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## Summary

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

Soybean featured weak tone straight fifth week on weak international factors and sluggish buying followed by lower crushing with dwindling soybean supplies. Improved vegoil imports in recent days after a pause for a short period and uncompetitive soy meal prices remained bearish for the seed, hence disparity on crushing.

The soybean planting in Maharashtra has delayed as the monsoon reached Kerala slightly later than the usual. It is Maharashtra where the soybean planting starts first. The farmers are expecting sowing the seed by the last week of June.

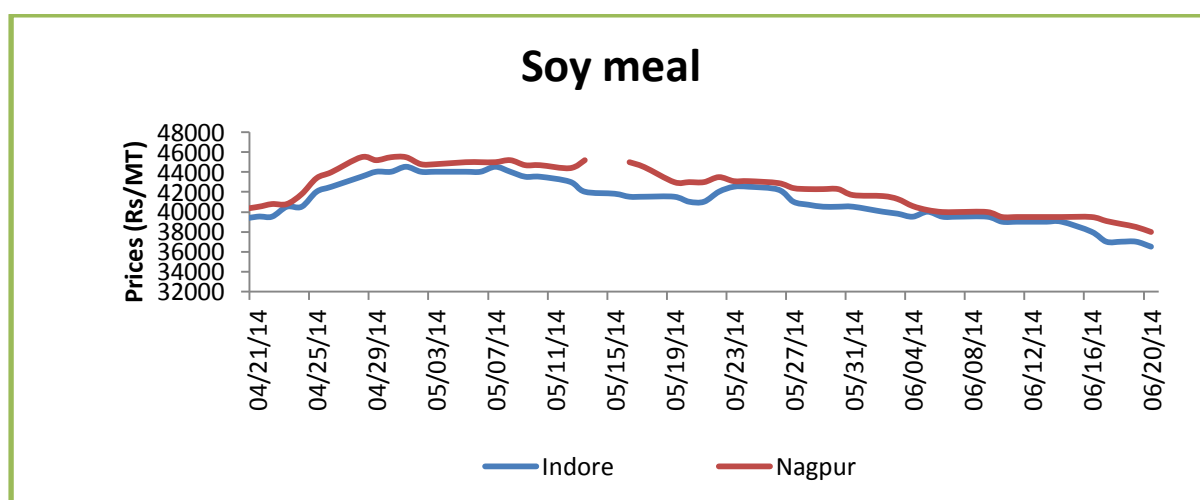
Soy meal featured losses in sync with the soybean for consecutive fifth week primarily on sluggish export sales and fall in domestic demand owing weak poultry demand.

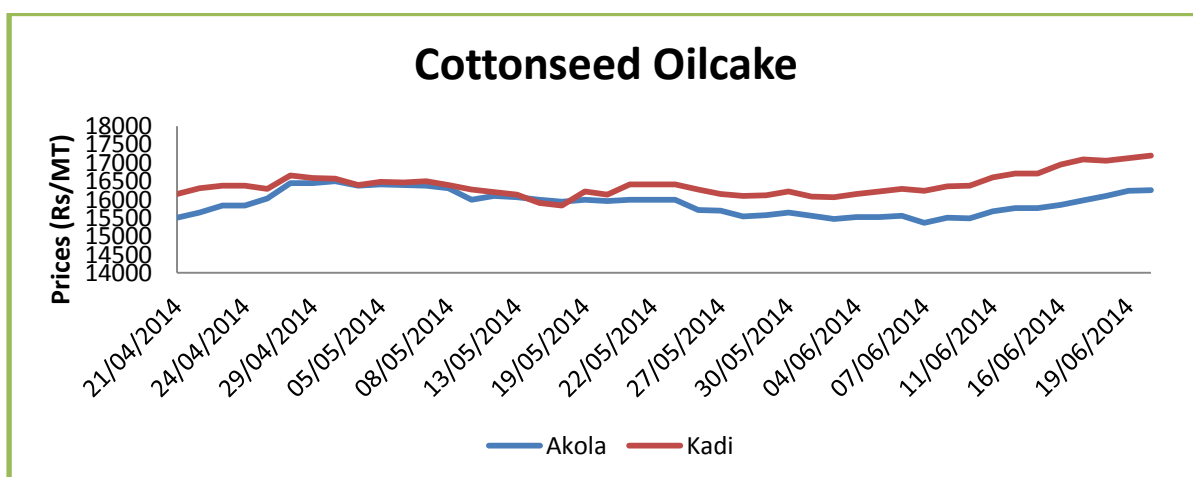
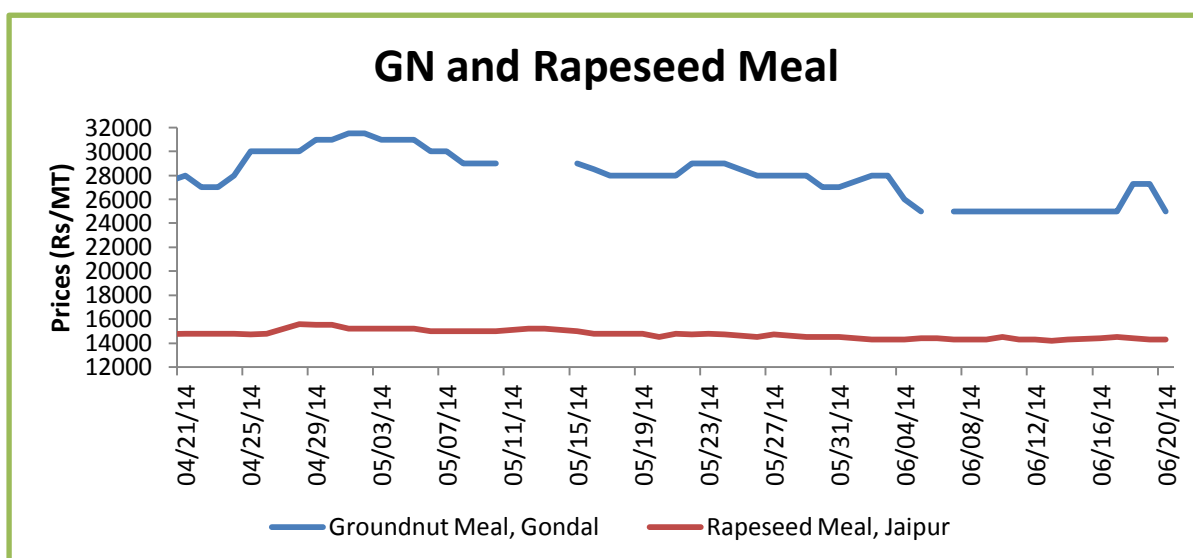
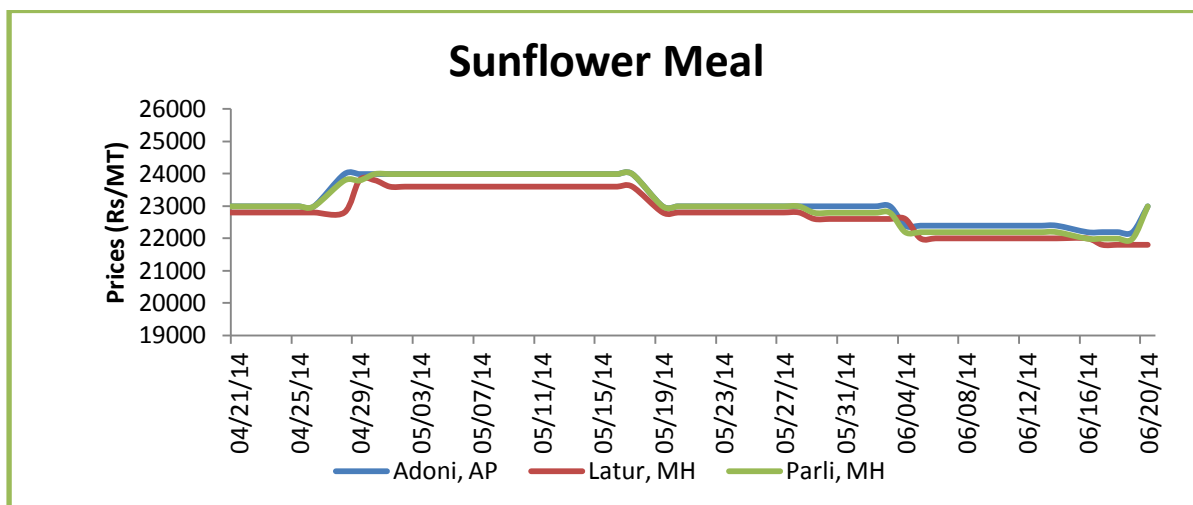
Besides, dwindling soybean supplies is yet another discouraging factor for the crushers. These altogether remained bearish for the domestic soy meal.

Further, demand shift of international buyers towards South-America due to their competitive meal prices remained negative factor for the meal of Indian origin. India's soy meal shipments were already weak this season, but it plunged further with the peak crushing season in South America after February with India's prices getting uncompetitive to South America.

Overall sentiments of maize reported steady to 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 sluggish demand.

## Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal fell straight fifth week on weak global and domestic cues while rapeseed/mustard extended gains on better buying.

**Soybean:**

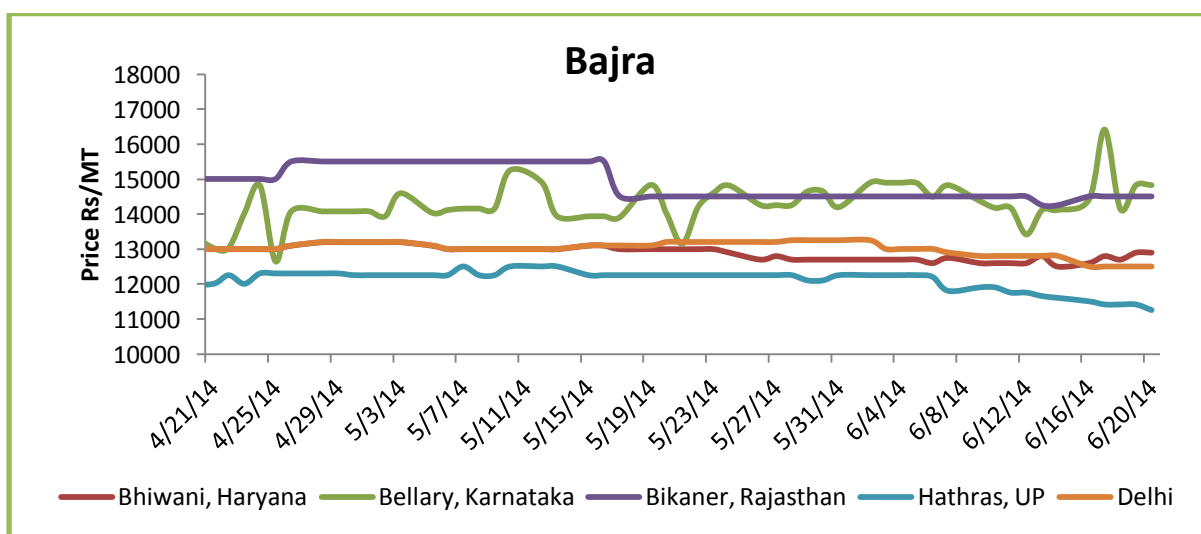
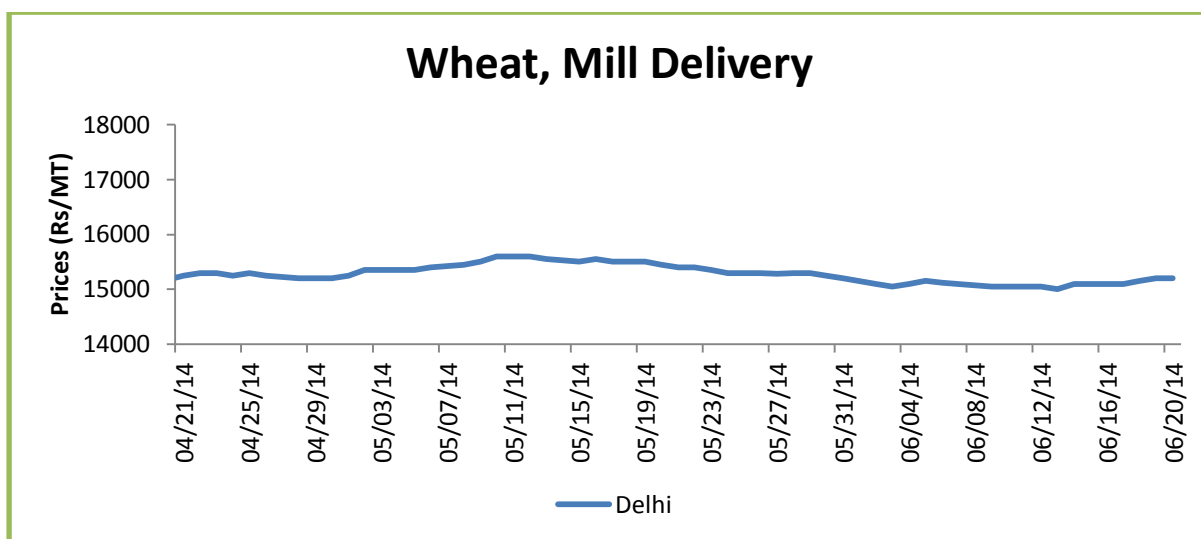
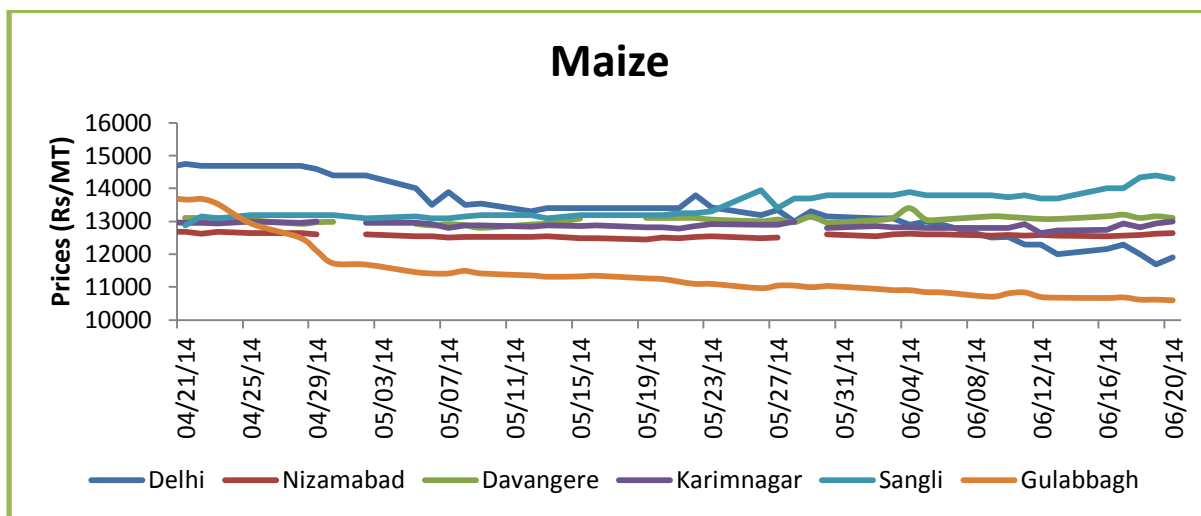
- ❖ Soybean featured weak tone straight fifth week on weak international factors and sluggish buying followed by lower crushing with dwindling soybean supplies. Improved vegoil imports in recent days after a pause for a short period and uncompetitive soy meal prices remained bearish for the seed, hence disparity on crushing.
- ❖ The soybean planting has delayed as the monsoon reached Kerala slightly later than the usual. It is Maharashtra where the soybean planting starts first. The farmers are expecting sowing the seed by the last week of June.
- ❖ We feel the soybean prices to feature range-bound movement and the unrest in Middle-East especially in Iraq and rising crude oil prices will limit the losses in near-term.

**Soy meal:**

- ❖ Soy meal witnessed losses in sync with the soybean for consecutive fifth week primarily on sluggish export sales and fall in domestic demand owing weak poultry demand.
- ❖ Further, demand shift of international buyers towards South-America due to their competitive meal prices remained negative factor for the meal of Indian origin. India's soy meal shipments were already weak this season, but it plunged further with the peak crushing season in South America after February with India's prices getting uncompetitive to South America.

**RM Seed:**

- ❖ RM seed extended gains on improved buying and falling supplies from its peak. The solvent extractors and the stockists were interested in buying the seed in anticipation of rise in edible oil demand with Ramadan and festivities in coming weeks.
- ❖ Overall, the RM seed prices are set to recover on fresh buying in seed ahead upcoming mustard oil demand on festivities in coming weeks.



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

Due to continuous rainfall, arrivals are disrupted in the Gulabghat market. Also, crop contained higher moisture i.e. around 15-16%. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1310-1330 per quintal while starch feed makers quoted maize down by Rs. 15 per quintal to Rs.1300-1360 per quintal as compared to last week, sourced from Maharashtra. Besides, in the Khanna market of Punjab, the maize was also quoted down by Rs. 45 per quintal to Rs.1180-1225 per quintal as compared to last week. On daily basis, arrivals of maize reported around 12 motors which contained around 13% moisture. Sources revealed that maize stock could be around 400 motors. Overall steady to weak sentiments witnessed during last week except in Ranebenur, Sangli and Hubli markets.

In Gulabghat mandi, maize was quoted down by Rs. 5 per quintal to Rs. 950-1070 per quintal as compared to last week. As per trade sources, maize is moving towards vizag port at Rs. 1200 per quintal, sourced from Gulabghat and Kolkata at Rs. 1150 per quintal, sourced from Naugachia region of Bihar.

As per trade sources, karnataka government is likely to release tender on Wednesday. Maize is moving towards Bangalore and Nammakal at Rs. 1360-1400 per quintal and Rs. 1450 per quintal respectively, sourced from Davangere.

As per USDA, U.S accumulated corn export figures reached to 35,963,187 metric tons for the 2013-14 marketing year. Exports of 1,123,000 MT were up 5% from the last week but down 1% from the prior 4-week average; reported by U.S. to Japan (357,900 MT), Mexico (258,700 MT), Taiwan (100,600 MT), South Korea (85,400 MT), Saudi Arabia (80,100 MT), Egypt (71,300 MT), and Colombia (67,500 MT) for the period Jun 6- Jun 12, 2014.

As per Reuters news, preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.8% in the Apr'14 from 42% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.

Argentina agriculture ministry raised corn production estimates to 32.1 million tons for 2013/14 season from the previous estimate of 31.1 million tons. (Source: Reuters)

As per USDA, Private exporters reported the sale of 134,500 tons of U.S. corn to Mexico for delivery in the 2014/15 marketing year, which will start on Sept. 1.

As per industry association, Indonesia's corn imports are expected to rise by at least 22 percent in 2014 and surpass the previous record of 3.6 million tons as dry weather from a possible El Nino weather pattern hurts domestic output. Besides, Indonesia domestic corn output is likely to climb 12 percent to 20.82 million tons this year. (Source: Reuters)

As per the latest crop progress report released by USDA, corn has been emerged 97% as of 15th Jun, 2014, higher by 6% from the last year and 1% from the last 5 year average period. 76% corn crop is in good to excellent condition, lower by 1% from the last week but higher by 12% from the last year.

Cash wheat market in Uttar Pradesh is expected to trade firm by the end of this month. Wheat is being traded at Rs 1400 per qtl. in Bulandshar mandi. However, in the adjoining area, wheat rules at Rs 1370 to Rs 1375 per qtl. In Uttar Pradesh farmers have released only 50 to 55 percent wheat. More dip from current level is unlikely.

As per market feedback farmers would start releasing wheat in parts July onward. As wheat prices are ruling around MSP or below MSP, farmers would wait for uptrend in the market. Lower release by farmers, continuous normal demand would support wheat market in states like Bihar and Uttar Pradesh. Agriwatch expects price to move up by Rs 50 to Rs 75 per quintal in next two -three weeks.

Delhi millers are sourcing wheat from Uttar Pradesh as it is cheaper in comparison to other states. Delhi millers are getting wheat at Rs 1505/ 1510 per qtl on delivered basis. Wheat from Rajasthan and Madhya Pradesh is comparatively higher. Delhi millers can't afford to source wheat from Punjab and Haryana due to high tax structure.

Wheat stock in central pool warehouses was registered at 40.10 million T on 16 June compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.90 million T) followed by Madhya Pradesh (8.21 million ton) and Haryana (7.75 million ton) as on 16.06.2014.

Wheat cash market stays steady to slightly weak due to depressed demand from millers and normal trade is being done only at local level. Companies like ITC, Cargil and L.D. are now out of the market and may sell wheat in local market as export window is almost close at this point of time due to disparity. Short term market outlook seems weak.

Global outlook for wheat remains bearish. Supply side would be higher than normal increase in demand. Black Sea region crop is due and exporters like Russia, Ukraine, Romania are offering wheat around \$250/\$255 per ton for forward months. US export sales would decrease. Russia may quote even lower price in July as new crop would start hitting the market in July. Against it India would not be able to export wheat below \$265/\$270. If prices increases (likely) in next 30 days, export opportunity would remain blemish.

Wheat prices in Uttar Pradesh, Bihar, Rajasthan, M.P. and Gujarat have declined considerably and pressure on price continues as bulk buyers are reluctant to buy at current level. Only normal domestic trade is being conducted and south Indian miller are asking for discount as they have ample stock for next 15 to 20 days. Besides, Wheat (meant for export) stockists are now sellers in domestic market and they may opt to release their stock on continuous intervals.

Global wheat market is bound to trade under pressure due to lower quotes in Black Sea Region, ample marketable surplus in US and decreasing COBT futures market

## 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	-62.0
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	-1012.0
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 down as jowar traded steady with the decrease in maize prices. We expect trend could continue 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	-306.0
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 wheat traded firm during last week. We expect that both commodities could trade steady to weak due to arrival pressure and keep maize spread with wheat intact 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	-68.0
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 steady during last week. We expect that trend could continue 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)		
	20-Jun-14	13-Jun-14	Parity To
Indore (MP)	36100-36500	38500-39000	Gujarat, MP
Kota	36000	38500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	38000	40500	Mumbai, Maharashtra
Nagpur (42/46)	38000	39500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	38900	-	Andhra, AP, Kar, TN
Latur	37800	39800	-
Sangli	40000	-	Local and South
Sholapur	39700	-	Local and South
Akola	37300	39700	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	39200	-	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	36800	38500	-

**Soy DOC at Port**

Centers	Port Price	
	20-Jun-14	13-Jun-14
Kandla (FOR) (INR/MT)	38000	40000
Kandla (FAS) (USD/MT)	630	673

**International Soy DOC**

Argentina FOB \$/MT	18-Jun-14	12-Jun-14	Change
Soybean Pellets	490	504	-14
Soybean Cake Meal	490	504	-14
Soybean Meal	498	512	-14
Soy Expellers	498	512	-14

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	20-Jun-14	13-Jun-14	Change
Adoni	23000	22400	600
Khamgaon	-	NA	-
Parli	23000	22200	800
Latur	22800	22000	800

**Groundnut Meal**

Groundnut Meal	20-Jun-14	13-Jun-14	Change
Basis 45% O&A, Saurashtra	25500	27000	-1500
Basis 40% O&A, Saurashtra	23500	25000	-1500
GN Cake, Gondal	25000	25000	Unch

**Mustard DOC/Meal**

Mustard DOC/Meal	20-Jun-14	13-Jun-14	Change
Jaipur (Plant Delivery)	14300	14200	100
Kandla (FOR)	15500	15500	Unch

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

Market	Grade	20 Jun, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1180	1260	1340	1475	1440
Davangere	Bilty	1300	1300	1350	1350	1500
Nizamabad	Bilty	1240	1240	1260	1285	1390
Ahmedabad	Feed	1330	1330	1300	1300	1550
	Starch	1330	1370	1320	1330	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	204.43	202.35	220.7	230.0
Cost and Freight (Thailand)	254.43	257.35	280.7	265

**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	20-Jun-14	13-Jun-14	Change
Bajra	Karnataka	Hybrid	Bellary	1483	1412	71
		Hybrid	Bangalore	1800	1400	400
Jowar	Karnataka	White	Bangalore	2300	2100	200
		White	Bellary	1515	1484	31
Maize	Karnataka	Yellow	Davangere	1250	1250	Unch

	Andhra Pradesh	Yellow	Nizamabad	1200	1200	Unch
Rice	Haryana	IR8	Karnal	1800	2000	-200
		Parmal Raw	Karnal	2400	2250	150
Soy meal	Madhya Pradesh	DOC	Indore	3650	3900	-250
	Maharashtra	DOC	Sangli	4000	4150	-150
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2240	60
	Maharashtra	Ex-factory	Latur	2280	2200	80
Mustard	Rajasthan	Plant delivery	Jaipur	1430	1420	10
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2500	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1720	1671	49
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1625	1577	48

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

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