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Summary

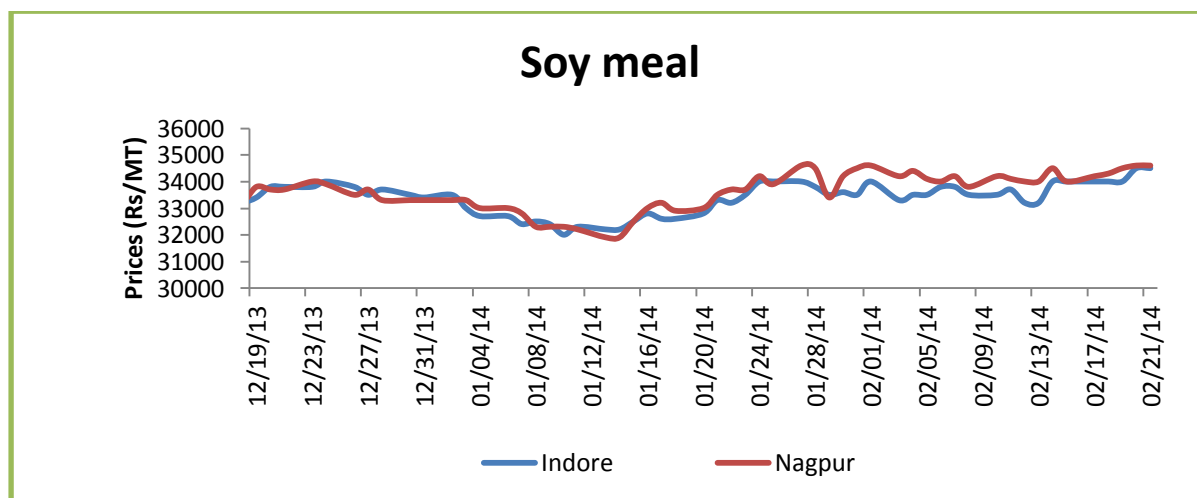
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

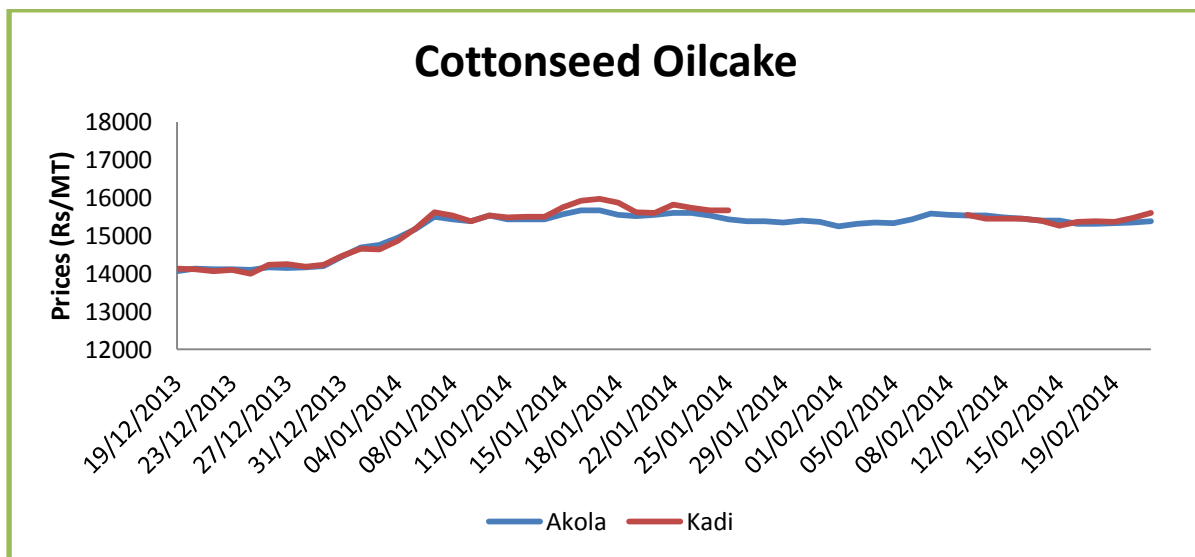
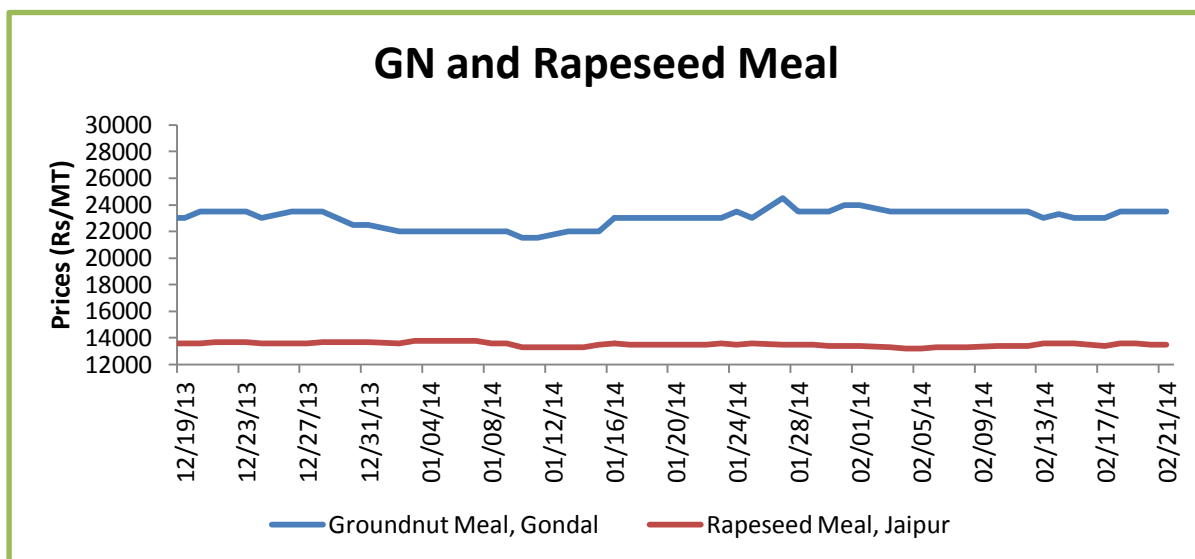
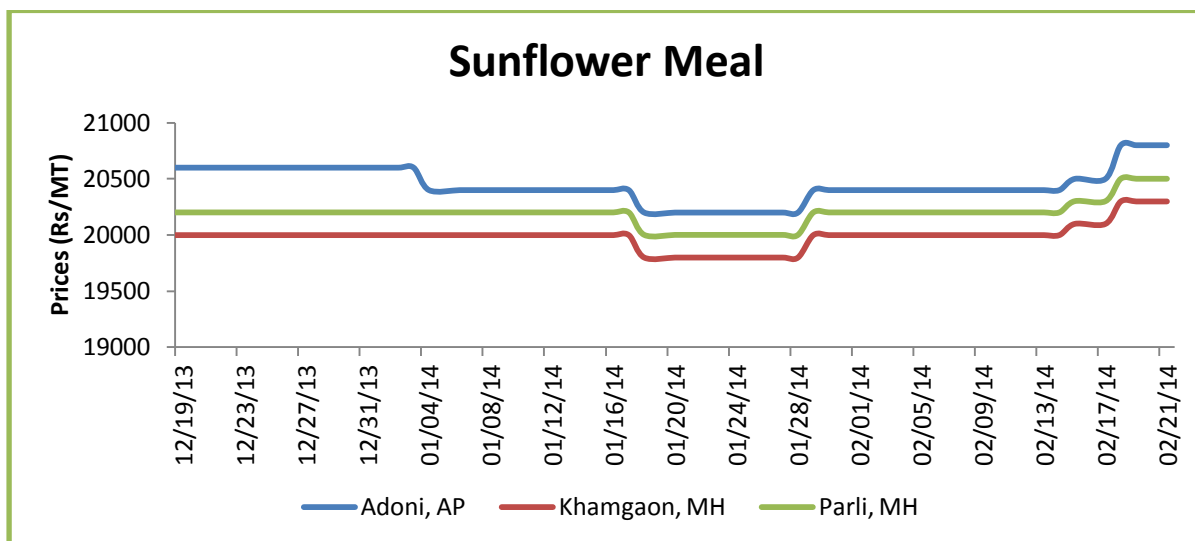
The domestic soybean witnessed gains on bullish international oils and fats market, soy oil was the strongest edible oil with a price appreciation of 8-10% in physical market. South American weather concern including Brazil which is facing too hot and dry conditions and Argentina too wet has pushed up the global soybeans with spill over support to the domestic market.

Soy meal edged-up in tandem with soybean tracking firm global oil and fats markets during the week in review. However, the medium-term fundamental of the meal are weak. The soy meal exports remained sluggish this season due to lower crushing. The export enquiries were weak during season and weak shipments were noticed y-o-y, financial and oil year basis.

Mixed sentiments witnessed in most of the major spot markets of maize during last week. 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 posted gains on firm global cues during the week in review. Besides, fresh buying remained supportive.

The domestic soybean witnessed gains on bullish international oils and fats market, soy oil was the strongest edible oil with a price appreciation of 8-10% in physical market. South American weather concern including Brazil which is facing too hot and dry conditions and Argentina too wet has pushed up the global soybeans with spill over support to the domestic market.

There are already reports of crop damage in several parts of southern Brazil, parts of Argentina, Paraguay and Uruguay.

The situation has raised the concern towards the standing soybean crop in the region leading to downward revision of South America and world soybean stocks previous week.

Besides, US soybean shipments were unusually large at 6.9 Mn T in January and a record 32.0 Mn T in Sept/Jan, with China as the largest buyer, boosted the global soybean market.

Again India's soy oil imports remained higher in previous weeks but lower palm oil imports limited the gains in oilseeds.

The domestic soybean prices are likely to feature firm tone in coming weeks.

Soy meal edged-up in tandem with soybean tracking firm global oil and fats markets during the week in review. However, the medium-term fundamental of the meal are weak. The soy meal exports remained sluggish this season due to lower crushing. The export enquiries were weak during season and weak shipments were noticed y-o-y, financial and oil year basis.

India's exports of soy meal during January, 2014 was 3.64 lac tons as compared to 6.20 lt in January, 2013 pointing a fall by 41.29% over the same period of last year.

This decline in the shipments is primarily due to lower supplies of soybean leading to lower crushing.

On a financial year basis, India's soy meal shipments during April'2013 to January'2014 stood at 24.25 lt as compared to 25.36 lt during the corresponding period last year, showing a marginal decrease of 4.37%.

During current Oil year, (Oct - Sep), total exports during October 2013 to January, 2014 are 15.49 Lac tones as against 16.99 Lac tones last year, showing a decrease by 8.83%.

The soy meal prices may slightly gain on short-term bullish global factors, but it will feature range-bound movement around current levels in medium to long term.

Domestic mustard seed posted gains supported by bullish MPOB data on palm oil exports and stocks and other supportive international factors in oils and fats market. Significant soybean crop deterioration in Brazil and other parts of South America continued to add on the bullish scenario.

Besides, dry weather in key palm growing parts of Malaysia, Indonesia and Thailand pushed up the oils and fats markets leading BMD uptrend, thus supporting India's rapeseed/mustard seed market

during the week. However, rise in mustard planted area this season by 6% limited the gains to some extent.

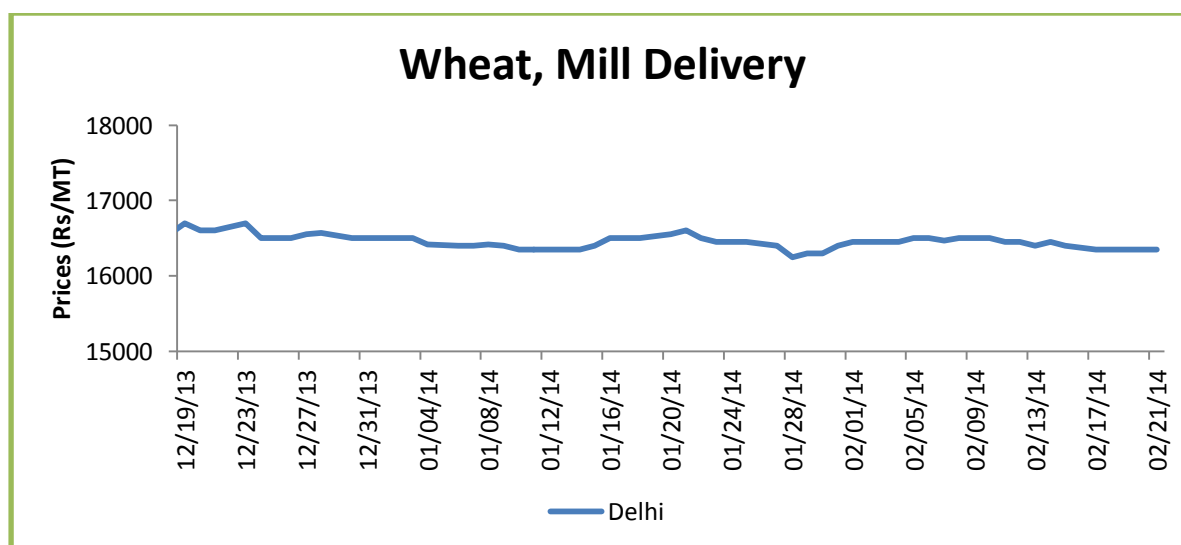
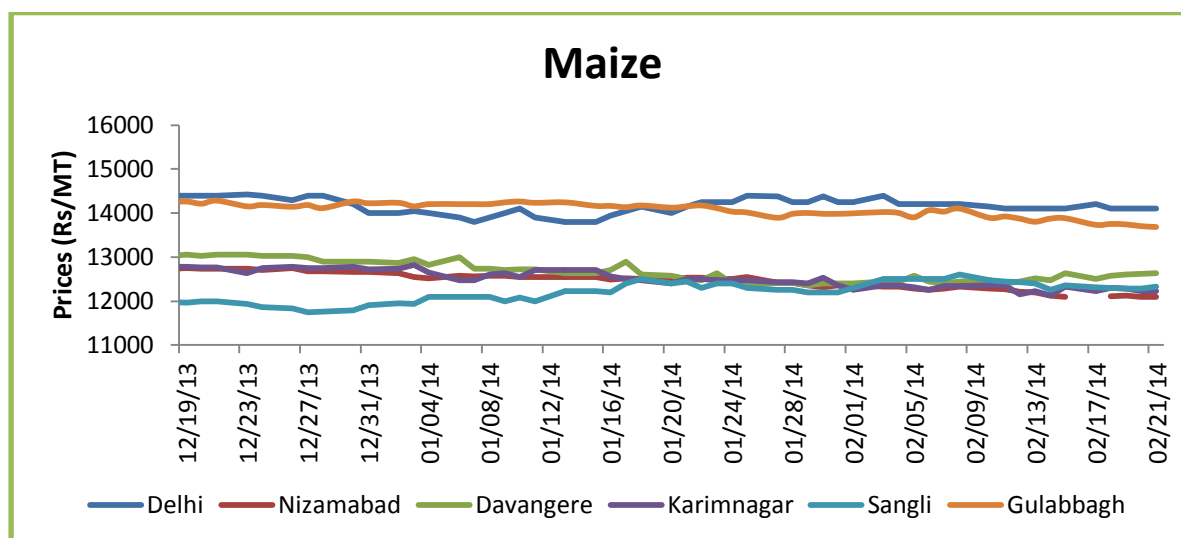
Besides, new crop supplies are gradually picking up the pace across the key physical market centers which has gone up to 1.6 lakh bags a day compared to 80,0000 bags a couple of weeks back.

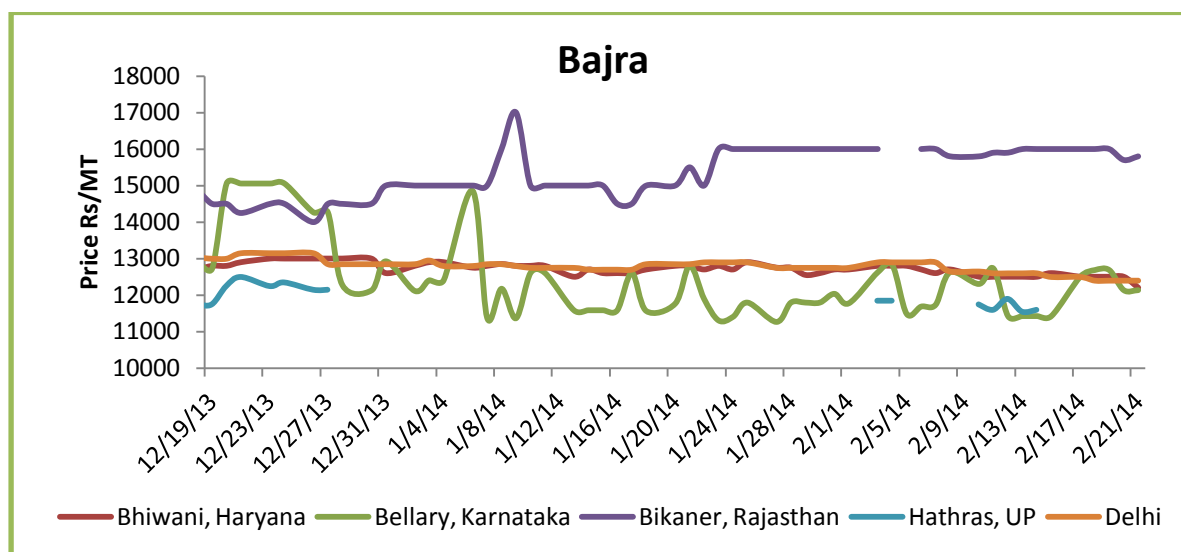
The seed prices are expected to feature short-term gains on bullish global factors.

Soybean crop deterioration in South America, bullish stock and exports figure by MPOB and dry weather in Malaysia, Indonesia and Thailand remained positive for the oil and fats markets.

However, 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 firm-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.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize firm by Rs. 5 per quintal in a range of Rs. 1250-1330 per quintal. Meanwhile, starch feed makers quoted maize steady in a range of Rs.1280-1350 per quintal as compared to last week, sourced from Maharashtra.

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 motors, sourced from Bihar and Himachal at Rs. 1350 per quintal. Sources revealed that maize stock could be around 150-200 motors.

As per USDA, U.S accumulated corn export figures reached to 16,461,914 metric tons for the 2013-14 marketing year which is higher by ~88% from the last marketing year during the same period but down by 22% from the last week. Exports of 7,45,000 MT were reported by U.S. to Japan (330,200 MT), Mexico (146,700 MT), Peru (99,300 MT), South Korea (60,600 MT), and Colombia (29,600 MT) for the period Feb 7- Feb 13, 2014.

As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 45.2% in the Dec'13 from 42.7% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.

The Inflation of wheat has increased to 7.55% in the month of January as compare to 7.40% in the month of December.WPI has increased to 220.9 in January as compare to 220.5 in the month of December.

Glencore has won a tender to supply 50,000 tonnes of wheat to Bangladesh at \$303 a tonne including CIF liner out which could be sourced from India as it is competitive with rival supplies from the Black Sea region, as per trader.

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.

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.

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.

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 Baira

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	107.0
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 decreased as compared to last week as maize traded down vs. bajra. 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	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	201.0
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 jowar traded firm during last week. We expect that both commodities could trade steady in the near term and keep maize spread with jowar intact 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	-221.0
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 decreased during last week as maize traded down with the steady movement in wheat prices. 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 slightly firm 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	102.5
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 vs. barley. We expect that both commodities could trade steady in the near term and keep maize spread with barley unchanged 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)		
	21-Feb-14	14-Feb-14	Parity To
Indore (MP)	34500	34000	Gujarat, MP
Kota	33200-33500	33000	Rajasthan, Del, Punjab, Haryana
Akola	34500	34300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	NA	NA	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	NA	34200	Andhra, AP, Kar, TN
Dhulia/Jalna	35800	35000	Mumbai, Maharashtra
Nagpur (42/46)	34600	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35500	34500	Local and South
Solapur	NA	34200	Local and South
Bundi	33400	33000	-

Soy DOC at Port

Centers	Port Price	
	21-Feb-14	14-Feb-14
Kandla (FOR) (INR/MT)	586	570
Kandla (FAS) (USD/MT)	36400	35500

International Soy DOC

Argentina FOB \$/MT	20-Feb-14	13-Feb-14	Change
Soybean Pellets	545	549	-4
Soybean Cake Meal	545	549	-4
Soybean Meal	553	557	-4
Soy Expellers	553	557	-4

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	21-Feb-14	14-Feb-14	Change
Adoni	20800	20400	+400
Khamgaon	20300	20000	+300
Parli	20500	20200	+300
Latur	20400	20000	+400

Groundnut Meal

Groundnut Meal	21-Feb-14	14-Feb-14	Change
Basis 45% O&A, Saurashtra	24400	24300	+100
Basis 40% O&A, Saurashtra	22400	22300	+100
GN Cake, Gondal	23500	23300	+200

Mustard DOC/Meal

Mustard DOC/Meal	21-Feb-14	14-Feb-14	Change
Jaipur (Plant Delivery)	13500	13600	-100
Kandla (FOR)	14500	14700	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21 Feb, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1350	1390	1410	1455	1495
Davangere	Bilty	1220	1200	1210	1200	NA
Nizamabad	Bilty	1260	1260	1275	1250	1310
Ahmedabad	Feed	1325	1300	1340	1300	1450
	Starch	1350	1330	1330	1325	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	N.A	207.2	235.05	231
Cost and Freight (Thailand)	N.A	262.2	295.05	266

Soy Meal Exports (In MT):

<u>Month</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Jan	240318	574996	474993	620133	364443
Feb	220552	540360	344240	577589	
Mar	163666	410537	460464	320265	
Apr	60264	305033	313832	100311	
May	60575	176819	142588	97546	
Jun	98400	117600	180987	213564	
Jul	166632	139547	168341	107038	
Aug	176138	165510	10005	183555	
Sep	290868	225921	6525	173381	
Oct	404960	223594	49840	182724	
Nov	443488	397659	517103	503269	
Dec	611157	798041	510698	451314	
Total	2937018	4075617	2668918	3512217	364443

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>21-Feb-14</u>	<u>14-Feb-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1213	1142	71
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1554	1497	57
Maize	Karnataka	Yellow	Davangere	1170	1150	20
	Andhra Pradesh	Yellow	Nizamabad	1220	1210	10
Rice	Haryana	IR8	Karnal	2200	2200	Unch
		Parmal Raw	Karnal	2000	2500	-500
Soy meal	Madhya Pradesh	DOC	Indore	3450	3400	50
	Maharashtra	DOC	Sangli	3550	3450	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2080	2040	40
	Maharashtra	Ex-factory	Latur	2040	2000	40
Mustard	Rajasthan	Plant delivery	Jaipur	1350	1360	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2350	2330	20
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1537	1540	-3
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1560	1540	20

Note: Prices Rs./ qtl.

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