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Summary

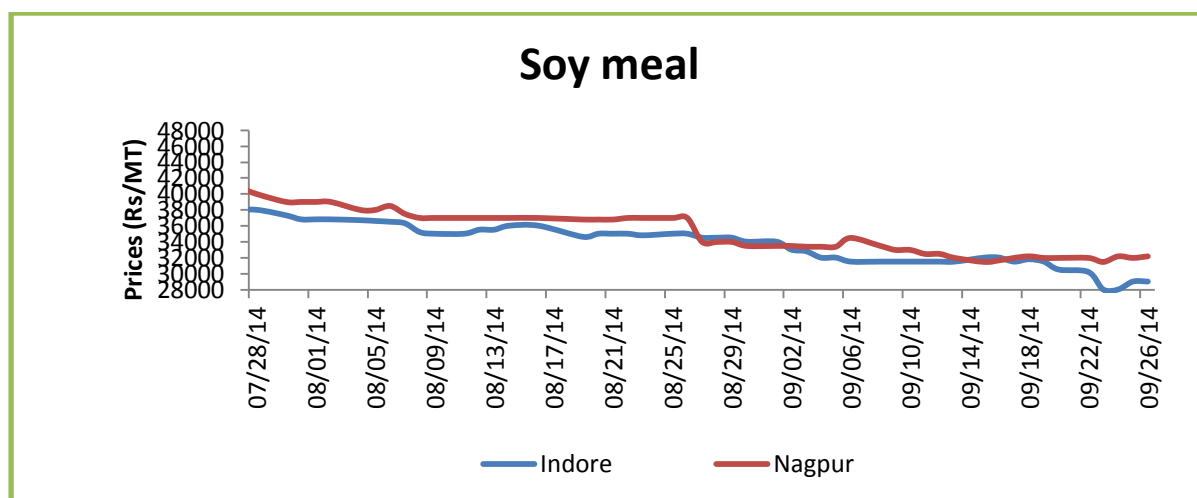
Overall, the key feed ingredients prices witnessed steady to weak tone during the week in review.

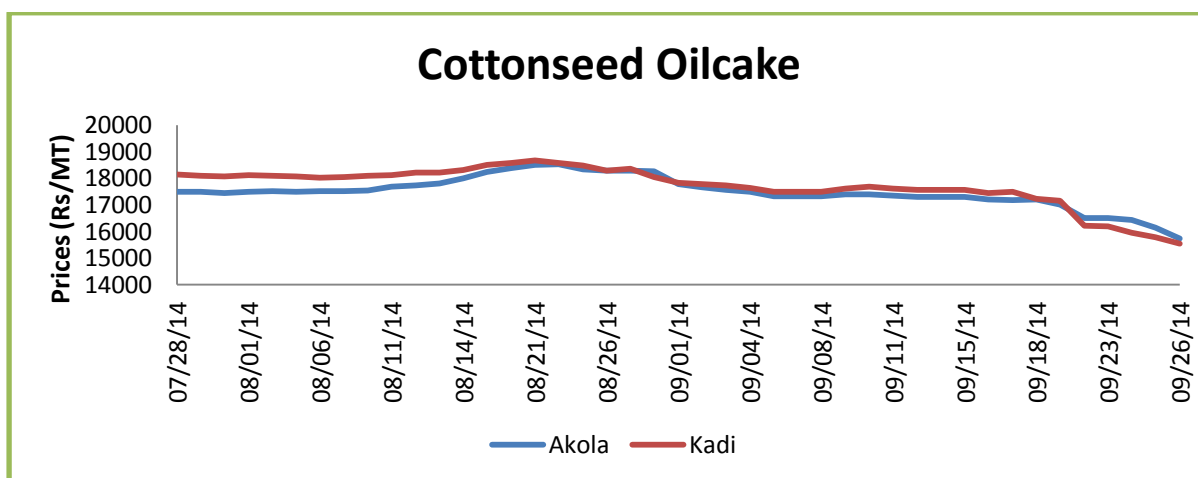
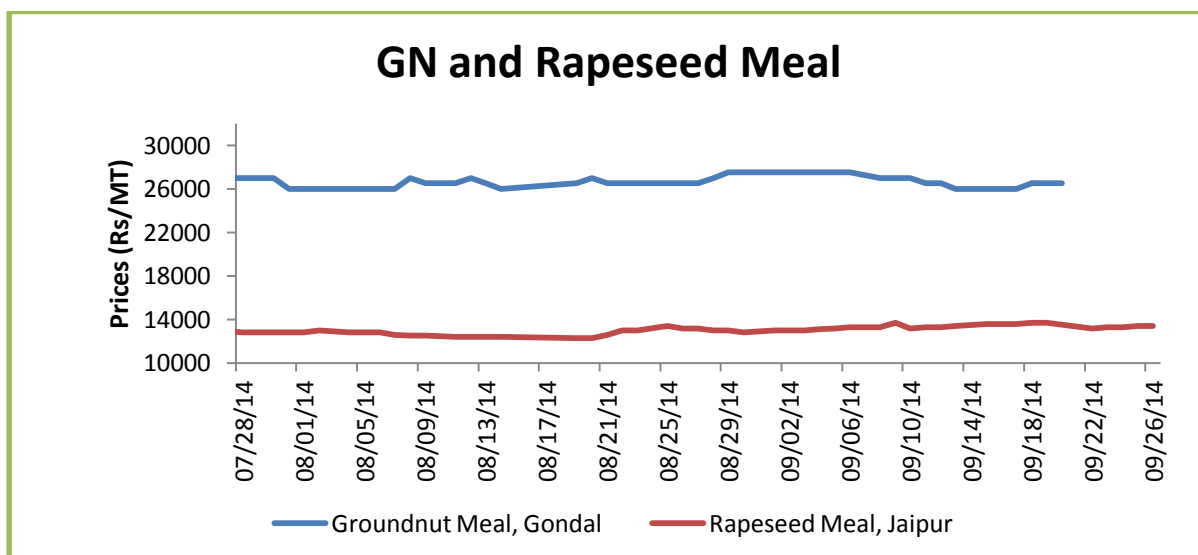
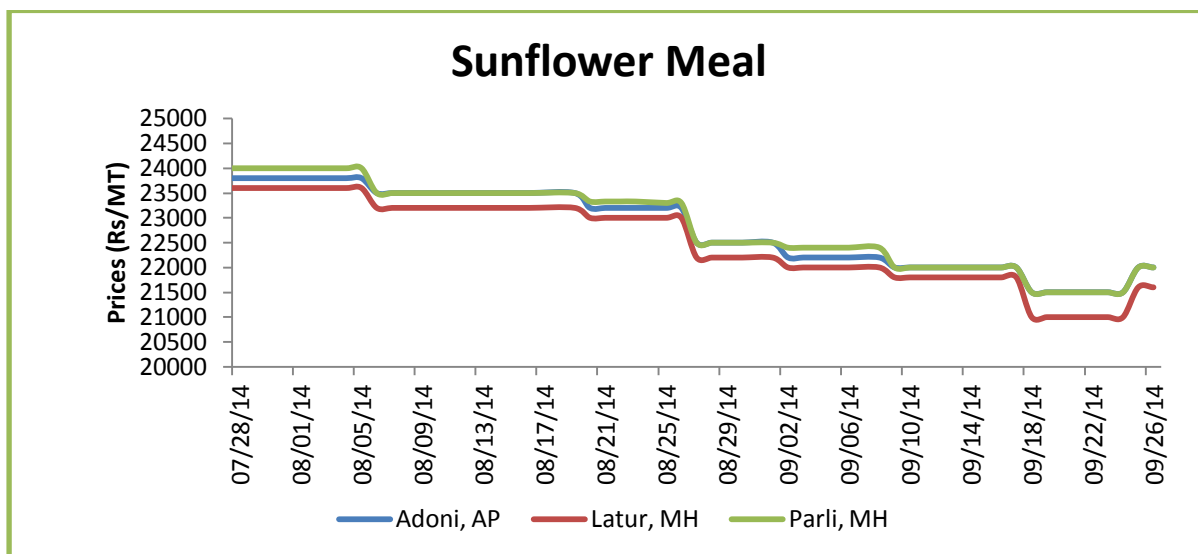
Soybean fell once again tracking weak global cues and new crop arrivals in the domestic market during the week under review. The soybean markets are weak primarily due to bigger US soybean crop size this season and commencement of the US soybean harvest.

Soy meal fell in tandem with the soybean during the week in review. Weakness in soy complex on multiple factors including bigger US soybean crop size and commencement of US as well as domestic soybean harvesting remained the negative factors for soy meal.

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

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean

Soybean fell once again tracking weak global cues and new crop arrivals in the domestic market during the week under review. The soybean markets are weak primarily due to bigger US soybean crop size this season and commencement of the US soybean harvest.

International analysts including, Informa, USDA and Lanworth have estimated US soybean production at all time high this season (2014-15). Lanworth raises the US soybean yield to 47 bushels per acres from 46.7 bushels per acres in August and soybean production for 2014 is seen at 3.873 billion bushels, up 0.021 billion bushels from previous estimates.

US soybean crop is reported under good condition. Soybeans crop as on Sep 28, dropping leaves is reported at 69% lower from 5 year average at 71% and slightly lower than the same period last year.

Further, the crop is 72% in good to excellent condition, which is better than last year (53%). The harvesting has commenced and it is 10% complete by the date which is at par with the previous year's level during the same period, while it is less than the 5 year average of 17%. The weather in the US mid-west continues to be favourable for the standing crop, which is a bearish factor.

In the official planting report, India's area coverage under soybean, as on 25 Sep 2014, was reported at 110.22 lakh ha compared to 122.17 lha (-9.8%) during the same period last year. The all India departure of monsoon on 29 September is reported at -12% which was -42% early in July.

In a major development about 10,000 bags of new soybean arrived in various mandis of Madhya Pradesh while 4000 bags in key mandis of Maharashtra. The new crop supplies will gradually pick up in near-term thus exerting pressure to the market

The soybean prices will continue to feature weakness pressured by weak global and domestic factors followed by bigger US crop size and commencement of soybean harvesting in US as well as in India, in near-term.

Soy meal

Soy meal fell in tandem with the soybean during the week in review. Weakness in soy complex on multiple factors including bigger US soybean crop size and commencement of US as well as domestic soybean harvesting remained the negative factors for soy meal.

The global soy meal supplies in 2014-15 season is likely to be higher compared to the previous season, given the crop size of US and likely higher planting in Brazil and Argentina this year.

India's soy meal prices remained unattractive during the season with weak supplies compared to the meal of South American origin have hit the Indian meal exports during the season.

Indian soy meal exporters continued to face difficulties in finding demand for the upcoming season too. The forward bookings (Nov – Dec delivery) in meal are still weaker than expected with global supplies expected to be comfortable this season.

As discussed earlier that the soy meal price spread between Argentina and India has narrowed second consecutive month which was wider for quite a long time owing to the competitive Argentine meal prices as compared to India's.

Narrowing price spread is a positive signal for India with India's meal prices getting competitive over Argentina and expectation of buyers diverting back with the harvest of new soybean crop in late October.

India's soy meal shipments plunged 98.5% Y-o-Y in August.

India's soy meal shipments during August 2014 was just 2778 tones as compared to 1,83,965 tones in the same period of previous year.

On a financial year basis, the export during current financial year i.e. April 2014 to August 2014 is 0.96 Lac tonnes as compared to 7.02 Lac tones in the same period of previous year showing a decrease of 86.30%.

During current Oil year, (October-September), total exports during October 2013 to August, 2014 is 20.61 Lac tones as against 32.99 Lac tones in the same period of previous year, showing a fall by 37.53%.

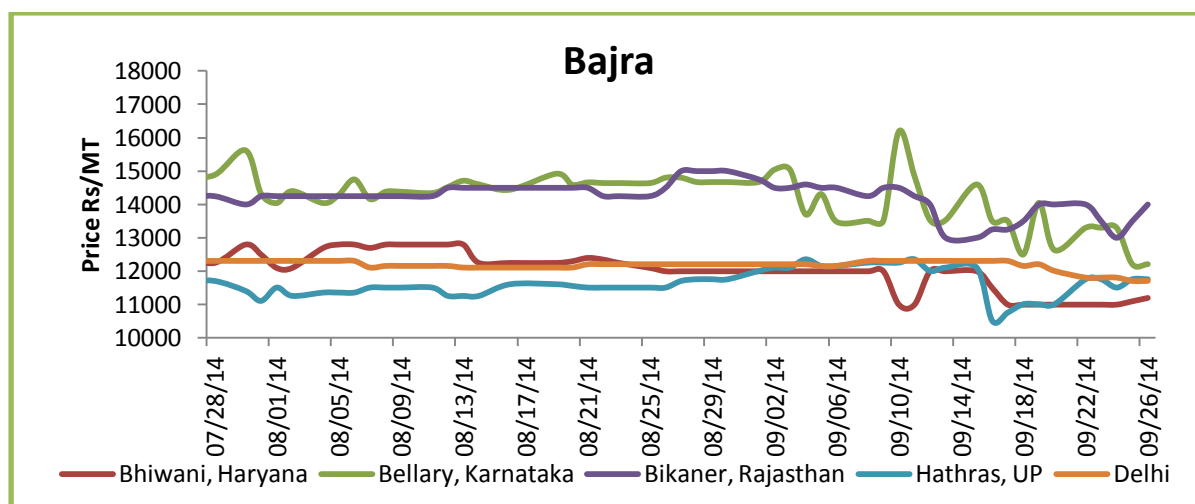
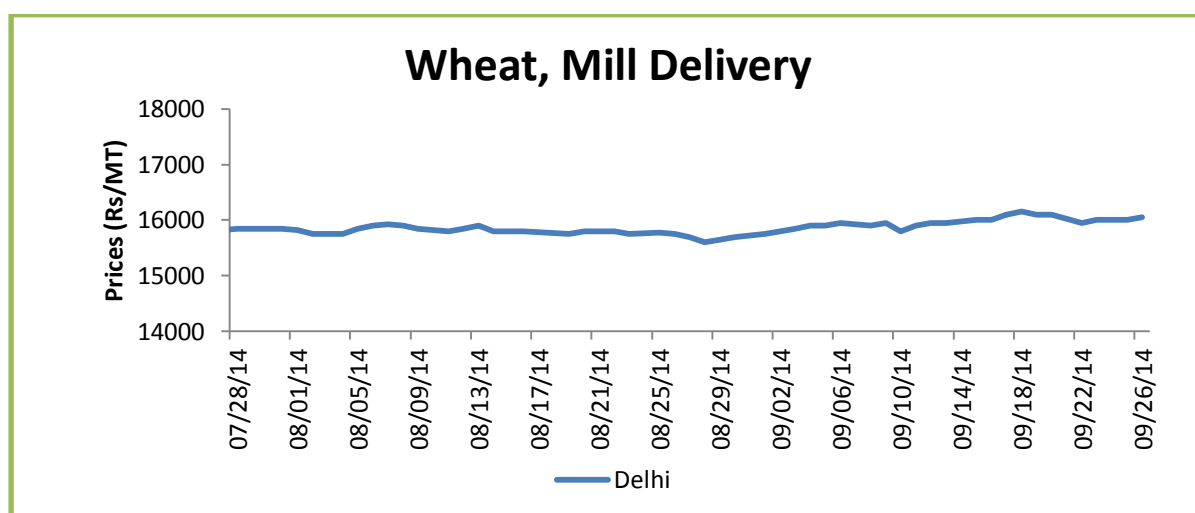
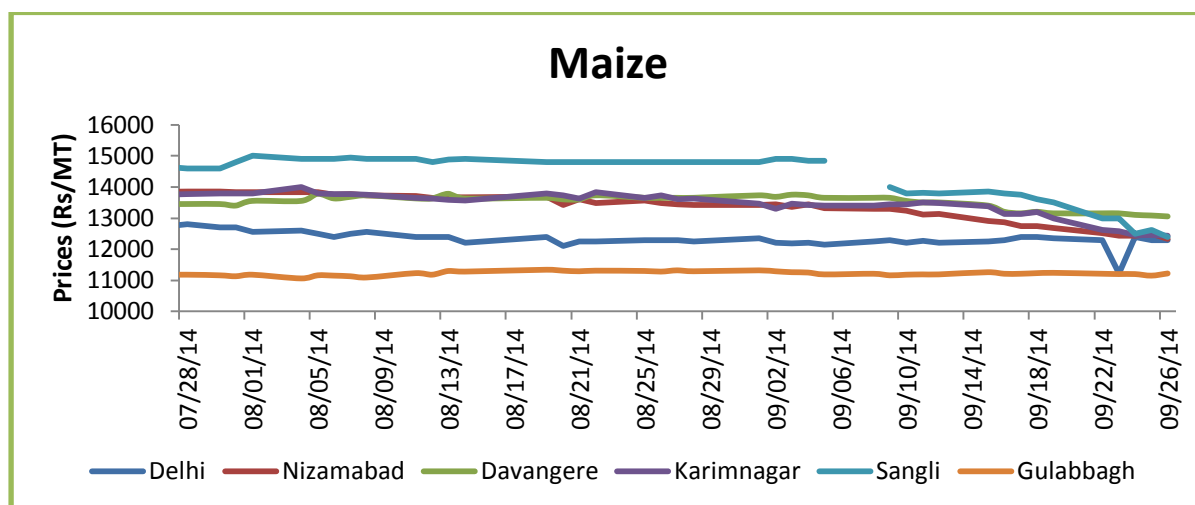
Soy meal shipments sharply fell in the past eight months due to poor supply of soybean coupled with high price led to total disparity in international market.

Demand shift of international buyers towards South-America due to their competitive meal prices continues to pressure the meal of Indian origin. India's soy meal exports continues to remain 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.

The soy meal prices are expected to remain under pressure on weak global factors. However, India area coverage under soybean has fallen by 9.8% lower than the previous season due to late and less rains, which will cap the losses.

Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal will continue to lend support to the domestic soy meal. During the current Oil year Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea are the major destinations for Indian soy meal exports.

India's Y-o-Y soy meal prices declined. Soy meal export price, FOR Kandla (Nov – Dec delivery) was quoted between Rs 33,000 – 35,000/MT compared to Rs 32,150 – 32,500/MT during the same period last year.



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

Mixed sentiments witnessed in major spot markets of maize during the week under review. Prices of maize decreased in Davangere, Ranebennur, Bagalkot and Sangli while it traded firm Delhi and it traded almost unchanged in Shimoga last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1300-1340 per quintal due to sluggish demand while starch feed makers quoted maize firm by Rs. 20 per quintal to Rs.1290-1320 per quintal as compared to last week, sourced from U.P.

New crop arrivals have started in the market. In Nizamabad, new crop contained around 14-21% moisture while in Davangere, it contained around 25-30% moisture. However, these arrivals are lower in quantity and are likely to increase from mid October. Prices are likely to trade down due to sluggish poultry feed makers demand amid new crop arrival pressure.

As per IBIS data, exports of corn were reported around 0.0110 million tons for the period of Sep 15 to Sep 21, 2014 mainly to Bahrain, Sri Lanka, Singapore and Canada.

In Gulabghat mandi, maize quoted down by Rs. 20 per quintal to Rs. 1050-1100 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. 1400 per quintal and Rs. 1330 per quintal respectively, sourced from Davangere. Prices are likely to trade down due to sluggish poultry feed makers demand amid new crop arrival pressure.

As per USDA, U.S accumulated corn export figures reached to 24,56,500 metric tons for the 2014-15 marketing year. Exports of 10,38,600 MT reported by U.S to Mexico (312,800 MT), Japan (236,600 MT), Egypt (148,400 MT), Peru (109,000 MT), Colombia (86,600 MT), South Korea (58,700 MT), and Venezuela (40,000 MT) for the period September 12-18, 2014.

As per USDA, private exporters reported the sale of 107,188 tons of U.S. corn to Mexico.

European traders told that an importer in the United Arab Emirates has purchased about 40,000 tons of yellow corn at around \$200 a ton c&f; likely to be sourced from South America or the United States for the shipment between Feb to May 2015. (Source: Reuters)

The International Grains Council raised its forecast for the 2014/15 global corn production by 1 million tons to 974 million tons from the previous month forecast but still below the prior season's record of 983 million tons harvest. Production forecasts for the U.S., EU and Russia are raised due to good yield potential but corn production forecast for China was lowered by 5 million tons to 215 million tons from the previous month due to drought damage.

As per the latest crop progress report released by USDA, 90% crop of corn has been dented, same from the last year but below 2% from the last 5 year average period. 42% crop has matured, higher by 5% from the last year but below 12% from the last 5 year average period. Besides, 7% crop has been harvested, same from the last year but below 8% from the last 5 year average period. 74% corn

crop is in good to excellent condition as of 21st September, 2014, same from the last week but higher by 19% from the last year.

European traders told that a group of Israeli private buyers purchased about 70,000 tons of corn at a premium of 121.5 cents a bushel c&f over the Chicago December corn contract and 108.5 cents a bushel c&f over the Chicago March corn contract. Shipment period for a first cargo of 30,000 tons was Nov. 25 to Dec. 15, 2014 and for a second one of 40,000 tons, shipment period was Dec. 25, 2014, to Jan. 20, 2015. (Source: Reuters)

As per Korean traders, The Korea Feed Association in Busan purchased 60,000 tons of corn from Vitol at \$205.94 a ton c&f, and the price included surcharges for extra port unloading, scheduled to arrive on Feb. 20, 2015. (Source: Reuters)

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.

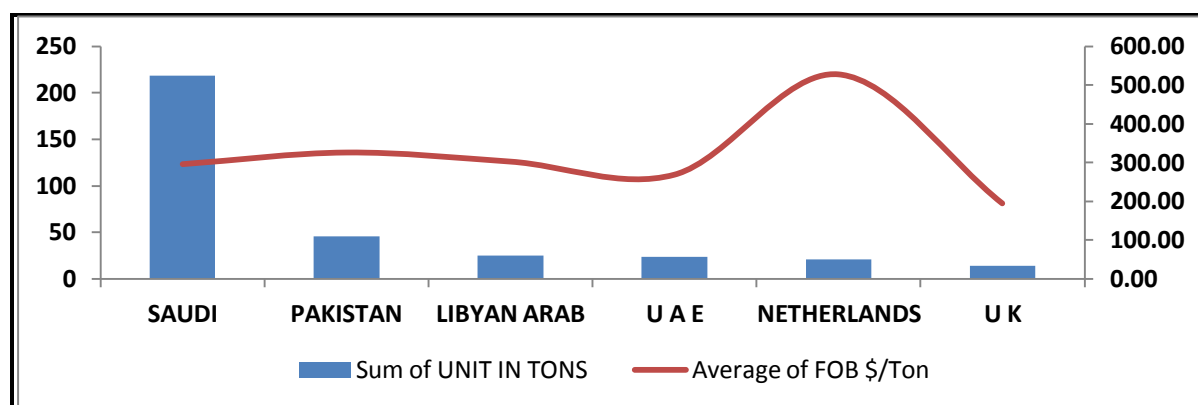
Wheat off take from central pool stock would remain restricted in the month of August despite tender is being invited in various states like Rajasthan, M.P. Haryana and Punjab at pre determined reserve price.

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 October.

As per ministry of agriculture, coarse cereals have been sown in 182.34 lakh hectares as on 26th September, 2014, lower by 13.71 lakh hectares as compared to last year. Bajra, jowar and maize have been sown in 68.37, 18.51 and 78.39 lakh hectares as on 26th September, 2014.

In Delhi, Sources revealed that barley stock could be around 7,000 quintal while stock of maize could be around 35,000 quintal. As per trade sources, bajra and maize could trade down in the near term due to new crop arrivals pressure.

As per IBIS data, exports of bajra were reported around 355 tons for the period of Sep 15 to Sep 21, 2014 mainly to Saudi, Pakistan and Libyan Arab.



As per USDA, exports of barley were reported by U.S to Taiwan 500 MT while 62,800 MT exports of sorghum were reported by U.S to China for the period September 12-18, 2014.

As per the latest crop progress report released by USDA, 51% crop of sorghum has been matured as on 21st September, 2014, higher by 8% from the last year and 7% from the last 5 year avg. period. Besides, 30% crop of sorghum has harvested, below 3% from last year but above 1% from the last 5

year avg. period. 57% sorghum crop is in good to excellent condition, higher by 3% from the last year.

Outlook

Feed prices are expected to trade slightly weak as feed ingredients prices traded steady to weak 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	63.0
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 bajra traded down with the increase in maize 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	-795.0
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 firm as jowar traded down 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	-105.0
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 maize traded firm vs. barley 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.

Maize Average Weekly spread with Wheat

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	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0	
2	-139.0	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0
3	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5
4	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0
5	-140.0		-131.0					-173.0		-240.0		

*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 wheat could trade steady in the near term and keep maize spread with wheat down during next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	26-Sep-14	19-Sep-14	Parity To
Indore (MP)	29000	31000-31500	Gujarat, MP
Kota	29000	30500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	32000	32500	Mumbai, Maharashtra
Nagpur (42/46)	31700-32200	31500-32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33300	33300	Andhra, AP, Kar, TN
Latur	33200	33200	-
Sangli	31700	33800	Local and South
Sholapur	33400	34000	Local and South

Akola	27000	31900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32900	32900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	29000	31700	-

Soy DOC at Port

Centers	Port Price	
	26-Sep-14	19-Sep-14
Kandla (FOR) (INR/MT)	33500 (Ready Delivery)	35000 (Ready Delivery)
Kandla (FAS) (USD/MT)	553	576

International Soy DOC

Argentina FOB \$/MT	25-Sep-14	18-Sep-14	Change
Soybean Pellets	389	409	-20
Soybean Cake Meal	389	409	-20
Soybean Meal	397	417	-20
Soy Expellers	397	417	-20

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	26-Sep-14	19-Sep-14	Change
Adoni	22000	21500	500
Khamgaon	-	NA	-
Parli	22000	21500	500
Latur	21600	21000	600

Groundnut Meal

Groundnut Meal	26-Sep-14	19-Sep-14	Change
Basis 45% O&A, Saurashtra	28000	28000	Unch
Basis 40% O&A, Saurashtra	24500	25000	-500
GN Cake, Gondal	26500	26500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	26-Sep-14	19-Sep-14	Change
Jaipur (Plant Delivery)	13400	13700	-300
Kandla (FOR)	14400	14700	-300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	26 Sep,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1240	1225	1215	1270	1415
Davangere	Bilty	1250	1290	1330	1350	1700
Ahmedabad	Feed	1325	1340	1380	1420	1700
	Starch	1310	1300	1340	1380	1520

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	159.25	165.75	175.59	235
Cost and Freight (Thailand)	209.25	220.75	235.59	270

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

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>26-Sep-14</u>	<u>19-Sep-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1221	1405	-184
		Hybrid	Bangalore	1850	1800	50
Jowar	Karnataka	White	Bangalore	2375	2400	-25
		White	Bellary	1389	1280	109
Maize	Karnataka	Yellow	Davangere	1200	1240	-40
	Andhra Pradesh	Yellow	Nizamabad	1150	NA	-
Rice	Haryana	IR8	Karnal	2000	2200	-200
		Parmal Raw	Karnal	2400	2500	-100
Soy meal	Madhya Pradesh	DOC	Indore	2900	3150	-250
	Maharashtra	DOC	Sangli	3170	3380	-210
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2200	2150	50
	Maharashtra	Ex-factory	Latur	2160	2100	60
Mustard	Rajasthan	Plant delivery	Jaipur	1340	1370	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	-	2650	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1553	1715	-162
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1573	1701	-128

Note: Prices Rs./ Qtl
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