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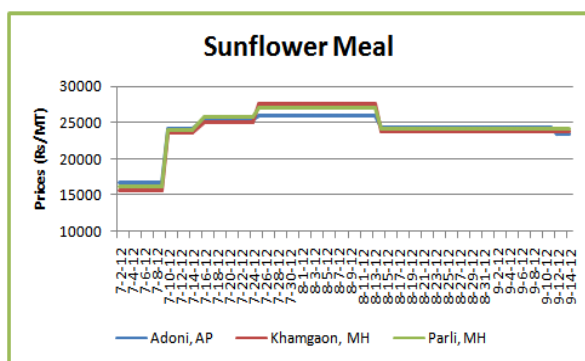
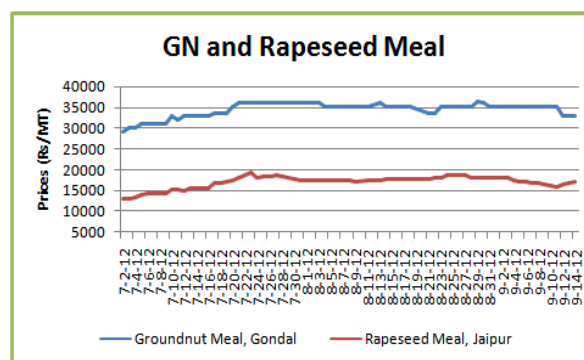
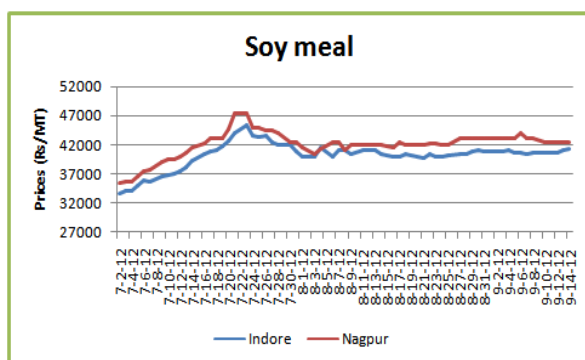
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Summary

The feed ingredients prices mostly featured steady tone during the week in review. The oil cake prices remained continued to rule around the previous levels, wheat was under mild pressure, maize and coarse grain prices featured losses during the period.

In view of steady to weak trend in the feed ingredient prices, the feed prices may slightly ease in near-term.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soy meal prices featured mild gains despite weak export sales, however better domestic seasonal demand from poultry industry and lower supplies remained supportive for the meal price.

India's soy meal shipments generally decline during the month of September due to the fall in crushing followed by lean season in soybean. India exported around 2,25,921 MT of soy meal in September 2011, while it exported about 10,005 MT of meal in Aug 2012. India is unlikely to export soy meal around previous year's level in September due to dried-up pipeline supply in beans.

However, soy meal FAS Kandla for Nov-Dec delivery is quoted between US \$612-620 per MT which is at par with soy meal FOB price of Argentina.

The soy meal of Indian origin at Indonesia's port, C&F was quoted US \$645-655 per MT (Nov-Dec) compared to US \$ 780/MT for ready delivery previous week.

Indian soy meal price are getting competitive compared to the meal of Argentina. The soy meal prices FOB, Argentina was quoted around US \$ 621-625/MT against US \$ 612-615/MT during the week.

The RM seed prices extended losses on weak millers demand followed feeble off-take in RM oil during the week in review. Besides, mostly weak Malaysian palm oil during the week continued to pressure the domestic RM seed.

Farmers and traders are anticipating increase in the area coverage under RM seed this rabi due to higher seed prices this season and better rains in the key growing states which will eventually improve the planting prospects. The RM seed supplies have slightly dipped due to weak buying activity and it is likely to pick-up once millers actively participate in the cash market.

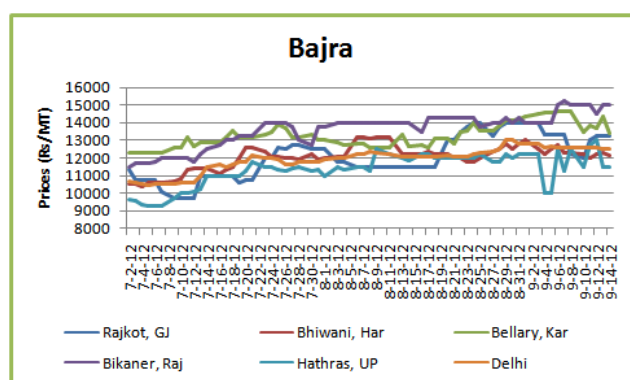
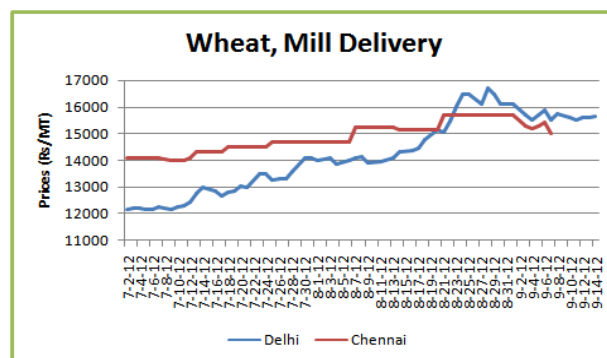
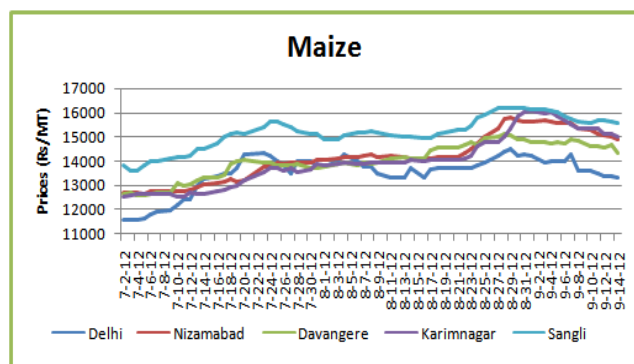
The seed demand is expected to improve in coming days followed by festivities which will eventually drive the prices higher in near-term. However, likely new soybean crop pressure will limit the gains.

The *kharif* groundnut planting is 11 per cent behind (38.1 lha) compared to the same period last year, reported in the latest official planting progress report.

Besides, sunflower sowing is also lower by 14.5 per cent compare to the corresponding period last year. The decline is primarily due to weak rains. Lower availability in the seed and eventually weak crushing continues to lend support to the sunflower meal and groundnut meal prices.

The soy, groundnut, rapeseed and sunflower meal prices are likely steady to firm on tight supply outlook which will eventually keep the feed product prices stable at the at the current levels higher in near-term.

The crop prospects of coarse cereals are expected to slightly improve followed recent rains, but lower planted area due to weak monsoon in the initial phase of planting period eventually lead to the short-fall in the normal production in coarse cereals.



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

Slightly weak sentiments witnessed in the major spot markets of maize during the week in review. Fresh rakes business from Bihar towards south is reported. However, at the week end, Maize Tender of 12000 metric tons offered by Karnataka Co-operative Milk Producers' Federation Limited, Bengaluru, Karnataka settled at Rs. 1674 support the maize prices to move up in the market.

Ahmadabad feed millers are reportedly buying around 15000 tons maize on daily basis from Uttar Pradesh and Bihar regions.

Sources revealed that in Davengre region of Karnataka, LD has 250 ton and Olam has 600 ton corn stock.

Suguna Foods sourced 2000 tons maize from Davengre and Haveri regions of Karnataka at Rs. 1580. Suguna Foods has 1000 metric tons consumption on daily basis.

As per recent update, crop has started to arrive in Warangal district of Andhra Pradesh. However, volume is pretty low.

Maize prices are hovering at around Rs 1416 per quintal on an average on pan India basis, decreased by around 0.5% compared to last week.

On the export front, India maize export figures crossed 4 million tons in the 2011-12 year till date.

Reportedly, Bangladesh is purchasing maize around US \$252-\$262 from the Bihar. Increasing export as well as domestic demand with the lower maize stock in domestic markets could drive the prices in upward direction in coming days. However, expected new crop supplies in coming days will restrict the gains.

Domestic wheat market remained under mild pressure, though the prices are still strong due to short supply in cash market. Demand from bulk users continues and millers are unable to fulfil their immediate demand from cash market. Private traders/stockiest have meagre quantities to offer and farmers are unwilling to release stock at this point of time despite better prices as they usually get higher prices in Jan and Feb.

Higher release from govt.'s stock may stabilize market. There is not enough stock in cash market and in the absence of ample release market may move up once again. Private inventories too are depleting fast.

Besides, the other important factor influencing price is the latest hike in fuel price. Retail prices of essential food items, including wheat and edible oils, are expected to increase marginally across the country due to a rise in the cost of transport following diesel price hike by over Rs 5 per liter and eventually rise in road freight by 15 per cent.

The State Trading Corp has floated a tender to export 120,000 tonnes of wheat for shipments in October and November. The last date of submission of bids is Oct. 1. The tender is part of the plans of the government to trim huge wheat stocks at government warehouses.

PEC has got bid of \$ 316.1 per tonne from Agrocrop for 120,000 tonnes of milling wheat to be exported from Krishnapatanam port. In another tender MMTC has received the highest bid of \$ 305.25 per tonne from Toepfer for export of 35,000 tonnes wheat.

The movement of the wheat price will depend on government policy towards wheat, allocation and release. The wheat prices will only ease further if wheat government releases are higher. Government has decided to release 9 lakh tonnes of wheat for October which may slightly weigh on the prices in near-term for short period.

Outlook

Government's further decision to release 9 lakh tonnes of wheat for October, expected new maize, soybean and bajra crop is expected to weight on the feed product prices in near-term. However, improved seasonal poultry production and eventually better soy meal and maize demand from the industry will limit the downward potential in the key feed ingredients.

Besides, fear of El Nino could kick in at the end of the Indian monsoon in September, hurting winter wheat, rapeseed and chickpea crops.

Spreads

Maize Average Weekly spread with Bajra

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
1	277	272	357.5	286.67	95	63.75	112	193	117.5
2	301.25	287	335	300	95.8	42.00	166	119	86.67
3	301	316	335	250.00	101.7	93.00	200	90	
4	266.67	340	323.33	161.00	72.0	127.50	204	103	
5			298		90.0			106.00	

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

Maize spread with bajra narrowed compared to the previous week. The rate of fall in the maize prices was higher compared to the bajra prices. However, the maize prices are still higher compared to bajra prices. The spread is expected to further narrow on expected new maize arrivals in coming weeks.

Maize Average Weekly spread with Jowar

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
1	193	138	295	93.33	-322.5	-336	66	83	190
2	211.25	103	80	-90	-324	-302	113	46	198.33
3	192	212	375	-127.14	-170	-280	73.00	0	
4	158.33	250	80	-251.00	-320	-152	85.8	17.5	
5			92		-403			122.5	

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

Maize spread with jowar increasing week on week basis as Jowar prices witnessed much lower due to lower cattle feed demand compared to maize. In view of upcoming new crop pressure we feel the spread to narrow from the current levels in coming weeks.

Maize Average Weekly spread with Wheat

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
1	85	78	201.25	125	-107.5	-117	22	70	-106
2	100	85	208.75	122	-109	-130	68	28	-142.5
3	68	124	190	59.29	-69.0	-65	107	-47	
4	46.67	132.5	125	-36.00	-96.0	3	107.5	-143	
5			146		-188.0			-167	

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

Maize spread with wheat fell from last week due to lower maize prices and relatively higher wheat prices. Wheat prices were also under pressure due to higher wheat allocation by Government for the last quarter. We expect that wheat prices to get further pressure on government's decision to release 9 lakh tonnes of wheat for October. Overall, the spread is expected to narrow in the coming weeks.

Maize Average Weekly spread with Barley

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
1	93	38	180	63.33	-239	-281	16	133	212
2	108.75	39	155	140	-191.7	-250	58	96	201.67
3	82	98	67	-91.42	-191.7	-163	102.5	76	
4	48.33	136.25	-43.33	-176	-238.0	-16	85.8	94	
5			37		-283.0			207.5	

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

Maize spread with barley slightly decreased from last week followed by fall in the maize prices and consistent arrivals from U.P. Barley prices are already lower as compared to the maize. Barley demand from malting industries was negligible during the last week as stockists have sufficient stock. The spread is expected to narrow in near-term.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	14.09.2012	07.09.2012	Parity To
Indore (MP)	41200-41500	40500	Gujarat, MP
Kota	40700-40800	40800	Rajasthan, Del, Punjab, Haryana
Akola	41700	43000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	44000	43000	Andhra, AP, Kar, TN
Dhulia/Jalna	42500	42500	Mumbai, Maharashtra
Nagpur (42/46)	42500	43000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	44000	42000	Local and South
Solapur	43500	42000	Local and South
Bundi	40600	40300	-

Soy DOC at Port

Centers	Port Price	
	14.09.2012	07.09.2012
Kandla (FOR) (INR/MT)	41500-42500	42000
Kandla (FAS) (USD/MT)	758-777	756

International Soy DOC

Argentina FOB \$/MT	13.09.2012	07.09.2012	Change
Soybean Pellets	618	617	+1
Soybean Cake Meal	618	617	+1
Soybean Meal	626	625	+1
Soy Expellers	626	625	+1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	14.09.2012	07.09.2012	Change
Adoni	23500	24400	-900
Khamgaon	23800	23800	Unch
Parli	24200	24200	Unch
Latur	24000	24000	Unch

Groundnut Meal

Groundnut Meal	14.09.2012	07.09.2012	Change
Basis 45% O&A, Saurashtra	33000	36000	-3000
Basis 40% O&A, Saurashtra	32000	34000	-2000
GN Cake, Gondal	33000	35000	-2000

Mustard DOC/Meal

Mustard DOC/Meal	14.09.2012	07.09.2012	Change
Jaipur (Plant Delivery)	17200	16800	+400
Kandla (FOR)	17700	17800	-100
Sri Ganganagar	-	-	-

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	14 th Sep,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1330	1380	1300	1350	-
Davangere	Bilty	1500	1510	1360	1350	1190
Naugachia	Bilty	1300	1325	1175	1075	1050
Nizamabad	Bilty	1491	1555	1412	1302	1210
Ahmedabad	Feed	1490	1500	1500	1350	1200
	Starch	1500	1540	1470	1400	1150

FOB, C&F – Maize at Various Destinations

	Argentina	Brazil	US	India (Davangere Origin)
FOB	282	254	324	322
Cost and Freight (Thailand)	332.43	309.1	384.3	357

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