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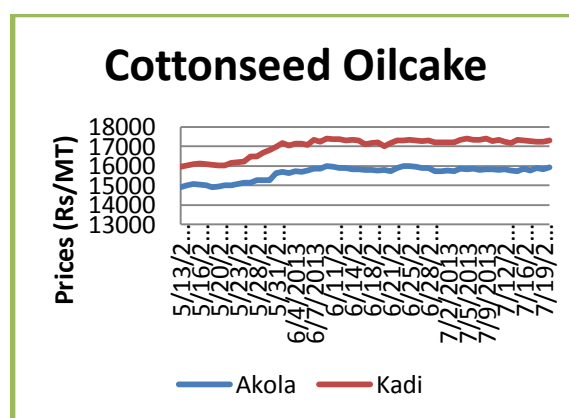
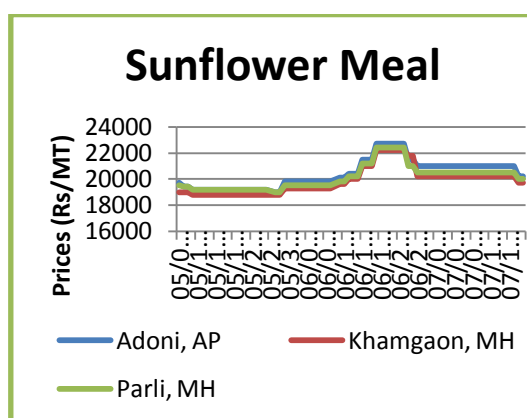
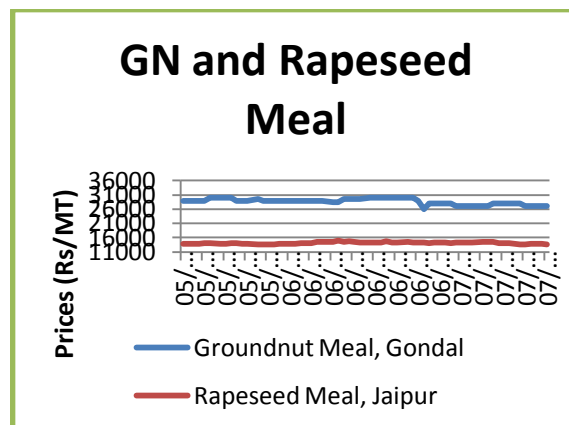
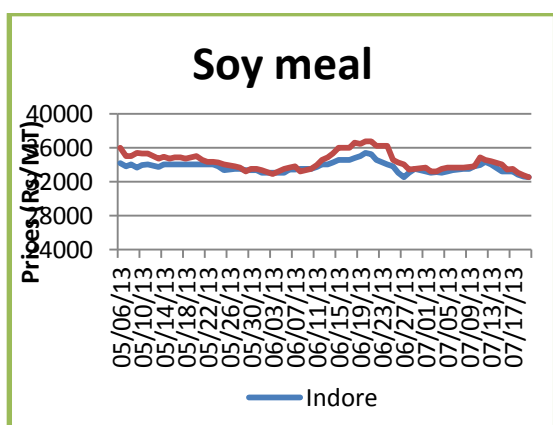
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## Summary

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

Soybean prices were down during the week tracking bearish cues from international palm oil market and higher pace of soybean planting in the key producing regions of MP, Maharashtra and Rajasthan. Soy meal also witnessed losses in line with the oilseed prices during the week in review. Strengthening of the Indian rupee over the last few days and persistent weakness in the oilseeds support the bears. Steady to weak sentiments featured in most of the major spot markets of maize during last week while Wheat cash market traded almost range bound amid sluggish trading activities. Overall, feed prices depicted steady to weak tone during the week under consideration.

## Trend – Raw Material, Feed



Source: AgriWatch

Domestic oilseeds and oil meals witnessed losses during the week on lackluster domestic buying activities in oil complex and in expectation of higher oilseed production.

Soybean prices were down during the week tracking bearish cues from international palm oil market and higher pace of soybean planting in the key producing regions of MP, Maharashtra and Rajasthan which has led to expectations of a higher soybean crop output in the current season

As per Ministry of Agriculture, the kharif oilseeds planting was reported way ahead previous year's pace, as on 18 July, 2013. Overall, the oilseed planting was reported up by 37.69 per cent at 149.82 lakh ha against 108.81 lakh ha during the same period last year.

Cautious buying featured in the cash market due to sufficient soybean stocks in the mandis of Madhya Pradesh and higher oilseed sowing adding to the pressure to the market sentiments.

On the international front, soybeans on CBOT ruled lower owing to favorable weather forecast over US Midwest. However, tight old US soybean stocks and good demand for soy from China limit excessive losses.

The latest WASDE report released by USDA was considered bearish for the market. The global soybean production for 2013-14 is projected at 285.9 million tons, up 0.6 million tons. US soybean production is projected at 3.42 billion bushels, up 30 million tons due to increased harvested area.

Soy meal witnessed losses in line with the oilseed prices during the week in review. Strengthening of the Indian rupee over the last few days and persistent weakness in the oilseeds support the bears. As per latest release by SOPA, the soy meal export during the month of June was 2.134 lakh tons as compared to 1.809 lakh tons in the same period of previous year.

During current Oil year, (October - September), total exports during October 2012 to June, 2013 are 30.082 lakh tons as against 34.417 lakh tons last year, showing a decrease by 12.59%. 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.

Mustard seed in key mandis across Rajasthan and Gujarat are likely to feature steady to weak tone due to better Kharif oilseeds crop prospects and dull demand for oils in the cash market. However, ongoing muslim festivities may limit excessive losses.

In the latest official planting report, the kharif oilseeds planting was reported way ahead previous year's pace, as on 18 July, 2013. Overall, the oilseed planting was reported up by 37.69 per cent at 149.82 lakh ha against 108.81 lakh ha during the same period last year.

Of the major kharif oilseeds crops, soybean planting stood up by around 27.60 per cent at 109.99 lakh ha compared to 86.20 lakh hectares during the same period last year on higher acreage in Madhya Pradesh, Maharashtra and Rajasthan. Groundnut planting was reported up by 83.71 per cent at 30.33 lakh ha compared to 16.51 lakh ha on higher area coverage in the state Gujarat due to good rainfall in the state. Sunflower planting was up by 0.64 lakh ha at 1.26 lha compared to 0.62 lha during the same period last year.

According to the latest release by SOPA, the 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 tons as compared to 6.558 Lac tons in the same period of previous year showing a decrease of about 37%.

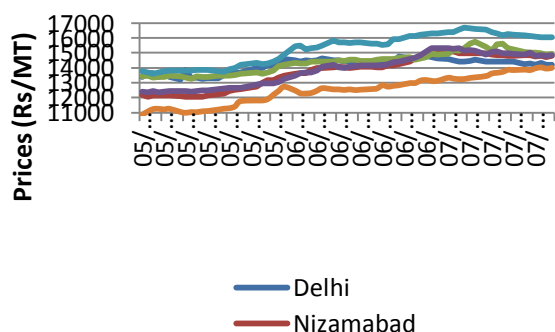
During current Oil year, (October - September), total exports during October 2012 to June, 2013 are 30.082 Lac tons as against 34.417 Lac tons last year, showing a decrease by 12.59%.

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.

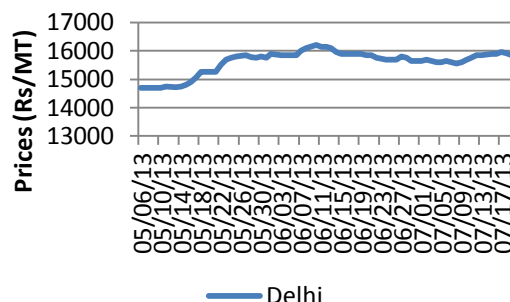
However, India's Y-o-Y soy meal prices have witnessed decline. Soy meal (Jul-Aug) exports price, FOR Kandla exports was quoted between Rs 35,300-35,950/MT compared to 36,750-38,000/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$59.9/MT compared to US \$59/MT a week ago, indicating a slight improvement in prices between Indian and Argentine meal prices.

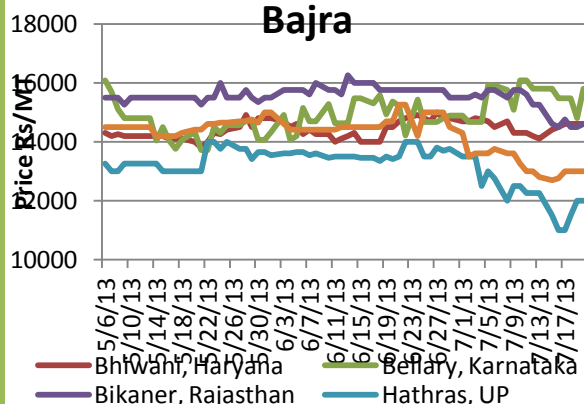
### Maize



### Wheat, Mill Delivery



### Bajra



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

Overall steady to weak sentiments featured in most of the major spot markets of maize during last week.

As per 4th advance estimate released by ministry of Agriculture on 22nd July, 2013, coarse cereals production is estimated at 40.06 million tons and maize production is estimated at 22.23 million tons for 2012-13.

In Ahmadabad region of Gujarat, poultry and starch feed makers demand decreased by Rs. 40 and Rs. 80 per quintal respectively as compared to last week, sourced from U.P. Poultry feed makers demand reported for corn in a range of Rs. 1500-1585 per quintal while starch feed makers demand reported for corn in a range of Rs. 1490-1520 per quintal. As per trade sources, Ahmadabad traders have 1 month poultry feed and 2 month starch feed stock in quantity.

During the week, on daily basis, around 6 motors of maize moved towards Khanna market of Punjab in the range of Rs. 1300-1400 per quintal, contained 13-14% moisture level, sourced from Bihar. Sources revealed that higher poultry feed makers demand could keep prices firm in the market.

As per latest sowing report by Ministry of agriculture, maize sowing has increased from last year owing to good rainfall in the maize growing regions. Farmers have planted maize in 65.68 lac hectares till 17th July 2013.

As per Agriwatch trade sources, Bangladesh is demanding Indian corn in a range of Rs. 1555-1560 per quintal, sourced from Bihar.

As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.461 million tons during the October'12- Jun'13 period. During the month of June, 0.292 million tons corn exports reported to Malaysia, Nepal, Taiwan, Vietnam, Yemen and Indonesia through Raxul LCS, JNPT Tondiarpet ICD, Kolkata Sea, Chennai Sea, and Mundra port.

In Nizamabad region of A.P., around 3 lakh bags of maize could be in the hand of stockiest and farmers and in A.P., total maize stock could be around 17 lakh bags which is same from the last year during same period.

Maize prices are likely to trade range bound. Higher acres as well as better yield prospects due to favourable weather conditions in maize growing belts lead to higher production, weighing on market sentiments. However, lack of quality arrivals restricts the downside.

As per USDA, U.S. corn export figures reached to 15,729,522 metric tons for the 2012-13 marketing year which is lowered by ~53% from the last marketing year during the same period. Corn exports were up 53% to 407,276 metric tons from the last week and 49% from the prior 4-week average. Out of total weekly exports of 407,276 MT for the period of July 5-11, 2013 reported by U.S. to Japan (174,000 MT), Venezuela (102,600 MT), Mexico (50,700 MT), and Costa Rica (27,500 MT). Meanwhile, barley exports of 200 MT were reported by US to Philippines. Meanwhile, sorghum exports of 700 MT were reported to Mexico and 400 MT to China during the period of July 5- 11, 2013.

Coarse cereals have been sown in 126.636 lakh hectares in 2013-14 against 95.434 lakh hectares sown in 2012-13. Bajra, jowar and maize has sown in 41.03, 15.625 and 65.684 lakh hectares respectively till 17th July, 2013.

Wheat cash market traded almost rangebound amid sluggish trading activities. Rains in various parts of the country discouraged the normal course of trading and lower demand against sufficient availability continued to weigh on market fundamentals. Small and bulk buyers are expected to enter into the market for fresh buying from early August, so that festive demand for wheat products could be met.

In Tarntaran Mandi, Punjab low arrivals are reported these days. Traders and Stockiest are selling Mill Delivery wheat at Rs 1500-1525/Q. As per reports majors buyers in tarntaran region are flour millers from Kashmir region, who are further exporting flour to Pakistan.

Trade sources revealed, milling wheat is trading in the range of Rs 1500-1525/Q in Amritsar region. Local demand is low and ample stock is available with government now. Government stock will be dictating market prices in times ahead.

According to traders, government will be selling 85 lakh tonnes of wheat from Punjab and Haryana at Rs 1500/Q Ex warehouse. Around 27.44 million tonnes of wheat is lying in stock as on 1st July. But South Indian traders feel it is prices too high due to transportation and other charges. In Karnataka government wheat will cost around Rs 1850-1875/Q, Mill delivered when lifted from Punjab and Haryana however wheat is available from Rajasthan and M.P private traders at Rs 1820-1850/Q with credit facility.

Wheat inflation for June, 2013 was 13.83% year on year basis. This is higher than previous month inflation of 12.65%. WPI has increased to 205 in June 2013 from 201.30 in May 2013.

South Indian buyers (millers) are sourcing wheat from Rajasthan and M.P. at the rate of Rs 1820 to Rs 1850/Q on delivered basis. Private exporters are not active as outlook for global wheat market remains bearish. With declining prices in Black Sea region and US, parity for Indian private exporters turned negative.

International wheat market is likely to trade steady to weak on better global output. Ongoing harvesting in US, Black Sea region and better expected planting in Canada and Argentina has pressurized market. However expected increase in demand from China and Egypt might support prices in near term.

## Outlook

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Feed prices are expected to remain steady in the coming days due to the fluctuations in the prices of key feed ingredients.

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## 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   | 29.00  |
| 3    | 90    | 100.0 | 270.0 | 214.0 | 158.0 | 170.0  | 93.75  | 110.0  | 154.0  | -100.0 | -38.0  | 57.00  |
| 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 firm as compared to last week. Bajra traded down with the steady price movement in maize. We expect that both commodities could trade steady during next week and keep maize spread with bajra intact.

### 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   | 175.00 |
| 2    | 46    | 198.3 | 180.0 | 183.0 | 218.0 | 190.0  | 80.0   | 172.5  | 322.0  | 133.0  | 146    | 175.00 |
| 3    | 0     | 208.0 | 177.0 | 204.0 | 169.0 | 182.5  | 147.5  | 178.0  | 320.0  | -23.0  | 243    | 197.00 |
| 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 increased as jowar traded down during last week. We expect jowar could trade steady during next week and keep maize spread with jowar unchanged as compared to last week.

### 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   | -134.0 |
| 3    | -47  | -154 | -193 | -101 | -5.0 | 4.0    | -81.25 | -2.50  | -179   | -140   | -87.50 | -182.5 |
| 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 as wheat traded firm during last week due to increase in demand from millers' side. We expect that both commodities could trade steady in the next week and keep maize spread with wheat flat.

#### **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  | 115.0  |
| 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 against steady movement in maize prices during last week. We expect that both commodities could trade steady 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) |             |   |
|----------------|---------------------------|-------------|---|
|                | 19.07.2013                | 12.07.2013  | Parity To   |
| Indore (MP)    | 32500-32600               | 34000-34300 | Gujarat, MP   |
| Kota           | 31800-32000               | 33400-33500 | Rajasthan, Del, Punjab, Haryana                     |
| Akola          | 32500-32800               | 34200-34500 | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Hingoli        | -                         | 35000       | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Nanded/Latur   | -                         | -           | Andhra, AP, Kar, TN                                 |
| Dhulia/Jalna   | 34000                     | 35200       | Mumbai, Maharashtra                                 |
| Nagpur (42/46) | 32400-32700               | 34200-34500 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli         | -                         | -           | Local and South                                     |
| Solapur        | 33500                     | 35500       | Local and South                                     |
| Bundi          | 32000                     | 33400-34500 | -   |



**Soy DOC at Port**

| Centers               | Port Price |            |
|-----------------------|------------|------------|
|                       | 19.07.2013 | 12.07.2013 |
| Kandla (FOR) (INR/MT) | 34400      | 36275      |
| Kandla (FAS) (USD/MT) | 575        | 606        |

**International Soy DOC**

| Argentina FOB \$/MT | 19.07.2013 | 12.07.2013 | Change |
|---------------------|------------|------------|--------|
| Soybean Pellets     | 510        | 520        | -10    |
| Soybean Cake Meal   | 510        | 520        | -10    |
| Soybean Meal        | 518        | 528        | -10    |
| Soy Expellers       | 518        | 528        | -10    |

**Sunflower Meal Rates**

| Centers  | Ex-factory rates (Rs/ton) |            |        |
|----------|---------------------------|------------|--------|
|          | 19.07.2013                | 12.07.2013 | Change |
| Adoni    | 20200                     | 21000      | -800   |
| Khamgaon | 19700                     | 20200      | -500   |
| Parli    | 20000                     | 20500      | -500   |
| Latur    | 19800                     | 20300      | -500   |

**Groundnut Meal**

| Groundnut Meal            | 19.07.2013 | 12.07.2013 | Change |
|---------------------------|------------|------------|--------|
| Basis 45% O&A, Saurashtra | 26700      | 27200      | -500   |
| Basis 40% O&A, Saurashtra | 23700      | 24200      | -500   |
| GN Cake, Gondal           | 27000      | 28000      | -1000  |

**Mustard DOC/Meal**

| Mustard DOC/Meal        | 19.07.2013 | 12.07.2013 | Change |
|-------------------------|------------|------------|--------|
| Jaipur (Plant Delivery) | 13900      | 14000      | -100   |
| Kandla (FOR)            | 14800      | 15000      | -200   |
| Sri Ganganagar          | 644        | 649        | -5     |

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

| Market    | Grade  | 19 July,2013 | Week Ago | Month Ago | 2 Month Ago | Year Ago |
|-----------|--------|--------------|----------|-----------|-------------|----------|
| Delhi     | Red    | -            | 1350     | 1440      | 1335        | -        |
| Davangere | Bilty  | -            | 1533     | 1500      | -           | 1400     |
| Naugachia | Bilty  | 1300         | 1300     | 1200      | 1050        | 1125     |
| Nizamabad | Bilty  | 1500         | 1500     | 1400      | 1240        | -        |
| Ahmedabad | Feed   | 1550         | 1600     | 1525      | 1330        | 1500     |
|           | Starch | 1500         | 1575     | 1500      | 1400        | 1525     |

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

|                             | Argentina | Brazil | US    | India (Davangere Origin) |
|-----------------------------|-----------|--------|-------|--------------------------|
| FOB                         | 245.67    | 196.45 | 303.1 | NA                       |
| Cost and Freight (Thailand) | 295.67    | 251.45 | 363.1 | 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         |             |
| <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>19.07.2013</u> | <u>12.07.2013</u> | <u>Change</u> |
|------------------|----------------|----------------|---------------|-------------------|-------------------|---------------|
| Bajra            | Karnataka      | Hybrid         | Bellary       | 1480              | 1580              | -100          |
|                  |                | Hybrid         | Bangalore     | 1510              | 1510              | Unch          |
| Jowar            | Karnataka      | White          | Bangalore     | 2500              | 1800              | 700           |
|                  |                | White          | Bellary       | 1400              | 1441              | -41           |
| Maize            | Karnataka      | Yellow         | Davangere     | 1457              | 1475              | -18           |
|                  | Andhra Pradesh | Yellow         | Nizamabad     | 1500              | 1450              | 50            |
| Rice             | Haryana        | IR8            | Karnal        | 2100              | -                 | -             |
|                  |                | Parmal Raw     | Karnal        | 2500              | 2400              | 100           |
| Soy meal         | Madhya Pradesh | DOC            | Indore        | 32500             | 34300             | -1800         |
|                  | Maharashtra    | DOC            | Sangli        | 31500             | 35500             | -4000         |
| Sunflower Meal   | Andhra Pradesh | Ex-factory     | Adoni         | 20200             | 21000             | -800          |
|                  | Maharashtra    | Ex-factory     | Latur         | 19800             | 20300             | -500          |
| Mustard          | Rajasthan      | Plant delivery | Jaipur        | 14000             | 14000             | Unch          |
| Groundnut Meal   | Gujarat        | GN Cake        | Gondal        | 27000             | 28000             | -1000         |

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