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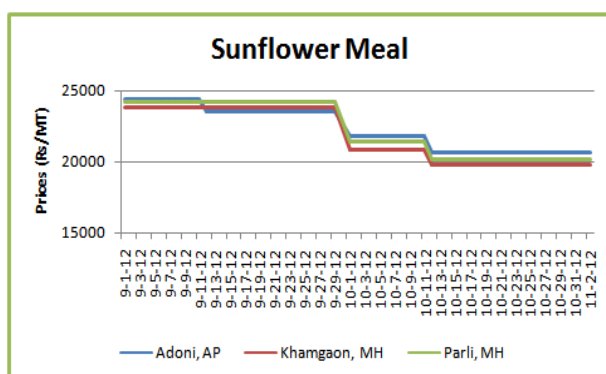
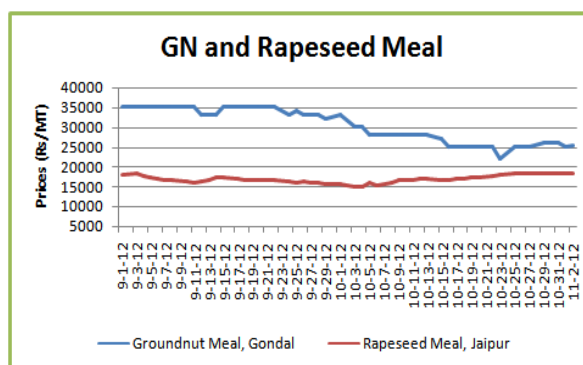
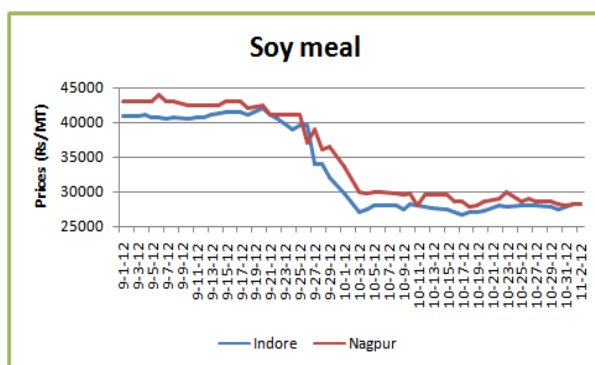
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Summary

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

Soy meal including other oilmeals witnessed gains on overseas and domestic buying, maize and coarse grain prices too improved on demand, besides wheat prices surged during the week in anticipation of better festive buying. The feed prices are expected to remain steady to firm 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 edged-up on rise in seasonal domestic demand from poultry feed industry and renewed overseas buying.

The overseas demand is expected to pick-up in coming weeks and it will boost during Nov thru Feb before harvesting of the South American soybean. The US soybean production is already estimated lower (10 year low) and the developing bullish planting condition in South America will boost in the India's soy meal exports.

However, India exported around 51,050 MT of soy meal in the month of October (77% lower) compared to 22,3595 MT during the same period last year.

International and domestic demand is likely to improve in coming days followed by competitive prices, availability and seasonal rise in poultry production.

Soy meal (Nov-Dec) exports price, FOR Kandla exports was quoted around Rs 30075/MT compared to 17100-17400/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$-25/MT compared to US \$-17/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.

RM seed prices remained mostly flat, despite fall in Malaysian palm oil during the week in review. Continued buying in the seed remained supportive for the market. The plunge in BMD CPO followed by reduction in exports duty by Indonesia from 13.5 per cent to 9 per cent and reports of higher palm stocks restricted the major gains in the domestic seed.

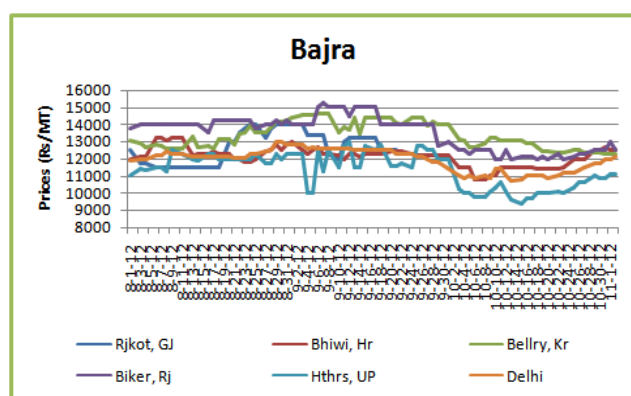
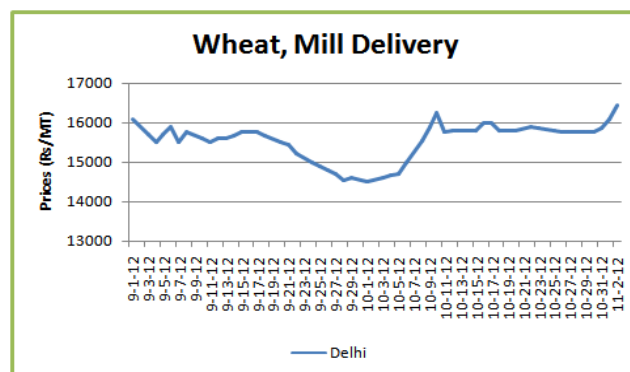
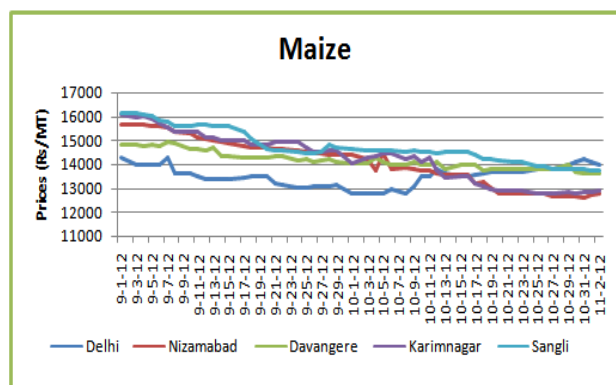
Palm oil prices fell 4.1% during the week, despite steady exports from Malaysia, as investors remain concerned that palm oil stock levels in October probably surpassed an all-time high of 2.48 million tons reached at the end of September.

Besides, in the major development, the Cabinet Committee for Economic Affairs has approved increasing the MSP of mustard seed to Rs 3,000 per quintal for the 2013-14 marketing year from Rs 2,500 per quintal in 2012-13.

The RM seed planting is gradually picking-up the pace in the key growing states. The planting intention of the farmers is strong this season in the key growing states.

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 higher 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 also expected to witness firm tone on likely demand supplies while rapeseed is expected to gain on tight supply scenario, in coming weeks. Overall, the feed product prices are likely to slightly gain on seasonal demand from poultry and other feed industry, from the current levels in near-term.



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

During the week, no major activities reported in the major spot markets of maize as In India, heavy rainfall in Karnataka and A.P. regions disrupted trade activities in the last few days. Market participants should wait till the normal weather conditions.

In A.P. and Karnataka, crop arrivals disrupted during the week and contain higher moisture level around 14-17%, and 15% respectively.

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.

Maize prices are hovering at around Rs 1211 per quintal on an average on pan India basis, down 1.22 % from last week.

As per USDA crop progress report, 91% corn crop has harvested till date which is below 2% from expectation but higher by 17% from last year during the same period and 31% from 5 year average.

Informa Economics has reduced its US corn crop yield for 2012 by 4.6 bushels to 122.4 bushels per acre compared to previous estimate. Moreover, US corn production seen at 10.738 billion bushels which is above from the latest USDA estimates, which last month put the U.S. corn crop at 10.706 billion bushels, based on a yield of 122.0 bushels per acre.

As per Brazilian trade ministry, Brazil corn exports increased to 3.66 million tons in the October month from 3.14 million tons last month and 1.52 million tons from last year as foreign buyers turned to Brazil after the worst drought in U.S.

Reportedly, Argentine storm could slash projected corn crop 20% to 22.4 million tons which is lower by 5.6 million tons from the earlier USDA' expectation. The domestic corn prices are expected to remain firm in near to medium term on lower production estimates and firm global corn supply outlook.

Wheat prices are ruling higher in cash market due to delay in release for next quarter for open market and further delay may support market once again. Market expects additional release as supply and demand side is not balanced. Stock with farmers and stockists are at negligible level at this point of time.

Higher MSP last year encouraged farmers to sell more to the govt.'s agencies and private traders purchased lower quantity due to higher prices. Despite higher production cash market started to feel lower supply pressure just after the procurement ended and wheat prices started moving up July onward. Export through private channels to encouraged prices to firm up as they procured maximum wheat from cash market including farmers/traders too.

Release from central pool could not fulfil the existing demands in cash market. With this background now ample release for OMSS is the need of the hour and for checking spiraling prices. Sowing starts in various states in favourable weather conditions and we expect higher area coverage this year too despite unchanged MSP.

At export front wheat export from India is likely to increase this year due to cheaper and higher availability here this year. Wheat export has picked pace in last few days from both private and public channels. India is expected to export 4.5 million Tonnes wheat in current marketing year through private and public channels. Higher price at the time of sowing too encourage them to go for same coverage area. We expect over 90 million tonnes production this season too based on farmers preliminary feedback.

Rajasthan government has set the target of 2800 thousand hectares for Rabi Wheat 2012-13. Which is more than five year average sown area but lesser than actual area sown last year which was 2932 thousand hectares. It is expected that actual sown area this year might be more than targeted area due to higher prices and increased area coverage for Guar.

Outlook

Growing 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	Nov
1	277	272	357.5	286.67	95	63.75	112	193	117.5	177.0	187.5
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 fell from last week. In Delhi spot market, Bajra traded up due to the higher demand from poultry and malt industries. Stockists are also buying bajra at the higher pace.

Sources revealed that bajra prices may get firm in the coming weeks as demand is still higher for bajra from poultry, malt industries. Meanwhile, Maize could trade steady with the steady poultry demand. Considering the above mentioned facts, we expect maize spread with bajra could go down further in the coming weeks.

Maize Average Weekly spread with Jowar

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
1	193	138	295	93.33	-322.5	-336	66	83	190	150.0	137.0
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 traded slightly down from last week. Jowar and Maize stood mainly steady during the week with the limited supply and demand. We expect that trend would continue in the near term and could keep maize spread with jowar near the same levels in coming week.

Maize Average Weekly spread with Wheat

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
1	85	78	201.25	125	-108	-117	22	70	-106	-123	-139
2	100	85	208.75	122	-109	-130	68	28	-143	-188	
3	68	124	190	59.29	-69	-65	107	-47	-154	-193	
4	46.67	133	125	-36.0	-96	3	108	-143	-156	-127	
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 prices firmed-up last week on the expectation of increase in wheat MSP (Which was not raised this season). Sources revealed that wheat prices could trade steady with the limited supply. By the above mentioned fact, we expect maize spread with wheat could stand steady in the near term.

Maize Average Weekly spread with Barley

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
1	93	38	180	63.33	-239	-281	16	133	212	160.0	213
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 fell from last week as barley prices witnessed mild gain against maize. We expect that barley and maize prices will feature steady tone in the near term and could keep steady maize spread with barley in the days ahead.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	02.11.2012	26.10.2012	Parity To
Indore (MP)	28200	28100	Gujarat, MP
Kota	27900	28200	Rajasthan, Del, Punjab, Haryana
Akola	28200	28500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	28200	29500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	29200	29500	Andhra, AP, Kar, TN
Dhulia/Jalna	30000	30000	Mumbai, Maharashtra
Nagpur (42/46)	28200	29000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	30000	30000	Local and South
Solapur	30000	30000	Local and South
Bundi	28000	28100	-

Soy DOC at Port

Centers	Port Price	
	02.11.2012	26.10.2012
Kandla (FOR) (INR/MT)	30075	29500
Kandla (FAS) (USD/MT)	560	551

International Soy DOC

Argentina FOB \$/MT	02.11.2012	26.10.2012	Change
Soybean Pellets	583	579	+4
Soybean Cake Meal	583	579	+4
Soybean Meal	591	587	+4
Soy Expellers	591	587	+4

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	02.11.2012	26.10.2012	Change
Adoni	20600	20600	Unch
Khamgaon	19800	19800	Unch
Parli	20200	20200	Unch
Latur	20000	20000	Unch

Groundnut Meal

Groundnut Meal	02.11.2012	26.10.2012	Change
Basis 45% O&A, Saurashtra	25000	25500	-500
Basis 40% O&A, Saurashtra	24000	23500	+500
GN Cake, Gondal	25500	25000	+500

Mustard DOC/Meal

Mustard DOC/Meal	02.11.2012	26.10.2012	Change
Jaipur (Plant Delivery)	18200	18200	
Kandla (FOR)	18700	18500	
Sri Ganganagar	-	-	-

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	02 Nov 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1400	1400	1280	1285	-
Davangere	Bilty	1350	1350	1300	1350	1080
Naugachia	Bilty	-	-	1225	1275	1075
Nizamabad	Bilty	1270	-	1400	1448	1040
Ahmedabad	Feed	1350	1340	1425	1450	1150
	Starch	1380	1380	1425	1425	1160

FOB, C&F – Maize at Various Destinations

	Argentina	Brazil	US	India (Davengere Origin)
FOB	291.00	266.7	323	303.00
Cost and Freight (Thailand)	341.00	321.7	383	338.00

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