

Contents:

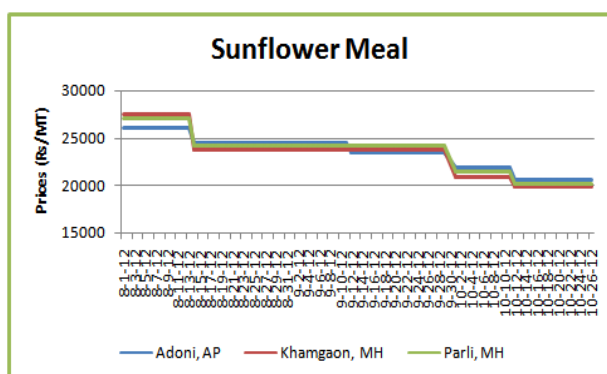
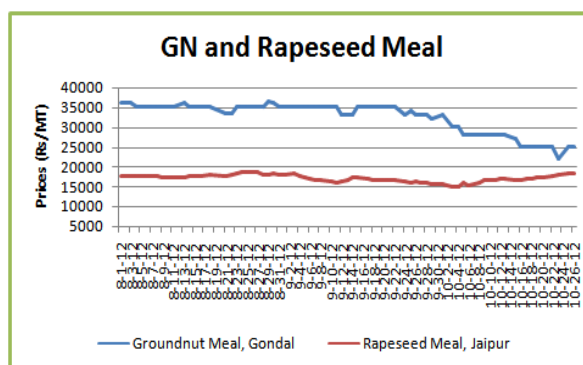
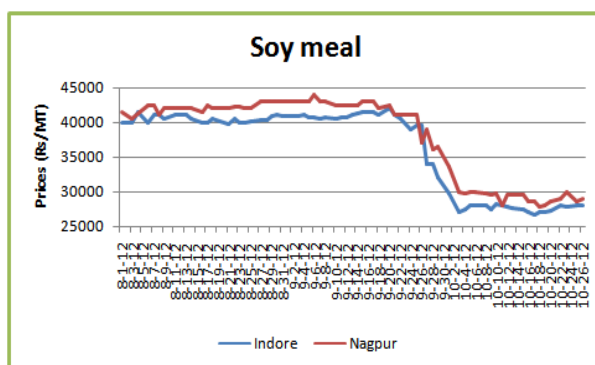
- ❖ ***Summary***
- ❖ ***Trend – Raw Material, Feed***
- ❖ ***Outlook***
- ❖ ***Spreads***
- ❖ ***Annexure - Prices***

Summary

The key feed ingredients prices featured steady to slightly firm on festive and seasonal demand, during the week in review.

Soy meal improved on overseas and domestic buying, maize and coarse slightly fell on new crop supplies and wheat prices featured steady to slightly weak tone as buyers refrained from the market anticipating fall in the prices. The feed prices are expected to remain steady in near-term in view of steady to firm trend in the feed ingredient prices.

Trend – Raw Material, Feed



Source: AgriWatch

The soy meal prices featured gains on fresh overseas and domestic seasonal demand. The forward booking in the meal is on as the overseas buyers are keen on placing the orders. Reportedly, above 10 lakh ton of soy meal of Indian origin has been booked for exports in recent days.

Besides, renewed domestic demand from poultry for feed remained supportive for the market. Both, International and domestic demand is expected to improve in coming days followed by competitive prices, availability and seasonal rise in poultry production.

We expect India's soy meal shipments will boost in Oct/Feb due to lower US soybean crop this season (10 year low). The opportunity for India's meal exports will be better till the Brazilian and Argentine crop supplies expected in Feb-Mar 2013.

India exported 223,594 MT of soy meal in October 2011 and we expect India to export near previous year's level with rising overseas exports enquiries and gradual rise in forward booking for Nov-Dec.

Soy meal (Nov-Dec) exports price, FOR Kandla exports was quoted around Rs 29500-29900/MT compared to 16900-17500/MT during the same period last year.

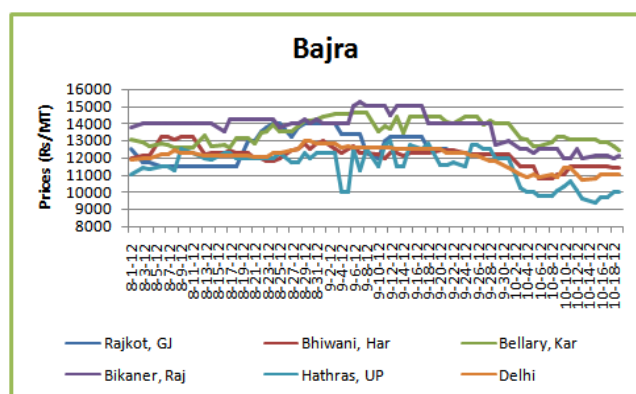
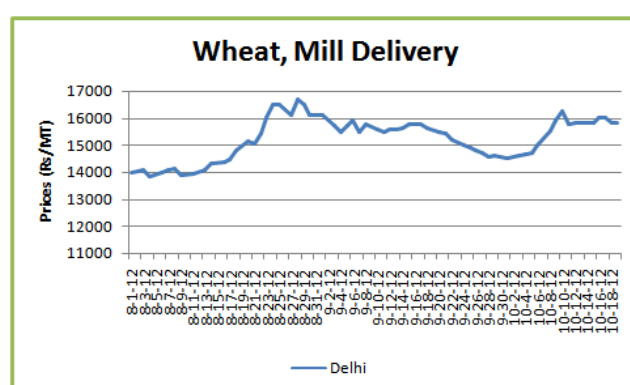
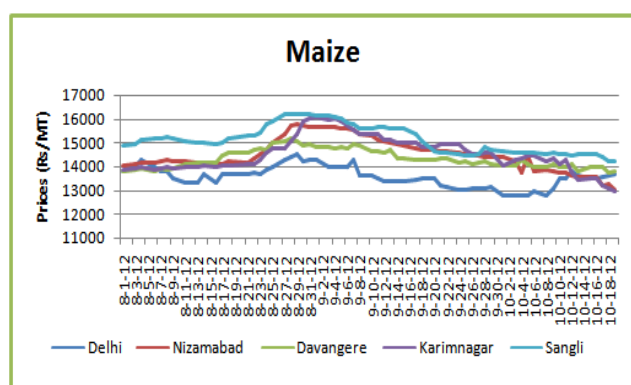
The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$-17/MT compared to US \$-11/MT a week ago, indicating a narrowing gap in prices between Indian and Argentine meal prices. India's soy meal exports is at the optimum levels during the period, October thru January, at the considered spread between Indian meal price vs Argentine between US \$8/MT and US \$15/MT.

The RM seed prices extended gains on supportive buying from miller to meet the renewed festive edible oil demand during the week in review. Besides, stronger Malaysian palm oil remained supportive for the domestic seed prices during the week.

The RM seed planting is underway in the key growing states but the pace is slow which will gradually pick up in a couple of weeks.

The planting intention of the farmers seems stronger this season and the area under the seed is expected to increase compared to last year, in view of better seed prices during the season. Further, the seed prices are expected to stay strong in coming weeks.

The soy, groundnut and sunflower meal prices are likely to feature steady to weak tone on new crop supplies while rapeseed is expected to gain on tight supply scenario in coming weeks. Overall, the feed product prices are likely to slightly ease from the current levels in near-term.



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

No major activities reported in the major spot markets of maize during the week ended on 27th October 2012 as most of the markets were closed due to Navratra festival.

Gujarat poultry feed millers are purchasing maize from Maharashtra, M.P. and Rajasthan region at around Rs. 1340, 1330 and 1280-1290 per quintal respectively.

In Bihar, Demand for maize from the Kolkata feed millers was reported lower due to Navratra festival.

Maize prices are hovering at around Rs 1227 per quintal on an average on pan India basis, steady compared to last week.

Sluggish export demand amid new crop arrivals pressurized the corn prices. We expect maize prices to feature further weakness due to increase in crop arrivals.

As per USDA crop progress report, 87% corn crop has been harvested till date which is below 2% from expectation due to wet weather conditions in U.S. but higher by 27% from last year during the same period and 38% from 5 year average. Occasional showers over the next 7 to 10 days could slightly delay in harvesting the remaining corn crop.

Cash wheat market witnessed steady tone on the back of normal supply demand. Tepid trading activities and continuous holidays helped market to trade at previous level. Supply in domestic market is expected to increase from next week as government is keen to offload more wheat in domestic market. Hence, the downward pressure in wheat is inevitable in near-term.

Sowing of wheat is about to start in major wheat growing regions and farmers have almost completed field preparation. Temperature is falling and adequate moisture level in the field will enhance sowing activities soon.

Any uptrend from current level is unlikely as more wheat from central pool stock is expected November onward amid better sowing condition in major wheat producing states with adequate moisture level in the field.

Area under wheat crop is likely to cross last year's level of almost 296 million ha. to 29 million ha. as guar field in Rajasthan may be shifted to wheat to a large extent. Better price realization at the time of sowing too encourage farmers to go for wheat planting supported by assured purchase on MSP in major producing states. However, major deciding factor for the final size of the crop would be temperature in March and April. Higher temperature might affect yield of wheat crop.

Farmers in major wheat growing areas are engaged in field preparation and sowing will start in full swing at the end of this month. Weather remains favourable for wheat sowing and ample moisture level in field will ensure good crop this year too.

Mixed sentiments witnessed in the major spot markets of maize during the week ended on 20th October 2012. Increase in corn crop arrivals offset the higher demand from feed makers.

In Ahmadabad, Gujarat, poultry feed millers are purchasing maize from Maharashtra region at around Rs. 1400 per quintal.

In Bihar, Maize old stock is almost over and sowing for new crop would start from the first week of November.

Maize prices are hovering at around Rs 1233 per quintal on an average on pan India basis, a fall by around 1% compared to last week.

On the export front, no major activities reported during the week as buyers are expecting that prices will go down further. The maize prices are likely to fall on new crop supply pressure near-term.

Wheat market improved slightly on the back of higher demand from flour millers ahead of continuous festivals in the weeks ahead. Wheat prices are likely to remain supportive following the improved pace of demand in the short term despite govt.'s intention to offload more wheat in domestic market in current financial year. However, medium term outlook depends on additional allocated quantity on month basis. Govt. may offload 7 million tonnes of wheat in the rest of the current MY.

Stock in private hands and with farmers is believed to be at lower level and bulk/medium consumers are totally dependent on govt.'s release. Any aberration in release mechanism may create short supply in the domestic market, especially at consuming centers and may support prices further. Thus overall sentiment and directional move depend on govt's strategy of allocation and price for OMSS.

With rising international market and depleting exportable surplus in Russia, Ukraine, Australia supported by lower production prospects in the US and Argentina export opportunity for India has improved in the recent weeks. Iran and Indonesia are interested to import wheat from India on G to G deals on long term basis. Besides, private trades will continue to cater the needs of small foreign buyers. Overall situation on export front is expected to improve in the months ahead.

Wheat sowing is about start and we expect bumper crop once again as weather remains favourable throughout the major growing regions. Based on preliminary feedback from farmers over 90 million tonnes wheat production seems very much on the card. So supply side is expected to remain ample next year too. Burden of hefty stock needs to be reduced. Lower export volume can pose storage problem especially when wheat procurement starts in April.

Area under wheat crop is likely to cross last year's level of almost 296 million ha. to 29 million ha. as guar field in Rajasthan may be shifted to wheat to a large extent. Better price realization at the time of sowing too encourage farmers to go for wheat planting supported by assured purchase on MSP in major producing states. However, major deciding factor for the final size of the crop would be temperature in March and April. Higher temperature might affect yield of wheat crop.

Farmers in major wheat growing areas are engaged in field preparation and sowing will start by the end of this month. Weather remains favourable for wheat sowing and ample moisture level in field will ensure good crop this year too.

Outlook

Increasing seasonal demand in feed ingredient (including soy meal and maize) from poultry and other feed manufactures will push up key feed ingredients prices in near-term.

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	117.5	177.0
2	301.25	287	335	300	95.8	42.00	166	119	86.67	219.0
3	301	316	335	250.00	101.7	93.00	200	90	100.00	270.0
4	266.67	340	323.33	161.00	72.0	127.50	204	103	79.0	264.0
5			298		90.0			106.00		

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

Maize spread with bajra stood near previous week's level. However rate of fall in the maize prices were higher than the bajra. We expect maize spread with bajra to widen as the maize demand is likely to pick-up from poultry industry, making its prices stronger than the bajra.

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	150.0
2	211.25	103	80	-90	-324	-302	113	46	198.33	180.0
3	192	212	375	-127.14	-170	-280	73.00	0	208.00	177.0
4	158.33	250	80	-251.00	-320	-152	85.8	17.5	93.0	140.0
5			92		-403			122.5		

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

Maize spread with jowar further narrowed during the week in review. The fall in the maize prices were higher than the Jowar during the week. However, maize prices are likely to get stronger than Jowar in coming days which will lead 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	Oct
1	85	78	201.25	125	-107.5	-117	22	70	-106	-123
2	100	85	208.75	122	-109	-130	68	28	-142.5	-188

3	68	124	190	59.29	-69.0	-65	107	-47	-154.0	-192.5
4	46.67	132.5	125	-36.00	-96.0	3	107.5	-143	-156	-127.0
5			146		-188.0			-167		

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

Maize spread with wheat further dipped in the negative territory with relatively higher fall in maize prices compared to wheat during the week in review. However, we feel the maize price to recover on expected demand reducing the negative dip in coming days.

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	226.0
3	82	98	67	-91.42	-191.7	-163	102.5	76	234.0	206.0
4	48.33	136.25	-43.33	-176	-238.0	-16	85.8	94	143.0	226.0
5			37		-283.0			207.5		

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

Maize spread with barley slightly improved as barley gained on export demand. However, expected rise in the maize price will lead to the reduction in the spread in near-term.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	26.10.2012	19.10.2012	Parity To
Indore (MP)	28100	27000	Gujarat, MP
Kota	28200	27000	Rajasthan, Del, Punjab, Haryana
Akola	28500	28000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29500	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	29500	28000	Andhra, AP, Kar, TN
Dhulia/Jalna	30000	29000	Mumbai, Maharashtra
Nagpur (42/46)	29000	28100	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	30000	29000	Local and South
Solapur	30000	29000	Local and South
Bundi	28100	27500	-

Soy DOC at Port

Centers	Port Price	
	26.10.2012	19.10.2012
Kandla (FOR) (INR/MT)	29500	29000
Kandla (FAS) (USD/MT)	551	540

International Soy DOC

Argentina FOB \$/MT	26.10.2012	19.10.2012	Change
Soybean Pellets	-	552	-
Soybean Cake Meal	-	560	-
Soybean Meal	-	552	-
Soy Expellers	-	560	-

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	26.10.2012	19.10.2012	Change
Adoni	20600	20600	Unch

Khamgaon	19800	19800	Unch
Parli	20200	20200	Unch
Latur	20000	20000	Unch

Groundnut Meal

Groundnut Meal	26.10.2012	19.10.2012	Change
Basis 45% O&A, Saurashtra	25500	24500	+1000
Basis 40% O&A, Saurashtra	23500	22500	+1000
GN Cake, Gondal	25000	25000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	26.10.2012	19.10.2012	Change
Jaipur (Plant Delivery)	-	17400	-
Kandla (FOR)	-	17800	-
Sri Ganganagar	-	795	-

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	26 Oct 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1400	1365	1285	1325	-
Davangere	Bilty	1350	1425	1350	1500	-
Naugachia	Bilty	-	-	1275	1275	-
Nizamabad	Bilty	-	1350	1448	1537	-
Ahmedabad	Feed	1340	1440	1450	1600	-
	Starch	1380	1400	1425	1525	-

FOB, C&F – Maize at Various Destinations

	Argentina	Brazil	US	India (Davengere Origin)
FOB	285.04	244	320	303.32
Cost and Freight (Thailand)	335.04	299	380	338.32

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