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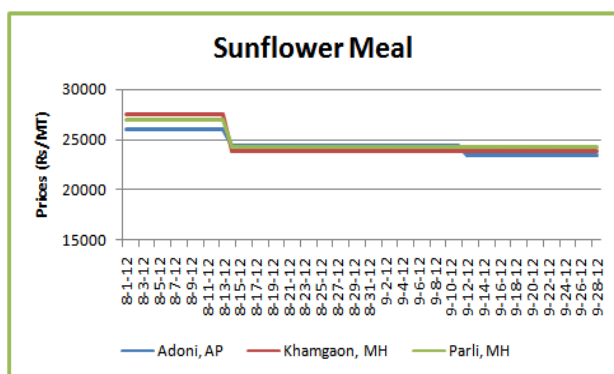
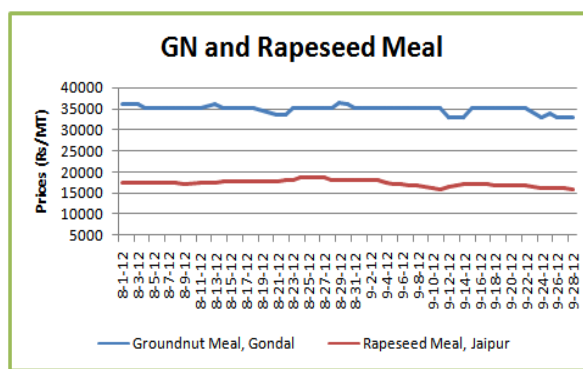
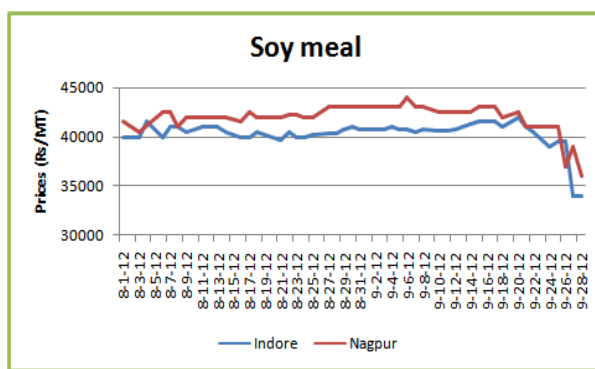
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## Summary

The key feed ingredients prices edged lower on expected rise in new kharif crop supplies during the week in review. Soy meal fell on soybean harvesting pressure, maize and coarse grain declined on expected new crop supplies and wheat prices eased on higher government allocation for open market sales during the period.

The feed prices may slightly ease in near-term in view of weak trend in the feed ingredient prices.

## Trend – Raw Material, Feed



Source: AgriWatch

The soy meal prices fell in tandem with the soybean and its harvesting pressure. The meal export sales remained weak during the week in review. However, domestic seasonal demand from poultry industry remained supportive to some extent.

Fresh buying in near-term is expected with expected improvement in new crop crushings in coming days. The overseas buyers have started exports enquiries and forward bookings are likely to pick-up the pace in near-term.

India's soy meal shipments usually fall in 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.

Soy meal (Nov-Dec) FOR Kandla was quoted around Rs 33000-37500/MT compared to 17500-18000/MT during the corresponding period last year. Indian C&F Indonesia (Indian meal) was between US \$ 585-595/MT which was quoted between US \$360-365/MT during the same period last year. The soy meal prices are likely to get new crop arrival pressure in near-term.

The RM seed prices plunged in sync with BMD CPO and soybeans during the week in review. Higher palm oil stocks with major producing countries and soybean harvesting pressure remained bearish factor for the Bursa Malaysia Derivatives and eventually for domestic RM seed.

Millers refrained from the seed market in anticipation of further fall in the prices and supported by weak RM oil demand.

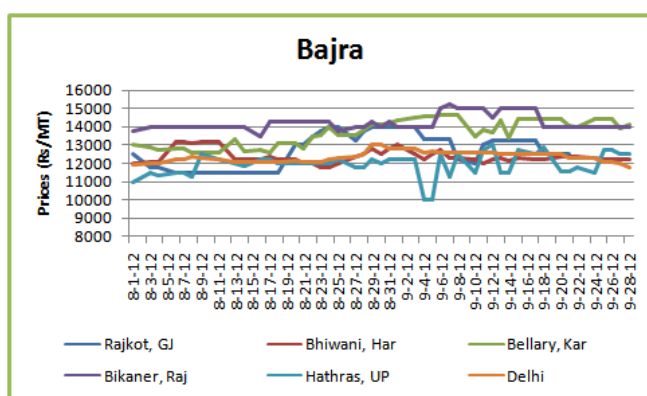
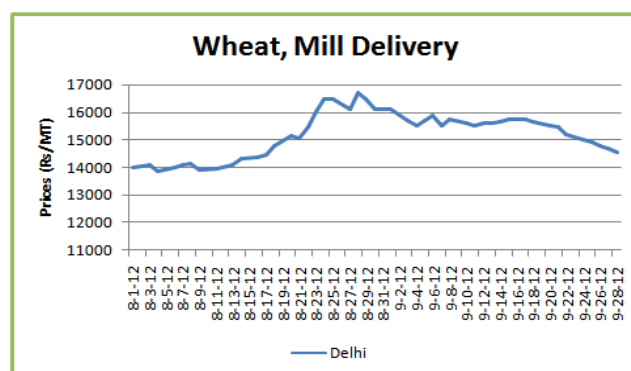
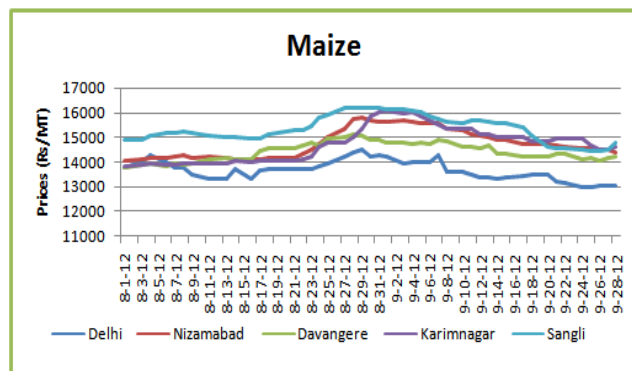
In view of better seed prices during the year, the farmers are expected to plant the seed higher than previous years. Besides, better rains towards the end of the monsoon will boost the soil moisture supporting the farmer's intention.

The seed demand from millers is expected to pick-up in coming days followed by series of festivals which will eventually drive the seed and rapeseed meal extract prices higher.

The kharif groundnut planting is 10 per cent behind (38.9 lha) compared to the same period last year, reported in the latest official planting progress report.

Besides, sunflower sowing has recovered and reported lower just by 0.7 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 to 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.



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

Ups and Downs were witnessed in the major spot markets of maize during the week in review. At the beginning of the week, new crop arrivals in the domestic maize market with the weak international sentiments due to US corn harvesting, putting pressure on the prices. However, till the week end, USDA report on corn stock position and IGC's estimation for corn production supported the international and domestic corn prices.

In Shimoga region of Karnataka, new crop arrivals have started, around 50 tons crop is arriving on daily basis which contain 18% moisture level and trading at Rs. 1350 per quintal. However, in Belgaum and Hubli region of Karnataka, maize new crop arrivals are expected to arrive in mid October.

In Renebennur region of Karnataka, 100 tons of the new maize is arriving on daily basis with moisture content between 18-20%.

In A.P. maize new crop contains 16% moisture level. Sources revealed that arrivals may increase in coming weeks and may put pressure on the prices.

Sluggish demand from poultry and starch were reported from the Ahmadabad region of Gujarat as they have 1 month maize stock. However, Punjab poultry farms have shifted demand towards bajra from maize.

Maize prices are hovering at around Rs 1372 per quintal on an average on pan India basis, decreased by around 2.9% compared to last week. The maize prices are likely to fall further with new crop arrival pressure in coming days.

Wheat prices have declined by Rs 100 to Rs 150 per quintal in last week and downward pressure is likely to continue on increased flow of wheat from government godowns in the cash market.

Pre sowing intension received from farmers of Punjab and Haryana is positive and area seems to match last year's level. However, temperature in February and March will play an important role in deciding the yield and the final size of the crop. Supply side has eased and smooth flow is expected in the weeks ahead.

Declining prices of wheat have encouraged farmers to offload their stock and this too has weighed on the market. If supply continues from govt.'s godowns, Prices are likely to stabilize around Rs 1325 to Rs 1350 in major markets like Delhi, Uttar Pradesh, Bihar, Rajasthan and Punjab.

Export demand has not been up to the mark despite lower quotes of Indian

Prices have fallen in Indore mandi and if prices continues to fall farmers may shift towards Chana and demand is likely to pick up after Navratra. Export demand is low and is expected to pick up as prices stabilize.

Initial wheat sowing intentions has revealed that sowing area may fall to 20% in Saurashtra region of Gujarat, due to non adequate moisture level in soil because of lower rainfall and Area sown under wheat in Gujarat is likely to be 85% of previous year.

India has exported 22.98 lakh tonnes of wheat till date is expected to export 35 lakh tonnes of wheat by the end of October.

Bihar government has set target of 72.85 lakh tonnes of wheat production for 2012-13 in an area of 23.5 lakh hectares with productivity of 3.1 tonnes/hectare. Last year's Bihar has produced around 47 lakh tonnes.

Wheat prices are expected to slightly fall in near-term, however the downward potential is limited as the wheat prices have substantially fell in recent weeks.

## Outlook

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Rapid pace in soybean harvesting, expected new maize supplies, commencement of new bajra arrivals in cash market and government's higher allocation of wheat for open market sales 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.

## 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	100.00
4	266.67	340	323.33	161.00	72.0	127.50	204	103	79.0
5			298		90.0			106.00	

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

Maize spread with bajra slightly declined from last week but the maize prices are still higher compared to the bajra in the spot market. Prices of both maize and bajra declined during the week but the rate of fall in maize was higher compared to the bajra. We expect maize spread with bajra to further narrow as the maize prices are expected to ease with likely new crop supplies in near-term.

### 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	208.00
4	158.33	250	80	-251.00	-320	-152	85.8	17.5	93.0
5			92		-403			122.5	

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

Maize spread with jowar is narrowed as expected during the week in review. In view of upcoming new maize 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	-154.0
4	46.67	132.5	125	-36.00	-96.0	3	107.5	-143	<b>-156</b>
5			146		-188.0			-167	

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

Maize spread with wheat remained near the previous week's level. Both the commodities traded steady during the week as compared to last week. We expect maize spread with wheat to fall in negative in view of fall in maize prices in 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	234.0
4	48.33	136.25	-43.33	-176	-238.0	-16	85.8	94	<b>143.0</b>
5			37		-283.0			207.5	

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

Maize spread with barley declined from previous week as rate of fall in maize prices was higher than the barley.

Considering the fact that rate of fall in maize will be higher compared to barley will further narrow the gap in the spread between the two in near-term.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	28.09.2012	21.09.2012	Parity To
Indore (MP)	34000	41000	Gujarat, MP
Kota	36500	41000	Rajasthan, Del, Punjab, Haryana
Akola	29000	43000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	38000 (Ready Price)	40000-41000	Andhra, AP, Kar, TN
Dhulia/Jalna	39500	41500	Mumbai, Maharashtra
Nagpur (42/46)	36000	41000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	34000	39000	Local and South
Solapur	34500	42000	Local and South
Bundi	38500	40500	-

#### Soy DOC at Port

Centers	Port Price	
	28.09.2012	21.09.2012
Kandla (FOR) (INR/MT)	33000	42000
Kandla (FAS) (USD/MT)	628	786

#### International Soy DOC

Argentina FOB \$/MT	28.09.2012	21.09.2012	Change
Soybean Pellets	564	573	-9
Soybean Cake Meal	572	573	-1
Soybean Meal	564	581	-17
Soy Expellers	572	581	-9



**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	28.09.2012	21.09.2012	Change
Adoni	23500	23500	Unch
Khamgaon	23800	23800	Unch
Parli	24200	24200	Unch
Latur	24000	24000	Unch

**Groundnut Meal**

Groundnut Meal	28.09.2012	21.09.2012	Change
Basis 45% O&A, Saurashtra	33000	34500	-1500
Basis 40% O&A, Saurashtra	31000	33000	-2000
GN Cake, Gondal	33000	35000	-2000

**Mustard DOC/Meal**

Mustard DOC/Meal	28.09.2012	21.09.2012	Change
Jaipur (Plant Delivery)	16000	16800	-800
Kandla (FOR)	17000	17500	-500
Sri Ganganagar	765	790	-25

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	28 Sep 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1280	1335	1360	1380	-
Davangere	Bilty	1400	1450	1500	-	1140
Naugachia	Bilty	1250	1280	1275	1200	1075
Nizamabad	Bilty	1430	1465	1572	1393	1120
Ahmedabad	Feed	1440	1500	1600	1500	1200
	Starch	1420	1500	1525	1510	1130

**FOB, C&F – Maize at Various Destinations**

	Argentina	Brazil	US	India (Davangere Origin)
FOB	269.19	240.2	323.35	314
Cost and Freight (Thailand)	319.19	295.2	383.35	349

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