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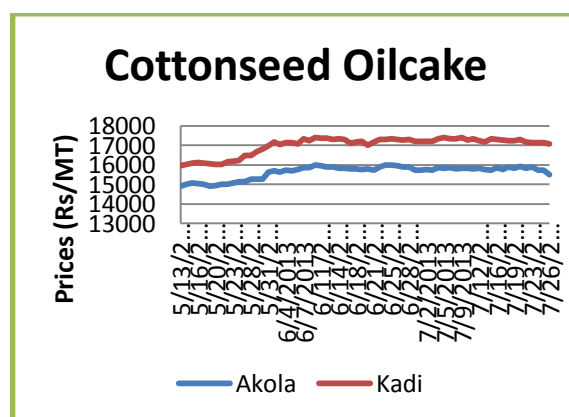
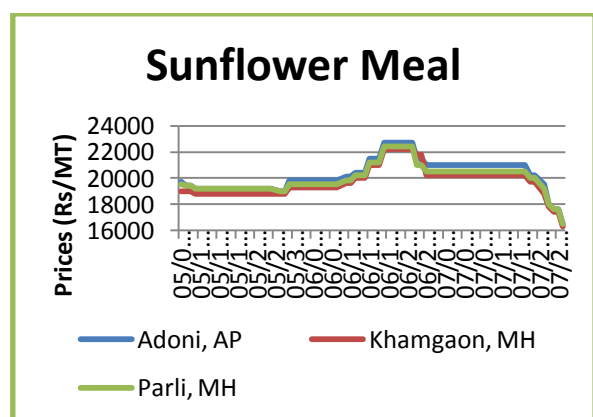
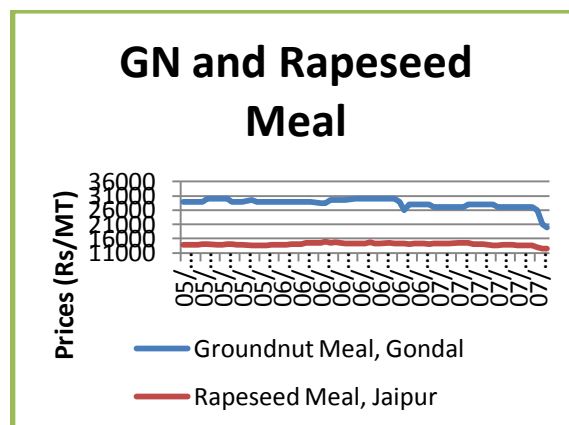
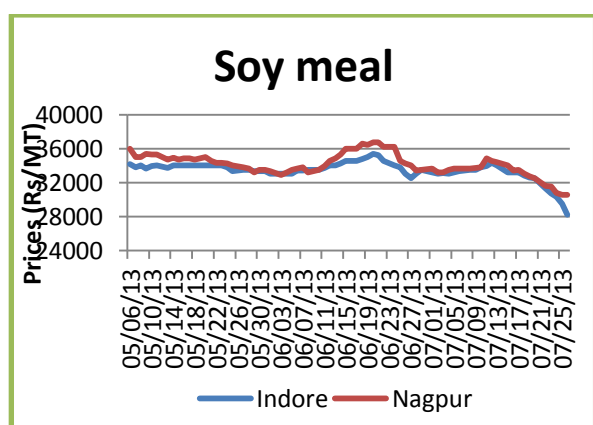
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## Summary

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

Soybean prices plunged during the week in review, primarily on estimates of higher soybean production this season and strong planting pace. The market slipped further on prospects of early crop arrivals in the markets. Soy meal also witnessed losses in line with the oilseed prices. Strengthening of the Indian rupee over the last week and persistent weakness in the oilseeds supported the bears and are expected to remain so. Steady to weak sentiments featured in most of the major spot markets of maize during last week. Also, weak demand and lackluster trade of wheat with the supply pressure in the market kept prices slightly down. Overall, feed prices depicted steady to weak tone during the week under consideration.

## Trend – Raw Material, Feed



Source: AgriWatch

Domestic oilseeds and oil meals prices witnessed a sharp decline during this week on estimates of higher oilseed production in the current season due to increased acreage. Besides, weakness in global oils and oilseeds markets also put pressure on the prices during the week.

Soybean prices plunged during the week in review, primarily on estimates of higher soybean production this season and strong planting pace. The market slipped further on prospects of early crop arrivals in the markets. The domestic market was also affected by the plunge in soybean prices on CBOT due to weak demand and crop conducive weather conditions.

Cautious buying was seen in the spot market due to sufficient soybean stocks in the mandis of Madhya Pradesh and better oilseed sowing adding to the pressure to the market sentiments.

Internationally, rumors that China intended on releasing inventories out of reserves to their domestic market for crushers pressured the market as traders feared that the move could spark some export sales cancellations. Weather is seen as a negative force for the US new crop soybean market after steady rainfall fell in key producing regions during the week. Temperatures were moderate indicating that soybean yield potential looks impressive so far which further imparted a bearish tone to the market.

Soy meal witnessed losses in line with the oilseed prices during the week in review. Strengthening of the Indian rupee over the last week and persistent weakness in the oilseeds supported the bears and are expected to remain so. 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.

Mustard seed in key mandis across Rajasthan and Gujarat are likely to feature steady to weak tone due to higher overall kharif oilseeds crop prospects and dull demand for in the cash market. However, expected demand due to festivities of Ramadan may limit excessive losses in the coming days. Arrivals of RM seed in the major spot markets are now witnessing a decline as the peak season gets over.

As per Ministry of Agriculture, sowing of kharif crops has picked up further this week. The total sown area as on 26th July 2013, as per reports received from states, stands at 747.78 lakh hectare as compared to 635.05 hectare at this time last year. Area coverage under oilseeds, particularly in groundnut and soybean, is higher at 167.15 lakh hectare compared to the 138.30 lakh hectare in the previous kharif season due to timely onset of monsoon and widespread distribution of rainfall in oilseeds growing regions.

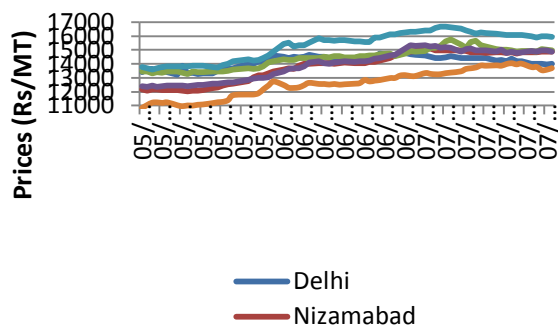
In the latest official planting report, the kharif oilseeds planting was reported ahead of previous year's pace, as on 25 July, 2013. Overall, the oilseed planting was reported up by 20.90 per cent at 167.16 lakh ha against 138.30 lakh ha during the same period last year.

Of the major kharif oilseeds crops, soybean planting stood up by around 15.60 per cent at 117.33 lakh ha compared to 101.54 lakh hectares during the same period last year on higher acreage in Madhya Pradesh, Maharashtra and Rajasthan due to favourable weather conditions. Groundnut planting was reported up by 36.9 per cent at 34.83 lakh ha compared to 25.45 lakh ha on higher area coverage in the state of Gujarat due to good rainfall in the state. Sunflower planting was up by 0.65 lakh ha at 1.46 lha compared to 0.81 lha during the same period last year.

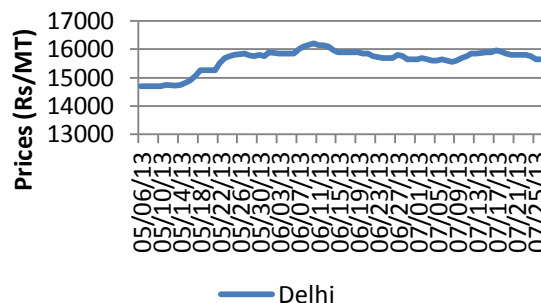
As per the fourth advance estimate of production released by Ministry of Agriculture, the oilseed production for 2012-13 is estimated at 31.01 million tons, up 0.31 million tons from previous

estimates. Soybean production is estimated at 14.68 million tons and groundnut production is estimated at 4.75 million tons. Rapeseed/mustard seed production is estimated at 7.82 million tons, up 0.42 million tons from previous estimates.

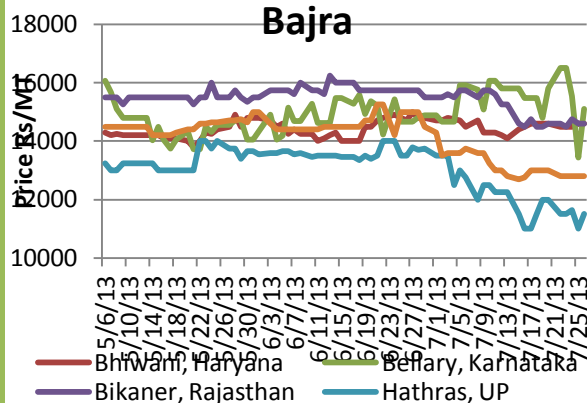
### Maize



### 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, 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. 35 and Rs. 20 per quintal respectively as compared to last week, sourced from U.P. and Bihar. Poultry feed makers demand reported down for corn in a range of Rs. 1500-1550 per quintal. Starch feed makers demand also reported down for corn in a range of Rs. 1400-1500 per quintal.

During the week, on daily basis, around 7 motors of maize moved towards Khanna market of Punjab in the range of Rs. 1300-13500 per quintal, contained around 14% moisture, sourced from Bihar.

During the week, Kolkata feed millers demand reported in a range of Rs. 1500-1250 per quintal.

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 steady to weak. 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. Sluggish export demand due to poor quality arrivals also weigh on the market.

As per USDA, U.S. corn export figures reached to 15,969,409 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. Corn exports were down 41% to 239,887 metric tons from the last week and 19% from the prior 4-week average. Out of total weekly exports of 239,887 for the period of July 12- 18, 2013 reported by U.S. to Japan (99,600 MT), Mexico (65,100 MT), Venezuela (48,000 MT), and Colombia (16,700 MT).

As per the latest crop progress report released by USDA, Corn has silked by 43% as of 21st July, 2013 which is below 41% from the last year and 13% from the last 5 year average period. However, 63% corn crop is in good to excellent condition which is up 37% as compared to last year.

Weak demand and lackluster trade has resulted in steady to weak market. No export demand has reported as international wheat prices are lower than Indian wheat prices, which has resulted in more availability of wheat in domestic market, resulting in bearish pressure.

As on 22nd July government has procured 250.84 lakh tonnes of wheat against 379.29 lakh tonnes at the same time previous year. Procurement has fallen by 34% this year due to lower production, higher purchases by private traders and holding of crop by farmers.

South Indian millers are buying wheat from U.P, M.P and Rajasthan at Rs 1800-1840/Q, Mill Delivered. Millers are buying from Private traders as it is cheaper by Rs 30-50/Q along with credit facility. Normal demand is seen in the market and market is likely to trade steady as of now.

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 to 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.

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

Feed prices are expected to trade down in the coming days due to bearishness in the prices of key feed ingredients.

## 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	120.00
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 due to sluggish demand as crop quality is lower. We expect that both commodities could trade down as demand is lower on the concern of quality issue and keep maize spread with bajra slightly down 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	175.00
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	250.00
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 maize traded slightly firm with the steady price movement in jowar. We expect jowar could trade steady during next week and keep maize spread with jowar weak 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	-108.00
5	-167					-62.0				-137		

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

As the table depicts, maize spread with wheat increased as wheat traded down due to sluggish demand and higher supply. We expect that both commodities could trade down during next week and keep maize spread with wheat intact.

#### **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	140.0
4	94	143.0	226.0	215.0	172.0	139.0	167.0	294.0	314.0	151.0	147.5	185.0
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 flat during last week. We expect that barley could follow the steady movement and keep maize spread with barley down 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)		
	26.07.2013	19.07.2013	Parity To
Indore (MP)	27800-28200	32500-32600	Gujarat, MP

Kota	27800-30000	31800-32000	Rajasthan, Del, Punjab, Haryana
Akola	28500-28800	32500-32800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	30500	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	31000	-	Andhra, AP, Kar, TN
Dhulia/Jalna	30300	34000	Mumbai, Maharashtra
Nagpur (42/46)	-	32400-32700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	-	-	Local and South
Solapur	30300	33500	Local and South
Bundi	27800	32000	-

**Soy DOC at Port**

Centers	Port Price	
	26.07.2013	19.07.2013
Kandla (FOR) (INR/MT)	30200	34400
Kandla (FAS) (USD/MT)	513	575

**International Soy DOC**

Argentina FOB \$/MT	26.07.2013	19.07.2013	Change
Soybean Pellets	469	510	-41
Soybean Cake Meal	469	510	-41
Soybean Meal	477	518	-41
Soy Expellers	477	518	-41

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	26.07.2013	12.07.2013	Change
Adoni	16500	20200	-3700
Khamgaon	16300	19700	-3600
Parli	16500	20000	-3500
Latur	16300	19800	-3500

**Groundnut Meal**

Groundnut Meal	26.07.2013	19.07.2013	Change
Basis 45% O&A, Saurashtra	26000	26700	-700
Basis 40% O&A, Saurashtra	23000	23700	-700



GN Cake, Gondal	20000	27000	<b>-7000</b>
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**Mustard DOC/Meal**

Mustard DOC/Meal	26.07.2013	19.07.2013	Change
Jaipur (Plant Delivery)	12500	13900	<b>-1400</b>
Kandla (FOR)	13500	14800	<b>-1300</b>
Sri Ganganagar	620	644	<b>-24</b>

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

Market	Grade	26 July,2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Red	1400	-	1440	1375	-
Davangere	Bilty	1560	-	-	-	-
Naugachia	Bilty	1300	1300	1200	1100	1175
Nizamabad	Bilty	1475	1500	1450	1270	-
Ahmedabad	Feed	1500	1550	1530	1450	1550
	Starch	1400	1500	1520	1450	1550

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

	Argentina	Brazil	US	India (Davangere Origin)
<b>FOB</b>	233.07	178.95	239.27	NA
<b>Cost and Freight (Thailand)</b>	283.07	233.95	299.27	NA

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

Month	2009	2010	2011	2012	2013
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>26.07.2013</u>	<u>19.07.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1511	1480	31
		Hybrid	Bangalore	1510	1510	Unch
Jowar	Karnataka	White	Bangalore	2200	2500	-300
		White	Bellary	2600	1400	1200
Maize	Karnataka	Yellow	Davangere	1460	1457	3
	Andhra Pradesh	Yellow	Nizamabad	1510	1500	10
Rice	Haryana	IR8	Karnal	2300	2100	200
		Parmal Raw	Karnal	2400	2500	-100
Soy meal	Madhya Pradesh	DOC	Indore	27800	32500	-4700
	Maharashtra	DOC	Sangli	32500	31500	1000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	16500	20200	-3700
	Maharashtra	Ex-factory	Latur	16300	19800	-3500
Mustard	Rajasthan	Plant delivery	Jaipur	12500	14000	-1500
Groundnut Meal	Gujarat	GN Cake	Gondal	20000	27000	-7000

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