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Summary

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

Soybean rebound tracking gains in the soy complex in international benchmark, CBOT and steady demand in the domestic market during the week under review.

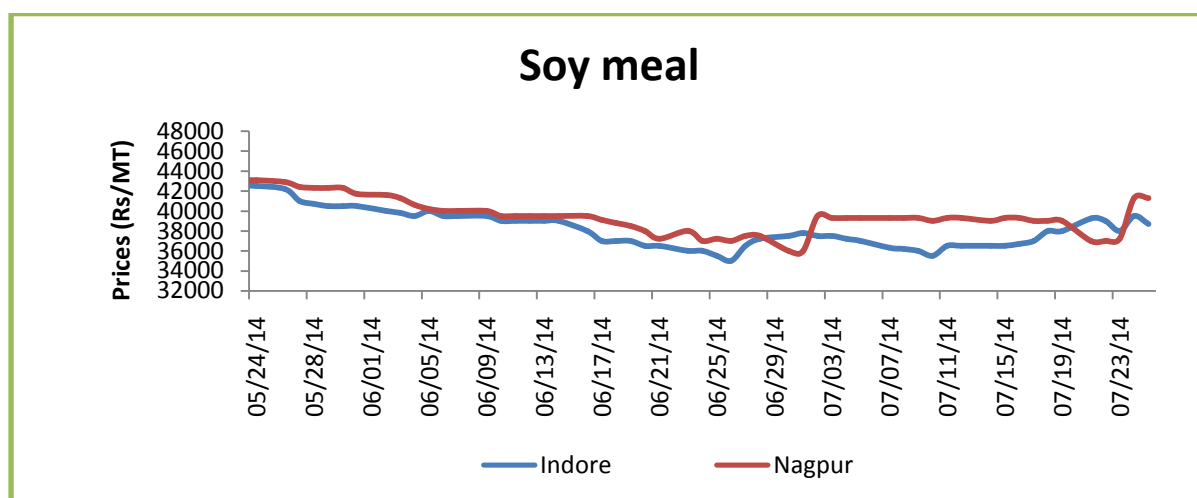
Rains in Madhya Pradesh, Maharashtra and Rajasthan during the week had hampered the bean supplies during the period, which eventually lend support to the bean prices.

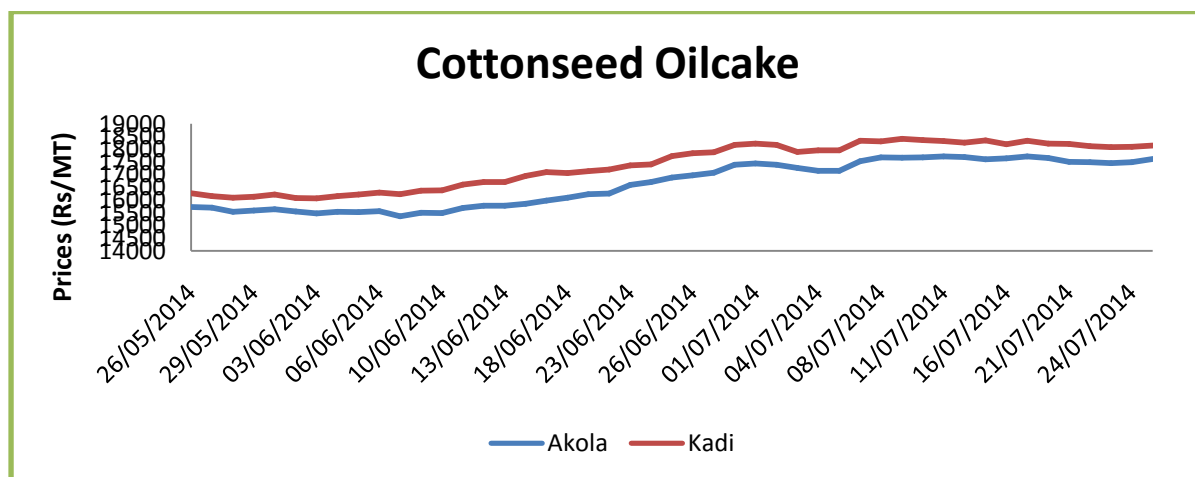
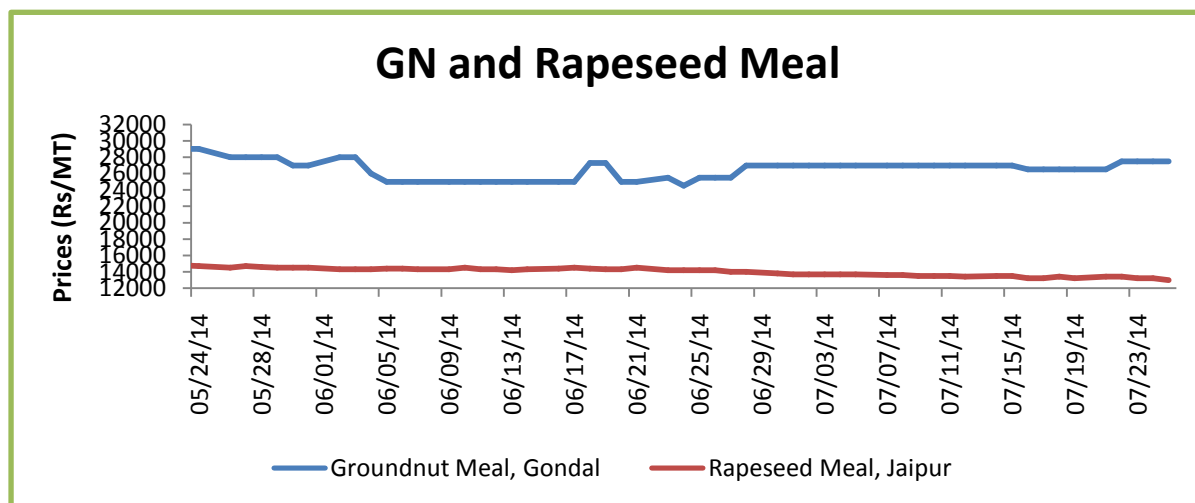
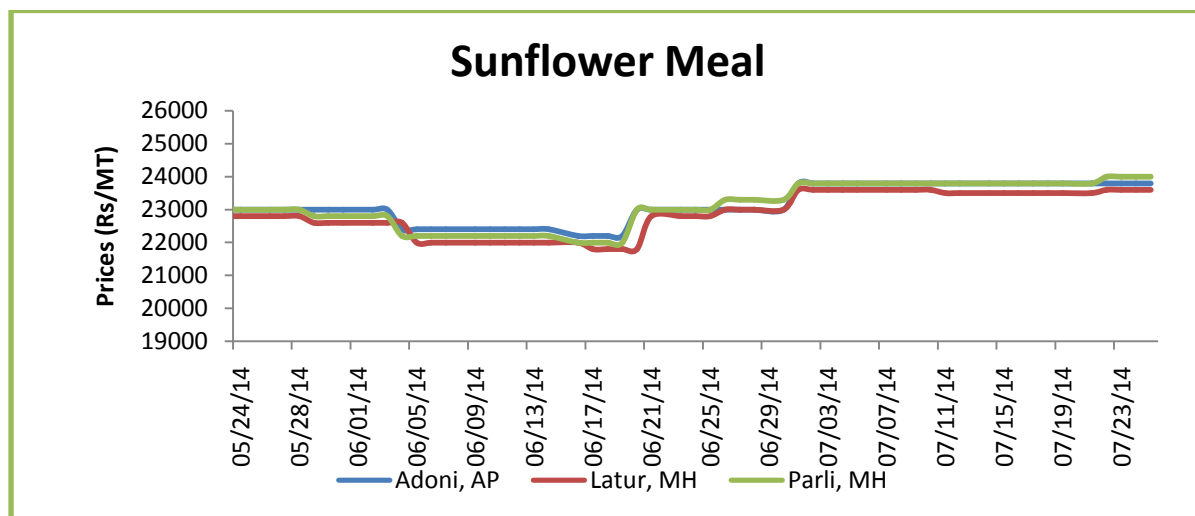
The sentiments got stronger in anticipation of fresh demand in edible oils with the recent rains particularly in the region where the rains were scarce.

Soy meal improved in tandem with soybeans on firm global cues and likely rise in oils and fats demand with improved seasonal rains during the week in review.

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

Executive Summary

Soybean, soy meal and RM seed edged-up tracking gains in CBOT soy complex and better buying in the RM seed followed by fresh demand in the mustard oil during week in review.

Soybean:

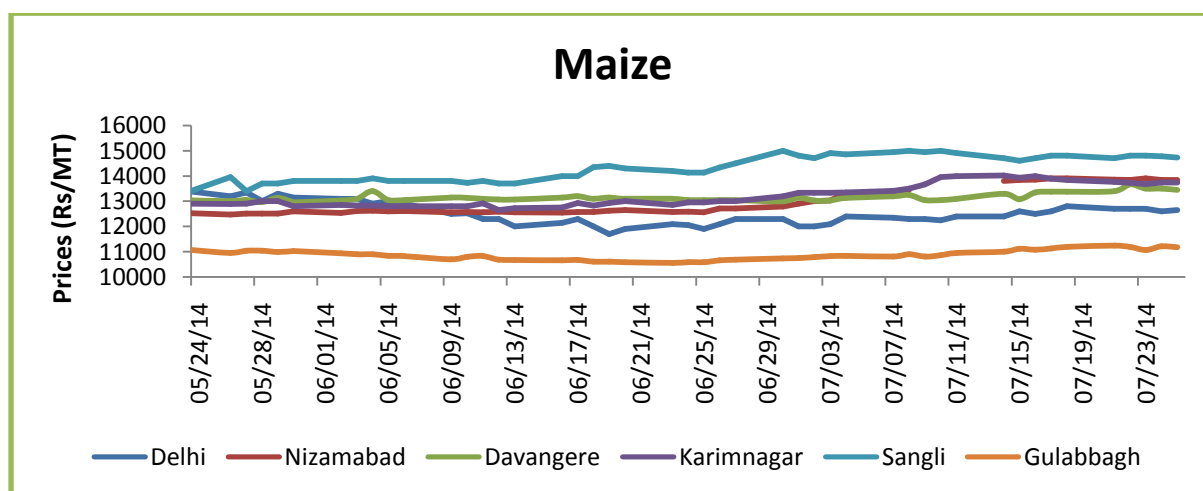
- ❖ Soybean rebound tracking gains in the soy complex in international benchmark, CBOT and steady demand in the domestic market during the week under review.
- ❖ India's area coverage under soybean, as on 24 Jul 2014, was reported at 77.77 lakh ha compared to 110.05 lha (-29.3%) during the same period last year.
- ❖ Much needed rains in the soybean growing regions have boosted the lagging soy plantings during the week under review.

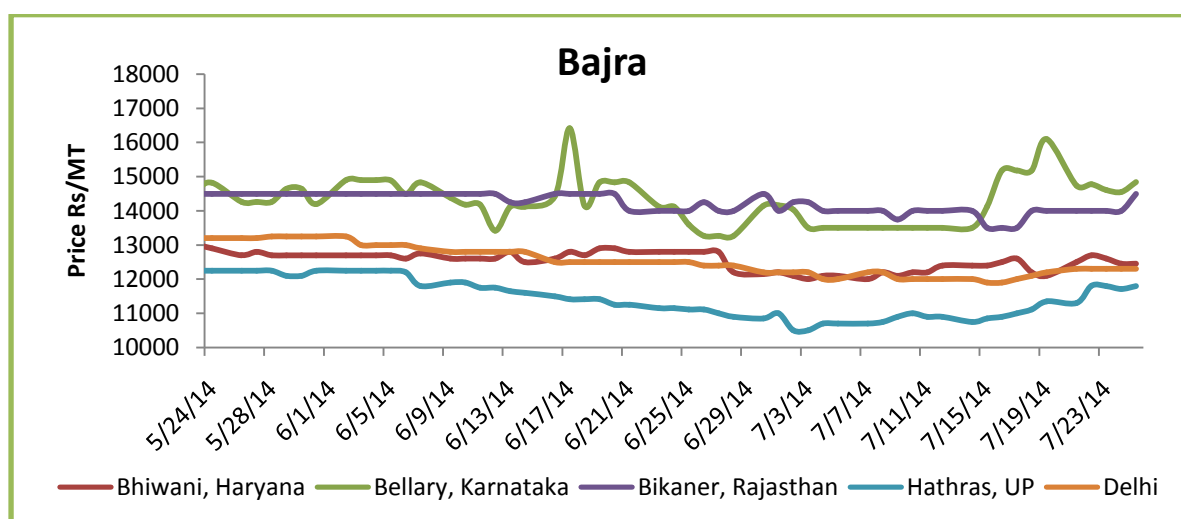
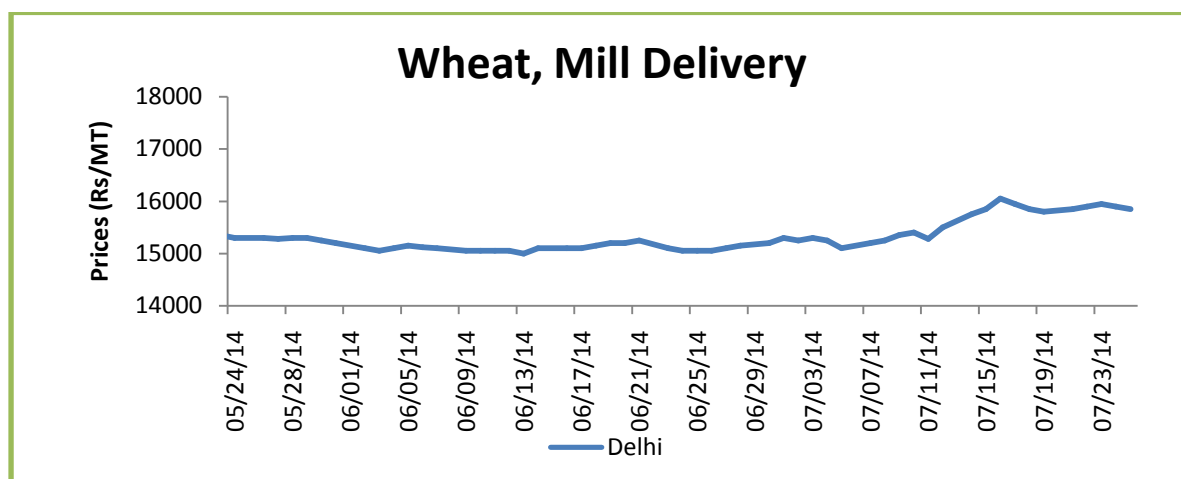
Soy meal:

- ❖ Soy meal improved in tandem with soybeans on firm global cues and likely rise in oils and fats demand with improved seasonal rains during the week in review.
- ❖ The demand in meal is expected to improve with likely rise in seasonal demand in poultry. The poultry industry and the poultry feed manufacturers will be the key buyers.

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.
- ❖ Improved demand in mustard oil from pickle manufacturers and expected rise in demand in the same in the upcoming festivities in coming weeks have boosted the sentiments of crushers in crushing the seed in recent weeks.





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 firm by Rs. 50 per quintal to Rs. 1400-1450 per quintal while starch feed makers quoted maize firm by Rs. 30 per quintal to Rs. 1360-1410 per quintal as compared to last week, sourced from U.P.

In Gulabbagh mandi, maize was quoted steady at Rs. 1125-1150 per quintal as compared to last week, contained moisture level of 14%. As per trade sources, maize is moving towards Kolkata at Rs. 1250-1300 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, Nammakal and Chitradurga at Rs. 1420 per quintal, Rs. 1480-1500 per quintal and Rs. 1380 per quintal respectively, sourced from Davangere. As per trade sources, Karnataka government has 0.65 million tons of maize in stock.

As per USDA, U.S accumulated corn export figures reached to 41,068,747 metric tons for the 2013-14 marketing year. Exports of 992,500 MT were up 9% from the last week but down 4% from the prior 4-week average; reported by U.S. to Japan (262,100 MT), South Korea (255,800 MT), Mexico (139,500 MT), Egypt (133,200 MT), Spain (70,000 MT), and Costa Rica (32,600 MT) for the period July 11- July 17, 2014.

As per Reuters news, China's Import Inspection Authority, AQSIQ, is now requiring U.S. distiller's dried grains imports to be officially certified free of the MIR 162 GMO trait.

As per the latest crop progress report released by USDA, 56% crop of corn is at silking stage, higher by 17% from the last year and 1% from the last 5 year average period. 76% corn crop is in good to excellent condition as of 20th July, 2014, same from the last week but higher by 13% from the last year.

As per USDA, U.S corn exports were reported 269,084 tons to Mexico, including 23,368 tons for 2013/14 delivery and 245,716 tons for the 2014/15 marketing year.

Cash wheat markets takes note of the govt's latest decision of releasing 10 million tonne wheat for bulk buyers from August to March 2015 through e-tendering process. Wheat prices in major markets dip by Rs 10 to Rs 20 per qtl. Supply side is now bound to increase as quantity approved is 1.5 million tonne higher than last year for the same period of time.

Private and bulk buyers had brought 5.8 million tonne wheat in eight months, from August to March against allocation of 8.5 million tonne. This year higher quantity would continue to regulate price even in the lean season as old crop would be available around Rs 1500 per qtl. plus freight charges. New wheat would be given at 5 percent premium that means at Rs 1575 per qtl, lower than current prevailing prices.

This decision would not allow private traders to drag price up for their own interests. Availability would be enough throughout the season. As quantity is higher, private trade would not be able to offtake more than 6.5 million tonne. However, there is a possibility of higher offtake, if international market gets firmer on Russian/Ukrainian/US issue.

If wheat price in global market crosses over \$285 per Tonne, private trade may start taking new wheat through tender and think of exporting it. But such possibility is remote as prices in global market is ruling around \$230 to \$240 per tonne right now.

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 ton) and Haryana (7.55 million Ton) as on 01.07.2014.

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	42.5
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 maize traded firm vs. bajra during last week. We expect that both commodities could trade steady in the near term and keep maize spread with bajra in the positive tone.

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	-727.5
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 jowar traded down during last week. We expect trend could continue in the near term and keep maize spread with jowar in the positive tone.

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	-252.0
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 during last week. We expect that both commodities could trade steady and keep maize spread with wheat intact as 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	-107.5
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 firm vs. maize during last week. We expect that trend could continue in the near term and keep maize spread with barley towards southward zone.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	25-Jul-14	18-Jul-14	Parity To
Indore (MP)	37800-38700	36500-38000	Gujarat, MP
Kota	37000	36100-36500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	39800	39000	Mumbai, Maharashtra
Nagpur (42/46)	41300	-	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	39000	39000	Andhra, AP, Kar, TN
Latur	40800	40000	-
Sangli	41000	41500	Local and South

Sholapur	40500	37100	Local and South
Akola	39000	38500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	40500	36900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	37500	36000	-

Soy DOC at Port

Centers	Port Price	
	25-Jul-14	18-Jul-14
Kandla (FOR) (INR/MT)	39500	38125
Kandla (FAS) (USD/MT)	657	632

International Soy DOC

Argentina FOB \$/MT	24-Jul-14	17-Jul-14	Change
Soybean Pellets	462	440	22
Soybean Cake Meal	462	440	22
Soybean Meal	470	448	22
Soy Expellers	470	448	22

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	25-Jul-14	18-Jul-14	Change
Adoni	23800	23800	Unch
Khamgaon	NA	NA	-
Parli	24000	23800	200
Latur	23600	23500	100

Groundnut Meal

Groundnut Meal	25-Jul-14	18-Jul-14	Change
Basis 45% O&A, Saurashtra	28500	27500	1000
Basis 40% O&A, Saurashtra	26500	25500	1000
GN Cake, Gondal	27500	26000-26500	1000

Mustard DOC/Meal

Mustard DOC/Meal	25-Jul-14	18-Jul-14	Change
Jaipur (Plant Delivery)	13000	13400	-400
Kandla (FOR)	14000	14400	-400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	25 July,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1275	1250	1170	1340	1425
Davangere	Bilty	1350	1450	1300	1300	1560
Nizamabad	Bilty	NA	NA	1240	1260	1475
Ahmedabad	Feed	1425	1400	1350	1320	1500
	Starch	1400	1350	1330	1390	1460

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	192.72	171.85	198.62	249
Cost and Freight (Thailand)	242.72	226.85	258.62	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>25-Jul-14</u>	<u>18-Jul-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1484	1518	-34
		Hybrid	Bangalore	1650	1750	-100
Jowar	Karnataka	White	Bangalore	2150	2000	150
		White	Bellary	1747	1526	221
Maize	Karnataka	Yellow	Davangere	1300	1400	-100
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3870	3800	70
	Maharashtra	DOC	Sangli	4100	4150	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2380	2380	Unch
	Maharashtra	Ex-factory	Latur	2360	2350	10
Mustard	Rajasthan	Plant delivery	Jaipur	1300	1340	-40
Groundnut Meal	Gujarat	GN Cake	Gondal	2750	2650	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1814	1822	-8
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1761	1765	-4

Note: Prices Rs./ Qtl
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