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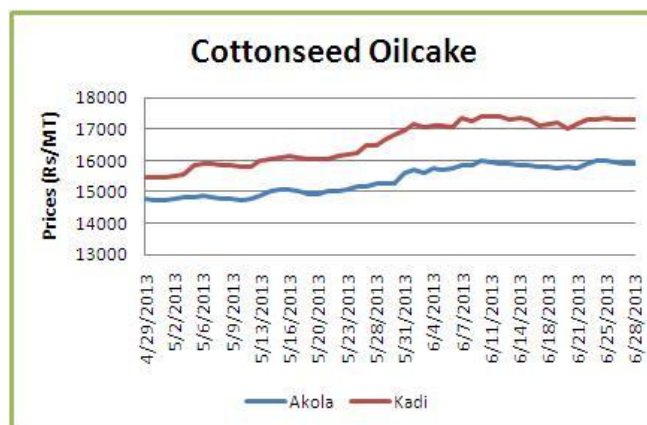
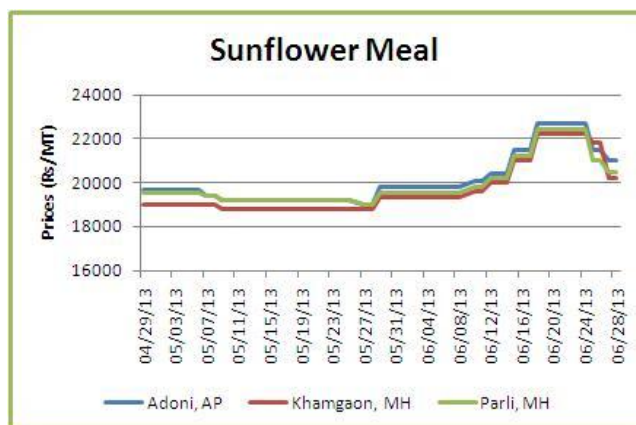
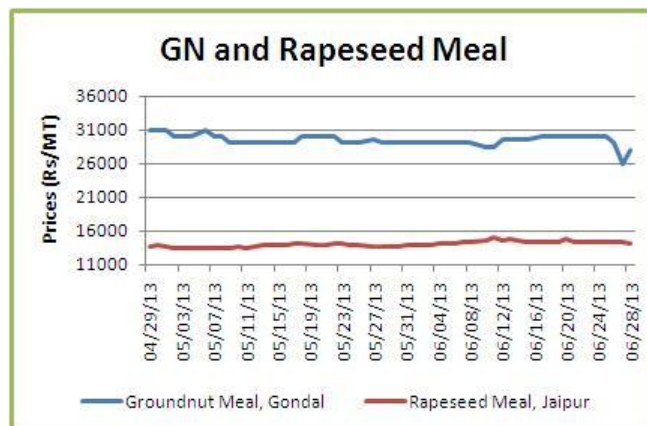
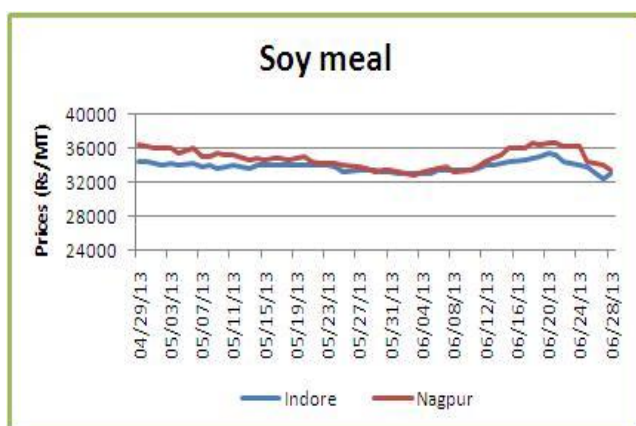
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## Summary

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

Soybean and soy meal prices plunged on weak global cues and favourable weather for soybean planting and thus expected better output during the week. RM seed prices also featured weak sentiments in tandem with soybeans amid weak buying. Maize witnessed firm tone across most spot markets during the week. However, wheat prices declined on poor buying support and rainfall affecting the buying activities. Bajra prices were mostly steady on stable demand but witnessed arrival pressure. Overall, feed prices depicted steady trend during the week under consideration.

## Trend – Raw Material, Feed



Source: AgriWatch

Domestic oilseeds and oil meals plunged on weak global cues followed by broad-based selling in commodity markets as investors worried about a liquidity squeeze in China, a top consumer of commodities.

Soybean declined on favourable weather for soybean planting and thus expected better output. Besides, broad-based selling in the domestic cash market ahead of fag-end proved bearish for the market.

The soybean planting is gradually picking-up the pace in all the key growing states followed by better monsoon and favourable weather this season. The area coverage under soybean is likely to slightly improve this season by 3-4 per cent. India planted soybean in 107.08 lha in 2012 compared to 103.36 lha in 2011. There are reports of slight shift in area from maize to soybean in AP and from cotton to bean in Maharashtra.

The big buyers who refrained from soybean market in recent past showed interest in buying at the current lower and attractive price level. However, India's soy meal exports are still weak and it will only pick-up from October with the new soybean supplies.

The Cabinet Committee on Economic Affairs approved the Minimum Support Prices (MSPs) for kharif crops of 2013-14 season. MSP of Soybean (Yellow) has been increased by Rs. 320 per quintal over its MSP of last year and fixed at Rs. 2,560 per quintal. The MSPs of Soybean (Black) by Rs.300 per quintal each and fixed at Rs. 2,500 per quintal.

We feel the soybean prices to feature range-bound movement with weak bias during the week on rise in bean supplies and favourable weather for planting.

In the last official planting report, the kharif oilseeds planting was reported ahead previous year's pace, as on 27 Jun 2013. Overall, the oilseeds planting were reported up by 413.5 per cent.

Of the major kharif oilseeds crop soybean planting stood up by around 580 per cent at 42.86 lha compared to 6.3 lakh hectares during the same period last year. Groundnut planting was reported up by 273 per cent at 15.75 lakh hectares compared to 4.22 lha, Sunflower planting was up by 111.5 per cent at 0.55 lha compared to 0.26 lha during the same period last year.

Soy meal edged-lower on weak export sales due to demand shift towards South-America followed by competitive price. Poor demand on higher prices in domestic cash market too remained bearish for the market.

Logistic hurdles off and on in Brazil and Argentina has hit their soy meal exports but season rise in supplies have kept the markets attractive for the buyers.

Further, the prices of other key feed ingredients largely featured weak tone. Though the Bajra and Maize prices featured steady to firm tone but Mustard de-oiled cake, DCP, MBM, DRB fell on weak demand during the week.

We feel domestic soy meal prices to recover on renewed domestic demand with better monsoon coverage, in near-term.

According to the figures of the SOPA, India's soy meal export during May 2013 was 0.97 Lac tones as compared to 1.39 lac tones in the same period of previous year showing a decrease of 29.74%.

Overall demand of Soybean Meal is poor all across the world.

On a financial year basis, the export during April 2013 to May 2013 has been 1.98 Lac tonnes as compared to 4.75 Lac tones in the same period of previous year showing a decrease of 58.33%.

During current Oil year, (October - September), total exports during October 2012 to May, 2013 are 27.95 Lac tones as against 32.61 Lac tones last year, showing a decrease by 14.29%. (Source: SOPA).

The y-o-y fall in the India's soy meal export sales is due to the demand shift towards South America owing to their competitive meal prices. This is due to the peak season in South America.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (May-Jun) exports price, FOR Kandla exports was quoted between Rs 36,000-37,150/MT compared to 29,750-31,250/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$92/MT compared to US \$119/MT a week ago, indicating a slight narrowing 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 vs Argentine meal price between US \$8/MT and US \$15/MT. FOR, Kandla is likely feature range-bound movement between the price band of Rs 33,000-33,500/MT.

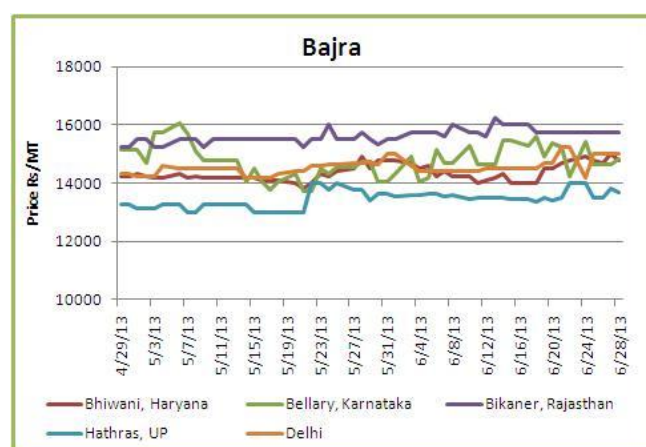
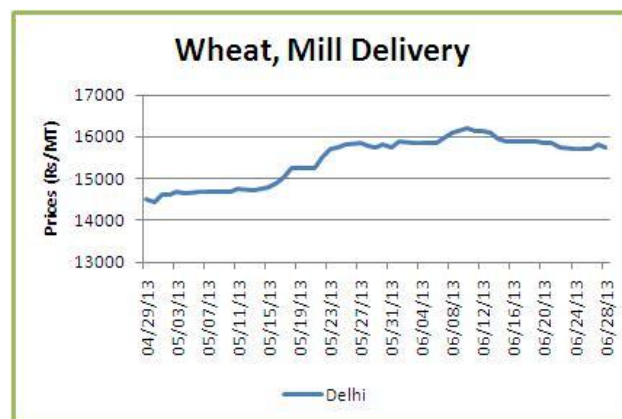
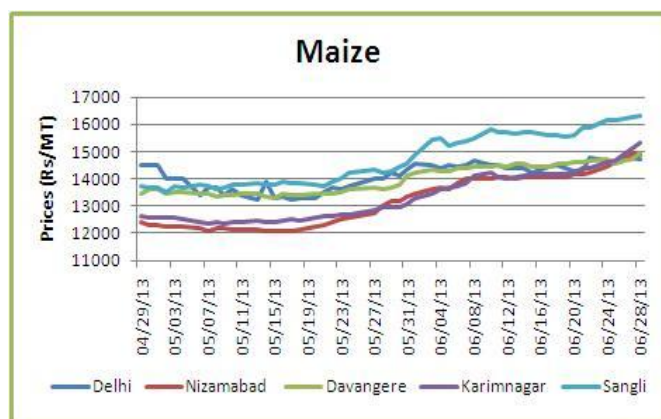
Mustard seed declined in tandem with soybean and subdued buying as buyers refrained from the market in anticipation of further fall in the prices. However, weak Indian rupee against US dollar have lead to slow down in the edible oil imports, as the imports got expensive.

However, better Malaysian palm oil exports ahead Ramadan and depleting palm oil stock with steady production will not only limit the losses in RM seed but also push up the seed prices in near-term.

Active palm oil buying ahead Ramadan and better exports from Malaysia and Indonesia remained supportive for benchmark BMD CPO. Food consumption typically rises during the Muslim fasting month of Ramadan due to month-long communal feasting after dawn-to-dusk abstinence from food and drink. As per Intertek, Malaysia's 1-30 Jun palm oil exports rose 7 per cent at 1.35 Mn T compared to the same period previous month.

We feel the seed prices to edged-up in coming weeks on supportive buying and likely higher international vegetable oil market. The domestic mustard seed closely tracks BMD CPO.

In spot the RM seed prices are expected to feature range bound movement with firm bias, in near term, followed by likely support from BMD CPO on rising seasonal palm oil demand. The prices are likely to improve and are expected to witness 3500–3550 level in near term.



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

Overall firm sentiments witnessed in most of the major spot markets of maize during last week.

As per PIB, The Cabinet Committee on Economic Affairs has increased the minimum Support Price (MSP) of Maize by Rs. 135 per quintal over last year's MSP at Rs. 1,310 per quintal.

During the week, around 3-4 motors of maize moved towards Khanna market of Punjab in the range of Rs. 1430-1520 per quintal on daily basis, contained 13-14% moisture level, sourced from Bihar. Higher poultry feed makers demand could keep prices firm in the market.

In Ahmadabad region of Gujarat, higher poultry feed makers demand kept maize prices up by Rs. 30 per quintal as compared to last week, sourced from Bihar and Rajasthan. Lower arrivals also support the firmness in the market. Poultry feed makers demand reported for corn in a range of Rs. 1500-1600 per quintal while sluggish demand from starch feed makers with the lower crop arrivals kept prices steady in a range of Rs. 1500-1550 per quintal.

Lower supply amid higher domestic and export demand kept prices of maize firm in the market. Maize is moving towards Vietnam and Malaysia for cattle feed via Vishakhapatnam and Kakinada port at FOB \$255-260/ ton. Maize is moving towards Bangladesh and Kolkata at Rs. 1450 and 1480 per quintal respectively, contained 15 % moisture. 2-3% fungus reported in the Bihar crop.

In Nizamabad region of A.P., around 4- 4.5 lakh bags of maize (old & new) could be in the hand of stockiest and farmers. Sources revealed that prices could trade firm till the new crop arrivals which would arrive in the September month. Around 11.5 % moisture reported in the crop of A.P.

During the week, red maize sourced from Bihar containing 18-20 % moisture traded in a range of Rs. 1360-1440 per quintal. Meanwhile, hybrid maize traded in a range of Rs.1410-1470 per quintal sourced from U.P. contains 14% moisture level. Sources revealed that prices could go down in the near term as new crop arrivals from U.P. will pick up in the near term.

As per Agriwatch trade sources, maize area is likely to shift in cotton and soybean crop in the Karimnagar, Warrangal and Khammam district of A.P. Meanwhile, Ludhiana crop contained around 14-15% moisture and crop from A.P. contained 11.5 % moisture.

As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.168 million tons during the October- May period. During May month, 0.507 million tons corn exports reported to Malaysia, Vietnam, Taiwan, Nepal, Yemen and China through Tondiarpet ICD, JNPT, Chennai Sea, Raxul LCS and Mundra port.

As per USDA, U.S. corn export figures reached to 14,703,026 metric tons for the 2012-13 marketing year which is lowered by ~55% from the last marketing year during the same period. Corn exports were down by 53 percent to 151,200 metric tons from the last week and 52% from the prior 4-week average.

Depleting stock and expectation of lower sowing during kharif season could support the maize prices. Higher domestic and export demand also support the maize prices.

Wheat prices have fallen at key spot markets owing to dull buying and continuous rains hampering market arrivals and trade.

No exports are taking place from Gujarat due to no parity and small/bulk traders has shifted their business to rice exports due to better margins and good international demand for Indian rice.

U.P this year has been drastically lagging behind in wheat procurement target by 86%. So far 6.83 lakh tonnes wheat has been procured against 48.76 lakh tonnes last year at the same time. This year procurement target of 60 lakh tonnes will be missed by at least 89% as private traders and exporters bought above MSP during procumbent season. However supply side will remain comfortable due to government's huge carry in stocks and poor exports.

250.84 lakh tonnes wheat has been procured by government agencies as on 27th June against 375.26 lakh tonnes previous year at the same time. Procurement has been poor due to lower production and private traders offering prices above MSP.

As per traders Wheat is reaching South Indian markets from Rajasthan and Madhya Pradesh at 1800-1950/Q. Local demand has been steady in M.P and Rajasthan. Dull trading activities have been witnessed in major mandis of M.P owing to persistent rains.

In Delhi wheat is being imported from Haryana and U.P west region. Traders are buying wheat in U.P for exports to Bangladesh, however purchase prices have not been revealed. No export purchases have been reported from Gujarat and Rajasthan.

Out of 10 million T, 8.5 million tons of wheat to bulk buyers at a base prices of Rs 15,000 a ton. Traders would receive wheat through bidding process. The remaining 1.5 million tons will be offered to state governments, small traders and cooperatives at the base price. The cabinet is expected to consider a plan to sell 7.5 million tons of wheat and rice to the poor at subsidized rates next week.

Around 50% wheat has been planted in Argentina for 2013-14 crop advancing a brisk 10.8% points over the last week due to good weather. As per reports 52.8% of 3.9 million hectares wheat has been planted. Weather remains favorable for wheat plantation activities.

International spot and future markets are likely to trade steady to weak due to new crop arrivals pressure from Russia, Ukraine, US and Kazakhstan. The Rust fears do not seem to be affecting market significantly.

Market participants believe that wheat prices will trade range bound/steady for till September and they see uptrend October onwards as impact of lower crop production will be visible by that time, as of now ease in demand side has restricted uptrend in the prices.

## Outlook

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Feed prices are likely to rule steady in the coming days on expected volatility in the prices of key feed ingredients. Weakness in soy meal and bajra prices is expected to provide resistance to the feed prices in the coming days.

## Spreads

### Maize Average Weekly spread with Bajra

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	112	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0	106.0	71.00	-5.0
2	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00	-9.0
3	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0	-100.0	-38.0
4	204	103	79.0	264.0	238.0	147.0	153.0	102.0	110.0	86.0	-104.0	-49.0
5		106.0					135.0				-72.0	

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

As the table depicts, In Delhi spot market, maize spread with bajra traded down as compared to last week. Maize traded down with a steady price movement in bajra. We expect that maize and bajra could trade slightly down during next week as arrivals from U.P. has started and keep maize spread with bajra slightly up as compared to last week.

### Maize Average Weekly spread with Jowar

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	66	83	190	150.0	137.0	192.0	205.0	107.0	142.0	265.0	171.0	88.0
2	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0	146
3	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0	-23.0	243
4	85.8	17.5	93.0	140.0	142.0	172.0	153.0	170.0	244.0	205.0	0.83	229
5		122.5					132.5				53.0	

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

As the table depicts, maize spread with jowar increased from last week as jowar traded steady during last week. We expect that jowar could follow the trend during next week and keep maize spread with jowar slightly down as compared to last week.

### Maize Average Weekly spread with Wheat

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	22	70	-106	-123	-139	-21	-48.0	-90.8	-59.0	-97	67	-132
2	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220	32	-133
3	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	-179	-140	-87.50
4	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	29.0	76.0	-174	-82.50
5		-167					-62.0				-137	

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

As the table depicts, maize spread with wheat increased from last week as wheat traded down due to supply pressure amid lower demand. We expect that both commodities would trade down in the near term and could keep maize spread with wheat unchanged from the last week.

### Maize Average Weekly spread with Barley

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	16	133	212	160.0	213.0	242.0	135.0	71.67	152.0	327.5	290.0	213.0
2	58	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	369.0	283.0	185.0
3	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	383.0	122.5	143.0
4	85.8	94	143.0	226.0	215.0	172.0	139.0	167.0	294.0	314.0	151.0	147.5
5		207.5					97.50				196.0	

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

As the table depicts, In Delhi spot market, maize spread with barley increased from last week as barley traded down during last week. We expect that barley could trade down further due to lower demand and keep maize spread with barley unchanged as compared to last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	28.06.2013	21.06.2013	Parity To
Indore (MP)	33000	35200	Gujarat, MP
Kota	32800	35200	Rajasthan, Del, Punjab, Haryana
Akola	33300	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35000	37500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36400	37200	Andhra, AP, Kar, TN
Dhulia/Jalna	33200	36500	Mumbai, Maharashtra
Nagpur (42/46)	33400	36700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35000	37000	Local and South
Solapur	35200	-	Local and South
Bundi	32800	35000	-

#### Soy DOC at Port

Centers	Port Price	
	28.06.2013	21.06.2013
Kandla (FOR) (INR/MT)	34700	37000
Kandla (FAS) (USD/MT)	581	623

#### International Soy DOC

Argentina FOB \$/MT	28.06.2013	21.06.2013	Change
Soybean Pellets	527	503	+24
Soybean Cake Meal	527	503	+24
Soybean Meal	535	511	+24
Soy Expellers	535	511	+24

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	28.06.2013	21.06.2013	Change
Adoni	21000	22700	-1700
Khamgaon	20200	22200	-2000
Parli	20500	22400	-1900
Latur	20300	22000	-1700

**Groundnut Meal**

Groundnut Meal	28.06.2013	21.06.2013	Change
Basis 45% O&A, Saurashtra	25000	29500	-4500
Basis 40% O&A, Saurashtra	23000	26500	-3500
GN Cake, Gondal	28000	30000	-2000

**Mustard DOC/Meal**

Mustard DOC/Meal	28.06.2013	21.06.2013	Change
Jaipur (Plant Delivery)	14000	14300	-300
Kandla (FOR)	15000	15600	-600
Sri Ganganagar	638	656	-18

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

Market	Grade	28 June, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Red	1440	1440	1400	1425	1160
Davangere	Bilty	-	1500	1350	-	1225
Naugachia	Bilty	1225	1180	1100	1150	925
Nizamabad	Bilty	1500	1390	1300	-	1225
Ahmedabad	Feed	1570	1550	1450	1350	1250
	Starch	1550	1550	1450	1400	1250

**FOB, C&F – Maize at Various Destinations (USD/ton)**

	Argentina	Brazil	US	India (Davangere Origin)
FOB	258.76	NA	336.57	NA
Cost and Freight (Thailand)	308.76	NA	396.57	NA

**Soy Meal Exports (In MT):**

<u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Jan	521243	240318	574996	474993	620133
Feb	375098	220552	540360	344240	577589
Mar	224639	163666	410537	460464	320265
Apr	100106	60264	305033	313832	100311
May	77018	60575	176819	142588	97546
Jun	109923	98400	117600	180987	
Jul	58268	166632	139547	168341	
Aug	127299	176138	165510	10005	
Sep	171955	290868	225921	6525	
Oct	219721	404960	223594	49840	
Nov	297340	443488	397659	517103	
Dec	328225	611157	798041	510698	
<b>Total</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	

**Feed Ingredient Prices at a Glance:**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>28.06.2013</u>	<u>21.06.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1481	1522	-41
		Hybrid	Bangalore	1510	1510	Unch
Jowar	Karnataka	White	Bangalore	1800	2200	-400
		White	Bellary	1220	1314	-94
Maize	Karnataka	Yellow	Davangere	1400	1450	-50
	Andhra Pradesh	Yellow	Nizamabad	1415	1350	65
Rice	Haryana	IR8	Karnal	-	1800	-
		Parmal Raw	Karnal	2700	2200	500
Soy meal	Madhya Pradesh	DOC	Indore	33000	35200	-2200
	Maharashtra	DOC	Sangli	35000	37000	-2000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	21000	22700	-1700
	Maharashtra	Ex-factory	Latur	20300	22000	-1700
Mustard	Rajasthan	Plant delivery	Jaipur	14000	14300	-300
Groundnut Meal	Gujarat	GN Cake	Gondal	28000	30000	-2000

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