

Contents:

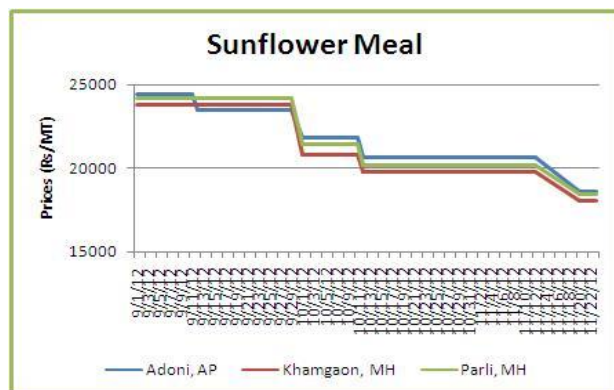
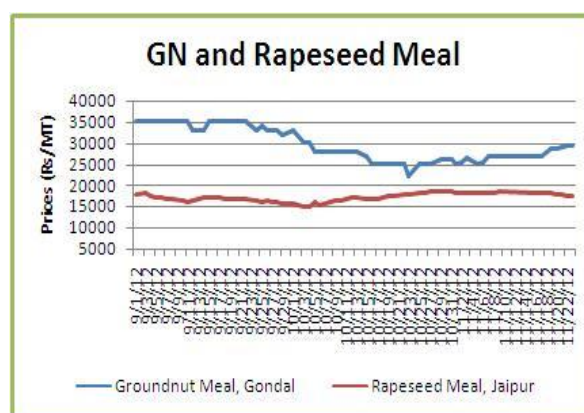
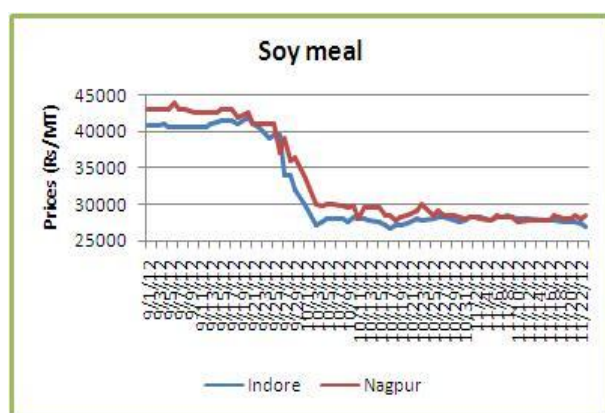
- ❖ ***Summary***
- ❖ ***Trend – Raw Material, Feed***
- ❖ ***Outlook***
- ❖ ***Spreads***
- ❖ ***Annexure - Prices***

Summary

The key feed ingredients prices witnessed mixed tone during the week in review.

Soy meal including other oil meals witnessed slight losses on weak export sales and lower demand from domestic poultry feed industry. However, maize and coarse grain prices improved on demand, besides wheat prices featured steady to weak tone on news of releasing the wheat stock in coming days. The feed prices are expected to remain steady to firm in near-term in view of steady to expected rise in the feed ingredient prices.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic oilseeds and oil meal prices fell towards the end of the week in review. The market was pressured by weakness in Malaysian Palm oil (BMD CPO) and overall losses in CBOT soybean in recent weeks.

Favourable weather in Argentina and Brazil, the world's biggest producers of soybeans followed by the US, has eased concerns about tight global vegetable oil supplies restricting gains in soybean and other oilseeds.

Further addition to fundamentals, macroeconomic factors - European economic data at the end of the week, ongoing concerns over Greek debt and an US economic performance - pressured the key oils and fats markets globally.

Soy meal demand which witnessed a sharp fall last month due to disruption in shipments is expected to pick-up in coming days. Given the soybean supply situation, India's soy meal shipments are expected to gain and boost during Sep-Feb 2012-13. However, India's meal exports in October witnessed a sharp fall due to congestion at ports and lower exports commitments.

India's shipment of soy meal during October, 2012 was 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 1,363,446 MT in the same period of previous year.

India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Nov-Dec) exports price, FOR Kandla exports was quoted between Rs 29,150-29,300/MT compared to 17,100-17,250/MT during the same period last year. Indian C&F Indonesia was between US \$ 538-545/MT which was quoted between US \$355-367/MT during the same period last year.

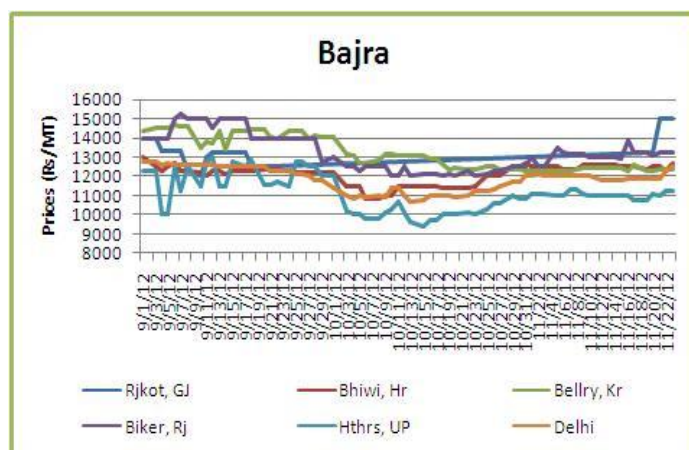
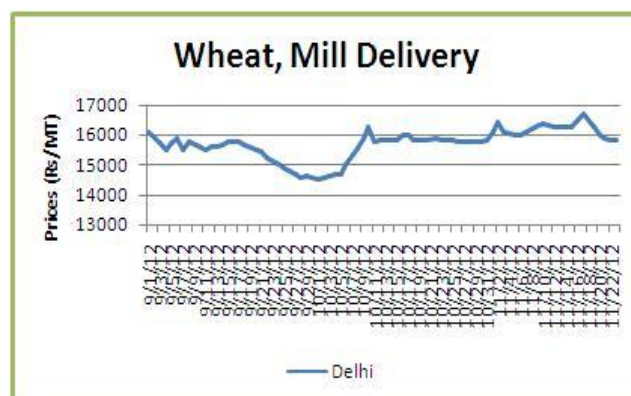
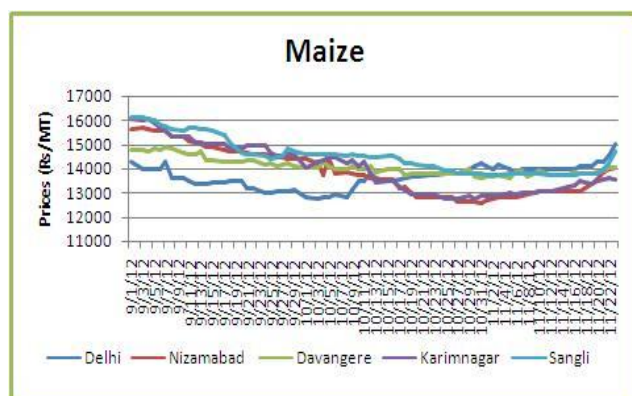
The domestic soybean prices are expected to get stronger in coming days. Likely rise in overseas soy meal demand and expected rise in domestic demand from poultry feed industry in meal will remain supportive factor for the beans in days ahead. Bearish global palm oil, soybean and macroeconomic factors and expected higher RM seed planting may restrict major gains in the oilseeds and meal prices in short-term (a week or two).

The RM seed prices fell pressured by weak international palm oil during the week in review. Fall in BMD CPO followed by weak exports weak export sales in Malaysian palm oil due to tepid demand and expected higher Malaysia's end-November palm oil stocks to a new record of 2.65 million-2.70 million tons, up from October's record high of 2.51 million tons remained negative factors for RM seed.

The seed arrivals again improved during the week which fell due to festivities previous week. Reportedly, the seasonal edible oil demand is gradually improving and the crushing is likely to increase in near-term which will eventually push up the seed prices.

The RM seed planting has again gained momentum after festivities. The covered area under the seed as on 22 Nov 2012 was reported about 3 per cent lower at 52.24 lha compared to 50.68 lha during the same period last year. The farmers are expected to plant the seed higher than last year, in view of better seed prices this season.

Improved domestic seasonal edible oil demand is expected to push up the seed prices. However, higher palm oil stocks with the major producing countries may weigh on the seed prices to some extent. The seed fundamentals are strong and the fresh seasonal edible oil demand is picking up which will eventually drive the rape extract prices upwards.



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

Maize prices traded firm during the week in review as in most of the major spot markets, demand from poultry firms was reported high. Lower than expected supply also supported the maize prices. However, demand from starch industries was reported steady during the week.

Maize is moving towards Kolkata at around Rs.1470-1500 per quintal from Bihar. Maize is also moving towards Pipavav port of Gujarat at around Rs.1500 per quintal sourced from the Ahmadabad region of Gujarat.

In Nizamabad region of A.P., maize spot market prices were reported firm with the higher poultry demand and steady arrivals. Farmers have sown maize in 0.78 lac hectares till date which is below the normal season sowing area. In Karnataka, maize spot prices were quoted higher during the week due to the higher demand. Sources revealed that maize is moving towards Bangalore at Rs 1480 per quintal and Tamil Nadu (Nammakal) at Rs. 1530 per quintal. Demand for maize from Kolkata feed millers was reported higher during the week at around Rs. 1475-1500 per quintal. In Delhi market, maize prices traded firm due to lower supply and higher demand.

As per USDA, during the week, U.S. corn exports picked up 70 percent to 394600 MT from last week and 21 percent for the prior 4-week average. However, U.S. corn export figure of 4737874 metric tons for the 2012-13 marketing year is lowered by ~42% from the last marketing year during the

same period due to higher corn prices. It was reported that Malaysian feed millers bought around 50,000 tons of Ukrainian corn for January shipment.

Maize prices are hovering at around Rs 1433 per quintal on an average on pan India basis, higher by Rs 211 per quintal from the previous week. Lower than expected supply amid higher feed maker demand could keep maize prices firm in the weeks ahead.

Wheat prices fell during the week as the government released 65 lakh tons of wheat for bulk users. Prices fell at Lawrence Road market; Indore and Kota Mandi due to supply pressure

In Maharashtra, wheat has been sown in 113,587 hectares, which is 11.7% of normal area. At the same time last year wheat was sown in 189,174 hectares. Maharashtra has set sown area target at 10.50 lakh hectares against the normal area of 9.67 lakh hectares.

According to PIB (Press Information Bureau), in India so far wheat has been sown in 91.88 lakh hectares as compared to 92.31 lakh hectares same time last year. In Rajasthan wheat has been sown in 621,700 hectares so far, which is 22% of the target area. Last year at the same time wheat was sown in 851,300 hectares. Rajasthan has set a target of 2,800,000 hectares against last year's 2,935,000 hectares.

Market is unlikely to take a major dip, despite 6.5 million tons of wheat allocation for bulk users. Hike in wheat release price for Rajasthan (Rs 1356 to Rs 1556) and Gujarat (Rs 1421 to Rs 1621) remains supportive to the wheat market fundamentals.

Although availability of wheat for flour millers will increase, current allocation is expected to augment supply only for bulk users and they will be able to get sufficient wheat through tender and their dependence on private trade will decrease considerably. However their requirement to source wheat from cash market will remain, though to lesser extent.

Market participant expect price to move up from current level allocation of almost 16 lakh per month is not sufficient to fulfill the entire requirement of flour millers. Stock in private hands and with farmers is at a negligible level and all these factors are likely to support price at the current level.

The 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 an average of 30 lakh T wheat per month for the next five months, the total stock in March end would be 255.75 lakh T which will be almost 55 lakh T higher than last year's carry out. We expect 15 to 20 lakh T more wheat export in the remaining five months up to March 2013.

Outlook

Expected rise in 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. However, reduced off-take in chicks and lower exports in eggs will slightly restrict the gains.

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	213.0
3	301	316	335	250.00	101.7	93.00	200	90	100.00	270.0	214.0
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

As the table depicts, maize spread with bajra increased week on week basis. In Delhi spot market, maize prices are trading higher against bajra prices. Maize prices are increasing due to lower supply and higher demand. Meanwhile, Bajra prices are also trading firm due to the higher demand from poultry and malt industries. Stockists are also buying bajra at the higher pace. Sources revealed that bajra and maize prices could trade firm in the weeks ahead and could keep maize spread with bajra intact in the weeks ahead.

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	183.0
3	192	212	375	-127.14	-170	-280	73.00	0	208.00	177.0	204.0
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

As the table depicts, maize spread with jowar trading up week on week basis as jowar prices are trading steady while maize prices are trading firm. Sources revealed that jowar prices could trade firm in the coming weeks as demand from cattle feed has started. Considering the above mentioned facts, we expect maize spread with jowar could be narrow in the coming weeks.

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	-170
3	68	124	190	59.29	-69	-65	107	-47	-154	-193	-101
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 increasing week on week basis as wheat prices are trading down due to Government release in the open market. We expect that trend would continue in the coming days and could keep the spread unchanged.

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	213.0
2	108.75	39	155	140	-191.7	-250	58	96	201.67	226.0	150.0
3	82	98	67	-91.42	-191.7	-163	102.5	76	234.0	206.0	157.0
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

As the table depicts, maize spread with barley increased from last week as maize traded higher against barley. We expect that barley and maize prices could trade firm in the near term and could keep unchanged 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)		
	23.11.2012	16.11.2012	Parity To
Indore (MP)	26900	27700	Gujarat, MP
Kota	27300	27500	Rajasthan, Del, Punjab, Haryana
Akola	27500	27500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	27500	27800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	27400	27700	Andhra, AP, Kar, TN
Dhulia/Jalna	29000	28800	Mumbai, Maharashtra
Nagpur (42/46)	28500	27700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	28000	29000	Local and South
Solapur	28000	28000	Local and South
Bundi	27150	27200	-

Soy DOC at Port

Centers	Port Price	
	23.11.2012	16.11.2012
Kandla (FOR) (INR/MT)	28550	Kandla (FOR) (INR/MT)
Kandla (FAS) (USD/MT)	516	Kandla (FAS) (USD/MT)

International Soy DOC

Argentina FOB \$/MT	23.11.2012	16.11.2012	Change
Soybean Pellets	526	527	-1
Soybean Cake Meal	526	527	-1
Soybean Meal	534	535	-1
Soy Expellers	534	535	-1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	23.11.2012	16.11.2012	Change
Adoni	18600	20600	-2000
Khamgaon	18000	19800	-1800
Parli	18400	20200	-1800
Latur	18200	20000	-1800

Groundnut Meal

Groundnut Meal	23.11.2012	16.11.2012	Change
Basis 45% O&A, Saurashtra	27600	-	-
Basis 40% O&A, Saurashtra	25100	-	-
GN Cake, Gondal	29500	-	-

Mustard DOC/Meal

Mustard DOC/Meal	23.11.2012	16.11.2012	Change
Jaipur (Plant Delivery)	17300	18200	-900
Kandla (FOR)	17900	18900	-1000
Sri Ganganagar	791	801	-10

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 (Davengere 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>23.11.2012</u>	<u>16.11.2012</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1238	1232	6
		Hybrid	Bangalore	1450	-	-
Jowar	Karnataka	White	Bangalore	2400	-	-
		White	Bellary	1260	1239	21
Maize	Karnataka	Yellow	Davangere	1325	-	-
	Andhra Pradesh	Yellow	Nizamabad	1410	-	-
Rice	Haryana	IR8	Karnal	1650	1650	Unch
		Parmal Raw	Karnal	2100	2075	25
Soy meal	Madhya Pradesh	DOC	Indore	26900	27700	-800
	Maharashtra	DOC	Sangli	28000	29000	-1000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18600	20600	-2000
	Maharashtra	Ex-factory	Latur	18200	20000	-1800
Mustard	Rajasthan	Plant delivery	Jaipur	17300	18200	-900
Groundnut Meal	Gujarat	GN Cake	Gondal	29500	-	-

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