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Summary

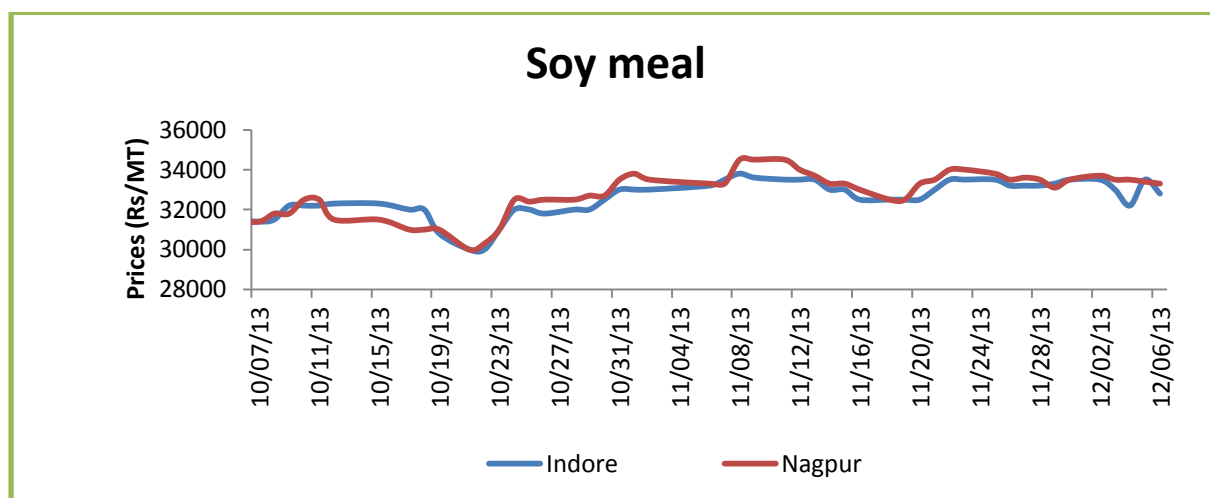
The key feed ingredients prices witnessed steady to weak sentiments during the week in review.

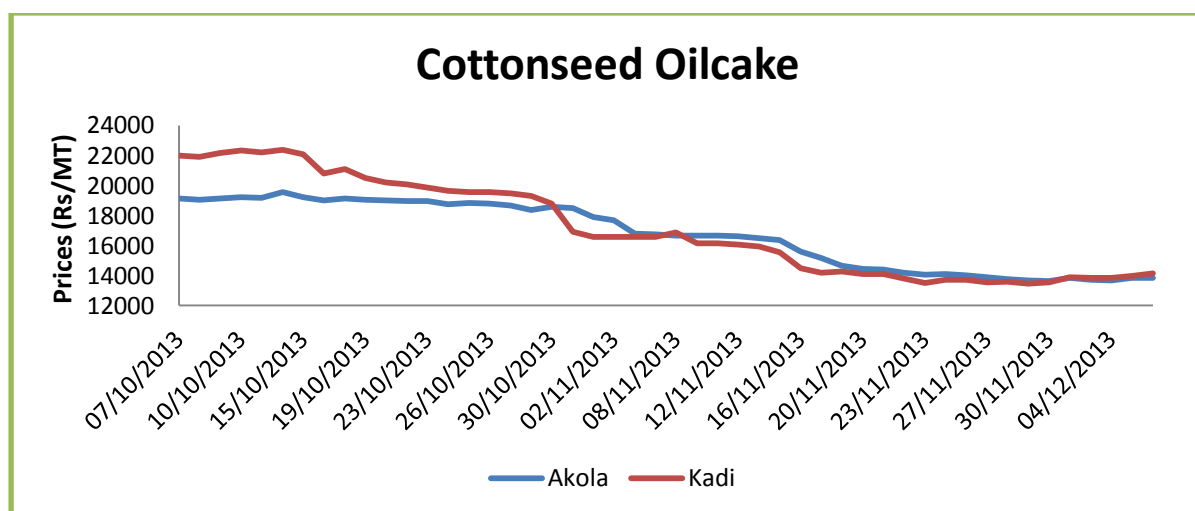
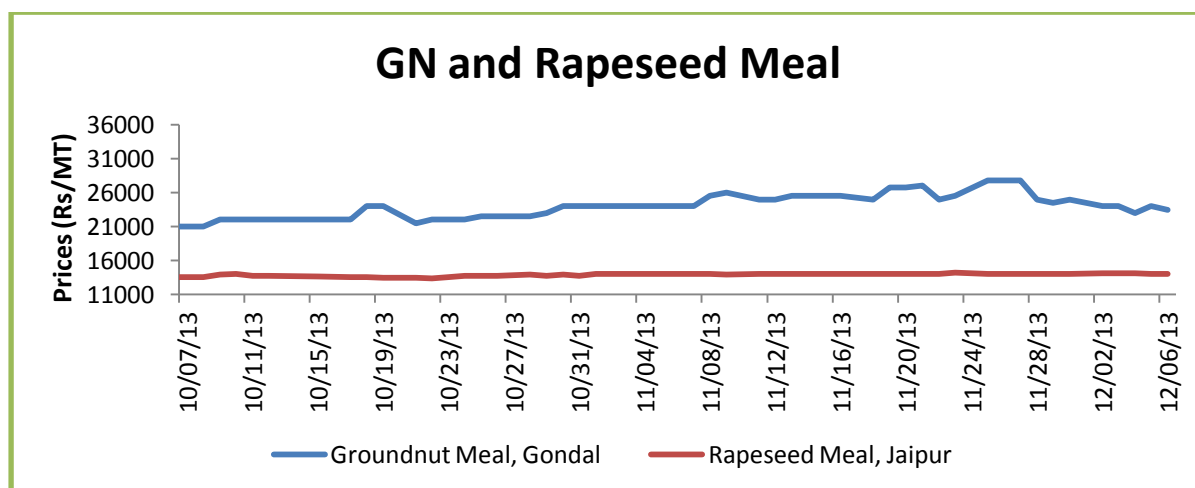
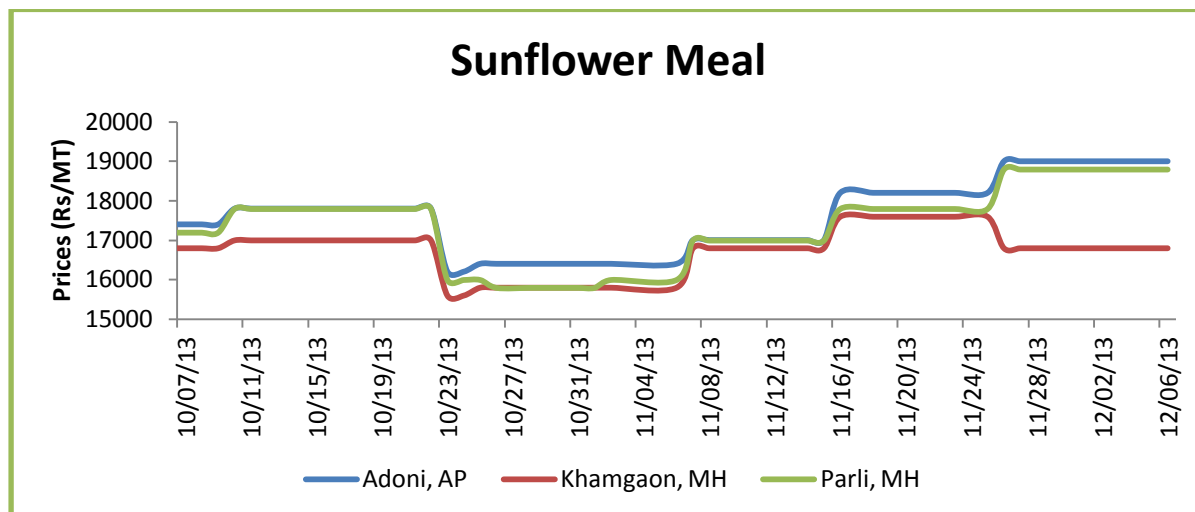
Soybean markets across major centers of India continued to feature a weak tone during the week. Soybean prices were lower due to comparatively lower demand in domestic cash markets and a surge in arrivals in the spot markets. Internationally, soybeans on CBOT also witnessed a bearish tone on rising pressure from a brisk South American sowing progress and completion of US soy harvest. 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 decline during the week in review, in conjugation with the domestic soybean prices. Slower exports demand is reported amid restricted availability of high quality beans in the local markets. Besides, appreciation in the value of the Indian rupee and weakness in the international markets also pressured the markets.

Mixed sentiments witnessed in most of the major spot markets of maize during last week. However, Key spot wheat mill delivery prices traded steady to moderately weak owing to increased OMSS release.

Trend – Raw Material, Feed





Source: AgriWatch

Oilseeds and oil meals prices across major centers of India continued to feature a weak tone during the week.

Soybean prices were lower due to comparatively lower demand in domestic cash markets and a surge in arrivals in the spot markets. Internationally, soybeans on CBOT also witnessed a bearish tone on rising pressure from a brisk South American sowing progress and completion of US soy harvest. Improved South American weather and crop prospects have added to a bearish global soybean supply outlook in the medium term.

Availability of sufficient crushable soybean supplies in the coming days is a concern for the market which will be supportive for the market. Soybean production estimates in the country was scaled back from the initial record levels. Reportedly, high prices and quality issues have led to a poor rate of crushing of soybean at present affecting soy meal quality and availability which in turn has impacted its export.

However, good quality arrivals are expected to hit market in January easing the supply constraints. Also, 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.

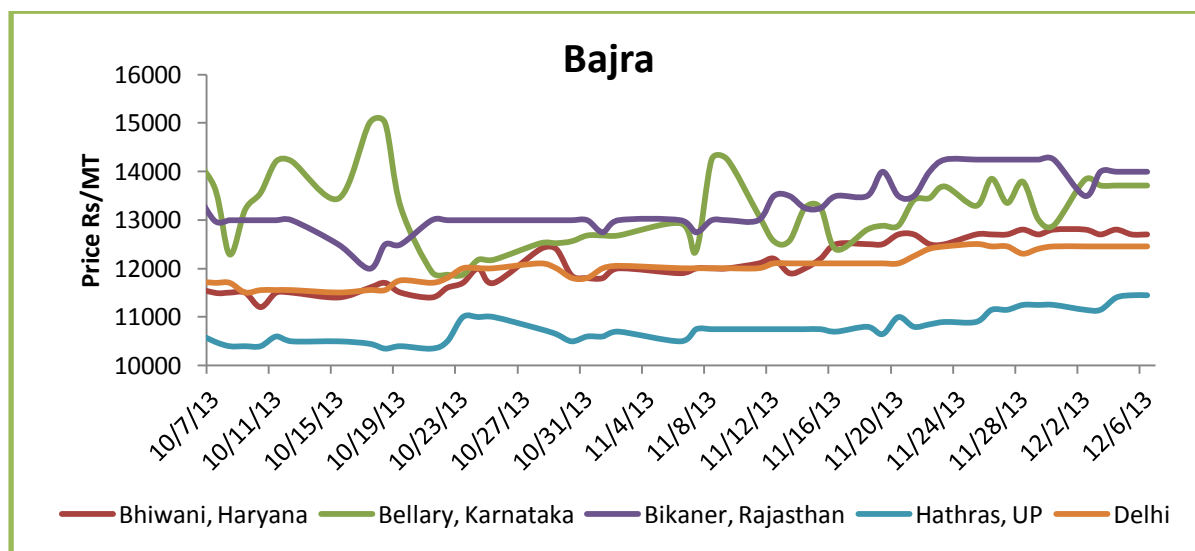
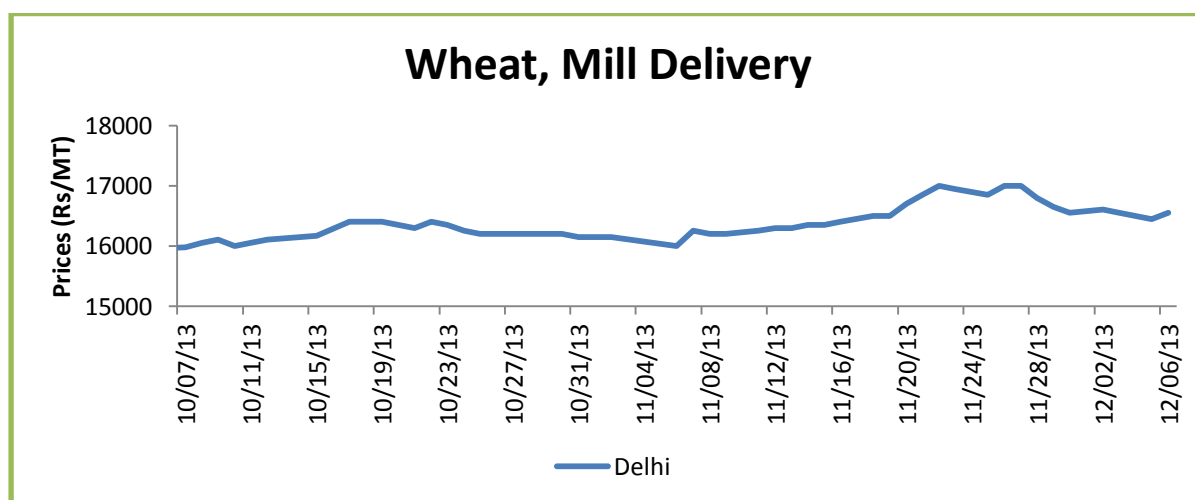
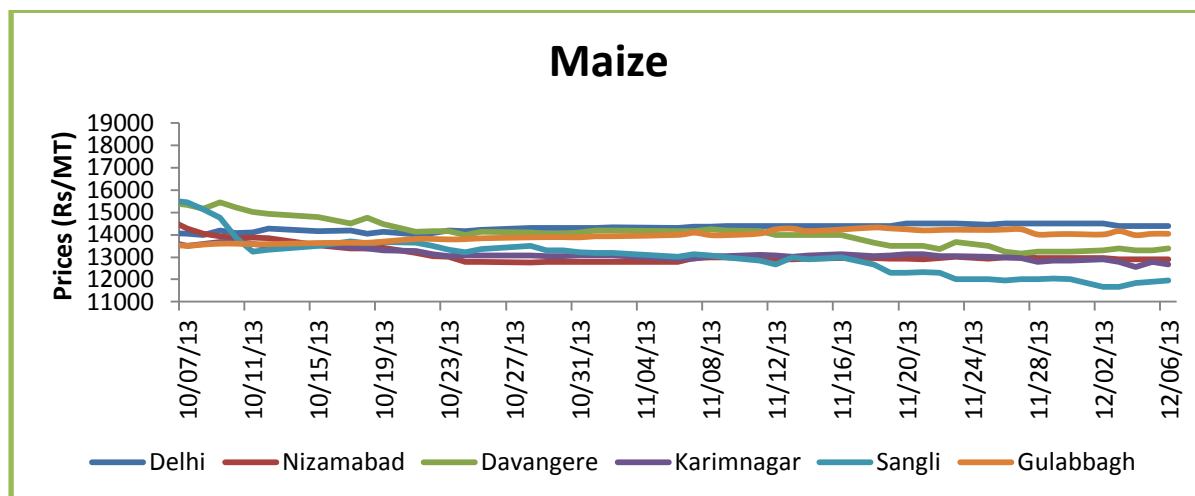
In the US, soybeans on CBOT witnessed a fall during the week. Pressure from the harvesting activities in the key producing regions and estimates of better than expected yields pressured the market. Further, better global supply outlook on higher production estimates in South American countries supported the bearish sentiments.

In Brazil, soybean planting is around 89 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. Besides, about 33 percent of the expected 2013-14 soybean has already been sold as of Nov 14 indicating good demand. However, this leads to concerns of logistical congestions in the Brazilian ports again.

Rapeseed/mustard seed prices in key spot markets across Rajasthan and Gujarat extended losses during the past week on steady progress of sowing of the rabi oilseeds across major producing regions amid mostly favorable weather conditions. Further, the weakness in domestic soybean prices and flat movement in BMD CPO provided no upside to the rapeseed markets.

Rapeseed prices are facing pressure currently as demand for oils is moderate which has led to weak RM seed buying from stockists and mills. It is expected that the approaching winter season will uplift the demand for oils and is likely to lend some support to the market.

Soy meal prices also witnessed a decline during the week in review, in conjugation with the domestic soybean prices. Slower exports demand is reported amid restricted availability of high quality beans in the local markets. Besides, appreciation in the value of the Indian rupee and weakness in the international markets also pressured the markets.



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, maize crop contains around 15-16% moisture. During the week, Poultry feed makers quoted maize firm by Rs.20 per quintal in a range of Rs. 1280-1300 per quintal. Starch feed makers quoted also maize firm by Rs. 20 per quintal in a range of Rs.1225-1340 per quintal, sourced from Maharashtra.

Meanwhile, in the Khanna market of Punjab, the maize was quoted down by Rs. 50 per quintal to Rs. 1500 per quintal as compared to last week. On daily basis, arrivals of maize reported around 7-8 motors, contained 14-15% moisture.

As per trade sources, in A.P, maize stock could be around 50,000 tons while in Nizambad, it could be around 4,000 tons.

As per trade sources, in Davangere, maize crop contain 14% moisture. Maize is moving towards Tamil nadu and Bangalore at Rs. 1350-1360 per quintal, sourced from Davengere. Also, maize is moving towards Kolkata at Rs. 1265 per quintal, sourced from Karnataka Meanwhile, maize is moving towards Bangladesh at Rs. 1250 per quintal, sourced from Koppal.

Maize is expected to feature steady to range bound tone despite the weak demand scenario from poultry and exports as slow pace of arrivals are providing underlying support. It is expected to trade higher from mid- Dec on quality concern in peninsular India and upcoming demand from poultry industries.

As per USDA, U.S. accumulated corn export figures reached to 81,01,211 metric tons for the 2013-14 marketing year which is higher by ~50% from the last marketing year during the same period. Exports of 10, 42,100 MT were reported by U.S. to China (587,900 MT), Mexico (172,400 MT), Japan (130,200 MT), South Korea (66,900 MT), and Guatemala (20,900 MT) for the period November 22- November 28, 2013.

As per China National Grain and Oils Information Center, China's corn imports are likely to reach 4.5 million to 5 million metric tons in 2013, slightly lower than last year's imports of 5.21 million tons. China has signed import orders of 4.5 million tons of corn from the U.S in the crop year of 2013-14 which began in October this year.

The EU granted this week licenses to export 132,000 tons of corn bringing the total this season to 1.9 million tons compared to 501,000 tons at this stage a year ago.

Informa Economics lowered its production forecast for Brazil for 2013/14 to 70.6 million tons, from 71.1 million tons previously forecasted. However, left production forecast unchanged for Argentina at 25.0 million tons but raised its production estimate for Ukraine to 28.5 million tons, from 27.5 million tons previously estimated.

As per Reuter, China has rejected 120,642 tons of U.S. corn after detecting unapproved genetically-modified MIR 162 variety. This is in addition to 60,000 tons, rejected for entry last month.

Wheat has been sown in 214.07 lakh hectares so far as compared to 183.42 lakh hectares on the same time last year. Sowing pace has been fast this year due to favorable weather conditions and good water availability.

Cash wheat market is likely to trade under pressure due to augmented supply from central food stock. However, premium wheat grades like lokvan, sharbati, Tukdi are expected to rule higher due to paucity of supply and due to export of premium wheat through PSU's. Supply from central stock for milling grade will not allow FAQ variety to get firmer due to divergence in open market from PDS. Wheat buyers are turning to India due to parity to MENA, South East Asia region and drying wheat supply from black sea region.

As per Agriculture department wheat sowing data, wheat has been sown in 6.38 million hectares so far which is 17% more than last year at the same time. UP has targeted 9.4 million hectares of wheat area this year and sowing has been completed in 68% of area. As per current sowing pace wheat may be sown in 9.73 million hectares.

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.

International wheat 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 slightly weak in the coming days due to steady to weak movement in the prices of key feed ingredients.

Spreads

Maize Average Weekly spread with Bajra

Week	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
1	115.0	113.0	86.0	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0
2	131.0	82.50	112.5	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	
3	170.0	93.75	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	
4	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 with the steady price movement in 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	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
1	205.0	107.0	142.0	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0
2	190.0	80.0	172.5	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0	
3	182.5	147.5	178.0	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	
4	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 trade steady as both commodities traded steady during last week. We expect that maize spread with jowar could be unchanged in the near term also.

Maize Average Weekly spread with Wheat

Week	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
1	-48.0	-90.8	-59.0	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2
2	-44.0	-143	-14.0	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	
3	4.0	-81.25	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	
4	-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 increased during last week as wheat traded down owing to increased OMSS release. We expect that wheat could trade down further and keep maize spread with wheat firm as compared to last week.

Maize Average Weekly spread with Barley

Week	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13
1	135.0	71.67	152.0	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0
2	140.0	62.50	189.0	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0	
3	174.0	122.5	239.0	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	
4	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 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)		
	06.12.2013	29.11.2013	Parity To
Indore (MP)	32800	33300	Gujarat, MP
Kota	32500	33100	Rajasthan, Del, Punjab, Haryana
Akola	32800	33000	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33000	33800	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34400	34500	Mumbai, Maharashtra
Nagpur (42/46)	33300	33700	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	34300	34600	Local and South
Solapur	33400	34000	Local and South
Bundi	32500	33500	-

Soy DOC at Port

Centers	Port Price	
	06.12.2013	29.11.2013
Kandla (FOR) (INR/MT)	35200	35550
Kandla (FAS) (USD/MT)	571	570

International Soy DOC

Argentina FOB \$/MT	05.12.2013	27.11.2013	Change
Soybean Pellets	537	546	-9
Soybean Cake Meal	537	546	-9
Soybean Meal	545	554	-9
Soy Expellers	545	554	-9

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	06.12.2013	29.11.2013	Change
Adoni	19000	19000	Unch
Khamgaon	16800	16800	Unch
Parli	18800	18800	Unch
Latur	18600	18600	Unch

Groundnut Meal

Groundnut Meal	06.12.2013	29.11.2013	Change
Basis 45% O&A, Saurashtra	24500	25000	-500
Basis 40% O&A, Saurashtra	-	-	-
GN Cake, Gondal	23500	24500	-1000

Mustard DOC/Meal

Mustard DOC/Meal	06.12.2013	29.11.2013	Change
Jaipur (Plant Delivery)	14000	14000	Unch
Kandla (FOR)	15000	15200	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	6 Dec, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1450	1430	1420	1500
Davangere	Bilty	1300	1230	1270	1450	1370
Naugachia	Bilty	-	-	1300	1275	-
Nizamabad	Bilty	1275	1275	1250	1500	1390
Ahmedabad	Feed	1290	1280	1350	1600	1480
	Starch	1300	1280	1325	1430	1540

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	203.54	188.1	215.9	234
Cost and Freight (Thailand)	253.54	243.1	275.9	269

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>6.12.2013</u>	<u>29.11.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1371	1301	70
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1347	1368	-21
Maize	Karnataka	Yellow	Davangere	1250	1180	70
	Andhra Pradesh	Yellow	Nizamabad	1225	1230	-5
Rice	Haryana	IR8	Karnal	2000	2250	-250
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	32800	33300	-500
	Maharashtra	DOC	Sangli	34300	34600	-300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19000	19000	Unch
	Maharashtra	Ex-factory	Latur	18600	18600	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14000	14000	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	23500	24500	-1000

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