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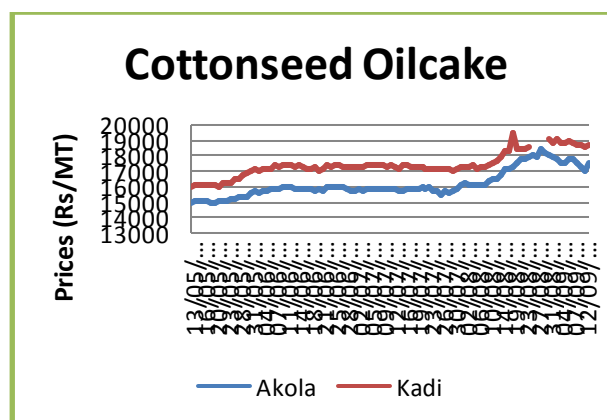
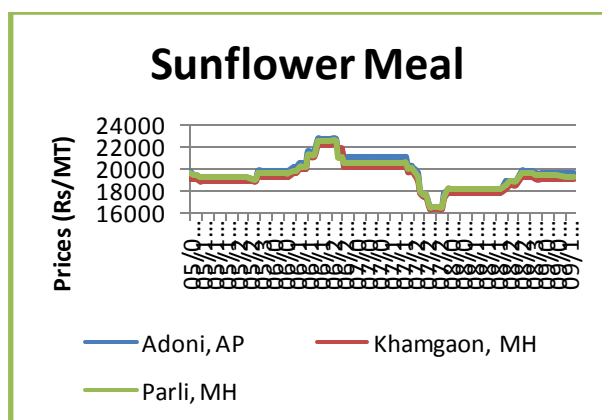
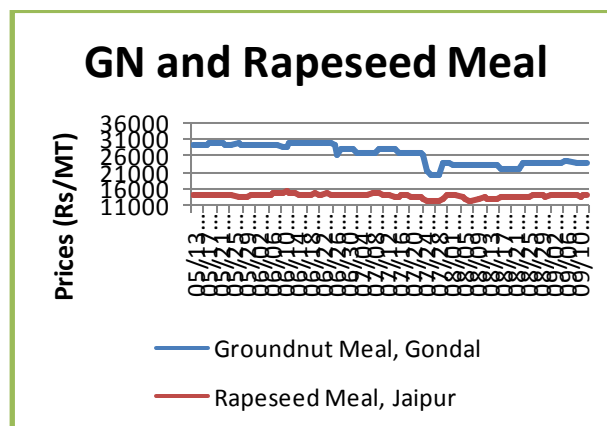
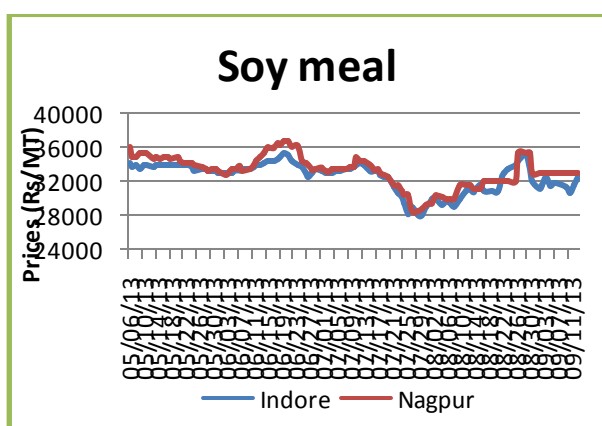
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## Summary

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

Soybean prices witnessed mild losses for the third consecutive week after depicting strong gains during the month of August. Reportedly, new crop arrivals have commenced in the mandis of Madhya Pradesh and Maharashtra. Soy meal prices witnessed a decline during the past week, in conjugation with the domestic soybean prices during the week in review on mostly average overseas export demand and bearishness in international markets. Also, the recovery in the Indian rupee and fall in soybeans markets due to improving new crop supplies pressured the domestic market. Mixed sentiments witnessed in most of the major spot markets of maize during last week

## Trend – Raw Material, Feed



Source: AgriWatch

Oilseeds and oil meals prices across major markets of India featured a steady to slightly weak sentiments during the week in review. Soybean and soy meal witnessed a fall in the domestic as well as the international markets. Soybean prices were pressured by expectations of improved growing

conditions for the last stage of crop development in the key producing regions of India, pick up in harvesting activities in Madhya Pradesh and new crop spot arrivals.

Soybean prices witnessed mild losses for the third consecutive week after depicting strong gains during the month of August. New crop arrivals continued in the mandis of Madhya Pradesh and Maharashtra. In Madhya Pradesh arrivals have started in Indore spot market as well but moisture level of the crop is still higher at 18-19 percent. Arrivals are likely to pick up in the coming days putting further pressure on the market.

As per IMD, the monsoon in India has confirmed its early retreat with rains below average for a third week running, but key maturing crops have already had ample watering. Rainfall was 37 percent below average in the week ended on September 11 compared with 30 percent deficiency the previous week.

Internationally, soybeans on CBOT featured a decline during this week on higher global supply outlook, approaching harvesting season and expectations of light rainfall in the producing regions. However, yield remains the primary concern for the market with fears that the national average yield may dip down to 2012-13 levels. China took the price dip as a buying opportunity and purchased 1.93 million tons of soybeans from the US this week.

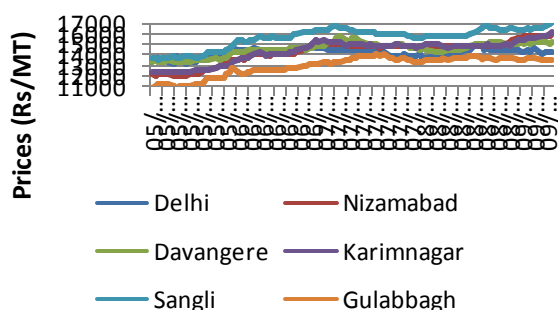
In Brazil, rainfall was reported over parts of top soy growing state Mato Grosso on Wednesday, allowing for some planting even though conditions are still far from ideal. Farmers are likely to wait until the next big rain to plant to avoid unnecessary risk. In Argentina, the country's corn areas remained dry during the past weeks causing a delay in sowing that may push farmers toward planting weather-resistant soybeans instead as corn prices are down this year, and the grain is more expensive to cultivate than soy, as well as more vulnerable to bad weather.

Rapeseed/mustard seed markets of Rajasthan and Gujarat were fluctuating during the week and featured an overall decline for the week under consideration. Prices felt slight pressure on new crop oilseeds arrivals in the domestic markets and sufficient stocks of rapeseed reported in the markets. However, the approaching season end and seasonal demand for oils continued to lend some support to the market. Further, negative cues from BMD CPO, which continued to decline for the second consecutive week and overall global bearishness, restricted any upward movement in prices.

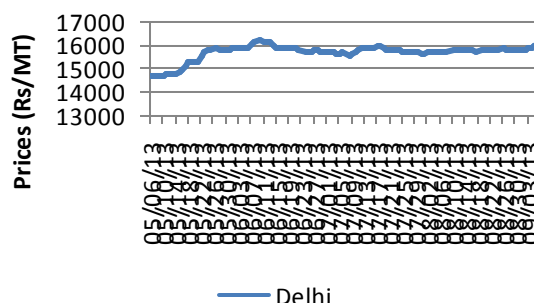
As per Indian Meteorological Department, the monsoon in India is on an early retreat with rains below average for a third week running, but key maturing crops have already had ample watering. However, good rainfall during the tail end of the season likely to boost the soil moisture and raise prospects for winter grown rapeseed crop.

Soy meal prices witnessed a decline during the past week, in conjugation with the domestic soybean prices during the week in review on mostly average overseas export demand and bearishness in international markets. Also, the recovery in the Indian rupee and fall in soybeans markets due to improving new crop supplies pressured the domestic market.

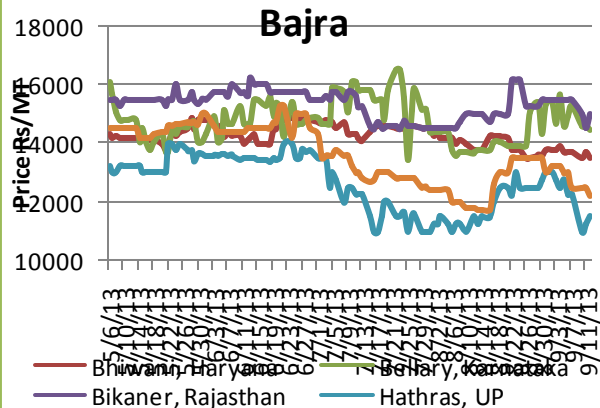
### Maize



### Wheat, Mill Delivery



### Bajra



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.

In Ahmedabad region of Gujarat, poultry feed makers demand reported steady for corn in a range of Rs. 1600-1700 per quintal. However, starch feed makers demand reported down and quoted around 1490-1500 per quintal as, sourced from Bihar and U.P.

Currently, maize for delivery to exporters is quoted at US dollar 279 per tons (fob). Better rains over the key Maize producing regions support the supply prospects in the current Kharif season. While, prices likely to stay range bound till the new crop arrives in the market.

During the week in review, Kolkata feed millers demand reported steady at Rs.1500 per quintal .

Maize prices featured steady to slightly weak tone in Nizamabad market. Weekly average Nizamabad maize prices quoted Rs 1580 per Qtl, down Rs 15 per Qtl. from last week. As per trade sources, maize crop could be damaged around 10-15% due to rain and new crop arrivals are likely to

hit the market in the coming days. Maize stock could be around 30,000 bags in the Nizamabad market and 6-7 lakh bags in the A.P. market.

During the week, hybrid maize traded steady to weak tone in a range of Rs.1400-1440 per quintal, sourced from U.P. Sources revealed that maize could trade steady till the new crop arrives in the higher quantities as higher domestic demand is supporting the maize prices. Meanwhile, higher acreage in the current Kharif season supports the supply prospects.

As per USDA, U.S. accumulated corn export figures reached to 18,044,211 metric tons for the 2012-13 marketing year which is lowered by ~52.4% from the last marketing year during the same period. Exports of 64,700 MT were reported for August 31. The primary destinations were Japan (46,500 MT) and Mexico (11,100 MT). Exports for September 1-5 of 171,200 MT were primarily for Japan (77,700 MT), Mexico (54,800 MT), Guatemala (12,200 MT), and Venezuela (10,000 MT).

As per Argentina's Agriculture ministry, the country is expected to plant 5.7 million hectares of corn, down 6.6 percent compared with the previous season.

Lanworth has improved its forecast for US corn production to 13.483 billion bushels, based on an average yield of 152.9 bushels per acre. However, the global corn production estimate was unchanged at 942 million tons.

Infoma Economics forecasts the 2014 corn planted acreage in the USA at 92.7 Mln. acres against 95.8 million acres in 2013 and yields at 163.0 bu/acre higher compared to 157.6 bu/acre and production at 13,848 Mln bu, up 3068 Mln bu from 2013.

As per Reuter news, China's big private feed mills are increasingly turning to alternative cheap-sorghum from the United States after using up their annual import allocations for preferred animal feed grain corn.

Cash wheat market moved slightly up during the week under review despite exporter's unwillingness to buy at current level. Slightly upward movement in market is mainly attributed to seasonal factors. Stock in private hands starts decreasing at the end of October and bulk buyers are expected to move towards central pool stock to fulfill their lean seasonal demands. Any bull run at this stage is unlikely.

Rake loading from Kota to Kottayam continues at Rs 1900 per qtl., delivered basis. M.P.s wheat is being supplied for same destination at Rs 1875 per qtl. Millers from south India are sourcing wheat from Uttar Pradesh at Rs 1800 to Rs 1850 per qtl.

The CCEA has given its approval for continuation of the ongoing centrally sponsored scheme of national food security mission during 12<sup>th</sup> five year plan with an allocation of Rs 12,350 crore. It would help in increasing additional food grains production of 10 million T of rice, 8 million T of wheat, 4 million T of pulses and 3 million T of coarse cereals by 2017-18.

In a latest development, Madhya Pradesh govt. has exempted state-owned cooperative agencies from purchase tax on wheat purchase.

Wheat inflation has considerably decreased in August to 7.60% year on year basis from 13.42% in July 2013. Though WPI has decreased marginally 205.3 in August from 206.2 in July 2013

As on 1st September, wheat stock in central pool was 38.36 million tonnes which is lower than previous year 46.16 million tonne on the same date. Punjab and Haryana hold the maximum wheat stock at 14.48 million tonnes and 9.34 million tonnes respectively.

As per IBIS data, India exported 1.31 lakh tonnes of wheat in month of August, which is lower than 4.79 lakh tonnes exported in the same month last year. Around 42000 MT was exported to Sudan and 22, 685 MT was exported to UAE.

Indian firm LMJ lost the bid for 50,000 MT to Ismail food products for Bangladesh government wheat tenders. LMJ bid was USD 286/MT, CIF which lost to Ismail food product's USD 282.66/MT, CIF. Ukraine is the expected origin of wheat.

At export front nothing new happened during the week and major players stayed inactive in the market due to price gap between Indian wheat and Black Sea region wheat. Even US offers attractive price. At current price export opportunity from India is not very encouraging. Global wheat market is expected to trade weak on higher wheat production estimate of 705.38 million tonnes as compared to previous estimate of 697.80 million tonnes as per USDA latest estimate. IGC latest estimate of 691 million tonnes may keep market under pressure.

## Outlook

Feed prices are expected to trade steady in the coming days due to range bound movement in the prices of key feed ingredients.

## Spreads

### Maize Average Weekly spread with Bajra

Week	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13
1	177.0	187.5	213.0	115.0	113.0	86.0	106.0	71.00	-5.0	2.50	137.00	145.00
2	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00	-9.0	29.00	200.00	204.00
3	270.0	214.0	158.0	170.0	93.75	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50
4	264.0	238.0	147.0	153.0	102.0	110.0	86.0	-104.0	-49.0	120.00	124.00	
5				135.0				-72.0			132.00	

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

As the table depicts, In Delhi spot market, maize spread with bajra increased as compared to last week as bajra traded down vs maize. Both commodities traded down as new crop arrivals has started

in the market but due to proper demand and limited new crop arrivals, we expect that both commodities could trade steady and could keep maize spread with bajra intact.

#### Maize Average Weekly spread with Jowar

Week	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13
1	150.0	137.0	192.0	205.0	107.0	142.0	265.0	171.0	88.0	175.00	230.00	321.66
2	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0	146	175.00	295.00	402.00
3	177.0	204.0	169.0	182.5	147.5	178.0	320.0	-23.0	243	197.00	305.00	390.00
4	140.0	142.0	172.0	153.0	170.0	244.0	205.0	0.83	229	250.00	334.00	
5				132.5				53.0			372.00	

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

As the table depicts, maize spread with jowar decreased as maize traded down vs. jowar during last week in Delhi spot market. We expect that both commodities could trade steady in the near term and keep maize spread with jowar unchanged as compared to last week.

#### Maize Average Weekly spread with Wheat

Week	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13
1	-123	-139	-21	-48.0	-90.8	-59.0	-97	67	-132	-112.5	-107.5	-104.0
2	-188	-170	0.0	-44.0	-143	-14.0	-220	32	-133	-134.0	-125.0	-122.0
3	-193	-101	-5.0	4.0	-81.25	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0
4	-127	-27	-8.0	-31.0	-47.5	29.0	76.0	-174	-82.50	-	-75.0	
5				-62.0				-137		105.00	-66.0	

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

As the table depicts, maize spread with wheat decreased as wheat traded higher during last week and maize declined. We expect that both commodities could trade steady in the near term and keep maize spread with wheat intact for the coming week.

#### Maize Average Weekly spread with Barley

Week	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13
1	160.0	213.0	242.0	135.0	71.67	152.0	327.5	290.0	213.0	133.0	165.0	244.0
2	226.0	150.0	268.0	140.0	62.50	189.0	369.0	283.0	185.0	115.0	199.0	220.0
3	206.0	157.0	168.0	174.0	122.5	239.0	383.0	122.5	143.0	140.0	224.0	190.0
4	226.0	215.0	172.0	139.0	167.0	294.0	314.0	151.0	147.5	185.0	270.0	
5				97.50				196.0			272.0	

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

As the table depicts, in Delhi spot market, maize spread with barley decreased as barley traded slightly up during last week whereas maize was down. We expect that both commodities could trade

steady in the near term and keep maize spread with barley unchanged for the next week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	20.9.2013	13.9.2013	Parity To
Indore (MP)	30500-31000	31500-32500	Gujarat, MP
Kota	30200-30500	31500	Rajasthan, Del, Punjab, Haryana
Akola	-	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	-	34200	Andhra, AP, Kar, TN
Dhulia/Jalna	-	33000	Mumbai, Maharashtra
Nagpur (42/46)	-	-	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	-	34000	Local and South
Solapur	32500	33300	Local and South
Bundi	30000	30500	-

#### Soy DOC at Port

Centers	Port Price	
	20.9.2013	13.9.2013
Kandla (FOR) (INR/MT)	32375	33200
Kandla (FAS) (USD/MT)	520	521

#### International Soy DOC

Argentina FOB \$/MT	19.9.2013	12.9.2013	Change
Soybean Pellets	510	537	-27
Soybean Cake Meal	510	537	-27
Soybean Meal	518	545	-27
Soy Expellers	518	545	-27



**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	20.9.2013	13.9.2013	Change
Adoni	19500	19500	Unch
Khamgaon	19000	19000	Unch
Parli	19300	19300	Unch
Latur	19000	19000	Unch

**Groundnut Meal**

Groundnut Meal	20.9.2013	13.9.2013	Change
Basis 45% O&A, Saurashtra	23000	24300	-1300
Basis 40% O&A, Saurashtra	20800	21500	-700
GN Cake, Gondal	21000	24000	-3000

**Mustard DOC/Meal**

Mustard DOC/Meal	20.9.2013	13.9.2013	Change
Jaipur (Plant Delivery)	13500	14000	-500
Kandla (FOR)	14500	15000	-500

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

Market	Grade	20 Sep, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1440	1450	1430	1425	1340
Davangere	Bilty	1650	1530	1500	-	1450
Naugachia	Bilty	1275	-	1300	1300	1280
Nizamabad	Bilty	1600	1600	1485	1500	-
Ahmedabad	Feed	1700	1700	1600	1525	1490
	Starch	1490	1525	1550	1490	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	212.4	184.85	224.21	279
Cost and Freight (Thailand)	262.4	239.85	284.21	314

**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	107038
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>20.9.2013</u>	<u>13.9.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1450	1510	<b>-60</b>
		Hybrid	Bangalore	1700	1700	<b>Unch</b>
Jowar	Karnataka	White	Bangalore	1800	1800	<b>Unch</b>
		White	Bellary	1386	1389	<b>-3</b>
Maize	Karnataka	Yellow	Davangere	1600	1530	<b>70</b>
	Andhra Pradesh	Yellow	Nizamabad	1550	1600	<b>-50</b>
Rice	Haryana	IR8	Karnal	2000	2000	<b>Unch</b>
		Parmal Raw	Karnal	2350	2350	<b>Unch</b>
Soy meal	Madhya Pradesh	DOC	Indore	30500	31500	<b>-1000</b>
	Maharashtra	DOC	Sangli	32700	34000	<b>-1300</b>
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19500	19500	<b>Unch</b>
	Maharashtra	Ex-factory	Latur	19000	19000	<b>Unch</b>
Mustard	Rajasthan	Plant delivery	Jaipur	13500	14000	<b>-500</b>
Groundnut Meal	Gujarat	GN Cake	Gondal	21000	24000	<b>-3000</b>

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