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Summary

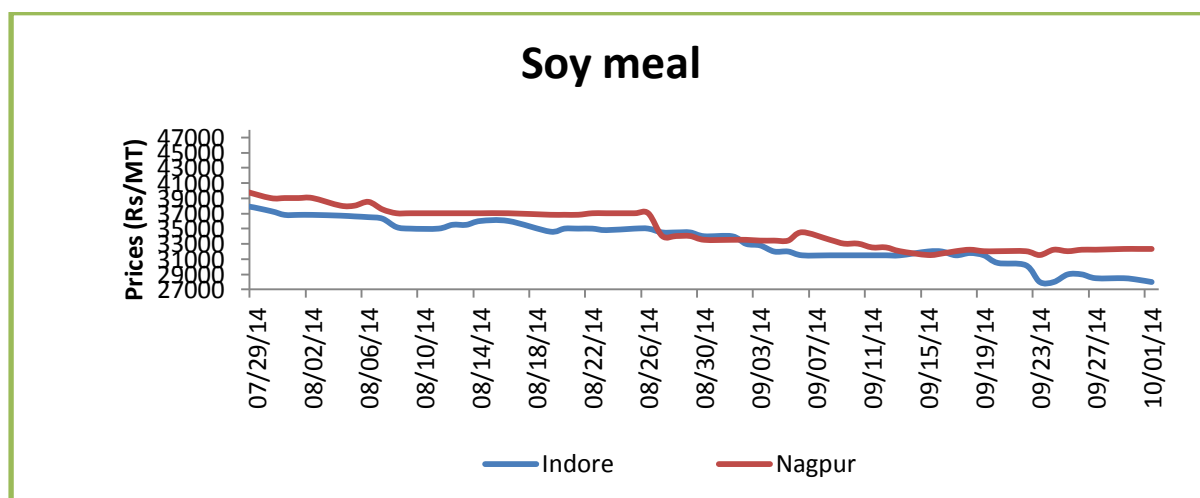
Overall, the key feed ingredients prices witnessed mixed tone during the week in review.

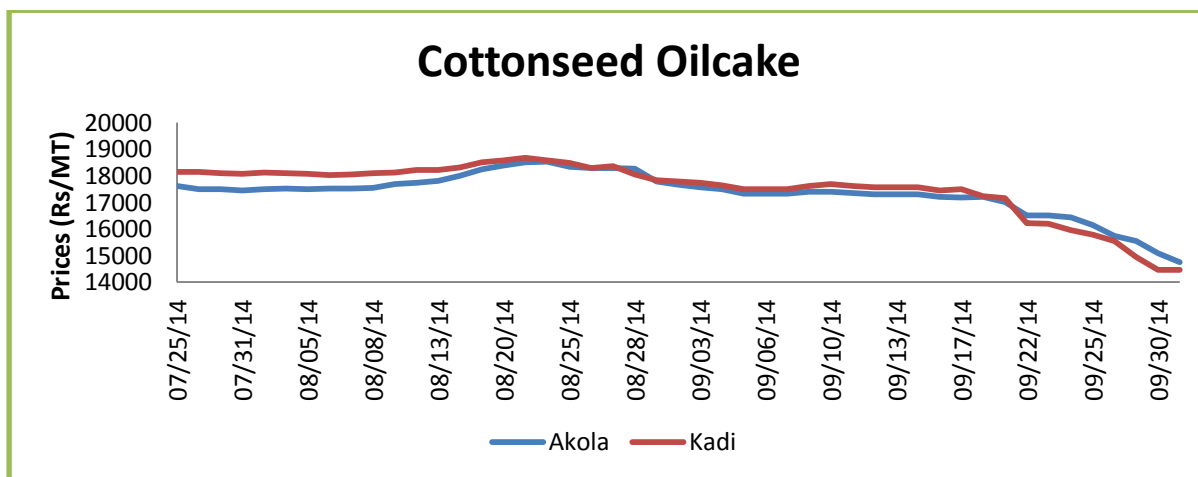
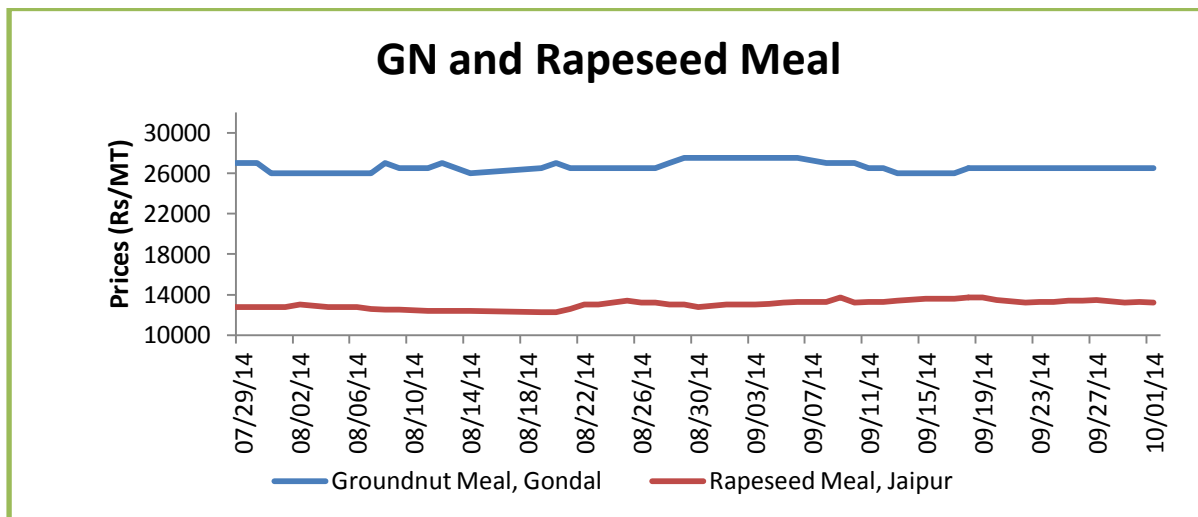
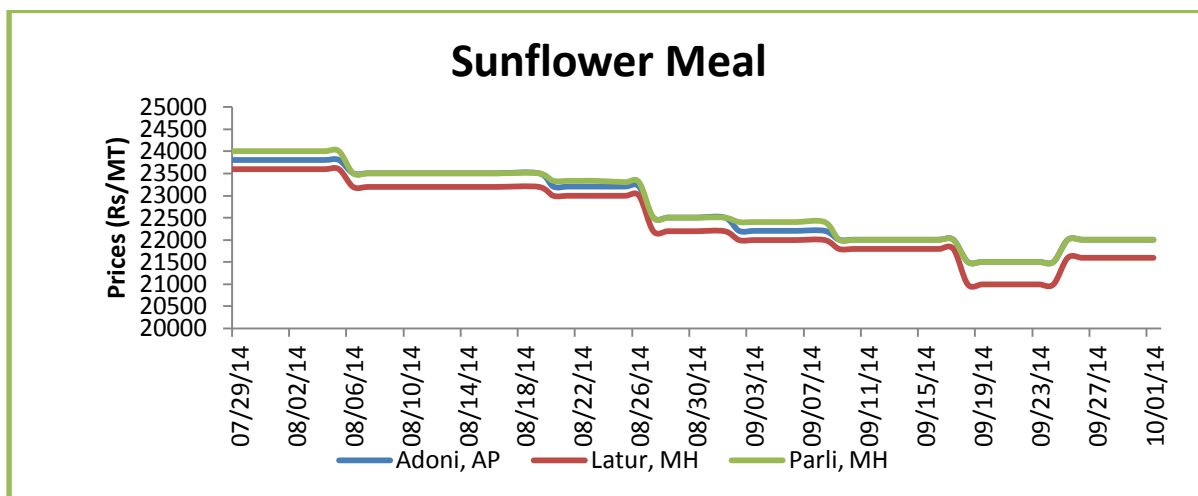
Soybean slightly gained during the week after a sharp fall previous week. This is supported by slight gains in CBOT soybeans and BMD CPO. The enquiries for the new crop supplies in the key markets of Madhya Pradesh and Maharashtra too lend support to some extent.

Soy meal fell on weak export sales and poor domestic off-take during the week under review. Besides, bigger US soybean crop size and commencement of US as well as domestic soybean harvesting remained the negative factors for soy meal.

Steady sentiments witnessed in major spot markets of maize during last week as most of the markets were closed due to Durga pooja and Dusshera festival.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean bounced back after a sharp fall but meal extended losses on bearish outlook. Further, RM seed prices remained near previous week level during the period under review.

Soybean:

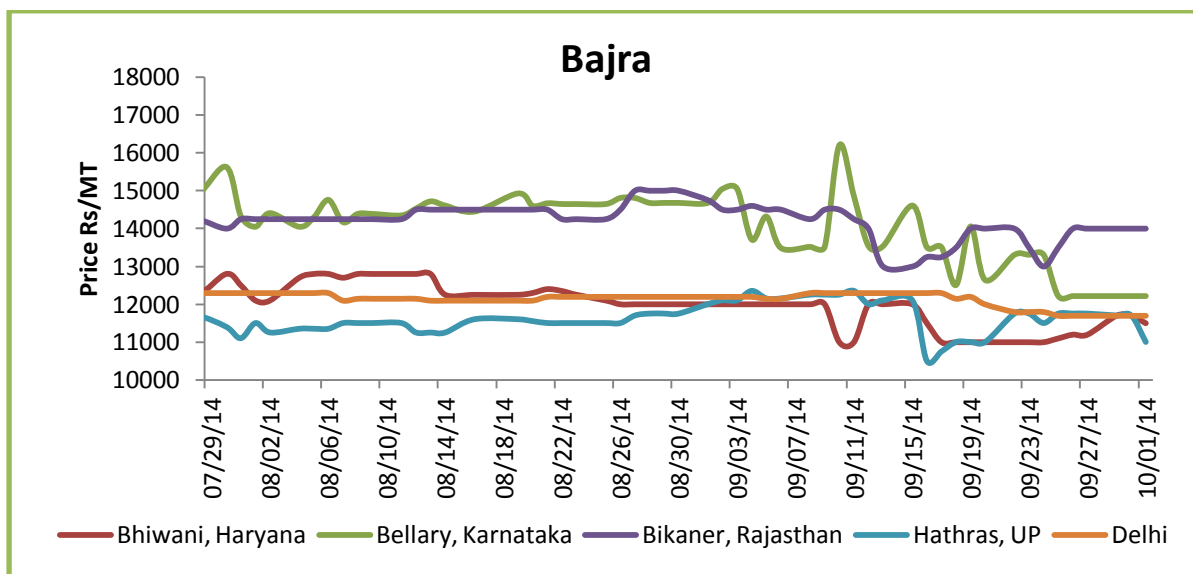
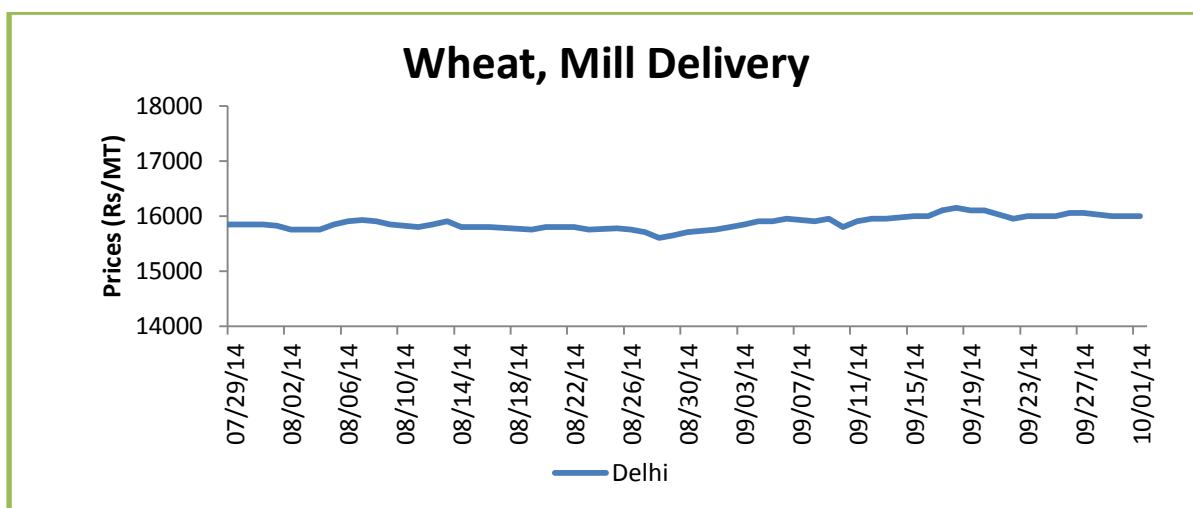
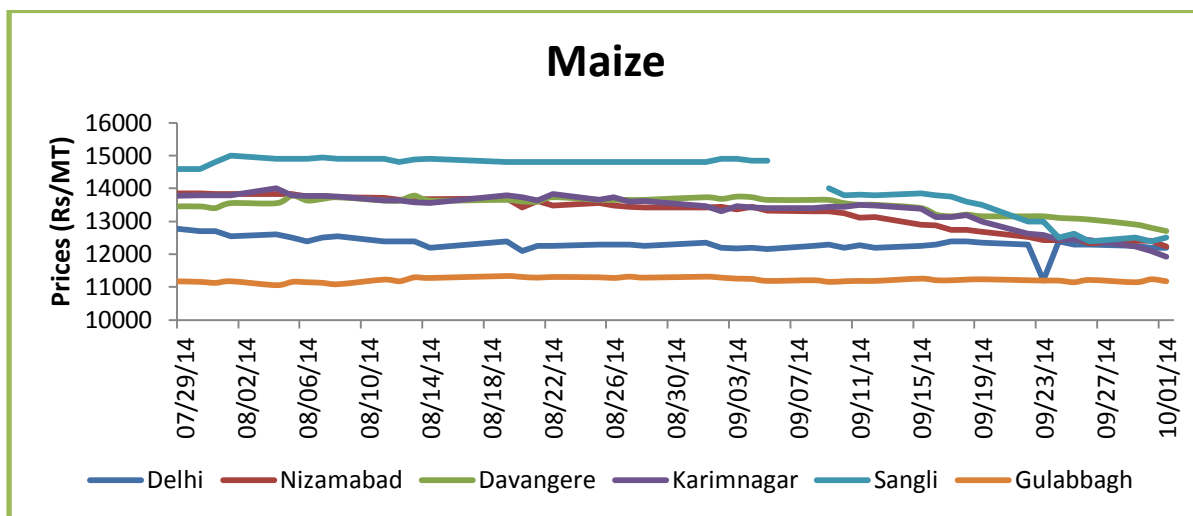
- ❖ Soybean slightly gained during the week after a sharp fall previous week. This is supported by slight gains in CBOT soybeans and BMD CPO. The enquiries for the new crop supplies in the key markets of Madhya Pradesh and Maharashtra too lend support to some extent.
- ❖ As discussed in the previous weekly that the harvesting in MP and Maharashtra has commenced and it will gradually gain momentum in due course. In MP and Maharashtra the new crop arrival has reached 15,000 bags towards the end of the week, whereas harvesting in Rajasthan is not reported yet and hence no reports of new crop supplies by the end of the week under review. However, the moisture content in the new soybeans is above 15%.
- ❖ The US soybean harvesting has gained the momentum. 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.

Soy meal:

- ❖ Soy meal fell on weak export sales and poor domestic off-take during the week under review. Besides, 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 will be stronger compared to the previous season, given the crop size of US and likely higher planting in Brazil and Argentina this year.
- ❖ We expect the overseas meal demand of Indian origin will pick up once the new crop crushing picks up the pace leading to competitive meal price.
- ❖ 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.

RM Seed:

- ❖ RM seed failed to witness gain pressured by new crop soybean supplies and weak international oil and fats market. The seed prices remained near previous week's level.
- ❖ However, improved demand in rapeseed/mustard seed oil followed by festivities has led to better buying in RM seed by the stockists and the millers. The crushing of the seed has improved in major producing and consuming centers.
- ❖ Besides, seasonal demand from the major consuming centers will lend support to the seed in coming days.
- ❖ As per cargo surveyor Societe Generale de Surveillance, exports of Malaysian palm oil products for September rose 16.5 percent to 1,494,371 tons from 1,282,597 tons shipped during August. India imported 491,230 tons of palm oil and its derivatives from Malaysia during September.



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

Steady sentiments witnessed in major spot markets of maize during last week as most of the markets were closed due to Durga pooja and Dusshera festival.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1300-1320 per quintal due to sluggish demand while starch feed makers quoted maize firm by Rs. 5 per quintal to Rs.1300-1325 per quintal as compared to last week, sourced from U.P.

In Nizamabad, maize new crop contained 14-21% moisture. However, these 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 ministry of agriculture, maize have been sown in 78.39 lakh hectares as on 26th September, 2014, lower by 3.83 lakh hectares as compared to last year.

In Gulabbagh mandi, maize quoted firm by Rs. 20 per quintal to Rs. 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. 1280 per quintal, Rs. 1320 per quintal and Rs. 1230 per quintal respectively, sourced from Davangere. New crop arrivals have started in the market, contained around 25-30% moisture. However, these 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 0.0113 million tons for the period of Sep 22 to Sep 28, 2014 mainly to Bahrain, Sri Lanka, Malaysia and Canada.

As per USDA, U.S accumulated corn export figures reached to 30,76,944 metric tons for the 2014-15 marketing year. Exports of 6,20,400 MT reported by U.S to Japan (232,000 MT), Mexico (147,800 MT), Colombia (111,700 MT), South Korea (68,000 MT), and Canada (40,800 MT) for the period September 19-25, 2014.

USDA quarterly grain stock report shows corn stocks as of Sept. 1 at 1.235 billion bushels, up from the average trade estimate of 1.185 billion and above 821 million a year ago.

As per the latest crop progress report released by USDA, 96% crop of corn has been dented, above 1% from the last year but below 1% from the last 5 year average period. 60% crop has matured; same from the last year but below 10% from the last 5 year average period. Besides, 12% crop has been harvested, above 1% from the last year but below 11% from the last 5 year average period. 74% corn crop is in good to excellent condition as of 28th September, 2014, same from the last week but higher by 19% from the last year.

Lanworth raised its forecasts for U.S. 2014 corn by 0.032 billion bushels to 14.596 billion bushels from the previous month forecast as it raised its U.S. corn yield estimate by 0.5 bushels per acre to 174.9 bushels per acre. Lanworth made no changes to its Sept. 17 forecasts of harvested area of 83.471 million acres for corn.

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.

As per 1ST Advance estimate released by Ministry of agriculture, coarse cereals production during kharif 2014-15 is estimated lower at 27.05 million tons as compared to 31.53 million tons during 2013-14.

In Agra, new crop of bajra is expected at the month end. Stock of old bajra could be around 20,000 bags (1 bag= 50 kg).

In Delhi, sources revealed that barley stock could be around 8,000 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.

Barley to kandla port quoting at Rs. 1685 per quintal. As per trade sources, in Ganganagar and Hanumangarh region, around 5 lakh bags of barley could be in stock (1 bag=80 kg) which was 11 lakh bags last year during same period. Barley could trade higher due to higher demand.

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	63.0
5	234.0		152.0					5.0		30.0		60.0

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

As the table depicts, in Delhi spot market, maize spread with bajra traded down as maize traded down vs maize during last week. We expect that both commodities could trade steady to weak in the near term and keep maize spread with bajra intact 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		-770.0

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

As the table depicts, maize spread with jowar traded firm as jowar traded down vs. maize 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		-110.0

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

As the table depicts, in Delhi spot market, maize spread with barley traded down as maize traded down 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		-297.5

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

As the table depicts, maize spread with wheat decreased as wheat traded steady during last week. We expect that trend could continue 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)		
	01-Oct-14	26-Sep-14	Parity To
Indore (MP)	28000	29000	Gujarat, MP
Kota	28000	29000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	31000	32000	Mumbai, Maharashtra
Nagpur (42/46)	31800-32300	31700-32200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33300	33300	Andhra, AP, Kar, TN
Latur	29000	33200	-
Sangli	30500	31700	Local and South
Sholapur	31700	33400	Local and South
Akola	29000	27000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	27500	32900	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	27700-800	29000	-

Soy DOC at Port

Centers	Port Price	
	01-Oct-14	26-Sep-14
Kandla (FOR) (INR/MT)	33000	33500 (Ready Delivery)
Kandla (FAS) (USD/MT)	534	553

International Soy DOC

Argentina FOB \$/MT	29-Sep-14	25-Sep-14	Change
Soybean Pellets	388	389	-1
Soybean Cake Meal	388	389	-1
Soybean Meal	396	397	-1
Soy Expellers	396	397	-1

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	1-Oct-14	26-Sep-14	Change
Adoni	22000	22000	Unch
Khamgaon	-	-	-
Parli	22000	22000	Unch
Latur	21600	21600	Unch

Groundnut Meal

Groundnut Meal	1-Oct-14	26-Sep-14	Change
Basis 45% O&A, Saurashtra	26000	28000	-2000
Basis 40% O&A, Saurashtra	23000	24500	-1500
GN Cake, Gondal	26500	26500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	1-Oct-14	26-Sep-14	Change
Jaipur (Plant Delivery)	13200	13400	-200
Kandla (FOR)	14200	14400	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	1 Oct,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1230	1230	1220	1260	1425
Davangere	Bilty	NA	1180	NA	NA	NA
Ahmedabad	Feed	1310	1310	1390	1400	1600
	Starch	1325	1325	1340	1380	NA

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	158	165.05	179	239
Cost and Freight (Thailand)	208	220.05	239	274

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	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>1-Oct-14</u>	<u>26-Sep-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	NA	1221	-
		Hybrid	Bangalore	1850	1850	Unch
Jowar	Karnataka	White	Bangalore	2375	2375	Unch
		White	Bellary	1313	1389	-76
Maize	Karnataka	Yellow	Davangere	1130	1200	-70
	Andhra Pradesh	Yellow	Nizamabad	1130	1150	-20
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2800	2900	-100
	Maharashtra	DOC	Sangli	3050	3170	-120
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2200	2200	Unch
	Maharashtra	Ex-factory	Latur	2160	2160	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1320	1340	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2650	NR	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1445	1553	-108
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1475	1573	-98

Note: Prices Rs./ qtl

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