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Summary

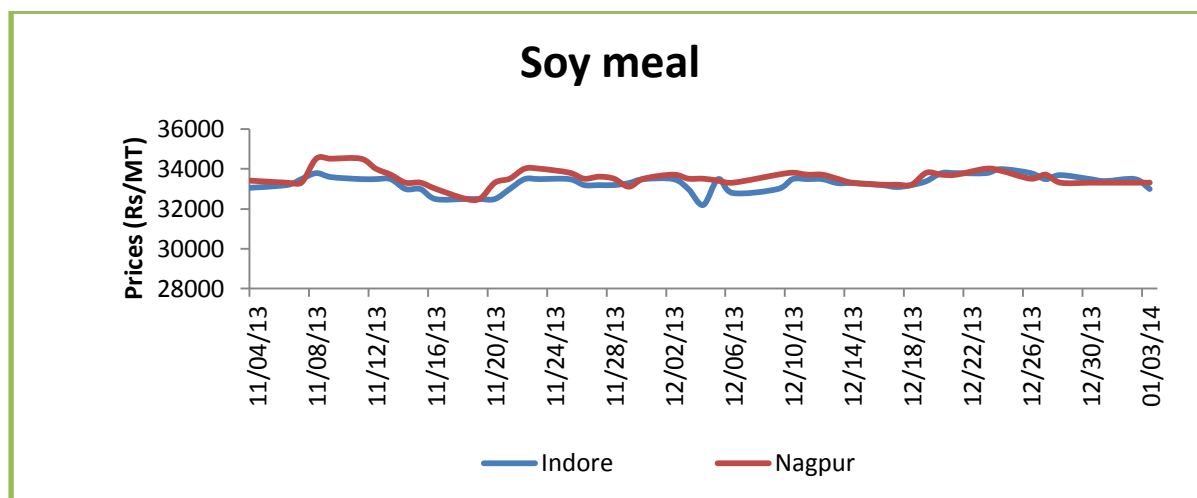
Overall, the key feed ingredients prices witnessed weak sentiments during the week in review.

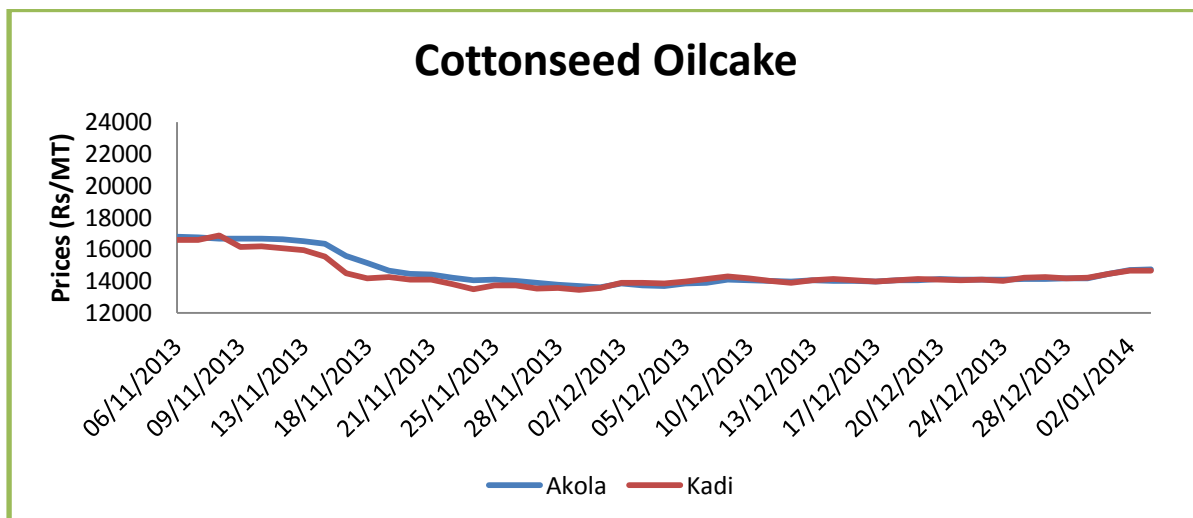
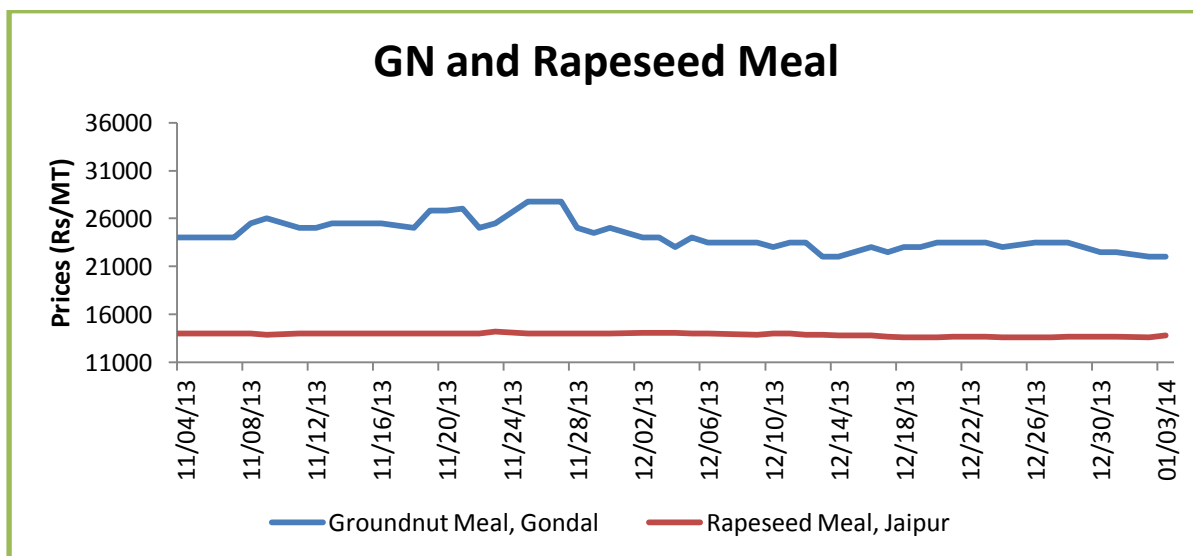
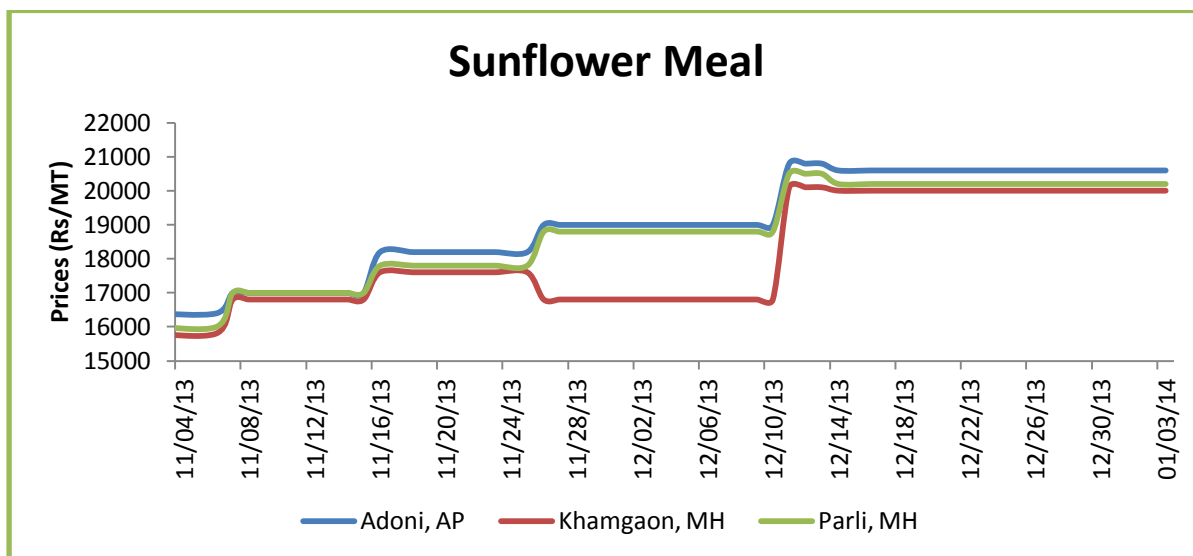
Soybean prices at major spot markets extended losses during the past week. Soybean prices have been pressured by moderate demand in the spot markets and bearish trend in international markets. However, weak supplies in the key spot markets of Madhya Pradesh restricted excessive fall. Internationally, 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 pushing the prices. Also, weakness in the international markets pressured the domestic markets.

Mixed 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 and soy meal prices declined while rapeseed/mustard seed prices featured slight gains during the past week.

Soybean prices at major spot markets extended losses during the past week. Soybean prices have been pressured by moderate demand in the spot markets and bearish trend in international markets. However, weak supplies 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.

In the US, soybeans on CBOT featured weak sentiments during the week. Pressure from higher output forecasts in South America as well as favorable weather conditions in the key producing regions impacted the market. However, strong demand for the US soybeans and robust Chinese buying is still providing support to the market sentiments. Also, concerns of a tight supply situation in the US in the near term also restricted the decline. 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.

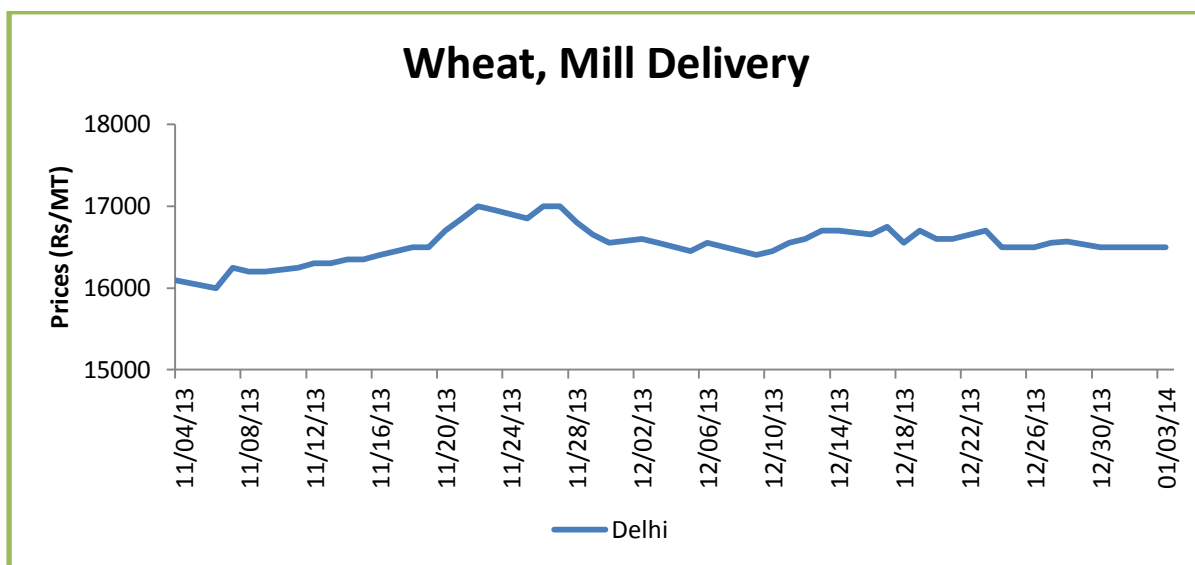
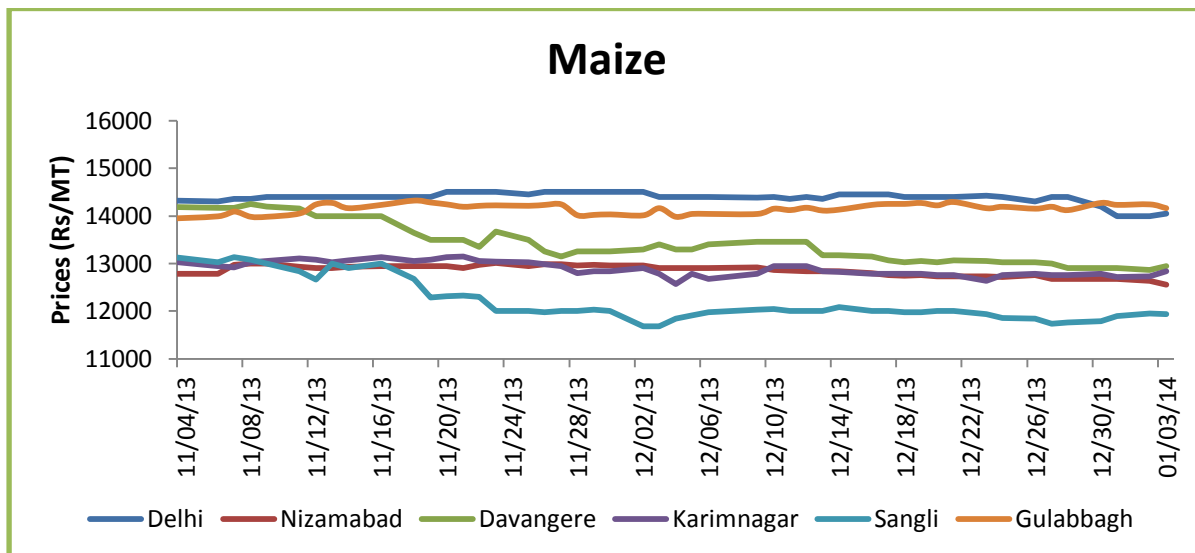
In Brazil, most analysts are expecting a record soybean crop output putting a bearish tone to the prices. Sowing is over and the weather conditions are currently favorable in most areas. However, some regions have been impacted by heavy rainfall. Also, increased humidity and cases of soybean rust as well as caterpillar damage have been reported. These concerns may affect the market and yield/supply estimates may be revised. Harvesting has commenced in the top producing state of Mato Grosso. 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.

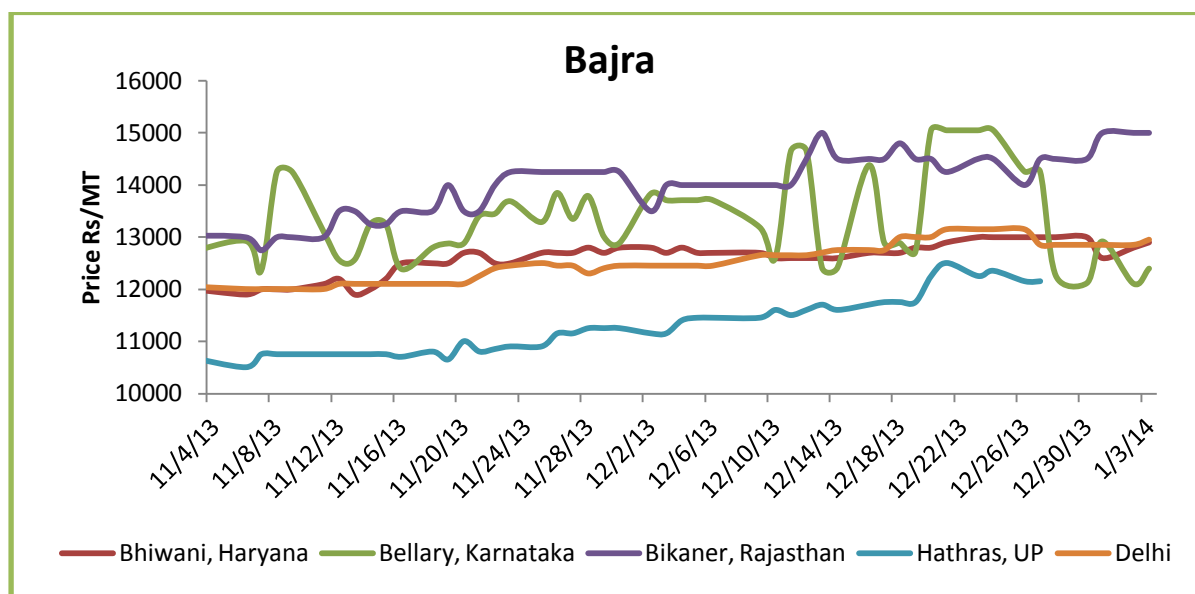
Soy meal prices also depicted a weak trend during the week in review, in tandem with the domestic soybean prices, led by a weaker exports demand by overseas exporters. Meanwhile, lower arrivals during the current season have led to limited availability of high quality beans in the local markets pushing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

Moderate exports demand was reported from traders amid limited availability of beans in the local markets. There are concerns over damage to the soybean crop due to which traders have revised their projections for soy meal exports. As per latest projections by 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. Lower supplies have raised the domestic prices, pulling down the exports demand.

RM seed prices in key spot markets across Rajasthan and Gujarat recovered during the week and ended with gains. A sharp drop in temperature in the northern regions of India led to concerns over crop growth in producing regions which supported the prices. Reportedly, cold wave conditions are being seen in some parts of Rajasthan. However, pressure from the good sowing progress of the rabi oilseeds across major producing regions restricted gains. Higher sowing area has raised prospects for

increased output. Rapeseed prices will continue to feel pressure on moderate demand for oils and sufficient carry over stock.





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 steady in a range of Rs. 1230-1280 per quintal. However, starch feed makers quoted maize down by Rs. 10 per quintal in a range of Rs.1250-1300 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 down by Rs. 5 per quintal to Rs. 1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 8 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). In Nizambad, 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 hydrabad at Rs. 1300 per quintal, sourced from warrangal and karimnagar.

During the week, hybrid maize traded weak by Rs. 10 per quintal to Rs.1450 per quintal as compared to last week, sourced from U.P. Sources revealed that prices could trade steady to weak in the near term.

As per trade sources, in Davangere, maize crop contain 14% moisture. Maize is moving towards Bangalore and Kolkata at Rs. 1340 per quintal, sourced from Karnataka.

As per USDA, U.S. accumulated corn export figures reached to 11,347,679 metric tons for the 2013-14 marketing year which is higher by ~72% from the last marketing year during the same period but

down by 37% from the last week. Exports of 8,44,400 MT were reported by U.S. to South Korea (198,900 MT), Japan (184,000 MT), China (154,900 MT), Mexico (120,500 MT), and Peru (62,500 MT) for the period Dec 20- Dec 26, 2013.

As per Reuter, China's corn seed market is suffering from severe surplus in production capacity as country produced 1.36 billion kilo grams of corn seeds in the crop year of 2011-12 and the seed output in the 2012-13 crop year is estimated to maintain the volume unchanged. However, the country's seed demand stays at 0.75-1 billion kilo grams, far lower than the supply.

As per Reuter, Agriculture minister told that Indonesia is likely to double-digit increases in corn production compared to 2013. Indonesia's corn crop in 2014 is pegged at 20.82 million tons next year, up 12 percent.

As per Reuter, Rosario exchange told that Argentina is likely to produce 22 million tons corn during 2013/14.

With favourable weather, assured price and area shifting from other crops to wheat area under wheat coverage crossed record at 302.09 lakh ha. against 286.38 last year till 1st January. It is almost 5 percent higher than last year. Market participants expects higher than targeted production of 92.50 million tonne this year.

As sowing of late varieties are still on In Uttar Pradesh, Bihar and Madhya Pradesh, wheat area is expected to cross 305 lakh ha. by the end of January. Crop condition is good to excellent throughout the country. However, spread of yellow rust in Jamnagar remains a major cause of concern as it may reduce the final size of the crop.

Area in Uttar Pradesh has crossed 9.68 million ha. against the target of 9.73 million ha., Madhya Pradesh is lagging behind the target of 5.9 million ha., wheat coverage area has been registered here at 5.39 million ha. so far. As sowing still continues, target is likely to be met in next two -three weeks from now. Area under wheat in Bihar has been reported at 2 million ha. against the target of 2.32 million ha.

Wheat stock in central pool registered at 29.93 million tonne as on 16.12.2013. It is lower than (the stock of 40.70 million T in 1st Nov. 2012) corresponding period last year. However, it is quite higher than 10.2 million tone required on 1st January, 2014 under buffer norm, including strategic reserve of 2.0 million tonne. Overall stock status remains comfortable.

MMTC has received the highest bid of USD 283.11/MT from Cargill for 30,000 MT 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 40,000 MT 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 cash market continues to trade range bound as supply side from central pool stock remains ample. Higher area coverage and expectation of higher crop size restrict market to go for any bull run at this point of time. However, premium grades have firmed up due to short supply in the market as there is no stock of these grades in private hands. Milling grade is expected to trade steady to slightly lower in the short term.

International market is likely to trade steady to slightly firm on increased demand from China 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	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	153.0
5	135.0				-72.0			132.00		234.0		152.0

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

As the table depicts, in Delhi spot market, maize spread with bajra slightly decreased as compared to last week as maize traded down vs. bajra. Sources revealed that trend could continue 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	446.0
5	132.5				53.0			372.00		370.0		422.0

*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 jowar could trade steady movement and keep maize spread with jowar down 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	-126.0
5	-62.0				-137		105.00	-66.0		-140.0		-131.0

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

As the table depicts, maize spread with wheat decreased during last week as maize traded down vs. wheat. We expect that both commodities could trade steady to weak and keep maize spread with wheat intact 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	171.0
5	97.50				196.0			272.0		190.0		155.0

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

As the table depicts, in Delhi spot market, maize spread with barley decreased as maize traded down vs. barley during last week. We expect that barley could trade steady movement in the near term and keep maize spread with barley slightly down 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)		
	3.1.2014	27.12.2013	Parity To
Indore (MP)	32800-33000	32800-33500	Gujarat, MP
Kota	32300-32600	32500-32800	Rajasthan, Del, Punjab, Haryana
Akola	33000	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB

Nanded/Latur	33000	33300-33500	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34000	34500	Mumbai, Maharashtra
Nagpur (42/46)	33300	33500-33700	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	34000	34500	Local and South
Solapur	33500	33800	Local and South
Bundi	32400	32500	-

Soy DOC at Port

Centers	Port Price	
	3.1.2014	27.12.2013
Kandla (FOR) (INR/MT)	34800	35300
Kandla (FAS) (USD/MT)	558	569

International Soy DOC

Argentina FOB \$/MT	2.1.2014	26.12.2013	Change
Soybean Pellets	NA	544	-
Soybean Cake Meal	NA	544	-
Soybean Meal	NA	552	-
Soy Expellers	NA	552	-

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	3.1.2014	27.12.2013	Change
Adoni	20600	20600	Unch
Khamgaon	20000	20000	Unch
Parli	20200	20200	Unch
Latur	20100	20300	-200

Groundnut Meal

Groundnut Meal	3.1.2014	27.12.2013	Change
Basis 45% O&A, Saurashtra	23000	23500	-500
Basis 40% O&A, Saurashtra	NA	NA	-
GN Cake, Gondal	22000	23500	-1500

Mustard DOC/Meal

Mustard DOC/Meal	3.1.2014	27.12.2013	Change
Jaipur (Plant Delivery)	13800	13600	+200
Kandla (FOR)	14700	14600	+100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	20 Dec, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1430	1450	1450	1430	1480
Davangere	Bilty	1230	1230	1250	Closed	1116
Nizamabad	Bilty	1275	1200	1275	Closed	1070
Ahmedabad	Feed	1280	1280	1300	Closed	1125
	Starch	1300	1290	1320	Closed	1575

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	217.76	189.15	210.8	231
Cost and Freight (Thailand)	267.76	245.35	270.8	266

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>3.01.2014</u>	<u>27.12.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1240	1426	-186
		Hybrid	Bangalore	1250	1350	-100
Jowar	Karnataka	White	Bangalore	1800	1900	-100
		White	Bellary	1568	1378	190
Maize	Karnataka	Yellow	Davangere	1180	1180	Unch
	Andhra Pradesh	Yellow	Nizamabad	1225	1140	85
Rice	Haryana	IR8	Karnal	2100	2100	Unch
		Parmal Raw	Karnal	2300	2400	-100
Soy meal	Madhya Pradesh	DOC	Indore	33000	33500	-500
	Maharashtra	DOC	Sangli	34000	34500	-500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	20600	20600	Unch
	Maharashtra	Ex-factory	Latur	20100	20300	-200
Mustard	Rajasthan	Plant delivery	Jaipur	13800	13600	200
Groundnut Meal	Gujarat	GN Cake	Gondal	22000	23500	-1500

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