

Contents:

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

Summary

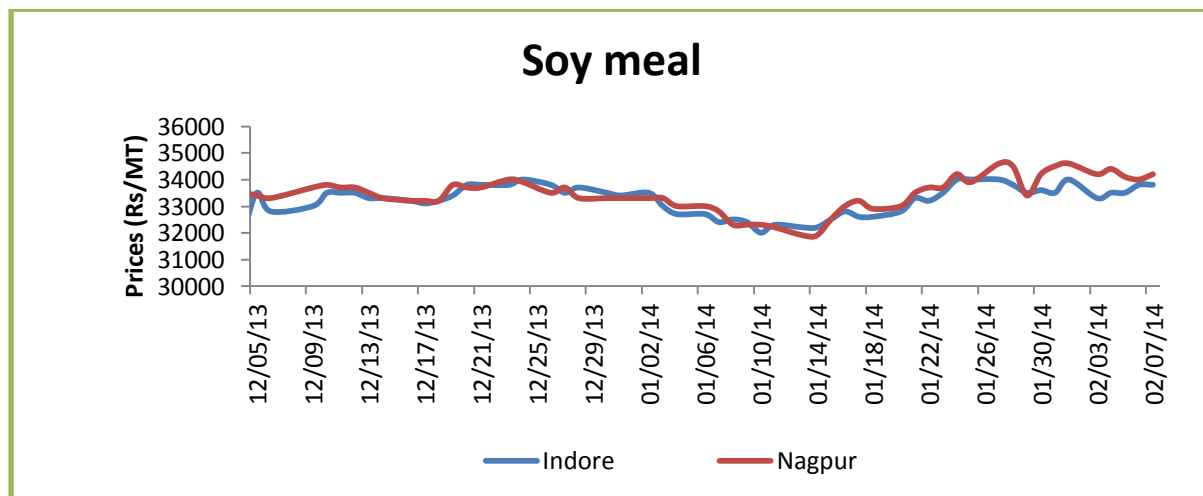
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

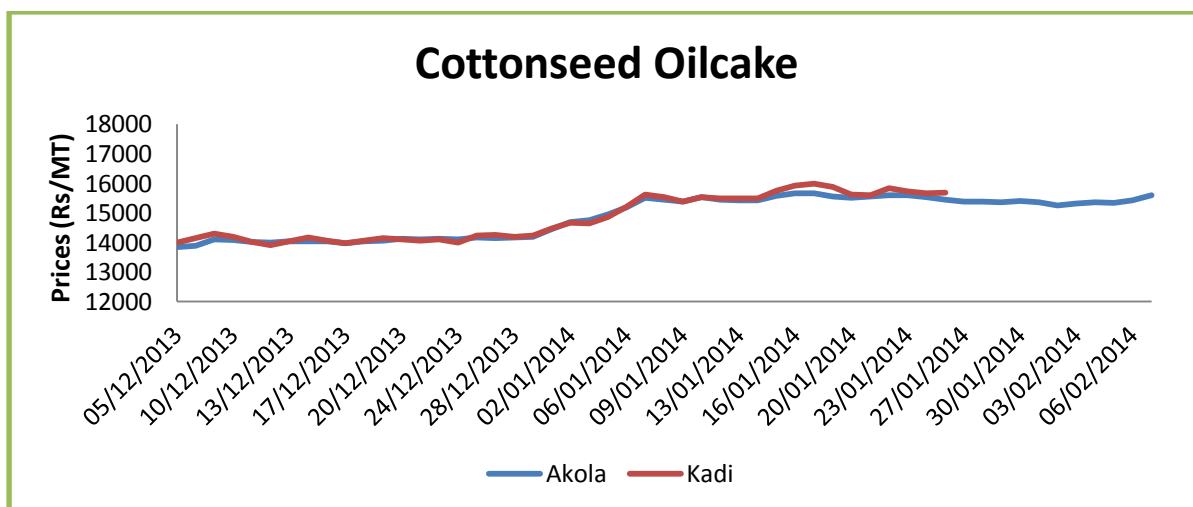
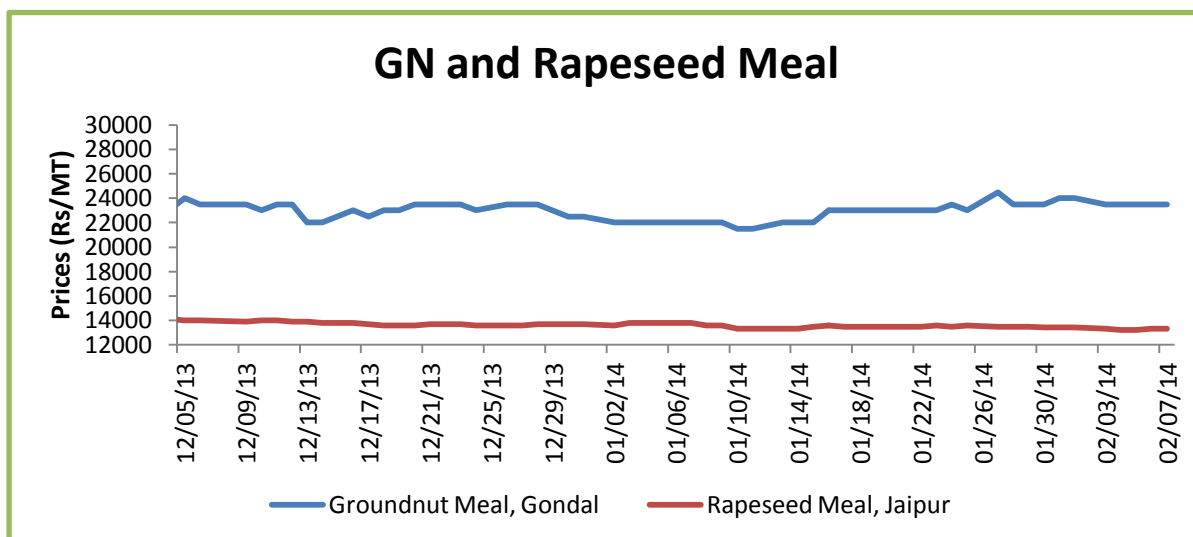
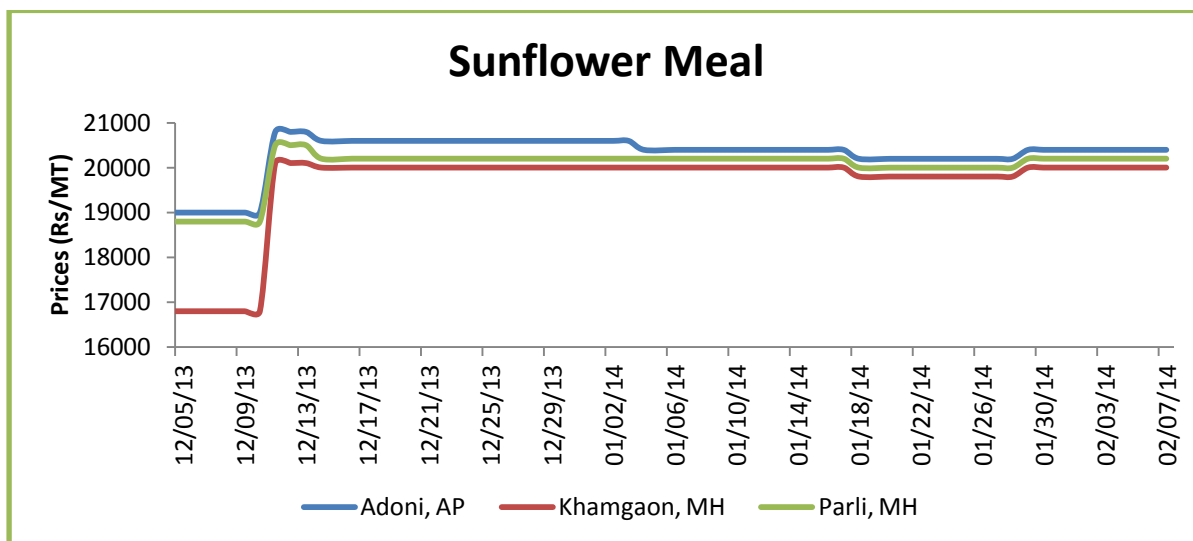
The domestic soybean prices featured gains tracking bullish cues from the international oil & fats market and lower arrivals on y-o-y basis. However, weak soy meal export demand and need based demand for oils limit the upside risk in the prices. The domestic soybean crush disparity has widened in recent 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 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 posted slight gains on domestic factors while rapeseed/mustard declined on new crop arrivals and on an estimated rise in the mustard output during the week in review.

The domestic soybean prices featured gains tracking bullish cues from the international oil & fats market and lower arrivals on y-o-y basis. However, weak soy meal export demand and need based demand for oils limit the upside risk in the prices. 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 sideways movement in the soybean prices owing to recovery in the international palm oil and talks of crop loss in Brazil. While, harvesting in Brazil is picking up the pace, and crushing is discouraging for the domestic solvent extractors which may limit the excessive gains. Market participants eye on the upcoming USDA's WASDE report which may gauge fresh directional moves to the market.

The 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.

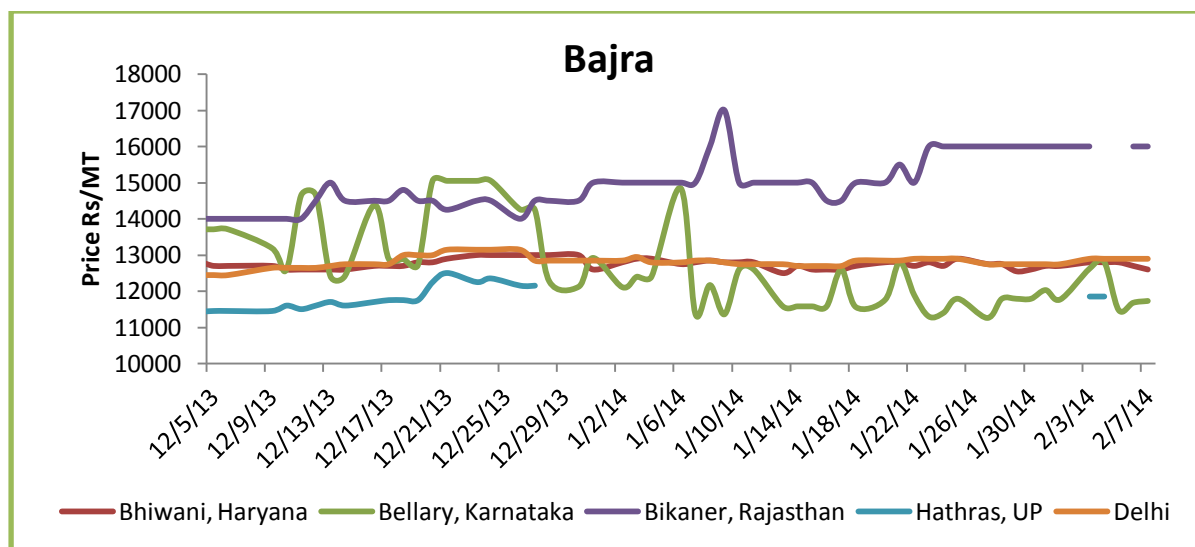
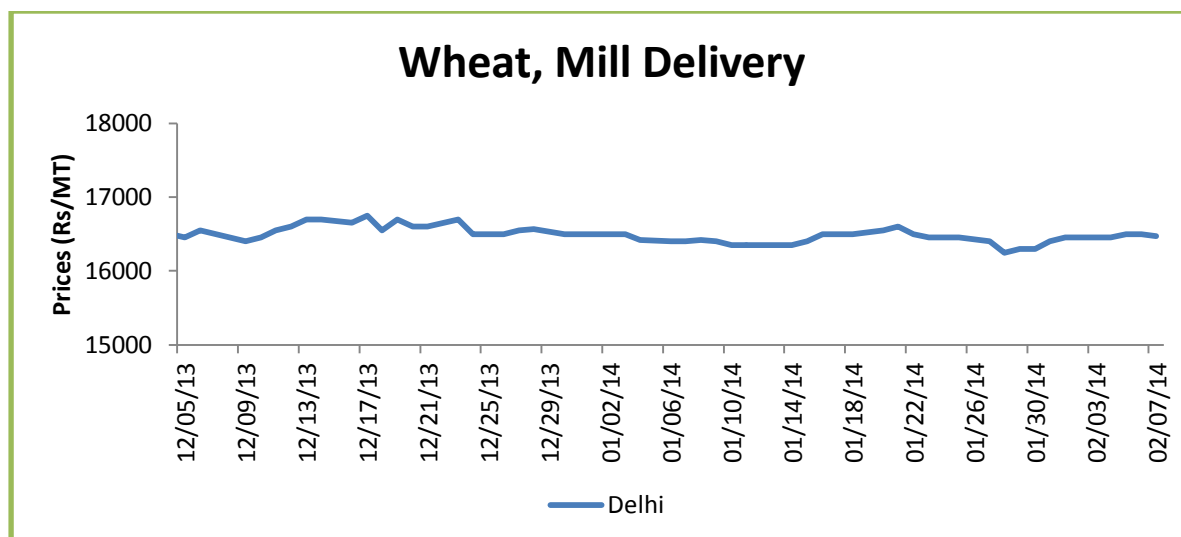
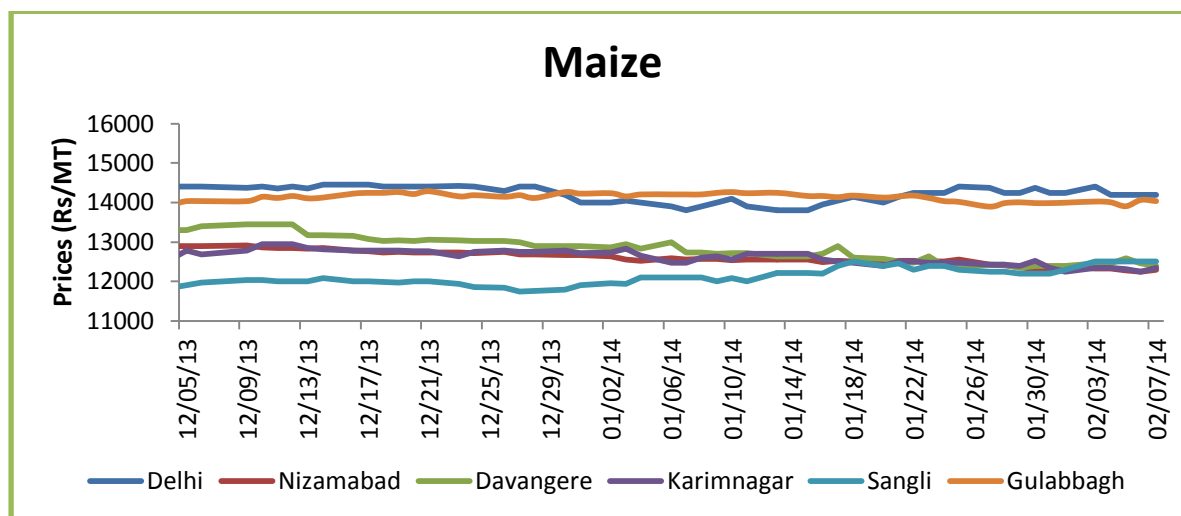
Oil meals (Indian Origin) exports dropped nearly 47 percent to 425,650 tons in January compared to the corresponding period of last year due to lower crushing and Indian supplies were more expensive than supplies from Latin America. Meanwhile, soy meal exports fell 44 percent to 364,443 tons in January on y-o-y basis – Trade Body. Soy meal prices are expected to witness steady tone in near-term.

RM seed fell on weak crusher's demand coupled with new RM seed crop arrivals. New mustard seed arrivals registered from MP and Rajasthan with an average of 0.35 and 0.10 lakh bags respectively on daily basis.

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 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.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize down by Rs. 20 per quintal in a range of Rs. 1280-1330 per quintal. However, starch feed makers quoted maize firm by Rs. 20 per quintal in a range of Rs.1300-1370 per quintal as compared to last week, sourced from Maharashtra. 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 firm by Rs. 20 per quintal to Rs. 1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 8-9 motors, contained 14% moisture, sourced from Bihar and Himachal. Sources revealed that maize stock could be around 100 motors.

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.

As per USDA, U.S. accumulated corn export figures reached to 14,940,827 metric tons for the 2013-14 marketing year which is higher by ~84% from the last marketing year during the same period but down by 26% from the last week. Exports of 7,47,300 MT were reported by U.S. to Japan (255,000 MT), Taiwan (137,000 MT), Mexico (121,700 MT), Vietnam (63,100 MT), and Venezuela (32,000 MT) for the period Jan 24- Jan 30, 2014.

Planting area under India's Rabi (winter) wheat crop stands at about 31.53 million hectares as of February 07, 2014, which is up about 6% from around 29.81 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 down due to expectation of good wheat production.

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	132.5

*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 in the near term and keep maize spread with bajra intact 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	318.0

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

As the table depicts, maize spread with jowar traded slightly down as jowar traded firm vs. Maize. We expect that trend could continue in the near term and keep maize spread with jowar unchanged 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	-176.0

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

As the table depicts, maize spread with wheat increased during last week as wheat traded down during last week. 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	158.0

*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 both commodities could trade steady in the near term and keep maize spread with barley intact 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)		
	7.2.2014	31.1.2014	Parity To
Indore (MP)	33500-33800	33500	Gujarat, MP
Kota	33100-33500	33000	Rajasthan, Del, Punjab, Haryana
Akola	34500	34300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	34000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	34200-34400	33800	Andhra, AP, Kar, TN
Dhulia/Jalna	34800	34800	Mumbai, Maharashtra
Nagpur (42/46)	34200	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35000	35200	Local and South
Solapur	35000	34800	Local and South
Bundi	33000	33000	-

Soy DOC at Port

Centers	Port Price	
	7.2.2014	31.1.2014
Kandla (FOR) (INR/MT)	35500	35400
Kandla (FAS) (USD/MT)	570	567

International Soy DOC

Argentina FOB \$/MT	6.2.2014	30.1.2014	Change
Soybean Pellets	542	514	+28
Soybean Cake Meal	542	514	+28
Soybean Meal	550	522	+28
Soy Expellers	550	522	+28

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	7.2.2014	31.1.2014	Change
Adoni	20400	20400	Unch
Khamgaon	20000	20000	Unch
Parli	20200	20200	Unch
Latur	20000	20000	Unch

Groundnut Meal

Groundnut Meal	7.2.2014	31.1.2014	Change
Basis 45% O&A, Saurashtra	24500	25000	-500
Basis 40% O&A, Saurashtra	22500	23000	-500
GN Cake, Gondal	23500	24000	-500

Mustard DOC/Meal

Mustard DOC/Meal	7.2.2014	31.1.2014	Change
Jaipur (Plant Delivery)	13300	13400	-100
Kandla (FOR)	14300	14400	-100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	7 Feb, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1420	1420	1410	1450	1465
Davangere	Bilty	1200	1240	1200	1300	1350
Nizamabad	Bilty	1250	1275	1275	1275	1365
Ahmedabad	Feed	1300	1320	1260	1290	1470
	Starch	1350	1350	1270	1300	1525

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	213.98	204.05	219.7	229
Cost and Freight (Thailand)	263.98	259.05	279.7	264.19

Soy Meal Exports (In MT):

<u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
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>7-Feb-14</u>	<u>6-Feb-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1173	1203	-30
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1468	1525	-57
Maize	Karnataka	Yellow	Davangere	1150	1190	-40
	Andhra Pradesh	Yellow	Nizamabad	1210	1220	-10
Rice	Haryana	IR8	Karnal	1900	1900	Unch
		Parmal Raw	Karnal	2600	2600	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3380	3550	-170
	Maharashtra	DOC	Sangli	3500	3520	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2040	2040	Unch
	Maharashtra	Ex-factory	Latur	2000	2000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1330	1340	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2350	2400	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	NA	NA	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1558	1536	22

Note: Prices are in Rs. /qtl.

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