

Contents:

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

Summary

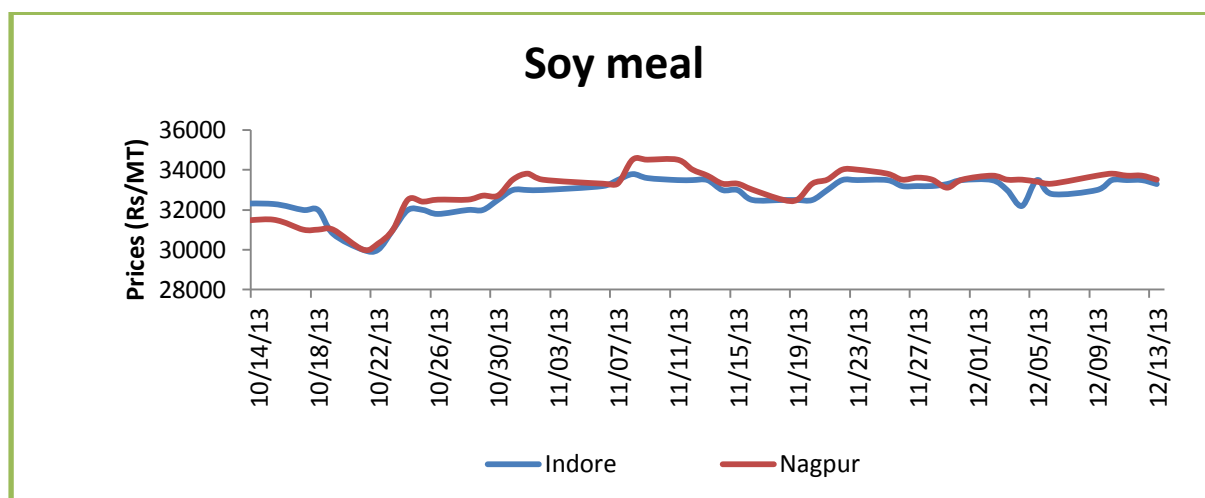
The key feed ingredients prices witnessed steady to weak sentiments during the week in review.

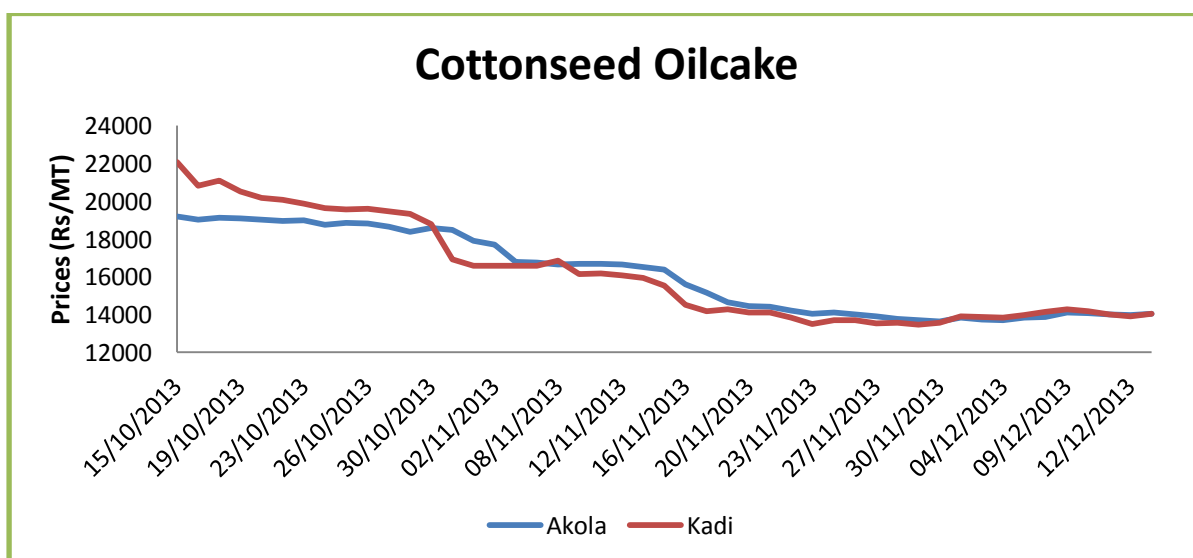
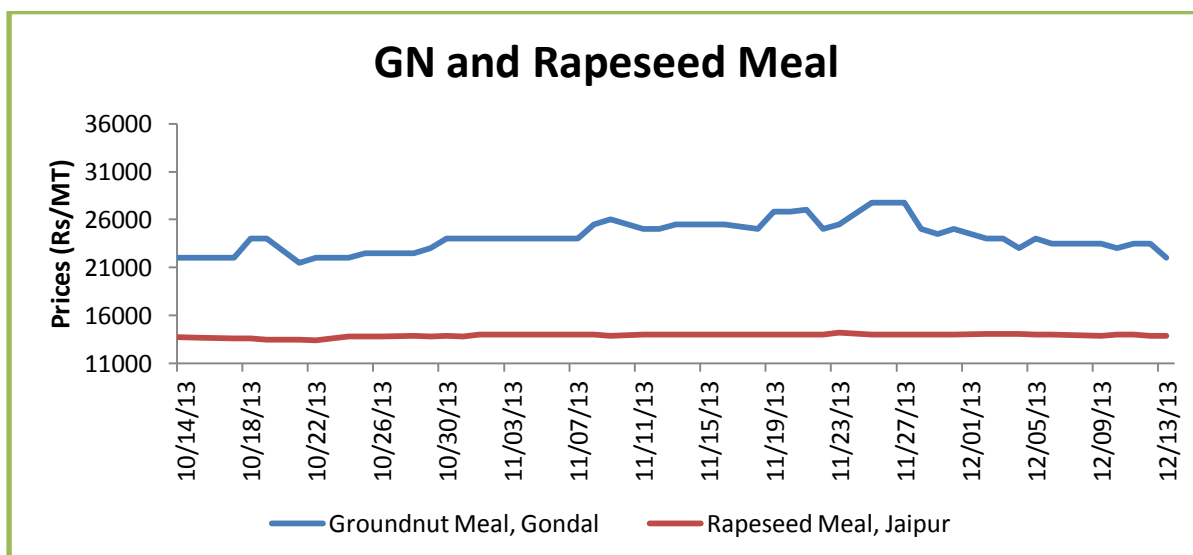
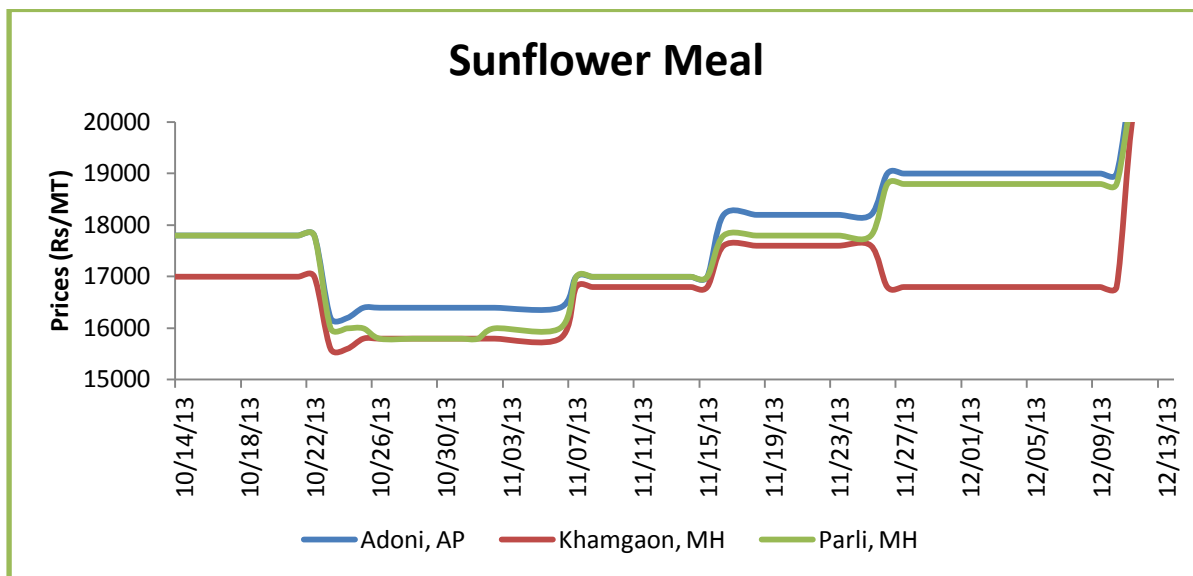
Soybean spot markets featured a range bound tone and registered mild gains for the week. Soybean prices were up due to moderate demand in the spot markets and lower arrivals in the spot markets. Internationally, soybeans on CBOT also witnessed mild gains on strong Chinese demand and weekly export sales data although pressure from South American sowing progress and record output estimates provided strong resistance to the prices.

Soy meal prices also witnessed a steady tone during the week in review, mostly in conjugation with the domestic soybean prices. Moderate exports demand is reported amid restricted availability of high quality beans in the local markets supporting the prices. Also, surge in exports of meal for the month of November also provided positive cues to the market. However, weakness in the international markets capped the gains.

Overall steady to weak sentiments witnessed in most of the major spot markets of maize during last week due to increase in arrivals amid sluggish export demand. Wheat mill delivery prices also traded steady to moderately weak owing to increased OMSS release.

Trend – Raw Material, Feed





Source: AgriWatch

Oilseeds and oil meals markets featured a steady to weak tone during the week.

Soybean prices were slightly up due to moderate demand in the spot markets and lower arrivals in the spot markets. Internationally, soybeans on CBOT also witnessed mild gains on strong Chinese demand and weekly export sales data although pressure from South American sowing progress and record output estimates provided strong resistance to the prices.

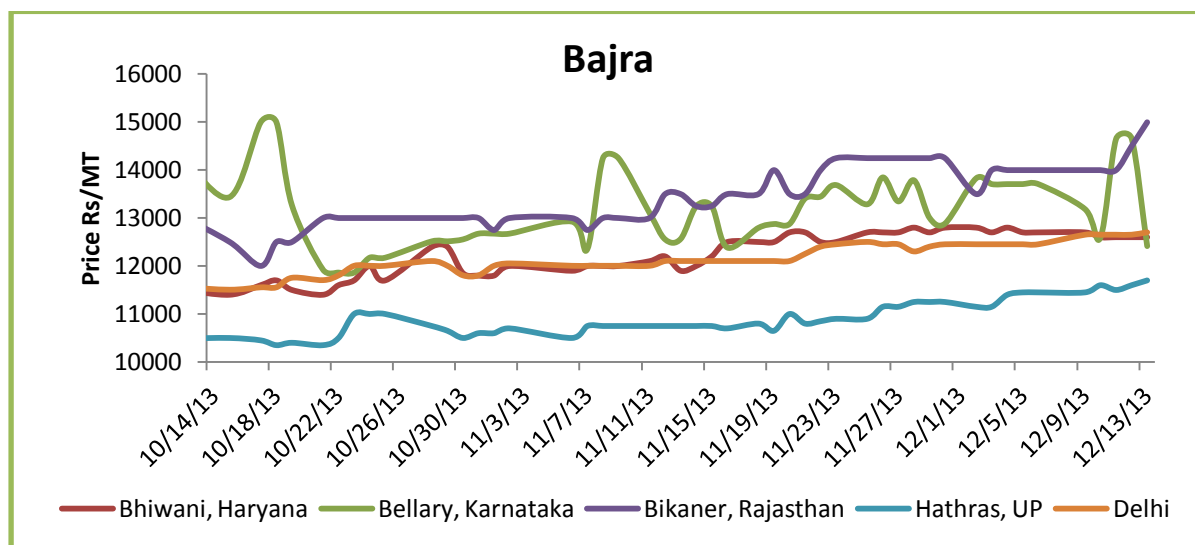
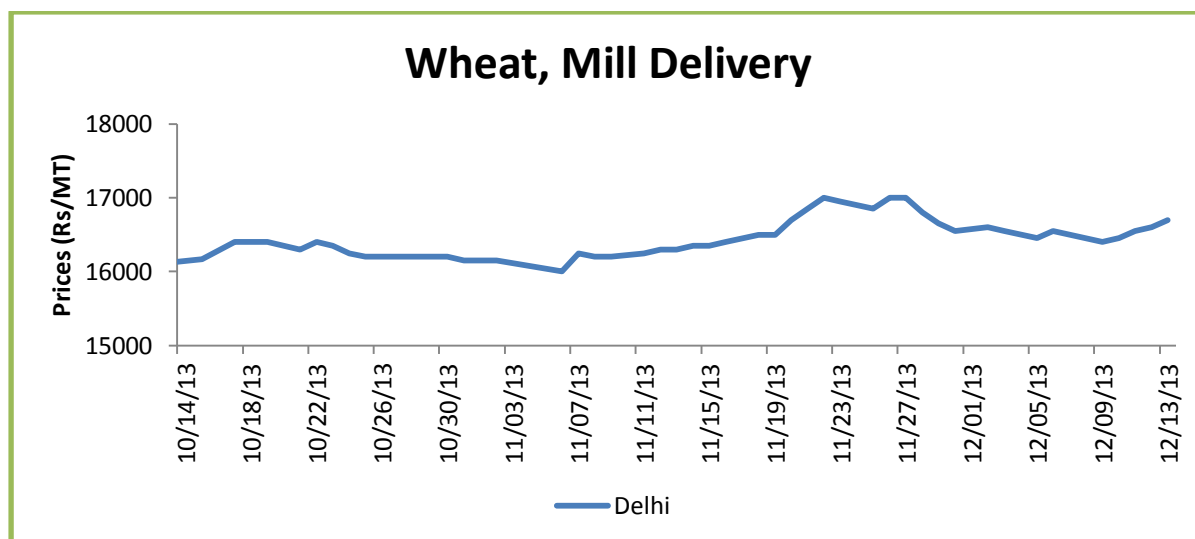
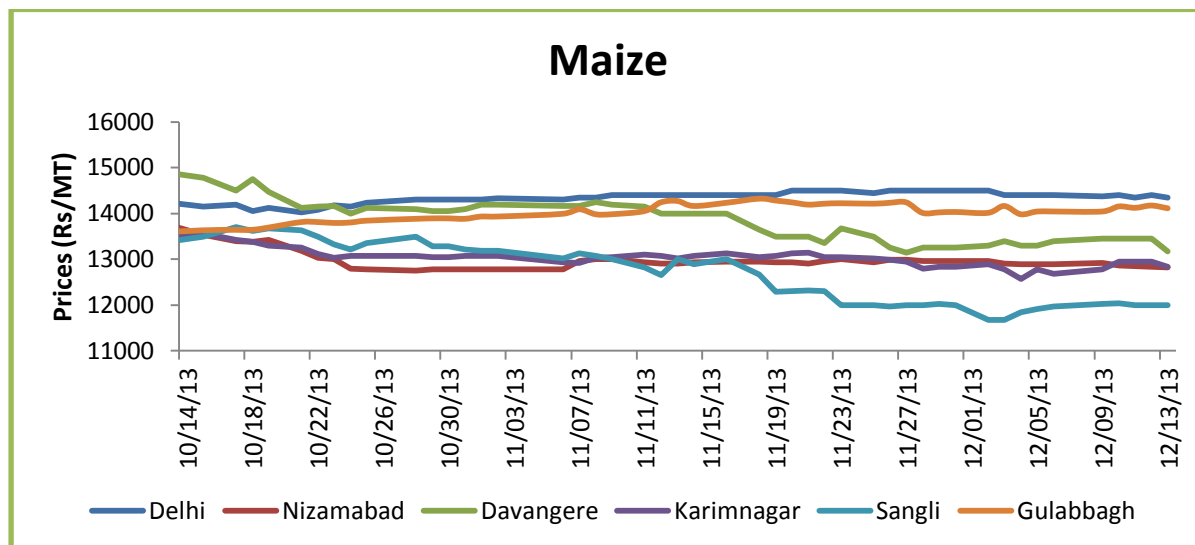
The daily arrivals in the spot markets of Madhya Pradesh were lower during the past week raising concerns of stock availability of crushable soybean supplies in the coming days which was supportive for the market. However, expectations of improvements in supply situation in the coming days led to pressure in the market. 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 sideways tone during the past week. Pressure from higher production estimates in South American nations and strong sowing activities in the key producing regions pressured the CBOT market. However, expected strong demand for the US soybeans and robust Chinese buying is providing strong support to the market sentiments. However, it is being feared that China may have overbooked soybeans and will finish their booking needs from the US once shipments from Brazil commence. In Brazil, going by current indicators and analysts estimates, a record Brazilian soy crop is on the cards. Also, farmers in Brazil are reportedly contemplating a second soybean crop this season instead of corn. Meanwhile, concerns of logistical congestions in the Brazilian ports are again being cited.

Soy meal prices also witnessed a steady tone during the week in review, mostly in conjugation with the domestic soybean prices. Moderate exports demand is reported amid restricted availability of high quality beans in the local markets supporting the prices. Also, surge in exports of meal for the month of November provided positive cues to the market. However, weakness in the international markets capped the gains.

Rapeseed/mustard seed prices in key spot markets across Rajasthan and Gujarat continued to feature a weak tone during the past week on steady progress of sowing of the rabi oilseeds across major producing regions amid mostly favorable weather conditions. Further, range bound movement in domestic soybean prices and weakness in BMD CPO also provided no positive cues 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.

As per the Ministry of Agriculture, total area sown under rabi oilseeds (as on 12 December) was reported as 77.78 lakh hectares as compared to 75.85 lakh hectares in the same period last year. As per SEA of India, rapeseed meal exports of India declined to 27,993 tons in November '13 compared to 143,848 tons in October '13 and 66,966 tons in November '12. France and Taiwan were the major buyers importing 12,600 and 8,100 tons respectively.



Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Lawrence Road, Delhi)

Overall steady to weak sentiments witnessed in most of the major spot markets of maize during last week except in A.P. and Ahmadabad. In A.P., maize prices increased due to lower crop arrivals in the market as farmers have already sold their stock to Government. Meanwhile, in Ahmadabad region of Gujarat, continuous poultry and starch feed makers demand kept maize prices at the higher side. Poultry feed makers quoted maize firm by Rs.40 per quintal in a range of Rs. 1290-1340 per quintal while starch feed makers quoted maize firm by Rs. 30 per quintal in a range of Rs.1270-1370 per quintal as compared to last week, sourced from Maharashtra and crop contains around 14-16% moisture.

In the Khanna market of Punjab, the maize was quoted down by Rs. 20 per quintal to Rs. 1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 6-7 motors, contained 14-15% moisture.

As per trade sources, in A.P, total maize stock could be around 12-13 lakh bags (included government stock 60,000 tons and local stockiest stock around 15,000 tons)

During the week, hybrid maize traded firm by Rs. 10 per quintal to Rs.1460 per quintal as compared to last week, sourced from U.P. Sources revealed that prices could trade steady in the near term

As per trade sources, in Davangere, maize crop contain 14% moisture. Maize is moving towards Bangalore, Kolkata and Chennai at Rs. 1350, 1420, 1370 per quintal respectively, sourced from Karnataka. Contract of 67 rakes from different sourcing point of Karnataka has already done and out of which 46 rakes has moved to different port and north consumer

As per USDA, U.S. accumulated corn export figures reached to 90,78,659 metric tons for the 2013-14 marketing year which is higher by ~60% from the last marketing year during the same period. Exports of 9,77,400 MT were reported by U.S. to China (370,700 MT), Mexico (278,100 MT), Japan (93,500 MT), Peru (60,100 MT), and Venezuela (49,100 MT) for the period Nov 29- Dec 5, 2013.

As per Reuter, China has blocked the entry of another U.S. corn cargo of 59,100 tons, and three more may be turned away, after tests found a strain of unapproved genetically-modified (GMO) corn.

As per Reuter, an official think-tank said that China's corn output in 2013 will rise 5.9 percent from the previous year to 217.7 million tons.

As per USDA, World corn ending stocks are projected 1.87 million tons lower to 162.46 million tons from the last month forecast at 164.33 million tons and below an average of trade estimates at 163.30 million tons.

As per Reuter, Taiwan's maize industry procurement association MFIG purchased 60,000 tons of corn from Columbia Grain involving a combination of a flat price of \$255 a ton c&f and a basis price of 205.15 cents a bushel c&f over the Chicago May corn contract (Most was bought at the basis

price) for the shipment between Feb. 6-20, 2014, from the U.S. Gulf or between Feb. 21 Mar. 7 from the Pacific north west coast.

So far wheat has been sown in 253.75 lakh hectares as compared to 227.52 lakh tonnes in 2012-13 at the same time. Sowing pace has been better this year owing to better weather condition, good availability of water and shift in area from others crops.

Farmers have enhanced wheat area on expectation of good rainfall in winter season and due to better water availability this year. Loss of soya crop in M.P. and Rajasthan has encouraged them to sow more wheat. Area under mustard, coriander and chana is likely to shift to wheat in M.P, Gujarat and Rajasthan.

Assured MSP for wheat, coupled with bonus in some states too have attracted farmers to grow more wheat. Initial feedback shows that India is heading towards record crop once again under normal condition. Market participants have started looking wheat production over govt.'s production target of 92.4 million tonne.

MMTC has received the highest bid of USD 283/MT in a tender of 55,000 MT wheat to be shipped from West coast.

PEC has received the highest bid of USD 285.41/MT from Emmsons Gulf DMCC, Dubai for its 120,000 MT wheat tender to be shipped from Kandla. In another tender of 35,000 MT wheat tender from Vizag port PEC received the highest bid of 287.10/MT from Phoenic Commodities BVI.

1.8 million Tonnes of wheat have been sold under OMSS scheme to bulk buyers since July 2013. Government target is to sell 8.5 million tonnes wheat under OMSS scheme to bulk buyers. Pace of lifting has increased in November as stock with private traders and farmers are dwindling.

As per IBIS data 0.65 lakh tonnes of wheat was exported from India in November 2012 as compared to 6.90 lakh tonnes in November 2012. In 2013-14 from April to November 34.60 lakh tonnes of wheat was exported as compared to 37.80 lakh tonnes for the same period last year.

Diversion from PDS and sufficient supply from central pool stock are likely to contain prices however premium grade wheat like Sharbati, Lokvan, Tukda and Bansi will continue to trade firm as there is visible short supply in cash markets, according to market participants. Limited release of Premium wheat variety from Central pool is also a visible reason for price rise.

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 fluctuation 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	192.5
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 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	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	460.0
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 firm as maize traded slightly firm with the steady price movement in jowar. We expect that both commodities could trade steady during next week and keep maize spread with jowar intact for the next week.

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	-175.0
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 maize traded slightly firm with the steady to weak price movement in wheat. We expect that wheat could trade down owing to increased OMSS release 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	187.5
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 increased as maize traded firm vs. barley during last week. We expect that both commodities could trade steady movement in the near term and keep maize spread with barley unchanged 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)		
	13.12.2013	6.12.2013	Parity To
Indore (MP)	33300	32800	Gujarat, MP
Kota	33300	32500	Rajasthan, Del, Punjab, Haryana
Akola	33300	32800	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33500	33000	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34700	34400	Mumbai, Maharashtra
Nagpur (42/46)	33500	33300	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	35000	34300	Local and South
Solapur	34000	33400	Local and South
Bundi	33000	32500	-

Soy DOC at Port

Centers	Port Price	
	13.12.2013	6.12.2013
Kandla (FOR) (INR/MT)	35500	35200
Kandla (FAS) (USD/MT)	571	571

International Soy DOC

Argentina FOB \$/MT	12.12.2013	5.12.2013	Change
Soybean Pellets	536	537	-1
Soybean Cake Meal	536	537	-1
Soybean Meal	544	545	-1
Soy Expellers	544	545	-1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	13.12.2013	6.12.2013	Change
Adoni	20800	19000	+1800
Khamgaon	20100	16800	+3300
Parli	20500	18800	+1700
Latur	20300	18600	+1700

Groundnut Meal

Groundnut Meal	13.12.2013	6.12.2013	Change
Basis 45% O&A, Saurashtra	23500	24500	-1000
Basis 40% O&A, Saurashtra	-	-	-
GN Cake, Gondal	22000	23500	-1500

Mustard DOC/Meal

Mustard DOC/Meal	13.12.2013	6.12.2013	Change
Jaipur (Plant Delivery)	13900	14000	-100
Kandla (FOR)	15000	15000	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	13 Dec, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1460	1450	1450	1400	1525
Davangere	Bilty	1200	1300	1230	-	1400
Naugachia	Bilty	-	-	1300	1275	-
Nizamabad	Bilty	1300	1275	1225	1350	1400
Ahmedabad	Feed	1310	1290	1300	1500	1500
	Starch	1370	1300	1300	1420	1540

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	203.74	170.05	216.2	220
Cost and Freight (Thailand)	253.74	223.85	276.2	255

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	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>13.12.2013</u>	<u>6.12.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1242	1371	-129
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1453	1347	106
Maize	Karnataka	Yellow	Davangere	1150	1250	-100
	Andhra Pradesh	Yellow	Nizamabad	1150	1225	-75
Rice	Haryana	IR8	Karnal	2200	2000	200
		Parmal Raw	Karnal	2500	2300	200
Soy meal	Madhya Pradesh	DOC	Indore	33300	32800	500
	Maharashtra	DOC	Sangli	35000	34300	700
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	20800	19000	1800
	Maharashtra	Ex-factory	Latur	20300	18600	1700
Mustard	Rajasthan	Plant delivery	Jaipur	13900	14000	-100
Groundnut Meal	Gujarat	GN Cake	Gondal	22000	23500	-1500

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