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## Summary

Overall, the key feed ingredients prices witnessed weak tone during the week in review.

Soybean continued downtrend straight fourth week on sluggish buying followed by weak crushing during the week under review. Lower off-take of edible oils owing to comfortable stocks with the wholesalers and weak soy meal export sales remained discouraging for the solvent extractors.

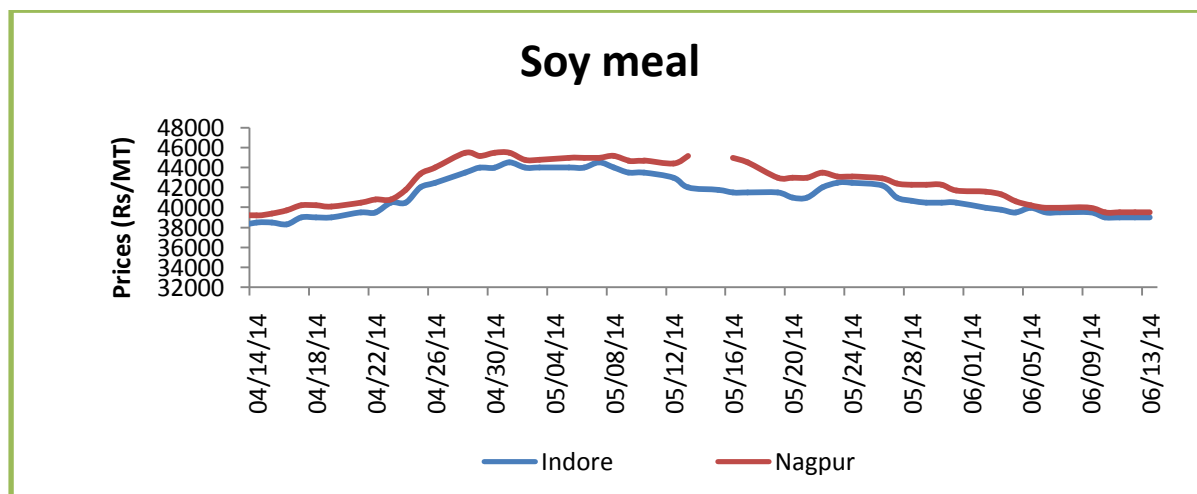
The negative crush margin on soybean continued to make it unviable for crushing the beans, hence need based buying and crushing in the beans is witnessed.

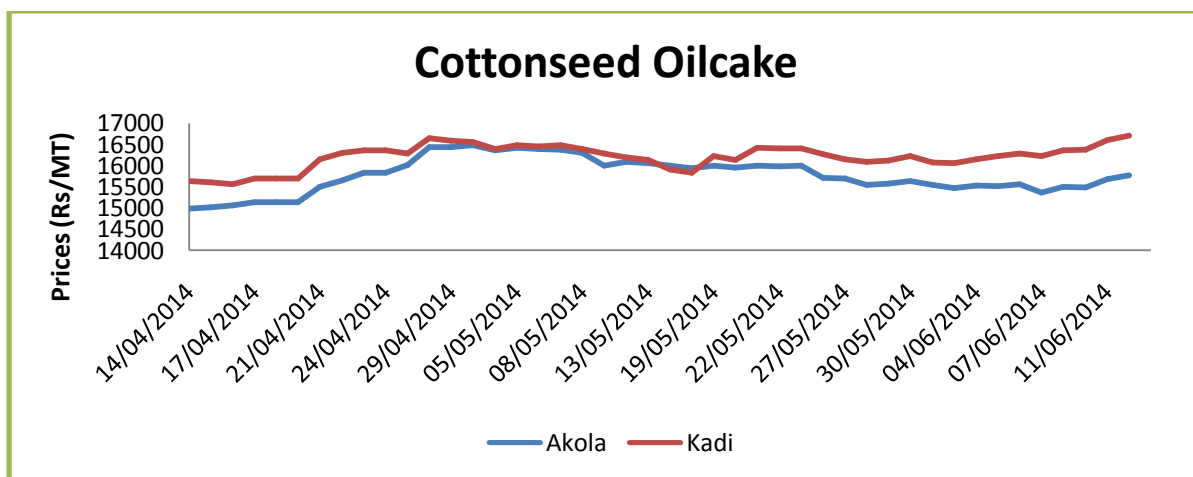
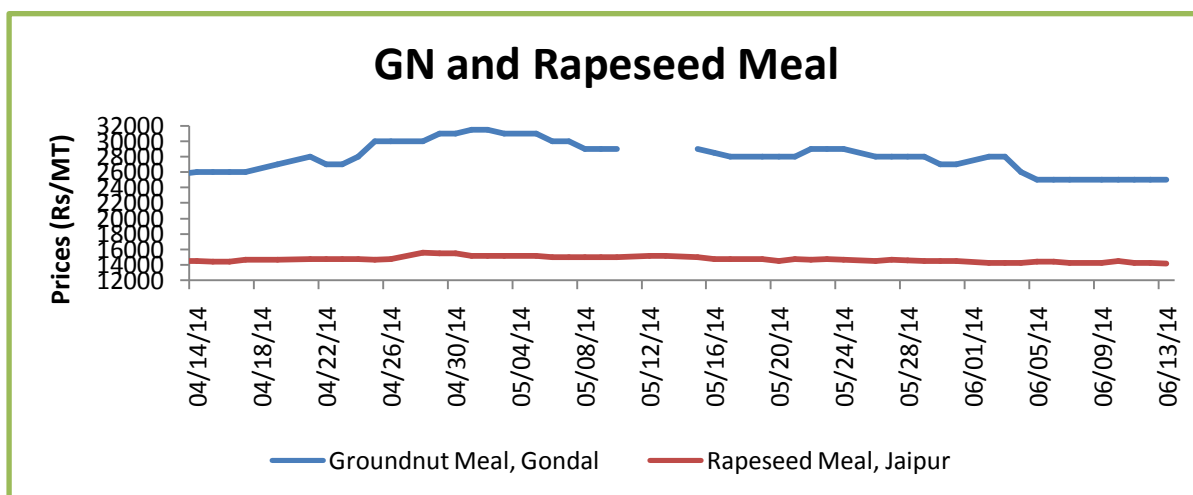
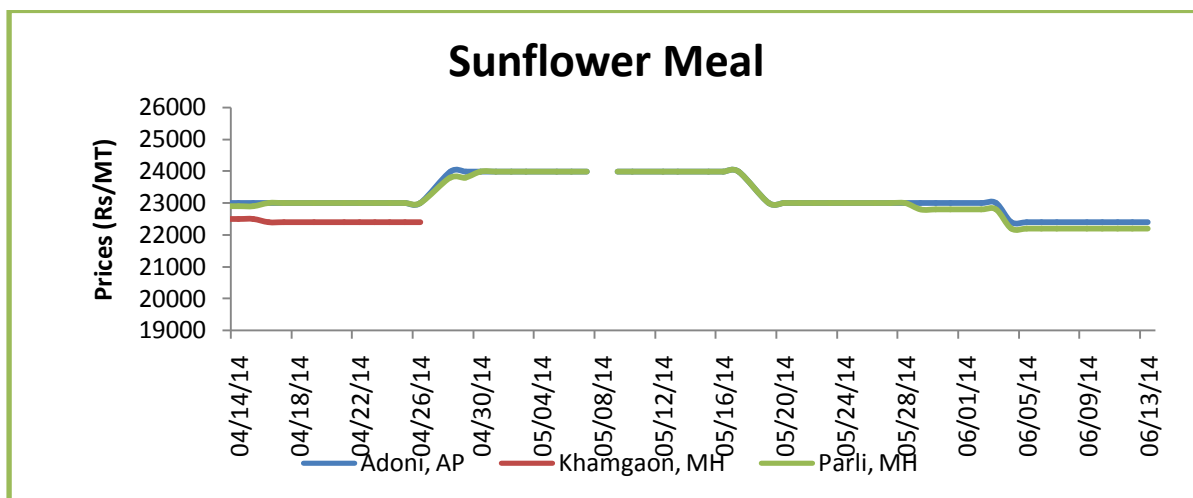
Soy meal extended losses in tandem with soybean mainly due to lower soy meal export sales and feeble domestic demand due to weak poultry demand.

India's uncompetitive soy meal price compared to the South America has badly hit the India's meal export sales. Currently it has nearly come to halt. The international soy meal demand have diverted to South-America with the competitive South-American meal.

Overall sentiments of maize reported weak due to lower crop quality arrivals in Bihar as crop contained high moisture due to recent rainfall. Besides, key spot wheat mill delivery prices traded steady to slightly weak due to arrival pressure in the market.

## Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal continued downtrend consecutive fourth week while rapeseed/mustard rebound on fresh buying.

**Soybean:**

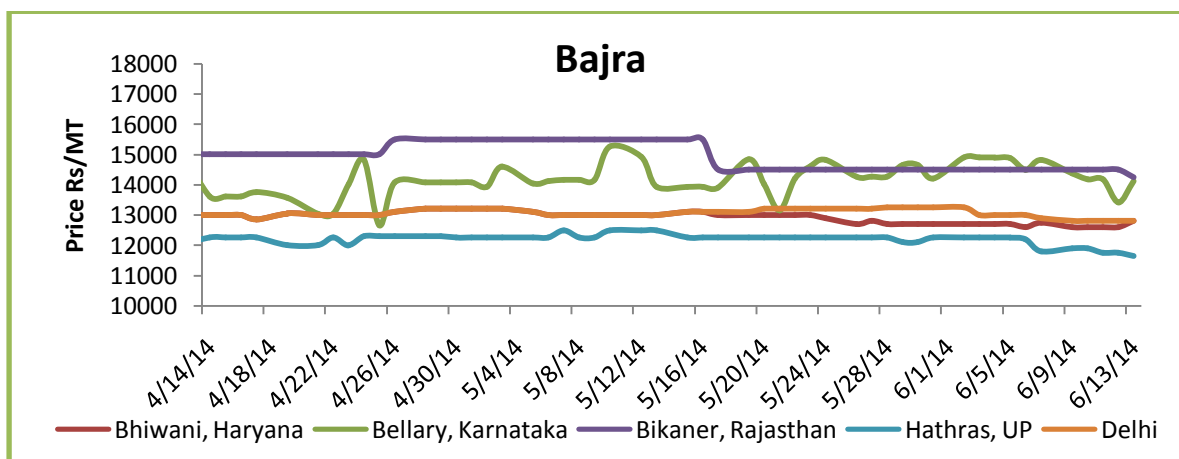
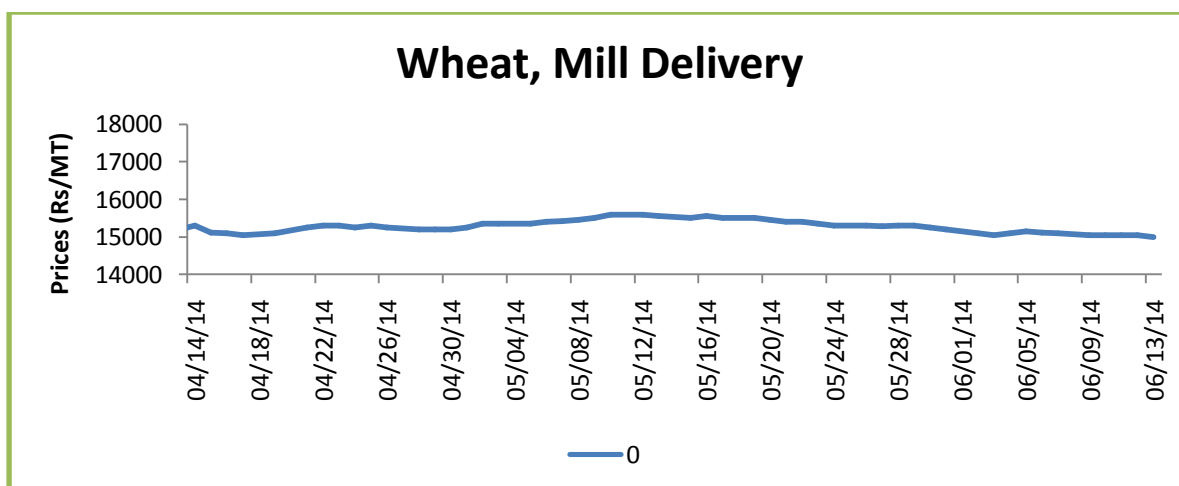
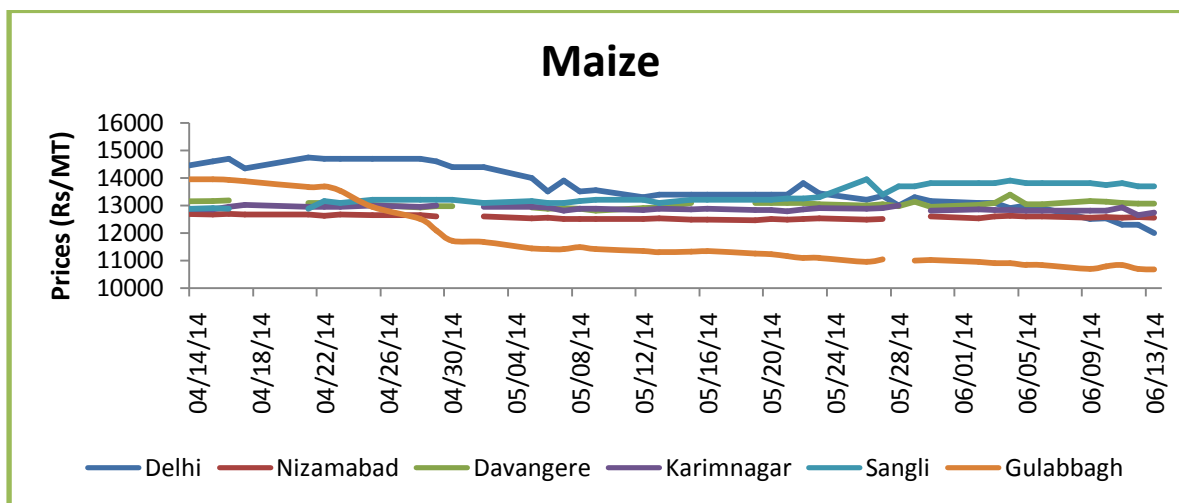
- ❖ Soybean fell for consecutive fourth week on weak crushing eventually leading to feeble buying by the crushers and sluggish soy meal shipments from India this season.
- ❖ Disparity in crushing soybeans remained discouraging for the solvent extractors.
- ❖ Soy oil is the leader in soy complex and the oil futures strengthened relative to soybeans and meal. Concern about developing El Nino will lend support to the soy prices in near-term.
- ❖ Soybean prices will recover on weak supplies and expected scarcity of good quality bean for seeding this season.

**Soy meal:**

- ❖ Soy meal extended losses in tandem with soybean mainly due to lower soy meal export sales and feeble domestic demand due to weak poultry demand.
- ❖ India's uncompetitive soy meal price compared to the South America has badly hit the India's meal export sales. Currently it has nearly come to halt. The international soy meal demand have diverted to South-America with the competitive South-American meal.
- ❖ India's oilmeal shipments almost halved in May from the corresponding period to 153,761 tonnes due to a plunge in soy meal shipments.

**RM Seed:**

- ❖ RM seed rebound after consecutive three weeks fall on fresh buying and dwindling seed supplies. The seed remained under pressure tracking weakness in Malaysian palm oil in recent weeks. However, with the falling supplies and upcoming festive demand in edible oils has encouraged the stockists and the millers to cover the stocks.
- ❖ The buyers refrained from the market in last couple of weeks in anticipation of further fall in the seed prices, who have re-entered the market.
- ❖ The all India seed arrivals further fell to 1.6-1.85 lakh bags from 2.0-2.3 lakh bags a day from peak 6.0-7.0 lakh bags few weeks back.



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

Overall sentiments of maize reported weak due to lower crop quality arrivals in Bihar as crop contained high moisture due to recent rainfall.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1300-1330 per quintal while starch feed makers quoted maize down by Rs. 25 per quintal to Rs.1300-1375 per quintal as compared to last week, sourced from Maharashtra.

In the Khanna market of Punjab, the maize was quoted down by Rs. 100 per quintal to Rs.1250-1270 per quintal as compared to last week. On daily basis, arrivals of maize reported around 9 motors which contained around 13% moisture. Sources revealed that maize stock could be around 150-200 motors.

In Gulabbagh mandi, maize was quoted down by Rs. 105 per quintal to Rs. 1040-1075 per quintal as compared to last week as crop contained 15-16% moisture due to recent rainfall. As per trade sources, maize is moving towards vizag port at Rs. 1200 per quintal, sourced from Gulabbagh and Kolkata at Rs. 1150 per quintal, sourced from Naugachia region of Bihar.

In Nizamabad, during last week, maize was quoted down by Rs. 20 per quintal to Rs. 1240 per quintal as compared to last week. As per trade sources, government of A.P. has procured maize around 0.26 million tons. Besides, private traders have around 0.25 million tons stock of maize at this time.

Government is likely to release its stock in the market soon which could drag the prices down. On the expectation of government release, private traders have already started their stock release towards Bangalore and Nammakal at Rs. 1430-1450 per quintal and Rs. 1450-1480 per quintal respectively, sourced from Davangere. Local starch feed makers are demanding maize at Rs. 1370 per quintal.

As per USDA, U.S accumulated corn export figures reached to 34,840,230 metric tons for the 2013-14 marketing year. Exports of 1,070,500 MT were down 8% from the last week and 5% from the prior 4-week average; reported by U.S. to Japan (318,500 MT), Mexico (197,700 MT), Egypt (119,800 MT), Taiwan (83,800 MT), Colombia (71,300 MT), South Korea (66,900 MT), and Vietnam (55,300 MT) for the period May 30- Jun 05, 2014.

Rosario grains exchange raised its Argentina corn harvest forecast for 2013/14 by 0.6 million tons to 24.5 million tons from the last month estimates.

Conab raised its Brazil corn crop estimate to 77.89 million tons from 75.19 million tons in the month of May estimated. (Source: Reuters)

As per the latest crop progress report released by USDA, corn has been emerged 92% as of 8th Jun, 2014, higher by 9% from the last year and 2% from the last 5 year average period. 75% corn crop is in good to excellent condition, lower by 1% from the last week but higher by 12% from the last year.

As per Reuters news, China has stopped issuing permits for imports of distillers dried grains from the U.S on concerns they might contain an unapproved genetically-modified organism.

Wheat cash market continued to trade under pressure during the week under review as bulk buyers like exporters/processors have slowed down their buying as inner tone in the market remains bearish. Wheat prices in major benchmark market have decreased by Rs 40 to Rs 50 per qtl. during last two weeks. Market participants opine that wheat would continue to trade steady to slightly lower in the third week of June too.

Main reasons behind bearish tone in wheat cash market are diminished export demand and higher supply from private stock. Stockists, who had procured handsome quantity during season with a hope of better export opportunity, are now sellers in domestic market as bearish global wheat outlook and decreasing price at CBOT has dashed their hope. Wheat prices are ruling in the range of Rs 1380 to Rs 1550 per qtl. in major benchmark markets.

Russia/Ukraine/Romania, the major players in Black Sea Region are offering wheat at \$250 per tonne for August –Sept delivery against \$280 per ton in India at current price. USA is offering wheat at \$254 per ton on FOB basis. The huge difference between between Indian, Russian and US FOB quotes encouraged buyers to source wheat from US, Black Sea Region. Wheat from Black Sea Region would start hitting the global market from July and crop is in very good condition there. Besides, US have ample exportable surplus.

All these developments are going to impact domestic price of Indian wheat. Export opportunity for Indian wheat seems bleak at this point of time. Private stockiest, who have brought 6.4 million ton wheat from domestic market, would prefer to offload wheat in local market and it will increase supply. Bulk buyers like ITC, MK, Cargil and LD are out of the market. However, some improvement might be seen July onward when festive season starts in India and with it demand for wheat products increases.

By the end of May, 2014 total arrival of wheat in major markets registered at 34 million ton. Out of total arrivals FCI and other state agencies have brought 76.82 percent, while private trade contribution was registered at 23.18 percent. Actually, this year private trade's buying has increased considerably with hope of better export opportunity. Higher private participation encouraged wheat price in the season and prices continue to rule over MSP in many states. This year private trades, including flour mills, have brought around 6.4 million ton wheat.

Maximum wheat has been purchased in Madhya Pradesh by private trades this year. During the season up to May total arrival in M.P. was registered at 9.4 million tonne. FCI and other agencies have brought 7.1 million ton out of it while private trades uplifted 2.3 million ton so far. Notably, Wheat grown in Madhya Pradesh is considered as premium grade and its export demand continues throughout the year.

Global wheat market is bound to trade under pressure due to lower quotes in Black Sea Region, ample marketable surplus in US and decreasing CBOT futures market. Buyers are in a position to bargain at this point of time.

## Outlook

Feed prices are expected to trade down as feed ingredients prices traded weak during last week.

## Spreads

### Maize Average Weekly spread with Bajra

Week	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14
1	2.50	137.00	145.00	232.0	237.5	205.0	127.0	132.5	129.0	160.0	109.0	-0.83
2	29.00	200.00	204.00	275.5	233.0	192.5	135.0	134.0	146.0	162.5	83.0	-20.0
3	57.00	212.00	197.50	241.25	223.3	160.0	122.0	107.0	141.0	161.0	28.0	
4	120.00	124.00	190.00	230.0	207.5	153.0	145.0	134.0	155.0	158.0	20.0	
5		132.00		234.0		152.0					5.0	

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

As the table depicts, in Delhi spot market, maize spread with bajra decreased as maize traded down vs. bajra during last week. We expect that both commodities could trade steady to slightly weak in the near term due to supply pressure and keep maize spread with bajra slightly down as compared to last week.

### Maize Average Weekly spread with Jowar

Week	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14
1	175.00	230.00	321.66	364.0	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0	-1032.0
2	175.00	295.00	402.00	366.0	492.0	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0
3	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0	
4	250.00	334.00	327.00	368.0	450.0	446.0	320.0	245.0	207.0	-240.0	-1078.0	
5		372.00		370.0		422.0					-1172.0	

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

As the table depicts, maize spread with jowar traded firm as compared to last week as prices of jowar decreased. We expect jowar could trade steady in the near term and keep maize spread with jowar down for the coming weeks.

### Maize Average Weekly spread with Wheat

Week	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14
1	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5
2	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5
3	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	
4	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	-169.0	
5	105.00	-66.0		-140.0		-131.0					-173.0	

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



As the table depicts, maize spread with wheat decreased as maize traded down vs. wheat. We expect that both commodities could trade steady to weak due to arrival pressure and keep maize spread with wheat down as compared to last week.

### Maize Average Weekly spread with Barley

Week	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14
1	133.0	165.0	244.0	195.0	237.5	185.0	127.0	158.0	102.5	180.0	144.0	47.0
2	115.0	199.0	220.0	191.0	231.0	187.5	143.0	135.0	137.0	217.5	85.0	0.0
3	140.0	224.0	190.0	178.75	216.7	157.0	150.0	102.5	144.0	258.0	61.0	
4	185.0	270.0	197.0	158.0	189.2	171.0	170.0	143.0	163.0	208.0	87.0	
5		272.0		190.0		155.0					78.0	

\*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 slightly firm during last week. We expect that barley could trade steady in the near term and keep maize spread with barley down for the next week.

Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	13-Jun-14	06-Jun-14	Parity To
Indore (MP)	38500-39000	38500-39500	Gujarat, MP
Kota	38500	39000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	40500	40700	Mumbai, Maharashtra
Nagpur (42/46)	39500	40000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-	40500	Andhra, AP, Kar, TN
Latur	39800	40000	-
Sangli	-	40800	Local and South
Sholapur	-	-	Local and South
Akola	39700	40500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-	-	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	38500	39700	-

**Soy DOC at Port**

Centers	Port Price	
	13-Jun-14	06-Jun-14
Kandla (FOR) (INR/MT)	40000	40000
Kandla (FAS) (USD/MT)	673	676

**International Soy DOC**

Argentina FOB \$/MT	12-Jun-14	5-Jun-14	Change
Soybean Pellets	504	534	-30
Soybean Cake Meal	504	534	-30
Soybean Meal	512	542	-30
Soy Expellers	512	542	-30

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	13-Jun-14	6-Jun-14	Change
Adoni	22400	22400	Unch
Khamgaon	NA	NA	-
Parli	22200	22200	Unch
Latur	22000	22000	Unch

**Groundnut Meal**

Groundnut Meal	13-Jun-14	6-Jun-14	Change
Basis 45% O&A, Saurashtra	27000	27000	Unch
Basis 40% O&A, Saurashtra	25000	25000	Unch
GN Cake, Gondal	25000	25000	Unch

**Mustard DOC/Meal**

Mustard DOC/Meal	13-Jun-14	6-Jun-14	Change
Jaipur (Plant Delivery)	14200	14400	-200
Kandla (FOR)	15500	15600	-100

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

Market	Grade	13 Jun, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1260	1280	1340	-	1450
Davangere	Bilty	1300	1330	1300	1350	1400
Nizamabad	Bilty	1240	1250	1260	1260	1400
Ahmedabad	Feed	1330	1350	1310	1315	1475
	Starch	1370	1380	1400	1340	1510

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	204.33	198.65	218.1	237.0
Cost and Freight (Thailand)	254.33	253.65	278.1	272

**Soy Meal Exports (In MT):**

Month	2010	2011	2012	2013	2014
Jan	240318	574996	474993	620133	364443
Feb	220552	540360	344240	577589	183550
Mar	163666	410537	460464	320265	223204
Apr	60264	305033	313832	100311	76000
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	
<b>Total</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>364443</b>

**Feed Ingredient Prices at a Glance**

Commodity	State	Variety	Centre	13-Jun-14	6-Jun-14	Change
Bajra	Karnataka	Hybrid	Bellary	1412	1450	-38
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	2100	1800	300
		White	Bellary	1484	1610	-126
Maize	Karnataka	Yellow	Davangere	1250	1255	-5

	Andhra Pradesh	Yellow	Nizamabad	1200	1250	-50
Rice	Haryana	IR8	Karnal	2000	1900	100
		Parmal Raw	Karnal	2250	2400	-150
Soy meal	Madhya Pradesh	DOC	Indore	3900	3950	-50
	Maharashtra	DOC	Sangli	4150	4080	70
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2240	2240	Unch
	Maharashtra	Ex-factory	Latur	2200	2200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1420	1440	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2500	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1671	1629	42
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1577	1556	21

**Note: Prices Rs./ Qtl.**

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