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Summary

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

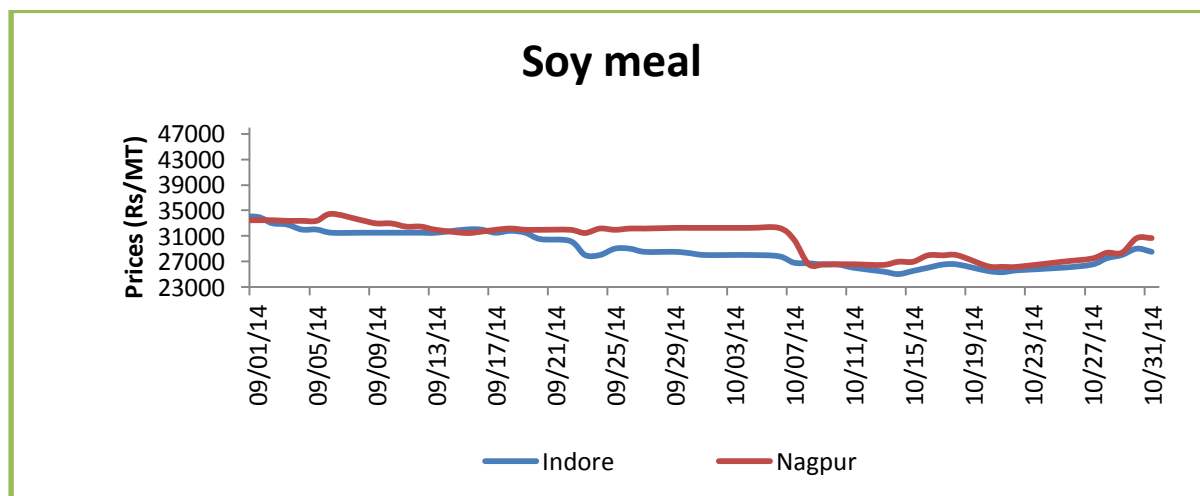
Soybean rebound on renewed buying at the current price levels after festivities, during the week under review.

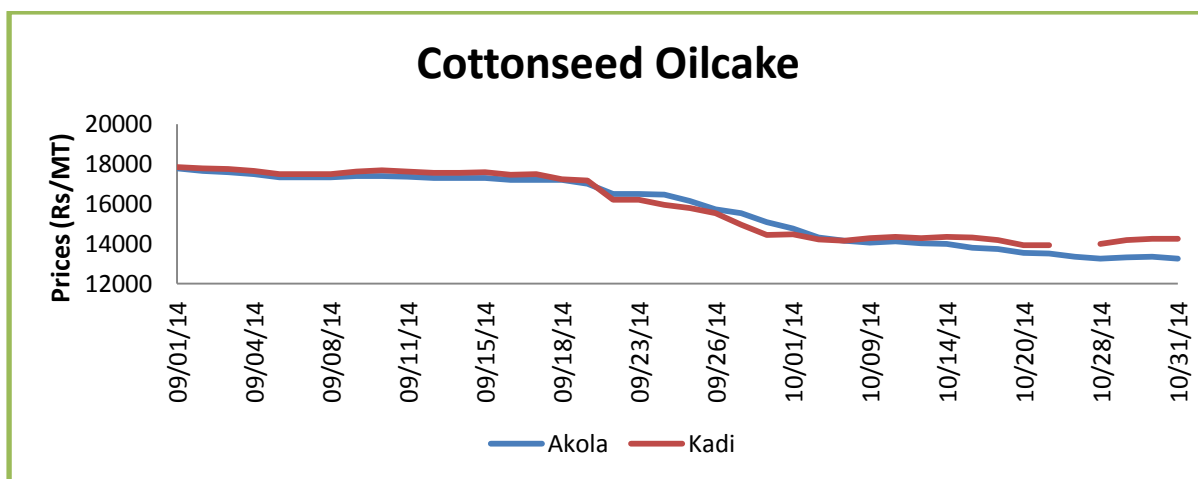
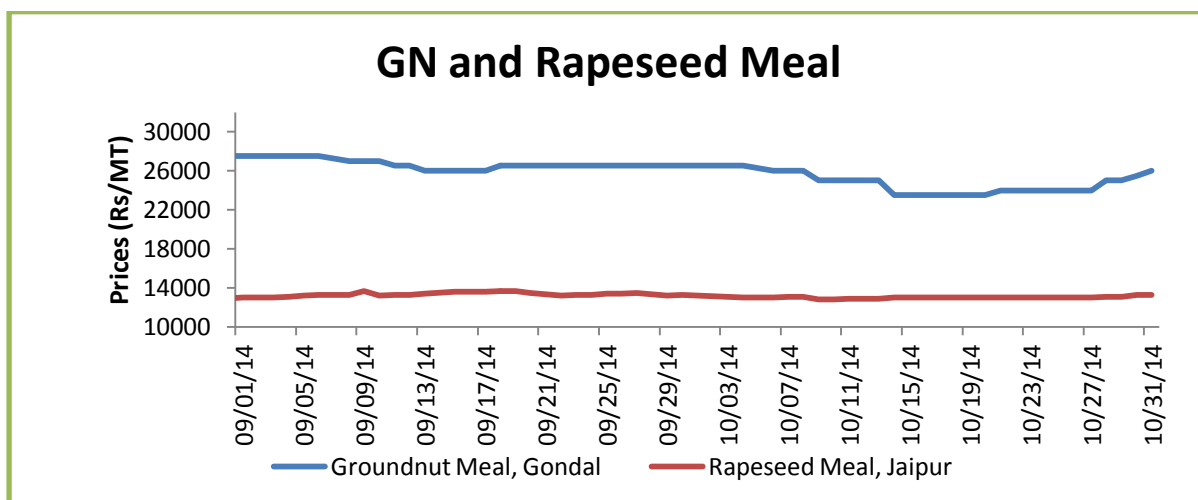
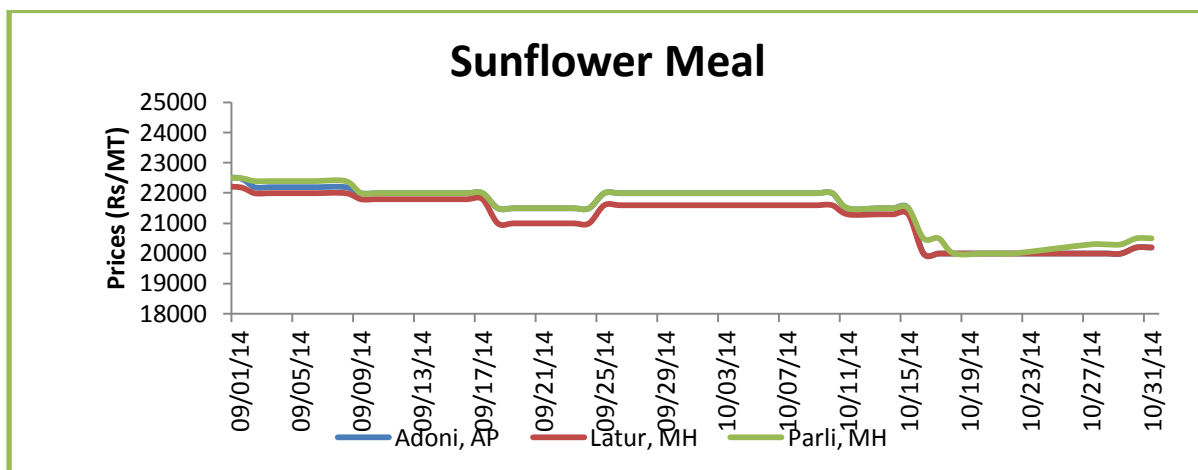
The market was under supply pressure before the festivities (Diwali), it was dull during the festivities but the fresh buying was featured by the crushers and stockists to cover their stocks at the prevailing prices which were attractive.

Soy meal posted gains in tandem with soybean with renewed demand in meal after improved crushing with the start of new season.

Steady to slightly firm sentiments witnessed in major spot markets of maize during the week under review.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, soy meal and RM seed prices edged-up on renewed buying after festivities, during the period under review.

Soybean:

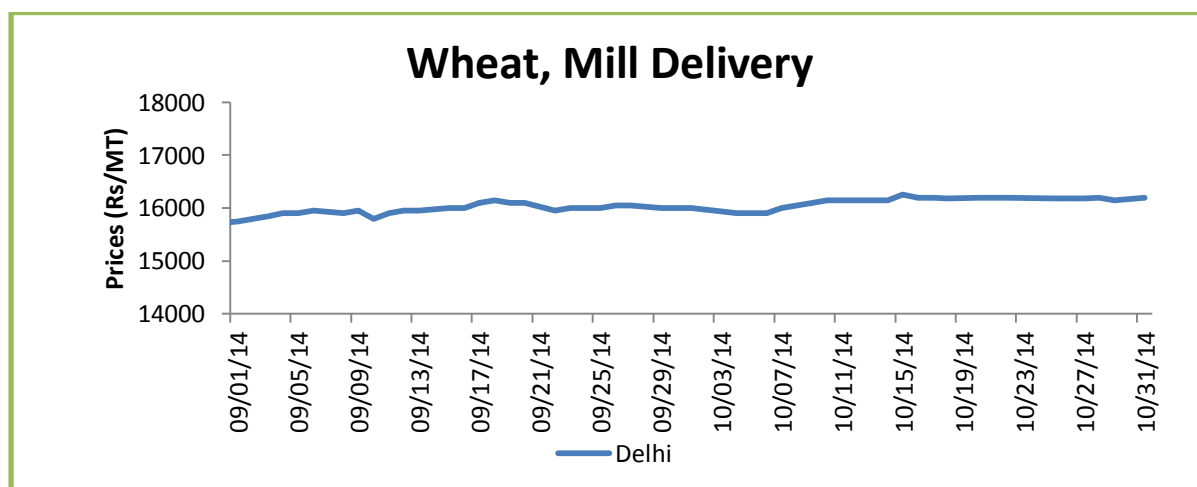
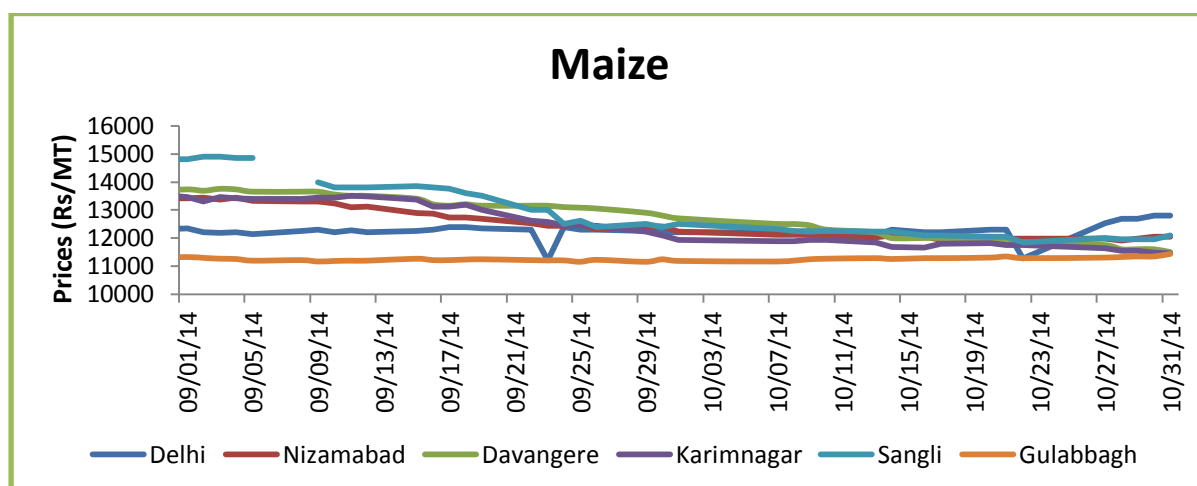
- ❖ Soybean rebound on renewed buying at the current price levels after festivities, during the week under review.
- ❖ The market was under supply pressure before the festivities (Diwali), it was dull during the festivities but the fresh buying was featured by the crushers and stockists to cover their stocks at the prevailing prices which were attractive.
- ❖ Reports of India considering raising of import duty on crude and refined edible oils, fear of cyclone Nilofer, which will hamper the soybean harvesting, if realized, and bullish price outlook for Malaysian palm oil by Thomas Mielke gave additional boost to the soybeans in the domestic market.
- ❖ The domestic harvesting is in full swing with lower or considerable moisture level in the beans, buyers are seen covering their stocks. Eventually, the bean supplies substantially rose in key physical markets. The average daily arrivals of Madhya Pradesh have reached to 4.5 – 5.0 lakh bags compared to 2.75-3.0 lakh bags in previous week.
- ❖ The harvest of US soybean crop as on Oct 26 is complete by 70% by the date though it is slightly lower than the 5 year average of 76%.
- ❖ The soybean planting in Brazil and Argentina is under progress but dry weather in Brazil is hampering the planting.

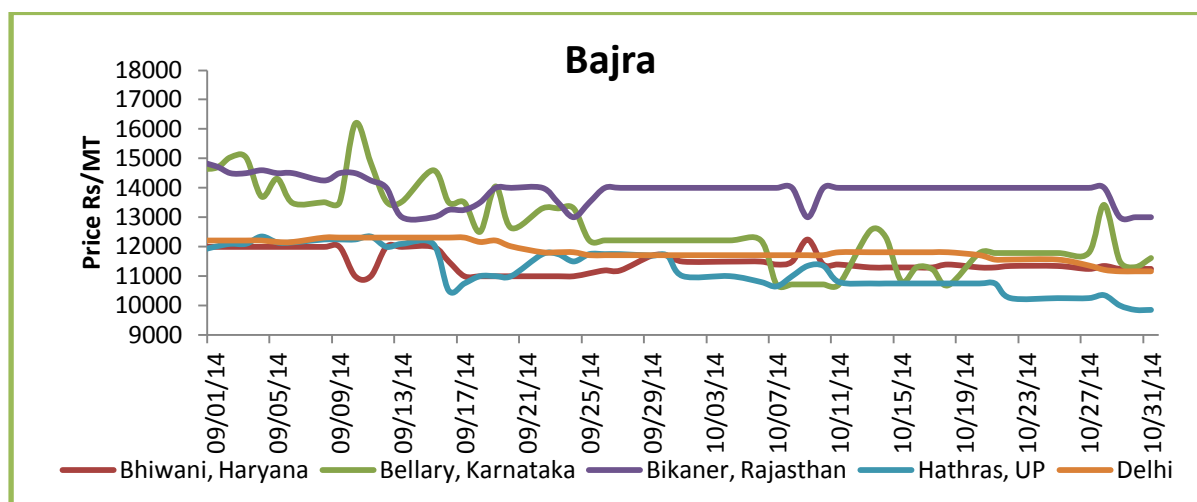
Soy meal:

- ❖ Soy meal posted gains in tandem with soybean with renewed demand in meal after improved crushing with the start of new season.
- ❖ India's soy meal shipments during the season 2013-14 witnessed a sharp fall after the weak season for soybean due to its production. Country saw season's lowest exports in September and lower shipments continued to pressure the domestic meal market.
- ❖ Further, Indian soy meal exports is expected to fall to a multi-year low of only 0.7-0.8 Mn T in Oct/Dec 2014, as forward booking is slower.
- ❖ Reserved selling in soy products by the South American countries in recent weeks has increased the dependency on US which consequently boosted the benchmark CBOT soybeans.
- ❖ India's soy meal prices have to be attractive in order to boost the exports unlike during 2013/14 season, lower soybean production and weak supplies and meal kept the meal prices unattractive against the price of the competitors..
- ❖ India's oilmeal shipments declined by 73% to 82,749 tonnes in September this year which was recorded at 3,01,717 tonnes in the corresponding period last year.

RM Seed:

- ❖ RM seed rebound on renewed buying after festivities by the millers and the stockists during the week under review.
- ❖ The market remained dull during festivities and eventually crushing fell, but fresh demand in mustard oil boosted the price of the seed. Further, buying in soybean by the solvent extractors and stockists lend support to the RM seed.
- ❖ In the major development, India's RM seed planting has commenced and the area coverage under the seed by 30 October 2014 was reported at 18.64 lakh hectares up 4.56 lha compared to previous year at 14.08 lha. The area under RM seed is likely to be higher this season.
- ❖ Exports of Malaysian palm oil products for October fell 2.0 percent to 1,463,982 tonnes from 1,494,371 tonnes shipped during September - cargo surveyor Societe Generale de Surveillance. India imported 335,829 tons of palm oil products from Malaysia during October.





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

Steady to slightly firm sentiments witnessed in major spot markets of maize during the week under review. Except Gadag, prices of maize traded firm in Delhi, Khanna and Sangli while it traded almost unchanged in Davangere and Ludhiana as compared to last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize in a range of Rs. 1300-1360 per quintal while starch feed makers quoted maize in a range of Rs.1270-1320 per quintal as during last week, sourced from U.P. In Nizamabad, maize crop contains around 13-16% moisture, bilty quoted at Rs. 1180 per quintal during last week. Sources revealed that maize could trade steady to range bound in the near term.

As per IBIS data, exports of corn were reported around 0.0079 million tons for the period of Oct 20 to Oct 26, 2014 mainly to Malaysia, Sri Lanka , Nepal and Bahrain.

In Gulabbagh mandi, most of the time maize market was closed due to chhath puja. Maize is moving towards Kolkata at Rs. 1275-1300 per quintal on delivered basis sourced from Naugachia region of Bihar.

Higher moisture contain around 18 to 22 percent keeps traders/buyers away from any active buying at this point of time. However, dry maize is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1200 per quintal, Rs. 1250 per quintal and Rs. 1150 per quintal respectively, sourced from Davangere. Sources revealed that government of Karnataka has stock of maize around 35 lakh bags.

In Delhi, hybrid maize traded up by Rs. 30 per quintal to Rs 1240-1290 per qtl. as compared to last week, sourced from U.P. Sources revealed that maize could trade steady to slightly firm in the near term due to lower arrivals. Stock of maize could be around 20,000 to 25,000 quintal in the market.

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As per USDA, U.S accumulated corn export figures reached to 64,62,934 metric tons for the 2014-15 marketing year. Exports of 8,29,500 MT reported by U.S to Mexico (166,900 MT), South Korea (135,100 MT), Japan (114,000 MT), Colombia (102,700 MT), Peru (85,100 MT), Canada (45,600 MT), and Guatemala (34,800 MT) for the period October 17-23, 2014.

The International Grains Council raised its forecast for the 2014/15 global corn production by 6 million tons to 980 million tons from the previous month forecast as expectations for US yields continued to improve but still below the prior season's record of 983 million tons harvest due to expected declines in China and South America.

As per Reuter news, South Africa's Crop Estimates Committee said that South African farmers are likely to plant maize lower by 0.1 million hectares to 2.6 million hectares of the staple grain in the 2015 season, on the expectations of low prices for maize.

As per the latest crop progress report released by USDA, 96% crop of corn has matured, below 1% from the last year and the last 5 year average period. Besides, 46% crop has been harvested, below 10% from last year and 19% from the last 5 year average period. 74% corn crop is in good to excellent condition as of 26th October, 2014, same from the last week but higher by 12% from last year.

As projected earlier by Agriwatch the Government has increased 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.

According to IBIS, export of wheat in the last week of October was around 32 Thousand Mt. The major export destination of Indian wheat was Algeria from kandla port which accounted 31.50 thousand MT at an average FOB price of \$359.21/Tn .Other countries were U.A.E, Malaysia and Philippines.

Wheat market fundamental points to move range bound in weeks ahead as supply side remain ample from central pool stock as well as private stock. Millers demand for festive season is almost over and only normal buying is expected in the month of November. Price remains unsupported due to sluggish export demand.

Wheat sowing in Northern India is likely to delay by 15-20 days from normal schedule due to late harvesting of paddy crop in Punjab and Haryana. Wheat sowing in Punjab and Haryana normally starts in the mid of October but this year it will start by the end of October.

FCI has invited bids for 1Lakh Tn wheat selling through tender in Haryana region at reserve price of Rs 1500/quintal just to augment supply in the open market especially for the flour millers in the month of October. It will restrict open market from firming up in the near term. More tender for wheat selling is likely in the third quarter as government has to sell almost 10MMt wheat in the rest of the current marketing year.

Wheat stock in central pool warehouses was registered at 32.26 million T on 01 October compared to 35.17 million T on 1st September 2014. The highest accumulated stock is in Punjab (12.36 million T) followed by Madhya Pradesh (6.62 million tonne) and Haryana (5.89 million Tonne) as on 01.10.2014.

With Due to some disturbance in weather in many parts of U.S. there is slightly upward movement. However the better crop production estimate will stop the bull market. There can be a resistance at 545 bushel.

As per Ministry of Agriculture, the Cabinet Committee on Economic Affairs has approved the Minimum Support Price for Barley crop of 2014-15 season to be marketed in 2015-16 at Rs. 1150 per quintal; higher by Rs. 50 per quintal from the last year.

As per ministry of agriculture, coarse cereals have been sown in 11.19 lakh hectares as on 24th October, 2014 during Rabi season, lower by 2.23 lakh hectares as compared to last year.

Outlook

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

Spreads

Maize Average Weekly spread with Bajra

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	237.5	205.0	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0
2	233.0	192.5	135.0	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0
3	223.3	160.0	122.0	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00	93.0
4	207.5	153.0	145.0	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0
5		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 firm as maize traded firm with the decrease in prices of bajra during last week. We expect that trend could continue in the near term and keep maize spread with bajra firm as compared to last week.

Maize Average Weekly spread with Jowar

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0	-	-	-785.0	-781.6	-669.0
2	492.0	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0
3	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0
4	450.0	446.0	320.0	245.0	207.0	-240.0	-1078.0	-	-727.5	-781.0	-795.0	-792.0
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 down as jowar traded firm vs. maize during last week. We expect that jowar could trade steady in the near term and keep maize spread with jowar firm as compared to last week.

Maize Average Weekly spread with Barley

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	237.5	185.0	127.0	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5
2	231.0	187.5	143.0	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0
3	216.7	157.0	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0
4	189.2	171.0	170.0	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0
5		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 firm as barley traded down during last week. We expect that barley could trade firm in the near term and keep maize spread with barley down as compared to last week.

Maize Average Weekly spread with Wheat

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0
2	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0
3	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0
4	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5
5		-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 increased as maize traded firm vs. wheat during last week. We expect that wheat could trade steady in the near term and keep maize spread with wheat firm during next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	31-Oct-14	22-Oct-14	Parity To
Indore (MP)	28500	25500-25600	Gujarat, MP
Kota	28500-29000	26000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	27400	28200	Mumbai, Maharashtra
Nagpur (42/46)	30700	26200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	28100	NA	Andhra, AP, Kar, TN
Latur	30500	28000	-
Sangli	28300	28200	Local and South
Sholapur	31200	28000	Local and South
Akola	29500	26500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	27100	NA	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	29000	26500	-

Soy DOC at Port

Centers	Port Price	
	31-Oct-14	22-Oct-14
Kandla (FOR) (INR/MT)	30000	27350
Kandla (FAS) (USD/MT)	489	447

International Soy DOC

Argentina FOB \$/MT	30-Oct-14	23-Oct-14	Change
Soybean Pellets	457	436	21
Soybean Cake Meal	457	436	21
Soybean Meal	465	444	21
Soy Expellers	465	444	21

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	31-Oct-14	22-Oct-14	Change
Adoni	20200	20000	200
Khamgaon	NA	NA	-
Parli	20500	20500	Unch
Latur	20200	20000	200

Groundnut Meal

Groundnut Meal	31-Oct-14	22-Oct-14	Change
Basis 45% O&A, Saurashtra	26000	24500	1500
Basis 40% O&A, Saurashtra	23000	21500	1500
GN Cake, Gondal	26000	24000	2000

Mustard DOC/Meal

Mustard DOC/Meal	31-Oct-14	22-Oct-14	Change
Jaipur (Plant Delivery)	13300	13000	300
Kandla (FOR)	14300	14000	300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	31 Oct,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1290	1250	1230	1220	1425
Davangere	Bilty	1000	1000	1150	1250	1300
Ahmedabad	Feed	1320	NA	1300	1385	1320
	Starch	1310	NA	1325	1340	1250

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	179.72	184.05	196.46	247.48
Cost and Freight (Thailand)	229.72	239.05	256.46	282.48

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	868
Oct	404960	223594	49840	182724	
Nov	443488	397659	517103	503269	
Dec	611157	798041	510698	451314	
Total	2937018	4075617	2668918	3512217	877245

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>31-Oct-14</u>	<u>22-Oct-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1161	1178	-17
		Hybrid	Bangalore	1875	1900	-25
Jowar	Karnataka	White	Bangalore	2325	2400	-75
		White	Bellary	1414	1341	73
Maize	Karnataka	Yellow	Davangere	1000	1000	Unch
	Andhra Pradesh	Yellow	Nizamabad	1140	Closed	-
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2200	2400	-200
Soy meal	Madhya Pradesh	DOC	Indore	2850	2560	290
	Maharashtra	DOC	Sangli	2830	2820	10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2020	2000	20
	Maharashtra	Ex-factory	Latur	2020	2000	20
Mustard	Rajasthan	Plant delivery	Jaipur	1330	1300	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2400	200
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1424	1392	32
Cottonseed Oil	Maharashtra	Ex- Mandi	Akola	1350	1350	Unch

Cake						
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Note: Prices Rs./ Qtl

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