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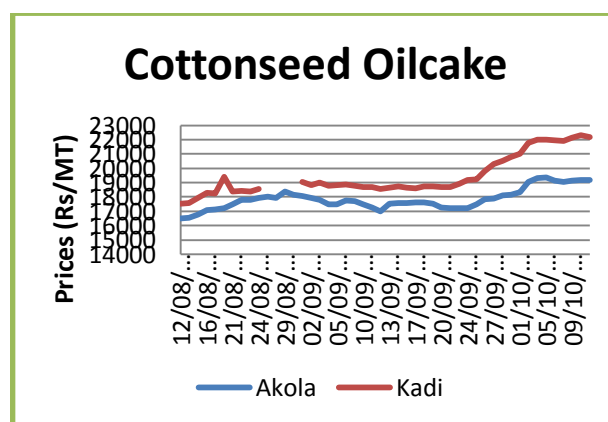
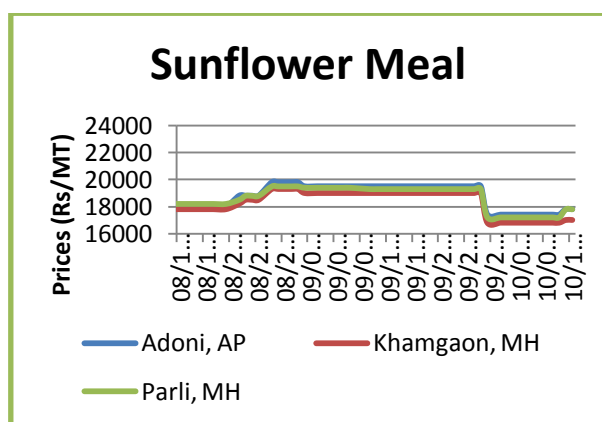
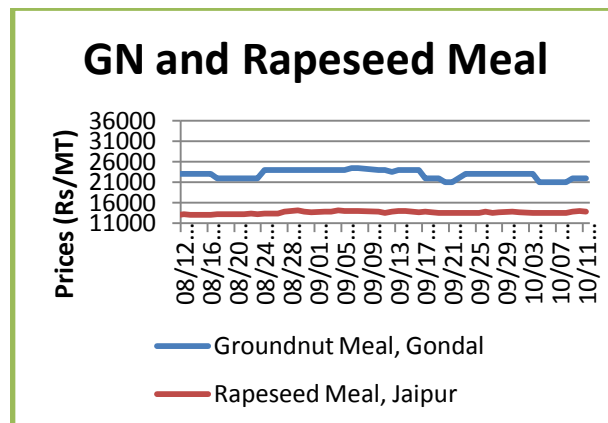
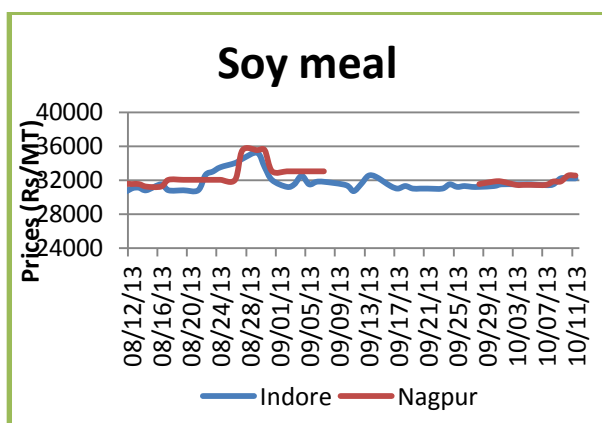
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Summary

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

Soybean prices across major markets of India continued to witness firm sentiments during the week in review. However, soybean declined in the international soybean markets. Domestic soybean prices were up as wet weather conditions during the past week over key regions of central India affected the harvest activities resulting in less than expected new crop spot arrivals. Further, improved buying activities in the edible oil spot markets due to festive season demand has increased demand for good quality soybean seeds supporting the market. Soy meal prices also witnessed firm sentiments, in conjugation with the domestic soybean prices. This was due to steady overseas export demand and supply tightness in international markets. However, mixed sentiments witnessed in most of the major spot markets of maize during last week. Key spot wheat market traded steady to slightly weak owing to increased supply from government stock and slack demand

Trend – Raw Material, Feed



Source: AgriWatch

Oilseeds and oil meals prices across major markets of India continued to witness firm sentiments during the week in review. Domestic soybean prices were up as wet weather conditions during the past week over key regions of central India affected the harvest activities resulting in less than expected new crop spot arrivals. Further, improved buying activities in the edible oil spot markets due to festive season demand has increased demand for good quality soybean seeds supporting the market.

Harvesting activities were disrupted in the regions of Madhya Pradesh and Rajasthan due to wet weather conditions raising fears of reduced supplies in the coming days. As per sources, quality of seeds is low compared to last year and having high moisture content. Yield losses are reported in the states of Madhya Pradesh and Rajasthan due to excess rainfall during the growing phase of the crop. Availability of sufficient crushable soybean supplies in the coming days is a concern for the market.

Internationally, soybeans on CBOT declined on pressure from harvesting activities currently underway in the key producing regions and US government shutdown effect. Late soybean planting and cool weather in July moved maturity dates back in many regions but the harvesting is expected to advance rapidly in the coming days due to dry weather forecast. Also, soybean yield reports from producers are coming in higher than expected.

In Brazil, planting is only 1.4 percent complete as on 4 Oct (as per IMEA), due to less than average rainfall in many areas. In order to reach the record soybean production forecast for the season, the climate will need to cooperate so that the crop reaches its full potential. Planting is still in the early stages, however, and many farmers are waiting for stronger rains, expected later in October. Argentina has also remained dry during the month and continues to be a major concern amid tightening supply situation. However, farmers are likely to plant slightly more soybeans compared to last year. Besides, Argentine farmers have reportedly been reserved sellers, retaining crops as a hedge against inflation and devaluation in their currency peso.

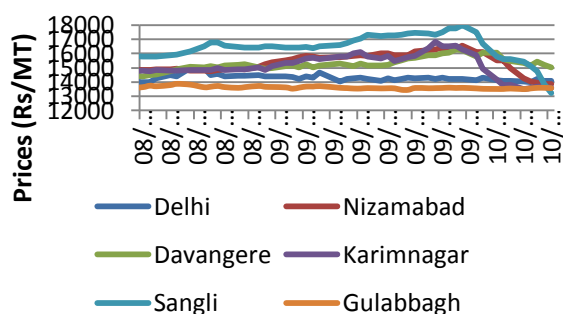
Rapeseed/mustard seed prices at key markets witnessed gains during the week under consideration. Prices felt slight pressure on new crop oilseeds arrivals in the domestic markets. However, the approaching season end and improved seasonal demand for oils continued to lend strong support to the market.

Domestically, higher kharif oilseeds crop prospects on higher acreage will continue to pressurize the markets as domestic stockpiles of oilseeds are set to witness increase compared to previous year. The fourth advance estimate of production released by the government pegs the oilseed production for 2012-13 at 31.01 million tons. RM seed is estimated at 78.20 lakh tons compared to 66.04 lakh tons in 2011-12. On the international front, global rapeseed supplies are estimated by Oil World to reach an all-time high of 70 million tons, up 2.5% from a year earlier.

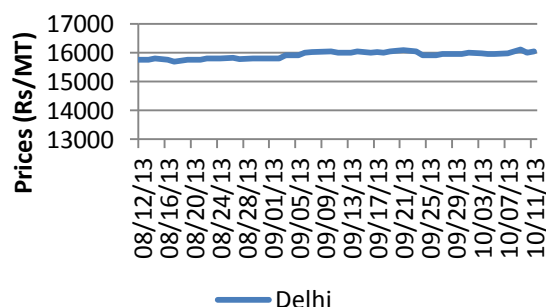
Soy meal prices witnessed firm sentiments during the week, in conjugation with the domestic soybean prices. This was due to steady overseas export demand and supply tightness in international markets. Soy meal on CBOT market declined on harvest pressure from soybeans.

The uptrend in domestic soybean markets supported the domestic market despite weakness in the meal prices on CBOT. However, slight pressure is likely to be seen in the coming days on soybean new crop arrival pressure in the domestic as well as US markets and strengthening of the Indian rupee.

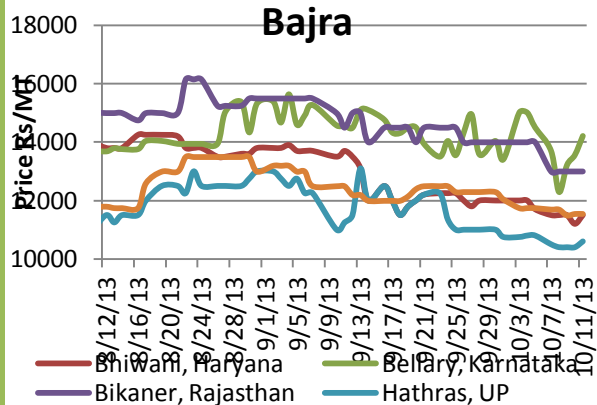
Maize



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 Ahmadabad region of Gujarat, poultry and starch feed makers have 15 days of stock in quantity. Poultry feed makers demand reported down by Rs. 50 per quintal for corn in a range of Rs. 1450-1600 per quintal. Starch feed makers demand also reported down by Rs. 70 per quintal and quoted around 1350-1430 per quintal, sourced from Bihar and U.P.

During the week, in the Khanna market of Punjab, the maize was quoted steady in a range of Rs. 1450-1480 per quintal as compared to last week. Arrivals of maize were disrupted 1-2 days due to heavy rainfall, rest of the days, on an average, 8 motors reported on daily basis.

During the week in review, Kolkata feed millers demand reported down at Rs.1450 per quintal. As per trade sources, maize stock could be around 40% of produced in the Bihar. Starch feed makers are demanding higher quantity of damaged quality. Further, traders are waiting for demand from Bangladesh as this is the huge buyer of that quality.

In A.P., new crop arrivals of maize contain 14-16% moisture. On Daily basis, around 400-500 tons of maize is arriving in the nizamabad market.

During the week, hybrid maize traded down by Rs. 5 per quintal in a range of Rs.1410-1420 per quintal as compared to last week, sourced from U.P. Sources revealed that maize is trading steady in the market as new crop is arriving in the lower quantity.

As per Reuter, corn imports of china reduced to 1.52 million tons in 2013, down 36.73% year on year. In June 2013, the total import value of corn products in China witnessed 74% month-on-month decrease while the export value decreased by 5%.

As per Reuter news, Lanworth raised world corn production estimate to 953 million tons from its previous estimate of 949 million tons due to bigger-than-expected yields from the U.S. harvest. Lanworth expect U.S. corn crop to 13.708 billion bushels, up from its previous outlook of 13.483 billion.

As per Reuter news, a private Chinese trading firm last week bought a total of 420,000 tons of corn at a price of \$205 FOB (per ton) from the United States for delivery next year in order to take advantage of cheap U.S. prices. As per executive, including freight, the corn for shipment from May to July 2014, which involves a total of seven cargoes, would cost around 1,800 yuan (\$290) per ton when it arrives in China.

Private traders has sold 30,000 MT of 12% Protein Indian Milling Wheat at USD 285 and 13% protein milling wheat at USD 315/MT, to be delivered by November. This is the first export deal since late august according to the traders.

As of 1st October wheat in Central pool was 36.1 million tonnes as compared to 43.15 million tonnes. North Zone has the highest stock of 26.94 million tonnes. Punjab has the 13.3 million tonnes in its stock followed by Haryana at 8.63 million tonnes.

New OMSS price applicable from 1st Oct. 2013 for M.P has been revised up from Rs 1414 to Rs 1635 per qtl. Despite hefty increase of 15.62 percent in reserve price traders may opt for buying wheat from FCI stock through tender. Wheat for M.P gets premium over other varieties and local traders will start taking part in auction after mid Oct.FCI has allocated two lakh tonnes of wheat to gauge the market temperament.

Wheat in local market is available at around Rs 1550/Q .However, traders' interest to buy wheat from government stock at higher price is taking ground now as stock in private hands is shrinking and traders will start getting parity in Malwa region at this price. They can deliver it in south India in

between Rs 1850-1900/Q. Lower freight from Malwa region to south Indian destination would make off take viable from Malwa region given the current market scenario and seasonal factors. We expect wheat market to move slightly up from current level as new reserve prices for various states would lend support to cash wheat market to some extent in the weeks ahead.

With favorable rainfall and weather condition in major wheat producing states India has set 92.5 MMT wheat production target for 2013-14. Government's production target may materialize if temperature and weather remain favourable at various growth stages. Wheat planting is likely to be carried out in 29 million hectares (initial expectation of agriculture ministry) almost same as last year.

In the latest Tender issued by PSU's for 1.60 lakh tonnes of export, 11 bids were received ranging from USD 250/MT – 267/MT but all below the government export floor price of USD 300/MT. As on 16th September wheat stock in central pool was 37.48 million tonnes.

International market is likely to trade steady to slightly firm on increased demand from China, Iran and Brazil, however in medium term market is expected to remain steady to weak

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 | Nov | Dec | Jan'13 | Feb'13 | Mar'13 | Apr'13 | May'13 | Jun'13 | Jul'13 | Aug'13 | Sep'13 | Oct'13 |
|------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 187.5 | 213.0 | 115.0 | 113.0 | 86.0 | 106.0 | 71.00 | -5.0 | 2.50 | 137.00 | 145.00 | 232.0 |
| 2 | 213.0 | 210.0 | 131.0 | 82.50 | 112.5 | 145.0 | 33.00 | -9.0 | 29.00 | 200.00 | 204.00 | 275.5 |
| 3 | 214.0 | 158.0 | 170.0 | 93.75 | 110.0 | 154.0 | -100.0 | -38.0 | 57.00 | 212.00 | 197.50 | |
| 4 | 238.0 | 147.0 | 153.0 | 102.0 | 110.0 | 86.0 | -104.0 | -49.0 | 120.00 | 124.00 | 190.00 | |
| 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. However, both commodities traded down during last week. We expect that both commodities could follow the trend during next week and keep maize spread with bajra in the positive tone.

Maize Average Weekly spread with Jowar

| Week | Nov | Dec | Jan'13 | Feb'13 | Mar'13 | Apr'13 | May'13 | Jun'13 | Jul'13 | Aug'13 | Sep'13 | Oct'13 |
|------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 137.0 | 192.0 | 205.0 | 107.0 | 142.0 | 265.0 | 171.0 | 88.0 | 175.00 | 230.00 | 321.66 | 364.0 |
| 2 | 183.0 | 218.0 | 190.0 | 80.0 | 172.5 | 322.0 | 133.0 | 146 | 175.00 | 295.00 | 402.00 | 366.0 |
| 3 | 204.0 | 169.0 | 182.5 | 147.5 | 178.0 | 320.0 | -23.0 | 243 | 197.00 | 305.00 | 390.00 | |
| 4 | 142.0 | 172.0 | 153.0 | 170.0 | 244.0 | 205.0 | 0.83 | 229 | 250.00 | 334.00 | 327.00 | |
| 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 increased as jowar traded down vs. maize during last week. We expect that jowar could trade steady in the near term and keep maize spread with jowar slightly down as compared to last week.

Maize Average Weekly spread with Wheat

| Week | Nov | Dec | Jan'13 | Feb'13 | Mar'13 | Apr'13 | May'13 | Jun'13 | Jul'13 | Aug'13 | Sep'13 | Oct'13 |
|------|------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | -139 | -21 | -48.0 | -90.8 | -59.0 | -97 | 67 | -132 | -112.5 | -107.5 | -104.0 | -128.0 |
| 2 | -170 | 0.0 | -44.0 | -143 | -14.0 | -220 | 32 | -133 | -134.0 | -125.0 | -122.0 | -139.0 |
| 3 | -101 | -5.0 | 4.0 | -81.25 | -2.50 | -179 | -140 | -87.50 | -182.5 | -121.0 | -152.0 | |
| 4 | -27 | -8.0 | -31.0 | -47.5 | 29.0 | 76.0 | -174 | -82.50 | - | -75.0 | -135.0 | |
| 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 maize traded down with the steady price movement in wheat. We expect that both commodities could trade steady to slightly weak owing to increase in supply in the market and keep maize spread with wheat intact as compared to last week.

Maize Average Weekly spread with Barley

| Week | Nov | Dec | Jan'13 | Feb'13 | Mar'13 | Apr'13 | May'13 | Jun'13 | Jul'13 | Aug'13 | Sep'13 | Oct'13 |
|------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 213.0 | 242.0 | 135.0 | 71.67 | 152.0 | 327.5 | 290.0 | 213.0 | 133.0 | 165.0 | 244.0 | 195.0 |
| 2 | 150.0 | 268.0 | 140.0 | 62.50 | 189.0 | 369.0 | 283.0 | 185.0 | 115.0 | 199.0 | 220.0 | 191.0 |
| 3 | 157.0 | 168.0 | 174.0 | 122.5 | 239.0 | 383.0 | 122.5 | 143.0 | 140.0 | 224.0 | 190.0 | |
| 4 | 215.0 | 172.0 | 139.0 | 167.0 | 294.0 | 314.0 | 151.0 | 147.5 | 185.0 | 270.0 | 197.0 | |
| 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 slightly decreased as barley traded steady during last week. We expect that barley could trade steady in the near term also and keep maize spread with barley down for the coming weeks.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

| Centers | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|-------------|--|
| | 11.10.2013 | 4.10.2013 | Parity To |
| Indore (MP) | 31800-32200 | 31000-31500 | Gujarat, MP |
| Kota | 31500 | 30600-31000 | Rajasthan, Del, Punjab, Haryana |
| Akola | - | - | Andhra, Chhattisgarh, Orissa, Jharkhand, WB |
| Hingoli | - | 31000 | Andhra, Chhattisgarh, Orissa, Jharkhand, WB |
| Nanded/Latur | - | - | Andhra, AP, Karnataka ,TN |
| Dhulia/Jalna | 33500 | 32200 | Mumbai, Maharashtra |
| Nagpur (42/46) | 32500 | - | Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN |
| Sangli | - | 31600 | Local and South |
| Solapur | 32500 | 31200 | Local and South |
| Bundi | 31000 | 30800-30900 | - |

Soy DOC at Port

| Centers | Port Price | |
|-----------------------|------------|-----------|
| | 11.10.2013 | 4.10.2013 |
| Kandla (FOR) (INR/MT) | 34300 | 33400 |
| Kandla (FAS) (USD/MT) | 561 | 544 |

International Soy DOC

| Argentina FOB \$/MT | 10.10.2013 | 3.10.2013 | Change |
|---------------------|------------|-----------|--------|
| Soybean Pellets | 541 | 537 | +4 |
| Soybean Cake Meal | 541 | 537 | +4 |
| Soybean Meal | 549 | 545 | +4 |
| Soy Expellers | 549 | 545 | +4 |

Sunflower Meal Rates

| Centers | Ex-factory rates (Rs/ton) | | |
|----------|---------------------------|-----------|--------|
| | 11.10.2013 | 4.10.2013 | Change |
| Adoni | 17800 | 17400 | +400 |
| Khamgaon | 17000 | 16800 | +200 |
| Parli | 17800 | 17200 | +600 |
| Latur | 17000 | 17000 | Unch |

Groundnut Meal

| Groundnut Meal | 11.10.2013 | 4.10.2013 | Change |
|---------------------------|------------|-----------|--------|
| Basis 45% O&A, Saurashtra | 23145 | 23000 | +145 |
| Basis 40% O&A, Saurashtra | 20140 | 20000 | +140 |
| GN Cake, Gondal | 22000 | 21000 | +1000 |

Mustard DOC/Meal

| Mustard DOC/Meal | 11.10.2013 | 4.10.2013 | Change |
|-------------------------|------------|-----------|--------|
| Jaipur (Plant Delivery) | 13800 | 13600 | +200 |
| Kandla (FOR) | 14800 | 14600 | +200 |

Maize Spot Market Prices (Rs. /Quintal)

| Market | Grade | 11 Oct, 2013 | Week Ago | Month Ago | 2 Month Ago | Year Ago |
|-----------|--------|--------------|----------|-----------|-------------|----------|
| Delhi | Hybrid | 1420 | 1420 | 1450 | 1400 | 1350 |
| Davangere | Bilty | - | - | - | - | 1400 |
| Naugachia | Bilty | 1275 | 1250 | - | 1300 | - |
| Nizamabad | Bilty | 1400 | 1550 | 1600 | 1500 | 1400 |
| Ahmedabad | Feed | 1500 | 1600 | 1625 | 1600 | 1480 |
| | Starch | 1410 | 1450 | 1500 | 1450 | 1430 |

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

| | Argentina | Brazil | US | India (Bihar Origin) |
|-----------------------------|-----------|--------|--------|----------------------|
| FOB | 204.04 | NA | 206.02 | 286 |
| Cost and Freight (Thailand) | 254.04 | NA | 266.02 | 321 |

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 | |
| Total | 2610835 | 2937018 | 4075617 | 2668918 | |

Feed Ingredient Prices at a Glance

| <u>Commodity</u> | <u>State</u> | <u>Variety</u> | <u>Centre</u> | <u>11.10.2013</u> | <u>4.10.2013</u> | <u>Change</u> |
|------------------|----------------|----------------|---------------|-------------------|------------------|---------------|
| Bajra | Karnataka | Hybrid | Bellary | 1421 | 1501 | -80 |
| | | Hybrid | Bangalore | 1400 | 1700 | -300 |
| Jowar | Karnataka | White | Bangalore | 1650 | 1800 | -150 |
| | | White | Bellary | 1456 | 1283 | 173 |
| Maize | Karnataka | Yellow | Davangere | 1503 | 1560 | -57 |
| | Andhra Pradesh | Yellow | Nizamabad | 1350 | 1500 | -150 |
| Rice | Haryana | IR8 | Karnal | 2200 | 2200 | Unch |
| | | Parmal Raw | Karnal | 2450 | 2450 | Unch |
| Soy meal | Madhya Pradesh | DOC | Indore | 31800 | 31000 | 800 |
| | Maharashtra | DOC | Sangli | 33000 | 31600 | 1400 |
| Sunflower Meal | Andhra Pradesh | Ex-factory | Adoni | 17800 | 17400 | 400 |
| | Maharashtra | Ex-factory | Latur | 17000 | 17000 | Unch |
| Mustard | Rajasthan | Plant delivery | Jaipur | 13800 | 13600 | 200 |
| Groundnut Meal | Gujarat | GN Cake | Gondal | 22000 | 21000 | 1000 |

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