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Summary

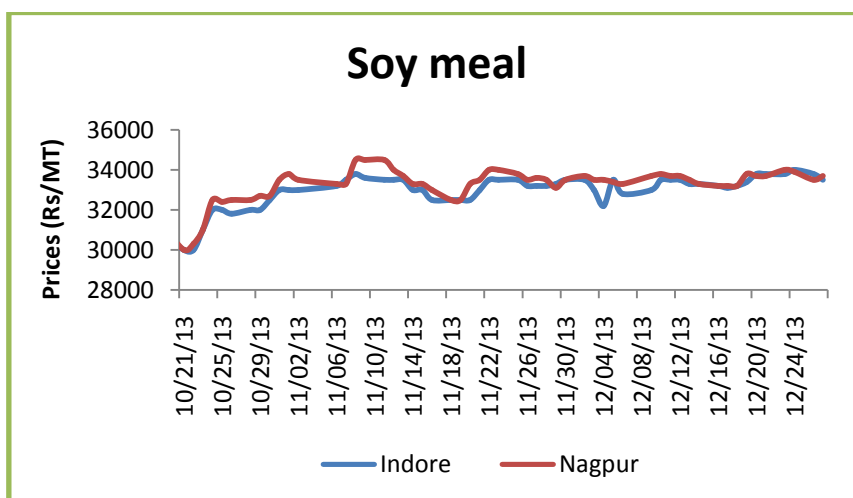
The key feed ingredients prices may feature steady to weak ton during the week in review.

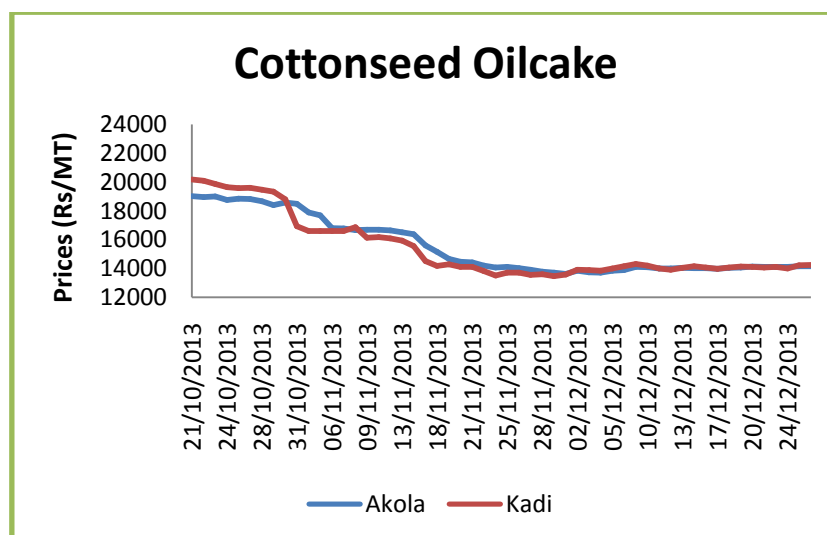
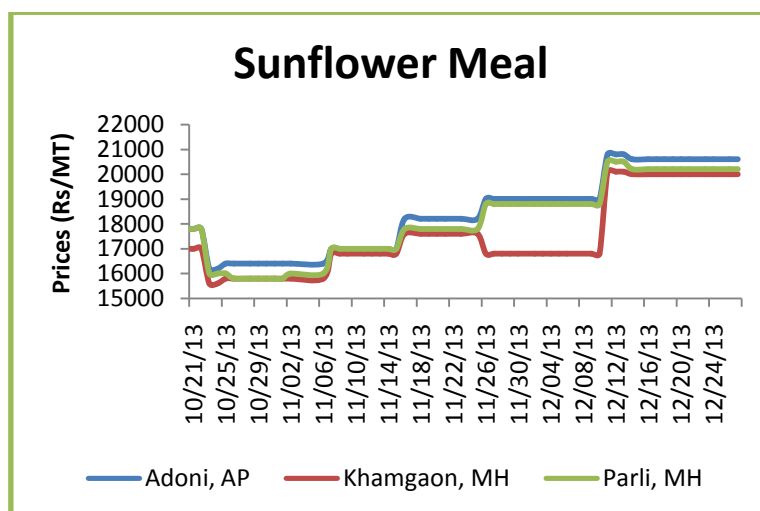
Soybean prices were lower due to weak demand in the spot markets and bearish trend in international markets. However, lower arrivals in the key spot markets of Madhya Pradesh restricted excessive fall. Internationally, soybeans on CBOT also witnessed a fall as pressure from South American sowing progress with record output estimates provided strong resistance to the prices.

Soy meal prices also depicted a weak trend during the week in review, in tandem with the domestic soybean prices, led by a weaker exports demand by overseas exporters. Meanwhile, lower arrivals during the current season have led to limited availability of high quality beans in the local markets supporting the prices. Also, weakness in the international markets pressured the domestic markets.

Overall, steady to weak sentiments witnessed in most of the major spot markets of maize during last week. Wheat mill delivery prices also traded steady to moderately weak owing to increased OMSS release.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean prices at major spot markets featured a steady to weak tone for the past week. Soybean prices were lower due to weak demand in the spot markets and bearish trend in international markets. However, lower arrivals in the key spot markets of Madhya Pradesh restricted excessive fall. Internationally, soybeans on CBOT also witnessed a fall as pressure from South American sowing progress with 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 which provided supportive cues to the market. Adverse affect on the yields and quality of soybeans has resulted in less than normal supply of good quality soybeans. However, expectations of improvements in supply situation in the coming days led to slight pressure in the market. Demand for soy meal is reported slightly weak which is resulting in a cautious buying in the domestic soybeans markets.

A poor rate of crushing of soybean has affected soy meal availability. Even quality concerns are there in the market. 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 days.

In the US, soybeans on CBOT witnessed a weak trend during the past week. Pressure from higher output forecasts in South America and favorable weather conditions during the week in the key producing regions pressured the CBOT market. However, strong demand for the US soybeans and robust Chinese buying is provided support to the market sentiments limiting the fall. The USDA reported better than expected weekly export sales of soybeans which buoyed the market. Also concerns of a tight supply situation in the US in the near term supported the market. 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, most analysts are expecting a record soybean crop output putting a bearish tone to the prices. The weather conditions are currently favorable in most areas. However, some regions have been impacted by heavy rainfall. Also, increased humidity and cases of soybean rust as well as caterpillar damage have been reported. These concerns may affect the market and yield/supply estimates may be revised. Also, farmers in Brazil are reportedly contemplating a second soybean crop this season instead of corn. Due to low prices of corn and left over stocks, farmers may plant more soy in January. Meanwhile, logistics and port infrastructure issues are likely to remain a big challenge for Brazil in the coming season.

In Argentina, higher temperature and forecast of lower rainfall in the coming days is likely to impact the soybean plantation in key regions. The main producing regions are still witnessing favorable conditions but outlook for coming days is a concern for the growers and will be a key factor to watch out for.

Domestic soybean market is expected to feature a steady movement with a weak bias in the coming days on moderate buying in the domestic and mostly weak cues from international markets. Bearish South American supply sentiments and higher US soy crop yields are likely to pressure global soy markets restricting the upside.

Soy meal prices also depicted a weak trend during the week in review, in tandem with the domestic soybean prices, led by a weaker exports demand by overseas exporters. Meanwhile, lower arrivals during the current season have led to limited availability of high quality beans in the local markets supporting the prices. Also, weakness in the international markets pressured the domestic markets.

Markets are expected to feel some pressure as US soybean harvest revealed higher production and yields as shipments start from the region. However, robust Chinese buying has supported the US prices. 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.

As per traders, India's soya meal exports are likely to decline more than a quarter to 3 million tons in the year to September 2014 as overseas buyers opt for cheaper supplies from South America. Due to

the yield damage caused by excessive rainfall in the growing regions, supplies of soybeans have been affected. Lower supplies have raised the domestic prices, pulling down the exports demand.

High prices and lower quality have led to poor crushings of soybeans affecting soy meal availability. This has impacted its export and traders may have switched from India to other origins for fulfilling their commitments. It was reported that since the moisture content was higher than stipulated level some of the cargoes faced rejection, thereby resulting in problems in fulfilling export commitments on time.

According to the latest release by SOPA, the exports of soybean meal during November 2013 was 5.19 lakh tons as compared to 5.17 lakh tons in November, 2012. On a financial year basis, the export during April'2013 to November'2013 is 15.90 lac tons as compared to 14.05 lakh tons in the same period of previous year showing an increase of 13.16%.

During current Oil year, (October - September), total exports during October 2013 to November, 2013 are 7.14 Lac tones as against 5.68 Lac tones last year, showing an increase by 25.70%. Iran, France and Japan were the major destinations for Indian soybean meal exports for the month.

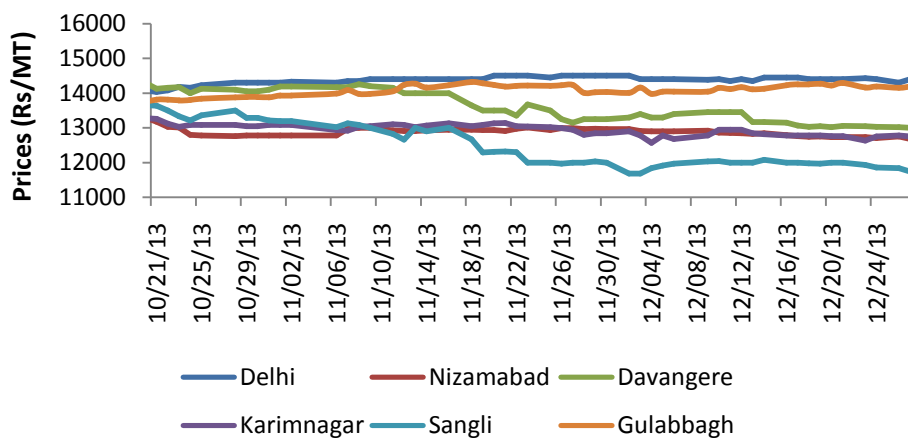
The soy meal prices are expected to feature steady to weak movement in the near term. Prices expected to depict weakness during the week. However, demand for new crop soy meal and tightness in the good quality beans supply in the domestic markets is likely to provide some support to the prices in the near-term.

India's soy meal prices continue to get competition from South American meal. Indian meal is priced higher than the South American meal currently and market is about to enter the seasonally higher exports period. Also, soybeans exports from South America are likely to increase once harvesting of the new crop begins.

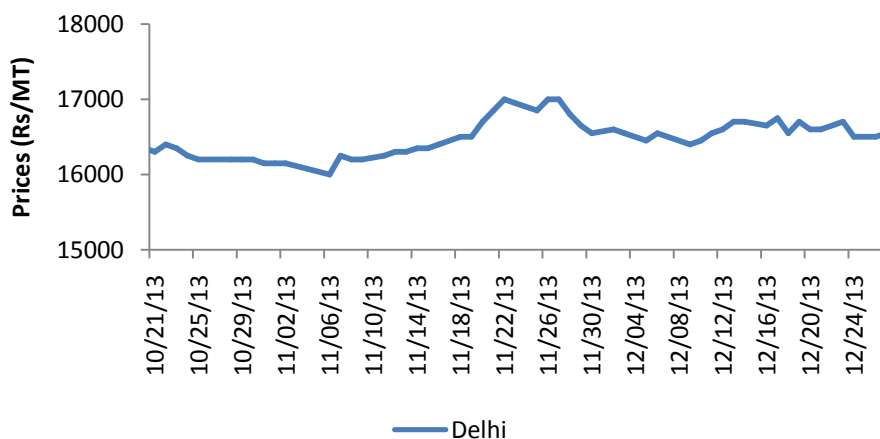
However, preference of the meal of Indian origin mainly by the South-East countries due to logistic and freight advance and demand for non-GMO meal will lend support to the domestic soy meal. During the current Oil year Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea are the major destinations for Indian soybean meal exports.

However, India's Y-o-Y soy meal prices have witnessed a steady trend during the past week. Soy meal (Dec-Jan) export price, FOR Kandla exports was quoted between Rs 35,300-35,900/MT, higher compared to last year.

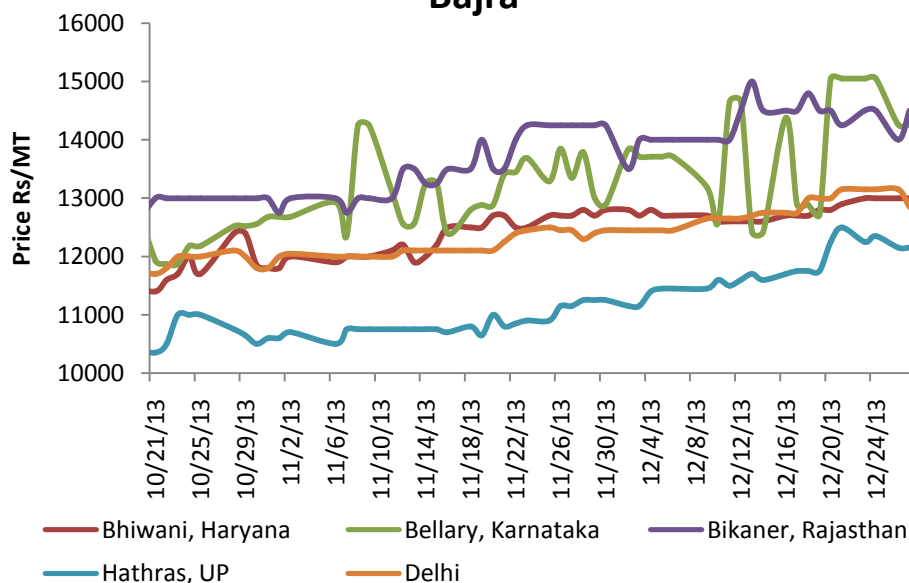
Maize



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 feed makers quoted maize down by Rs.70 per quintal in a range of Rs. 1250-1280 per quintal and starch feed makers quoted maize down by Rs. 40 per quintal in a range of Rs.1260-1310 per quintal as compared to last week, sourced from Maharashtra and crop contains around 14% moisture.

In the Khanna market of Punjab, the maize was quoted firm by Rs. 5 per quintal to Rs. 1485 per quintal as compared to last week. On daily basis, arrivals of maize reported around 8-9 motors, contained 14% moisture, sourced from Maharashtra and Himachal. Sources revealed that maize stock could be around 100 motors.

As per trade sources, in A.P, total maize stock could be around 65,000 MT (included government stock 56,000 MT and local stockiest stock around 9,000 MT). As per trade sources, maize is moving towards hyderabad at Rs. 1270 per quintal, sourced from warrangal and karimnagar.

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

As per trade sources, in A.P, total maize stock could be around 65,000 MT (included government stock 56,000 MT and local stockiest stock around 9,000 MT). In Nizamabad, crop arrivals reported lower as farmers have already sold their produce. In Nizamabad, maize stock could be around 20,000 MT (included government stock 18,000 MT and local stockiest stock around 2,000 MT). As per trade sources, maize is moving towards hyderabad at Rs. 1270 per quintal, sourced from Warrangal and Karimnagar.

As per USDA, U.S. accumulated corn export figures reached to 10,701,299 metric tons for the 2013-14 marketing year which is higher by ~68% from the last marketing year during the same period. Exports of 13,48,200 MT were reported by U.S. to Mexico (289,800 MT), Japan (235,400 MT), China (204,600 MT), South Korea (122,200 MT), and Egypt (118,700 MT) for the period Dec 13- Dec 19, 2013.

As per Reuter, a group of Israeli private buyers has purchased about 95,000 tons of corn. Out of which 45,000 tons of corn was purchased at a premium of 132.50 cents c&f over the Chicago May corn contract and remained was purchased at 127 cents c&f over the May contract, to be sourced from the Black Sea region for the shipment between February and April 2014.

As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 43.6% in the Oct'13 from 47.5% during the same month last year as users turned to alternatives such as sorghum.

As per Reuter, climate expert told that the hot and dry weather is likely to continue for another week in Argentina's main corn crops belt that could limit yields.

Cash wheat market continues to trade range bound despite ongoing lean season and short supply of superior grades at various producing centers. Regular supply of milling grade through OMSS supported by higher production prospects based on higher acreage and ample water availability in Rajasthan and M.P. this year remain restrictive for any uptrend at this point of time.

Crop condition in M.P. Gujarat, Rajasthan, Punjab ,Haryana and Uttar Pradesh has been reported good so far. As per traders feedback India is heading towards bumper production once again given the favorable weather condition, However, temperature in the month of Jan and Feb remains crucial for the final size of the crop.

Wheat stock in Central pool was 299.39 lakh tones as on 16th December 2013 . Punjab has the highest wheat stock in central pool at 111.50 lakh tones followed by Haryana at 65.55 lakh tones.

Domestic market is expected to trade steady to weak owing to stockiest/traders increased releases in market as they expect good crop ahead. Market participants think that government may either decrease OMSS prices or increase allocation to make way for expected bumper crop ahead and contain price rise.

MMTC has received the highest bid of USD 283.11/MT from Cargill for 30,000MT wheat. Tender was issued to 100,000 MT of wheat and second highest bid was from Emmsons Gulf DMCC for USD 282.11/MT.

STC has received the highest bid of USD 288.30/T from Promising International for 40000MT wheat tender. Tender was issued for 200,000 MT of wheat to be exported from west port to be delivered by early Feb. Emmsons Gulf DMCC was the second highest bidder at USD 281.21/MT.

Wheat sowing in 2013-14 Rabi season has reached 273.37 lakh hectares as compared to 253.20 lakh tones which is almost 8% more than previous year owing to good weather conditions and ample water availability.

Good production prospects, balanced supply-demand side and regular release from central pool stock have pressurized cash wheat market.

Outlook

Feed prices are expected to feature steady to weak tone in the coming days due followed by the weakness in 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	160.0
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 due to higher feed makers demand. Sources revealed that maize could trade steady to slightly firm movement in the near term 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	436.0
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 traded down as jowar traded slightly firm during last week. We expect that both commodities could trade steady to slightly firm movement 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	-187.0
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 decreased during last week as wheat traded slightly firm. We expect that wheat could trade steady to weak owing to increase in 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	157.0
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 barley could trade steady movement in the near term and keep maize spread with barley slightly firm 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)		
	27.12.2013	20.12.2013	Parity To
Indore (MP)	32800-33500	33750	Gujarat, MP
Kota	32500-32800	32900	Rajasthan, Del, Punjab, Haryana
Akola	33500	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33800	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33300-33500	33300-33500	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34500	34800	Mumbai, Maharashtra
Nagpur (42/46)	33500-33700	33500-33700	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	34500	34000-34700	Local and South
Solapur	33800	33500	Local and South
Bundi	32500	32800	-

Soy DOC at Port

Centers	Port Price	
	27.12.2013	20.12.2013
Kandla (FOR) (INR/MT)	35300	35750

Kandla (FAS) (USD/MT)	569	574
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International Soy DOC

Argentina FOB \$/MT	26.12.2013	19.12.2013	Change
Soybean Pellets	544	547	-3
Soybean Cake Meal	544	547	-3
Soybean Meal	552	555	-3
Soy Expellers	552	555	-3

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	27.12.2013	20.12.2013	Change
Adoni	20600	20600	Unch
Khamgaon	20000	20000	Unch
Parli	20200	20200	Unch
Latur	20300	20300	Unch

Groundnut Meal

Groundnut Meal	27.12.2013	20.12.2013	Change
Basis 45% O&A, Saurashtra	23500	23500	Unch
Basis 40% O&A, Saurashtra	NA	-	-
GN Cake, Gondal	23500	23500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	27.12.2013	20.12.2013	Change
Jaipur (Plant Delivery)	13600	13600	Unch
Kandla (FOR)	14600	14600	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	27 Dec, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1450	1450	1435	1520
Davangere	Bilty	1230	1200	1180	1370	1400
Naugachia	Bilty	-	-	-	1275	-
Nizamabad	Bilty	1200	1250	1275	1225	1370
Ahmedabad	Feed	1280	1300	1280	1300	1500
	Starch	1290	1325	1270	1280	1550

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	207.38	170.05	211.14	218
Cost and Freight (Thailand)	257.38	223.85	271.14	253

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

Commodity	State	Variety	Centre	27.12.2013	20.12.2013	Change
Bajra	Karnataka	Hybrid	Bellary	1426	1505	-79
		Hybrid	Bangalore	1350	1600	-250
Jowar	Karnataka	White	Bangalore	1900	1900	Unch
		White	Bellary	1378	1467	-89
Maize	Karnataka	Yellow	Davangere	1180	1150	30
	Andhra Pradesh	Yellow	Nizamabad	1140	1190	-50
Rice	Haryana	IR8	Karnal	2100	2100	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	33500	33800	-300
	Maharashtra	DOC	Sangli	34500	34700	-200
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	20600	20600	Unch
	Maharashtra	Ex-factory	Latur	20300	20300	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	13600	13600	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	23500	23500	Unch

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