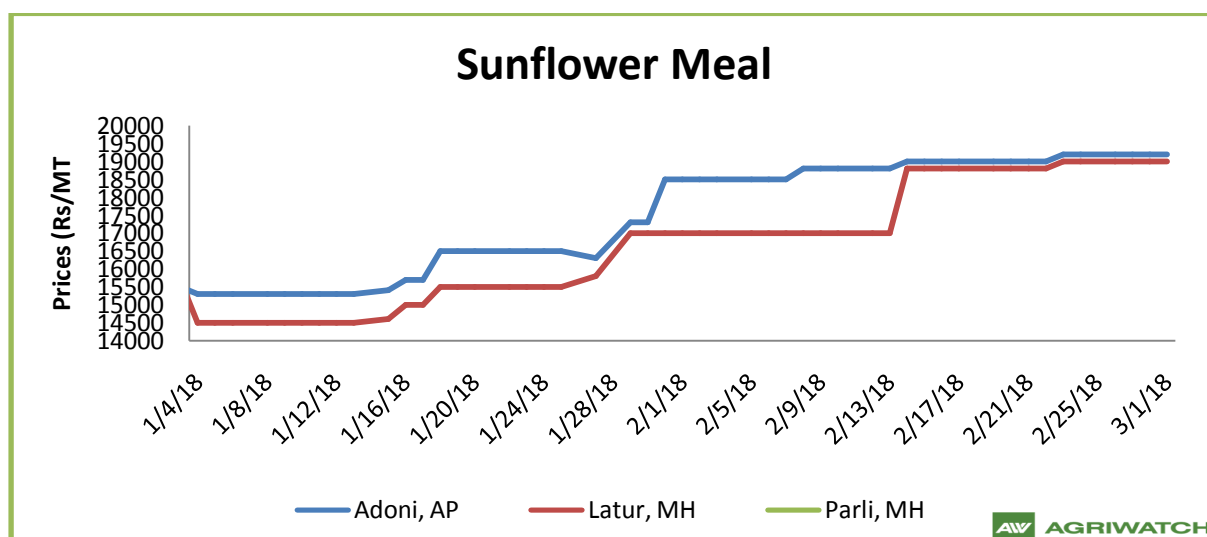
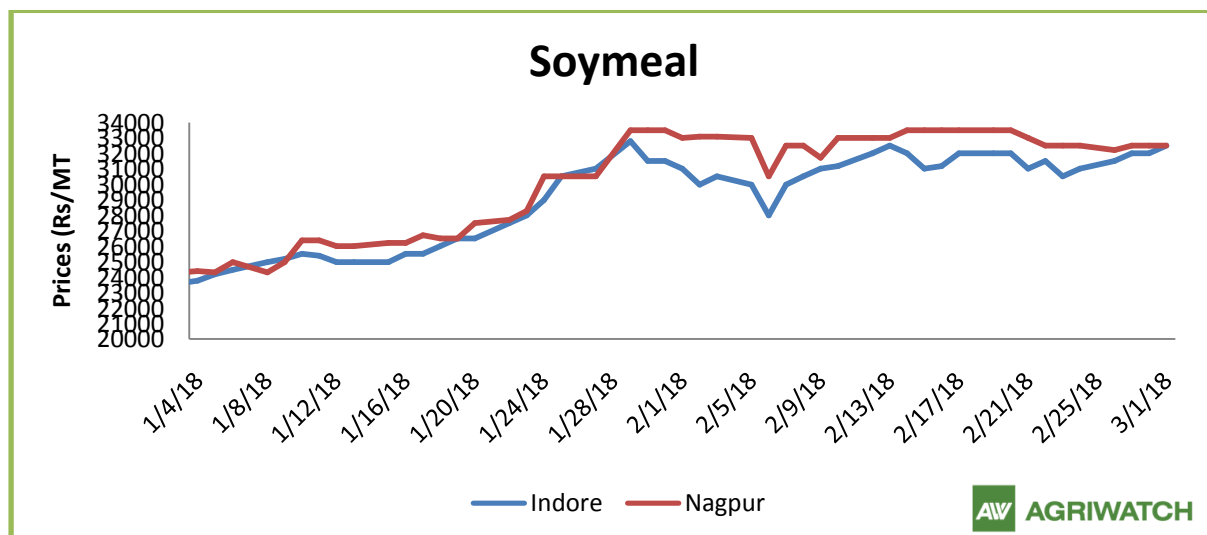
Overall maize cash markets traded steady to range bound during the week and is expected to be steady to range bound in near term too due to high carry forward stock amid expectation of good crop production during Rabi season.

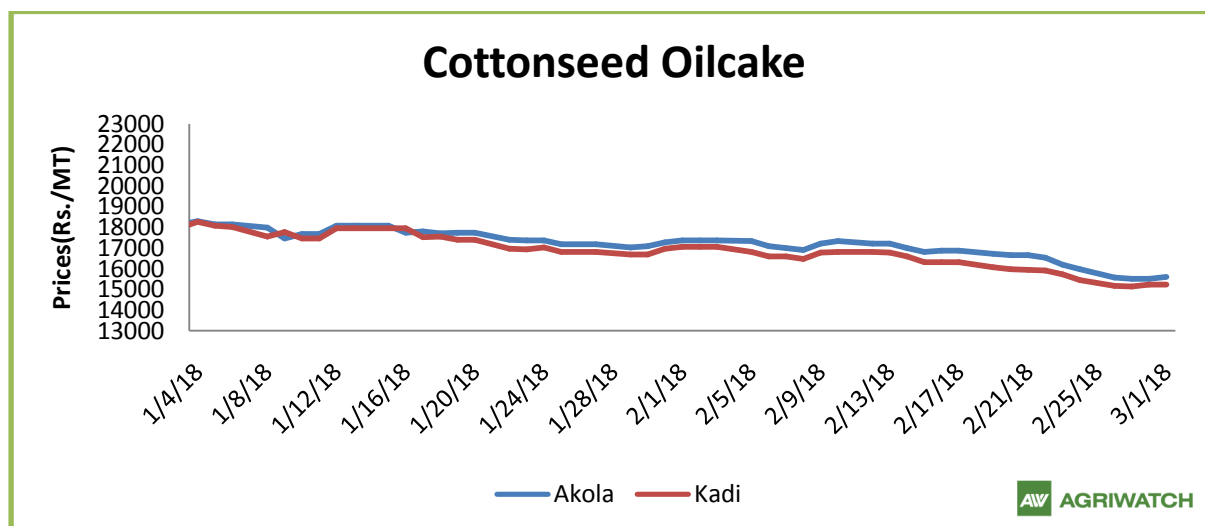
In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.69% to Rs. 1353 per quintal (weekly average price). However, starch feed makers quoted it firm by 0.89% to Rs. 1360 per quintal compared to last week average price.

All India weekly average prices decreased by 10.63 percent to Rs. 1773.42 per quintal during the week ended 28th February 2018. Wheat average price were ruling at Rs 1984.35 per quintal during

16-23 February 2018. As compared to prices in the week 24-28 February 2017, the prices are weak by 14.17 percent. Prices are expected to remain steady to firm in coming days.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean noticed sideways movement during the week on lack of cluster trading ahead of the festival of 'Holi' and lower availability in the domestic market. Soybean at CBOT continued positive tone thereby lending some support to the market. Dry weather is continuing in Argentina and this could affect output further. Harvesting has picked up compared to previous week, however it is lagging compared to previous year. The USDA has reduced soybean output and ending stocks estimates in 2017 -18 at the annual outlook forum. The weekly export sales of soybean released by the USDA are higher compared to previous week.

In the domestic market, the arrival of soybean is declining in the mandis. There is lower availability with the plants for crushing. This coupled with positive tone of soybean at CBOT lent support to the market. Profit-taking at higher levels weighed on prices to certain extent.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 2,45,000 bags compared to 3,00,500 bags reported in the previous week.

According to the latest survey by the Soybean Processors Association of India (SOPA), India's soybean output in the 2017 -18 seasons is likely to decline by 24 per cent to 8.35 MMT compared to previous year's estimates of 10.9 MMT. Output is lower amid flood-induced crop damage in major growing states, followed by blight disease in the plants. According to industry sources, India's total acreage is down by 5 per cent this year. SOPA also estimates India's soybean meal exports at 1.25 MMT for financial year 2017-18 compared to 2 MMT reported for the previous year.

According to SOPA, the total supply of soybean has been estimated at 96.50 lakh metric tonnes for the oil year 2017 -18 in its latest estimates released in February. For the period October -January of the current oil year, the production is estimated at 83.50 lakh metric tonnes, while the carryover from the previous year is put at 13.00 lakh metric tonnes.

The demand for crushing is likely to be around 77.50 lakh metric tonnes, while exports are projected at 2 lakh metric tonnes.

With 12 lakh metric tonnes retained for sowing and 1.5 lakh metric tonnes for direct consumption, the carryover for the coming year is estimated at 3.50 lakh metric tonnes.

As per Agriwatch estimates, soybean production in the current kharif season was estimated 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 9th February 2018, is lower compared to the previous year's level which is down by 5.27% at 80.87 lakh hectares compared to 84.85 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 likely reduction in soybean output in Argentina and slows pace of harvesting in Brazil.

At CBOT, the soybean, in the most active May contract, ended higher at US \$ 10.71/bushel compared to US \$ 10.48/bushel last week.

Net sales of 857,900 MT of soybean for 2017/2018 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for Mexico (334,500 MT, including decreases of 5,000 MT), China (215,600 MT, including decreases of 1,300 MT), Egypt (170,100 MT, including 106,900 MT switched from unknown destinations and decreases of 1,100 MT), South Korea (63,400 MT, including 56,000 MT switched from unknown destinations), and Indonesia (39,900 MT, including decreases of 100 MT) during the period February 22 -28, 2018. Reductions were reported for unknown destinations (22,000 MT) and Vietnam (3,900 MT). For 2018/2019, net sales of 122,100 MT were reported for unknown destinations (121,000 MT) and Japan (1,100 MT). Exports of 902,000 MT were up 1 percent from the previous week, but down 26 percent from the prior 4-week average. The primary destinations were China (539,200 MT), Egypt (110,100 MT), South Korea (59,200 MT), Japan (49,600 MT), and Mexico (38,900 MT). The current week's net sales are higher compared to net sales of 109,100 MT during the previous week.

Soy meal

Soy meal noticed firm tone recovering the recent losses to certain extent. Lower availability in the domestic market and some forward booking in the export market lend support to the market. Upside movement of soy meal at CBOT added to the positive tone of the market.

Soy meal ready for delivery in PP bags at Dhule was quoted at 33500+GST by MOEPL. This is with 46.5% protein content. However, it was quoted at 34000+GST at Latur by Octagon for delivery in the next 10 days. This is with 46% protein content and it was quoted at 34700+GST for 47% protein content.

The hurdles on the imports of frozen chicken legs have been cleared and according to industry sources in the poultry industry, domestic business could be hit by around 25%. This in turn will weigh on soy meal prices in the coming days.

Soy meal exports in Brazil are expected to increase to 16.2 MMT in 2018 compared to 15 MMT in 2017 following B10 blending mandate and lower availability from Argentina. Around 40% of the domestic soy crush goes towards biodiesel production and this will increase by a quarter this year as the blending mandate has been made 10% in March compared to 8% previously.

On a financial year basis, India's export of oil meals during April 2017 to January 2018 stands at 2,362,049 metric tonnes as compared to 1,409,527 metric tonnes in the same period of previous year showing an increase of 68% according to data released by the Solvent Extractor's Association of India.

In the month of January 2018, export of oil meals declined by 52% to 116,150 metric tonnes compared to the same period previous year. Soy meal exports during the period April 2017 to December 2017 was reported up at 1,013,935 metric tonnes compared to 601,270 metric tonnes during the same period previous year.

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

Soy meal increased in international market, during the week.

CBOT soy meal March contract settled at US \$ 392.90 per short ton compared to US \$ 378.30 per short ton last week.

Net sales of 131,900 MT of soybean cake and meal for 2017/2018 were down 37 percent from the previous week and 51 percent from the prior 4-week average. Increases were reported for the Philippines (61,200 MT), Colombia (18,200 MT, including 10,000 MT switched from unknown destinations), Vietnam (12,000 MT), Canada (6,900 MT), and Peru (6,300 MT, including 7,000 MT switched from unknown destinations and decreases of 700 MT) during the week February 09 -15, 2018. Reductions were reported for El Salvador (2,300 MT) and Nicaragua (500 MT). Exports of 329,200 MT--a marketing-year high--were up 30 percent from the previous week and 32 percent from the prior 4-week average. The primary destinations were the Philippines (144,900 MT), Thailand (53,000 MT), Mexico (34,200 MT), Canada (15,900 MT), and Peru (15,100 MT). The current week's net sales for 2017/18 are lower compared to net sales of 210,000 MT during the previous week.

The domestic soy meal prices at Indore, were quoted at Rs 31,000 – 32,500/MT compared to Rs. 30,500/MT -32,000/MT in previous week. At Latur and Nanded, Maharashtra, soy meal noticed steady to weak tone and were quoted at Rs 34,500/MT and 33,400/MT respectively compared to Rs 32,500/MT in Indore and Rs 33,000/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard noticed weak tone amid increasing pace of new crop arrival in the domestic market. All India average arrival of rapeseed per day was around 2.50 lakh bags. Lack of demand from the retailers weighed on the market.

According to industry sources, India's rapeseed and mustard output in 2017/18 is likely to be around 63 -64 lakh tonnes. 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 all India seed supplies were reported between 1.50 – 2.65 lakh bags in a day compared to around 0.60 – 1.50 bags a day, previous week. The supplies were 1.85 -3.85 lakh bags a day during the corresponding period last year.

The seed prices are higher at spot market and are quoted at around Rs 4,065 – 4,130 a quintal compared to Rs 3,825 – 3,950 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at April contract ended lower at 4108/Qtl compared to 4150/Qtl previous week.

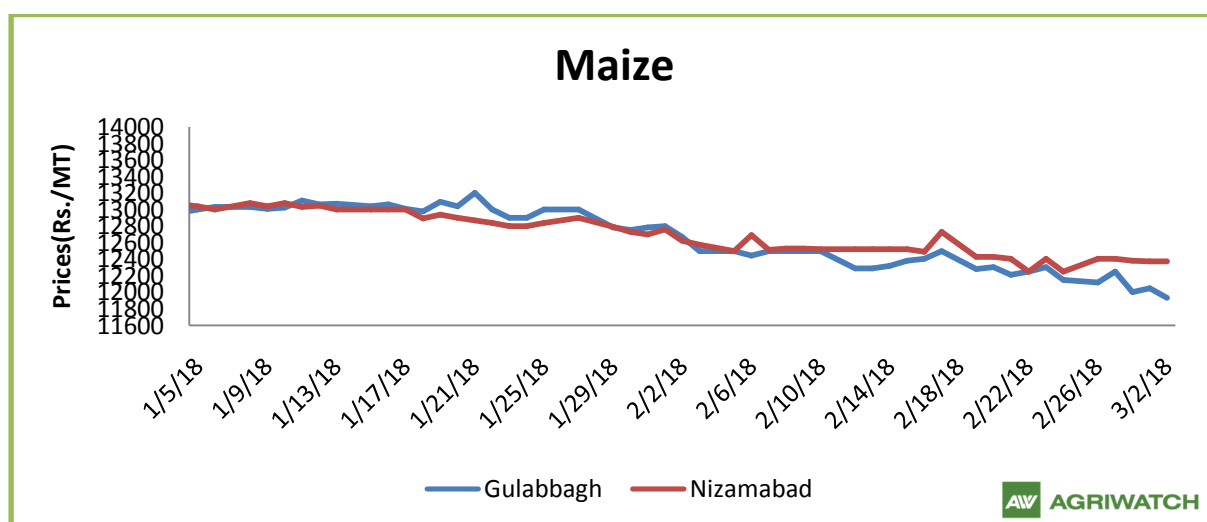
The area coverage under rapeseed, as on 09 February, is reported down 5.27% at 66.88 lakh hectares compared to 70.60 lakh hectares at the same period last year.

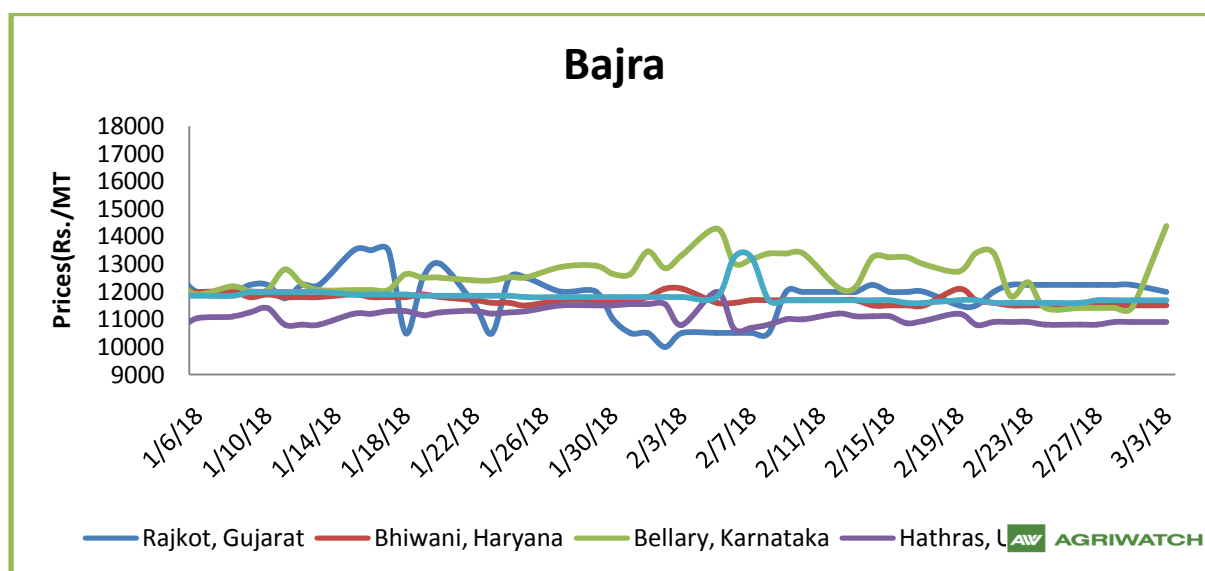
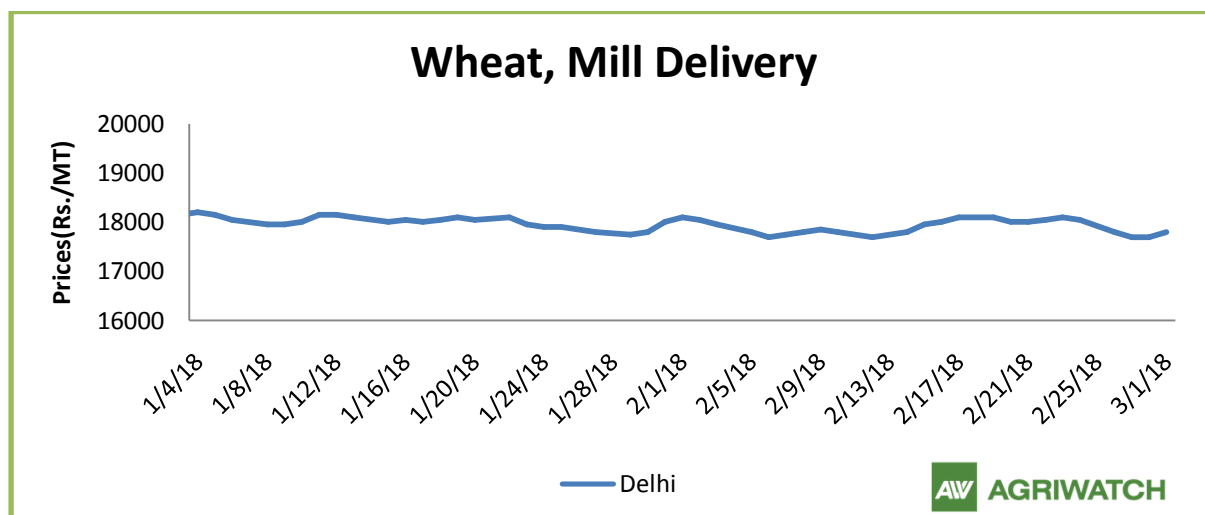
The total sown area under *rabi* oilseeds, as on 09 February, is lower compared to the previous year's level which is down by 5.27% at 80.87 lakh hectares compared to 84.85 lakh hectares during the corresponding period last year.

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

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 November.

According to the data released by the General Administration of Customs, China's import of rapeseed declined by 5.3% to 372,692 metric tonnes in January 2018 compared to previous month. Imports of rapeseed meal increased by 54.91% to 124,321 metric tonnes in January 2018 compared to previous month.





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

Considering the current situation, there is not much risk of drastic fall in prices, in A.P market as it is already being traded at the lower end but new crop arrival pressure which is expected after mid of March could weigh a little, on market sentiments.

In Nizamabad, maize production is likely to be same compared to last year and is likely to trade steady to range bound in near term amid sluggish demand

In Davangere, maize is likely to trade steady to range bound in near term amid sluggish demand. About a 70% of the material arriving in the Davangere market is still infested with fungus. In the affected lots, between 2 to 8% of the grains are infested.

As per USDA, U.S corn exports reached 17.76 MMT in the 2017-18 marketing year. At 1.27 MMT (for the period 16th February -22nd February, 2018) U.S corn exports were up 50 percent from the previous week and 37 percent from the prior 4-week average. The destinations were primarily to Mexico (244,100 MT), Japan (225,100 MT), South Korea (204,000 MT), Saudi Arabia (114,800 MT), and Colombia (92,400 MT).

All India weekly average prices decreased by 10.63 percent to Rs. 1773.42 per quintal during the week ended 28th February 2018. Wheat average price were ruling at Rs 1984.35 per quintal during 16-23 February 2018. As compared to prices in the week 24-28 February 2017, the prices are weak by 14.17 percent. Prices are expected to remain steady to firm in coming days.

As per second advance estimate, India is likely to produce 97.11 MMT of wheat compared to 98.51 MMT in previous year. The total food grain production is expected at record 277.49 MMT compared to 275.11 MMT last year. This year overall acreage is lower by around 4.27% compared to last years' acreage of 317.88 lakh hectares.

IMD has issued warning for thunderstorm accompanied with hailstorm or squall in wheat growing regions such as Madhya Pradesh, Chhattisgarh, west Bengal and Jharkhand. Acreage in Madhya Pradesh is lower this year and any damage to crop may affect the total availability of the crop in the state. However as of now no reports of major damage have been reported in the state.

Authorities in Punjab have advised farmers to use pesticides to protect their wheat crop from aphids aka tela. Tela usually attacks the crop during rising temperatures. Farmers have reported tela in Kapurthala, Pathankot, Amritsar and Jalandhar districts. Wheat fields those are close to mustard crop have been affected more as yellow color attracts the insect. Punjab is likely to receive rains in coming days, which would lead to death of the pest. Furthermore Kurukshetra district of Haryana has also reported yellow rust on a small scale. Overall crop condition in both the states is good.

As per latest update, showers accompanied with hailstorm were noticed in Jaipur, Alwar, Sawai Madhopur and Jhunjhunu district of Rajasthan. No reports of damage to wheat crop have been received yet. However there are news that mustard crop have been slightly affected. Chief Minister Vasundhara Raje too has ordered for an early crop assessment to take further actions, if need be.

FCI has offered a total of 39752562 tonnes of wheat through E-Auction since June until First tender in March. Of the total quantity offered, only 1036150 tonnes of wheat has been sold until second tender in February. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports.

As per Agriwatch preliminary estimate, production is likely to be around 91.4 MMT compared to 93.5 MMT last year. Production is likely to fall due to lower acreage this year. 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.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2180-2200 per quintal, ASW at Rs 2020-2030 per quintal and Ukrainian wheat at Rs 1850-1855 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

Indian FoB quote is hovering around \$264.27 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$198.60, \$196.20, Euro 160.50, \$205.42 and \$223.80 per tonne respectively. There is little hope for recovery at export front this year. However, India is expected to import 2.5 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 150.7 MMT in 2017-18 compared to 144.2 MMT in 2016-17. Russia and Ukraine are likely to harvest 84.9 MMT and 27.0 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 21.2 MMT in 2017 compared to 35 MMT in 2016 due to lower acreage and unfavorable weather conditions. Argentina is expecting to harvest

around 17.9MMT in 2017-18 compared to 18.4 MMT in 2016-17. Furthermore, Canada is likely to harvest around 30 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)		
	1-Mar-18	23-Feb-18	Parity To
Indore (MP)	32500	30500	Gujarat, MP
Kota	33000	31500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	33500	33300	Mumbai, Maharashtra
Nagpur (42/46)	32500	32500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33400	33400	Andhra, AP, Kar ,TN
Latur	34500	35000	-
Sangli	34000	34500	Local and South
Sholapur	33700	33300	Local and South
Akola	32500	31800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34000	33500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32000	31800	-

Soy DOC at Port

Centers	Port Price	
	28-Feb-18	21-Feb-18
Kandla (FOR) (INR/MT)	34000	33000
Kandla (FAS) (USD/MT)	522	507

International Soy DOC			
Argentina FOB USD/MT	27-Feb-18	20-Feb-18	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-Mar-18	23-Feb-18	Change
Adoni	19200	19200	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	19000	19000	Unch

Groundnut Meal (Rs/MT)	1-Mar-18	23-Feb-18	Change
Basis 45%, Saurashtra	24000	23500	500
Basis 40%, Saurashtra	22000	23000	-1000
GN Cake, Gondal	23500	23000	500

Mustard DOC/Meal	1-Mar-18	23-Feb-18	Change
Jaipur (Plant delivery)	14900	14800	100
Kandla (FOR Rs/MT)	14900	15500	-600
Sri Ganganagar	1870	1830	40

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	1-Mar-18	22-Feb-18	29-Jan-18	1-Mar-17	29-Feb-16
Delhi	Hybrid(U.P)	1350	1350	1325	1580	1670
Davangere	Loose	1230	1230	1230	1500	1360
Nizamabad	Bilty	1320	1320	1320	1470	1425
Ahmadabad	Feed	1360	1370	1325	1520	1560
	Starch	1375	1360	1315	1500	1560

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

	Argentina	Brazil	US	India
FOB	187.50	177.20	180.07	240.80
Cost and Freight	237.50	232.20	240.07	275.80

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	102212
Oct	182724	29071	4237	31390	71425
Nov	503269	110806	8909	97750	207630
Dec	451314	193832	5667	241250	168865
Total	3512217	1210954	276674	455374.1	1408042

<u>Feed Ingredient Prices at a Glance</u>						
<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>01-Mar-18</u>	<u>22-Feb-18</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1141	1340	-199
		Hybrid	Bangalore	1800	1800	Unch
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	1338	1345	-7
Maize	Karnataka	Yellow	Davanger e	1165	1165	Unch
	Andhra Pradesh	Yellow	Nizamaba d	Closed	1280	--
Rice	Haryana	IR8	Karnal	2600	2800	-200
		Parmal Raw	Karnal	2550	2550	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3250	3050	200
	Maharashtra	DOC	Sangli	3400	3450	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1920	1920	Unch
	Maharashtra	Ex-factory	Latur	1900	1900	Unch
Mustard	Rajasthan	Plant	Jaipur	14900	1480	13420

		delivery				
Groundnut Meal	Gujarat	GN Cake	Gondal	2350	2300	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1522	1573	-51
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1560	1617	-57
Note: Prices Rs./Qtl						

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
 © 2018 Indian Agribusiness Systems Ltd.