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Summary

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

Soybean extended previous gains on buying support and short-term bullish international factors during the week under review.

The buyers including solvent extractors and stockists remained active, though there was no aggressive buying, during the week.

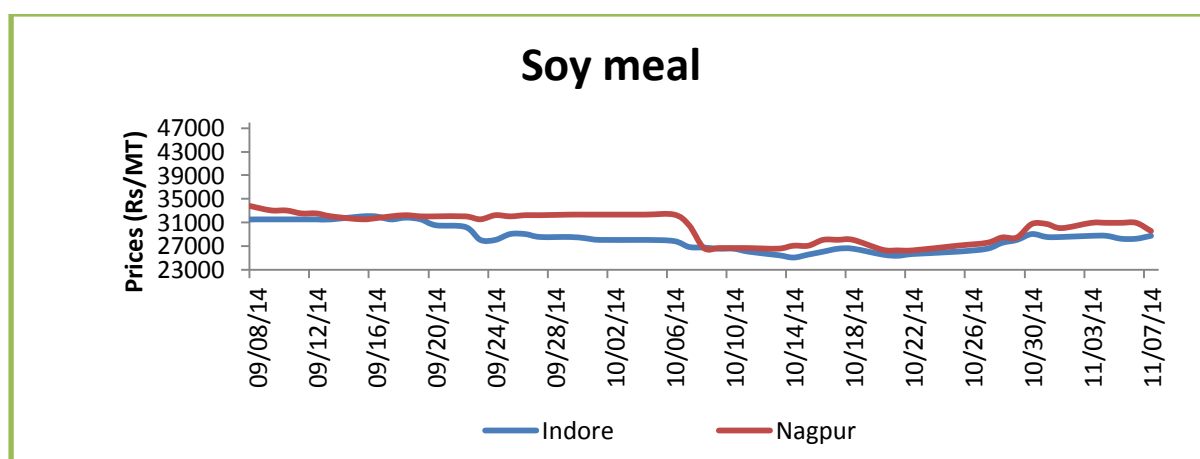
The domestic harvesting is in full swing buyers are seen covering their stocks. However, the daily bean supplies slightly eased in key physical markets due to Muharram and Guru Nanak Jayanti during the week. The average daily arrivals of Madhya Pradesh fell to 3.5 - 4.0 lakh bags which were 4.5 – 5.0 lakh bags in previous week.

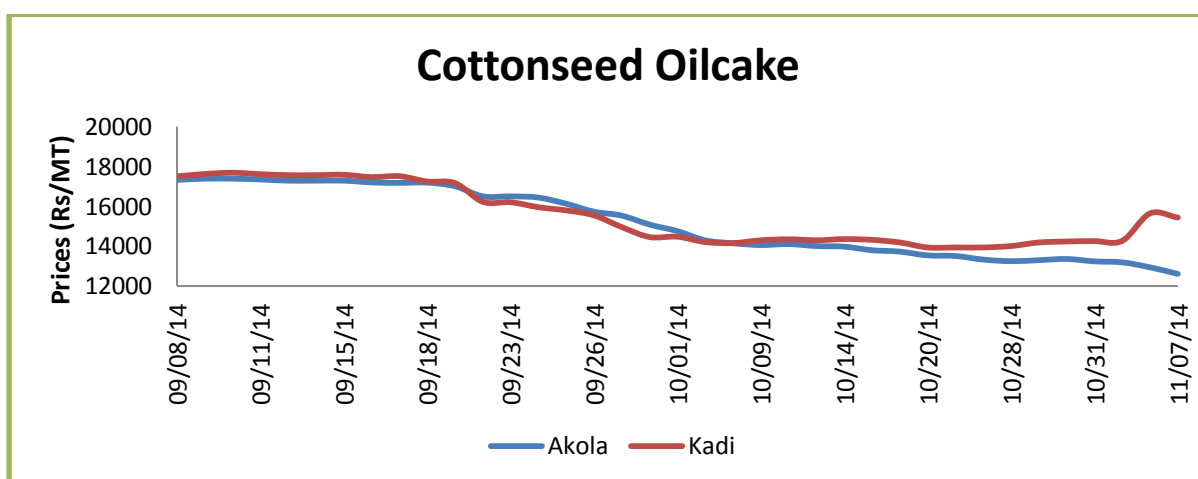
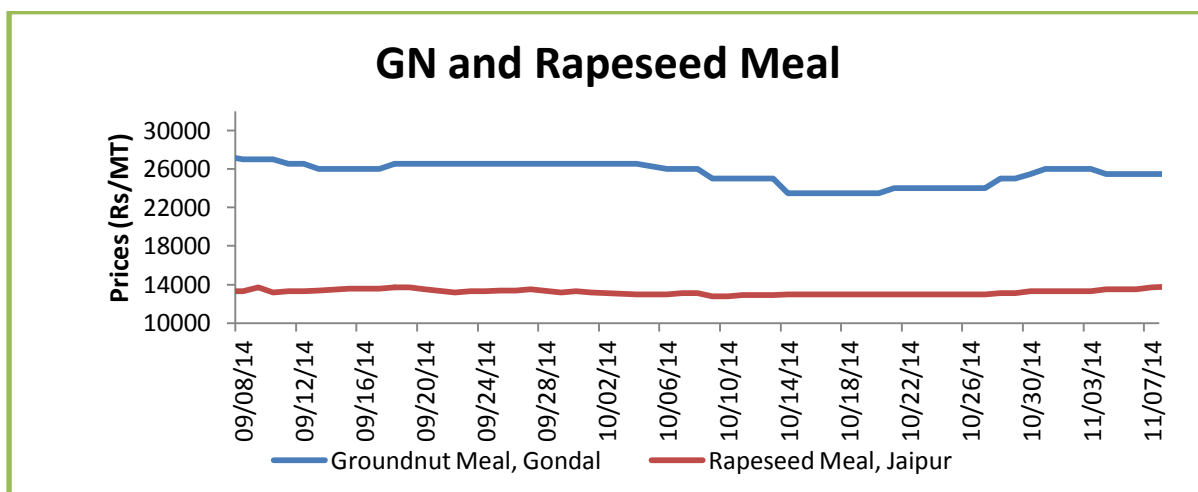
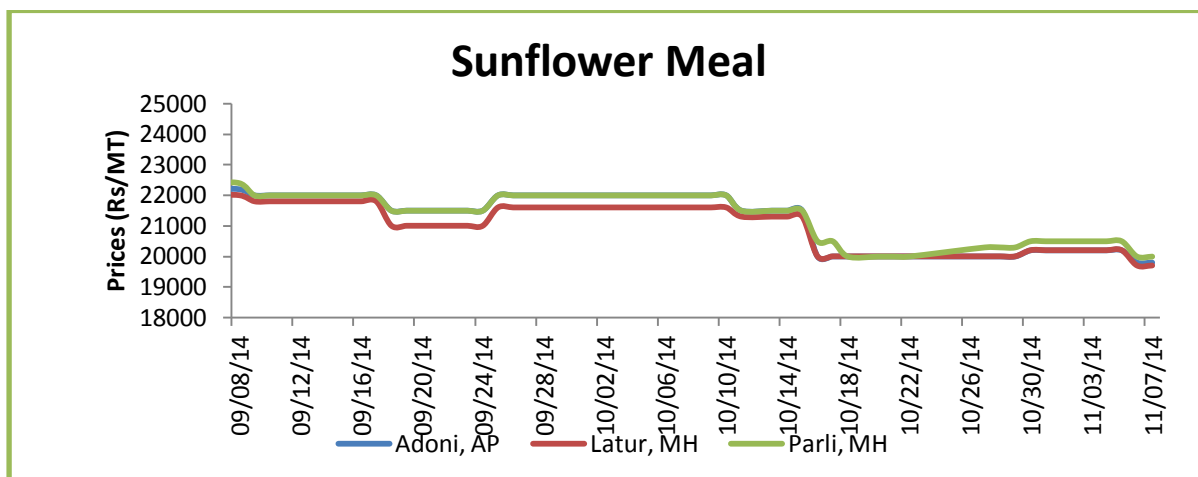
Soy meal posted gains in line with the soybean on expected overseas and domestic demand with the increase in seasonal soybean crushing.

However, the start in soy meal export sales in the beginning of the new 2014/15 is witnessed poor. Indian soy meal exports are expected to fall to a multi-year low of only 0.7-0.8 Mn T in Oct/Dec 2014, as forward bookings are weak.

Overall steady to firm sentiments witnessed in major spot markets of maize except in Delhi and Bagalkot during the week under review due to delay in harvest and low arrivals in the market.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, soy meal and RM seed prices edged-up on fresh buying after festivities, besides higher international market remained supportive for the oilseeds market during the week under review.

Soybean:

- ❖ Soybean extended previous gains on buying support and short-term bullish international factors during the week under review.
- ❖ The domestic harvesting is in full swing buyers are seen covering their stocks. However, the daily bean supplies slightly eased in key physical markets due to Muharram and Guru Nanak Jayanti during the week. The average daily arrivals of Madhya Pradesh fell to 3.5 - 4.0 lakh bags which were 4.5 – 5.0 lakh bags in previous week.
- ❖ Further, the soybean supplies in the international market have increased with US harvesting in full swing. The harvest of US soybean crop as on Nov 02 is complete by 83% which is at par with the 5 year average.
- ❖ In the US weekly export sales report last week, the US soybean export inspections were reported at a weekly record at 2.77 Mln T, which is up 22-23% on the week and on the year. The primary export destinations were China, Vietnam, Portugal, Mexico, Spain, Egypt and South Korea. This is another, bullish factor.

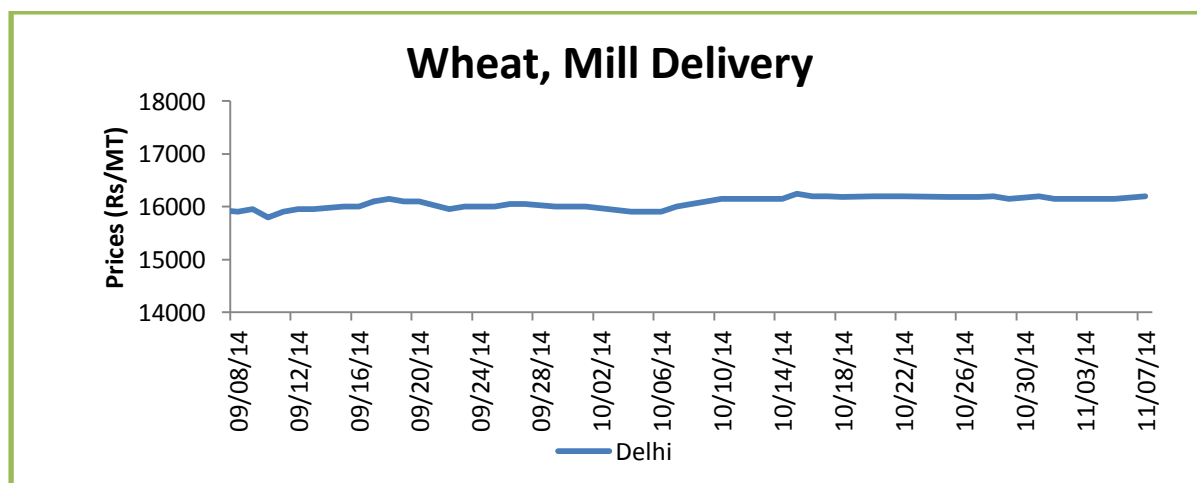
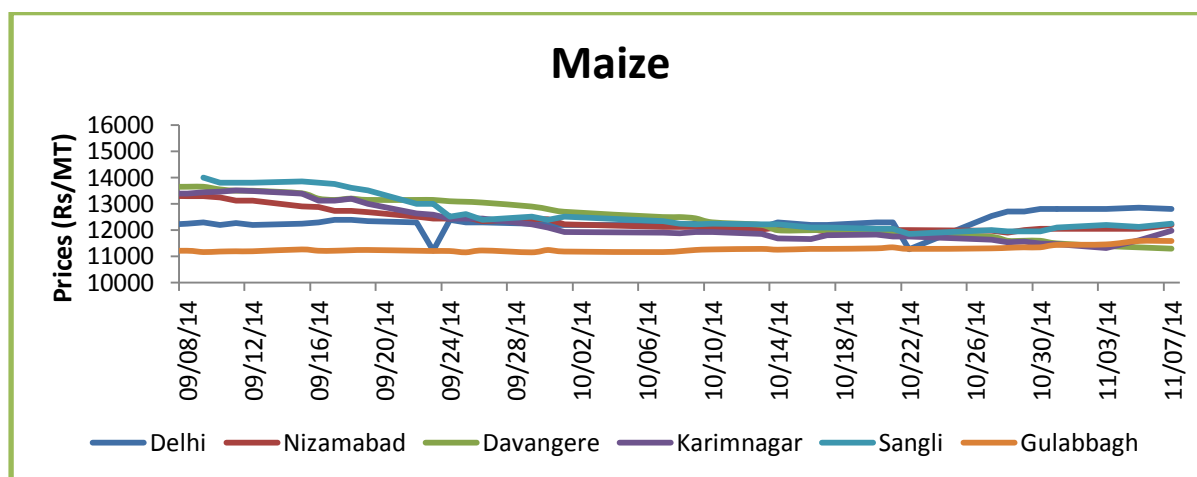
Soy meal:

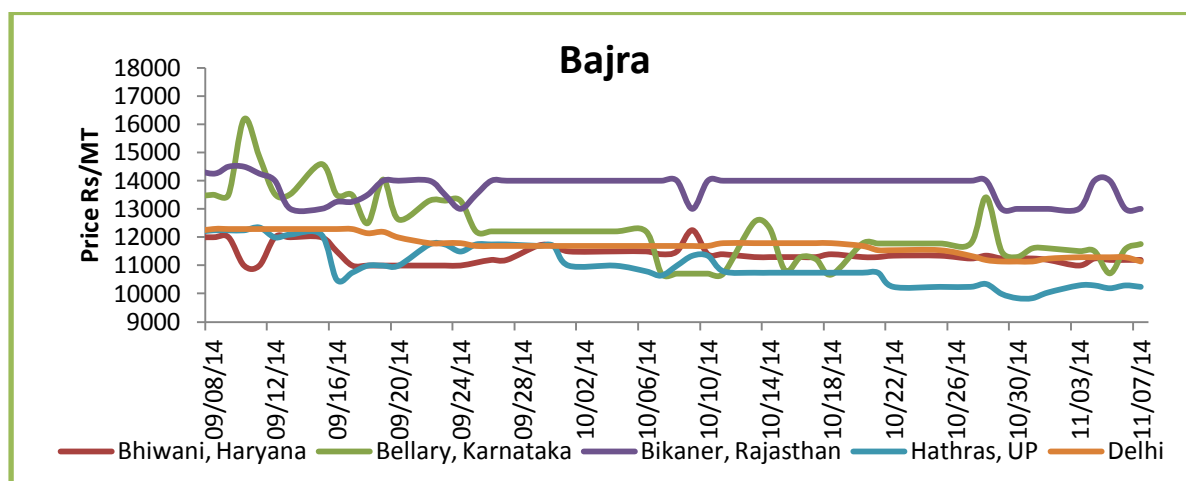
- ❖ Soy meal posted gains in line with the soybean on expected overseas and domestic demand with the increase in seasonal soybean crushing.
- ❖ However, the start in soy meal export sales in the beginning of the new 2014/15 is witnessed poor. Indian soy meal exports are expected to fall to a multi-year low of only 0.7-0.8 Mn T in Oct/Dec 2014, as forward bookings are weak.
- ❖ Reserved selling in soy products by the South American countries in recent weeks has increased the dependency on US will restrict any sharp fall in the international market in soy product.
- ❖ At same time, expected rise in the global soy meal supplies in 2014/15 season with surge in soybean production in US and expected rise in planting in Brazil and Argentina will keep the soy meal market will keep the meal under pressure during the season.
- ❖ India's soy meal prices have to be attractive in order to boost the exports unlike during 2013/14 season. Iran, France and Sri Lanka remained the key buyers of Indian soy meal during the season.

RM Seed:

- ❖ RM seed featured mild gains on buying interest among millers and the stockists during the week under review.
- ❖ The sellers were keen in offloading the seed with the extended gains, though there was no sharp rise in the seed prices. Seasonal rise in mustard oil demand subsequently increases the seed demand for crushing.

- ❖ The RM seed planting is gaining momentum in the key growing states the seed planting, as reported in previous weeks, was ahead of the previous year.
- ❖ India's RM seed planting is gaining momentum 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.
- ❖ As per Malaysian Palm Oil Board (MPOB), Malaysian palm oil stocks could drop 14 percent at end-2014 to 1.8 million tons from the 2.09 million tons hit at end-September. Moreover, ending stocks for 2015 projected at 1.7 million tons. On the production front, Malaysian palm oil production may rise to 20.5 million tons in 2015.





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

Overall steady to firm sentiments witnessed in major spot markets of maize except in Delhi and Bagalkot during the week under review due to delay in harvest and low arrivals in the market. Prices of maize increased in Davangere, Ranebennur, Nizamabad and Sangli while it traded almost unchanged in Khanna and Ludhiana last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady in a range of Rs. 1300-1360 per quintal while starch feed makers quoted maize firm by Rs. 30 per quintal to Rs.1270 -1350 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 0.0052 million tons for the period of Oct 27 to Nov 2, 2014 mainly to Malaysia, Sri Lanka , Nepal and Bahrain.

In Gulabbagh mandi, maize bilty is trading at Rs. 1100 per quintal. Maize is moving towards Kolkata at Rs. 1300-1325 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 0.35 million tons.

In Delhi, hybrid maize traded down by Rs. 10 per quintal to Rs 1260-1280 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.

In Nizamabad, maize crop contains around 13-16% moisture, bilty quoted at Rs. 1220 per quintal during last week. Sources revealed that government of A.P. has quantity of maize around 0.02 million tons at this time and continues procuring at the MSP. Maize could trade steady to range bound in the near term.

As per USDA, U.S accumulated corn export figures reached to 69,06,928 metric tons for the 2014-15 marketing year. Exports of 4,44,000 MT reported by U.S to Mexico (112,600 MT), Japan (95,700 MT), Egypt (54,400 MT), Costa Rica (38,800 MT), Colombia (32,100 MT), Peru (30,000 MT), and Guatemala (19,800 MT) for the period October 24-30, 2014.

As per the latest crop progress report released by USDA, 65% crop of corn has been harvested as of 2nd November, 2014, below 6% from the last year and 8% from the last 5 year average period.

As per Reuters news, Indonesia corn production for 2014 is estimated at 19.13 million tons, above a previous forecast at 18.55 million tons.

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.

With favorable weather wheat sowing commenced in states like MP and Gujarat last week and it is expected to begin in Punjab, Haryana and Rajasthan by the second week of November. Farmers in MP and Gujarat have covered almost 5 and 10 percent area so far. Wheat planting is almost delayed by a couple of week in Punjab Haryana and UP this year due to late harvesting of paddy .Despite late paddy harvesting area under wheat is unlike to decrease this year .

South Indian traders and flour miller had purchased 12,000 tons of premium white wheat from Australia at \$310-315/ton. They had purchased APW wheat which has a protein content of about 12 percent as the prices and transportation cost are lower than the domestic prices and logistics to reach wheat to south India.

Wheat exports from India slightly increased from 0.52 to 0.59 Lakh ton in October. Average Fob quote decreased from \$278.84 in September to \$276.86 per ton in October. However, during the review period CBOT average quote increased from \$204.33 to \$222.94 per ton.

Export from India is bound to dip due to current disparity.US and Black Sea Region crops are cheaper and it would continue to hamper Indian export opportunity in the months ahead.

According to IBIS, export of wheat in the last week of October was around 1.6 Thousand Mt. The major export destination of Indian wheat was Philippines from JNPT port which accounted .92 thousand MT at an average FOB price of \$283.54/Tn .Other countries were U.A.E and Malaysia.

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.

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.

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.

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, coarse cereals have been sown in 14.13 lakh hectares as on 31st October, 2014 during Rabi season, lower by 7.42 lakh hectares as compared to last year.

In Bikaner, stock of bajra could be around 3000 quintal, trading at Rs. 1300 per quintal. In Agra, bajra crop contain 13% moisture while in Moradabad, it contain 14% moisture.

Barley to kandla port is quoting at Rs. 1580 per quintal. As per trade sources, in Ganganagar and Hanumangarh region, around 2 lakh bags of barley could be in stock (1 bag=80 kg) which was 4 lakh bags last year during same period. Barley could trade higher due to higher demand.

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	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14
1	205.0	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0	144.0
2	192.5	135.0	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0	
3	160.0	122.0	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00	93.0	
4	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 down as maize traded down with the increase in prices of bajra during last week. We expect that maize could trade steady to firm in the near term and keep maize spread with bajra firm as compared to last week.

Maize Average Weekly spread with Jowar

Week	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14
1	450.0	357.0	318.0	269.0	-101.0	-604.0	-	-	-785.0	-781.6	-669.0	-532.0
2	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0	
3	436.0	310.0	201.0	354.0	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0	
4	446.0	320.0	245.0	207.0	-240.0	-1078.0	-	-727.5	-781.0	-795.0	-792.0	
5		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 down in the near term and keep maize spread with jowar firm as compared to last week.

Maize Average Weekly spread with Barley

Week	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14
1	185.0	127.0	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5	-166.0
2	187.5	143.0	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0	
3	157.0	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0	
4	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 down as barley traded firm during last week. We expect that barley could trade down in the near term and keep maize spread with barley firm as compared to last week.

Maize Average Weekly spread with Wheat

Week	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14
1	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0	-324.0
2	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0	
3	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0	
4	-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 decreased as wheat traded firm during last week. We expect that wheat could trade steady to weak 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)		
	7-Nov-14	31-Oct-14	Parity To
Indore (MP)	28700	28500	Gujarat, MP
Kota	28500	28500-29000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	31000	27400	Mumbai, Maharashtra
Nagpur (42/46)	29500	30700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30100	28100	Andhra, AP, Kar, TN
Latur	30800	30500	-
Sangli	31300	28300	Local and South
Sholapur	31500	31200	Local and South
Akola	29800	29500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	30100	27100	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	28400	29000	-

Soy DOC at Port

Centers	Port Price	
	7-Nov-14	31-Oct-14
Kandla (FOR) (INR/MT)	30100	30000
Kandla (FAS) (USD/MT)	489	489

International Soy DOC

Argentina FOB \$/MT	6-Nov-14	30-Oct-14	Change
Soybean Pellets	462	457	5
Soybean Cake Meal	462	457	5
Soybean Meal	470	465	5
Soy Expellers	470	465	5

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	7-Nov-14	31-Oct-14	Change
Adoni	19800	20200	-400
Khamgaon	NA	NA	-
Parli	20000	20500	-500
Latur	19700	20200	-500

Groundnut Meal

Groundnut Meal	7-Nov-14	31-Oct-14	Change
Basis 45% O&A, Saurashtra	25500	26000	-500
Basis 40% O&A, Saurashtra	22500	23000	-500
GN Cake, Gondal	25500	26000	-500

Mustard DOC/Meal

Mustard DOC/Meal	7-Nov-14	31-Oct-14	Change
Jaipur (Plant Delivery)	13700	13300	400
Kandla (FOR)	14600	14300	300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	7 Nov. ,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1280	1290	1230	1215	1440
Davangere	Bilty	1070	1000	1130	1250	1220
Nizamabad	Bilty	1220	1180	1175	NA	1250
Ahmedabad	Feed	1350	1320	1320	1375	1350
	Starch	1350	1310	1320	1305	1325

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	178.84	183.95	194.2	235.5
Cost and Freight (Thailand)	228.84	238.95	254.2	270.5

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>7-Nov-14</u>	<u>31-Oct-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1176	1161	15
		Hybrid	Bangalore	1875	1875	Unch
Jowar	Karnataka	White	Bangalore	2250	2325	-75
		White	Bellary	1082	1414	-332
Maize	Karnataka	Yellow	Davangere	1070	1000	70
	Andhra Pradesh	Yellow	Nizamabad	1160	1140	20
Rice	Haryana	IR8	Karnal	1900	2000	-100
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2870	2850	20
	Maharashtra	DOC	Sangli	3130	2830	300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	2020	-40
	Maharashtra	Ex-factory	Latur	1970	2020	-50
Mustard	Rajasthan	Plant delivery	Jaipur	1370	1330	40
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2600	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1552	1424	128

Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1260	1323	-63
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Note: Prices Rs./ Qtl

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