

## ***Contents:***

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

## Summary

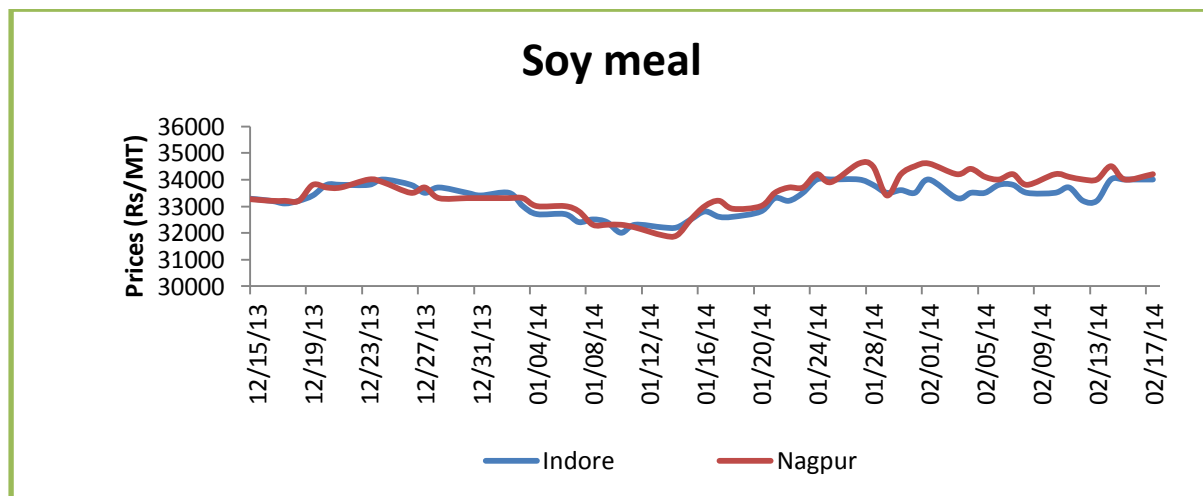
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

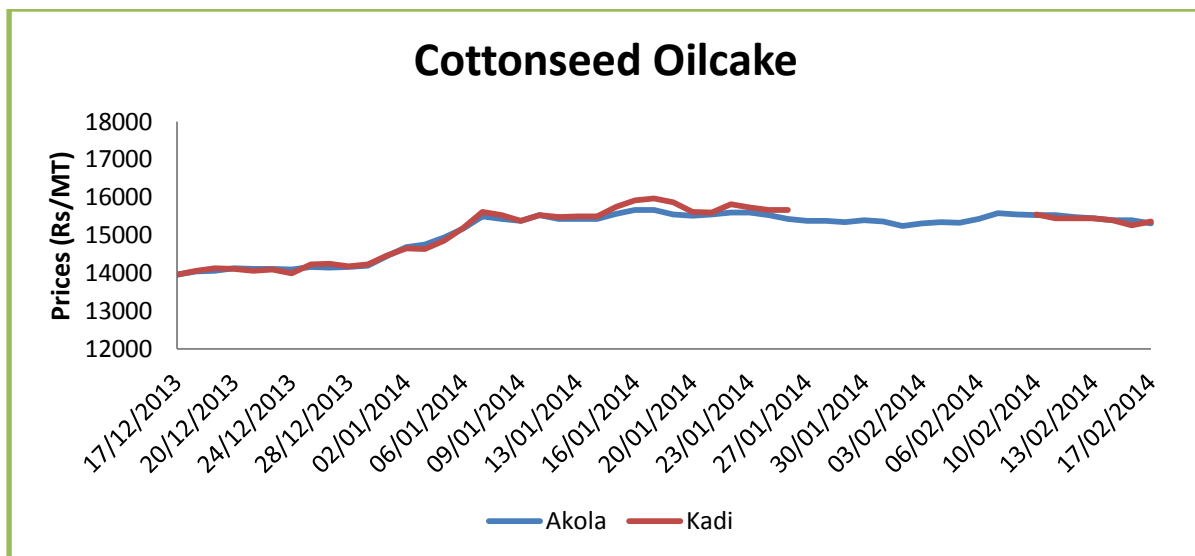
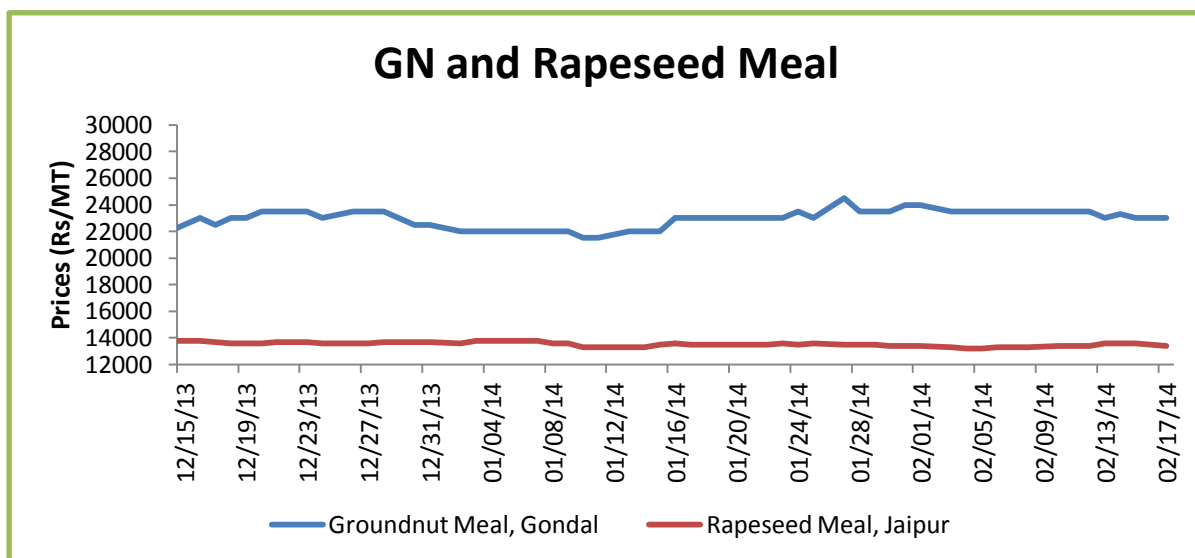
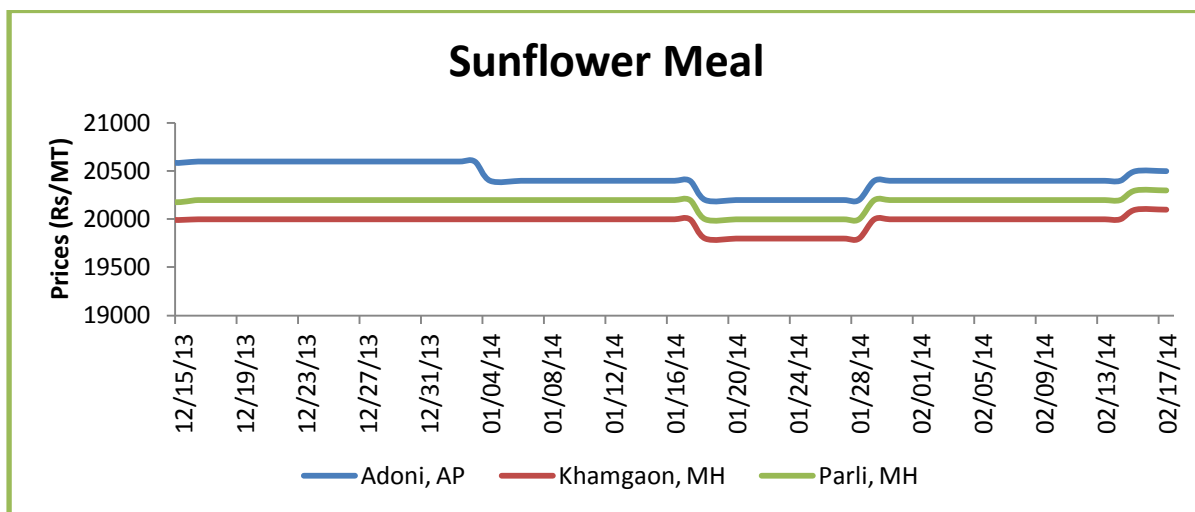
The domestic soybean prices featured gains tracking bullish cues from the international oil & fats market need based demand from oils and technical recovery in the prices. However, weak soy meal export demand limit the upside risk in the prices. The domestic soybean crush disparity has widened in recent 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 as well as international factors. Rapeseed/mustard also surge on renewed demand from wholesalers during the week in review. However, new crop arrivals and on an estimated rise in the mustard output limit the upside risk in the prices.

The domestic soybean prices featured gains tracking bullish cues from the international oil & fats market need based demand from oils and technical recovery in the prices. However, weak soy meal export demand 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 to slightly firm movement in the soybean prices owing to recovery in the international palm oil and talks of crop loss in Brazil due to excessive heat. 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.

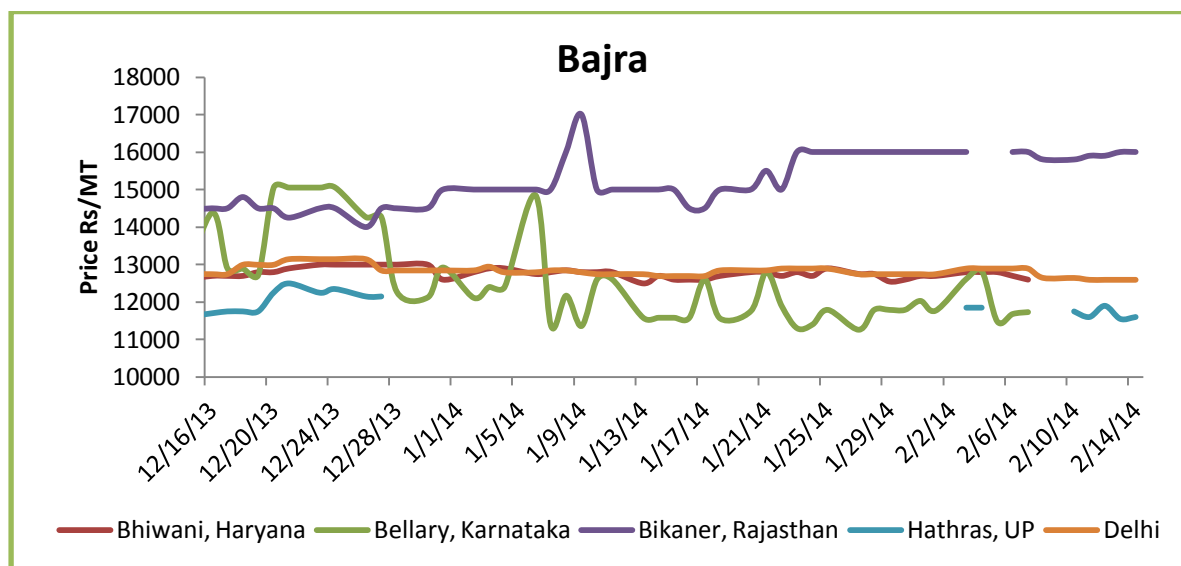
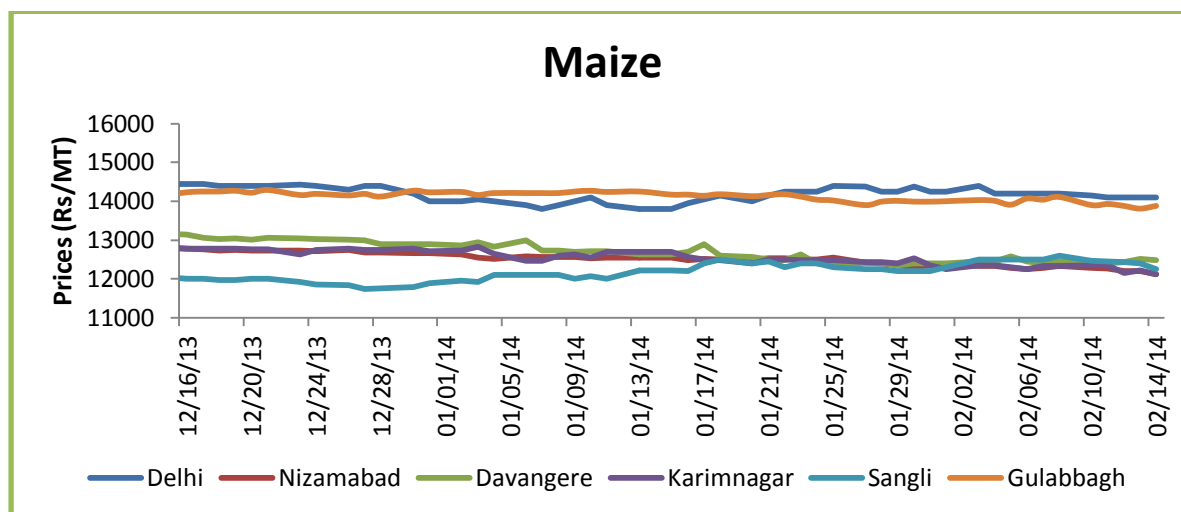
RM seed rose in line with the soybean. While, new RM seed crop arrivals from Rajasthan and MP limit the excessive gains.

New mustard seed arrivals from MP and Rajasthan registered with an average of 0.35 and 0.25-0.30 lakh bags on daily basis respectively. Moreover, new crop arrivals are likely to pick up pace in the coming week.

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.

As per second advance estimate of crop production released on Friday, Maize production is expected at 23.29 million tons during 2013-14.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize down by Rs. 5 per quintal in a range of Rs. 1280-1325 per quintal. Meanwhile, starch feed makers quoted maize down by Rs. 20 per quintal in a range of Rs.1290-1350 per quintal as compared to last week, sourced from Maharashtra.

Meanwhile, in the Khanna market of Punjab, the maize was quoted steady at Rs.1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 7-8 motors, sourced from

Bihar and Himachal at Rs. 1350 per quintal. Sources revealed that maize stock could be around 150 motors.

As per USDA, U.S accumulated corn export figures reached to 15,716,962 metric tons for the 2013-14 marketing year which is higher by ~85% from the last marketing year during the same period and 28% from the last week. Exports of 9,52,540 MT were reported by U.S. to Mexico (221,000 MT), Japan (209,100 MT), South Korea (178,300 MT), Colombia (115,700 MT), and Saudi Arabia (69,800 MT) for the period Jan 31- Feb 6, 2014.

Recent showers of rains are expected to boost yield of standing wheat crop. Crop condition throughout major producing states is in good to excellent shape so far. Market participants have started talking around 100 million tonne crop size. Under current crop condition and favourable weather India can expect the best yield realized in 2011-12.

However, temperature in Feb-March would remain the crucial factors for the final size of the crop. Wheat quality in Gujarat has been reported excellent this year and traders/exporters offered higher price for newly harvested crop, just started hitting into the market. Traders offered Rs 1720/Rs 1750 per qtl. for new crop. Some multinational companies have planned to store local wheat in Gujarat for export purpose. Market participants expect active buying by exporters by the end of this month.

Latest wheat export tenders invited by PEC and MMTC, opened today (on 14.02.2014) received lower quotes as expected. The highest bid received from Emssons DMCC(\$270.50 per MT) for 45000 tonnes of wheat. The lowest bid received from Al Ghurair(\$261 per MT) for 30000 Tonne. Agriwatch expects lower bids in next incoming tenders as Australia offers wheat at the rate of \$250/255 per T on FOB basis.

According to IBIS (provisional data), export of wheat in the month of January was 5.01 Lakh tones which is around 36% less than last year at the same month, which was 7.81 Lakh tones in December 2012.

Indian Exporters have entered in forward contract for March delivery at USD 265-266/MT of Gujarat, Madhya Pradesh and Rajasthan origin wheat. For April delivery forward contracts have concluded at USD 262/MT, according to traders.

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.

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 24.2 million T as on 1<sup>st</sup> Feb.'2014 compared to 26.94 million T on 1st Jan.'2014. It is higher than actual requirement of 7 million tonne(including reserve stock) on 1st April.'2014.The highest accumulated stock is in Punjab (9.65 million T) followed by Haryana (4.99 million Tonne) and Madhya Pradesh (3.28 million tonne) as on 01.02.2014.

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	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14
1	86.0	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0	132.5
2	112.5	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	135.0	134.0
3	110.0	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0	
4	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 bajra traded weak vs. maize. Sources revealed that both commodities could trade weak in the near term and keep maize spread with bajra intact as compared to last week.

### Maize Average Weekly spread with Jowar

Week	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14
1	142.0	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0	318.0
2	172.5	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0	460.0	317.0	293.0
3	178.0	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	
4	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 down as maize traded down with the steady movement in jowar prices. We expect that trend could continue in the near term and keep maize spread with jowar down as compared to last week.

### Maize Average Weekly spread with Wheat

Week	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14
1	-59.0	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0
2	-14.0	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0
3	-2.50	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	
4	29.0	76.0	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	
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 slightly decreased during last week as maize traded down 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 unchanged as compared to last week.

### Maize Average Weekly spread with Barley

Week	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14
1	152.0	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0	158.0
2	189.0	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0	187.5	143.0	135.0
3	239.0	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0	
4	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 decreased as maize traded down with the steady movement in barley prices. We expect that trend could continue in the near term and keep maize spread with barley 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)		
	14.2.2014	7.2.2014	Parity To
Indore (MP)	34000	33500-33800	Gujarat, MP
Kota	33000	33100-33500	Rajasthan, Del, Punjab, Haryana
Akola	34300	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	NA	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	34200	34200-34400	Andhra, AP, Kar, TN
Dhulia/Jalna	35000	34800	Mumbai, Maharashtra
Nagpur (42/46)	34500	34200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	34500	35000	Local and South
Solapur	34200	35000	Local and South
Bundi	33000	33000	-

#### **Soy DOC at Port**

Centers	Port Price	
	14.2.2014	7.2.2014
Kandla (FOR) (INR/MT)	35500	35500
Kandla (FAS) (USD/MT)	570	570

#### **International Soy DOC**

Argentina FOB \$/MT	14.2.2014	7.2.2014	Change
Soybean Pellets	549	542	+7
Soybean Cake Meal	549	542	+7
Soybean Meal	557	550	+7
Soy Expellers	557	550	+7

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	14.2.2014	7.2.2014	Change
Adoni	20400	20400	Unch
Khamgaon	20000	20000	Unch
Parli	20200	20200	Unch
Latur	20000	20000	Unch

**Groundnut Meal**

Groundnut Meal	14.2.2014	7.2.2014	Change
Basis 45% O&A, Saurashtra	24300	24500	-200
Basis 40% O&A, Saurashtra	22300	22500	-200
GN Cake, Gondal	23300	23500	-200

**Mustard DOC/Meal**

Mustard DOC/Meal	14.2.2014	7.2.2014	Change
Jaipur (Plant Delivery)	13600	13300	+300
Kandla (FOR)	14700	14300	+400

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	14 Feb, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1390	1420	1410	1460	1420
Davangere	Bilty	1200	1200	1200	1200	1360
Nizamabad	Bilty	1260	1250	1275	1300	1310
Ahmedabad	Feed	1300	1300	1260	1320	1440
	Starch	1330	1350	1280	1350	1490

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	218.01	202.95	218.7	229
Cost and Freight (Thailand)	268.01	257.95	278.7	264

**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
<b>Total</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>

**Feed Ingredient Prices at a Glance**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>14-Feb-14</u>	<u>7-Feb-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1142	1173	-31
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1497	1468	29
Maize	Karnataka	Yellow	Davangere	1150	1150	Unch
	Andhra Pradesh	Yellow	Nizamabad	1210	1210	Unch
Rice	Haryana	IR8	Karnal	2200	1900	300
		Parmal Raw	Karnal	2500	2600	-100
Soy meal	Madhya Pradesh	DOC	Indore	3400	3380	20
	Maharashtra	DOC	Sangli	3450	3500	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2040	2040	Unch
	Maharashtra	Ex-factory	Latur	2000	2000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1360	1330	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2330	2350	-20
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1540	NA	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1540	1558	-18

**Note: Prices (Rs. /qtl.)**

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