

Contents:

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Spreads**
- ❖ **Annexure - Prices**

Summary

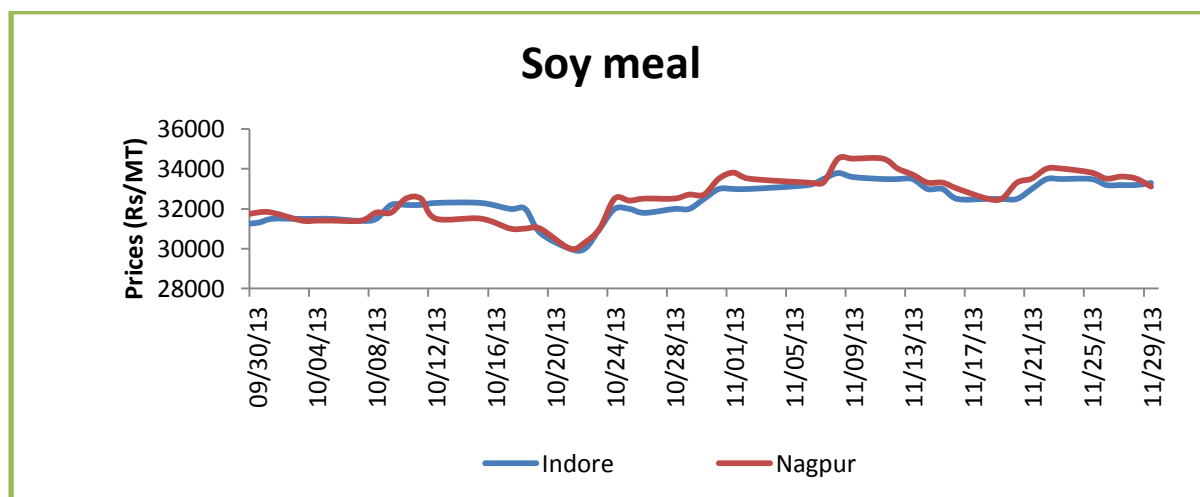
The key feed ingredients prices witnessed mixed sentiments during the week in review.

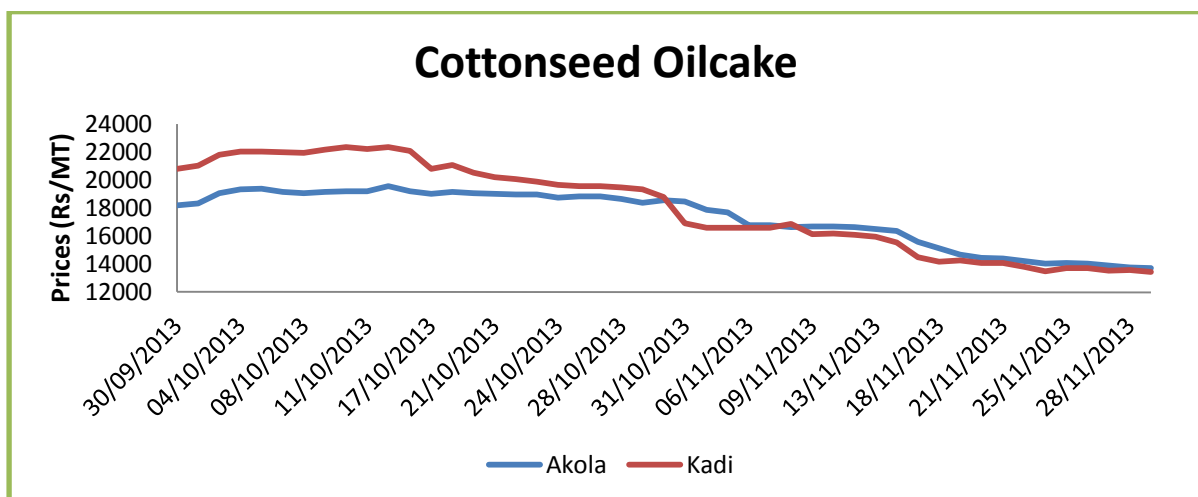
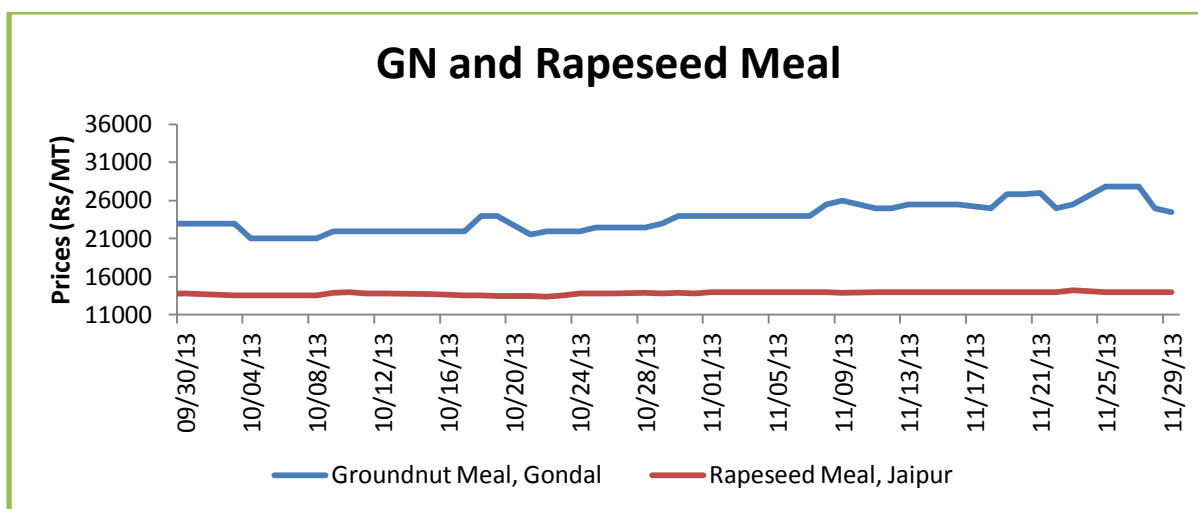
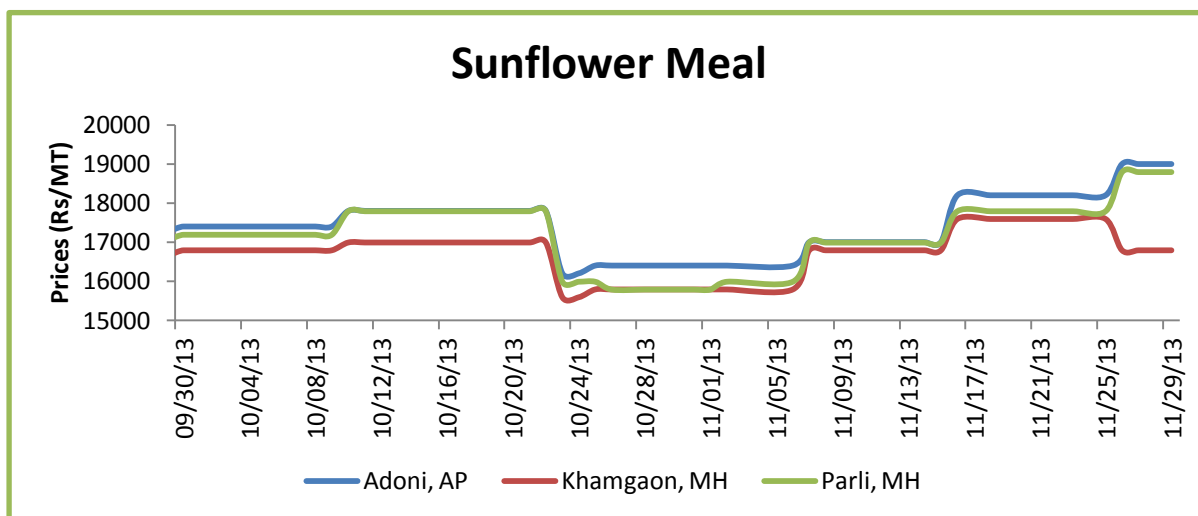
Soybean markets across major centres of India witnessed a weak tone during the week. Soybean prices were lower due to comparatively lower demand in domestic cash markets despite fall in arrivals in the markets and appreciation in the rupee. Internationally, soybeans on CBOT witnessed a firm tone on strong buying from China and better than expected exports sales data. Pressure from South American sowing progress and completion of US soy harvest restricted strong gains. Improved South American weather and crop prospects have added to a bearish global soybean supply outlook in the medium term.

Soy meal prices also witnessed a slight decline during the week in review, in accordance with the domestic soybean prices. Slower exports demand is reported amid restricted availability of high quality beans in the local markets.

Maize is expected to feature steady to weak tone due to rising supplies from the new season crop amid weak exports, though demand from the poultry industry and continuous shower in south peninsular India maize producing states could support to prices. However, Key spot wheat market traded steady to moderately firm owing to increased OMSS price by government and increased demand from millers and traders.

Trend – Raw Material, Feed





Source: AgriWatch

Domestic oilseeds markets across major centers of India witnessed gains during the week.

Soybean prices were up on good demand in domestic cash markets from stockiest and oil mills amid lower arrivals in the markets. Internationally, soybeans on CBOT depicted an uptrend during the week driven by strong exports demand for the US soybeans although pressure from the brisk South American sowing progress and near completion of US soy harvest restricted sharp rise.

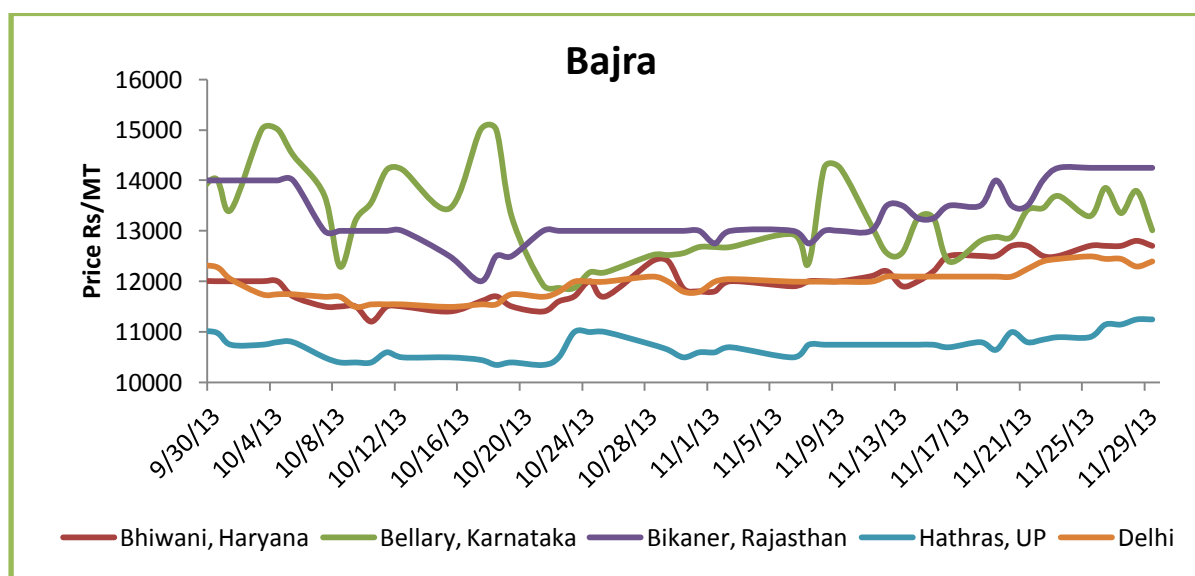
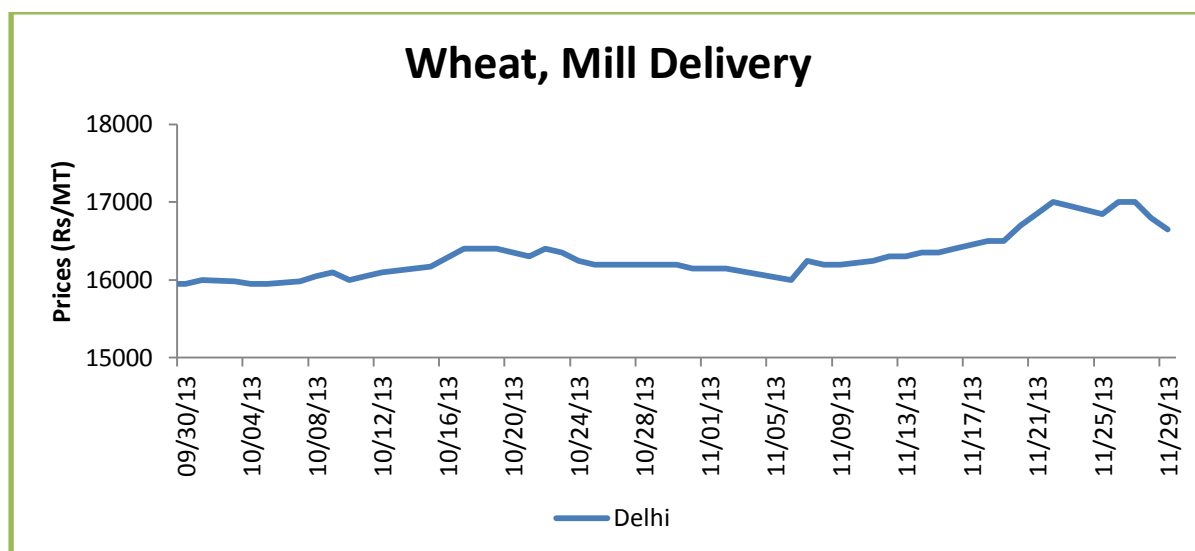
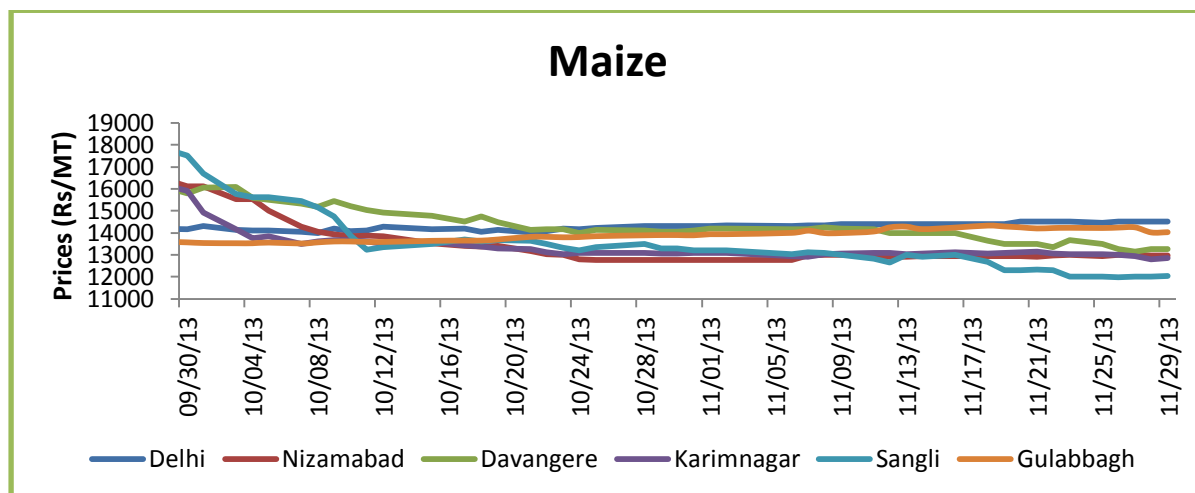
The daily arrivals in spot markets of Madhya Pradesh were lower during the past week. Late rains in major producing areas have kept moisture content high in the crop, which damaged the beans. Availability of sufficient crushable soybean supplies in the coming days is a concern for the market which will be supportive for the market. However, estimates of higher soybean production in major producing nations of US and South America remain a negative force for the global markets and will be a factor to watch out in the coming month.

In the US, soybeans on CBOT witnessed a rise during the week. Pressure from the harvesting activities in the key producing regions and estimates of better than expected yields pressured the market. Further, better global supply outlook on higher production estimates in South American countries supported the bearish sentiments. However, expected strong demand for the US soybeans and upward revision in expected Chinese imports is likely to be bullish for the market sentiments. Soybean demand is strong (mainly from China) but world supply fundamentals are bearish.

In Brazil, soybean planting is around 73 percent complete. Good weather conditions and suitable soil moisture in the key producing regions of Brazil are favorable, supporting the crop prospects. Going by current indicators and analysts estimates, a record Brazilian soy crop is on the cards. In Argentina, recent rainfall has benefitted the crops in the producing areas and planting is about 37 percent complete. Buenos Aires Exchange has said that the soybean area may surpass the 20.2 million-hectare forecast for the 2013/14 crop.

Soy meal prices also depicted an upward movement during the week in review, in conjugation with the domestic soybean prices. Further, firm tone in the international markets also supported the domestic meal prices. Steady exports demand is reported amid restricted availability of high quality beans in the local markets. Markets are expected to feel some pressure as US soybean harvest nears completion and shipments start from the region. Higher US soybean projection and higher global oilseeds projections likely to pressure the market but indications of robust demand from China will help build up market sentiment in the coming days.

Rapeseed/mustard seed prices in key spot markets witnessed gains during the past week. The movement in prices was in conjugation with the soybean prices and strength in BMD CPO. However, the sowing progress for rapeseed and other rabi oilseeds during the current season put some pressure on the prices. Traders are expecting that India's rapeseed acreage in the current season could be higher by 4.5 percent to 7 million hectares and output of rapeseed to reach 6.7 million tons from 6.4 million as farmers are likely to take advantage of monsoon-soaked land to grow the rapeseed crop. On the international front, Oil World has estimated that the global production of rapeseed and canola may reach an all-time high 67.7 million tons in the 2013-14 season, including 21.01 million tons from the European Union and 16.5 million tons in Canada. Expected higher crop yields in Canada and EU countries will put prices under pressure.



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.

As per Ministry of Agriculture, maize have been sown in 3.906 lakh hectares as of 27th November, 2013-14 against 5.098 lakh hectares sown in 2012-13 for rabi season.

In Ahmadabad region of Gujarat, maize crop contains around 15-16% moisture. During the week, Poultry feed makers quoted maize down by Rs.20 per quintal in a range of Rs. 1250-1280 per quintal. However, starch feed makers quoted maize firm by Rs. 60 per quintal in a range of Rs.1230-1320 per quintal, sourced from Maharashtra.

Meanwhile, in the Khanna market of Punjab, the maize was quoted firm by Rs. 50 per quintal to Rs. 1550 per quintal as compared to last week. On daily basis, arrivals of maize reported around 6-7 motors, contained 14-15% moisture.

Excessive rains in parts of Andhra Pradesh, one of the leading cultivating states, have raised concerns about the quality of the crop. As per trade sources, in A.P, maize stock could be around 2000 tons

As per trade sources, in Davengere, maize crop contains 16% moisture. Maize is moving towards Kolkata and Tamil nadu at Rs. 1265 and Rs.1350 per quintal respectively, sourced from Karnataka

Maize is expected to feature steady to weak tone due to rising supplies from the new season crop amid weak exports, though demand from the poultry industry could support to prices. It is noteworthy that complete pipeline is empty in north and north-east poultry and cattle feed industries. There might be greater gap in Poultry and starch price quote on quality concern in south. It would support the price. As per trade flow estimated Maharashtra would not merely feed the Gujarat and Maharashtra, but also would likely to feed North and North east. Whereas Karnataka and AP will feed Bangladesh export in coming days (from Dec end to March).

As per USDA, U.S. accumulated corn export figures reached to 70,59,101 metric tons for the 2013-14 marketing year which is higher by ~38% from the last marketing year during the same period. Exports of 701,000 MT were reported by U.S. to China (272,700 MT), Mexico (176,200 MT), and Japan (109,400 MT) for the period November 15- November 21, 2013

As per Reuter, a group of Israeli private buyers has purchased 130,000 tons of optional-origin corn. If sourced from the Black Sea, shipment of the first consignment was sought in 2014 between Feb. 25 to Mar. 15 and the rest between Mar. 20 to Apr. 10. About 75,000 tons for the first shipment position was bought at a premium of 120.5 cents a bushel c&f over the Chicago May 2014 corn contract, or the equivalent of \$218 a ton c&f. About 55,000 tons was purchased for the second position at the equivalent of about \$216 a ton c&f. However, shipment times for non-Black Sea origins can be adjusted.

As per Reuter, Korea Feed Association bought additional 60,000 tons of corn from Marubeni at the flat price of \$244.91 a ton c&f plus a \$1.50 a ton charge for additional port unloading, for arrival by May 10, 2014. Earlier, Korea Feed Association has bought 58,000 tons of corn from ADM at the

outright price of \$243.88 a ton c&f plus \$1.50 a ton charge for additional port unloading, for arrival by May 10, 2014.

As per Reuter, Nonghyup Feed Inc. purchased 60,000 tons of U.S.-origin corn from Mitsubishi Corp. at a premium of 187.50 cents a bushel c&f over the Chicago March 2014 corn contract, for arrival by May 1, 2014.

Wheat has been sown in 179.44 lakh hectares so far in 2013-14 as compared to 158.46 lakh hectares in 2012-13. The sowing pace is more than last year due to good soil moisture and conducive weather for plantation.

Sowing in major wheat growing states have crossed halfway mark and area in Gujarat is likely increase by 20 to 30 percent this year as farmers are using cotton and peanuts area for wheat sowing. Prices are ruling higher in Gujarat and it has encouraged farmers to cover more area under wheat this year. However, late harvesting of Sugarcane may reduce the yield and area of wheat in Uttar Pradesh. Wheat is sown in 9.6 million hectares in Uttar Pradesh. Weather remains conducive in major wheat growing states.

Stock in private hands is drying fast and bulk users have started sourcing wheat from central pool stock. We expect offtake to increase from central pool stock in the weeks ahead. Private exporters too are active in port based states and analyzing possibility of sourcing wheat from M.P. and Rajasthan.

Millers in Andhra Pradesh have started looking for govt.'s stock. However, they still have some edge over govt.'s stock when wheat is sourced from private traders. Wheat prices (FAQ) in Hyderabad is ruling around Rs 1990/Q. They get 4 percent cash discount. This brings prices down by Rs 80/Q, delivered at destination. They get credit for five days to one week. If assured quality is not delivered they have option to deduct price from actual trade.

When Traders/Stockiest source wheat from FCI they have to pay Rs 1732/Q. Plus 5 percent VAT and Rs 40/Q for bag and transport. This brings total costing to around Rs 1860/Q. Besides, they have to deposit draft in advance. With this background they prefer to source wheat from private trade, as told by traders.

Late harvesting of Sugarcane may reduce the yield and area of wheat in Uttar Pradesh. Wheat is sown in 9.6 million hectares in Uttar Pradesh. Weather remains conducive in major wheat growing states.

PEC received the highest bid of \$289.90 for Krishnapatnam, for Kandla it \$284.70 per tonne. For Kakinada it is \$285.75 per T.Quotes received are on the expectation of the trade. It simply signifies that export from India would continue with good pace in the months ahead.

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 unchanged in the coming days due to variation in the prices of key feed ingredients.

Spreads

Maize Average Weekly spread with Bajra

Week	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13
1	213.0	115.0	113.0	86.0	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5
2	210.0	131.0	82.50	112.5	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0
3	158.0	170.0	93.75	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3
4	147.0	153.0	102.0	110.0	86.0	-104.0	-49.0	120.00	124.00	190.00	230.0	207.5
5		135.0				-72.0			132.00		234.0	

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

As the table depicts, in Delhi spot market, maize spread with bajra decreased as compared to last week as bajra traded slightly firm vs. maize. Sources revealed that trend could continue in the near term due to higher feed makers demand for bajra and keep maize spread with bajra slightly down as compared to last week.

Maize Average Weekly spread with Jowar

Week	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13
1	192.0	205.0	107.0	142.0	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5
2	218.0	190.0	80.0	172.5	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0
3	169.0	182.5	147.5	178.0	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6
4	172.0	153.0	170.0	244.0	205.0	0.83	229	250.00	334.00	327.00	368.0	450.0
5		132.5				53.0			372.00		370.0	

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

As the table depicts, maize spread with jowar decreased as jowar traded firm vs. maize. We expect that jowar could trade steady in the near term and keep maize spread with jowar slightly firm as compared to last week.

Maize Average Weekly spread with Wheat

Week	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13
1	-21	-48.0	-90.8	-59.0	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5
2	0.0	-44.0	-143	-14.0	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0
3	-5.0	4.0	-81.25	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0
4	-8.0	-31.0	-47.5	29.0	76.0	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8
5		-62.0				-137		105.00	-66.0		-140.0	

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

As the table depicts, maize spread with wheat was almost flat as both commodities traded steady to firm during last week. We expect that wheat could trade slightly higher due to increase in OMSS price and fresh demand from millers and keep maize spread with wheat steady to down as compared to last week.

Maize Average Weekly spread with Barley

Week	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13
1	242.0	135.0	71.67	152.0	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5
2	268.0	140.0	62.50	189.0	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0
3	168.0	174.0	122.5	239.0	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7
4	172.0	139.0	167.0	294.0	314.0	151.0	147.5	185.0	270.0	197.0	158.0	189.2
5		97.50				196.0			272.0		190.0	

*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 firm during last week. We expect that both commodities could trade steady to firm movement in the near term and keep maize spread with barley intact 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)		
	29.11.2013	22.11.2013	Parity To
Indore (MP)	33300	33500	Gujarat, MP
Kota	33100	34000	Rajasthan, Del, Punjab, Haryana
Akola	33000	34000	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33000	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33800	34000	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34500	34000	Mumbai, Maharashtra
Nagpur (42/46)	33700	34000	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	34600	33500	Local and South
Solapur	34000	34000	Local and South
Bundi	33500	33500	-

Soy DOC at Port

Centers	Port Price	
	29.11.2013	22.11.2013
Kandla (FOR) (INR/MT)	35550	35750
Kandla (FAS) (USD/MT)	570	567

International Soy DOC

Argentina FOB \$/MT	27.11.2013	21.11.2013	Change
Soybean Pellets	546	504	42
Soybean Cake Meal	546	504	42
Soybean Meal	554	512	42
Soy Expellers	554	512	42

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	29.11.2013	22.11.2013	Change
Adoni	19000	18200	800
Khamgaon	16800	17600	-800
Parli	18800	17800	1000
Latur	18600	17600	1000

Groundnut Meal

Groundnut Meal	29.11.2013	22.11.2013	Change
Basis 45% O&A, Saurashtra	25000	25500	-500
Basis 40% O&A, Saurashtra	-	24000	-
GN Cake, Gondal	24500	25000	-500

Mustard DOC/Meal

Mustard DOC/Meal	29.11.2013	22.11.2013	Change
Jaipur (Plant Delivery)	14000	14000	Unch
Kandla (FOR)	15200	15200	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	29 Nov, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1450	1425	1420	1525
Davangere	Bilty	1230	1210	-	1700	1430
Naugachia	Bilty	-	1300	1275	1300	-
Nizamabad	Bilty	1275	1275	1250	1550	1410
Ahmedabad	Feed	1280	1270	1300	1750	1500

	Starch	1280	1260	1280	1475	1550
--	--------	------	------	------	------	------

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	199.9	190.85	212.72	231
Cost and Freight (Thailand)	249.9	245.85	272.72	266

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>29.11.2013</u>	<u>22.11.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1301	1345	-44
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1400	400
		White	Bellary	1368	1345	23
Maize	Karnataka	Yellow	Davangere	1180	1160	20
	Andhra Pradesh	Yellow	Nizamabad	1230	1225	5
Rice	Haryana	IR8	Karnal	2250	2250	Unch
		Parmal Raw	Karnal	2300	2600	-300
Soy meal	Madhya Pradesh	DOC	Indore	33300	33500	-200
	Maharashtra	DOC	Sangli	34600	33500	1100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19000	18200	800
	Maharashtra	Ex-factory	Latur	18600	17600	1000
Mustard	Rajasthan	Plant delivery	Jaipur	14000	14000	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	24500	25000	-500

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.