

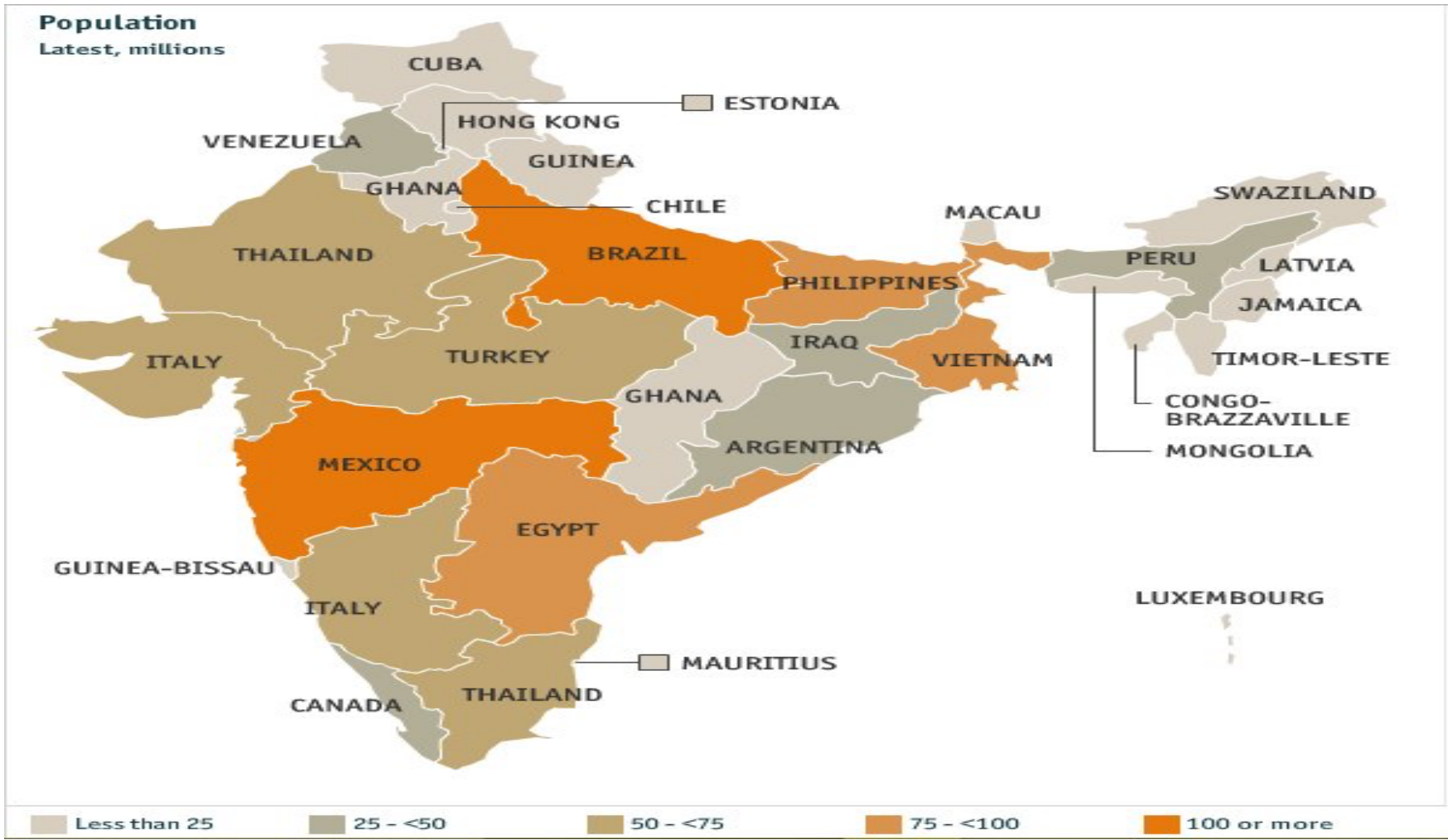


**“Until lions have their historians,
tales of the hunt shall always glorify the hunter”**

Welcomes to the tales- by Indian subcontinent’s Historians

**A PRESENTATION BY
McDonald Pelz Global Commodities**

We are going to cover In next 30 mins



Map not true representation of Indian Geo Borders- Just rep

The Irrelevant Factors

Population



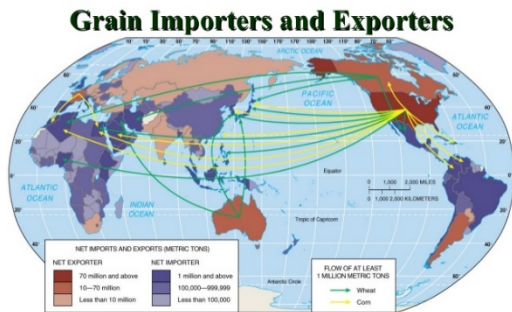
Precipitation



Production



Peripheral



Most countries are net importers of grain. The U.S. is the largest net exporter.

Prospects/Prices

Direction of Global Population

World, Region, Country	2015	2025	2040	2050	Change	% change
WORLD	7 349	8 142	9 157	9 725	2 376	32%
Consuming Countries	0	0	0	0	0	
Sub-Saharan Africa	962	1 240	1 744	2 123	1 161	121%
AFRICA	1 186	1 504	2 063	2 478	1 291	109%
Egypt	92	109	134	151	60	65%
South Africa	54	58	63	66	11	20%
Nigeria	182	234	327	399	216	119%
China	1 376	1 415	1 395	1 348	- 28	-2%
Japan	127	123	114	107	- 19	-15%
Republic of Korea	50	52	52	51	0	1%
Southern Asia	1 823	2 049	2 310	2 424	601	33%
Bangladesh	161	179	197	202	41	26%
India	1 311	1 462	1 634	1 705	394	30%
Pakistan	189	227	279	310	121	64%
Indonesia	258	285	312	322	65	25%
Philippines	101	116	137	148	48	47%
Exporting Countries						
EUROPE	738	738	721	707	- 32	-4%
NORTHERN AMERICA	358	384	416	433	75	21%
South America	418	438	484	494	75	18%
Russia	143	143	136	129	- 15	-10%



Consuming Countries population possibly will increased steadily

Producing Countries will see stagnate population

Welcome to Asian and African Markets

Indian population will overtake china around 2025 and will only slow down growing in 2045 (in normal situation)

Soybean and Mustard Sown Areas

Soybean Areas

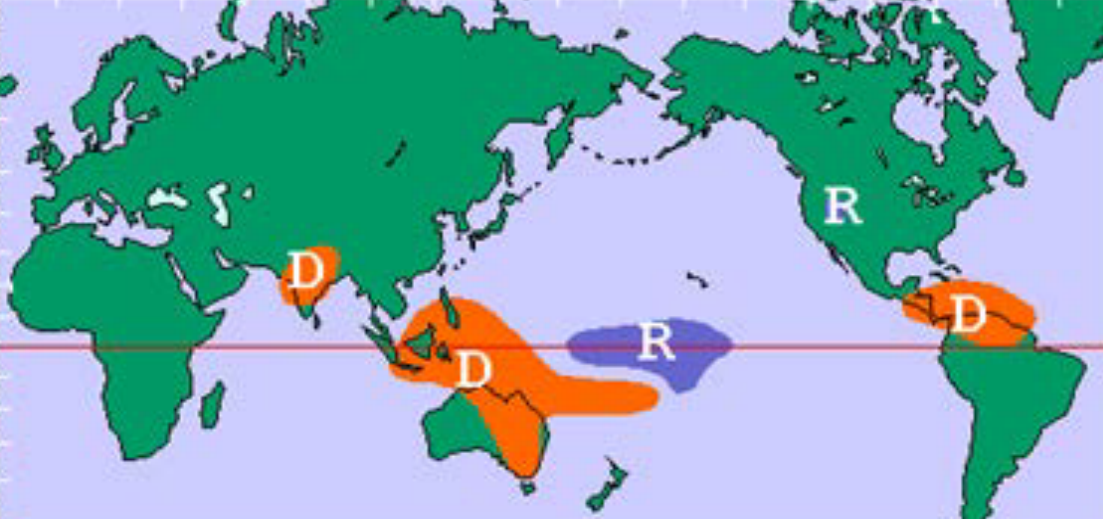


Mustard Areas



Global Supply Hedge...

El- Nino Effect on Global Crop Production



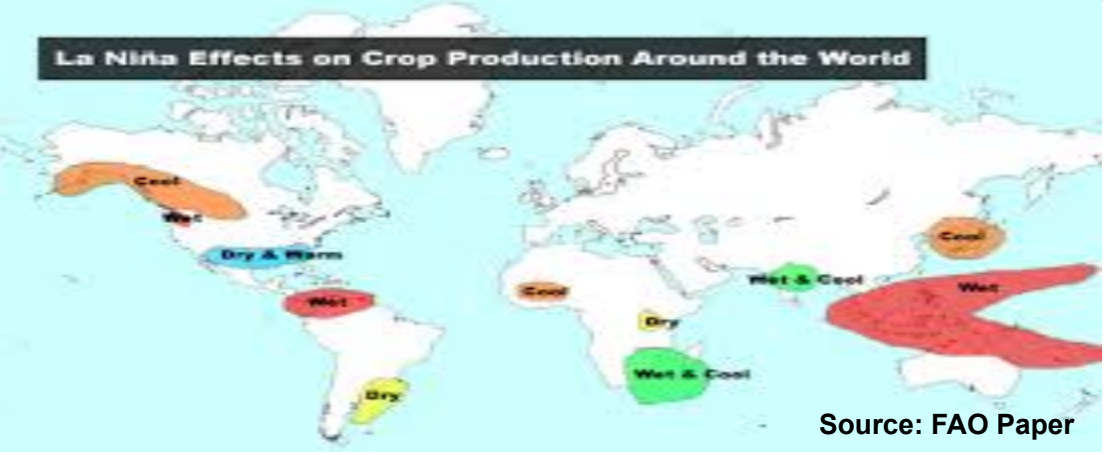
India was the biggest exporter of grains, oilseeds and meal in the Asian region

Important role in global supplies - la nina

India stayed food self sufficient. 2008-15

2 years of Bad Monsoon 2014, 2015 lead India to exhaustion of Indian stocks

It is important to watch – monsoon of 2017- It will be the most important event of commodity traders



Source: FAO Paper

Global Markets and India

YEARS OF INDIAN SURPLUSES- LA NINA

India/South Asia



World waiting for India to Export

YEARS OF INDIAN SHORTAGE- EL NINO

Rest of world

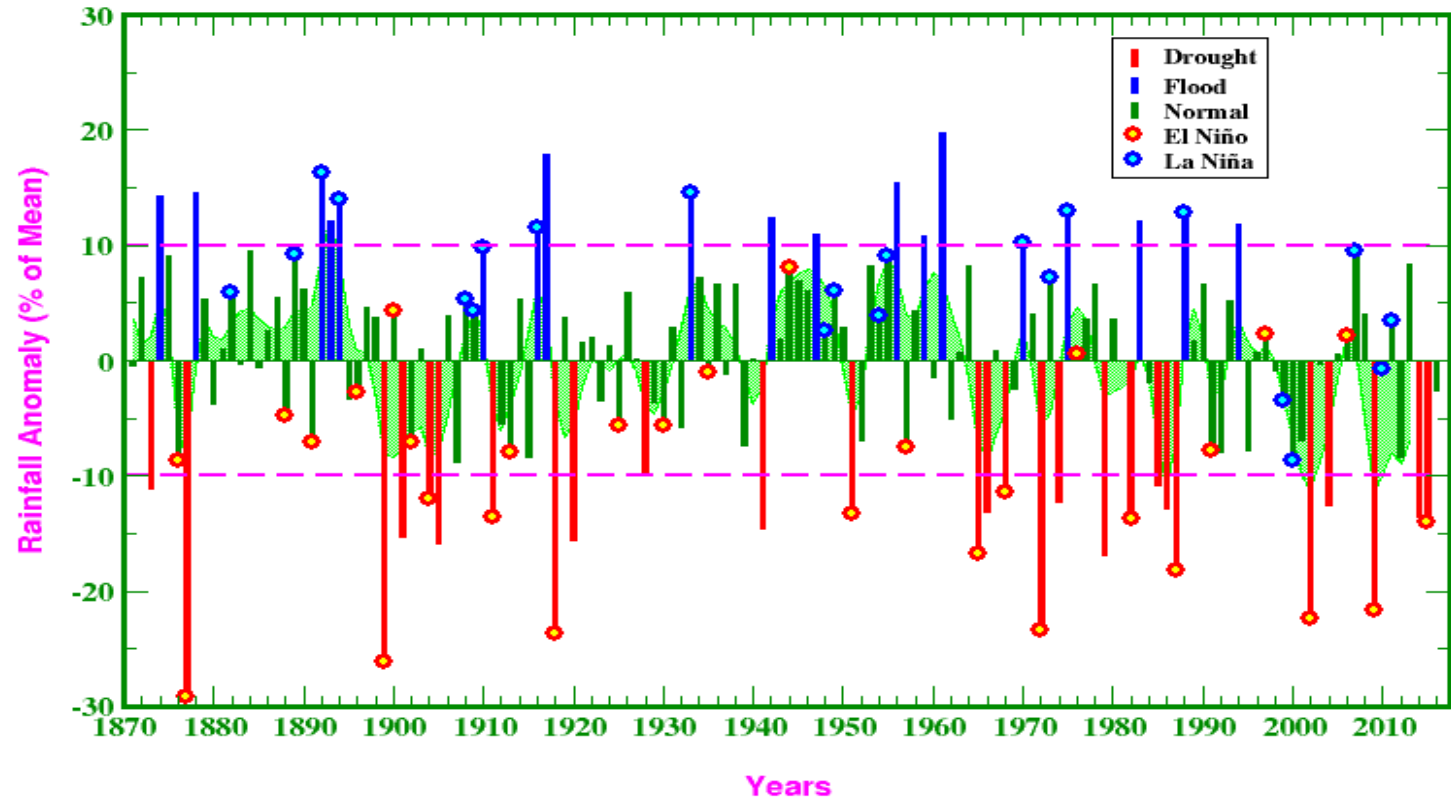


Global Markets waiting for India to Import

El Nino- La Nina and Indian Monsoons

All-India Summer Monsoon Rainfall, 1871-2016

(Based on IITM Homogeneous Indian Monthly Rainfall Data Set)



In Past continuous failure of monsoon lead to technological response from India

India's Role in Global Wheat market



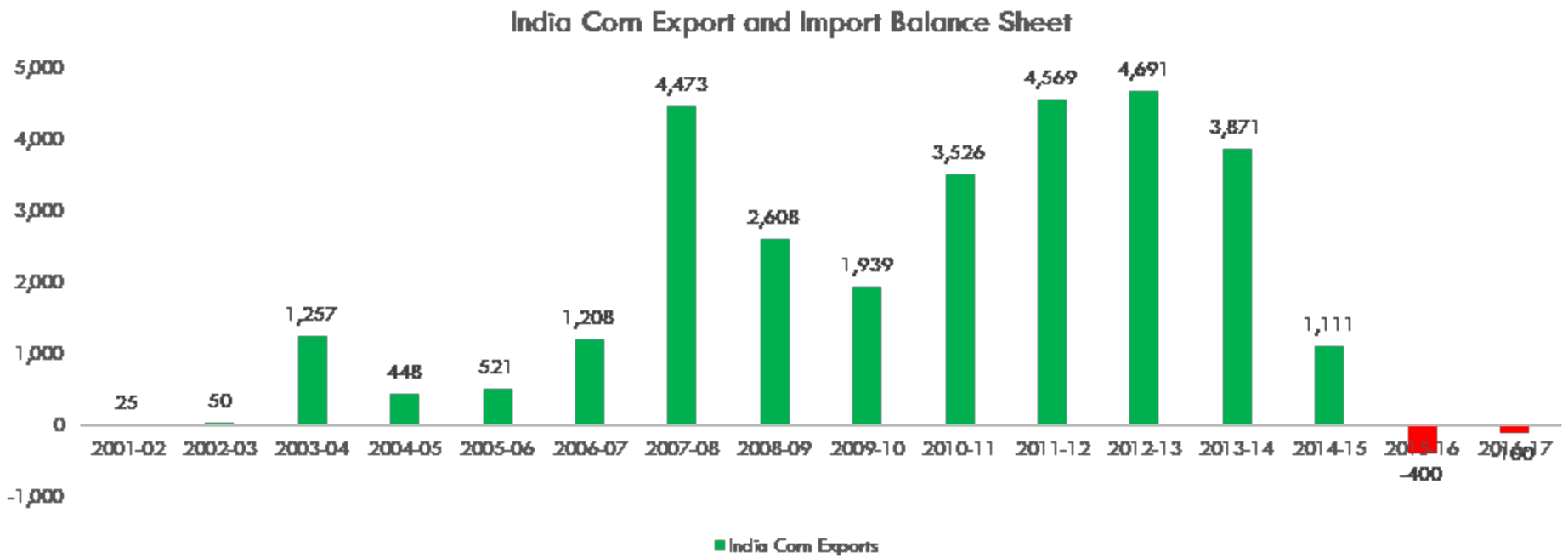
Poor US/Black sea crops and higher carry-out stocks leads to Export of Indian wheat

Low Government carry out stocks in India and expectation of poor crops lead to imports

In year of low stocks market enter period of higher volatility



India's Role in Global Corn market



'000mt, Source: USDA

India Corn exports act as hedge against US supplies fluctuations (Weather Pattern)
So Buy Chicago- Sell India gives a good trading hedge to cover for short positions



Global Stocks to use Ratio

Stocks to Use Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
India	22%	24%	19%	17%	15%	12%
China	35%	36%	42%	48%	55%	55%
East Asia	33%	34%	39%	45%	51%	51%
Former Soviet Union - 12	24%	16%	18%	21%	16%	20%
Middle East	23%	24%	28%	29%	28%	23%
North Africa	29%	23%	27%	25%	29%	24%
North America	15%	14%	17%	20%	22%	25%
South America	12%	16%	22%	19%	14%	15%
South Asia	18%	19%	16%	15%	14%	12%
Southeast Asia	19%	20%	19%	18%	16%	14%
Sub-Saharan Africa	9%	9%	10%	11%	8%	9%
World	20%	20%	22%	24%	25%	25%

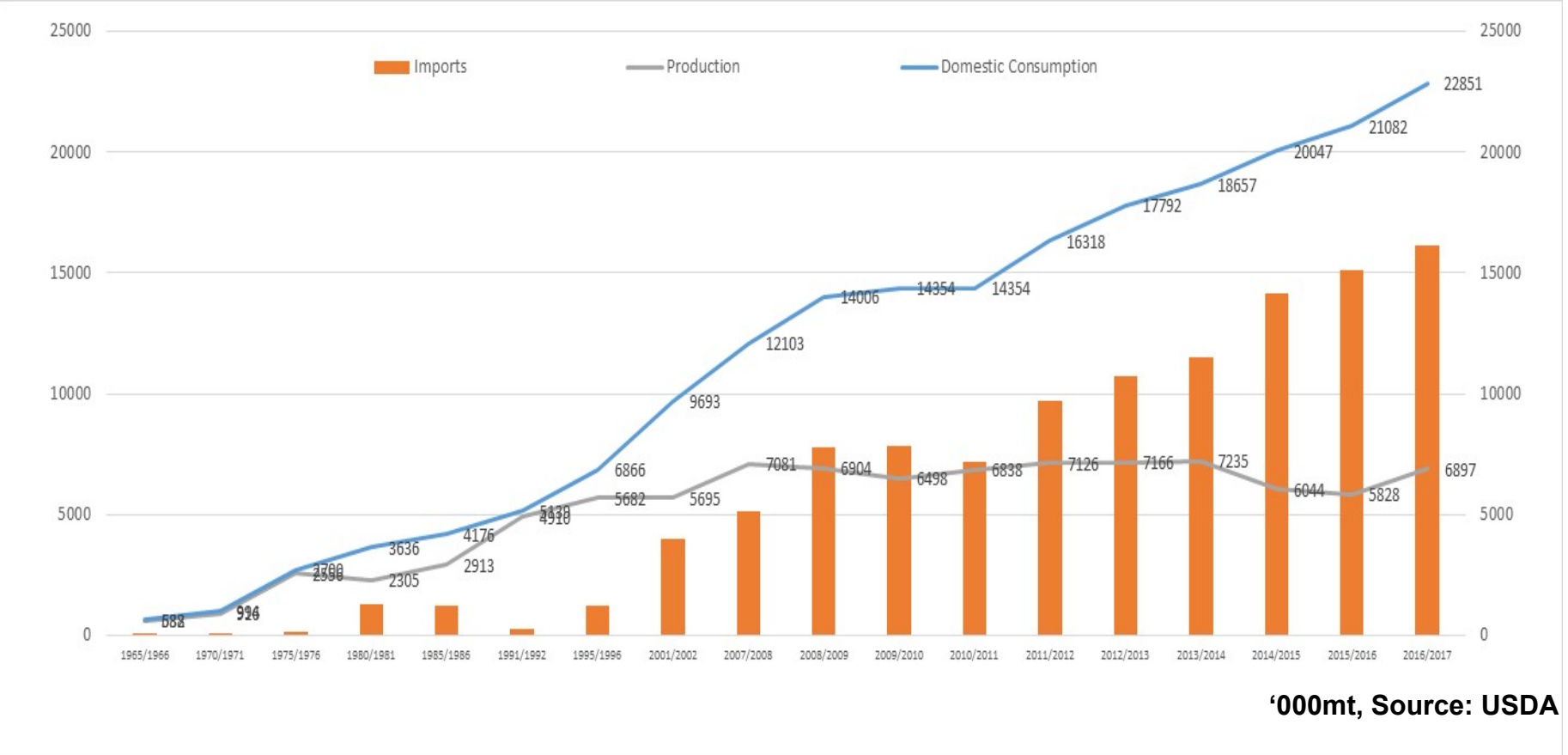
- 1.3 Billion People to Feed and stock ratio of 12pct just represents a month of stock in country
- We have witnessed Pulses, wheat, sugar supply shocks already- not geared up to absorb more

India is not prepared for next drought or crop disaster

Why Indian Grain Complex is volatile ????

India	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Production	2,34,233	2,40,033	2,43,368	2,44,408	2,29,466	2,37,700
Exports	16,006	22,899	21,073	17,361	12,048	11,120
Domestic Consumption	2,12,383	2,12,871	2,30,175	2,31,796	2,22,239	2,37,510
Ending Stocks	46,638	50,963	43,118	38,446	34,279	29,069
Stock to Use Ratio	22%	24%	19%	17%	15%	12%
China	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Production	4,56,736	4,76,215	4,89,867	4,93,518	5,07,782	5,01,554
Exports	1,550	1,419	1,182	1,251	1,027	1,335
Domestic Consumption	4,58,292	4,75,671	4,83,046	4,90,059	4,95,165	5,11,750
Ending Stocks	1,61,340	1,72,178	2,01,035	2,35,568	2,72,933	2,83,502
Stock to Use Ratio	35%	36%	42%	48%	55%	55%
World	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Production	23,21,406	22,67,650	24,72,956	25,14,435	24,56,791	25,73,119
Exports	3,44,662	2,99,933	3,73,885	3,94,131	3,77,325	4,12,777
Domestic Consumption	22,83,835	22,90,224	23,89,297	24,31,270	24,45,523	25,29,098
Ending Stocks	4,67,163	4,55,637	5,19,826	5,79,181	6,02,483	6,22,607
Stock to Use Ratio	20%	20%	22%	24%	25%	25%
India % of Global Prod	10.1%	10.6%	9.8%	9.7%	9.3%	9.2%
India % of Global Demand	9.3%	9.3%	9.6%	9.5%	9.1%	9.4%
India % of Global End Stocks	10.0%	11.2%	8.3%	6.6%	5.7%	4.7%

India Role in Global Veg Oil Market



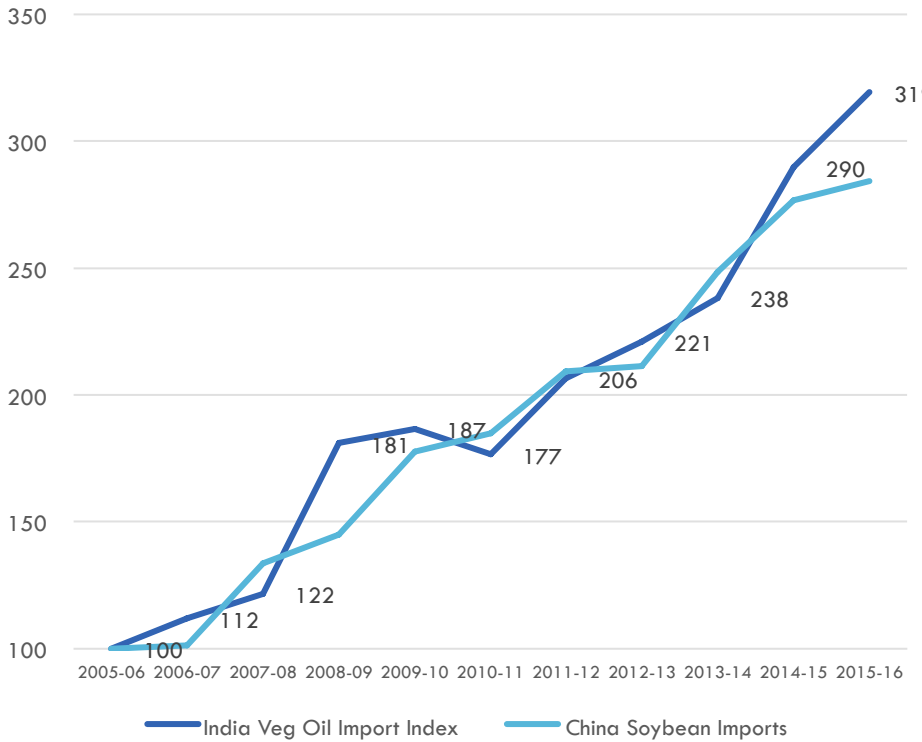
Hunger games by Manmohan kids– globalization lead to demand spurt, increase in grain production

India Oil Basket

India	Production	% age
Oil, Coconut	447	6%
Oil, Cottonseed	1234	18%
Oil, Palm	200	3%
Oil, Palm Kernel	9	0%
Oil, Peanut	1125	16%
Oil, Rapeseed	2166	31%
Oil, Soybean	1620	23%
Oil, Sunflowerseed	96	1%
Grand Total	6897	100%



China and India (Soybean Vs Veg Oil Import Index)



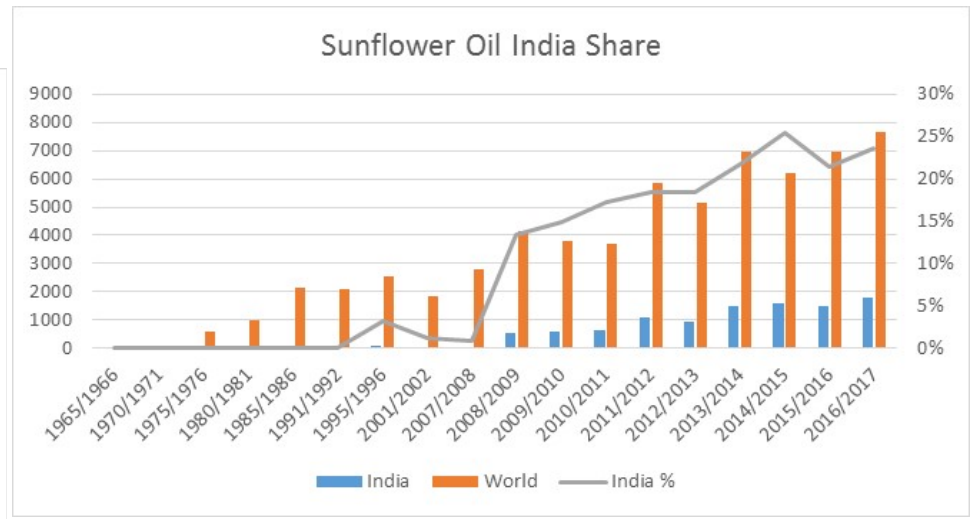
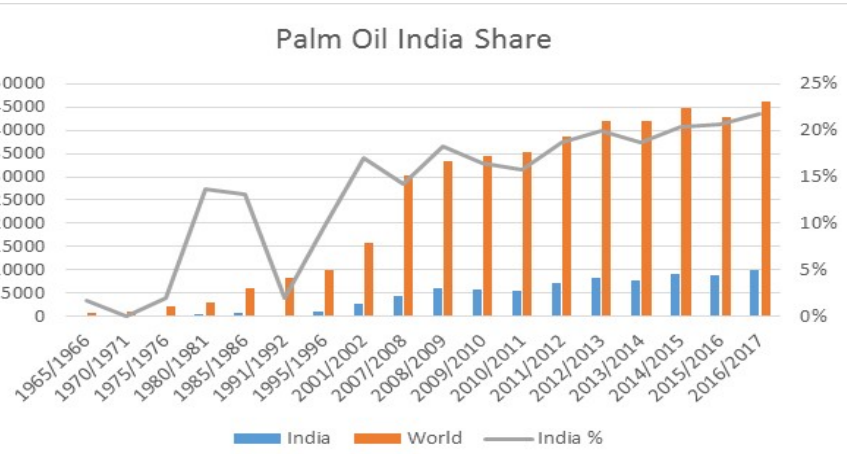
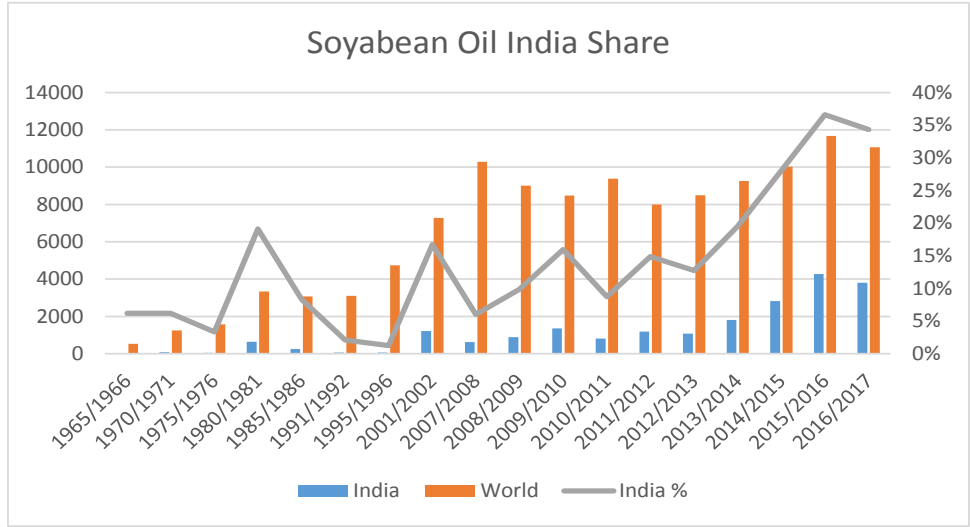
Years	India		China	
	Veg Oil Imports	Index	Soya Imports	Index
2005-06	4856	100	28317	100
2006-07	5440	112	28726	101
2007-08	5907	122	37816	134
2008-09	8789	181	41098	145
2009-10	9068	187	50338	178
2010-11	8582	177	52339	185
2011-12	10027	206	59231	209
2012-13	10732	221	59865	211
2013-14	11571	238	70364	248
2014-15	14070	290	78350	277
2015-16	15508	319	80500	284

'000mt, Source: USDA

India Vegetable Oil imports have risen at a faster pace than soybean import into China

India share in world

Year	India	World	India %
1965/1966	44	2047	2%
1975/1976	148	6654	2%
1985/1986	1213	15074	8%
1991/1992	259	17555	1%
2001/2002	4014	29527	14%
2009/2010	7819	55009	14%
2010/2011	7191	56359	13%
2011/2012	9717	61078	16%
2012/2013	10718	64662	17%
2013/2014	11497	66480	17%
2014/2015	14136	70142	20%
2015/2016	15107	70225	22%
2016/2017	16135	73861	22%



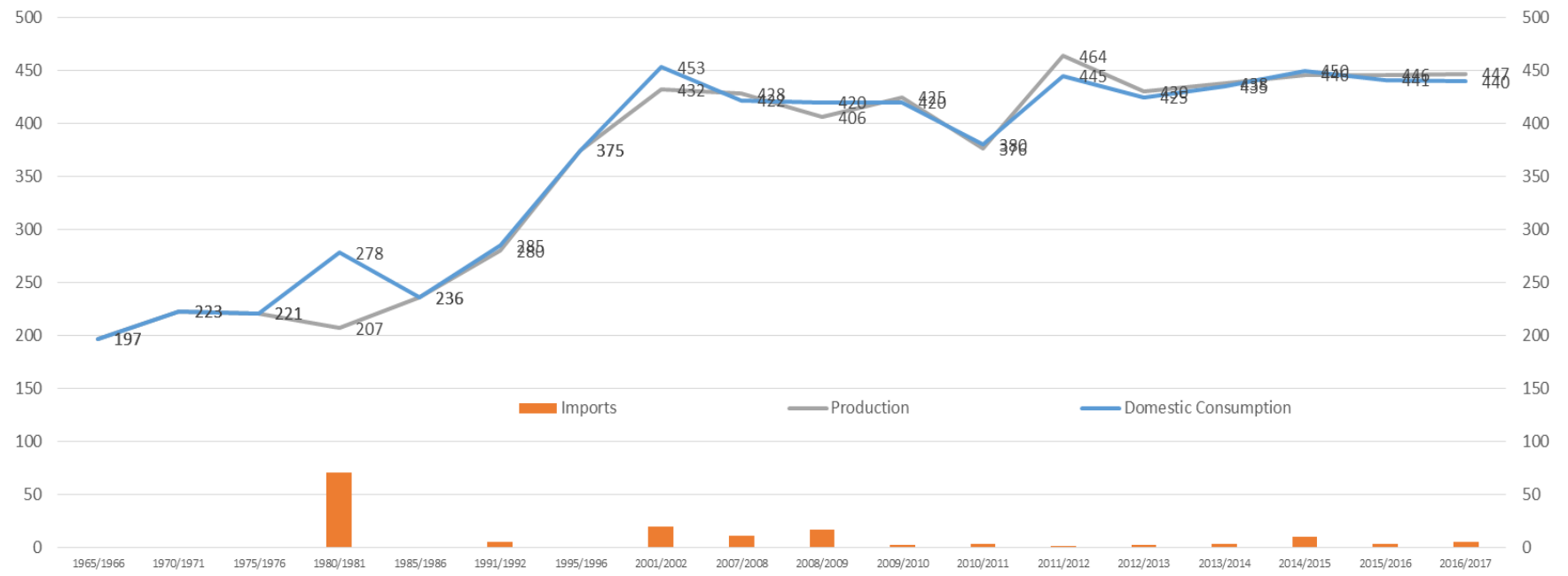
Comparative Numbers

India Consumption	Domestic Consumption	Imports	Production
Oil, Coconut	440	5	447
Oil, Cottonseed	1202	0	1234
Oil, Palm	10150	10000	200
Oil, Palm Kernel	139	130	9
Oil, Peanut	1065	0	1125
Oil, Rapeseed	2535	400	2166
Oil, Soybean	5500	3800	1620
Oil, Sunflowerseed	1820	1800	96
Grand Total	22851	16135	6897
China	Domestic Consumption	Imports	Production
Oil, Coconut	135	135	0
Oil, Cottonseed	1217	0	1222
Oil, Olive	45	40	5
Oil, Palm	5050	5100	0
Oil, Palm Kernel	600	600	0
Oil, Peanut	3052	130	2928
Oil, Rapeseed	8250	700	6474
Oil, Soybean	16000	620	15501
Oil, Sunflowerseed	1325	850	475
Grand Total	35674	8175	26605

- China domestic production is keeping pace due to soybean oil production from imported bean to tune of 90 myn mt
- Domestic soybean production in China is stagnant
- India domestic production is stagnant with no hope of revival or increase
- It is highly inefficient to produce oilseeds in India due to non gmo policy
- Demand should continuously grow for imported veg oil- but world is finding alternate usage in fuel



Coconut Oil

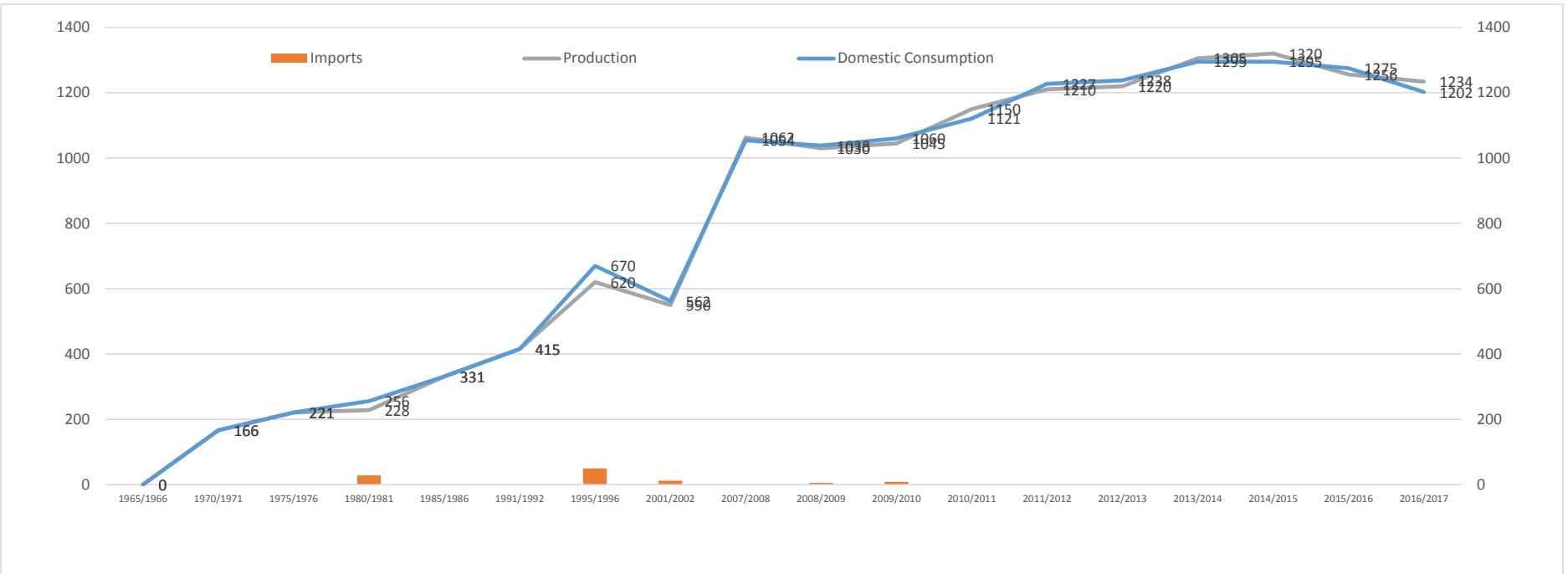


Demand Supply Evenly Matching, Production stagnant – not growing
Case of availability- if global supply goes up= demand will go up

Oil, Coconut	Domestic Consumption	Imports	Production
World	3335	1696	3401
India	440	5	447
USA	529	567	0
China	135	135	0



Cotton Seed Oil

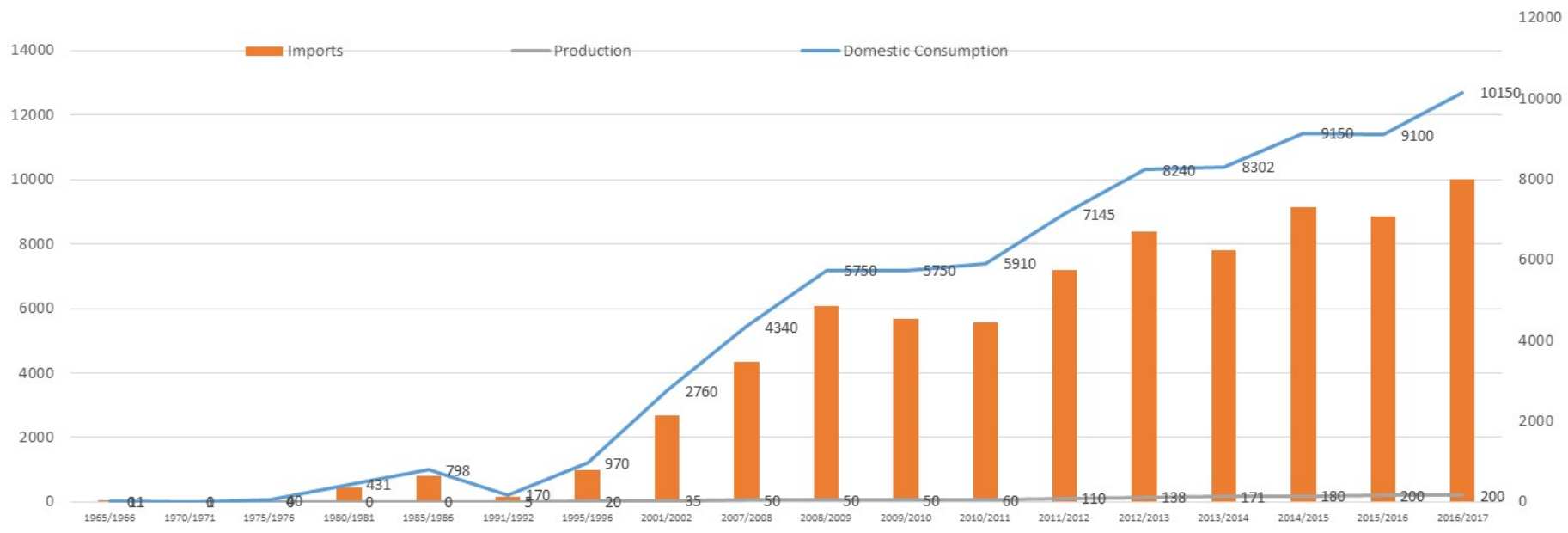


Global Trade Limited, let us focus on our cotton growth potential, area forecast and many other parameters will define pricing in future

Cotton Seed	Domestic Consumption	Imports	Production
World	4492	66	4556
India	1202	0	1234
USA	211	9	247
China	1217	0	1222



Palm Oil

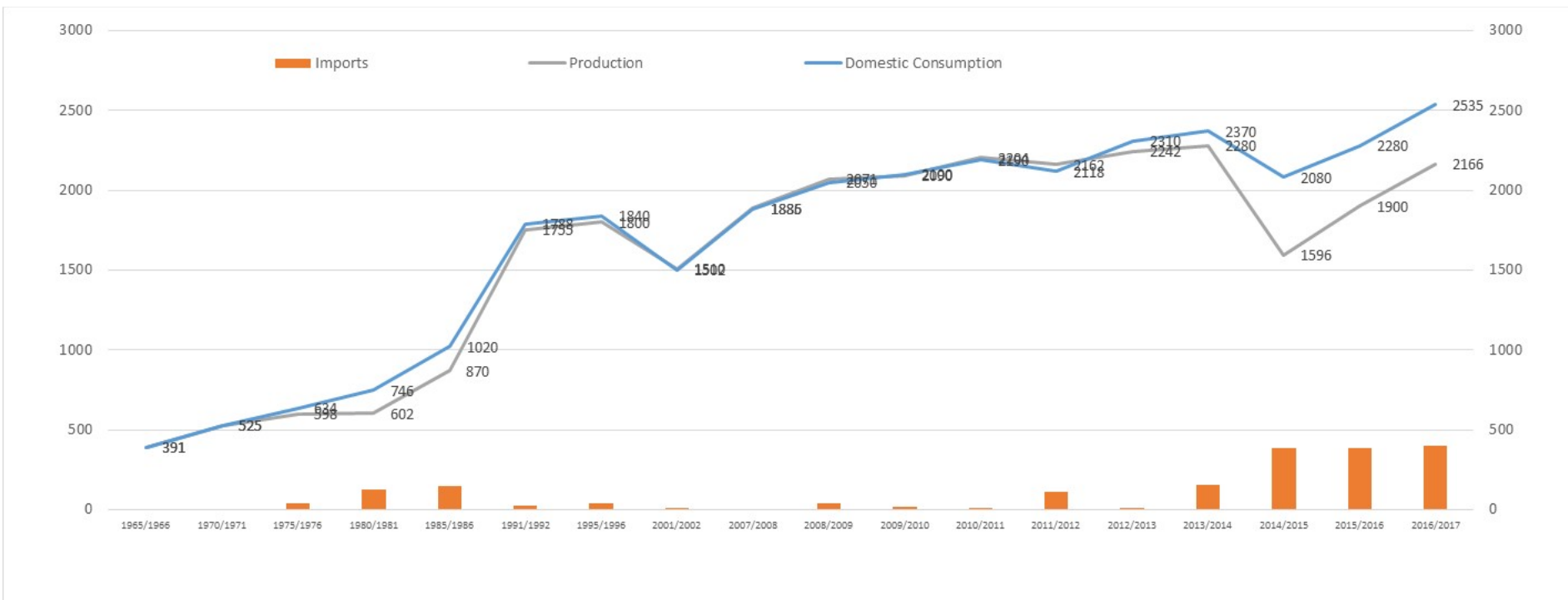


Demand increasing--- price Impacted by same weather pattern as India- so inflationary

Palm Oil	Domestic Consumption	Imports	Production
World	63100	46074	64495
India	10150	10000	200
USA	1290	1300	0
China	5050	5100	0



Rapeseed Oil

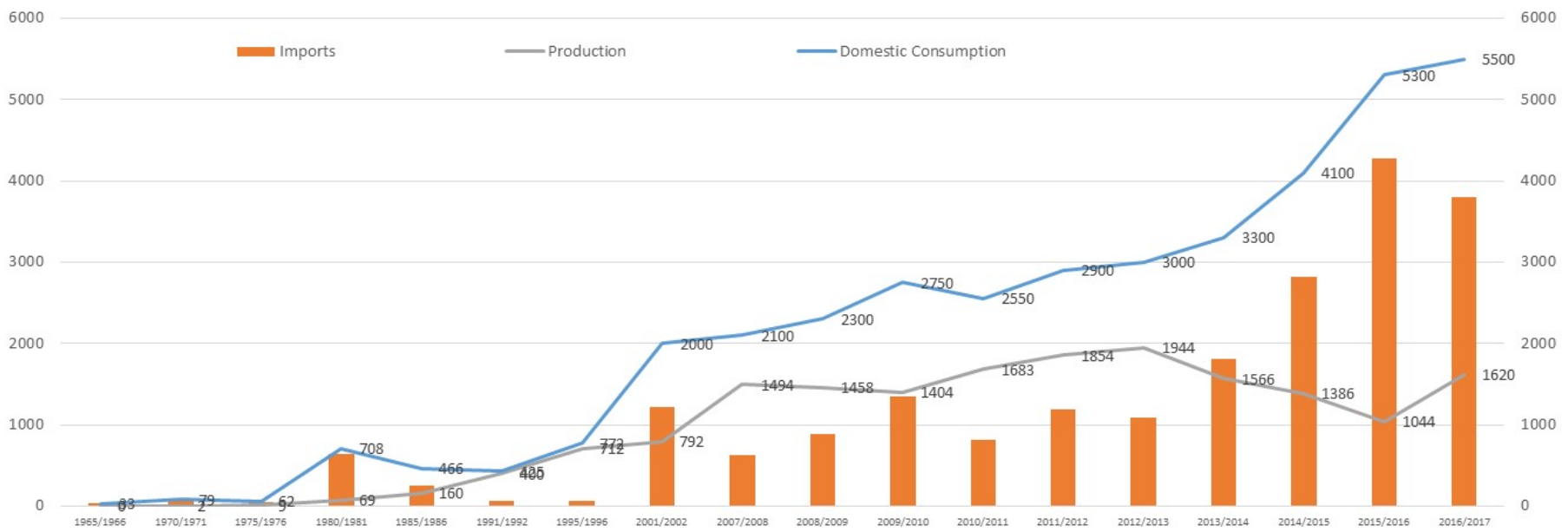


Demand and supply gap increasing
Good trade potential- Europe, Canada and Australia are big producers

Rapeseed Oil	Domestic Consumption	Imports	Production
World	28474	4346	27252
India	2535	400	2166
USA	2730	2000	861
China	8250	700	6474



Soybean Oil



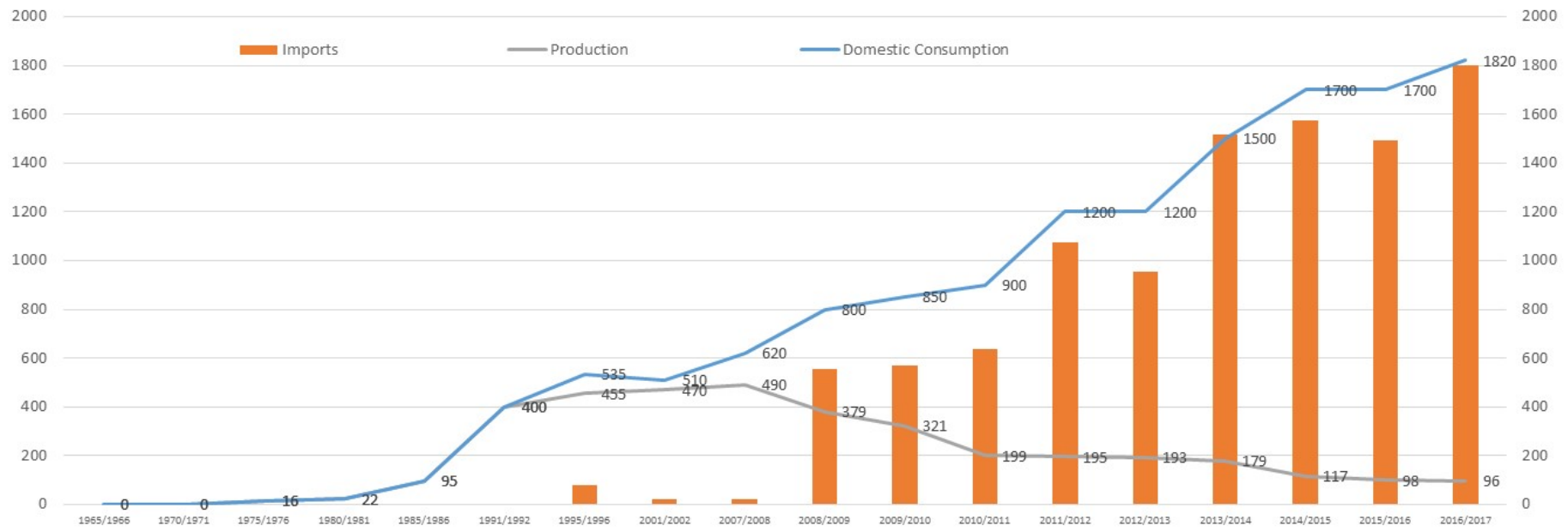
Domestic Supply potential is limited

Global prices favourable, as impacted by lanina- India is dominant Player

Soybean Oil	Domestic Consumption	Imports	Production
World	53969	11069	54293
India	5500	3800	1620
USA	9322	137	10156
China	16000	620	15501



Sunflower Oil



Domestic Supply potential is limited

Black sea supplies are increasing- potential for India to increase its potential

Sunflower Seed Oil	Domestic Consumption	Imports	Production
World	15731	7635	17113
India	1820	1800	96
USA	230	45	226
China	1325	850	475

SE SA Total Demand Supply

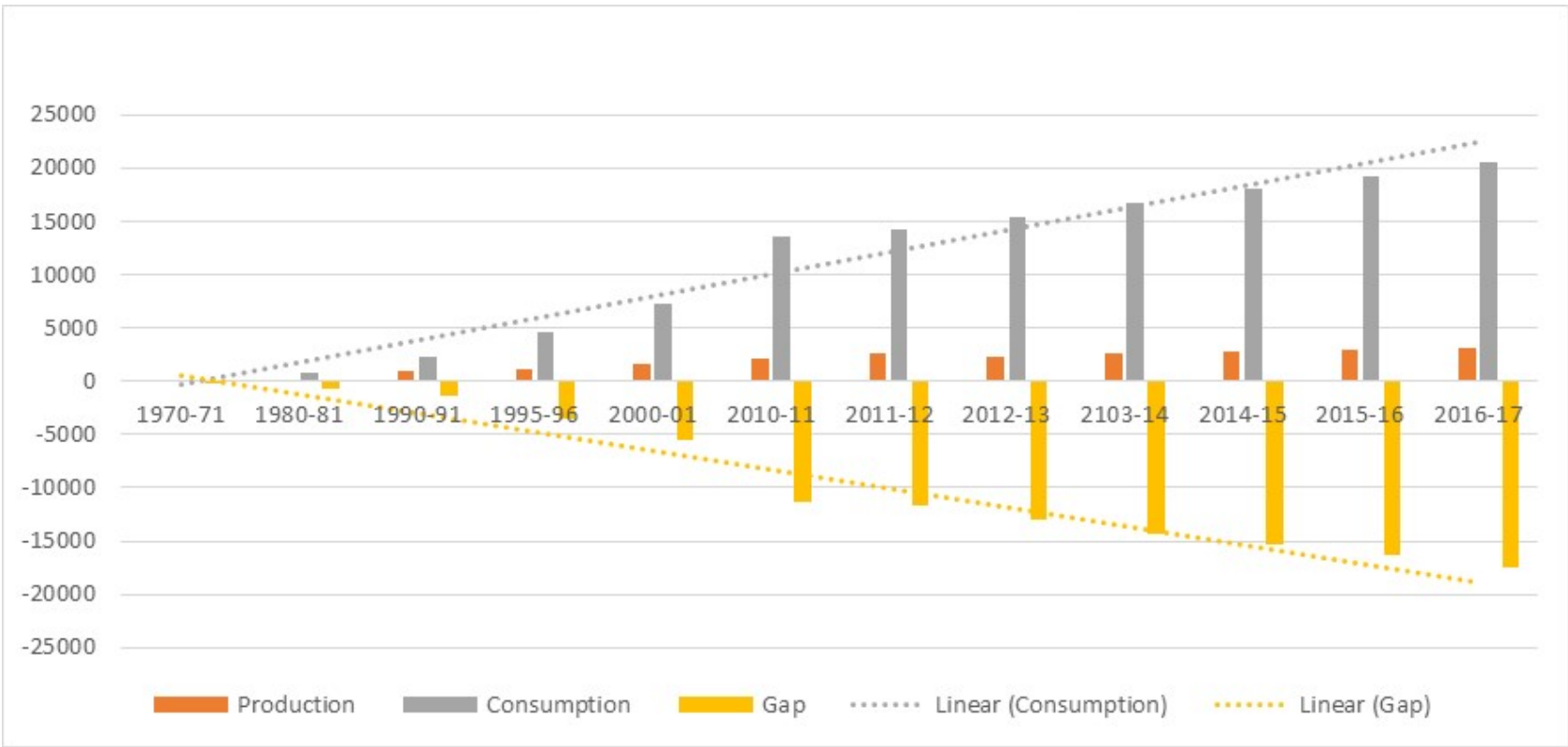
	1970-71	1980-81	1990-91	1995-96	2000-01	2010-11	2011-12	2012-13	2103-14	2014-15	2015-16	2016-17
SE Asia												
Production	55	179	878	1083	1676	2178	2556	2331	2542	2744	3007	3138
Consumption	122	873	2281	4589	7278	13506	14286	15396	16800	18068	19275	20625
Gap	-67	-694	-1403	-3506	-5602	-11328	-11730	-13065	-14258	-15324	-16268	-17487
SA - Ex India												
Production	278	235	288	347	752	890	1029	1051	1202	1796	2756	3115
Consumption	278	212	314	482	839	1800	2026	2252	2677	3240	4145	4505
Gap	0	23	-26	-135	-87	-910	-997	-1201	-1475	-1444	-1389	-1390
India												
Production	1072	1529	5075	6850	5817	11219	11086	11484	10103	7920	7653	10406
Consumption	1057	1265	3065	3060	3238	5080	5345	5680	5715	6140	7210	7815
Gap	15	264	2010	3790	2579	6139	5741	5804	4388	1780	443	2591
Total Gap	-67	-671	-1429	-3641	-5689	-12238	-12727	-14266	-15733	-16768	-17657	-18877
India %	22%	39%	141%	104%	45%	50%	45%	41%	28%	11%	3%	14%

Source: USDA,
McDonald Pelz Analysis

SE + SA demand is increasing for oilseed and Meal

Indian supplies are now falling short to meet regional demand

SEA in Graph- Meal demand

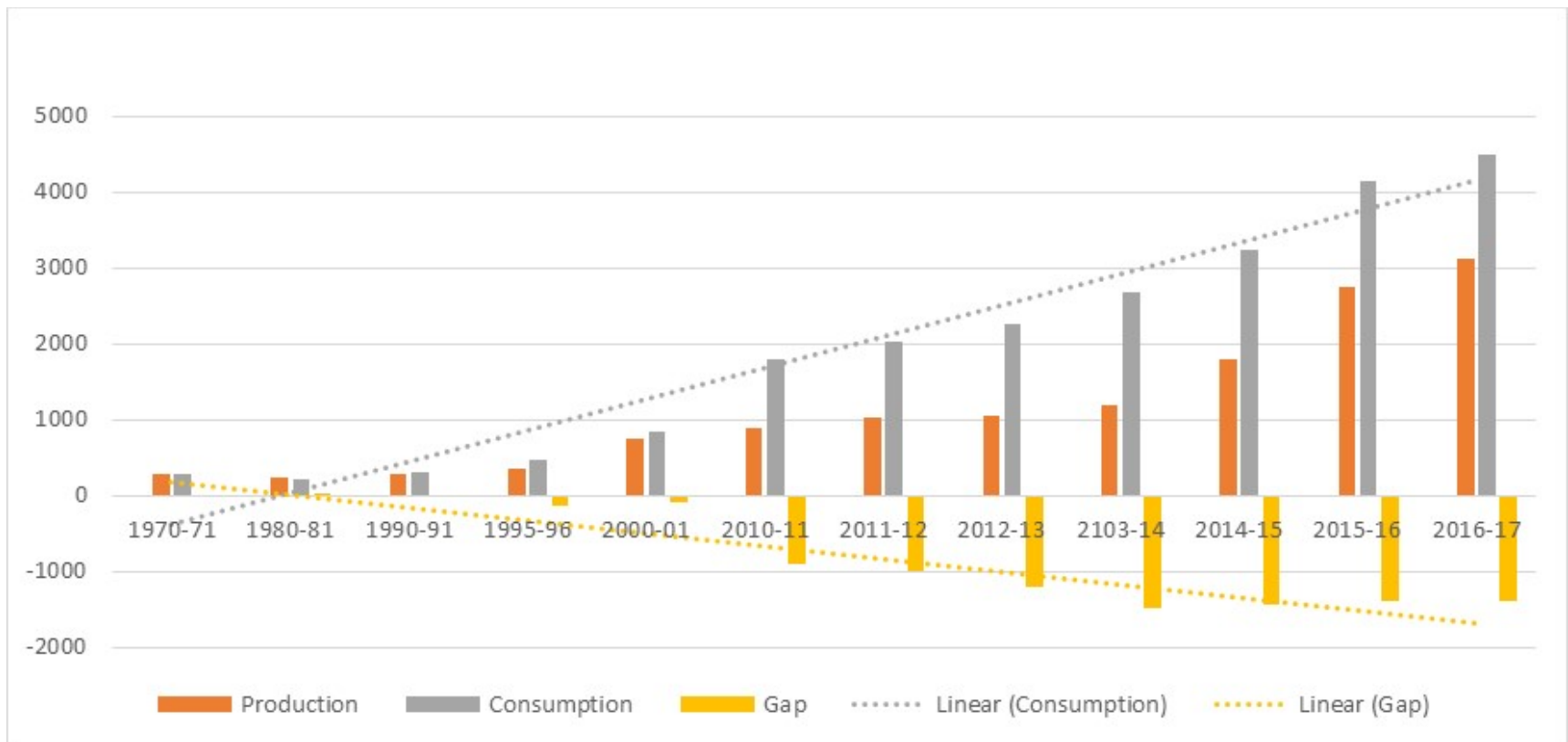


Source: USDA, McDonald Pelz Analysis

SE demand is increasing for oilseed and Meal

Indian supplies are now falling short to meet regional demand

SA numbers in Graph- meal

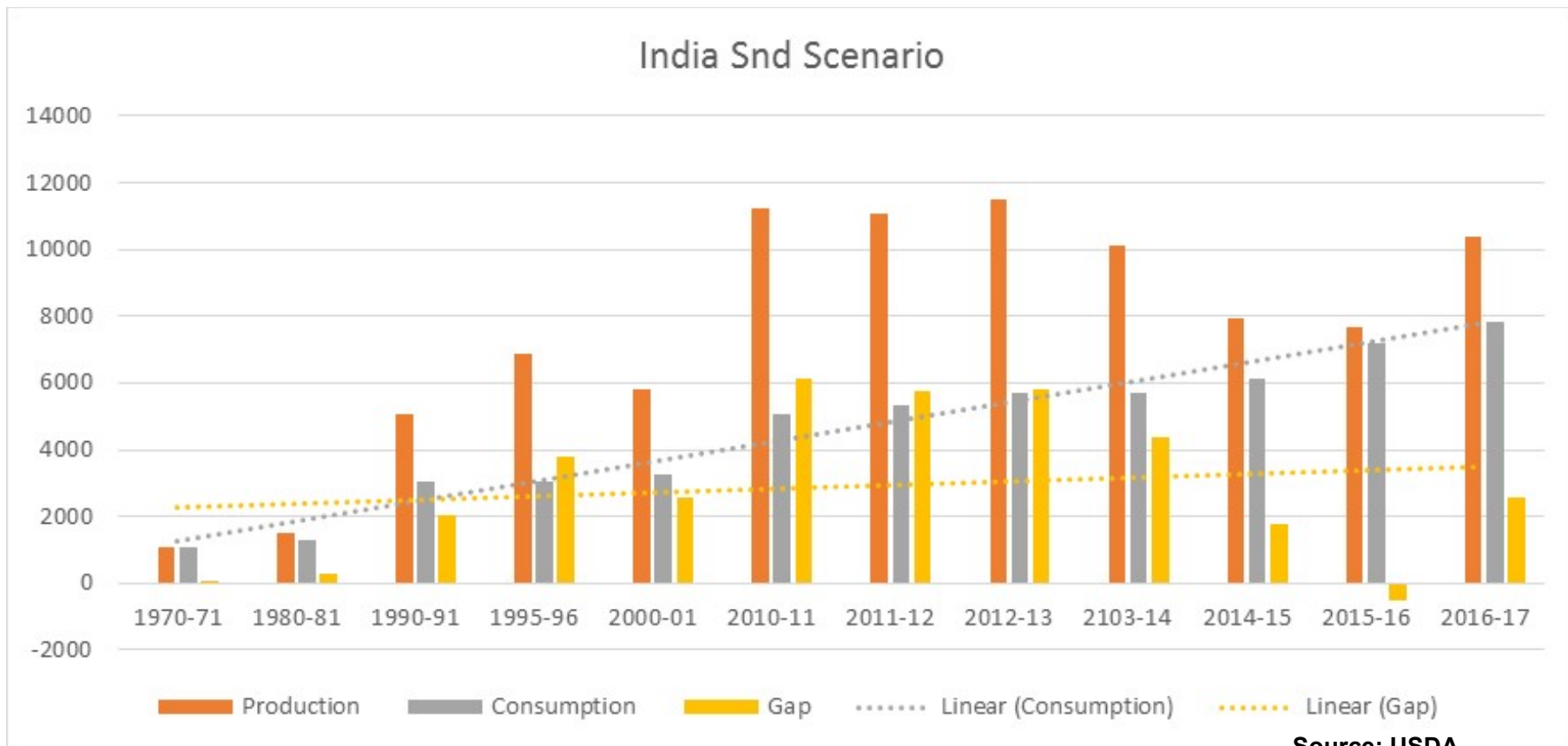


Source: USDA, McDonald Pelz Analysis

SA demand is increasing for oilseed and Meal- domestic supply is function of imported oilseeds

Indian supplies are now falling short to meet regional demand

India numbers in Graph- Meal



Source: USDA, McDonald Pelz Analysis

Tightening Supplies making region more dependent on global supplies

SOME COMPARATIVE NUMBERS

	Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population Billion	China	1.27	1.28	1.288	1.296	1.127	1.311	1.318	1.325	1.333	1.338	1.344	1.351	1.358	1.365
	India	1.06	1.07	1.094	1.111	1.304	1.143	1.159	1.175	1.19	1.206	1.221	1.237	1.253	1.270
Grains Production in Million MT	China	341	343	323	356	372	395	399	419	421	436	457	476	490	493
	India	197	170	192	189	194	197	213	217	204	220	234	240	243	237
Grains Consumption in Million MT	China	378	377	375	373	377	383	391	400	415	434	458	479	495	506
	India	186	182	190	187	189	193	202	199	196	211	212	213	231	229
Per Capits Grain Con kg/person	China	298	295	291	288	334	292	297	302	311	324	341	354	365	371
	India	176	170	174	168	145	169	175	169	164	175	174	172	184	180
		59%	58%	60%	58%	43%	58%	59%	56%	53%	54%	51%	49%	50%	49%
Ending Stock in Million MT	China	241	189	133	115	108	112	116	136	147	152	161	169	185	189
	India	49	27	19	14	13	17	20	34	38	41	47	51	43	35
Export of Grains in Million MT	China	12	20	11	9	6	10	5	2	2	2	2	1	1	2
	India	9	10	10	7	6	7	10	5	4	6	16	23	20	15
Imports of Grains in Million MT	China	1.4	0.7	4.9	7.4	1.8	0.9	0.5	0.7	1.9	1.5	4.9	6.8	15.1	12.6
	India							6.8	1.9						

Source: FAO, USDA, PSD, Population Ref Bea

SE and SA has long way to go – basis the population

Challenges of Trade to Indian Subcontinent

EVERYTHING WE HEAR IS AN OPINION, NOT A FACT.

EVERYTHING WE SEE IS A PERSPECTIVE, NOT THE TRUTH.



- Government Data Accuracy
- Problem of MBR Fumigation
- Import Regulation and Duties
- Import Margins
- Government Intervention Price
- Government Distribution Price



Conclusions

- NET DEFICIT INCREASING
- WEATHER A KEY THREAT- AS PULSES
- GLOBAL SUPPLIES OF BEANS IS JUST MATCHING WITH DEMAND
- DOMESTIC SUPPLY POTENTIAL IS LIMITED TO INCREASE
- PRICE VARIATIONS IN DIFFERENT OILS WILL GO UP
- BLACK SEA INCREASE IN SUNFLOWER PRODUCTION-IMPORTANT
- PALM OIL IMPACTED BY SAME WEATHER PATTERN

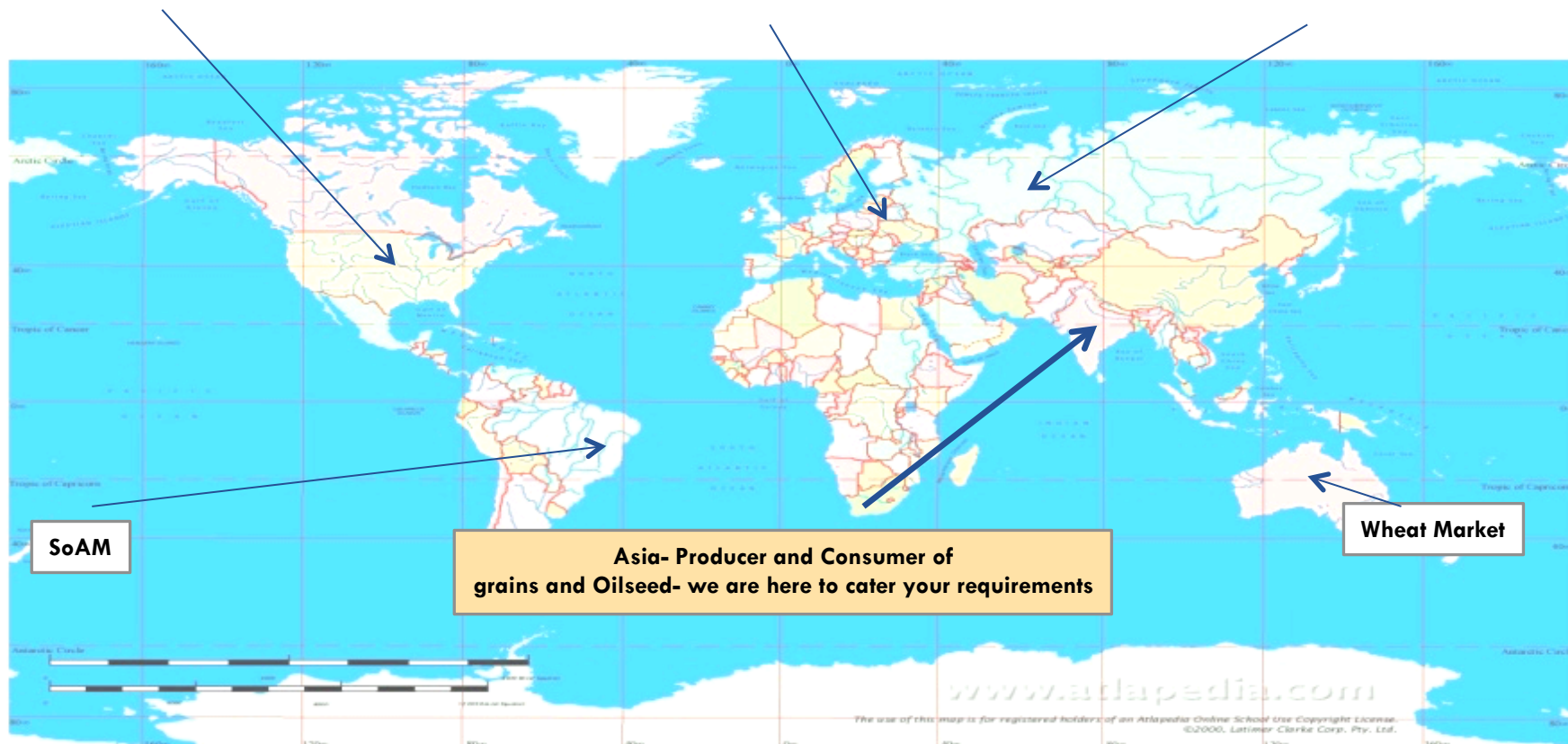
NEED TO SECURE SUPPLIES

WE PROVIDE INSIGHTS- Beyond Data and Information to our Customers

US

Black Sea

China Demand



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