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Summary

Overall, the key feed ingredients prices witnessed steady to firm tone during the week in review.

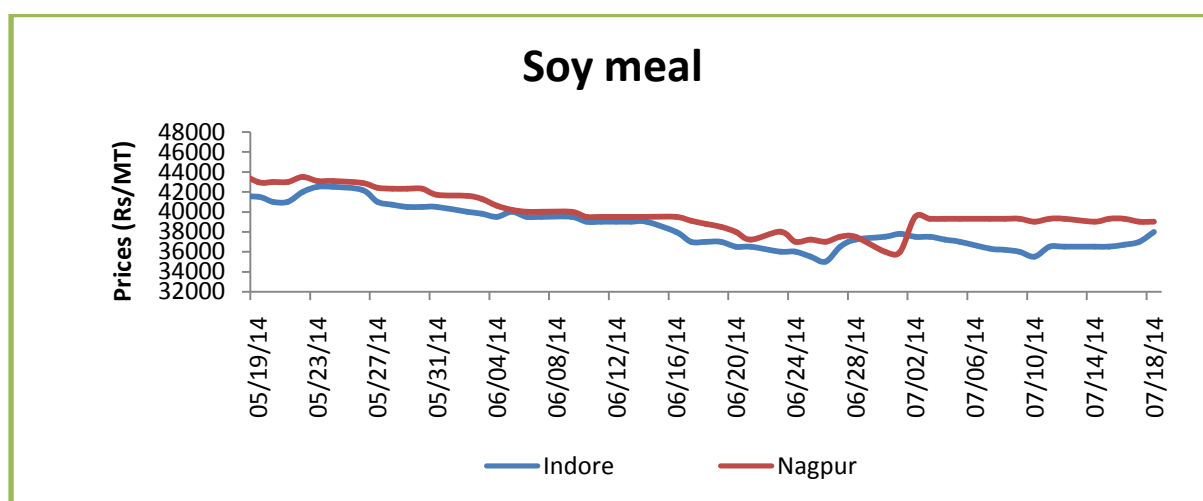
Soybean featured gains on weak arrivals and slow pace of oilseed planting pace over central India. However, higher edible oils imports against need based demand limit the upside.

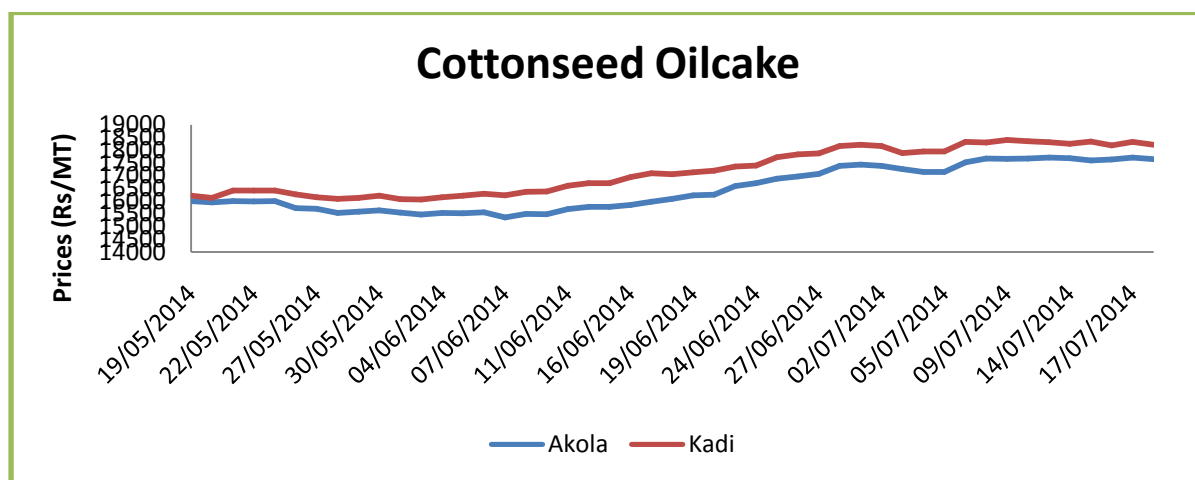
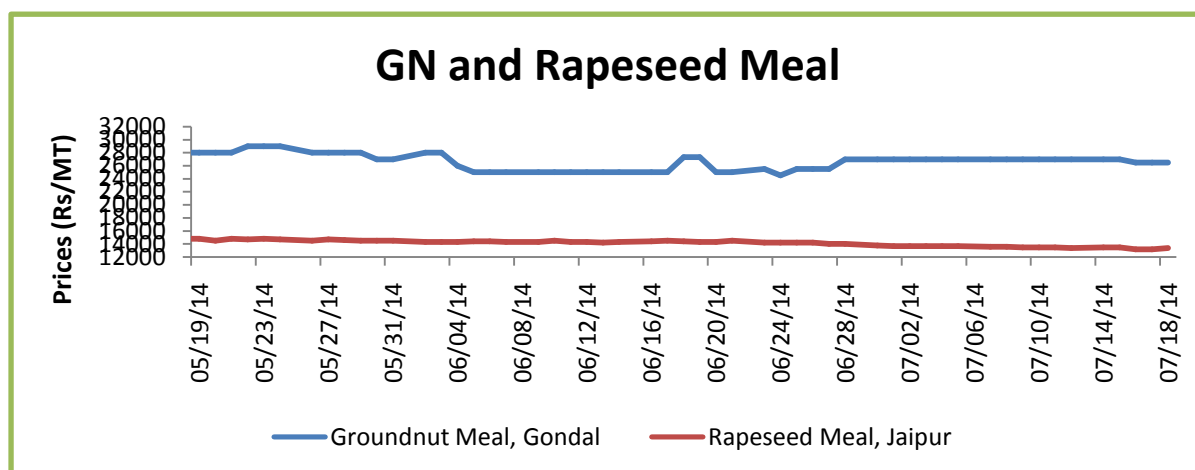
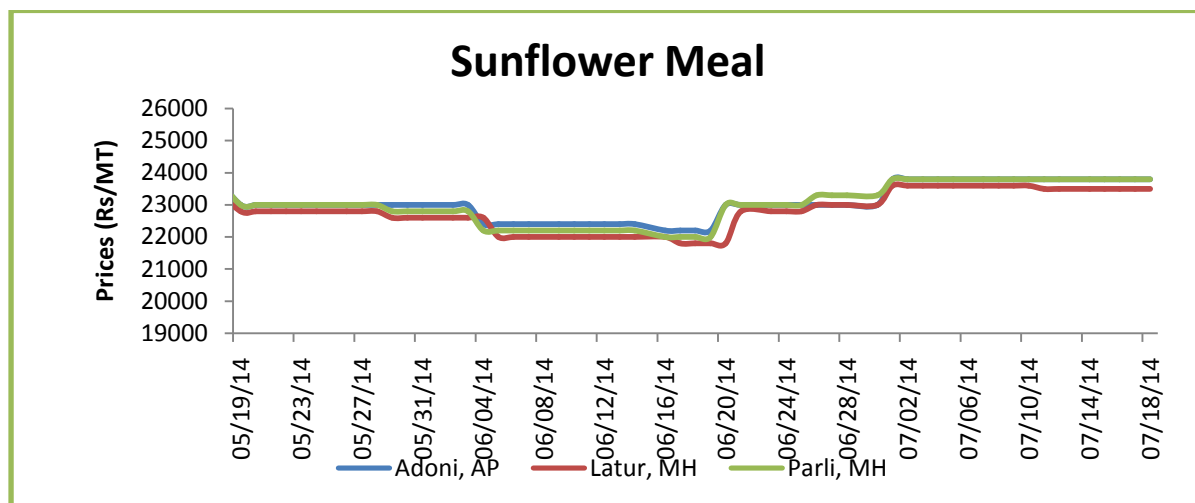
Soy meal rose in sync with soybean primarily in expectation of lower soybean planting in the current season but upside was capped by easing soy meal exports.

US soybean area is reported record high this season above 34 Mln Ha which is 11% higher compared to previous season.

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

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal featured gains on lower oilseed planting pace and weak supplies in the cash market. Moreover, RM seed extended gains on buying support and easing mustard seed arrivals.

Soybean:

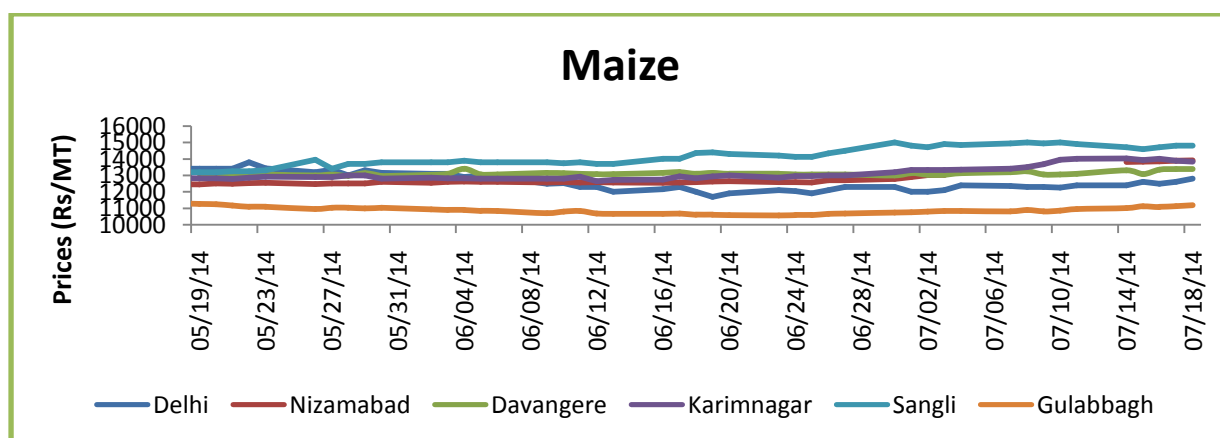
- ❖ Soybean featured gains on weak arrivals and slow pace of oilseed planting pace over central India. However, higher edible oils imports against need based demand limit the upside.
- ❖ Marginal recovery noticed in soybean planting during the week and planting has progressed to 19.50 lakh hectares, compared with 103.23 lakh hectares in the same period a year earlier.
- ❖ According to Ministry of Agriculture, seed demand of soybean is higher compared to quality seed availability. Total 27.32 lakh quintals seed of soybean available and 34.290 lakh quintals seed of soy required for Kharif 2014.

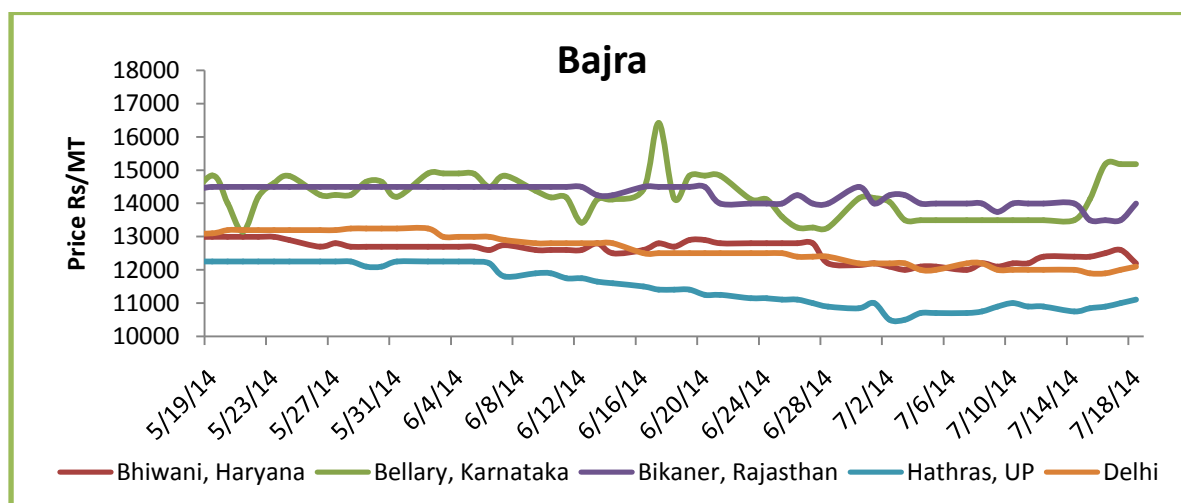
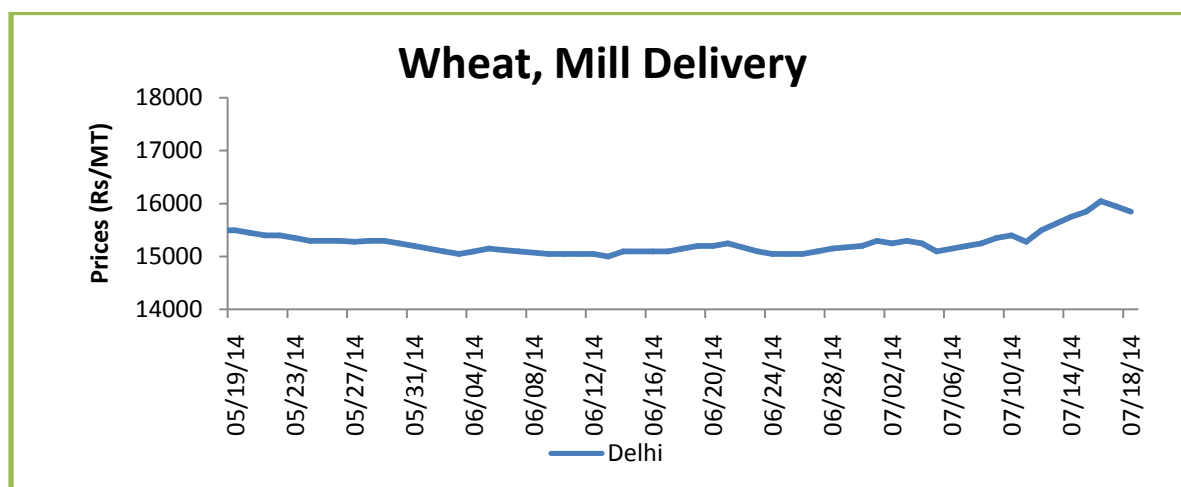
Soy meal:

- ❖ Soy meal rose in sync with soybean primarily in expectation of lower soybean planting in the current season but upside was capped by easing soy meal exports.
- ❖ India's soybean plantings have much behind schedule due to weak monsoon. If rains are not adequate in the growing region, it will deteriorate the yields; the situation is expected to limit the losses in meal to some extent for short-period.
- ❖ India's soy meal shipments during June 2014 was just 2636 tones as compared to 2,13,483 tones in the same period of previous year, a fall of 99%.

RM Seed:

- ❖ RM seed continued uptrend on supportive buying and declining supplies. The seed buying has improved on expected rise in edible oil demand for festivities in upcoming weeks.
- ❖ Cash markets in Rajasthan were inactive during the week in review owing to strike against VAT hike in different commodities, which affect the mustard supplies.





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

Mixed sentiments witnessed in major spot market of maize during last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1400 per quintal while starch feed makers quoted maize firm by Rs. 30 per quintal to Rs.1340-1380 per quintal as compared to last week, sourced from U.P.

In Gulabghat mandi, maize was quoted firm by Rs. 10 per quintal to Rs. 1120-1150 per quintal as compared to last week, contained moisture level of 14%. As per trade sources, maize is moving towards Kolkata at Rs. 1250 per quintal, sourced from Naugachia region of Bihar and stock of maize could be around 18-20 lakh ton in the Bihar market.

As per trade sources, maize is moving towards Bangalore and Nammakal at Rs. 1450 per quintal and Rs. 1550-1560 per quintal respectively, sourced from Davangere. Government has released the 50,000 quintal of maize at Rs. 1250 per quintal.

As per USDA, U.S accumulated corn export figures reached to 40,076,239 metric tons for the 2013-14 marketing year. Exports of 907,900 MT were down 25% from the last week and 16% from the prior 4-week average; reported by U.S. to Japan (276,300 MT), Mexico (231,200 MT), South Korea (116,400 MT), Spain (64,900 MT), Colombia (43,700 MT), Peru (32,400 MT), and Guatemala (29,300 MT) for the period July 4- July 10, 2014.

Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.8% in the May'14 from 42% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased. (Source: Reuters)

European traders told that South Korea's Korea Corn Processing Industry Association purchased 55,000 tons of corn (containing genetically-modified organisms) at \$231 a ton c&f from Concordia for arrival around Dec. 1. Also, Nonghyup Feed Inc. purchased about 4,000 tons corn gluten feed; sourced in China at \$246.00 and \$252.00 for arrival by Sept. 10-20. (Source: Reuters)

As per the latest crop progress report released by USDA, 34% crop of corn is at silking stage, higher by 19% from the last year and 1% from the last 5 year average period. 76% corn crop is in good to excellent condition as of 13th July, 2014, higher by 1% from the last week and 10% from the last year.

As per Reuters news, The European Union awarded 387,000 tons of maize import licence, taking the volume so far this season to 644,000 tons.

As per USDA, Global 2014/15 corn ending stocks are projected 5.4 million tons higher with increases for China, Brazil, and the United States more than offsetting the Canada reduction.

Wheat cash market stays steady to slightly firm this week due to seasonal factors like contracting supply from private traders, declining arrivals in major markets and higher demands for wheat products in festive season starting from August, 2014. Wheat prices have increased in the range of Rs 35 to Rs 55 per qtl. in last 10 days and markets expect firmness to continue.

However, supply from central pool stock through OMSS is due in August and it may cap firmness to some extent. Millers, especially south Indian millers are dependent on govt.'s stock in lean season as usual. As per market experts major price driving force would be price for OMSS for the year. If govt. revises price for OMSS, it would encourage wheat price in the domestic market. There is a buzz in the market that govt may increase OMSS price by Rs40 to 50 per qtl.

Wheat cash markets in Uttar Pradesh get firmer on the back of improved demand from Rajasthan and Delhi. Demand from roller flour mills have improved during last one week. festive season in India starts from 1st August and continue till November and during this period demands for wheat product increase considerably.

Wheat stock in central pool warehouses was registered at 39.37 million T on 01 July compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.56 million T) followed by Madhya Pradesh (7.93 million tonne) and Haryana (7.55 million Tonne) as on 01.07.2014.

Punjab and M.P. emerged the biggest contributors to the central pool kitty contributing 11.6 and 7.0 million tonne respectively. Both the states have contributed 10.8 and 6.3 million tonne last year. Haryana has contributed 6.4 million tonne this year against 5.8 million tonne last year. Rajasthan and Uttar Pradesh have brought 2.5 and 0.59 million tonne wheat this year.

This year private trades purchasing has increased over 100 percent from last year. Private trades including millers have brought 7 million tonnes of wheat against 3 million tonne last year. Due to 3 million tonne higher procurement central pool stock has reached 42 million tonne in the beginning of June. It is quite higher than actual requirement under buffer norm and strategic reserves.

With the end of procurement season and increasing demands for wheat products prices of wheat may increase by Rs 30 to Rs 50 per quintal. By the end of July, private trades have restricted release of wheat in open market as prices are not matching their interest. They had procured wheat at higher than MSP in anticipation of higher export. Now prices in the open market are hovering near MSP and so they have decided to hold on stock at least for two months. Now their retaining cost including procurement cost has gone up to Rs 1550 per quintal against the prevailing rate of Rs 1400 to Rs 1500 per quintal in various mandis of Uttar Pradesh.

With the commencement of harvesting in the black sea region pressure on global wheat market continues. Wheat may hover in the range of \$260 to \$280 per tonne in the month of July. Russia, Ukraine, US would remain the main suppliers to the global market. Any unexpected spike is unlikely in the month of July.

Outlook

Feed prices are expected to trade steady to firm as feed ingredients prices traded steady to firm during last week.

Spreads

Maize Average Weekly spread with Bajra

Week	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14
1	137.00	145.00	232.0	237.5	205.0	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0
2	200.00	204.00	275.5	233.0	192.5	135.0	134.0	146.0	162.5	83.0	-20.0	25.0
3	212.00	197.50	241.25	223.3	160.0	122.0	107.0	141.0	161.0	28.0	-62.0	30.0
4	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 increased as bajra traded down during last week. We expect that both commodities could trade steady in the near term and keep maize spread with bajra positive.

Maize Average Weekly spread with Jowar

Week	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14
1	230.00	321.66	364.0	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0	-1032.0	-1037.0
2	295.00	402.00	366.0	492.0	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0
3	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0	-1012.0	-902.0
4	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 steady as both commodities traded flat during last week. We expect trend could continue in the near term and keep maize spread with jowar intact as compared to last week.

Maize Average Weekly spread with Wheat

Week	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14
1	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0
2	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0
3	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0
4	-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 decreased as wheat traded firm during last week. We expect that wheat could trade steady to slightly firm and keep maize spread with wheat slightly down compared to last week.

Maize Average Weekly spread with Barley

Week	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14
1	165.0	244.0	195.0	237.5	185.0	127.0	158.0	102.5	180.0	144.0	47.0	-95.0
2	199.0	220.0	191.0	231.0	187.5	143.0	135.0	137.0	217.5	85.0	0.0	-88.0
3	224.0	190.0	178.75	216.7	157.0	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0
4	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 increased as barley traded down during last week. We expect that trend could continue in the near term and keep maize spread with barley in the positive tone.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	18-Jul-14	11-Jul-14	Parity To
Indore (MP)	36500-38000	36200-36500	Gujarat, MP
Kota	36100-36500	35200-35300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	39000	38000	Mumbai, Maharashtra
Nagpur (42/46)	-	39300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	39000	38500	Andhra, AP, Kar, TN
Latur	40000	38700	-
Sangli	41500	39500	Local and South
Sholapur	37100	37100	Local and South
Akola	38500	37000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	36900	38000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	36000	35500	-

Soy DOC at Port

Centers	Port Price	
	18-Jul-14	11-Jul-14
Kandla (FOR) (INR/MT)	38125	37875
Kandla (FAS) (USD/MT)	632	629

International Soy DOC

Argentina FOB \$/MT	17-Jul-14	10-Jul-14	Change
Soybean Pellets	440	454	-14
Soybean Cake Meal	440	454	-14
Soybean Meal	448	462	-14
Soy Expellers	448	462	-14

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	18-Jul-14	11-Jul-14	Change
Adoni	23800	23800	Unch
Khamgaon	NA	NA	-
Parli	23800	23800	Unch
Latur	23500	23600	Unch

Groundnut Meal

Groundnut Meal	18-Jul-14	11-Jul-14	Change
Basis 45% O&A, Saurashtra	27500	28000	-500
Basis 40% O&A, Saurashtra	25500	26000	-500
GN Cake, Gondal	26000-26500	27000	-500

Mustard DOC/Meal

Mustard DOC/Meal	18-Jul-14	11-Jul-14	Change
Jaipur (Plant Delivery)	13400	13500	-100
Kandla (FOR)	14400	14500	-100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	18 July,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1250	1230	1190	1330	1350
Davangere	Bilty	1450	1370	1300	1350	1525
Nizamabad	Bilty	NA	NA	1240	1250	1500
Ahmedabad	Feed	1400	1390	1325	1300	1550
	Starch	1350	1320	1360	1320	1490

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	192.22	178.95	190.35	249
Cost and Freight (Thailand)	242.22	233.95	250.35	284

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	
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>18-Jul-14</u>	<u>11-Jul-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1518	NA	-
		Hybrid	Bangalore	1750	1800	-50
Jowar	Karnataka	White	Bangalore	2000	2000	Unch
		White	Bellary	1526	1620	-94
Maize	Karnataka	Yellow	Davangere	1400	1320	-80
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	2000	1800	200
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3800	3650	150
	Maharashtra	DOC	Sangli	4150	3950	200
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2380	2380	Unch
	Maharashtra	Ex-factory	Latur	2350	2360	-10
Mustard	Rajasthan	Plant delivery	Jaipur	1340	1350	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2700	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1822	1831	-9
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1765	1771	-6

Note: Prices Rs. /qtl
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