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Summary

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

Soybean rebound on supportive international oils and fats markets during the week under review. Extended gains in BMD CPO initially during the week lend support to the domestic cash bean prices.

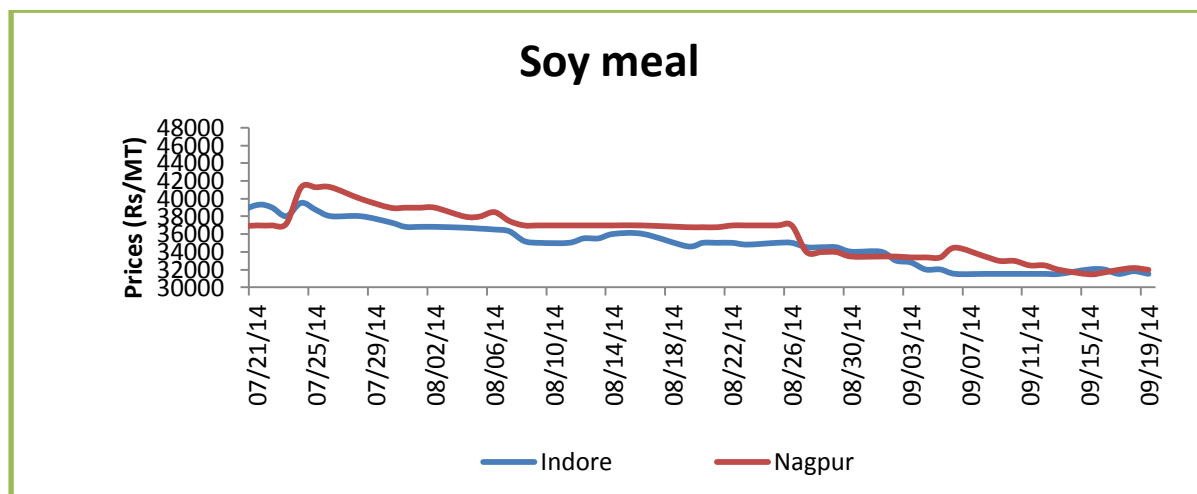
Reports of improved Malaysian palm oil this month after a long period remained positive for the BMD CPO thus leading support to domestic soybean and RM seed during the period. Exports of Malaysian palm oil products for Sep. 1-15 rose 33.7 percent to 735,334 tonnes from 549,784 tonnes shipped during Aug. 1-15 - cargo surveyor Societe Generale de Surveillance.

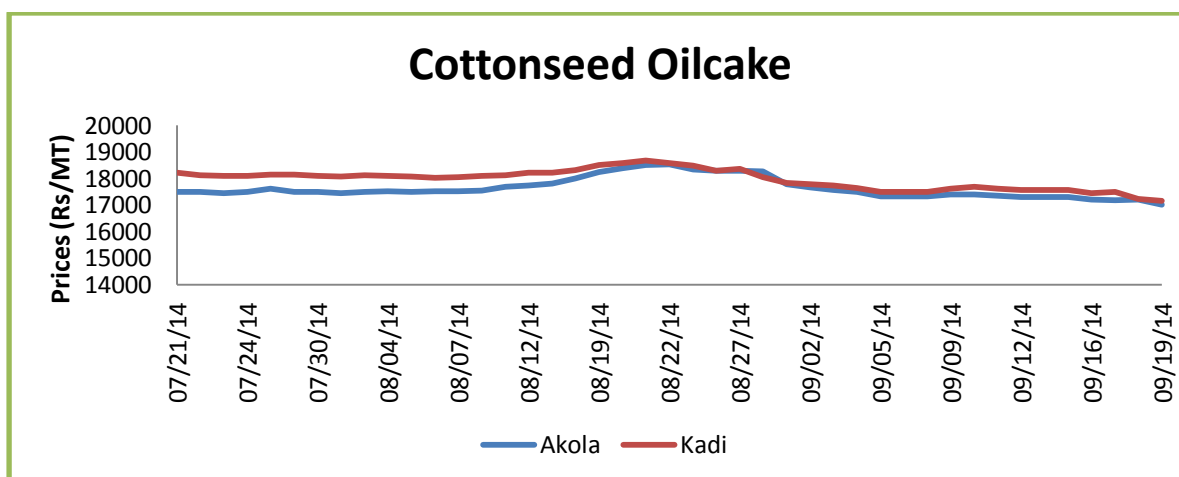
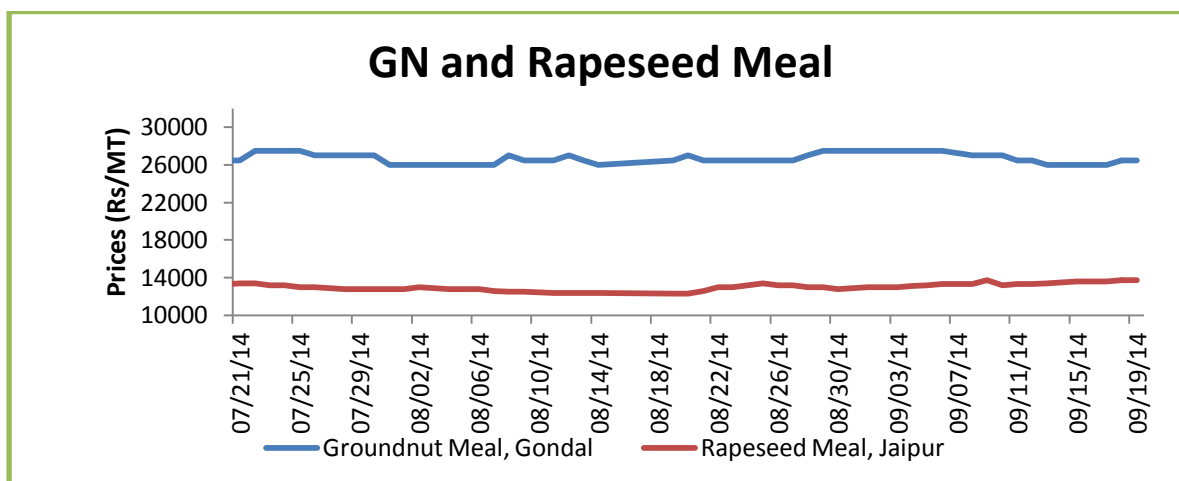
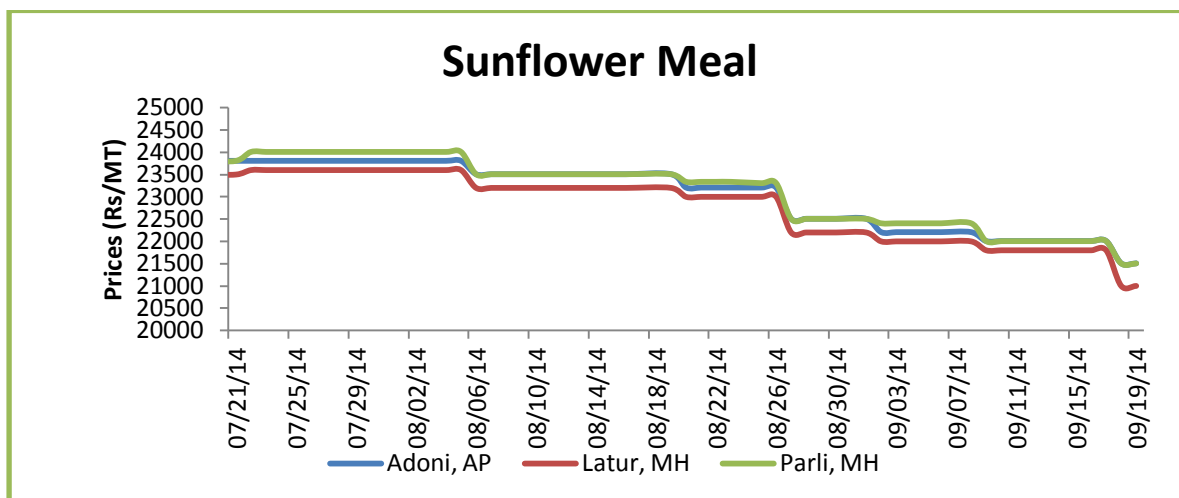
Soy meal continued downtrend tracking weak demand for Indian origin oil meals from the overseas market.

Unattractive Indian meal prices compared to the meal of South American origin have hit the Indian meal exports during the season.

Steady to weak sentiments witnessed in major spot markets of maize during the week under review. Besides, Key spot wheat mill delivery prices traded steady to firm due to current demand from domestic millers.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, soy meal and RM seed improved on some gains in international oils and fats market especially in BMD CPO, which further fueled buying in the domestic market during the period under review.

Soybean:

- ❖ Soybean rebound on supportive international oils and fats markets during the week under review. Extended gains in BMD CPO initially during the week lend support to the domestic cash bean prices.
- ❖ Reports of improved Malaysian palm oil this month after a long period remained positive for the BMD CPO thus leading support to domestic soybean and RM seed during the period. Exports of Malaysian palm oil products for Sep. 1-15 rose 33.7 percent to 735,334 tonnes from 549,784 tonnes shipped during Aug. 1-15 - cargo surveyor Societe Generale de Surveillance.
- ❖ Overall, the soybean market is under pressure with bearish world supply scenario this season. Forecast of record US 2014-15 soybean production followed by higher yield boosted by favourable weather in the US mid-west.
- ❖ In the September USDA report, U.S. oilseed production for 2014/15 is projected at 3.913 billion bushels (116.2 million tons), up 2.5% last month. As discussed earlier, private analytics firm Informa Economics raised its estimates of U.S. 2014 soybean production to 3.876 billion bushels, from 3.7 billion previously. Informa raised its soy yield forecast to 46.1 bushels per acre, from 44.5 in August.

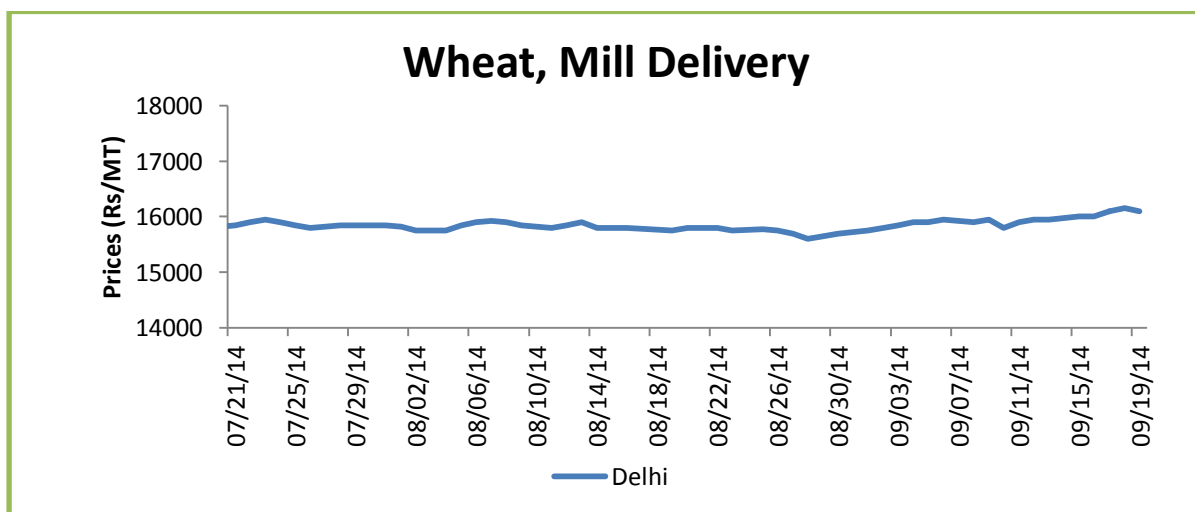
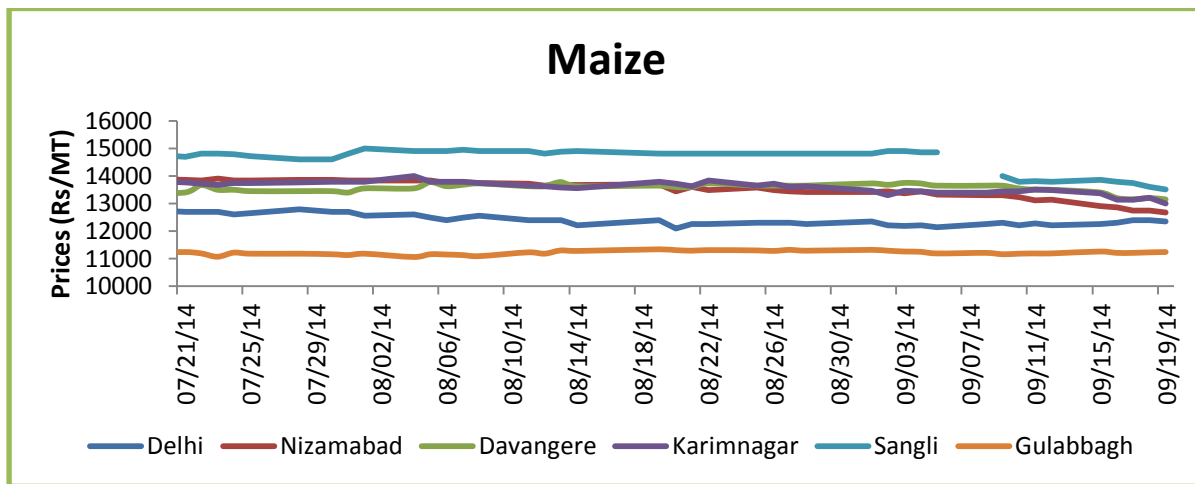
Soy meal:

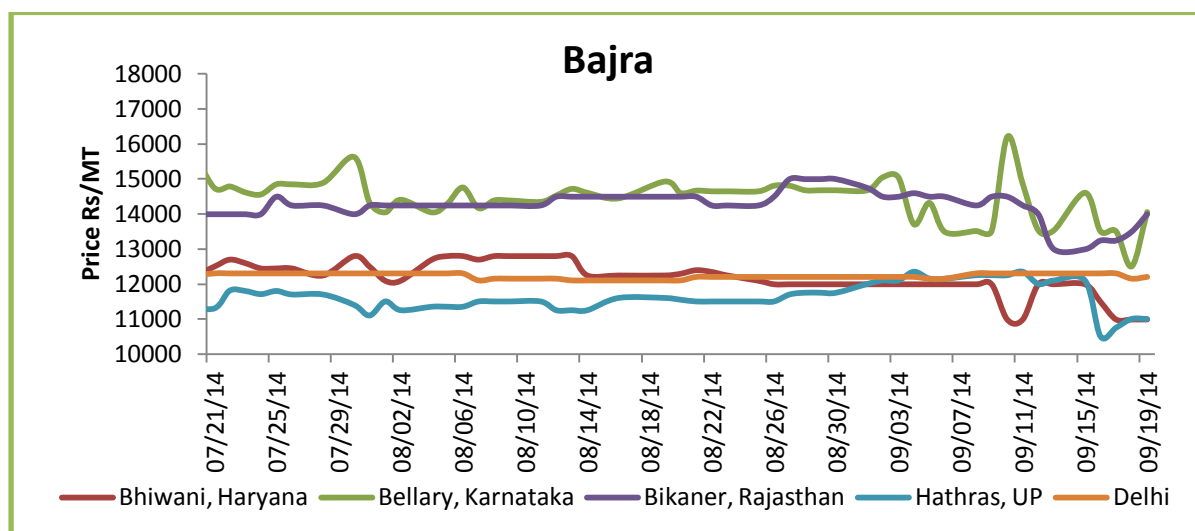
- ❖ Soy meal continued downtrend tracking weak demand for Indian origin oil meals from the overseas market.
- ❖ Unattractive Indian meal prices compared to the meal of South American origin have hit the Indian meal exports during the season.
- ❖ The US is likely to produce record soybean in 2014/15 followed by rise in the planted area and likely better yield with favorable weather for the standing crop in Mid-west. This will eventually increase the global soy meal supplies.
- ❖ It is noted that the soy meal price spread between Argentina and India has narrowed second consecutive month which remained wider for quite long owing to the competitive Argentine meal prices as compared to India's. India's soy meal shipments plunged 98.5% Y-o-Y in August.

RM Seed:

- ❖ RM seed featured gains in benchmark, Jaipur, on supportive buying during the week in review. Further, recovery in the BMD CPO lent support to the domestic RM seed prices.
- ❖ Improved demand in rapeseed/mustard seed oil ahead upcoming festivities has lead to fresh RM seed buying by the stockists and the millers. The crushing of the seed has increased in

- ❖ Cargo surveyor Intertek Testing Services showed that Malaysian palm oil shipments during 1-10 September surged 41 percent compared with the same period a month ago. However, the shipments in previous weeks were quite weak which resulted in inflating the palm oil stocks in Malaysia.
- ❖ Malaysian palm oil inventories rose 22 percent to 2.05 million tons in August compared to the last month highest since March 2013 due to lower demand for palm oil and higher palm oil production.





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

Overall steady to weak sentiments witnessed in major spot markets of maize during the week under review. Prices of maize decreased in and Sangli, Ahmadabad, Shimoga, Davangere and Gadag while it traded firm in Ranebennur and it traded almost unchanged in Delhi and Ludhiana last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 10 per quintal to Rs. 1330-1370 per quintal while starch feed makers quoted maize down by Rs. 10 per quintal to Rs.1290-1300 per quintal as compared to last week, sourced from U.P.

As per ministry of agriculture, maize have been sown in 77.66 lakh hectares as on 12th September, 2014, lower by 4.12 lakh hectares from the last year during same period.

As per 1ST Advance estimate released by Ministry of agriculture, maize production during kharif 2014-15 is estimated at 16.3 million tons.

In Gulabbagh mandi, maize quoted firm by Rs. 15 per quintal to Rs. 1100-1120 per quintal as compared to last week. As per trade sources, maize is moving towards Kolkata at Rs. 1250-1275 per quintal on delivered basis sourced from Naugachia region of Bihar. Higher carry forward stock amid lower export demand could keep prices under pressure.

As per trade sources, maize is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1350 per quintal, Rs. 1430 per quintal and Rs. 1330 per quintal respectively, sourced from Davangere. Prices are likely to trade down amid sluggish demand.

As per USDA, U.S accumulated corn export figures reached to 14,17,871 metric tons for the 2014-15 marketing year. Exports of 7,22,400 MT reported by U.S to Mexico (175,200 MT), Japan (91,400 MT), South Korea (87,000 MT), Colombia (69,000 MT), Egypt (64,800 MT), Peru (61,400 MT), Guatemala (40,100 MT), and Venezuela (37,000 MT) for the period September 5-11, 2014.

Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 45.4% in the July'14 from 41.9% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased. (Source: Reuters)

Korean traders told that South Korea's Korea Corn Processing Industry Association purchased 55,000 tons of corn from Bunge at \$210.42 a ton C&F for Feb. 10, 2015 arrival. (Source: Reuters)

As per the latest crop progress report released by USDA, 82% crop of corn has been dented, higher by 3% from the last year but below 3% from the last 5 year average period. 27% crop has matured, higher by 7% from the last year but below 12% from the last 5 year average period. Besides, 4% crop has been harvested, same from the last year but below 5% from the last 5 year average period. 74% corn crop is in good to excellent condition as of 14th September, 2014, same from the last week but higher by 21% from the last year.

Wheat prices slightly moved up in major cash market due to seasonal factors and restricted arrivals from private ends during the week under review. Wheat FAQ in Delhi market moved up from Rs1580 to Rs 1615 per qtl. Wheat in Delhi is coming from Uttar Pradesh, mainly from Bulandshahar region and is being delivered at Rs 1600 per qtl. Loose price in Narela mandi is hovering in the range of Rs 1540 and an increase of Rs 25 per quintal has been recorded in this market too. Arrival has decreased considerably and private millers have turned to FCI stock to fulfill their additional requirement.

Wheat prices in Madhya Pradesh have been steady at Rs 1600 per qtl. While in Rajasthan it moved up from Rs 1550 to Rs 1580 per qtl. Wheat loading from Rajasthan to Bangalore has been reported at Rs 1840 per qtl on delivered basis. There is no rake loading for south India reported from M.P. this week. Fresh buying is expected from next week as Dashhara is round the corner and demand for wheat products is expected to increase. Major festival Dipawali too is in October so wheat demand would increase in the weeks ahead.

As supply from private end is shrinking fast, dependence on central pool stock would increase. However, any spike in price at current level is unlikely as higher allocation of wheat from central pool would remain restrictive to the wheat price. Wheat may trade range bound to slight up in the weeks ahead.

According to IBIS (provisional data), export of wheat in the month of August was 0.43 Lakh tones which is around 69% less than last year at the same month, which was 1.37 Lakh tones in July 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine.

As projected earlier by Agriwatch the CACP (Commission for Agricultural Costs and Prices) has recommended increasing the minimum support price of wheat by a nominal Rs 50 to Rs 1,450 a quintal this year. The Rabi crops of this year will be marketed in 2015-16 starting April.

Despite disparity on export front and bearish outlook in global wheat market Indian exporters managed to offload some quantity of wheat in markets like Vietnam, Djibouti, U.A.E., Philippines etc around \$284/tons on FoB basis through Kandla, Mundra etc ports. As per ibis data wheat export from India was registered 14,953 tons during 11th to 17th August. However, global wheat market seems to be in surplus state and opportunity for Indian exporters remains still unfavorable.

Wheat off take from central pool stock would remain restricted in the month of August despite tender is being invited in various states like Rajasthan, M.P. Haryana and Punjab at pre determined reserve price.

With the commencement of harvesting in the black sea region pressure on global wheat market continues. Russia, Ukraine, US would remain the main suppliers to the global market. Any spike is unlikely in the coming week of September.

Outlook

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

Spreads

Maize Average Weekly spread with Bajra

Week	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14
1	232.0	237.5	205.0	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00
2	275.5	233.0	192.5	135.0	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00
3	241.25	223.3	160.0	122.0	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00
4	230.0	207.5	153.0	145.0	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	
5	234.0		152.0					5.0		30.0		

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

As the table depicts, in Delhi spot market, maize spread with bajra traded firm as maize traded steady with the decrease in bajra prices during last week. We expect that bajra could trade down vs maize in the near term and keep maize spread with bajra firm as compared to last week.

Maize Average Weekly spread with Jowar

Week	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14
1	364.0	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0	-	-	-785.0	-781.6
2	366.0	492.0	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0
3	400.0	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0	-	-902.0	-896.0	-873.0
4	368.0	450.0	446.0	320.0	245.0	207.0	-240.0	-1078.0	-	-727.5	-781.0	
5		370.0		422.0					-	-740.0		

*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 that jowar could trade steady in the near term and keep maize spread with jowar in the negative zone.

Maize Average Weekly spread with Barley

Week	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14
1	195.0	237.5	185.0	127.0	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0
2	191.0	231.0	187.5	143.0	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0
3	178.75	216.7	157.0	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0
4	158.0	189.2	171.0	170.0	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	
5	190.0		155.0					78.0		-140.0		

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

As the table depicts, in Delhi spot market, maize spread with barley traded firm as barley traded down during last week. We expect that barley could trade steady in the near term and keep maize spread with barley down as compared to last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	19-Sep-14	12-Sep-14	Parity To
Indore (MP)	31000-31500	31500	Gujarat, MP
Kota	30500	31000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	32500	33000	Mumbai, Maharashtra
Nagpur (42/46)	31500-32000	32000-32500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN

Nanded	33300	33700	Andhra, AP, Kar ,TN
Latur	33200	29500	-
Sangli	33800	34000	Local and South
Sholapur	34000	33700	Local and South
Akola	31900	31500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	32900	33100	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	31700	31000	-

Soy DOC at Port

Centers	Port Price	
	19-Sep-14	12-Sep-14
Kandla (FOR) (INR/MT)	35000 (Ready Delivery)	29200
Kandla (FAS) (USD/MT)	576	480

International Soy DOC

Argentina FOB \$/MT	18-Sep-14	11-Sep-14	Change
Soybean Pellets	409	410	-1
Soybean Cake Meal	409	410	-1
Soybean Meal	417	418	-1
Soy Expellers	417	418	-1

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	19-Sep-14	12-Sep-14	Change
Adoni	21500	22000	-500
Khamgaon	NA	NA	-
Parli	21500	22000	-500
Latur	21000	21800	-800

Groundnut Meal

Groundnut Meal	19-Sep-14	12-Sep-14	Change
Basis 45% O&A, Saurashtra	28000	27000	1000
Basis 40% O&A, Saurashtra	25000	24000	1000

GN Cake, Gondal	26500	26500	Unch
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Mustard DOC/Meal

Mustard DOC/Meal	19-Sep-14	12-Sep-14	Change
Jaipur (Plant Delivery)	13700	13300	400
Kandla (FOR)	14700	14300	400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	19 Sep,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1225	1225	1230	1260	1400
Davangere	Bilty	1290	1300	1350	1450	1600
Ahmedabad	Feed	1340	1380	1380	1400	1650
	Starch	1300	1310	1310	1380	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	164.67	168.4	182.4	242
Cost and Freight (Thailand)	214.67	223.4	242.4	277

Soy Meal Exports (In MT):

Month	2010	2011	2012	2013	2014
Jan	240318	574996	474993	620133	364444
Feb	220552	540360	344240	577589	183551
Mar	163666	410537	460464	320265	232176
Apr	60264	305033	313832	100311	75884
May	60575	176819	142588	97546	8226
Jun	98400	117600	180987	213564	2636
Jul	166632	139547	168341	107038	6682
Aug	176138	165510	10005	183555	2778
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	876377

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	19-Sep-14	12-Sep-14	Change
Bajra	Karnataka	Hybrid	Bellary	1405	1353	52
		Hybrid	Bangalore	1800	1700	100
Jowar	Karnataka	White	Bangalore	2400	2425	-25
		White	Bellary	1280	1458	-178
Maize	Karnataka	Yellow	Davangere	1240	1250	-10
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	2200	2200	Unch
		Parmal Raw	Karnal	2500	2500	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3150	3150	Unch
	Maharashtra	DOC	Sangli	3380	3400	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2150	2200	-50
	Maharashtra	Ex-factory	Latur	2100	2180	-80
Mustard	Rajasthan	Plant delivery	Jaipur	1370	1330	40
Groundnut Meal	Gujarat	GN Cake	Gondal	2650	2650	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1715	1755	-40
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1701	1729	-28

Note: Prices Rs./ Qtl

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