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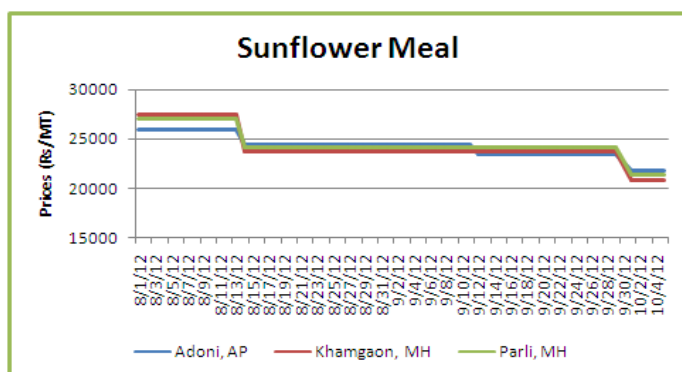
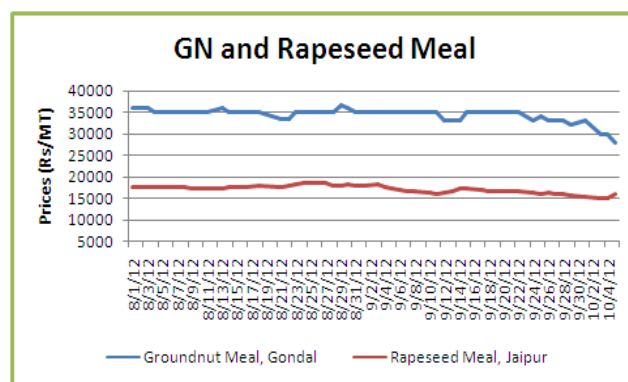
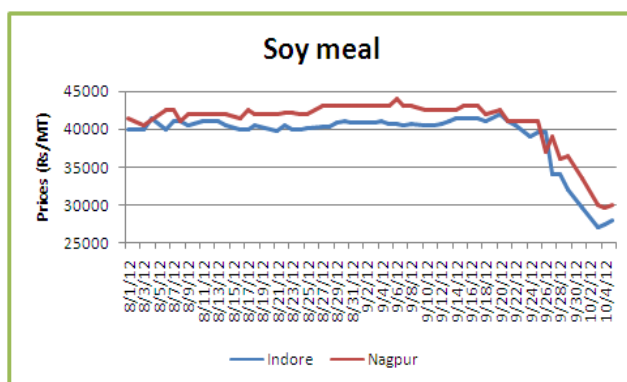
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Summary

Prices of the key feed ingredients featured weak tone on expected rise in new kharif crop supplies during the week in review. Soy meal declined on soybean harvest pressure, maize and coarse grains fell on expected new crop supplies and wheat prices remained range bound on higher government allocation for open market sales during the period amid low demand from bulk users.

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

Trend – Raw Material, Feed



Source: AgriWatch

The soy meal prices plunged on weak export sales and new soybean crop supply pressure. The new soybean crushings are likely to improve in coming weeks leading to the competitive Indian soy meal prices in the international market. The overseas buyers are keen and making the exports enquiries for Nov-Dec shipments (forward booking).

As expected India's soy meal exports were nominal in the month of September 2012. India exported just 2864 MT of soy meal in September 2012 (lower by 99%) compared to 22,592 MT during the same period last year. Iran, Kuwait, Netherland and Sri Lanka were the major buyers.

India's soy meal shipments usually fall in the month of September due to the fall in crushing followed by lean season in soybean.

Soy meal (Nov-Dec) FOR Kandla exports price was quoted around Rs 27500-28350/MT compared to 16800-17500/MT during the corresponding period last year. Indian C&F Indonesia (Indian meal) was between US \$ 550-585/MT. The soy meal prices are likely to get new crop arrival pressure in the near-term.

The RM seed prices extended losses in sync with BMD CPO during the week in review. However, it slightly showed slight recovery towards the end of the week. Higher palm oil stocks with key producing countries and soybean harvesting pressure remained bearish factor for the Bursa Malaysia Derivatives and eventually for domestic RM seed.

No active buying featured in the seed as millers were not keen in purchases due to falling prices and in anticipation of further fall in the prices and in the absence of any fresh demand in RM oil.

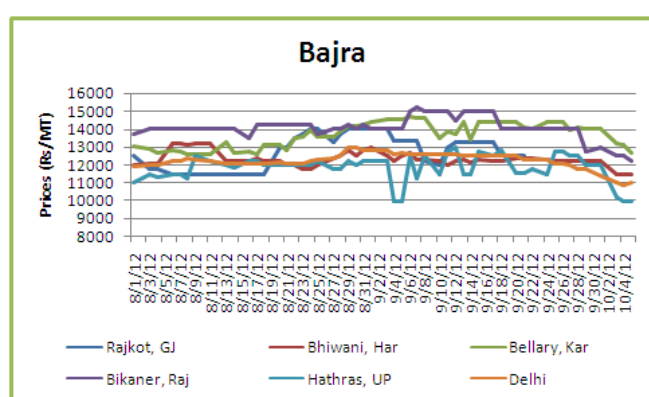
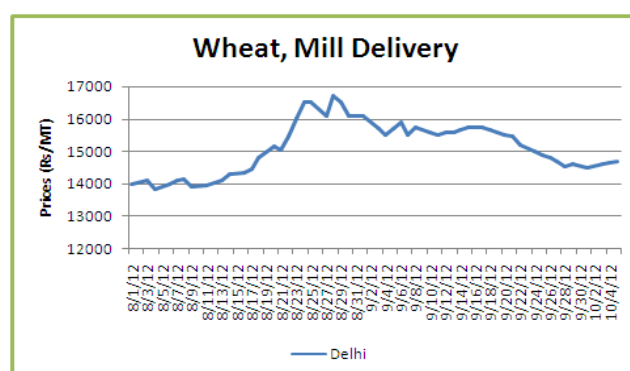
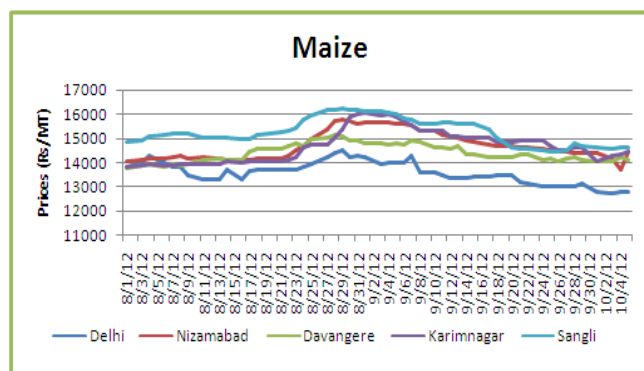
The seed farmers are expected to plant the seed more this year than the last season, in view of better seed prices during the season.

However, the millers demand is likely to pick-up in coming days followed by series of festivals which will eventually drive the seed 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 be 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)

Steady price sentiments were witnessed in the major spot markets of maize during the week in review.

In Nizamabad region of Andhra Pradesh, favorable weather conditions were reported for harvesting and there are chances of increase in arrivals in coming days. Despite the crop arrival pressure, it is expected that prices will trade steady in A.P. region as demand is higher at the lower price level.

Sluggish demand from poultry and starch was reported from the Ahmadabad region of Gujarat as they have around 20 days maize stock sourced from U.P. region.

However, Punjab poultry farms have shifted demand towards bajra from maize.

Maize prices are hovering at around Rs 1228 per quintal on an average on pan India basis, increased by around 2.7% compared to last week. Lower than expected supplies may keeps maize prices steady despite a lack of demand from exporters in the spot market. Maize prices are expected to trade steady in the near term.

Domestic wheat markets continued to trade range bound due to lower demand from bulk users like flour millers. Despite higher allocation through various channels, upward correction is being seen in benchmark markets. Prices of wheat in Rajasthan, Delhi, M.P. and Gujarat have improved to some extent. However, one sided uptrend is unlikely as higher allocation and expectation of higher area coverage may restrict further gains.

Rake loading from Rajasthan to South India continues. Two rakes have been loaded for Coimbatore on delivered basis at Rs 1825 per quintal. Flour millers in Gujarat are buying wheat locally and from Rajasthan at

Rs 1525-1550 per quintal. However, arrivals have come down considerably and bulk users will depend mainly on the government's stock in the weeks ahead. Higher demand is expected in Gujarat as private stock is at negligible level. Consumers in Gujarat prefer Rajasthan and M.P. wheat and so expectation of higher demand will continue to support wheat market in Rajasthan.

Wheat area may improve this year as farmers have realized better price due to higher MSP and continuous export demand. Farmers' pre sowing intention shows better coverage this year in Rajasthan as they prefer wheat sowing in guar field. Besides, there is ample water available in Gandhi Sagar Dam and it will facilitate irrigation at the maturity stage. However, area under wheat in Saurashtra region may decrease drastically due to lower rainfall. Almost 80 percent wheat area may be used for other cash crops like chana, castor, cumin and cotton.

Exporters and private traders are likely to start buying once again from mid-October when prices are supposed to stabilize in the domestic market. Supply and demand is likely to remain balanced and so the cash market too should trade steady. However, the government's allocation will remain a major price driving force in the months ahead as maximum stock is in the government's custody. Marketable surplus with farmers too is depleting fast.

Wheat stock with the government is still much higher than the required norm and another bumper crop may lead to serious storage problem. Export through government's godowns has not been very impressive. The time is appropriate to ship out maximum wheat (in the range of 7 to 8 million T) in the current marketing year so that the carryout stock remains at a manageable level. Wheat prices are expected to remain steady in near-term.

Outlook

The rapid pace of soybean harvesting, expected new maize arrivals, commencement of new bajra supplies in cash market and the government's higher allocation of wheat for open market sales is expected to weigh 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 downside potential in the key feed ingredients.

Spreads

Maize Average Weekly spread with Bajra

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
1	277	272	357.5	286.67	95	63.75	112	193	117.50	177.00
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	79.00	
5			298		90.0			106.00		

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

Maize spread with bajra increased from last week. Lower than expected supplies of corn kept maize prices steady despite a lack of demand from exporters in the major maize spot markets. Bajra new crop arrivals from U.P. region also put pressure on the bajra price. In the near term, maize and bajra prices are likely to remain steady, so we expect maize spread with bajra to be steady in the next week.

Maize Average Weekly spread with Jowar

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
1	193	138	295	93.33	-322.5	-336	66	83	190	150.00
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	93.00	
5			92		-403			122.5		

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

Maize spread with jowar increased from last week as jowar traded down due to lower cattle feed demand with the steady price movement in maize prices. This trend is expected to continue in the near term, so we expect maize spread with jowar could go up in the coming weeks.

Maize Average Weekly spread with Wheat

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
1	85	78	201.25	125	-107.5	-117	22	70	-106	-123.0
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	-156	
5			146		-188.0			-167		

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

Maize spread with wheat increased from last week as wheat prices traded down due to lower flour millers' demand in the spot market. Wheat prices could get support in the coming weeks as the government has not released the wheat stock. We expect maize spread with wheat to go down in the coming weeks.

Maize Average Weekly spread with Barley

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
1	93	38	180	63.33	-239	-281	16	133	212	160.0
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	143.0	
5			37		-283.0			207.5		

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

Maize spread with barley increased from previous week on lower barley demand from malt industry as they have sufficient stock in quantity. We expect maize spread with barley to remain steady due to steady price movement in both the commodities in the days ahead.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	05.10.2012	28.09.2012	Parity To
Indore (MP)	28000	34000	Gujarat, MP
Kota	27000	36500	Rajasthan, Del, Punjab, Haryana
Akola	-	29000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	-	38000 (Ready Price)	Andhra, AP, Kar, TN
Dhulia/Jalna	30000	39500	Mumbai, Maharashtra
Nagpur (42/46)	30000	36000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	30000	34000	Local and South
Solapur	30000	34500	Local and South
Bundi	27700	38500	-

Soy DOC at Port

Centers	Port Price	
	05.10.2012	28.09.2012
Kandla (FOR) (INR/MT)	28350	33000
Kandla (FAS) (USD/MT)	548	628

International Soy DOC

Argentina FOB \$/MT	05.10.2012	28.09.2012	Change
Soybean Pellets	553	564	-11
Soybean Cake Meal	561	572	-11
Soybean Meal	553	564	-11
Soy Expellers	561	572	-11

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	05.10.2012	28.09.2012	Change
Adoni	21800	23500	-1700
Khamgaon	20800	23800	-3000
Parli	21400	24200	-2800
Latur	21200	24000	-2800

Groundnut Meal

Groundnut Meal	05.10.2012	28.09.2012	Change
Basis 45% O&A, Saurashtra	27000	33000	-6000
Basis 40% O&A, Saurashtra	26000	31000	-5000
GN Cake, Gondal	28000	33000	-5000

Mustard DOC/Meal

Mustard DOC/Meal	05.10.2012	28.09.2012	Change
Jaipur (Plant Delivery)	16000	16000	Unch
Kandla (FOR)	16200	17000	-800
Sri Ganganagar	745	765	+20

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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