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Summary

Soybean witnessed easy tone during the week amid expected increase in kharif acreage this season and spillover weakness from soybean at CBOT. Soybean at CBOT featured weak tone amid likely decline in demand from China following recent trade rift between U.S. and China. No fresh sales have been made to China since 11th April 2018. The weekly export sales of soybean released by the USDA are below market expectation, thereby adding to the weak tone of the market. The Buenos Aires Exchange has lowered soybean yields in Argentina in its latest weekly report and is likely to reduce further by the time harvesting is completed. China's imports of soybean have declined in March 2018.

In the domestic market, arrivals have increased compared to previous week. Expectation of higher soybean acreage this season according to industry sources weighed on the market.

U.S. is worried of likely decline in demand from China, which is largest importer of soybean. No fresh sales have been reported since 11th April 2018. The market is hopeful of demand in the coming days. The Buenos Aires Exchange has reduced soybean yield in Argentina to 2.4 tonnes per hectare compared to average yield of 2.9 tonnes per hectare during the last few years. China's imports of soybean have declined in March 2018. The total weekly export sales of soybean have been reported at 537,800 tonnes below market expectation of 800,000 tonnes -1.4 MMT.

Soy meal prices declined in line with other legs of the complex. Lack of demand in the domestic market around current levels weighed on the market. Production of soy meal is expected to increase in the coming season following expected increase in production of soybean.

Rapeseed prices continued weak tone during the week amid overall weakness in edible oils in the domestic market and weakness in palm oil at BMD. Stockists are holding stocks in anticipation of better prices in the future. All India average arrival of rapeseed was around 3.50 lakh bags per day during the week.

There is record supply in the global market, which will continue to weigh on the market in the coming days.

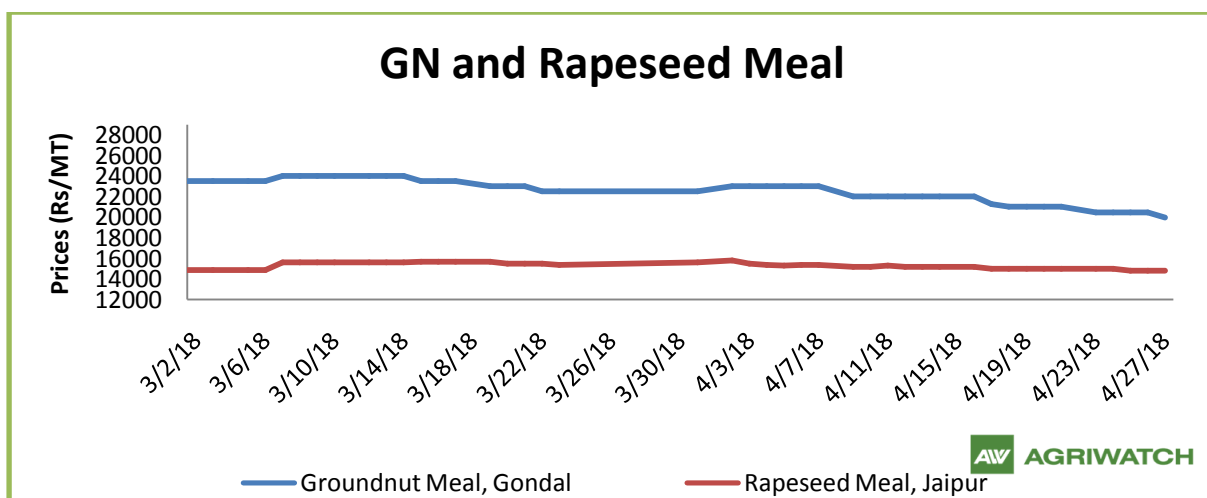
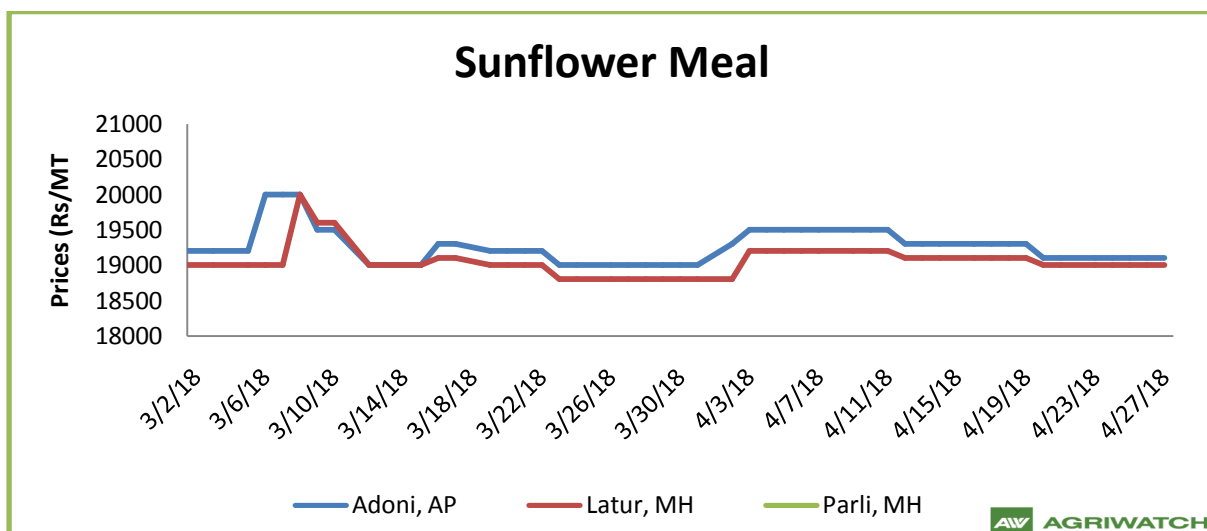
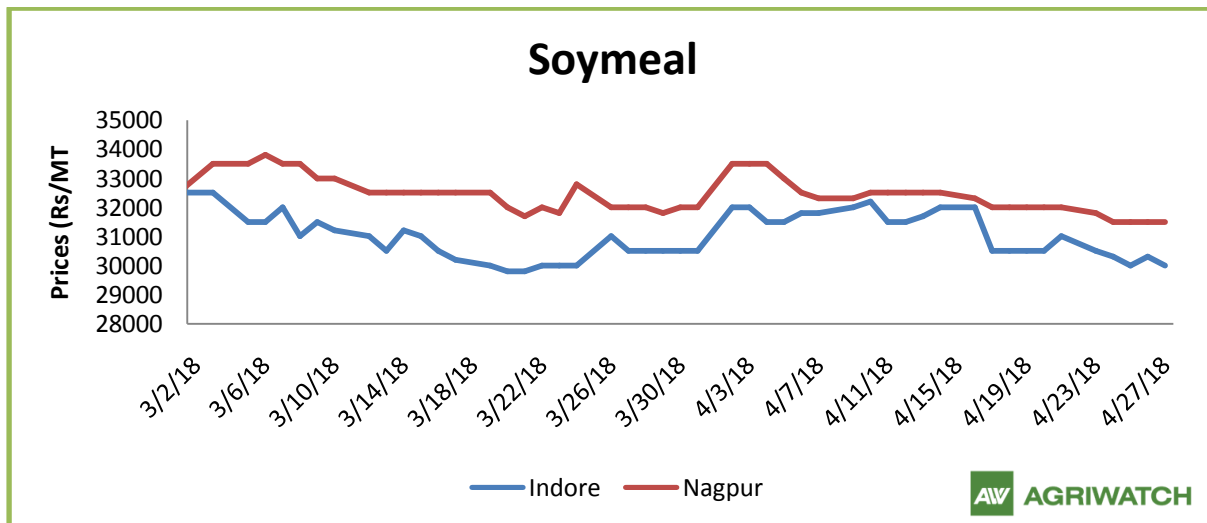
Overall maize cash markets traded steady to weak during the week and is expected to trade steady to weak in near term too due to new crop arrival pressure and high carry forward stock.

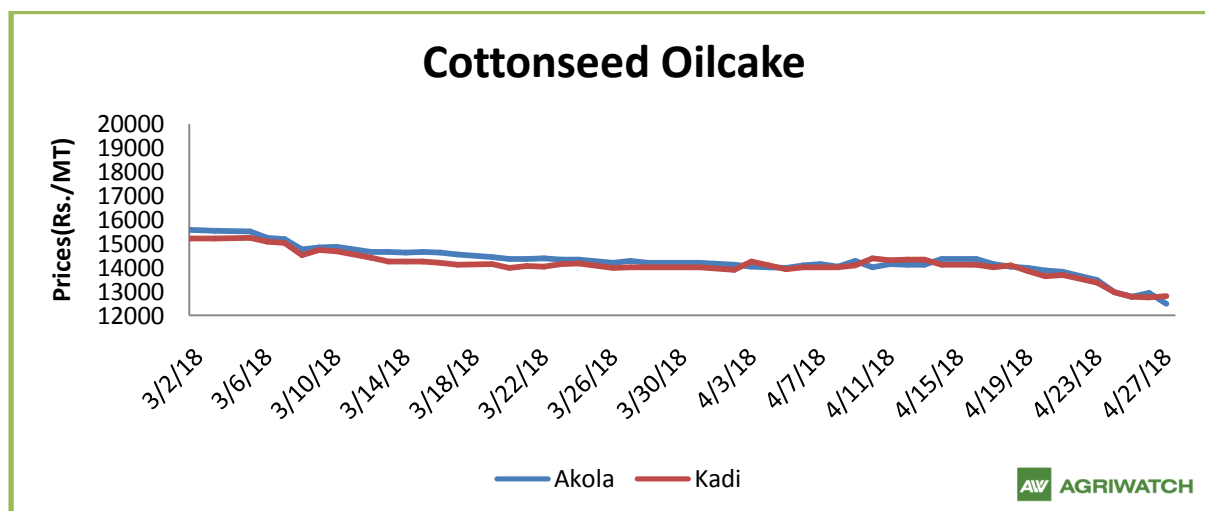
In Naugachia and Gulabghat region of Bihar, new crop arrivals of maize has started to increase and we are expecting that peak crop arrivals could be seen in the near month of May which would weigh on all Indian maize prices. As per trade source, maize is moving towards Punjab and Haryana at Rs. 1500 per quintal; sourced from Naugachia region of Bihar.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.59% to Rs. 1365 per quintal (weekly average price). However, starch feed makers quoted it down by 0.50% to Rs. 1393 per quintal compared to last week average price.

As per trade source, India exported 23,057 MT of maize for the month of Feb'18 at an average FoB of \$237.33/ MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxaul and JNPT Sea. While, During the month of Mar'18, India exported 98,773 MT of maize at an average FoB of \$234.85/ MT, mainly to Vietnam followed by Nepal and Malaysia mainly through JNPT Sea followed by Tondiapet and Raxaul.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean witnessed easy tone during the week amid expected increase in soybean acreage this season and spillover weakness from soybean at CBOT. Soybean at CBOT featured weak tone on likely decline in demand from China following ongoing trade rift between U.S. and China and weekly export sales of soybean released by the USDA were below market expectation. However downside was limited amid decline in soybean yield in Argentina in the latest weekly report according to the Buenos Aires Exchange. Yields could decline further by the time harvesting is completed. China's imports of soybean have declined in the month of March 2018.

Kharif acreage under soybean this season is likely to increase by 15 per cent in the domestic market according to industry sources following increase in soybean price amid hike in import duty on edible oils to the highest level by the government recently. Farmers are likely to shift from cotton and pulses towards soybean. Soybean prices have increased and are ruling above the MSP in the market. Higher soybean production will translate into higher soy meal production. This is likely to increase soy meal exports in the coming season. In 2017, soybean acreage was reported at 105.92 lakh hectares according to the Ministry Of Agriculture.

The total weekly soybean arrivals in the cash markets of Madhya Pradesh are reported at 2,41,000 bags compared to 1,25,000 bags reported in the previous week.

According to the Indian Meteorological Department (IMD), in 2018 monsoon is expected to be 97% of the long –term average. There is very less probability of a deficient monsoon this season. The next assessment on monsoon will be done in June.

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 April. For the period October -March 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 has been revised to 94 lakh metric tonnes compared to previous estimates of 98 lakh metric tonnes. India produced 115 lakh metric tonnes in 2016-17. 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 lower amid likely decline in demand from China and lower weekly export sales of soybean.

At CBOT, the soybean, in the most active July contract, ended lower at US \$ 10.39/bushel (Thursday closing) compared to US \$ 10.40/bushel last week.

Net sales of 371,300 MT of soybean for 2017/2018 were down 64 percent from the previous week and 63 percent from the prior 4-week average. Increases were reported for Indonesia (133,300 MT, including 68,000 MT switched from unknown destinations and decreases of 1,100 MT), the Netherlands (82,000 MT, including 76,000 MT switched from unknown destinations and decreases of 5,200 MT), Mexico (53,000 MT, including decreases of 1,100 MT), Taiwan (26,400 MT, including decreases of 100 MT), and Japan (22,000 MT, including 17,500 MT switched from unknown destinations and decreases of 3,300 MT) during the week April 13 -19, 2018. Reductions were reported for China (9,800 MT) and Bangladesh (1,000 MT). For 2018/2019, net sales of 166,500 MT were for unknown destinations (109,000 MT), Mexico (47,500 MT), and Malaysia (10,000 MT). Exports of 446,100 MT were up 11 percent from the previous week, but down 18 percent from the prior 4-week average. The destinations were primarily to China (127,800 MT), Indonesia (94,400 MT), the Netherlands (82,000 MT), Mexico (39,900 MT), and Taiwan (23,600 MT). The current week's net sales are lower compared to net sales of 1,040,700 MT during the previous week.

Soy meal

Soy meal witnessed easy tone following weakness in other legs of the complex and lack of demand in the domestic market. Production of soy meal is expected to increase in the coming season following increase in production of soybean.

Soy meal for ready delivery in PP bags at Dhule was quoted at 31900+GST by MOEPL. This is with 46.5% protein content. However it was quoted at Rs. 32000+GST for ready ad May delivery in PP

bags at Latur by ADM. It was quoted at 32500+GST for June delivery and at 33300+GST for July delivery.

Kharif acreage under soybean this season is likely to increase by 15 per cent in the domestic market according to industry sources following increase in soybean price amid hike in import duty to the highest level by the government. Prices have increase and are ruling above the MSP in the market. Higher soybean production will translate into higher soy meal production. This is likely to increase soy meal exports in the coming season.

On a financial year basis, India's export of oil meals during April 2017 to March 2018 stands at 2,839,623 metric tonnes as compared to 1,885,480 metric tonnes in the same period of previous year showing an increase of 51% according to data released by the Solvent Extractor's Association of India.

In the month of March 2018, export of oil meals declined by 56% to 75,393 metric tonnes compared to the same period previous year. Soy meal exports during the period April 2017 to March 2018 was reported up at 1,156,549 metric tonnes compared to 916,306 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 July contract settled at US \$ 383.30 per short ton (Thursday closing) compared to US \$ 378.60 per short ton last week.

Net sales of 223,700 MT of soybean cake and meal for 2017/2018 were up 36 percent from the previous week, but down 17 percent from the prior 4-week average. Increases were reported for Vietnam (83,000 MT), Thailand (50,000 MT, switched from unknown destinations), Canada (21,100 MT, including decreases of 200 MT), and Colombia (12,000 MT, including decreases of 400 MT) during the week April 13 -19, 2018. Reductions were reported for unknown destinations (17,000 MT). For 2018/2019, net sales of 40,800 MT were reported for unknown destinations (40,000 MT) and Canada (800 MT). Exports of 268,900 MT were down 2 percent from the previous week, but up 3 percent from the prior 4-week average. The primary destinations were the Philippines (90,100 MT), Indonesia (45,200 MT), Mexico (32,900 MT), Cuba (27,000 MT), and Vietnam (21,600 MT). The current week's net sales for 2017/18 are higher compared to net sales of 164,900 MT during the previous week.

According to the data released by the General Administration of Customs, China's imports of rapeseed meal increased by 87.51% to 109,795 metric tonnes in March 2018 compared to same period previous year. In the first three months of the current year, imports of rapeseed meal increased by 46.26% to 297,848 metric tonnes compared to same period previous year.

The domestic soy meal prices at Indore were quoted at Rs 30,000 – 31,000/MT compared to Rs. 30,500/MT -32,000/MT in previous week. At Latur and Nanded, Maharashtra, soy meal noticed weak tone and were quoted at Rs 32,200/MT and 32,300/MT respectively compared to Rs 30,300/MT in Indore and Rs 31,200/MT in Kota.

Rapeseed - Mustard Seed

The domestic rapeseed-mustard continued weak tone during the week amid overall weakness in edible oils in the domestic market and weakness in palm oil at BMD. Stockists are holding stocks in anticipation of better prices in the future. All India average arrival of rapeseed per day was around 3.50 lakh bags during the week.

The Haryana State Co-operative Supply and Marketing Federation Ltd. (HAFED) has opened 43 purchase centres for mustard seed procurement. It has purchased 54,564 quintal mustard seed as on March 28, 2018 directly from farmers through the shops of its member Cooperative Marketing Societies.

Madhya Pradesh government has decided to procure Rabi crop of mustard at MSP instead of using Bhavantar Bhugtan Yojana (BBY). This will reduce the flow of mustard in open market thereby providing some support to domestic prices. The government is likely to procure 4 lakh tonnes of mustard and has announced a bonus of Rs.100/Qtl over MSP, which has started this month.

The all India seed supplies were reported between 3.00 – 4.00 lakh bags in a day compared to around 3.50 – 4.55 bags a day, previous week. The supplies were 2.50 -5.00 lakh bags a day during the corresponding period last year.

The seed prices are higher at spot market and are quoted at around Rs 3,900 – 3,960 a quintal compared to Rs 3,800 – 3,870 a quintal during the corresponding period last year at the benchmark, Jaipur.

At NCDEX futures, the seed prices at May contract ended lower at 3743/Qtl compared to 3925/Qtl previous week.

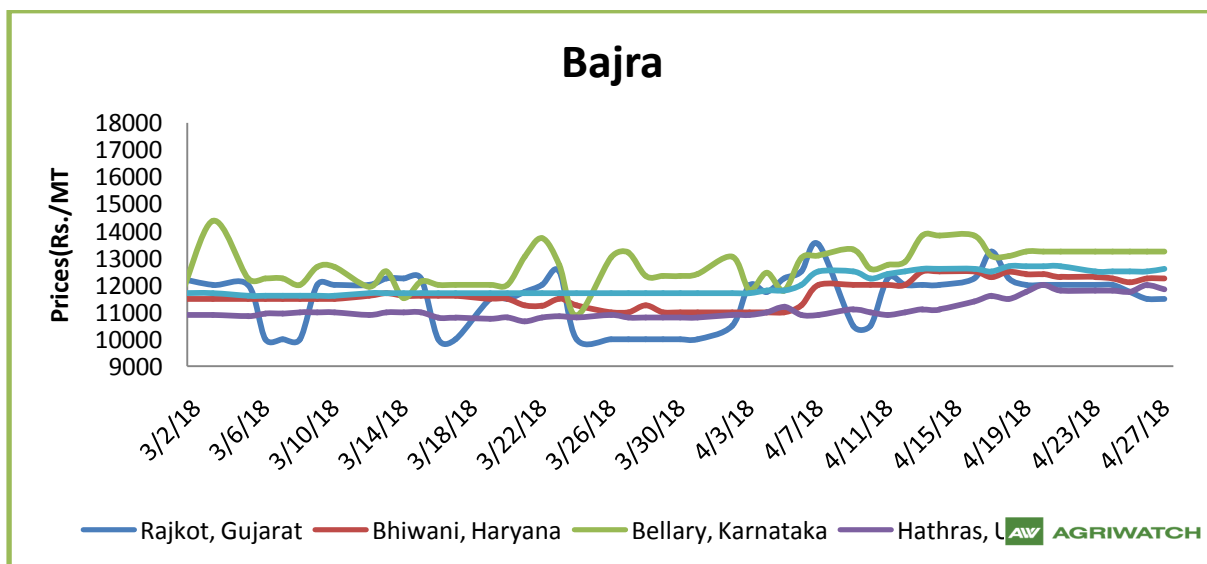
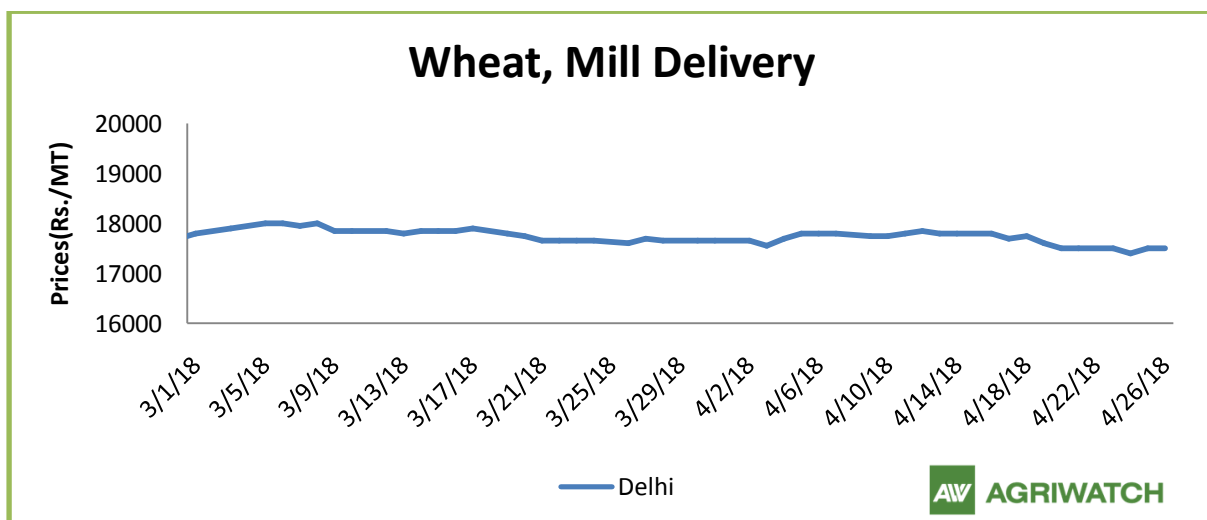
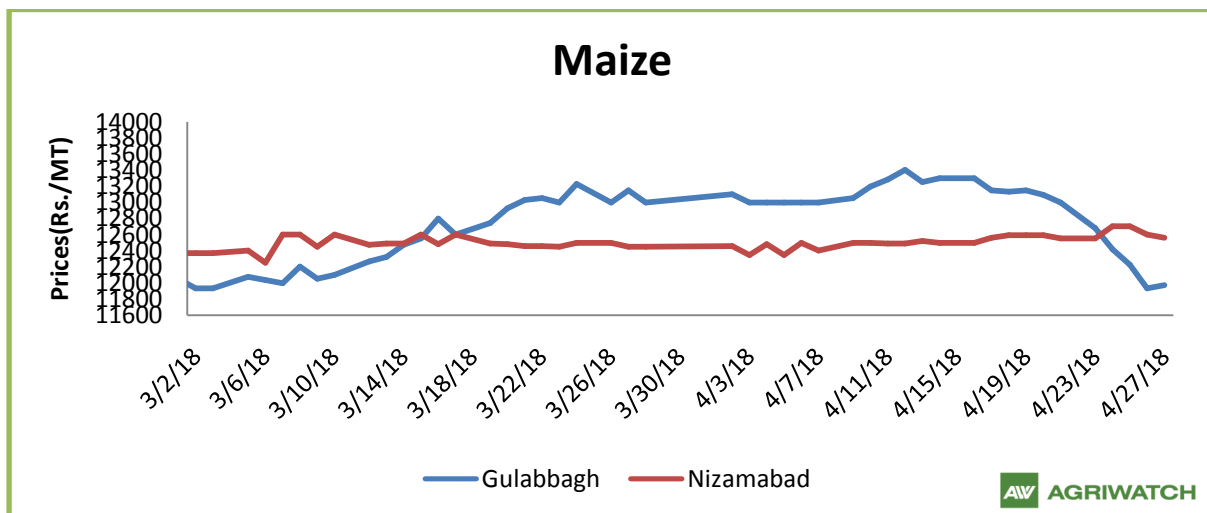
The area coverage under rapeseed, this season is reported down 5.27% at 66.88 lakh hectares compared to 70.56 lakh hectares at the same period last year.

The total sown area under *rabi* oilseeds 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 15.48% to 250,034 metric tonnes in March 2018 compared to same period previous year. In the first three months of the year 2018, imports of rapeseed declined by 21.18% to 984,947 metric tonnes compared to same period previous year. Imports of rapeseed meal increased by 87.51% to 109,795 metric tonnes in March 2018 compared to same period previous year. In the first three months of the current year, imports of rapeseed meal increased by 46.26% to 297,848 metric tonnes compared to same period previous year.



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

Overall maize cash markets traded steady to weak during the week and is expected to trade steady to weak in near term too due to new crop arrival pressure and high carry forward stock.

In Naugachia and Gulabghat region of Bihar, new crop arrivals of maize has started to increase and we are expecting that peak crop arrivals could be seen in the near month of May which would weigh on all Indian maize prices. As per trade source, maize is moving towards Punjab and Haryana at Rs. 1500 per quintal; sourced from Naugachia region of Bihar.

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As per trade source, India exported 23,057 MT of maize for the month of Feb'18 at an average FoB of \$237.33/ MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxaul and JNPT Sea. While, During the month of Mar'18, India exported 98,773 MT of maize at an average FoB of \$234.85/ MT, mainly to Vietnam followed by Nepal and Malaysia mainly through JNPT Sea followed by Tondiapet and Raxaul.

Considering the current situation, there is not much risk of drastic fall in prices in A.P as it is already being traded at the lower end but new crop arrival pressure could weigh a little on market sentiments. In Nizamabad too, despite new crop arrivals maize could trade steady to slightly weak as at the lower level, stockists demand could limit the market from fall.

In Davangere, maize is likely to trade steady to slightly weak in near term as there is concern of quality of old stock. In Karnataka, stock of maize could be around 2 lakh quintal which was 3 lakh quintals during corresponding period last year. As per trade source, maize is moving towards Bangalore at Rs. 1280-1310 per quintal, Nammakal at Rs. 1330-1380 per quintal, Sangali at Rs. 1225 per quintal and Chennai at Rs. 1380 per quintal; sourced from Davangere.

As per USDA, U.S corn exports reached 29.44 MMT in the 2017-18 marketing year. At 1.70 MMT (for the period 13th April -19th April, 2018) US corn exports were up 7 percent from the previous week and 11 percent from the previous 4-week average. The destinations were primarily to Mexico (335,900 MT), South Korea (273,300 MT), Colombia (254,300 MT), Japan (178,900 MT), and Vietnam (139,100 MT).

IGC increased its global corn production forecast by 2 MMT to 1054 MMT compared to previous forecast for 2018/19.

In U.S, 5% corn has planted as of 22nd April, 2018, lower by 10% compared to last year and 9% from last 5 year average period.

All India weekly average prices decreased by 4.87 percent to Rs. 1845.93 per quintal during the week ended 23rd April 2018. Wheat average price were ruling at Rs 1940.47 per quintal during 09-15 April 2018. As compared to prices in the week 16-23 April 2017, the prices are weak by 6.57 percent. Prices are expected to remain steady to weak in coming days due to arrival pressure.

As of now, price of wheat mill quality loose are moving below MSP in all major producing states except Punjab and Haryana. Although production is slightly low this year but higher stock position with government as well as private trade has created ample availability. Wheat prices are likely to be under pressure until arrivals continue. Prices may get some support either from an increase in reserve price or putting a complete halt on imports.

Government agencies have started procurement since 15th March'18. Until 27th April'18 government has procured around 245.42 lakh tonnes of wheat. Of the total quantity procured, around 102.55 lakh tonnes have been procured from Punjab, 75.98 lakh tonnes from Haryana, 14.85 lakh tonnes from

Uttar Pradesh, 43.22 lakh tonnes have been procured from Madhya Pradesh, 8.20 in Rajasthan, 0.24 lakh tonnes from Uttarakhand, 0.12 lakh tonnes from Chandigarh and 0.26 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT. Government can easily achieve its procurement target this year.

As per latest update, wheat stock in central pool as on 1st April'18 stood at 132.31 lakh tonnes down by 12.70% compared to last month. This quantity is higher by around 64.18% compared to last year for the same month. For the month of March'18 off take from central pool was around 19.24 lakh tonnes compared to 13.70 lakh tonnes for March'17 and 23.27 lakh tonnes for March'16. FCI has additional 51.72 lakh tonnes of stock as on 01st April'18 compared to last year for the same month.

As per latest update, until 26th April Traders and five government agencies have purchased a total of 71.92 lakh tonnes of wheat. Of the total quantity procured by government agencies around 21.27 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 28.50 lakh tonnes by HAFED, 8.95 lakh tonnes by FCI and 13.18 lakh tonnes by Haryana warehousing corporation. Sirsa district has recorded highest arrival in the state, where 8.69 lakh tonnes of wheat has been procured.

Global wheat market is expected to trade steady to weak due to ample availability. EU is likely to produce around 148.5 MMT in 2018-19 compared to 151.2 MMT in 2017-18. Russia and Ukraine are likely to harvest 74.50 MMT and 26.7 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 47.50 MMT compared to last year's 47.40 MMT. Australia is likely to produce 24.30 MMT in 2018-19 compared to 21.20 MMT in 2017-18 as acreage is likely to return to normal level. Argentina is expecting to harvest around 17.1 MMT in 2018-19 compared to 18.5 MMT in 2017-18. Furthermore, Canada is likely to harvest around 29.9 MMT in 2018-19 compared to 30.0 MMT in 2017-18.

Outlook: Feed prices are expected to trade weak as overall feed ingredients prices traded steady to weak during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	27-Apr-18	20-Apr-18	Parity To
Indore (MP)	30000	30500	Gujarat, MP
Kota	31200	31500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	31900	32000	Mumbai, Maharashtra
Nagpur (42/46)	31500	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32300	33000	Andhra, AP, Kar, TN
Latur	32200	32700	-
Sangli	32800	33300	Local and South

Sholapur	32500	33100	Local and South
Akola	30800	32000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32400	32900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	31500	31500	-

Soy DOC at Port

Centers	Port Price	
	26-Apr-18	19-Apr-18
Kandla (FOR) (INR/MT)	32500	32800
Kandla (FAS) (USD/MT)	486	499

International Soy DOC			
Argentina FOB USD/MT	26-Apr-18	19-Apr-18	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)		
	27-Apr-18	20-Apr-18	Change
Adoni	19100	19100	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	19000	19000	Unch

Groundnut Meal (Rs/MT)	27-Apr-18	20-Apr-18	Change
Basis 45%, Saurashtra	21500	22000	-500
Basis 40%, Saurashtra	19000	19500	-500
GN Cake, Gondal	20000	21000	-1000

Mustard DOC/M meal	27-Apr-18	20-Apr-18	Change
Jaipur (Plant delivery)	14800	15000	-200
Kandla (FOR Rs/MT)	15500	15600	-100
Sri Ganganagar	1805	1860	-55

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	26-Apr-18	19-Apr-18	26-Mar-18	26-Apr-17	26-Apr-16
Delhi	Hybrid(U.P)	1450	1450	1400	1500	1375
Davangere	Loose	1150	1150	1200	1630	1400
Nizamabad	Bilty	1330	1340	Closed	Closed	1430
Ahmadabad	Feed	1360	1355	1350	1525	1500
	Starch	1400	1380	1400	1550	1510

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

	Argentina	Brazil	US	India
FOB	187.40	187.50	199.21	220.97
Cost and Freight	237.40	242.50	259.21	255.97

Soy Meal Exports (In MT):

Month	2014	2015	2016	2017	2018
Jan	364444	103934	7707	155160	105678
Feb	183551	64515	1127	207977	73816
Mar	232176	46670	430.1	107059	
Apr	75884	18017	12295	124374	
May	8226	14046	10400	48900	
Jun	2636	2098	17930	45975	
Jul	6682	928	12270	80797	
Aug	2778	768	10615	87668	
Sep	868	6886	12210	102212	
Oct	29071	4237	31390	71425	
Nov	110806	8909	97750	207630	
Dec	193832	5667	241250	168865	
Total	1210954	276674	455374.1	1408042	179494

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	26-Apr-18	19-Apr-18	Change
Bajra	Karnataka	Hybrid	Bellary	1325	1308	17
		Hybrid	Bangalore	1800	1800	Unch
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	1149	1149	Unch

Maize	Karnataka	Yellow	Davanger e	1150	1150	Unch
	Andhra Pradesh	Yellow	Nizamabad	1280	1280	Unch
Rice	Haryana	IR8	Karnal	2700	2650	50
		Parmal Raw	Karnal	2900	2900	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3000	3050	-50
	Maharashtra	DOC	Sangli	3280	3330	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1910	1910	Unch
	Maharashtra	Ex-factory	Latur	1900	1900	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1480	1500	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2000	2100	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1281	1363	-82
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1250	1388	-138
Note: Prices Rs./Qtl						

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