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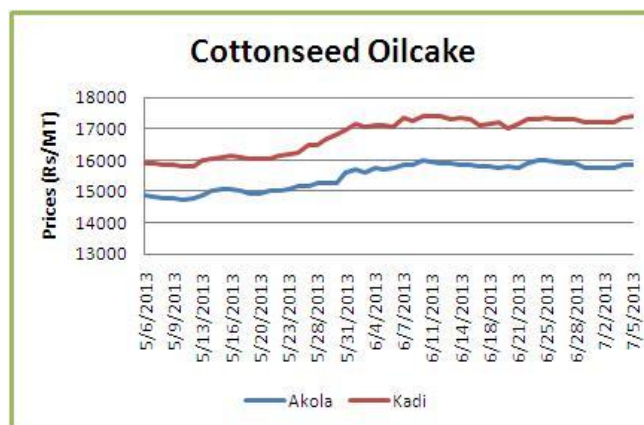
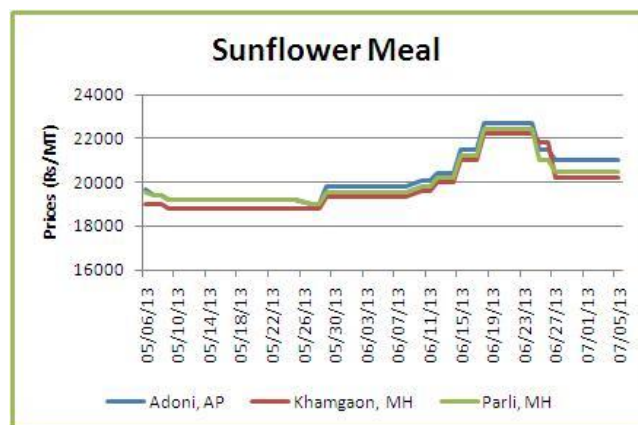
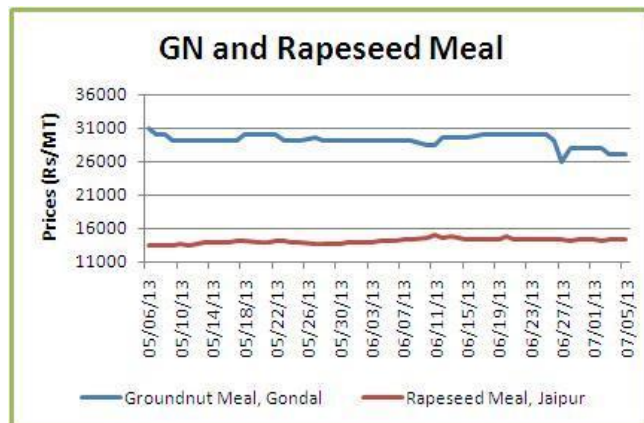
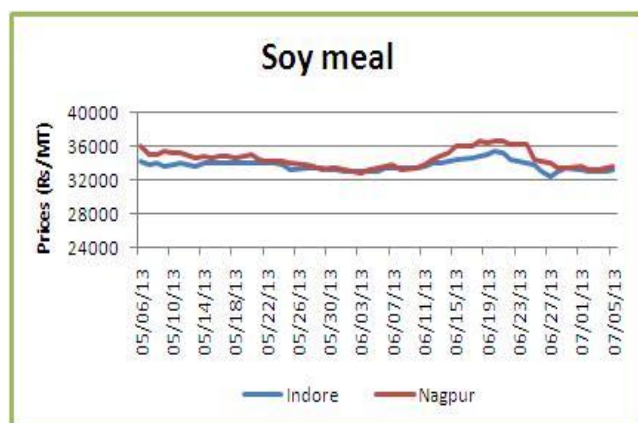
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Summary

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 higher domestic produce in the current season. RM seed prices also featured weakness in association with soybeans as traders were cautious. Mixed sentiments witnessed in most of the major spot markets of maize during last week while wheat prices ruled steady on flat demand. Bajra prices declined on arrival pressure. Overall, feed prices depicted steady to slightly weak tone during the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

Domestic oil seeds and oil meals plunged consecutive second week on cautious buying followed by the fall in prices.

Soybean fell primarily on better planting pace and favourable weather compared to the previous season. Better monsoon has boosted the farmer's planting sentiment which eventually reflected in the planting momentum. Overall, higher CBOT soybean and firm Malaysian palm oil failed to push up the soybean prices during the week.

Cautious buying featured in the beans followed by fall the prices, anticipating further fall in the prices.

Internationally, the US 2012/13 carryout is closer to 110 million bushels rather than the current USDA estimate of 125 million. Rainfall will be needed during the week in the US soybean growing region.

A well-followed oilseed analyst suggested that the EU is likely to increase imports of soybeans for processing due to the delays in shipping meal out of South America.

Brazilian truckers announced a 3 day strike during the week, although traders noted that no significant delays to loading vessels would be seen unless the strike continues into next week. Weak Brazilian Real against the US Dollar will spur on fresh farmer sales in Brazil and improve their export outlook going forward.

The domestic soybean will continue to reel under pressure on better planting and likely rise in area under beans in near-term.

In the last official planting report, the kharif oilseeds planting was reported ahead previous year's pace, as on 04 Aug 2013. Overall, the oilseeds planting were reported up by 316 per cent at 110.27 lha against 26.52 lha during the same period last year.

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 fell in tandem with soybean and weak exports and lower domestic off-take in the meal from poultry feed industry due to reduced off-take in poultry products.

However, slight improved overseas meal shipments in previous weeks limited the losses in meal.

According to the figures of the SOPA, India's soy meal export during June 2013 was 2.134 Lac tones as compared to 1.809 lac tones in the same period of previous year showing a increase of approx. 18%.

On a financial year basis, the export during April 2013 to June 2013 has been 4.113 Lac tonnes as compared to 6.558 Lac tones in the same period of previous year showing a decrease of approx. 37%.

Again, the prices of other key feed ingredients largely featured weak tone. The Bajra, Maize, DCP, MBM, DRB and Mustard de-oiled cake fell on weak demand during the week.

The soy meal prices are expected to feature range-bound movement with weak bias, however, slight improved overseas demand will limit the downward potential, in near-term.

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During current Oil year, (October - September), total exports during October 2012 to June, 2013 are 30.082 Lac tones as against 34.417 Lac tones last year, showing a decrease by 12.59%. (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 (Jul-Aug) exports price, FOR Kandla exports was quoted between Rs 34,650-35,200/MT compared to 34,000-35,650/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$66/MT compared to US \$92/MT a week ago, indicating a slight narrowing in prices between Indian and Argentine meal prices. India's soy meal export 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.

The domestic soy meal is under pressure followed by competitive South American soy meal prices with harvesting picking up in the region. However, continued soy meal exports will lend support to some extent. The Indian meal exporters are advised to aggressively market their meal to the countries in vicinity including traditional South and Far-East Asian destinations to materialize the freight and logistics advantage.

The prices are expected to feature range-bound movement on mixed sentiments. FOR, Kandla is likely feature range-bound movement between the price band of Rs 35,200-35500/MT.

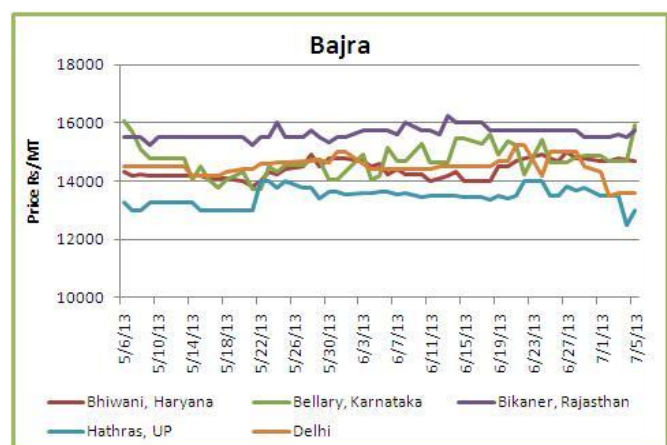
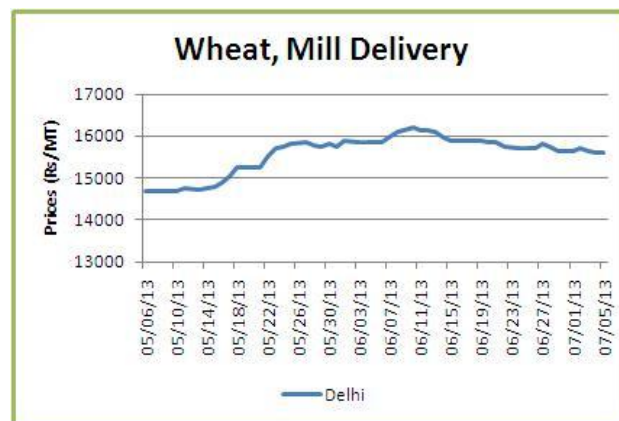
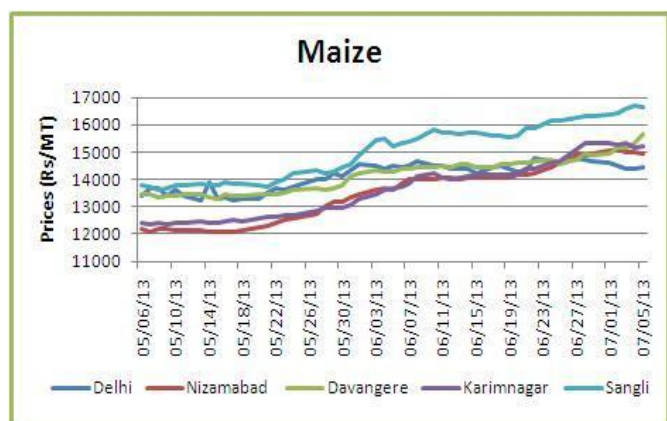
Mustard seed skid in sync with soybean and cautious buying from millers in anticipation of further fall in the prices. Higher Malaysian palm oil failed to lend upward support to the seed prices. The domestic mustard seed closely tracks BMD CPO.

Better soybean planting continued to pressure the domestic oilseeds in recent days. Further, absence of any fresh demand in mustard oil from major consuming states like West Bengal, Kashmir, Bihar and UP remained bearish for the seed.

Mustard oil and seeds in key mandis across Madhya Pradesh, Rajasthan and Gujarat featured weak tone as due to slow down in buying.

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 3495–3510 level in near term.



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

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

During the week, around 4-5 motors of maize moved towards Khanna market of Punjab in the range of Rs. 1430-1525 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.

As per trade sources, starch feed makers from South and Rudrapur are demanding maize in higher quantity. As per news sources, Punjab government announces 75% subsidy on hybrid seeds of maize P 3396 and TX 369 in 10 districts of the state to encourage the farmers.

In Ahmadabad region of Gujarat, higher poultry and starch feed makers demand kept maize prices up by Rs. 25 and Rs. 50 per quintal respectively 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. 1570-1625 per quintal while starch feed makers demand reported for corn in a range of Rs. 1530-1600 per quintal.

As far as sowing of maize is concerned, it is up from last year sowing figures owing to good rainfall in the maize growing regions. Farmers have planted maize in 17.799 lac hectares till 28th June 2013 higher than last year 4.556 lac hectares maize sowed at same period.

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. However, area in Mehboob nagar, Nizamabad could be same as compared to last year. Overall, maize crop area is 2.05 lakh hec till 28th June 2013 which is above from the normal area of corresponding week.

As per Agriwatch trade sources, Bangladesh is demanding Indian corn at Rs. 1450 per quintal, sourced from Bihar which contained around 15% moisture. Around 405 rake business has been done during this season from the Bihar.

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 15,056,414 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 up noticeably to 353,388 metric tons from the last week and 33% from the prior 4-week average.

Lower supply amid higher domestic and export demand kept prices of maize firm in the market. Maize is moving towards Bangladesh and Kolkata at Rs. 1450 per quintal, contained 15 % moisture. 2-3% fungus reported in the Bihar crop.

In Nizamabad region of A.P., around 4 lakh bags of maize could be in the hand of stockiest and farmers which was 2.5 lakh during last year same period. Sources revealed that in A.P., total maize stock could be around 18 lakh bags which were 22 lakh during last year same period. 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 traded in range of Rs. 1325-1375 per quintal sourced from Bihar, contained 18-20 % moisture. Also, due to fungus and discolored quality it is trading lower. Meanwhile, hybrid maize traded in a range of Rs.1415-1450 per quintal sourced from U.P. contains 14%-15% moisture level. As per trade sources, around 50,000 quintal of maize stock could be in the Delhi spot market.

Higher export and domestic demand amid lack of quality arrivals of maize could keep maize prices at higher side. However, good sowing progress could weigh on the prices.

Wheat cash market is trading almost flat on sluggish trading activities and lower demand from south Indian millers. Market undertone remains bearish on expectation of higher supply side from govt.'s granary. Exporters are staying away from the market due to increasing disparity gap. Wheat is expected to trade steady to slightly weak this week.

In a latest development Indian govt. has banned wheat/rice export under humanitarian aid and is gauging market closely. Export through PSU is almost over now and there is no urgency to push export through PSU's. Private trades are indifferent to buy wheat from govt.'s stock due to negligible margin at this point of time.

250.84 lakh tonnes wheat has been procured by government agencies as on 4th June against 376.88 lakh tonnes previous year at the same time. Procurement has been poor due to lower production and private traders offering prices above MSP.

Indian government has passed the ordinance to feed 67% of poor Indian population through ambitious food security bill providing total 62 million tonnes of grains. 5 Kg of each wheat, Rice and millets will be provided at Rs 2, 3 and 1 per Kg respectively. Food security bill may cost government around USD 22 billion.

According to traders, in M.P overall demand is low. Wheat is reaching Pune, Nashik and Ahmednagar at Rs 1830/Q from Indore. Market is expected to remain weak ahead too on ample supply and weak demand.

In Gujarat, no exports were reported recently. Local wheat is trading around Rs 1550/Q and Rajasthan milling wheat is reaching Gujarat at Rs 1600-1650/Q, delivered basis Wheat key spot markets are expected to trade range bound with weak bias due to absence of any major market moving factors.

As per latest IGC report, global wheat production is forecasted to rise marginally by 1 million tonnes to 683 million tonne from previous forecast but 4% increase in production is expected from previous year, which is likely to be absorbed by increase in demand and is likely to leave no room for stock building. Ending stocks are expected at 181 million tonnes, 2 million tonnes more y-o-y basis.

Higher use of wheat for feed and industrial purpose is expected to increase global consumption by modest 2 million tonnes to 682 million tonnes from 680 million tonnes. World wheat trade is

expected to increase by 1 million tonnes as Iran and china are expected to import more. Black sea region is likely to export more this year and fall in exports is seen in Indian wheat.

Global wheat market is expected to trade weak higher wheat production estimate of 683 million tonnes as compared to previous estimate of 682 million tonnes as per IGC latest estimate. Harvesting pressure from Black sea region and US too has pressurized the market.

Domestic market is likely to trade steady due to comfortable supply side and weak demand.

Outlook

Feed prices are expected to remain steady in the coming days due to the fluctuations in the prices of key feed ingredients. Weakness in soy meal and mustard prices will pressurize the feed prices. However, steady demand from poultry is expected to provide support.

Spreads

Maize Average Weekly spread with Bajra

Week	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13
1	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0	106.0	71.00	-5.0	2.50
2	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00	-9.0	
3	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0	-100.0	-38.0	
4	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 up as compared to last week as bajra traded down vs. maize. We expect that both commodities could trade slightly down during next week as arrivals from U.P. has started and keep maize spread with bajra unchanged as compared to last week.

Maize Average Weekly spread with Jowar

Week	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13
1	83	190	150.0	137.0	192.0	205.0	107.0	142.0	265.0	171.0	88.0	175
2	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0	146	
3	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0	-23.0	243	
4	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 decreased from last week as maize traded down as compared to last week while jowar traded steady. We expect that trend would continue during next week and keep maize spread with jowar towards downward direction.

Maize Average Weekly spread with Wheat

Week	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13
1	70	-106	-123	-139	-21	-48.0	-90.8	-59.0	-97	67	-132	112.5
2	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220	32	-133	
3	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	-179	-140	-87.50	
4	-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 decreased from last week as maize traded down vs. wheat during last week. Wheat traded down due to supply pressure amid sluggish demand. We expect that both commodities would trade slightly down in the near term and could keep maize spread with wheat intact during next week.

Maize Average Weekly spread with Barley

Week	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13
1	133	212	160.0	213.0	242.0	135.0	71.67	152.0	327.5	290.0	213.0	133.0
2	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	369.0	283.0	185.0	
3	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	383.0	122.5	143.0	
4	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)		
	05.07.2013	28.06.2013	Parity To
Indore (MP)	32800-33200	33000	Gujarat, MP
Kota	32300-32400	32800	Rajasthan, Del, Punjab, Haryana
Akola	33500	33300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	35000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	35000	36400	Andhra, AP, Kar, TN
Dhulia/Jalna	34500	33200	Mumbai, Maharashtra
Nagpur (42/46)	33300-33600	33400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35500	35000	Local and South
Solapur	34800	35200	Local and South
Bundi	32300	32800	-

Soy DOC at Port

Centers	Port Price	
	05.07.2013	28.06.2013
Kandla (FOR) (INR/MT)	35200	34700
Kandla (FAS) (USD/MT)	583	581

International Soy DOC

Argentina FOB \$/MT	05.07.2013	28.06.2013	Change
Soybean Pellets	500	527	-27
Soybean Cake Meal	500	527	-27
Soybean Meal	508	535	-27
Soy Expellers	508	535	-27

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	05.07.2013	28.06.2013	Change
Adoni	21000	21000	Unch
Khamgaon	20200	20200	Unch
Parli	20500	20500	Unch
Latur	20300	20300	Unch

Groundnut Meal

Groundnut Meal	05.07.2013	28.06.2013	Change
Basis 45% O&A, Saurashtra	26000	25000	+1000
Basis 40% O&A, Saurashtra	24000	23000	+1000
GN Cake, Gondal	27000	28000	-1000

Mustard DOC/Meal

Mustard DOC/Meal	05.07.2013	28.06.2013	Change
Jaipur (Plant Delivery)	14200	14000	+200
Kandla (FOR)	15200	15000	+200
Sri Ganganagar	642	638	+4

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	5 July, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Red	-	1440	1435	1375	-
Davangere	Bilty	1563	-	-	-	1275
Naugachia	Bilty	1250	1225	1175	1050	1030
Nizamabad	Bilty	1500	1500	1350	1240	-
Ahmedabad	Feed	1580	1570	1440	1310	1270
	Starch	1575	1550	1500	1365	1300

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	234.55	NA	299.53	NA
Cost and Freight (Thailand)	284.55	NA	359.53	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	213564
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	
Total	2610835	2937018	4075617	2668918	

Feed Ingredient Prices at a Glance:

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>5.07.2013</u>	<u>28.06.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1591	1481	110
		Hybrid	Bangalore	1510	1510	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1353	1220	133
Maize	Karnataka	Yellow	Davangere	-	1400	-
	Andhra Pradesh	Yellow	Nizamabad	1415	1415	Unch
Rice	Haryana	IR8	Karnal	-	-	-
		Parmal Raw	Karnal	2700	2700	Unch
Soy meal	Madhya Pradesh	DOC	Indore	33200	33000	200
	Maharashtra	DOC	Sangli	35500	35000	500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	21000	21000	Unch
	Maharashtra	Ex-factory	Latur	20300	20300	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14200	14000	200
Groundnut Meal	Gujarat	GN Cake	Gondal	27000	28000	-1000

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