

Contents:

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

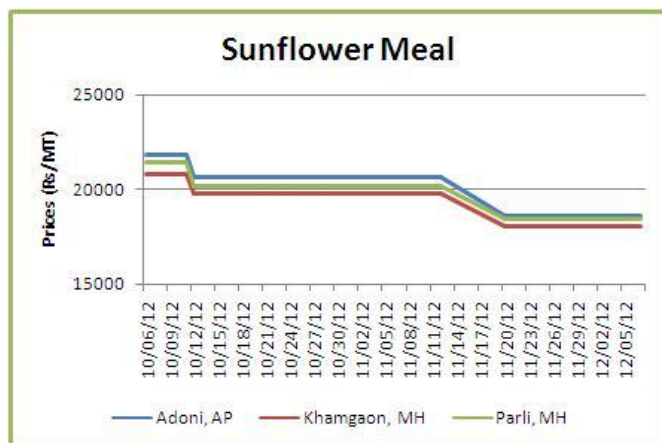
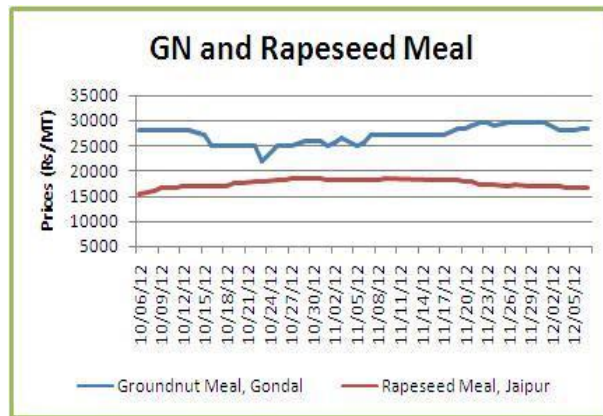
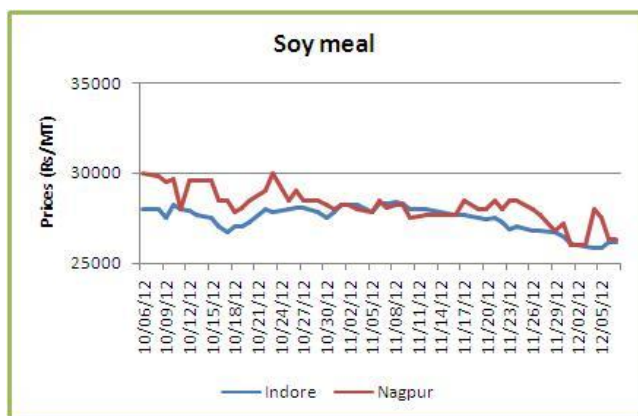
Summary

The key feed ingredients prices witnessed steady to slightly weak tone during the week in review.

Oil meals featured slight losses on lacklustre buying activities and weak overseas market. Also, wheat prices featured steady to weak sentiments on lower exports and lower domestic demand. However, feed prices remained steady as fall in soy meal prices were offset by steady maize and bajra prices during the week.

Soy meal export sales have improved y/y in Nov, about 30%, and maize shipments remained steady lending support to the prices in the same.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic oilseeds and oilmeal prices fell on sluggish buying and weak global cues during the week in review.

The major soybean solvent extractors refrained themselves from the cash market in anticipation of further fall in the prices which subsequently lead to the fall in crushings. However, the soybean

arrivals in the key centres of Madhya Pradesh, Maharashtra and Rajasthan improved compared to previous week, with slightly improved soy meal demand.

Higher soy meal prices at international market and fall in the demand from key importer of soy meal of Indian origin remained negative factors for the market. Soy meal witnessed fall on sluggish export sales and lower domestic demand from poultry feed industry.

However, India's yoy soy meal export sales in November improved by 30 per cent at 517103 MT compared to 397659 MT during the same period in 2011. South-East Asian countries like Japan, Vietnam, Thailand and Taiwan were the major soy meal buyers due to their proximity and their preference for non-GMO soy meal of Indian origin. Reportedly, there are several enquiries from buyers in Iran and deals are expected to be finalized in the next few weeks.

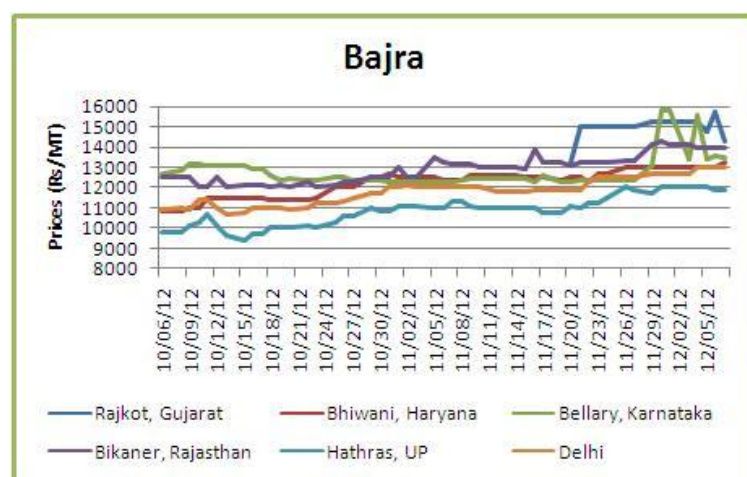
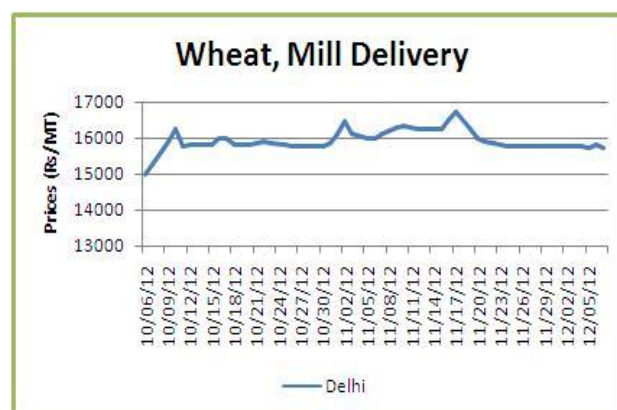
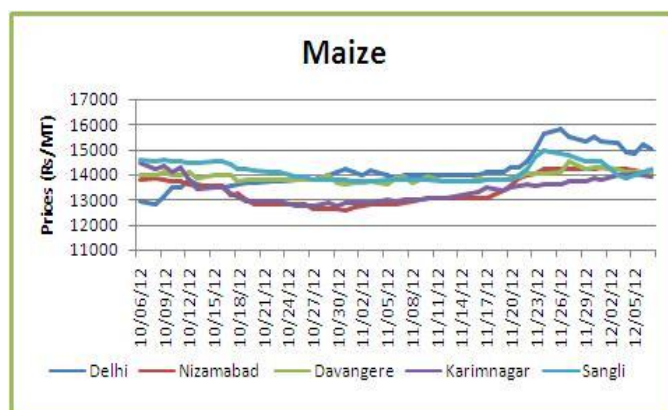
India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Nov-Dec) exports price, FOR Kandla exports was quoted between Rs 27,525-28,250/MT compared to 17,000-17,100/MT during the same period last year. Indian C&F Indonesia was between US \$ 525-538/MT which was quoted between US \$355-362/MT during the same period last year.

The domestic soybean prices are expected to improve in coming days with expected rise in overseas and domestic demand in soy meal. Besides, global shortfall of 24 Mn T of soybean will support the domestic bean prices for medium-term. Again, international developments in oils and fats market will influence the domestic soybean market in near-term.

Further, RM seed extended losses on slow off-take by the millers in anticipation of further fall in the prices which was pressured by the continued fall in BMD CPO. Forecast of rise in the palm oil output in both in Malaysia and Indonesia by eminent analyst in the last conference and expected higher inventories in palm oil kept the domestic seed market weak.

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 06 Nov 2012) is up by 1.6 per cent at 60.55 lha compared to 59.6 lakh hectares during the same period last year.

The oilseeds, oils and fats market is engulfed with the recent bearish news and developments and a weak outside market. However, rising Chinese demand in soybean, meal and oils will remain supportive for the domestic market too.



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

During the week, steady to slightly weak sentiments were witnessed in most of the major spot markets of maize.

Around 1000-2000 tons maize is moving on daily basis towards Pipavav port of Gujarat at Rs.1525 per quintal sourced from the Ahmadabad region of Gujarat. Maize is moving towards Kolkata at around Rs.1525 per quintal from Bihar.

During the week, Koppal wagon bilty rate quoted at around Rs. 1375-1410 per quintal. Sources revealed that 1 rake each has been moved towards Chennai and Mangalore port on daily basis. Ahmadabad feed millers of Gujarat region are purchasing maize from Maharashtra region at around Rs. 1500 per quintal.

In Nizamabad region of A.P., maize spot markets were trading steady due to limited supply and demand in the market. Maize is moving towards Hyderabad at around Rs. 1430 per quintal sourced from Nizamabad.

In Karnataka, maize spot markets were trading higher during the week due to the higher demand. During the week, Koppal wagon bilty rate quoted at around Rs. 1375-1410 per quintal. Sources revealed that 1 rake each has been moved towards Chennai and Mangalore port on daily basis.

Maize prices are hovering at around Rs 1293 per quintal on an average on pan India basis, decreased by 18 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 traded steady to weak in the week under review due to lower export and domestic market demand. Feed millers have shifted to maize due to lower price and better availability in the major producing price, however maize price started firming up and it may support wheat price once again in near term.

According to traders, latest release for auction in M.P has been already purchased by South Indian millers and local traders as parity is in favor of traders and millers from M.P. and other centers like Rajasthan and Gujarat. Higher prices are restricting common trading activity in local market.

Wheat sowing has picked its pace as weather and prices remain favorable. Wheat current sown area has exceeded area at the same time last year and it is very likely that overall area under wheat this season will not be lower than previous year.

In Maharashtra, wheat has been sown in 235,634 hectares, which is 24.4% of normal area. At the same time last year wheat was sown in 302,656 hectares. Maharashtra has set a sown area target at 10.5 lakh hectares against the normal area of 9.67 lakh hectares.

In Rajasthan wheat has been sown in 179,490 hectares so far, which is 64.1% of the target area. Last year at the same time wheat was sown in 181,990 hectares. Rajasthan has set a 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 183.35 lakh hectares as compared to 181.67 lakh hectares same time last year.

In a latest development, the Government has rejected CACP's 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 that 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.

Wheat prices are expected to witness steady to weak tone as wheat sowing has exceeded year on year basis area and bumper crop is very much expected.

Outlook

Expected higher seasonal demand of feed ingredients (including oil meals and maize) from poultry and other feed manufactures will support key feed ingredients prices in near-term, thereby keeping the feed prices steady in the coming days.

Spreads

Maize Average Weekly spread with Bajra

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	277	272	357.5	286.67	95	63.75	112	193	117.5	177.0	187.5	213.0
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 decreased from last week as bajra is trading higher due to the higher demand from poultry and malt industries. Demand for human consumption also supported the bajra prices. Sources revealed that bajra prices could go up further in the coming weeks with the firm price movement in maize 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	Dec
1	193	138	295	93.33	-322.5	-336	66	83	190	150.0	137.0	192.0
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 increased from last week as jowar prices fell due to lower cattle feed demand. It is expected that jowar will trade steady in the near term with firm movement in maize prices and could keep maize spread with jowar in upward direction.

Maize Average Weekly spread with Wheat

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	85	78	201.25	125	-108	-117	22	70	-106	-123	-139	-21.0
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 with range bound movements in both the commodities. It is expected that wheat is likely to trade steady with the increase in maize prices and keep maize spread with wheat in positive tone.

Maize Average Weekly spread with Barley

Week	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	93	38	180	63.33	-239	-281	16	133	212	160.0	213.0	242.0
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 from last week. Barley traded lower due to decrease in malt industry demand as they are buying bajra in higher quantity. Considering the fact that barley is likely to trade down with firm price movement in maize prices, we expect that maize spread with barley will move in upward direction in the weeks ahead.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	07.12.2012	30.11.2012	Parity To
Indore (MP)	26000-26300	26500	Gujarat, MP
Kota	25900	27000	Rajasthan, Del, Punjab, Haryana
Akola	26100	27200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	26200	27300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	26800	27400	Andhra, AP, Kar, TN
Dhulia/Jalna	28500	28500	Mumbai, Maharashtra
Nagpur (42/46)	26300	27200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	27600	28500	Local and South
Solapur	27200	28500	Local and South
Bundi	26000	27000	-

Soy DOC at Port

Centers	Port Price	
	07.12.2012	30.11.2012
Kandla (FOR) (INR/MT)	28000	28500
Kandla (FAS) (USD/MT)	517	523

International Soy DOC

Argentina FOB \$/MT	07.12.2012	30.11.2012	Change
Soybean Pellets	562	544	+18
Soybean Cake Meal	562	544	+18
Soybean Meal	570	552	+18
Soy Expellers	570	552	+18

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	07.12.2012	30.11.2012	Change
Adoni	18600	18600	Unch
Khamgaon	18000	18000	Unch
Parli	18400	18400	Unch
Latur	18200	18200	Unch

Groundnut Meal

Groundnut Meal	07.12.2012	30.11.2012	Change
Basis 45% O&A, Saurashtra	27500	27600	-100
Basis 40% O&A, Saurashtra	25000	25100	-100
GN Cake, Gondal	28500-29000	29500	-500

Mustard DOC/Meal

Mustard DOC/Meal	07.12.2012	30.11.2012	Change
Jaipur (Plant Delivery)	16500	16800	-300
Kandla (FOR)	17500	17500	Unch
Sri Ganganagar	790	795	-5

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	07 Dec, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1500	1500	1380	1280	1100
Davangere	Bilty	1350	1400	1350	1400	1100
Naugachia	Bilty	-	-	-	1275	-
Nizamabad	Bilty	1410	1410	1270	Closed	1050
Ahmedabad	Feed	1475	1480	1330	1450	1125
	Starch	1540	1550	1380	1425	1150

FOB, C&F – Maize at Various Destinations

	Argentina	Brazil	US	India (Davangere Origin)
FOB	291.44	269.20	329.30	303.00
Cost and Freight (Thailand)	341.44	324.20	389.30	338.00

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>07.12.2012</u>	<u>30.11.2012</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1350	1583	-233
		Hybrid	Bangalore	1450	1450	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	1270	1277	-7
Maize	Karnataka	Yellow	Davangere	1310	1350	-40
	Andhra Pradesh	Yellow	Nizamabad	-	-	-
Rice	Haryana	IR8	Karnal	1650	1650	Unch
		Parmal Raw	Karnal	2150	2100	50
Soy meal	Madhya Pradesh	DOC	Indore	26000	26500	-500
	Maharashtra	DOC	Sangli	27600	28500	-900
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18600	18600	Unch
	Maharashtra	Ex-factory	Latur	18200	18200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	16500	16800	-300
Groundnut Meal	Gujarat	GN Cake	Gondal	28500	29500	-1000

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.