

Contents:

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

Summary

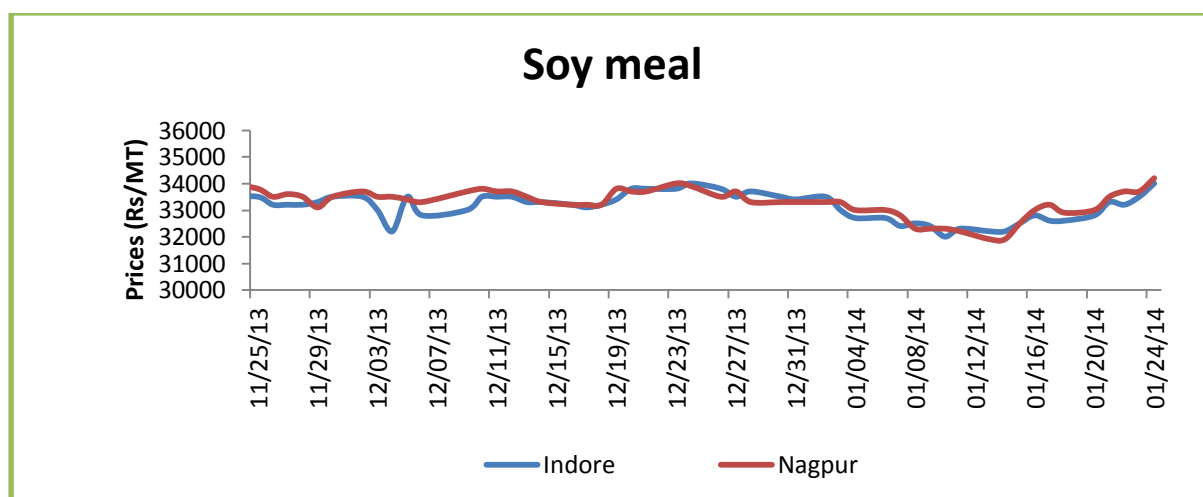
Overall, the key feed ingredients prices witnessed steady to firm sentiments except maize during the week in review.

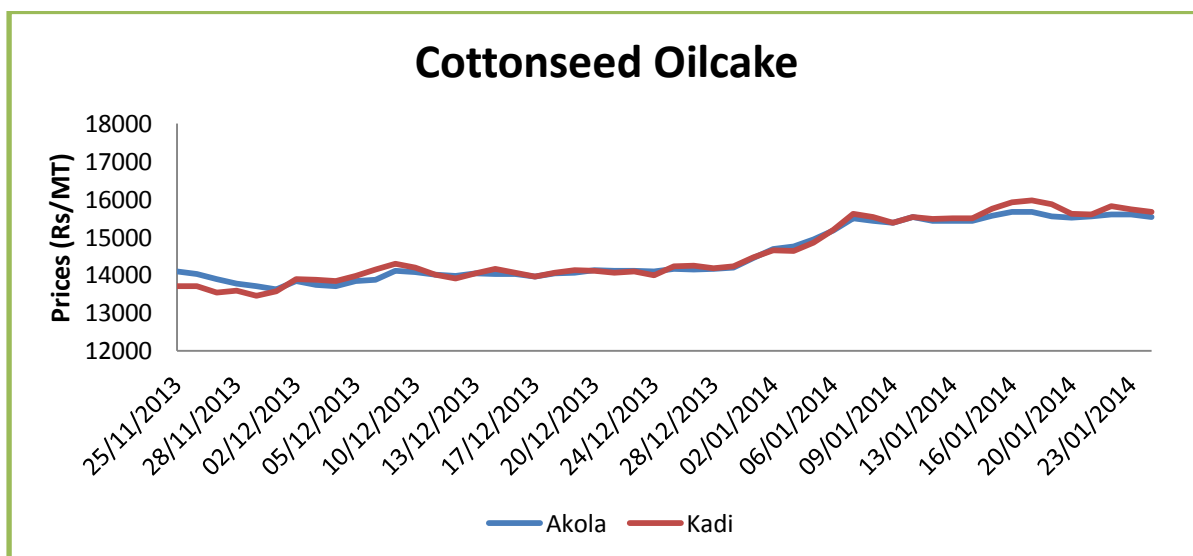
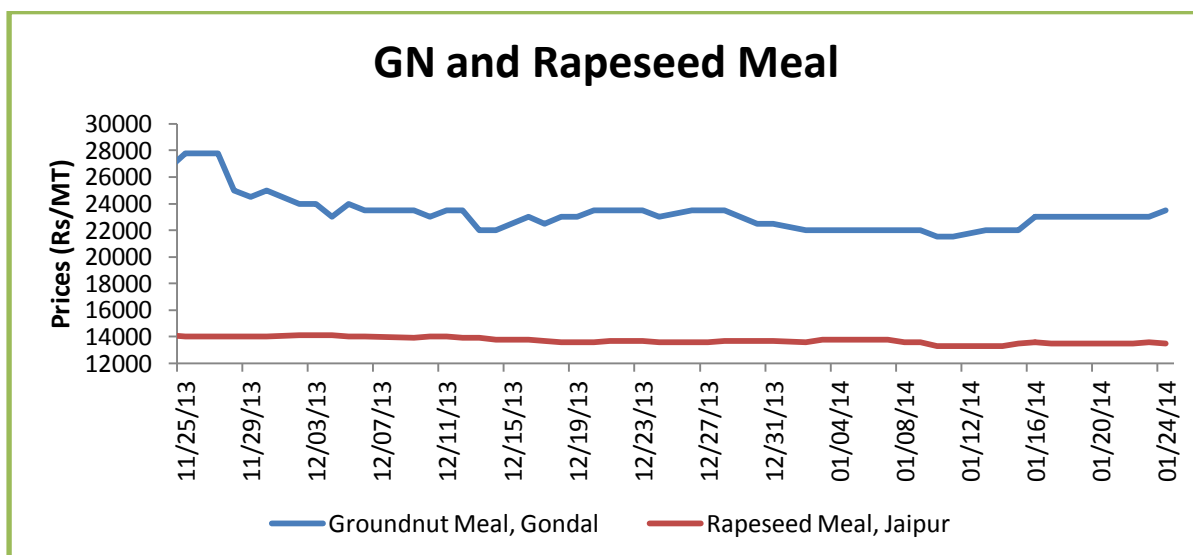
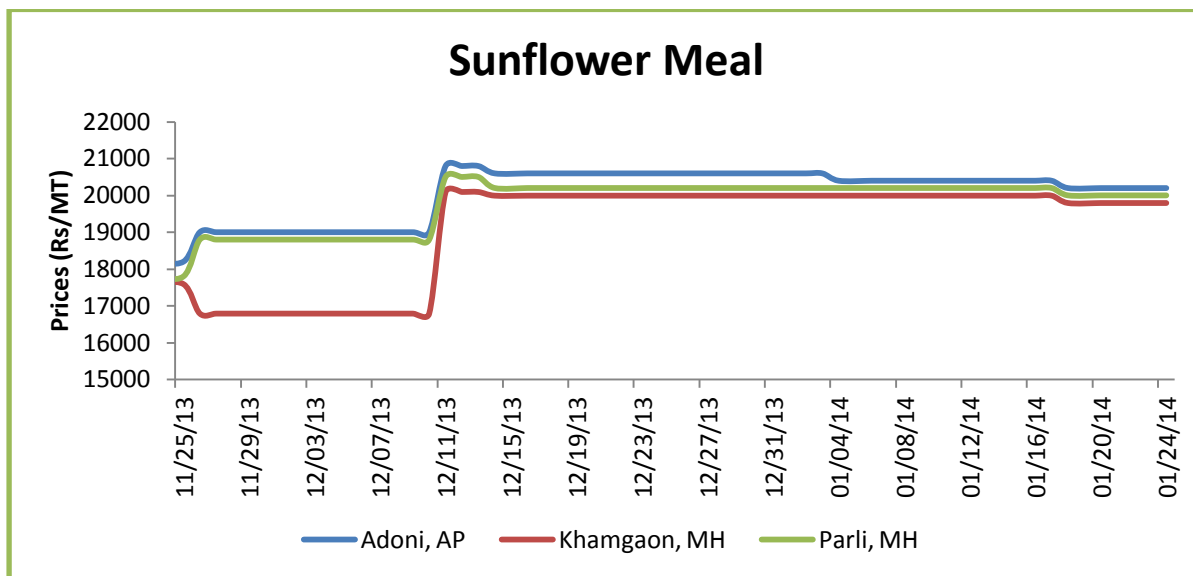
Soybean prices edged-up on limited supplies in the key cash markets and bullish global soybean reports during the week.

Soy meal prices rebound in tandem with the rise in bean prices during the week in review. Lower supplies in beans due to non-participation of sellers and buyers in the cash grain market of Madhya Pradesh eventually lead to further fall in the soy meal supplies and rise in the quotes.

Overall steady to firm 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 due to good expectation of crop this year.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal and rapeseed/mustard rebound on firm global cues, limited oilseeds supplies and improved buying during the week in review.

Soybean prices edged-up on limited supplies in the key cash markets and bullish global soybean reports during the week.

Labour strike in the major markets of Madhya Pradesh initially in the week, again trader's strike in the mandis of MP during the week severely hit the soybean supplies in Madhya Pradesh. The supplies fell to 15-20 thousand bags from around 1.0-1.25 lakh bags a day in MP. The traders have called on strike to protest against the proposed food bill for Madhya Pradesh.

The soybean crushing units are running significantly below their capacity due to widened disparity on crushing the beans and lower soy meal exports commitment. Sources reveal that several large crushers have even shut down their units due to lower availability of beans and disparity in crush margin. Those which are functional are running at 25-30% of their total crush capacity.

Further, improved Chinese buying mainly from US, to meet their domestic demand remained supportive for the market. U.S. sellers have reportedly shipped nearly 18.8 million tonnes of U.S. soybeans to China, about 8 million tonnes more has been sold but is yet to ship and 3.5 million tonnes is unshipped sales to undisclosed destinations.

China National Grain and Oils Information Center forecasted that China would import 5.35 million tonnes of soybeans in January, higher than the Ministry of Commerce's earlier estimate of 4.61 million tonnes.

Hence, good buying prospects in the international market mainly from US and demand shifting to South America ahead new crop supplies remained supportive for the global and domestic soybean market. The prices are expected to gain on buying in near-term.

Soy meal prices rebound in tandem with the rise in bean prices during the week in review. Lower supplies in beans due to non-participation of sellers and buyers in the cash grain market of Madhya Pradesh eventually lead to further fall in the soy meal supplies and rise in the quotes.

However, India's soy meal exports are moderate and they are unable to pick-up due to quality concerns and competitive price of South American soy meal with the advent of new season. The seasonal world demand shift to South America for the meal is progressing ahead new soybean crop supplies.

The soybean harvesting in Brazil has already commenced and the new crop will attract the meal buyers due to price competitiveness. Soya meal shipments of the 6 major countries were 8% higher than previous year at 4.35 Mn T in December.

The prices are likely to feature range-bound movement within the price band of current levels.

RM seed improved on supportive soybean and fresh buying during the week. However, higher planted acreage this season around 71 lakh hectares which up about 6% from previous year and eventually expected rise in the seed production capped the gains.

Weather remains supportive for the standing crop, North India/seed growing region recently received rains which is reported to be beneficial for the crop. There are no reports of crop damage in Rajasthan, Uttar Pradesh, MP, Haryana or Punjab due to cold wave, rains or hailstorm. The yield potential is likely to be good this year.

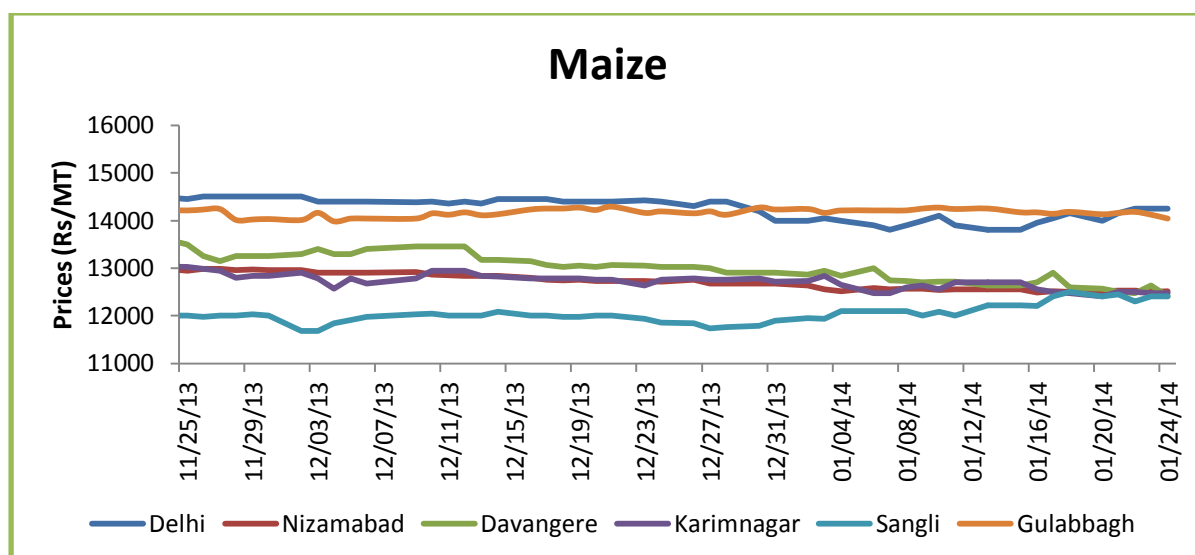
The new crop arrivals of early planted seed expected to commence in mid February in some parts of Rajasthan.

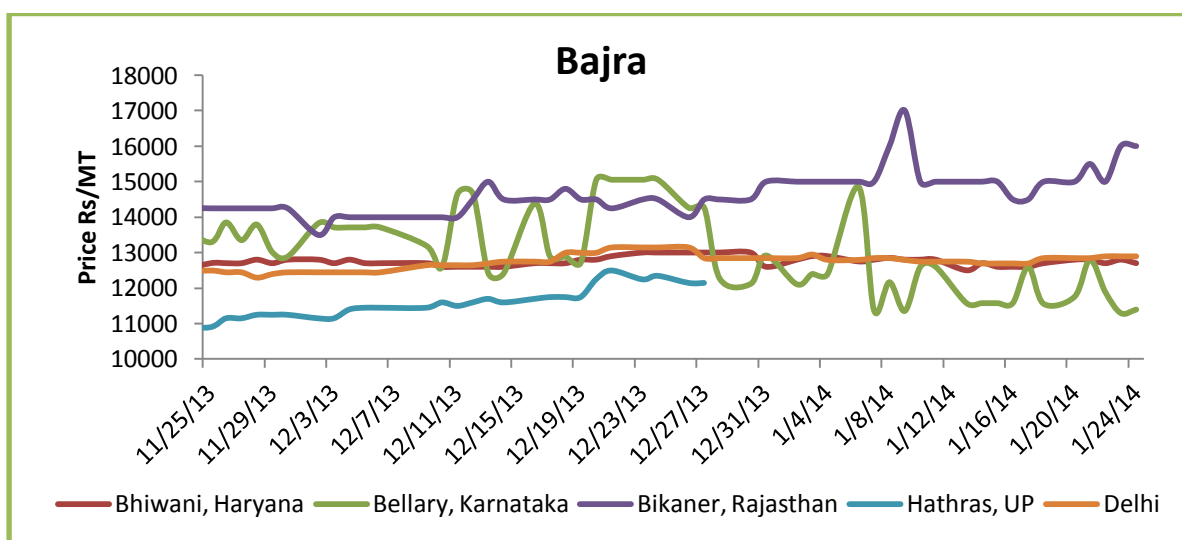
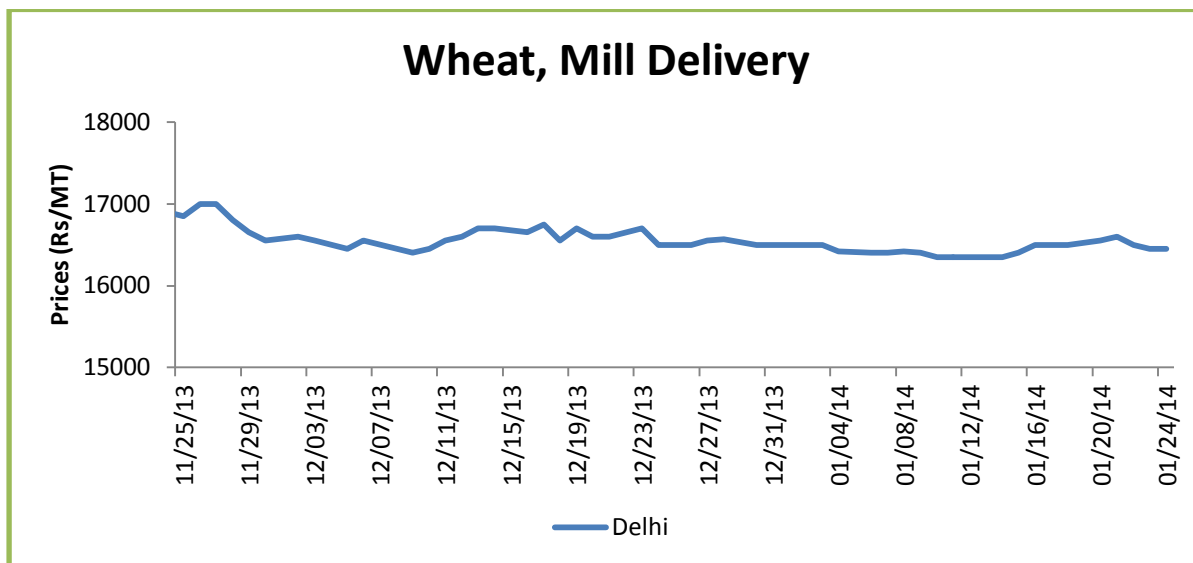
Attractive parity in edible oil imports is boosting the imports of soy, palm and sunflower oils discouraging the domestic seed crushers to some extent.

The mustard seed prices are expected to feature range-bound movement with firm bias on bullish global oilseeds demand outlook in short-term. Rise in planted area, better oil imports and considerably good oil inventories at domestic front will limit the gains.

The edible oil inventories are Edible oils stock as on 1st January, 2014 at various ports of India is estimated at 745,000 tons which includes (CPO 450,000 tons, RBD Palmolein 150,000 tons, Degummed Soybean Oil 25,000 tons, Crude Sunflower Oil 100,000 tons and Canola Rape Oil 20,000 tons) and about 850,000 tons in pipelines.

Oilseeds and oilmeals are expected to witness mild gains in upcoming weeks.





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

Overall steady to firm sentiments witnessed in most of the major spot markets of maize during last week.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize firm by Rs. 30 per quintal in a range of Rs. 1270-1340 per quintal. Besides, starch feed makers quoted maize firm by Rs. 50 per quintal in a range of Rs.1290-1350 per quintal as compared to last week, sourced from Maharashtra and crop contains around 14% moisture.

However, in the Khanna market of Punjab, the maize was quoted down by Rs. 20 per quintal to Rs. 1460 per quintal as compared to last week. On daily basis, arrivals of maize reported around 9-10 motors, contained 14% moisture, sourced from Maharashtra and Himachal. Sources revealed that maize stock could be around 200 motors.

As per USDA, U.S. accumulated corn export figures reached to 13,312,482 metric tons for the 2013-14 marketing year which is higher by ~82% from the last marketing year during the same period and

19% from the last week. Exports of 7,99,100 MT were reported by U.S. to Mexico (212,800 MT), Japan (160,700 MT), Peru (140,500 MT), South Korea (120,100 MT), and Colombia (71,200 MT) for the period Jan 10- Jan 16, 2014.

As per Reuter, A group of Israeli private buyers has purchased about 90,000 tons of corn which can be sourced optionally from the Black Sea region or the United States in an international tender for the same volume which closed on Thursday. Some 40,000 tons was purchased for shipment between Apr. 1-20 at \$229 a ton c&f. A further 50,000 tons was purchased for shipment between Apr. 25 to May 15 at \$231 a ton c&f.

As per USDA, Private exporters reported the sale of 105,664 tons of U.S. corn to Japan for delivery in the 2014/15 marketing year, which will begin on Sept. 1.

As per Reuter, China imported 637,045 tons of corn from the United States in December, down by 19 percent from the November month, official customs data showed, as Beijing has been rejecting U.S. cargoes due to the presence of an unapproved genetically-modified strain. The December imports bring the country's total corn imports from the United States to 2.97 million tons, down 42 percent from last year, data issued by the General Administration of Customs showed on Tuesday.

Domestic wheat markets traded almost range bound on the back of higher release from central pool stock for flour millers through open market sale schemes and bumper production prospects this year. Export continues through public and private channel. However, private export volume is lower due to lower availability of premium grade in the open market.

Recent rains (in the third week of January) have boosted the yield prospects in major wheat growing regions. Market participants have started talking about record crop size ranging 95 to 100 million tonnes based on record area coverage around 315 lakh ha. till 24th January, 2014 against last year's coverage of around 296 lakh ha.

Wheat sowing area increased this year by 6.33 percent so far (17th Jan, 2014) from 295 lakh ha. to 313.69 lakh ha. on the back of good monsoon and higher water availability in the major wheat growing regions.

This year wheat production may break all previous records of production as weather remains favourable till now for better growth of the crop. Market participants have started saying that wheat production this year may touch 100 million tonne provided weather remain congenial to the crop in the month of February and March.

The Inflation of wheat has increased to 7.40% in the month of December as compare to 7.26% in the month of November. WPI has increased to 220.5 in December as compare to 217.1 in the month of November.

Wheat stock in central pool warehouses was registered at 28.04 million T as compared to 31.06 million T on same time last year. It is higher than actual requirement of 11.12 million tonne on 1st Jan. '2014. The highest accumulated stock is in Punjab (10.72 million T) followed by Haryana (5.97 million Tonne) and Madhya Pradesh (4.20 million tonne) as on 01.01.2014.

Government has set the production target at 92.5 Metric tonnes for 2013-14. Going by the current crop condition and higher area coverage production is expected to be much higher than the set target.

International market is likely to trade steady to slightly firm on buyer's fresh interest at present level. However in medium term market is expected to trade slightly up due to some damage report in U.S. wheat growing area due to excessive cold.

Outlook

Feed prices are expected to trade steady to firm in the coming days on the expectation of increase in demand.

Spreads

Maize Average Weekly spread with Bajra

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	113.0	86.0	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0
2	82.50	112.5	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	135.0
3	93.75	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0
4	102.0	110.0	86.0	-104.0	-49.0	120.00	124.00	190.00	230.0	207.5	153.0	
5				-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 decreased as compared to last week as bajra traded firm with the steady price movement in maize. Sources revealed that both commodities could trade steady to slightly firm in the near term and keep maize spread with bajra down as compared to last week.

Maize Average Weekly spread with Jowar

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	107.0	142.0	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0
2	80.0	172.5	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0	460.0	317.0
3	147.5	178.0	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0
4	170.0	244.0	205.0	0.83	229	250.00	334.00	327.00	368.0	450.0	446.0	
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 firm vs. maize. We expect that trend could continue in the near term and keep maize spread with jowar slightly down as compared to last week.

Maize Average Weekly spread with Wheat

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	-90.8	-59.0	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0
2	-143	-14.0	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0
3	-81.25	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0
4	-47.5	29.0	76.0	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	
5				-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 wheat traded firm. We expect that wheat could trade steady to slightly weak due to expectation of a better crop and increase in quantity released by government and keep maize spread with wheat firm as compared to last week.

Maize Average Weekly spread with Barley

Week	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
1	71.67	152.0	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0
2	62.50	189.0	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0	187.5	143.0
3	122.5	239.0	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0
4	167.0	294.0	314.0	151.0	147.5	185.0	270.0	197.0	158.0	189.2	171.0	
5				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 increased as barley traded down during last week. We expect that barley could trade steady 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)		
	24.1.2014	17.1.2014	Parity To
Indore (MP)	33200-34000	32500-32600	Gujarat, MP
Kota	33200-33500	32000	Rajasthan, Del, Punjab, Haryana
Akola	33200	32500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	33000	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33500-33800	32500	Andhra, AP, Karnataka ,TN

Dhulia/Jalna	34500	33500	Mumbai, Maharashtra
Nagpur (42/46)	34000-34200	33000-33200	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	34500	33300	Local and South
Solapur	34800	33000	Local and South
Bundi	32500	33200-33300	-

Soy DOC at Port

Centers	Port Price	
	24.1.2014	17.1.2014
Kandla (FOR) (INR/MT)	35200	34400
Kandla (FAS) (USD/MT)	566	561

International Soy DOC

Argentina FOB \$/MT	23.1.2014	16.1.2014	Change
Soybean Pellets	504	520	-16
Soybean Cake Meal	504	520	-16
Soybean Meal	512	528	-16
Soy Expellers	512	528	-16

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	24.1.2014	16.1.2014	Change
Adoni	20200	20400	-200
Khamgaon	19800	20000	-200
Parli	20000	20200	-200
Latur	19800	20000	-200

Groundnut Meal

Groundnut Meal	24.1.2014	17.1.2014	Change
Basis 45% O&A, Saurashtra	24000	23300	700
Basis 40% O&A, Saurashtra	NR	NR	-
GN Cake, Gondal	23500	23000	500

Mustard DOC/Meal

Mustard DOC/Meal	24.1.2014	17.1.2014	Change
Jaipur (Plant Delivery)	13500	13500	Unch
Kandla (FOR)	14600	14500	100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	24 Jan, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1410	1410	1460	1460	1485
Davangere	Bilty	1200	1200	1230	1220	1390
Nizamabad	Bilty	1275	1275	1215	1275	1370
Ahmedabad	Feed	1320	1310	1280	1270	1500
	Starch	1320	1300	1300	1260	1560

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	202.85	197.45	201.24	233.13
Cost and Freight (Thailand)	252.85	252.45	261.24	268.13

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>24-Jan-14</u>	<u>17-Jan-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1140	1260	-120
		Hybrid	Bangalore	1400	1380	+20
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1540	1520	+20
Maize	Karnataka	Yellow	Davangere	1150	1150	Unch
	Andhra Pradesh	Yellow	Nizamabad	1225	1225	Unch
Rice	Haryana	IR8	Karnal	1900	1950	-50
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3400	3260	140
	Maharashtra	DOC	Sangli	3450	3330	120
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2020	2040	-20
	Maharashtra	Ex-factory	Latur	1980	2000	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1350	1350	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2350	2300	+50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1566	1597	-31
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1553	1566	-13

Note: Prices (Rs. per Qtl)

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.