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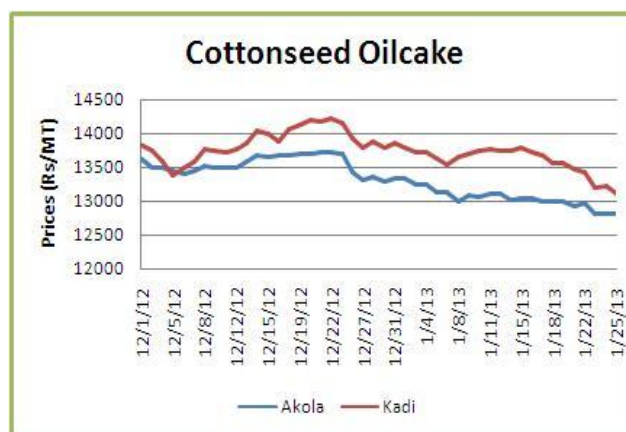
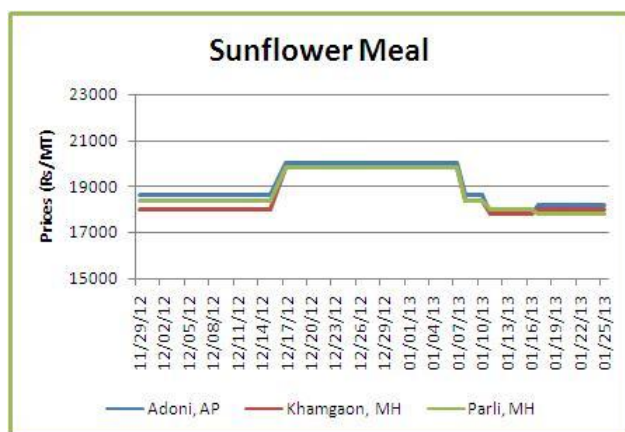
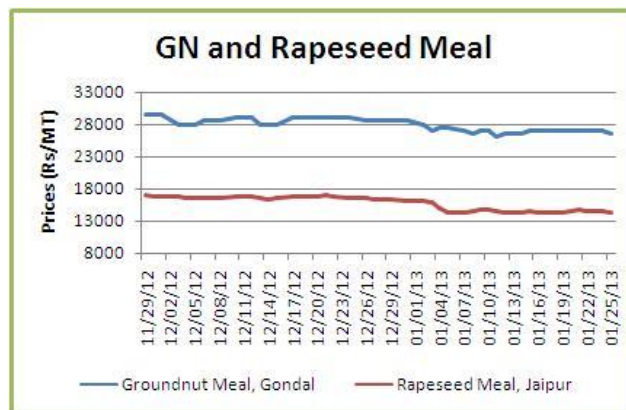
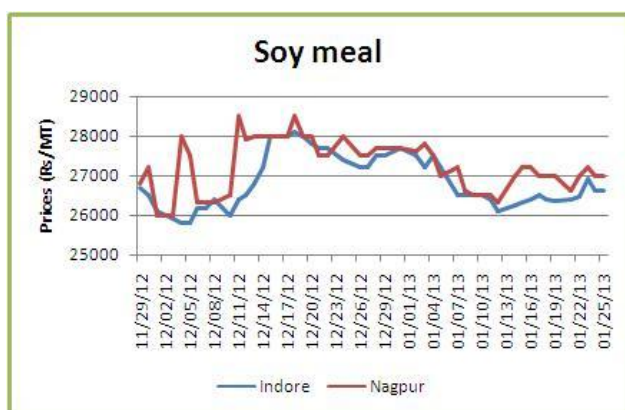
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Summary

The key feed ingredients prices witnessed steady to firm tone during the week in review.

Soy meal prices witnessed gains on rise in soybean prices and slightly improved crushing demand during the week followed by wedding demand. RM seed prices further declined on bearish factors in the international palm oil market. Further, wheat prices witnessed firm tone on strong domestic demand and increase in the wheat release price at Uttar Pradesh. Maize featured steady to weak tone and bajra prices remained steady on robust demand. Overall, steady to firm tone featured in key feed ingredients leading to a mild surge in feed prices during the week in review.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean and meal posted gains whereas the RM seed prices slightly eased during the week in review.

Soybean posted gains on improved buying on expected rise in edible oil demand during auspicious wedding dates in coming days. However, weak overseas soy meal demand from India and further demand shift towards South America restricted the gains in the Indian soybeans.

Besides, cautious buying by the big soybean buyers was still evident in key cash market centres of Rajasthan, Maharashtra and Madhya Pradesh.

The early soybean harvesting in Brazil is underway but rainfall in the central west growing region of Brazil has delayed harvest this week raising concern that vessel shipments may be delayed for early soybean cargo sales.

Private exporters reported the sale of 623,000 tonnes of U.S. soybeans to China and to unknown destinations for delivery in the next marketing year, said the Agriculture Department. The sales included 513,000 tonnes for China and 113,000 tonnes to unknown destinations for delivery during the 2013-14 marketing year, which will open on Sept 1 for soybeans. It was the second soybean sale during the week involving China. Earlier during the week, exporters reported the sale of 120,000 tonnes of optional origin soybeans to China for 2013-14 delivery. The sales remained supportive for the international soybean market.

Expected improved wedding demand in beans from solvent extractors followed by likely rise in the edible oil usage, government's levy of import duty on crude edible oils and a slight delay in Brazilian soybean harvesting will prove to be bullish for the short-term. However, bearish international palm oil supply scenario will limit the gains in domestic soybeans.

Soy meal prices posted mild gains in association with rise in the soybean followed by improved wedding demand in soy oil and eventually buying in the beans from crushers. However, the slowdown in the overseas demand in the soy meal of Indian origin has hurt the soy meal export sales.

India's soy meal export sales are still weak and are getting stiff price competition from major meal exporters. The soy meal prices in the international market had started to ease during the past four weeks. The chances of India's soy meal exports are getting bleak day-by-day.

Brazil is harvesting its soybean crop and Argentina is expecting to harvest it in February which will subsequently increase the bean supplies and feature improved crushings leading to competitive meal prices in South America.

India's exports of soy meal during December, 2012 was 5,10,698 tones as compared to 7,78,382 tones in December, 2011 showing a fall by 34.39% over the last year. South and Far East Asian countries remained the major buyers of Indian soy meal.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Jan-Feb) exports price, FOR Kandla exports was quoted between Rs 28,350- 28,950/MT compared to 17,800-18,500/MT during the same period last year. C&F Indonesia was between US \$ 545-550/MT which was quoted between US \$390-395/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US \$19/MT compared to US \$09/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices. India's soy meal exports are at optimum levels during the period, October through January, at the considered spread between Indian vs. Argentine meal price between US \$8/MT and US \$15/MT.

India's exports are unlikely to pick-up due to competitive South American soy meal prices but the meal prices are likely to feature mild gains on improved wedding buying in soybean boosting its prices.

The Indian meal exporters are advised to aggressively market their meal to the countries in the vicinity including traditional South and Far-East Asian destinations to materialize the freight and logistics advantage. The prices are expected to feature range-bound movement on weak bias due to decline in overseas and domestic demand. FOR, Kandla is likely to be between 28700-29200/MT.

The domestic RM seed continued to reel under pressure during the week, followed by bearish factors in the international palm oil market. Cautious Chinese palm oil buying resulting lower shipments in the same, higher palm oil inventories and lower exports duty by the major exporters continued to remain negative factors for the RM seed in domestic market.

The RM seed planting is ahead previous year's pace. The planting is up 2.7 per cent compared to the corresponding period last year. Reportedly, rapeseed/mustard seed sowing (as on 24 Jan 2013) stands at 67.11 lakh hectares compared to 65.35 lakh hectares during the same period last year.

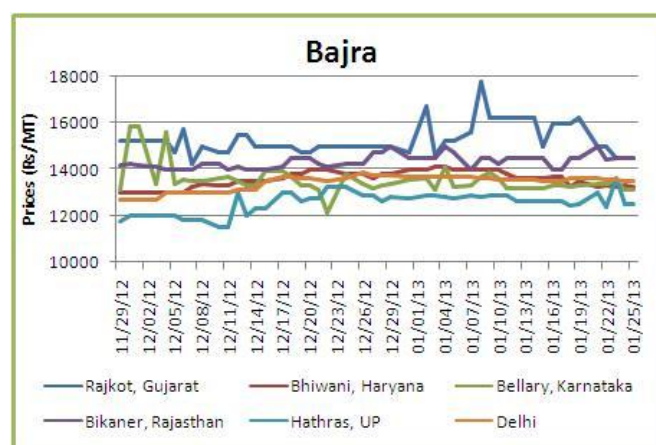
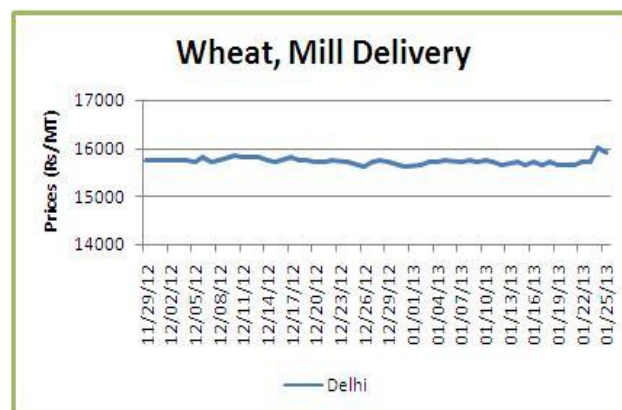
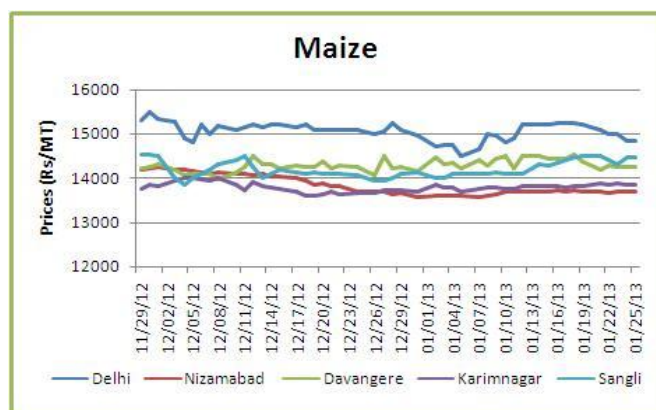
In Rajasthan the mustard crop is in pod development stage and low intensity of aphids in mustard crop was noticed. The crop is in flowering and pod formation stage in western Uttar Pradesh. The crop is in flowering and pod development stage in Madhya Pradesh, Punjab and Gujarat. In West Bengal the crop is in flower to pod formation stage.

Slow down in export sales (from major exporters) in palm oil will eventually further boost stockpiles to another all-time high at end-January. Traders and planters tip end-January stockpiles to reach 2.66 million-2.70 million tons.

Malaysia's exports of palm oil fell 14% to 1.10 million tons in the Jan 1-25 period, cargo surveyor Intertek Agri Services reported. Another surveyor, SGS (Malaysia) Bhd. said exports for the same period fell 15% to 1.10 million tons.

India's recent announcement of import duty of 2.5 per cent on crude palm oils will slightly discourage the CPO imports and eventually lend support to the domestic RM seed, but it is expected to be for short-term, as the palm oil prices in international market will still be cheaper to import. Besides, Malaysian palm oil stockpiles in end-Jan, which are again expected to be at higher levels of around 2.6 million tons, will still be bearish for domestic oilseeds and oils in near-term.

RM seed prices are expected to feature range bound movement with weak bias in near term. Higher Malaysian palm oil stocks and estimated rise in the palm oil output this season. The prices are likely to move between price bands of 4125 – 4150 level in near term.



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

During the week, steady to weak sentiments were witnessed in major maize spot markets.

Ahmadabad feed millers of Gujarat region are currently purchasing maize from Maharashtra region at around Rs. 1520 per quintal. Sources revealed that maize would steady in the near term as there is no fresh export demand. The previous placed overseas orders and their shipments have been fulfilled in previous weeks. In Maharashtra region, maize stock would be around 2 lakh bags.

In the Nizamabad region of A.P., demand for maize was reported from local starch industry at the lower rate of Rs. 1350 per quintal. Meanwhile, maize is also moving towards Hyderabad at around Rs. 1370 per quintal sourced from Nizamabad region of A.P. Sources revealed that prices could go down by Rs. 20 to 1350 per quintal due to lower export demand. In the Nizamabad region, maize stock is reported to be around 4 lakh bags.

Demand for maize from the Kolkata feed millers reported in a range of Rs. 1615-1650 per quintal during the week sourced from Naugachia region of Bihar. In Delhi spot market, maize stock is reported around 1.5 lakh bags.

In the major maize markets of Karnataka, maize traded slightly weak due to higher crop arrivals in the market. As per trade sources, maize is moving towards Chennai at Rs. 1510 per quintal (Delivery rate) and Mangalore at Rs. 1480 per quintal (Delivery rate) sourced from Koppal region of Karnataka.

Maize prices are hovering at around Rs 1307 per quintal on an average on pan India basis, decreased by Rs. 18 per quintal from the previous week.

As per the latest data released by the Ministry of Agriculture, area sown under maize during rabi season for 2012-13 is estimated higher by 1 lakh hectares to 13.20 lakh hectares from the last year.

Indian C&F maize prices (around \$345) decreased by \$2.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US maize C&F prices (around \$368.8) and Brazil C&F (around \$347.05) and getting stiff competition from Argentina maize C&F prices (around \$329.23).

As per USDA, U.S. corn export figures reached to 7306361 metric tons for the 2012-13 marketing year which is lower by around 55% from the last marketing year during the same period. However, corn exports were up by 50 percent to 369500 metric tons from the last week and by 75 percent from prior 4-week average.

Globally tight stock position of corn with the improvement in export demand as global prices surge could keep corn prices high in the near term. No new fresh export enquiries reported in the market. However, lower stock position with the continuous demand from poultry feed industries could support maize prices at the current level. We expect maize prices could trade steady in the near term.

Wheat prices increased during the week due to strong demand and increase in the wheat release price by the government from Uttar Pradesh by Rs 170/Qtl to Rs 1573/Qtl. Domestic prices are unlikely to dip in the near future as wheat prices at U.P will increase due to the tender price raise.

According to traders, cleaned wheat from Indore Machine is going to Mumbai, Karnataka, Chennai and Kolkata in 5 kg, 10 kg and 30 kg bags. Local demand is sluggish and new crop is expected to arrive by the 1st week of March. Mill Quality wheat is being bought from Bhopal mandis by traders and millers of Ahmedabad, Hyderabad, Mumbai and other South Indian cities. From Bhopal delivered price to Hyderabad is Rs 1800-1870/Qtl, to Ahmedabad is Rs 1750-1760/Qtl, to Mumbai Rs 1730- 1740/Qtl, and local prices is Rs 1400/Qtl. Stocks are available in plenty in Bhopal.

Weather remains favourable for wheat growth, and as of now it is expected that this year's crop will be around 95 million tonnes due to increased area in key growing states like U.P., Punjab, Haryana, Rajasthan and Madhya Pradesh.

At the export front, demand for Indian wheat has picked up in the past week and exporters like Cargill and LDC are active in the market. Recent surge in the international demand will support Indian exports. Latest quotes for Indian wheat through PSU tender registered at \$309 per T. It may go up in the next tender to the range of USD 310 to USD 315 per T.

Despite news of yellow and brown rust from some pockets of Punjab and Haryana wheat production prospects are very good so far. We expect the total production to cross last year's level of 93.9 million tonnes. Stocks in government godowns may exceed last year's level if around 10 million tonnes of stock from the government godowns is not offloaded in the international market in the marketing year starting from April 2013.

Recent wide spread rains in major wheat growing areas have brightened the production prospect. Lower temperature at this point of time is beneficial to the entire growth of the plant. Lower area coverage in Rajasthan, Gujarat and Maharashtra is expected to be accounted by higher area coverage in Madhya Pradesh, U.P, and Bihar. Late variety is still being sown in U.P. and Bihar.

The International Grain Council (IGC) has estimated that world wheat trade will be 137 million tonnes as compared to previous estimate of 134 million tonnes in 2012-13 as Australia, Canada and India are expected to export more. No change is reported in consumption; however carryover stocks have been increased by 1 million to 174 million tonnes. This might pressurize the market. World production estimate for 2012-13 has been increased from previous estimate of 654 million tonnes to 656 million tonnes.

The market is expected to trade steady this week as fresh export and domestic demand will support prices and increase in the wheat release price at Uttar Pradesh too will support prices. International market is expected to feature firm tone on lower crop estimate in the US due to draught and renewed buying interest from international buyers.

Outlook

Rise in prices of key feed ingredients (including soy meal and bajra) on improving demand from poultry and other feed manufacturers is likely in due-course. Besides, persisting cold weather conditions are expected to continue lending support to the feed prices in the near term.

Spreads

Maize Average Weekly spread with Bajra

Week	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13
1	272	357.5	286.67	95	63.75	112	193	117.5	177.0	187.5	213.0	115.0
2	287	335	300	95.8	42.00	166	119	86.67	219.0	213.0	210.0	131.0
3	316	335	250.00	101.7	93.00	200	90	100.00	270.0	214.0	158.00	170.0
4	340	323.33	161.00	72.0	127.50	204	103	79.0	264.0	238.0	147.00	153.0
5		298		90.0			106.00					

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market maize spread with bajra decreased from last week as maize traded weak with the steady price movement in bajra prices during the last week. Despite the higher demand from poultry and malt industry buyers, bajra traded steady due to supply pressure in the market. Sources revealed that both commodities will trade steady in the next week and could keep maize spread with bajra unchanged.

Maize Average Weekly spread with Jowar

Week	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13
1	138	295	93.3	-322.5	-336	66	83	190	150.0	137.0	192.0	205.0
2	103	80	-90	-324	-302	113	46	198.33	180.0	183.0	218.0	190.0
3	212	375	-127.1	-170	-280	73.00	0	208.00	177.0	204.0	169.0	182.5
4	250	80	-251.0	-320	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0
5		92		-403			122.5					

*Market Center: Delhi. Maize – loose price. Maize prices less Jowar

As the table depicts, maize spread with jowar decreased week on week basis as jowar traded higher versus maize during the last week. Jowar traded high due to lower stock in the Delhi spot market. We expect that both commodities could trade steady in the coming weeks and keep maize spread with jowar intact.

Maize Average Weekly spread with Wheat

Week	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13
1	78	201.25	125	-108	-117	22	70	-106	-123	-139	-21.0	-48.0
2	85	208.75	122	-109	-130	68	28	-143	-188	-170	0.0	-44.0
3	124	190	59.29	-69	-65	107	-47	-154	-193	-101	-5.0	4.0
4	133	125	-36.0	-96	3	108	-143	-156	-127	-27	-8.0	-31.0
5		146		-188			-167					

*Market Center: Delhi. Maize – loose price. Maize prices less Wheat

As the table depicts, maize spread with wheat decreased from last week as wheat traded higher due to increase in wheat release price by Rs. 170 to Rs.1573 per quintal during last week. We expect that wheat could continue the uptrend due to firm domestic and export demand and keep maize spread with wheat down during next week.

Maize Average Weekly spread with Barley

Week	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13
1	38	180	63.33	-239	-281	16	133	212	160.0	213.0	242.0	135.0
2	39	155	140	-191.7	-250	58	96	201.67	226.0	150.0	268.0	140.0
3	98	67	-91.42	-191.7	-163	102.5	76	234.0	206.0	157.0	168.0	174.0
4	136.25	-43.33	-176	-238.0	-16	85.8	94	143.0	226.0	215.0	172.0	139.0
5		37		-283.0			207.5					

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, In Delhi spot market, maize spread with barley decreased from last week as barley traded higher versus maize during last week. However, sources revealed that barley could trade lower in the coming weeks due to sluggish demand and could keep maize spread with barley in positive zone.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	25.01.2013	18.01.2013	Parity To
Indore (MP)	26600	26300-26500	Gujarat, MP
Kota	26300	26200	Rajasthan, Del, Punjab, Haryana
Akola	26800	27000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	27000	27500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	27500	27600	Andhra, AP, Kar, TN
Dhulia/Jalna	28300	28500	Mumbai, Maharashtra
Nagpur (42/46)	27000	27100	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	28000	28100	Local and South
Solapur	27500	27700	Local and South
Bundi	26100-26200	26300	-

Soy DOC at Port

Centers	Port Price	
	25.01.2013	18.01.2013
Kandla (FOR) (INR/MT)	28600	28500
Kandla (FAS) (USD/MT)	532	528

International Soy DOC

Argentina FOB \$/MT	25.01.2013	18.01.2013	Change
Soybean Pellets	496	495	+1
Soybean Cake Meal	496	495	+1
Soybean Meal	504	503	+1
Soy Expellers	504	503	+1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	25.01.2013	18.01.2013	Change
Adoni	18200	18200	Unch
Khamgaon	18000	18000	Unch
Parli	17800	17800	Unch
Latur	17800	17800	Unch

Groundnut Meal

Groundnut Meal	25.01.2013	18.01.2013	Change
Basis 45% O&A, Saurashtra	25800	25800	Unch
Basis 40% O&A, Saurashtra	22800	22800	Unch
GN Cake, Gondal	26500	27000	-500

Mustard DOC/Meal

Mustard DOC/Meal	25.01.2013	18.01.2013	Change
Jaipur (Plant Delivery)	14200	14200	Unch
Kandla (FOR)	15200	15200	Unch
Sri Ganganagar	789	790	-1

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	25 Jan, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1485	1525	1520	-	-
Davangere	Bilty	1390	1405	1405	1430	1160
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1370	1370	1360	1400	1200
Ahmedabad	Feed	1525	1500	1500	1550	1280
	Starch	1560	1540	1560	1525	1315

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	279.23	292.05	308.80	310
Cost and Freight (Thailand)	329.23	347.05	368.80	345

Soy Meal Exports (In MT)

<u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Jan	521243	240318	574996	474993
Feb	375098	220552	540360	344240
Mar	224639	163666	410537	460464
Apr	100106	60264	305033	313832
May	77018	60575	176819	142588
Jun	109923	98400	117600	180987
Jul	58268	166632	139547	168341
Aug	127299	176138	165510	10005
Sep	171955	290868	225921	6525
Oct	219721	404960	223594	49840
Nov	297340	443488	397659	517103
Dec	328225	611157	798041	510698
Total	2610835	2937018	4075617	2668918

Feed Ingredient Prices at a Glance:

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>25.01.2013</u>	<u>18.01.2013</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1315	1322	-7
		Hybrid	Bangalore	1450	1450	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	1272	1291	-19
Maize	Karnataka	Yellow	Davangere	1340	1355	-15
	Andhra Pradesh	Yellow	Nizamabad	1370	1370	Unch
Rice	Haryana	IR8	Karnal	1650	1600	50
		Parmal Raw	Karnal	2200	2150	50
Soy meal	Madhya Pradesh	DOC	Indore	26600	26300	300
	Maharashtra	DOC	Sangli	28000	28100	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18200	18200	Unch
	Maharashtra	Ex-factory	Latur	17800	17800	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14200	14200	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	26500	27000	-500

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