

Contents:

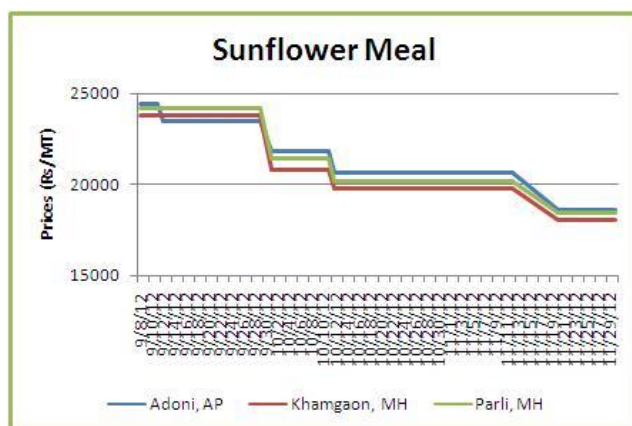
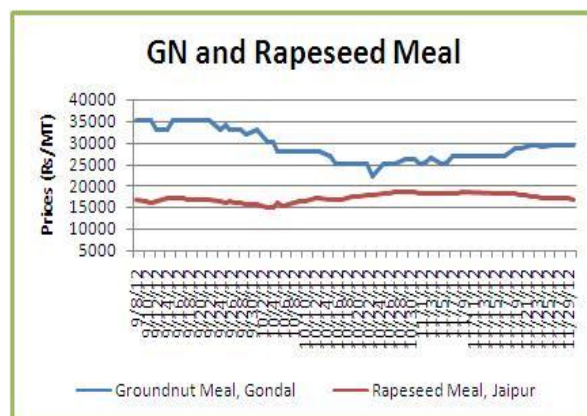
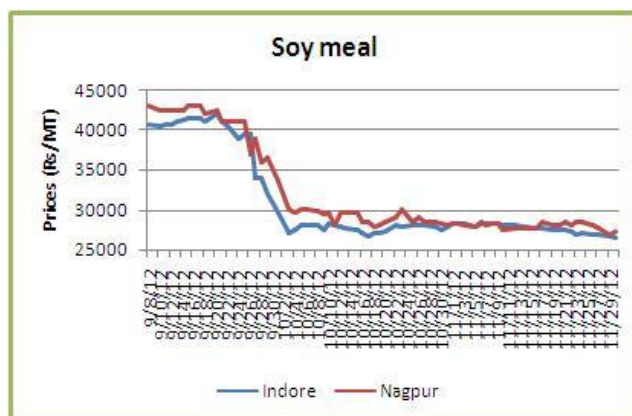
- ❖ ***Summary***
- ❖ ***Trend – Raw Material, Feed***
- ❖ ***Outlook***
- ❖ ***Spreads***
- ❖ ***Annexure - Prices***

Summary

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

Oil meals witnessed slight losses on weak export sales, lower domestic off-take and bearish palm oil stock outlook. However, maize and wheat prices featured steady to firm sentiments on improved demand. The feed prices are expected to remain steady to firm in near-term in view of expected steady rise in the feed ingredient prices.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic oilseeds and oilmeal prices extended mild losses primarily pressured by bearish palm oil supply and stock outlook and macroeconomic factors. However, seasonal domestic edible oil demand and supportive CBOT restricted any major fall in the oilseeds and meals during the week under review.

Soy meal witnessed fall on weak export sales and lower domestic off-take from the poultry feed industry. The domestic usage is reportedly lower y-o-y due to slightly fall in poultry consumption,

which is expected to pick-up in due course. A seasonal rise in the poultry production is yet to be witnessed, which will eventually boost the domestic off-take in the soy meal.

India's sluggish soy meal export sales remained bearish for the beans, but the meal exporters feel India's soy meal exports to pick in days ahead. Slow down in shipments to the consistent key soy meal buyers of Indian origin like Iran has negatively affected in the export sales in the meal. Reportedly, there are several enquiries from buyers in Iran and deals are expected to be finalized in the next few weeks. India's soy meal exports are expected to gain in due course, in view of soybean shortfall in medium-term, creating supply tightness in meal and oil.

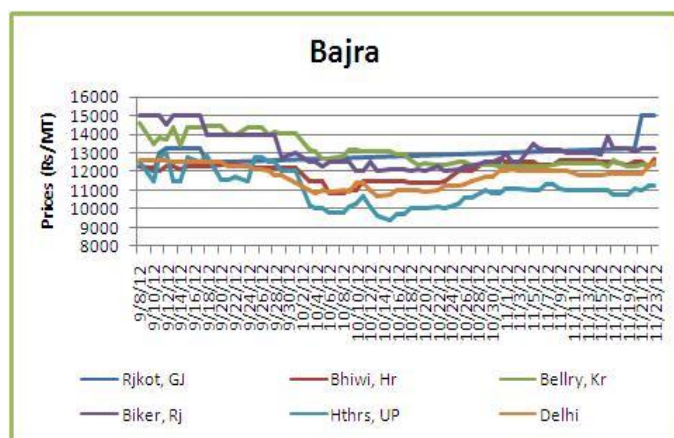
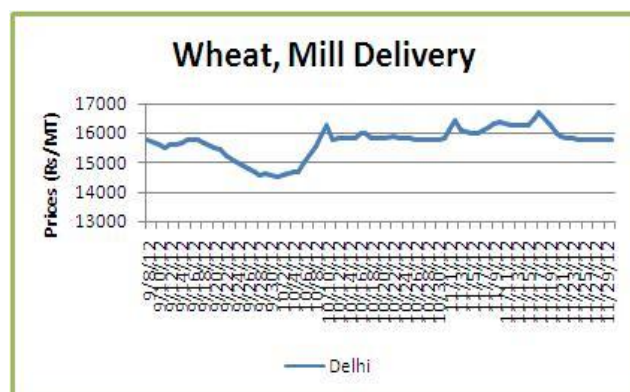
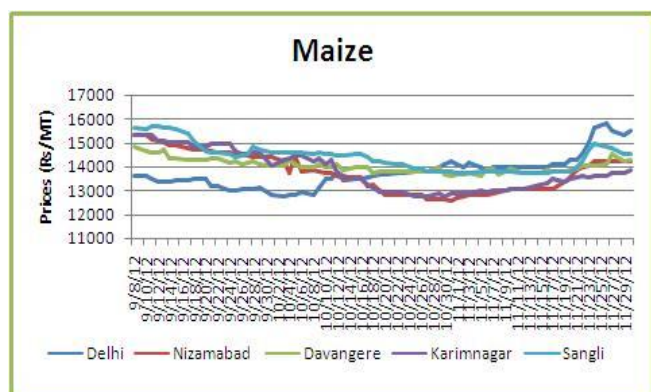
RM seed prices featured losses primarily pressured by fall in Malaysian palm oil followed by higher palm oil inventories and expected rise in palm oil output in Malaysia and Indonesia. The seed arrivals in the key cash markets fell due to weak buying.

RM seed planting is in full swing and the area is expected to rise this season by about 5 per cent, in view of better prices this season. Rapeseed/mustard seed sowing (as on 29 Nov 2012) is up by 1.2 per cent at 57.1 lakh hectares compared to 56.43 lakh hectares during the same period last year.

Higher inventories in palm oil with the key producing countries and by bearish outlook from top palm oil analyst in the Indonesian conference remained negative factors for the RM seed. In the Indonesian conference, Dorab Mistry inferred the Malaysian production to recover to 19 million tons in 2013 and he pegged Indonesian output between 29.5 million and 30 million tons. The output is above the expectations in both the cases, he said.

Besides, during the 2012-13 marketing year that began Oct. 1, global palm oil usage may grow by about 4 million tons, outpacing supply growth of 3.2 million tons, which will eventually push up the palm oil prices in next year.

Higher inventories in palm oil and favorable South American weather for soybean are warranting bears for short-term. But soybean shortage Sep/Feb 2012/13 and expected global soybean imports mainly on larger shipments to China is likely to boost the oilseeds and meal prices in coming days.



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

Steady to firm sentiments witnessed in most of the major spot markets of maize as demand for maize was reported high from feed makers. Meanwhile, lower than expected supply with the support of starch and food demand kept maize prices at the upper side.

Koppal wagon bilty rate quoted at 1400-1410 per quintal. Meanwhile, 1 rake each has been moved towards Chennai and Mangalore port.

According to news sources, the 2012-13 summer-sown maize output is likely to be at 14.89 million tons, down from 16.22 million tons in the last year, is also supporting the maize prices.

On daily basis around 1000-2000 tons of maize is moving towards Pipavav port of Gujarat at Rs.1525 per quintal sourced from the Ahmadabad region of Gujarat. Maize is also moving towards Kolkata at around Rs.1550 per quintal from Bihar. In Nizamabad region of A.P., maize spot market traded firm due to higher poultry demand with the limited supply.

It is notable that around 1000-2000 bags of maize is arriving daily in the market at present which was around 4000-5000 bags last year same period. Meanwhile, around 400 tons is moving towards Bangalore at Rs 1480 per quintal sourced from Koppal. Ahmadabad feed millers of Gujarat region are purchasing maize from Maharashtra region at around Rs. 1500 per quintal.

As per USDA, During the week, U.S. corn exports decreased by 7 percent to 368800 MT from the last week but increased 5 percent for the prior 4-week average. U.S. corn export figures of 5106670 metric tons for the 2012-13 marketing year is lowered by ~43% from the last marketing year during the same period due to higher corn prices. Out of total weekly exports of 368800 MT reported by U.S. to Japan (152,400 MT), Saudi Arabia (68,200 MT), Mexico (59,000 MT), China (58,000 MT), Jamaica (12,100 MT), and Venezuela (10,000 MT).

Maize prices are hovering at around Rs 1461 per quintal on an average on pan India basis, higher by 28 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 cash market remained steady on balanced supply and demand in the week under review. Steady domestic demand and supply are keeping wheat and flour prices stable. Wheat prices have been consolidating where allocation price was not increased however prices increased in Gujarat due to Rs 200/Q increase on wheat issue price. We expect prices to rule range bound at current level.

In a recent development, the Government has rejected a top food grain pricing panel's (CACP) recommendation of keeping wheat MSP unchanged at previous year's level. The Government has asked the Commission for Agricultural Costs and Prices (CACP) to rework the minimum support price (MSP) of wheat for 2012-13 keeping in mind the rise of cost of inputs such as fertilizer and diesel. This means farmers may receive more prices for wheat either in way of higher MSP or through bonus. The cost of wheat production has gone up to Rs 1128 per qtl. against Rs 927 per qtl. last year. The MSP for wheat in 2010-11 was Rs 1,120 per quintal when the cost of production was Rs 826.

In Maharashtra wheat has been sown in 190,979 hectares, which is 19.7% of normal Area, at the same time last year wheat was sown in 250,888 hectares. Maharashtra has set sown area target at 10.5 lakh hectares against the normal area 9.67 lakh hectares.

In Rajasthan wheat has been sown in 153,270 hectares so far, which is 54.7% of the target area. Last year at the same time wheat was sown in 16, 02,700 hectares. Rajasthan has set target of 28, 00,000 hectares against the last years 29, 35,000 hectares.

According to PIB (Press Information Bureau), in India so far wheat has been sown in 157.89 lakh hectares as compared to 162.50 lakh hectares same time last year.

Market is unlikely to take a major dip, despite 6.5 million tonnes 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.

Outlook

Growing seasonal demand in feed ingredient (including oilmeal 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	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	238.0
5			298		90.0			106.00			

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

As the table depicts, maize spread with bajra is increasing 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 poultry demand. Meanwhile, Bajra prices are also trading higher due to the higher demand from poultry and malt industries. Demand for human consumption also supporting the bajra prices. Sources revealed that bajra prices could go up further in the coming weeks with the firm price movement in maize prices and could keep maize spread with bajra unchanged 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	142.0
5			92		-403			122.5			

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

As the table depicts, maize spread with jowar decreased from last week as jowar prices improved with improvement in cattle feed demand. It is expected that jowar prices will trade steady in the near term and could keep maize spread with jowar towards northwards in the near term.

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	-27
5			146		-188			-167			

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

As the table depicts, maize spread with wheat increased from last week as wheat prices traded steady with the firm price movement in maize prices. 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	215.0
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 week on week basis as maize traded higher against barley. We expect that barley could trade firm further in the near term due to malt industry demand and could slightly lower the maize spread with barley from last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	30.11.2012	23.11.2012	Parity To
Indore (MP)	26500	26900	Gujarat, MP
Kota	27000	27300	Rajasthan, Del, Punjab, Haryana
Akola	27200	27500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	27300	27500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	27400	27400	Andhra, AP, Kar, TN
Dhulia/Jalna	28500	29000	Mumbai, Maharashtra
Nagpur (42/46)	27200	28500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	28500	28000	Local and South
Solapur	28500	28000	Local and South
Bundi	27000	27150	-

Soy DOC at Port

Centers	Port Price	
	30.11.2012	23.11.2012
Kandla (FOR) (INR/MT)	28500	28550
Kandla (FAS) (USD/MT)	523	516

International Soy DOC

Argentina FOB \$/MT	30.11.2012	23.11.2012	Change
Soybean Pellets	544	526	+18
Soybean Cake Meal	544	526	+18
Soybean Meal	552	534	+18
Soy Expellers	552	534	+18

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	30.11.2012	23.11.2012	Change
Adoni	18600	18600	Unch
Khamgaon	18000	18000	Unch
Parli	18400	18400	Unch
Latur	18200	18200	Unch

Groundnut Meal

Groundnut Meal	30.11.2012	23.11.2012	Change
Basis 45% O&A, Saurashtra	27600	27600	Unch
Basis 40% O&A, Saurashtra	25100	25100	Unch
GN Cake, Gondal	29500	29500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	30.11.2012	23.11.2012	Change
Jaipur (Plant Delivery)	16800	17300	-500
Kandla (FOR)	17500	17900	-400
Sri Ganganagar	795	791	+4

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	30 Nov,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1500	1500	1380	1280	1100
Davangere	Bilty	1400	1325	1350	1400	1100
Naugachia	Bilty	-	-	-	1275	-
Nizamabad	Bilty	1410	1410	1270	Closed	1050
Ahmedabad	Feed	1480	1480	1330	1450	1125
	Starch	1550	1500	1380	1425	1150

FOB, C&F – Maize at Various Destinations

	Argentina	Brazil	US	India (Davengere Origin)
FOB	296.75	275.72	328.85	309.00
Cost and Freight (Thailand)	346.75	330.72	388.85	344.00

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>30.11.2012</u>	<u>23.11.2012</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1583	1238	345
		Hybrid	Bangalore	1450	1450	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	1277	1260	17
Maize	Karnataka	Yellow	Davangere	1350	1325	25
	Andhra Pradesh	Yellow	Nizamabad	-	1410	-
Rice	Haryana	IR8	Karnal	1650	1650	Unch
		Parmal Raw	Karnal	2100	2100	Unch
Soy meal	Madhya Pradesh	DOC	Indore	26500	26900	-400
	Maharashtra	DOC	Sangli	28500	28000	500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18600	18600	Unch
	Maharashtra	Ex-factory	Latur	18200	18200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	16800	17300	-500
Groundnut Meal	Gujarat	GN Cake	Gondal	29500	29500	Unch

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2005 Indian Agribusiness Systems Pvt. Ltd.