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Summary

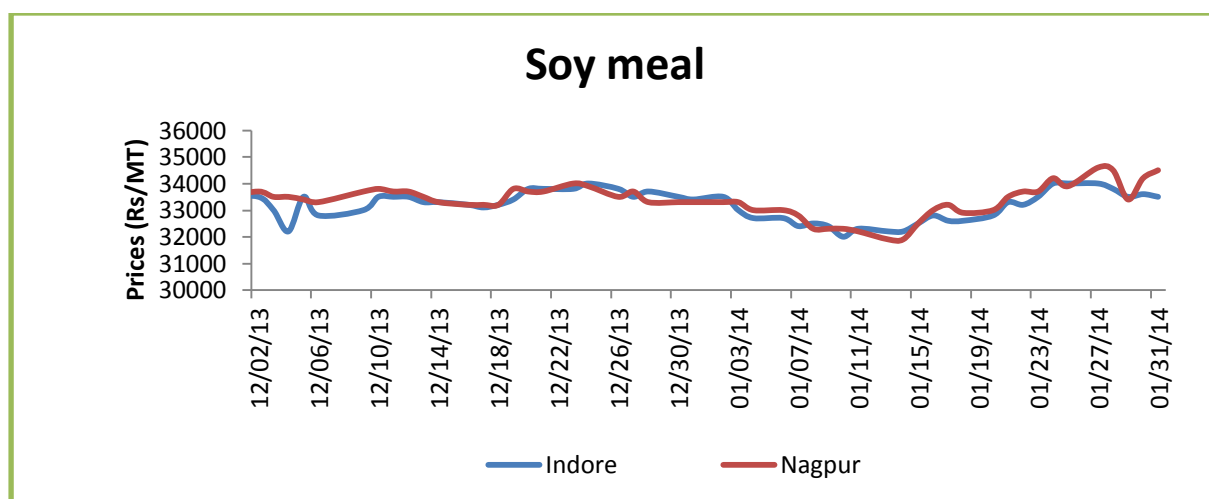
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

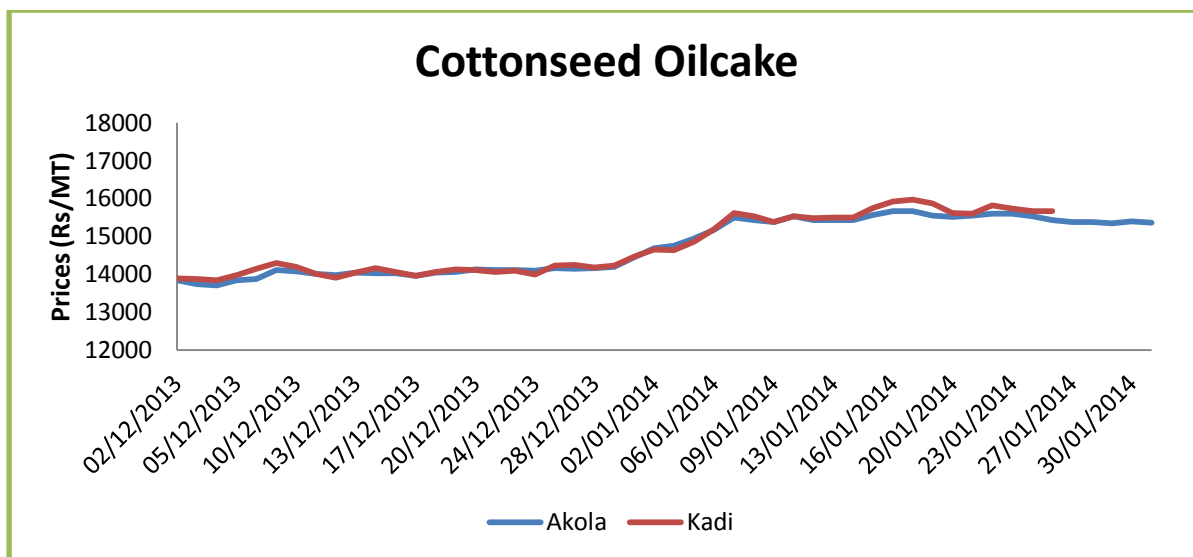
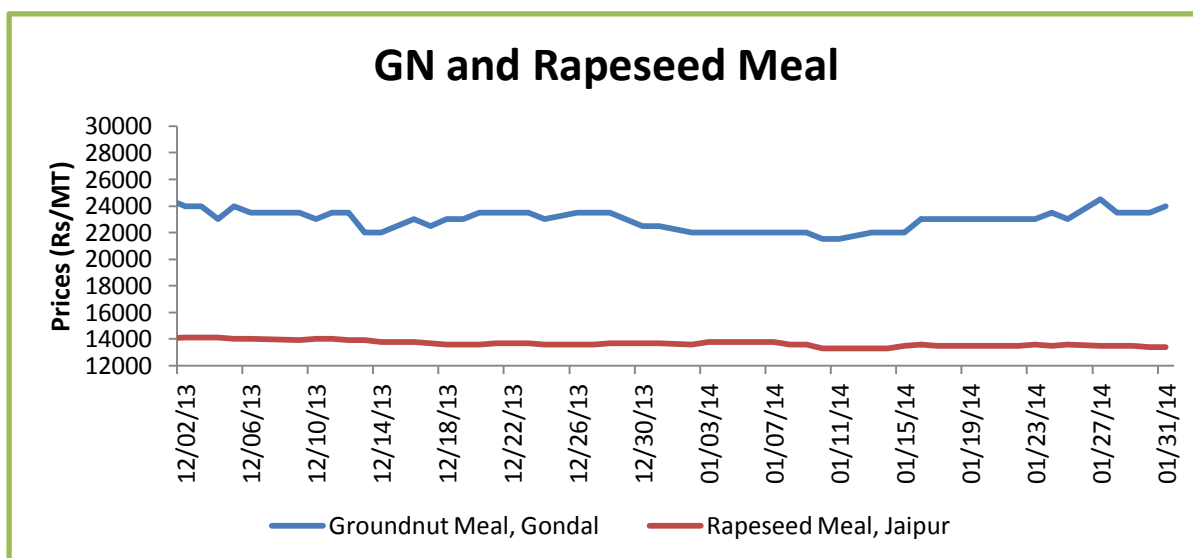
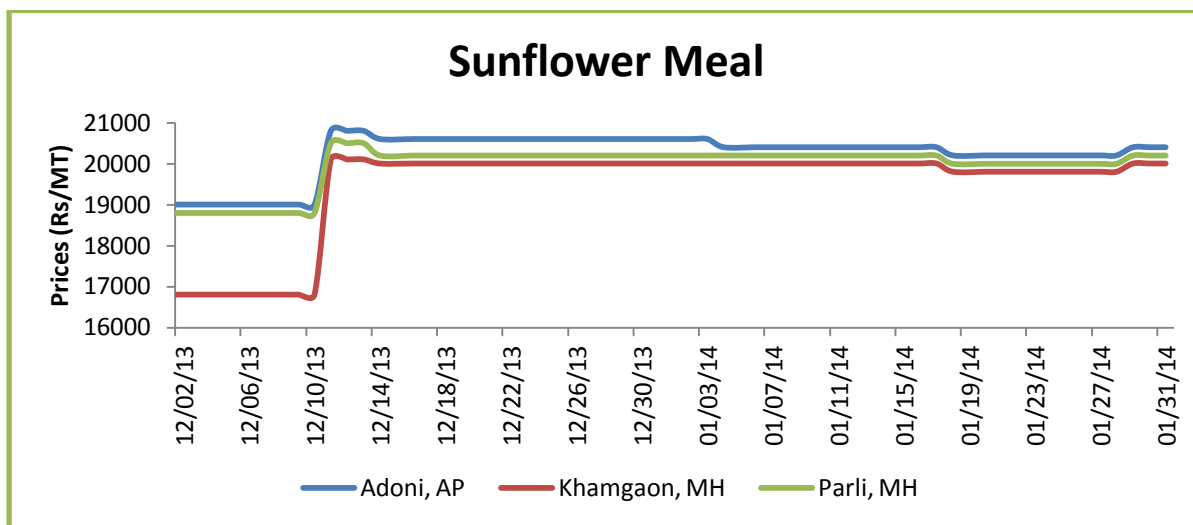
The domestic soybean prices extend gains primarily due to the significant fall in the supplies followed by the strike called on by the traders in the grain markets of Madhya Pradesh. Hence, the soybean supplies were limited for more than a week and the cash markets of MP were left without the participation of both the buyers as well as the sellers during the week in review.

Soy meal witnessed gains tracking the higher domestic beans due to the limited supplies during the week in review. Overall, the soy meal fundamentals are not strong as the exports are moderate and the exports inquiries are just limited.

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 due to good expectation of crop this year.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal posted gains on domestic factors while rapeseed/mustard declined on weak global oils and fats market during the week in review.

The domestic soybean prices extend gains primarily due to the significant fall in the supplies followed by the strike called on by the traders in the grain markets of Madhya Pradesh. Hence, the soybean supplies were limited for more than a week and the cash markets of MP were left without the participation of both the buyers as well as the sellers during the week in review.

The strike was called-on by the traders in protest against the Food Safety and Standard Act proposed to be rolled out in the state which consequently hit the arrivals leading to higher quotes in the beans.

However, the domestic soybean crush disparity has widened in recent months and it is unviable to crush for many solvent extractors with lower soy meal exports commitment and better import parity in edible oils.

The local buyers remained concerned on quality of the beans mainly affected due to the incessant rains in the major soybean producing belt at the time of cultivation.

The upcoming weeks will witness the rise in the soybean supplies as the strike has been called-off by the traders and the prices of the beans are likely to feature weak tone. The harvesting in Brazil is picking up the pace, recent rains in Argentina remained beneficial for the crop and crushing is discouraging for the domestic solvent extractors, the factors will certainly play bearish role for the beans.

Soy meal witnessed gains tracking the higher domestic beans due to the limited supplies during the week in review. Overall, the soy meal fundamentals are not strong as the exports are moderate and the exports inquiries are just limited.

The demand shift to South America is evident due to the competitive prices there ahead new crop supplies. The soybean harvesting is picking up the pace in Brazil and peak Argentine harvesting is expected in March. The major international meal buyers have begun to place the orders – forward booking to take the opportunity of price competitiveness.

Seasonal fall in the meal exports is likely in coming weeks. India exported about 650,434 MT of soy meal in Jan 2013, we expect India's Jan'14 meal exports little below previous year's level considering 451314 MT in Dec'13.

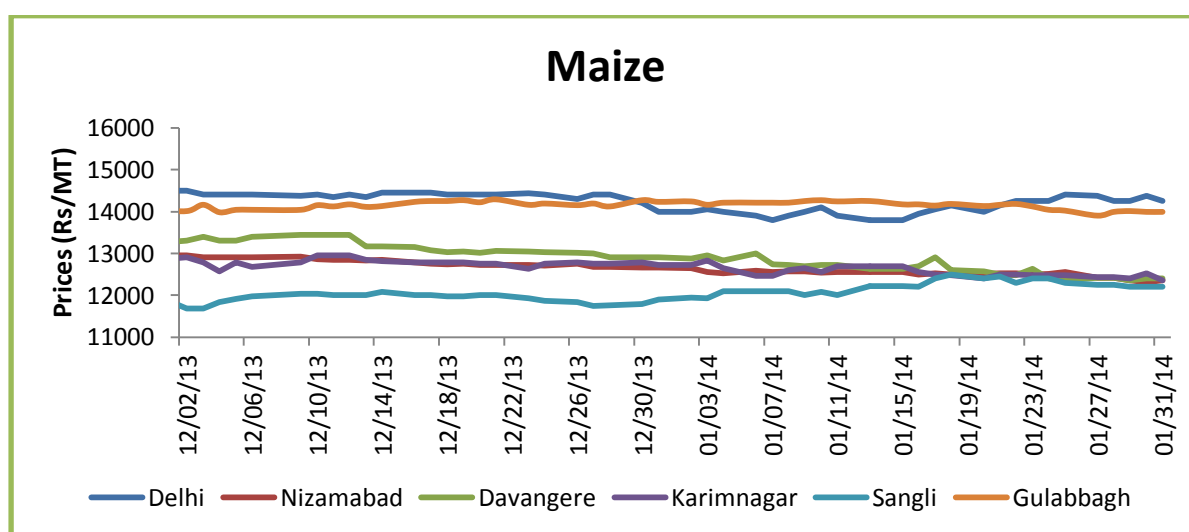
Soy meal prices are expected to witness steady to weak tone in near-term.

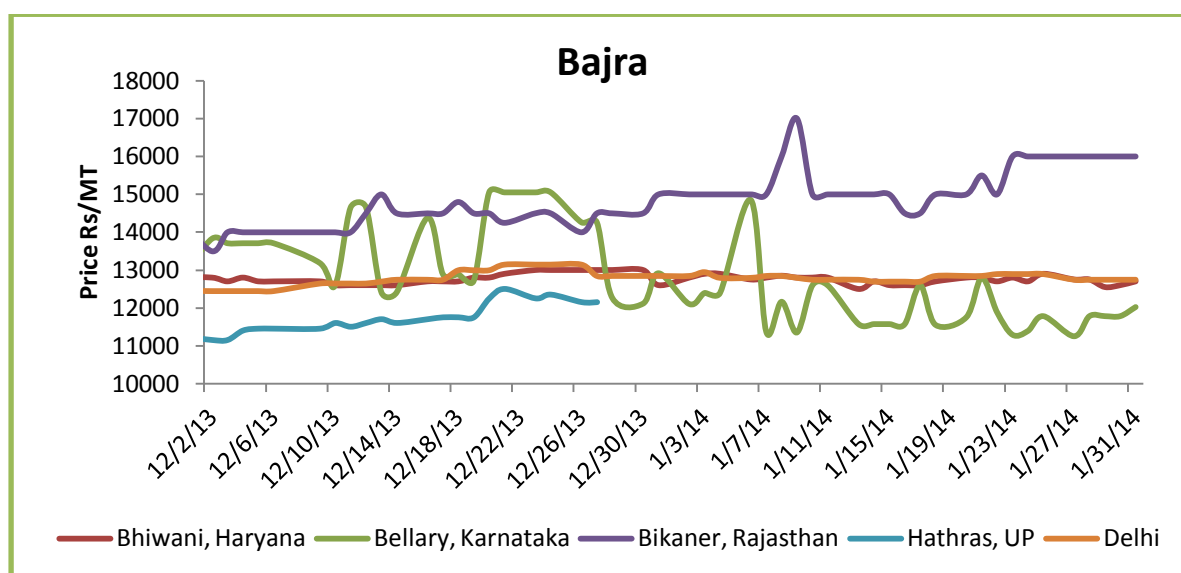
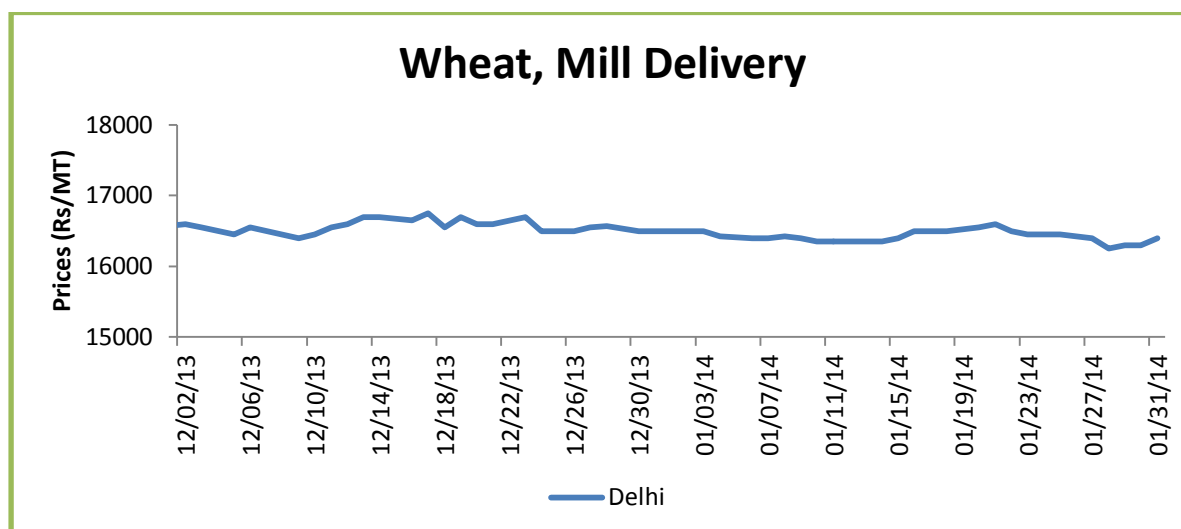
RM seed fell on weak crusher's demand associated with losses in BMD CPO owing to weak export sales in palm oil from the major exporting countries. Besides, higher inventories in Malaysian palm oil of 1.98 Mn T, up 0.3% m-o-m stock, remained bearish for international palm oil. Indian rapeseed closely follows BMD CPO.

Besides, the planting area under RM seed is higher by 6% this season compared to previous year; this will eventually boost the seed production this season. The planted area this season is around 71 lakh hectares compared to 67.5 lakh hectares previous year.

Further, parity in edible oil imports remained discouraging for the domestic solvent extractors. Better, imports in edible oils including palm, soy and sunflower and comfortable stocks remained bearish for the rapeseed.

The seed prices are expected to featured range-bound movement with weak-bias in near-term.





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.

As per Ministry of Agriculture, maize have been sown in 15.085 lakh hectares during 2013-14 against 14.265 lakh hectares sown in 2012-13 for rabi season.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize firm by Rs. 10 per quintal in a range of Rs. 1300-1350 per quintal. Besides, starch feed makers quoted maize steady in a range of Rs.1300-1350 per quintal as compared to last week, sourced from Maharashtra and crop contains around 14% moisture. As per trade sources, poultry and starch feed makers have 2 months stock in quantity.

Meanwhile, in the Khanna market of Punjab, the maize was quoted steady at 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 150-200 motors.

As per USDA, U.S. accumulated corn export figures reached to 14,256,608 metric tons for the 2013-14 marketing year which is higher by ~80% from the last marketing year during the same period and 26% from the last week. Exports of 10,04,100 MT were reported by U.S. to Japan (381,700 MT), Mexico (230,300 MT), Colombia (94,400 MT), Peru (92,200 MT), and South Korea (60,600 MT) for the period Jan 17- Jan 23, 2014.

Planting area under India's Rabi (winter) wheat crop stands at about 31.52 million hectares as of January 31, 2014, which is up about 6% from around 29.63 million hectares wheat planted during the same time last year, according to the Ministry of Agriculture.

Three traders in Bangladesh have bought 150,000 tonnes of wheat from India at prices ranging from \$302 to \$305 a tonne, including cost of delivery to Chittagong port.

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.

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 26.94 million T as on 16th Jan.'2014 compared to 28.04 million T on 1st Jan.'2014. 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 16.01.2014.

In MMTC Wheat export tender of 60,000 MTs from Pipava port 5 bids were received. Highest bid was by Alghurair at \$277.50/MT for 30,000 tonnes followed by Agro Corp. at \$275.59/MT for 30,000 tonnes and the lowest bid was at \$274.00.

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 due to fluctuation in feed ingredients prices. However, increase in demand could raise the prices.

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	145.0
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 increased as compared to last week as maize traded firm with the decrease in bajra prices. Sources revealed that both commodities could trade steady to slightly firm in the near term and keep maize spread with bajra firm 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	320.0
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 firm as maize traded firm with the steady price movement in jowar prices. We expect that trend could continue in the near term and keep maize spread with jowar slightly firm 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	- 105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0
5				-137			-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 vs. maize. 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	170.0
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)		
	31.1.2014	24.1.2014	Parity To
Indore (MP)	33500	33200-34000	Gujarat, MP
Kota	33000	33200-33500	Rajasthan, Del, Punjab, Haryana
Akola	34300	33200	Andhra, Chhattisgarh, Orissa, Jharkhand, WB
Hingoli	34000	33500	Andhra, Chhattisgarh, Orissa, Jharkhand, WB

Nanded/Latur	33800	33500-33800	Andhra, AP, Karnataka ,TN
Dhulia/Jalna	34800	34500	Mumbai, Maharashtra
Nagpur (42/46)	34500	34000-34200	Chhattisgarh, Orissa, Bihar, Bangladesh, AP, Karnataka, TN
Sangli	35200	34500	Local and South
Solapur	34800	34800	Local and South
Bundi	33000	32500	-

Soy DOC at Port

Centers	Port Price	
	31.1.2014	24.1.2014
Kandla (FOR) (INR/MT)	35400	35200
Kandla (FAS) (USD/MT)	567	566

International Soy DOC

Argentina FOB \$/MT	30.1.2014	24.1.2014	Change
Soybean Pellets	514	504	+10
Soybean Cake Meal	514	504	+10
Soybean Meal	522	512	+10
Soy Expellers	522	512	+10

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	31.1.2014	24.1.2014	Change
Adoni	20400	20200	+200
Khamgaon	20000	19800	+200
Parli	20200	20000	+200
Latur	20000	19800	+200

Groundnut Meal

Groundnut Meal	31.1.2014	24.1.2014	Change
Basis 45% O&A, Saurashtra	25000	24000	+1000
Basis 40% O&A, Saurashtra	23000	NR	-
GN Cake, Gondal	24000	23500	+500

Mustard DOC/Meal

Mustard DOC/Meal	31.1.2014	24.1.2014	Change
Jaipur (Plant Delivery)	13400	13500	-100
Kandla (FOR)	14400	14600	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	31 Jan, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1420	1410	1450	1450	1480
Davangere	Bilty	1240	1200	1200	1230	1370
Nizamabad	Bilty	1275	1275	1235	1275	1360
Ahmedabad	Feed	1320	1320	1240	1280	1480
	Starch	1350	1320	1290	1320	1540

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	204.53	196.85	213.98	230.25
Cost and Freight (Thailand)	254.53	251.85	273.98	265.25

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	183555
Sep	171955	290868	225921	6525	173381
Oct	219721	404960	223594	49840	182724
Nov	297340	443488	397659	517103	503269
Dec	328225	611157	798041	510698	451314
Total	2610835	2937018	4075617	2668918	3512217

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>31.1.2014</u>	<u>24.1.2014</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1203	1140	63
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1525	1540	-15
Maize	Karnataka	Yellow	Davangere	1190	1150	40
	Andhra Pradesh	Yellow	Nizamabad	1220	1225	-5
Rice	Haryana	IR8	Karnal	1900	1900	Unch
		Parmal Raw	Karnal	2600	2400	200
Soy meal	Madhya Pradesh	DOC	Indore	3550	3400	150
	Maharashtra	DOC	Sangli	3520	3450	70
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2040	2020	20
	Maharashtra	Ex-factory	Latur	2000	1980	20
Mustard	Rajasthan	Plant delivery	Jaipur	1340	1350	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2400	2350	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	NA	1566	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1536	1553	-17

Note: Prices (Rs. per Qtl)
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