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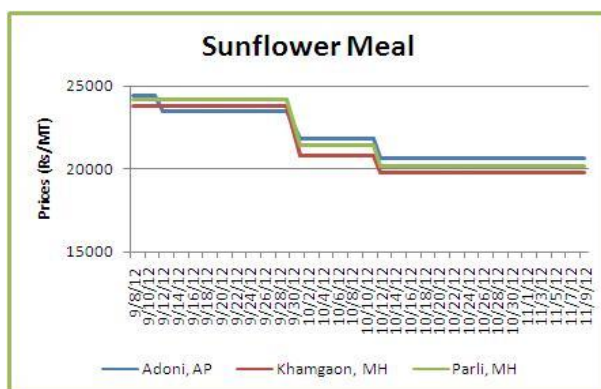
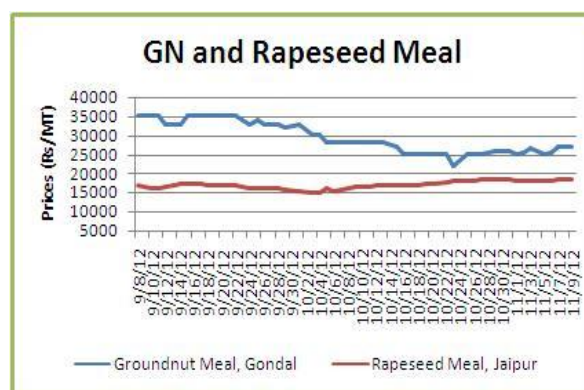
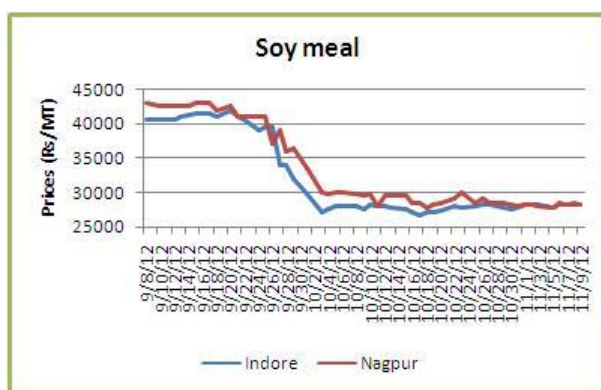
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## Summary

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

Soy meal including other oil meals 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

Steady to firm sentiments featured in the domestic oilseeds and oil meals market during the week in review. The soybean edged-up on bullish South America planting report and renewed overseas and domestic demand in soy meal.

The soy meal prices remained flat on thin trade activity during the week in review. The export enquiries in meal improved but the Indian meal shipments were hit due to congestion at ports in last few weeks. Besides, the domestic soy meal usage in poultry was not encouraging for the meal. Hence, the soy meal exports in were lower in October this year compared to previous year.

However, we expect India's soy meal exports to pick-up in coming weeks. Besides, the Bird-flu fear is getting subsided in South India, which may improve the poultry production in coming days further leading to the rise in soy meal usage.

India's shipments of soy meal during October, 2012 were 51,050 tonnes as compared to 234,594 tonnes in October, 2011. A fall of 77 per cent in Oct 2012 compared to Oct 2011.

The export during April'2012 to October'2012 is 888,128 MT as compared to 1363,446 MT in the same period of previous year.

Soy meal (Nov-Dec) exports price, FOR Kandla exports was quoted around Rs 30075/MT compared to 17100-17400/MT in the last week of Oct. Indian C&F Indonesia (Indian meal – last week of Oct) was between US \$ 560-580/MT which was quoted between US \$374-375/MT during the same period last year.

The RM seed prices remained flat despite fall in Malaysian palm oil during the week in review. The seed fundamentals are strong, in view of lower stock followed by lower production in the season.

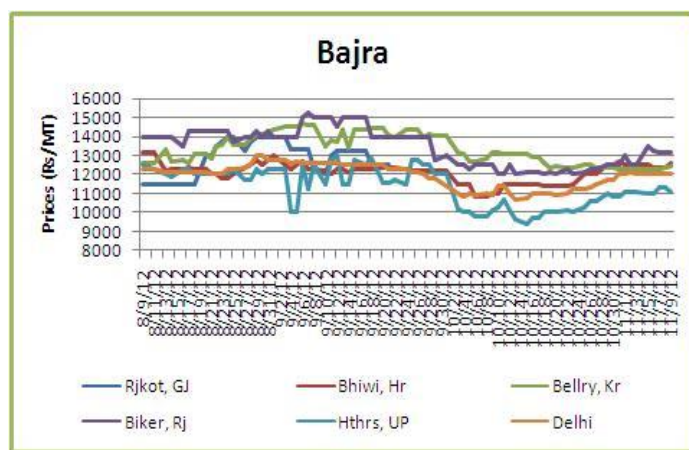
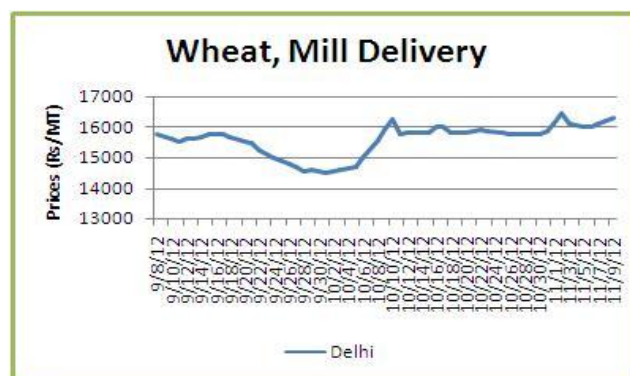
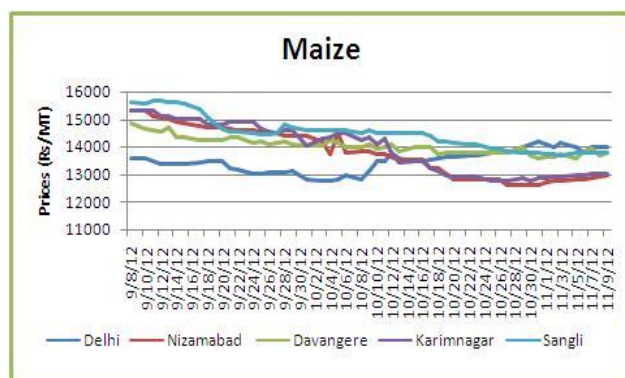
Besides, improved festive and seasonal buying remained supportive for the market.

Further, 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 and the covered area under the seed as of Nov 08 it is 23.2 per cent higher at 37.27 lha compared to 30.25 lha during the same period last year. In view of better seed prices during the year, the farmers are expected to plant the seed higher than previous year.

However, week outside markets restricted the gains in the seed. 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 gains in RM seed.

The soy, groundnut and sunflower meal prices are 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)

Steady sentiments reported in the major spot markets of maize as heavy rainfall in Karnataka and A.P. regions disrupted trade activities.

In A.P. and Karnataka, crop arrivals disrupted during the week and contain higher moisture level around 14-15%, and 20-22% respectively. In Karnataka, weather conditions are still not favourable. However, in A.P., weather conditions have improved but arrivals are still lower at this time.

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

Maize prices are hovering at around Rs 1221 per quintal on an average on pan India basis, higher by 0.83 % from last week. Heavy rainfall in Karnataka and A.P. regions disrupted trade activities in the last few days. In Karnataka, weather conditions are still not favourable. Moreover, due to diwali festival, most of the market will close during the next week and could keep maize prices range bound in the market.

As per USDA crop progress report, 95% corn crop has harvested till date which is higher by 10% from last year during the same period and 24% from 5 year avg. As per USDA, U.S. corn export figures reached to 4111272 metric tons for the 2012-13 marketing year which is lowered by ~35.25% from the last marketing year during the same period.

Informa has projected the 2013 US corn plantation at 97.7 million acres from 97.536 million acres previously estimated and higher from the 96.9 million acres corn planted in 2012.

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 were ruling higher in cash market due to delay in release for the 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 is at negligible level at this point of time.

As government has announced 65 lakh tonnes of wheat release under OMSS scheme, it is expected that this will bring price down by at least Rs 100/quintal. In recent times, wheat prices have been high as market felt the crunch in supply.

Rajasthan government has set a target of 2800 Thousand Hectares for Rabi wheat sowing which is lower than last year's actual sown area 2935 thousand hectares. So far, wheat has been sown in 46000 hectares.

Maharashtra has set sown area target at 10.5 lakh hectares against the normal area 9.67 lakh hectares and so far wheat has been sown in 48,300 hectares.

Major wheat producing states like Punjab, Haryana, Rajasthan, Bihar, Uttar Pradesh and M.P. are expected to maintain area at previous year's level. As per preliminary estimates and sowing intention of farmers wheat production is expected to be over 91 million tonne in normal weather condition. Situation would be clearer with ongoing sowing progress. We expect overall area to be higher than last year (296 lakh ha).

As stock is at higher level (40.57 million T as on 1st Nov.2012) against the required quantity 112 million T on January, 2013. If the government continues to offload 30 lakh T wheat per month on an average, for the next five months starting from November, the total stock at March end would be 255.75 lakh T that will be almost 55 lakh T higher than last year's carry out. We assume 15 to 20 lakh T more wheat export in the remaining five months up to March 2013. As of now almost 3 million T wheat has been shipped out through Public and private channels.

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.

## Outlook

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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	200.0
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 increased from last week. In Delhi spot market, Maize traded slightly up due to lower arrivals and steady demand. Bajra traded steady with higher demand and supply.

Sources revealed that bajra prices may trade 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 be narrow 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	150.0
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 firm from last week as maize traded slightly firm against jowar. Jowar and maize stood mainly steady during the week with the limited supply and demand. We expect that this 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	<b>-143</b>
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 traded firm from last week. However in the coming weeks, wheat prices could go down as the government passed the order to release stock in the open market. By the above mentioned fact, we expect maize spread with wheat could go up 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	<b>212</b>
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 decreased from last week as barley traded slightly firm against maize. We expect barley and maize prices to trade steady in the near term that could keep a steady maize spread with barley in the coming weeks.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	09.11.2012	02.11.2012	Parity To
Indore (MP)	28300	28200	Gujarat, MP
Kota	27900	27900	Rajasthan, Del, Punjab, Haryana
Akola	30300	28200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	28000	28200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	28200	29200	Andhra, AP, Kar, TN
Dhulia/Jalna	30000	30000	Mumbai, Maharashtra
Nagpur (42/46)	28200	28200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	29500	30000	Local and South
Solapur	29200	30000	Local and South
Bundi	27200-27300	28000	-

#### Soy DOC at Port

Centers	Port Price	
	09.11.2012	02.11.2012
Kandla (FOR) (INR/MT)	30000	30075
Kandla (FAS) (USD/MT)	552	560

#### International Soy DOC

Argentina FOB \$/MT	09.11.2012	02.11.2012	Change
Soybean Pellets	564	583	-19
Soybean Cake Meal	564	583	-19
Soybean Meal	572	591	-19
Soy Expellers	572	591	-19

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	09.11.2012	02.11.2012	Change
Adoni	20600	20600	Unch
Khamgaon	19800	19800	Unch
Parli	20200	20200	Unch
Latur	20000	20000	Unch

**Groundnut Meal**

Groundnut Meal	09.11.2012	02.11.2012	Change
Basis 45% O&A, Saurashtra	24500	25000	-500
Basis 40% O&A, Saurashtra	23500	24000	-500
GN Cake, Gondal	27000	25500	+1500

**Mustard DOC/Meal**

Mustard DOC/Meal	09.11.2012	02.11.2012	Change
Jaipur (Plant Delivery)	18400	18200	+200
Kandla (FOR)	19000	18700	+300
Sri Ganganagar	-	-	-

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

Market	Grade	09 Nov,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1400	1400	1290	1370	-
Davangere	Bilty	1400	1350	1400	1510	1120
Naugachia	Bilty		-	-	1325	-
Nizamabad	Bilty	1290	1270	1420	1533	1030
Ahmedabad	Feed	1340	1350	1475	1500	1160
	Starch	1380	1380	1440	1540	1180

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	288.00	274.24	321.40	301.00
Cost and Freight (Thailand)	338.00	329.24	381.40	336.00

**Feed Ingredient Prices at a Glance**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>11.07.2012</u>	<u>31.10.2012</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1230	1225	5
		Hybrid	Bangalore	1450	1450	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	1230	1240	-10
Maize	Karnataka	Yellow	Davangere	1300	1300	Unch
	Andhra Pradesh	Yellow	Nizamabad	1280	1260	20
Rice	Haryana	IR8	Karnal	1650	1600	50
		Parmal Raw	Karnal	2100	2050	50
Soy meal	Madhya Pradesh	DOC	Indore	28300	27800	500
	Maharashtra	DOC	Sangli	29500	29500	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	20600	20600	Unch
	Maharashtra	Ex-factory	Latur	20000	20000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	18300	18500	-200
Groundnut Meal	Gujarat	GN Cake	Gondal	27000	26000	1000

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