

Contents:

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

Summary

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

Soybean continued downtrend, sixth week, on short-term bearish outlook. Feeble buying in soybean followed by weak crushings remained negative for the beans again during the week review.

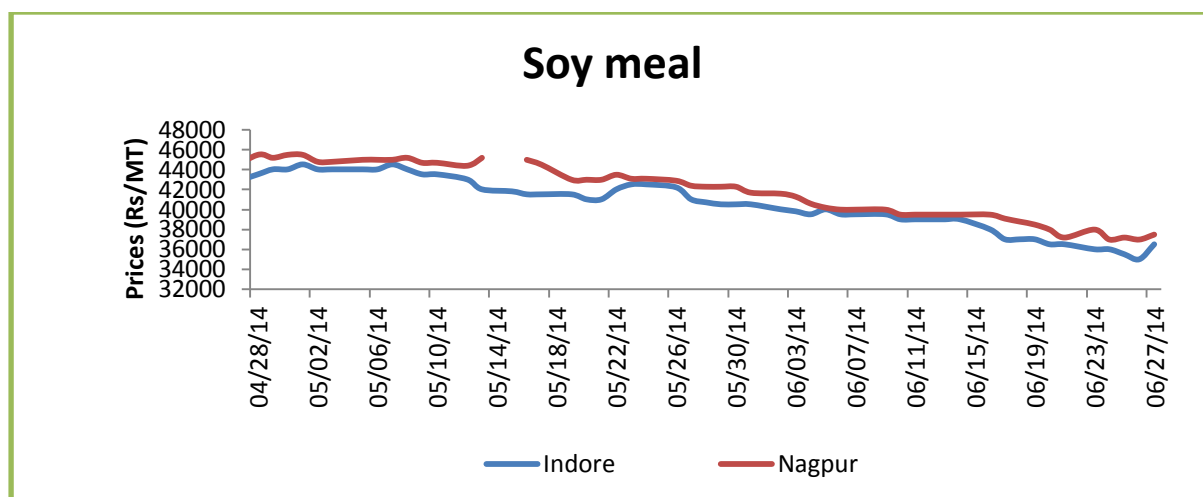
India's edible oil imports improved in previous weeks anticipating renewed demand during monsoon and upcoming festivities in coming weeks. Lower export tax by the major palm oil exporting countries remained supportive for India's imports in the same.

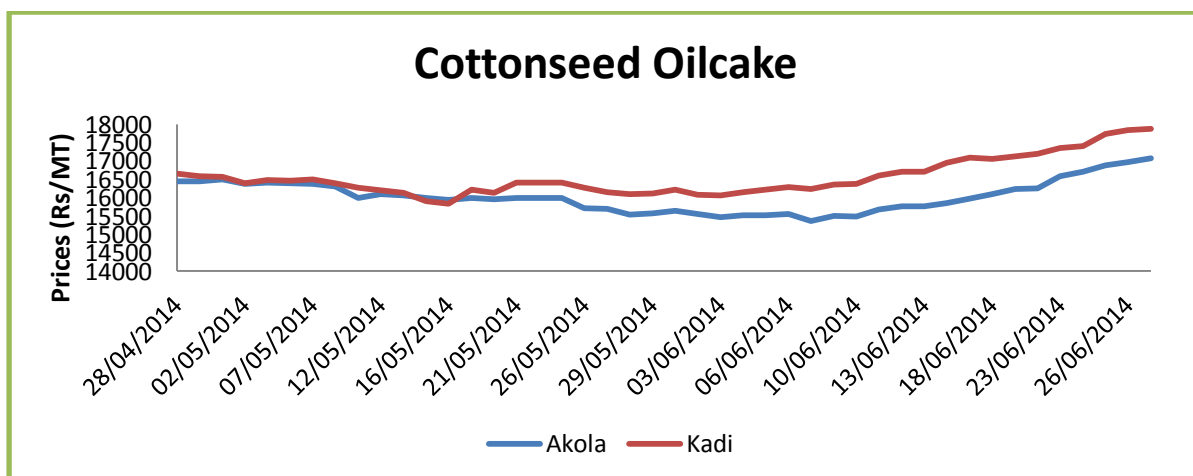
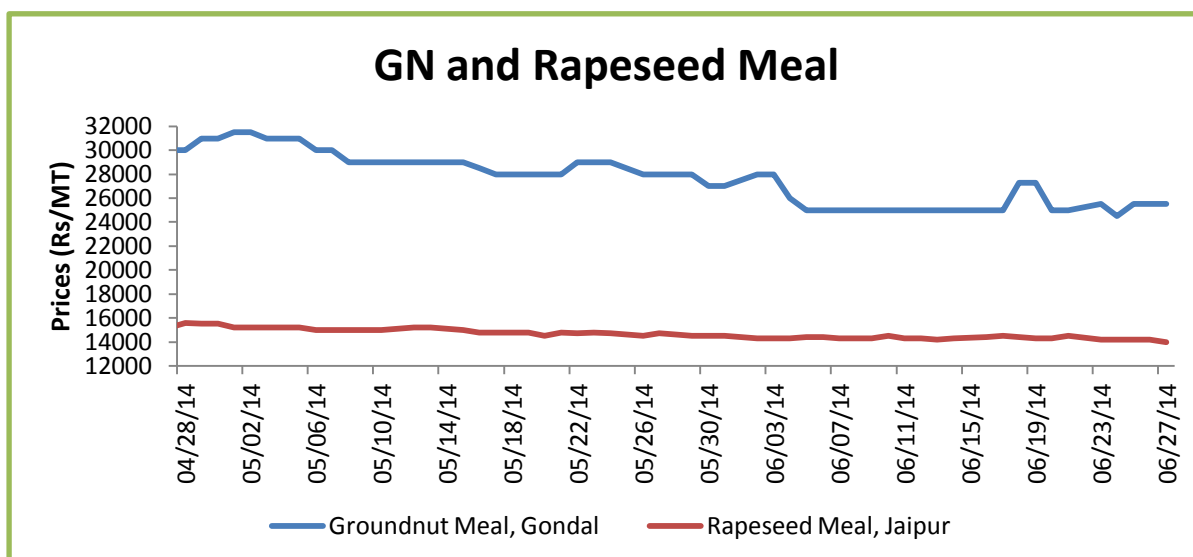
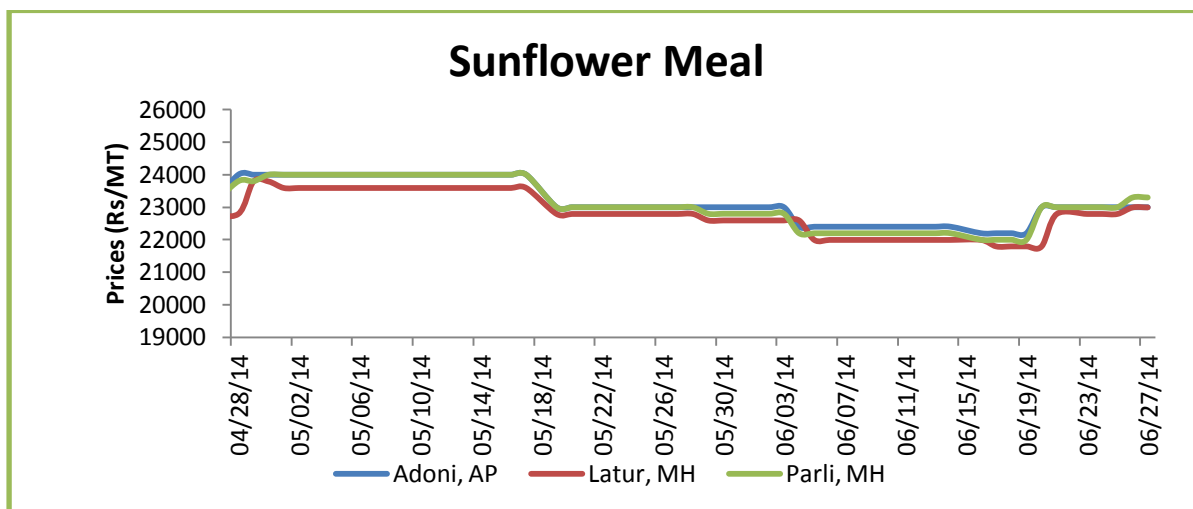
Soy meal declined successive sixth week in tandem with the soybean mainly due to weak soy meal export sales and poor domestic demand from feed manufacturers.

Besides, sharp fall in international soy meal in recent weeks additionally pressured the domestic meal market. Higher US soybean planting pace compared to the average and better crop condition followed by in the US mid-west remained bearish for the market.

Mixed sentiments witnessed in major spot market of maize during last week. Besides, key spot wheat mill delivery prices traded steady to slightly weak due to less arrival.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal fell straight sixth week on weak global and domestic factors while rapeseed/mustard continued uptrend on buying support.

Soybean:

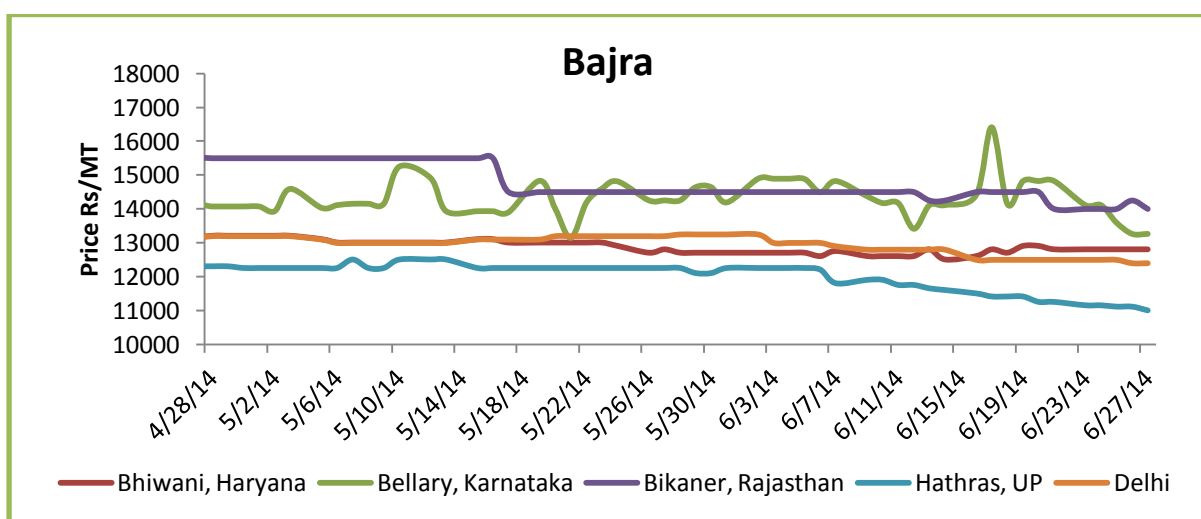
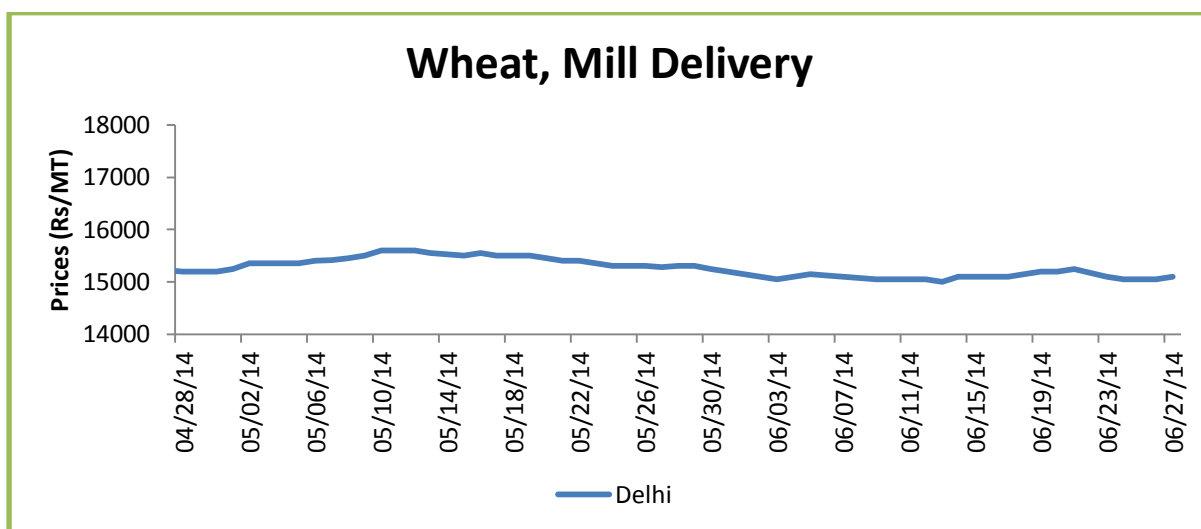
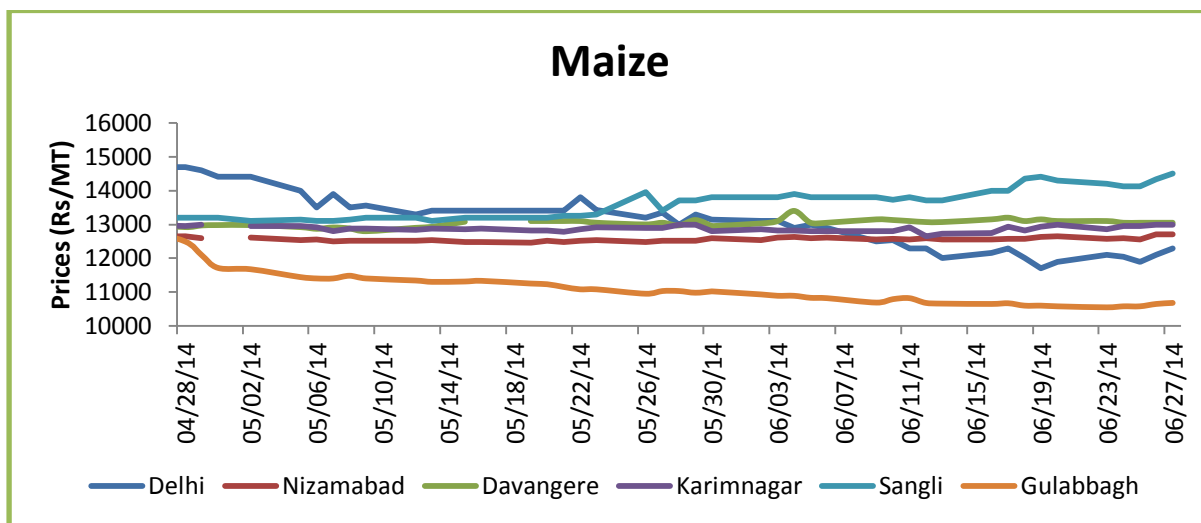
- ❖ Soybean continued downtrend, sixth week, on short-term bearish outlook. Feeble buying in soybean followed by weak crushings remained negative for the beans again during the week review.
- ❖ Most of the soybean growing regions of the major producing states have reported departure around -60%. The situation will hamper the pace in soybean planting this season and it is expected to be slow till the monsoon intensifies in the growing regions.
- ❖ The area coverage under soybean, as on 26 Jun 2014, stood at 1.01 lakh compared to 1.77 during the same period last year. The coverage reported in the irrigated area.

Soy meal:

- ❖ Soy meal declined successive sixth week in tandem with the soybean mainly due to weak soy meal export sales and poor domestic demand from feed manufacturers.
- ❖ The soy meal prices are expected to recover on weak soybean supplies, likely improvement in the domestic demand from poultry feed industry and scarcity of quality beans for seeding this season.

RM Seed:

- ❖ RM seed continued uptrend on good buying support and falling seed supplies from its peak. The seed buying is gaining momentum in anticipation of rise in edible oil demand with Ramadan and festivities in coming weeks.
- ❖ The all India seed arrivals were reported closed to the previous week at 1.55-1.85 lakh bags compared to 1.6-1.75 lakh bags a day previous week. During the peak arrivals it was registered 6.0-7.0 lakh bags a day in April.
- ❖ Indonesia and Malaysia has lowered their export tax on palm oil for July, which is favoring India's palm oil imports.
- ❖ Overall, the RM seed prices are set further gain ahead upcoming fresh edible oil demand for festivities in coming weeks.



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

Mixed sentiments witnessed in major spot market of maize during last week. The Cabinet Committee on Economic Affairs approved the M.S.P of Maize at Rs. 1310 per quintal for 2014-15 Kharif season; unchanged from last season.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 30 per quintal to Rs. 1320-1360 per quintal while starch feed makers quoted maize down by Rs. 20 per quintal to Rs.1300-1340 per quintal as compared to last week, sourced from Bihar. Besides, in the Khanna market of Punjab, the maize was quoted down by Rs. 15 per quintal to Rs.1180-1210 per quintal as compared to last week. On daily basis, arrivals of maize reported around 22 motors which contained around 14% moisture. Sources revealed that maize stock could be around 400 motors.

In Gulabbagh mandi, maize was quoted firm by Rs. 65 per quintal to Rs. 1090-1135 per quintal as compared to last week due to lower supply in the market. As per trade sources, maize is moving towards Kolkata at Rs. 1150 per quintal, sourced from Naugachia region of Bihar.

As per trade sources, maize is moving towards Bangalore and Nammakal at Rs. 1400-1420 per quintal and Rs. 1450-1480 per quintal respectively, sourced from Davangere.

As per USDA, U.S accumulated corn export figures reached to 37,117,720 metric tons for the 2013-14 marketing year. Exports of 1,154,500 MT were up 3% from the last week and 2% from the prior 4-week average; reported by U.S. to Mexico (292,700 MT), Japan (224,600 MT), South Korea (135,500 MT), Israel (133,900 MT), Spain (132,000 MT), Vietnam (86,000 MT), and Costa Rica (60,800 MT) for the period Jun 13- Jun 19, 2014.

IGC raised world corn production forecast for 2014/15 by 8 million tons to 963 million tons from the previous month forecast due to improved crop prospects in China but still below by last season's record of 972 million tons.

As per the latest crop progress report released by USDA, 74% corn crop is in good to excellent condition as of 22nd Jun, 2014, lower by 2% from the last week but higher by 9% from the last year.

Russia's veterinary and phytosanitary control authority says it might impose a temporary ban on imports of farming products from Ukraine over a threat of possible western corn rootworm invasion. (Source: Reuters)

As per China's state think-tank, China's corn consumption in the 2013-14 crop years is likely to increase about 2 percent over the last crop year, lower than previous estimate due to lower-than-expected feed demand.

Wheat cash market is likely to trade steady to slightly up in the incoming weeks as private traders has restricted releasing their stocks due to disparity. Wheat stock released from the central pool is expected July onward for OMSS there is general talk in the market that government may increase OMSS price in the range of Rs 35-50/ quintal. It may support cash market at current level.

Despite of slower start of procurement, wheat procurement by the end of June touched 27.9 Mnt as expected in April by Agriwatch. It is 10% higher from last year due to higher lifting from Punjab, Haryana and MP.

Punjab contributed 5.5 % higher wheat to central pool kitty in comparison to last year, its procurement has increased 11Mnt to 11.6Mnt this year. Haryana too has contributed 16 % higher wheat to central pool kitty to 6.49Mnt.

Total arrival in grain market by the end of June registered at 34.5Mnt on all India basis out of it 27.9Mnt have been lifted by FCI and other state agencies, the remaining 6.6Mnt has been lifted by private trades and flour millers.

Demand for wheat product in festive season is expected by the end of July and it will help wheat price to get firmer in the weeks ahead. However, supply side will remain ample as farmers in UP still holds 20-30 % marketable surplus stock in their hands; the stock will continue to hit market in July.

On export front there is no hope as bearish tone continues to dominate global market on the back of higher production prospects in Black Sea Region and ample marketable surplus in US. Russia and Ukraine has sold out wheat to Pakistan at \$260 per ton on c&f basis to be delivered in July and August. Against this India is unable to offer below \$263/64 per ton on FOB basis. As domestic market is expected to get firmer July onward, it would be very difficult for Indian exporters to compete from Russia and Ukraine.

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.

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	-65.0
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 slightly decreased as maize traded down vs. bajra during last week. We expect that maize could trade steady to slightly firm in the near term and keep maize spread with bajra slightly firm 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	-1120.0
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 firm during last week. We expect jowar could trade steady in the near term and keep maize spread with jowar slightly firm as compared to last week.

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	-105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	-169.0	-301.0
5		-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 increased as wheat traded down vs. maize during last week. We expect that both commodities could trade steady to slightly firm 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	-80.0
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 intact for the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	27-Jun-14	20-Jun-14	Parity To
Indore (MP)	36500	36100-36500	Gujarat, MP
Kota	35000	36000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	37500	38000	Mumbai, Maharashtra
Nagpur (42/46)	37500	38000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	38500	38900	Andhra, AP, Kar, TN
Latur	38500	37800	-
Sangli	39000	40000	Local and South
Sholapur	-	39700	Local and South
Akola	37000	37300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	39200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	35000	36800	-

Soy DOC at Port

Centers	Port Price	
	27-Jun-14	20-Jun-14
Kandla (FOR) (INR/MT)	37500	38000
Kandla (FAS) (USD/MT)	620	630

International Soy DOC

Argentina FOB \$/MT	26-Jun-14	18-Jun-14	Change
Soybean Pellets	498	490	8
Soybean Cake Meal	498	490	8
Soybean Meal	506	498	8
Soy Expellers	506	498	8

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	27-Jun-14	20-Jun-14	Change
Adoni	23000	23000	Unch
Khamgaon	NA	NA	-
Parli	23300	23000	300
Latur	23000	22800	200

Groundnut Meal

Groundnut Meal	27-Jun-14	20-Jun-14	Change
Basis 45% O&A, Saurashtra	27000	25500	1500
Basis 40% O&A, Saurashtra	25000	23500	1500
GN Cake, Gondal	25500	25000	500

Mustard DOC/Meal

Mustard DOC/Meal	27-Jun-14	20-Jun-14	Change
Jaipur (Plant Delivery)	14000	14300	-300
Kandla (FOR)	15300	15500	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	27 Jun, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1190	1180	1325	1450	1440
Davangere	Bilty	1300	1300	1300	1290	1450
Nizamabad	Bilty	Closed	1240	1260	1260	1450
Ahmedabad	Feed	1360	1330	1300	1300	1530
	Starch	1330	1330	1390	1330	1520

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	203.54	203.85	211.73	244.0
Cost and Freight (Thailand)	253.54	258.85	271.73	279

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	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	
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>27-Jun-14</u>	<u>20-Jun-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1327	1483	-156
		Hybrid	Bangalore	1800	1800	Unch
Jowar	Karnataka	White	Bangalore	2300	2300	Unch
		White	Bellary	1514	1515	-1
Maize	Karnataka	Yellow	Davangere	1250	1250	Unch
	Andhra Pradesh	Yellow	Nizamabad	1200	1200	Unch
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	1800	1800	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3650	3650	Unch
	Maharashtra	DOC	Sangli	3900	4000	-100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2300	Unch
	Maharashtra	Ex-factory	Latur	2300	2280	20
Mustard	Rajasthan	Plant delivery	Jaipur	1400	1430	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2500	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1787	1720	67
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1707	1625	82

Note: Prices Rs. /qtl

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2014 Indian Agribusiness Systems Pvt. Ltd.