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Summary

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

Soybean fell on supply pressure in domestic market and bearish global outlook in soybean during the week under review.

The domestic soybean supplies are at peak and are in full swing, the average daily arrivals of Madhya Pradesh increased to 4.0 – 4.5 lakh bags which were 3.5 – 4.0 lakh bags in previous week.

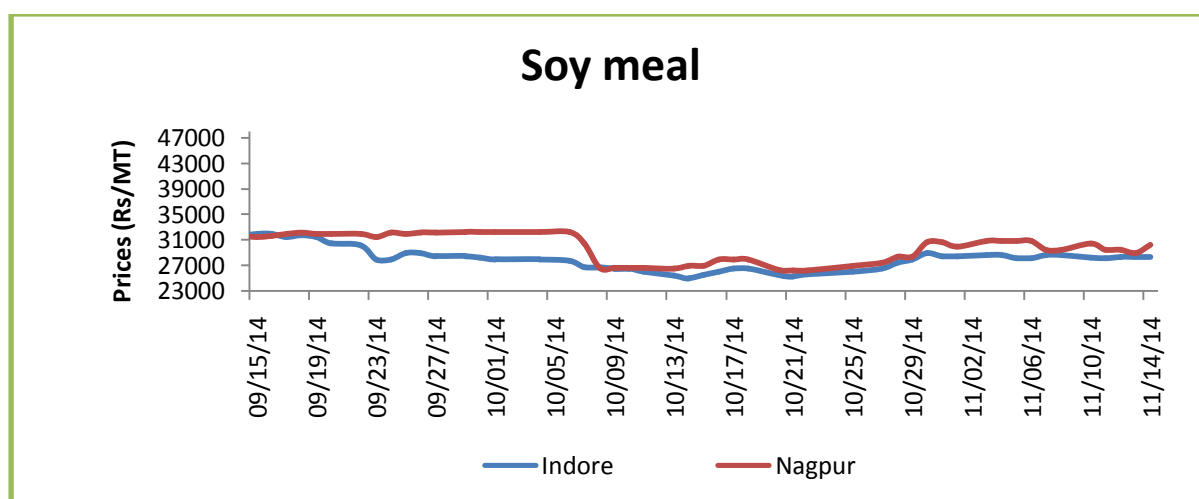
Besides, surge in seasonal US soybean supplies in the international market kept the benchmark, CBOT, both sided with increased buying at the same time. The US soybean harvesting is complete and the US soybean exports inspections are getting stronger day by day with improved buying from the major consumers.

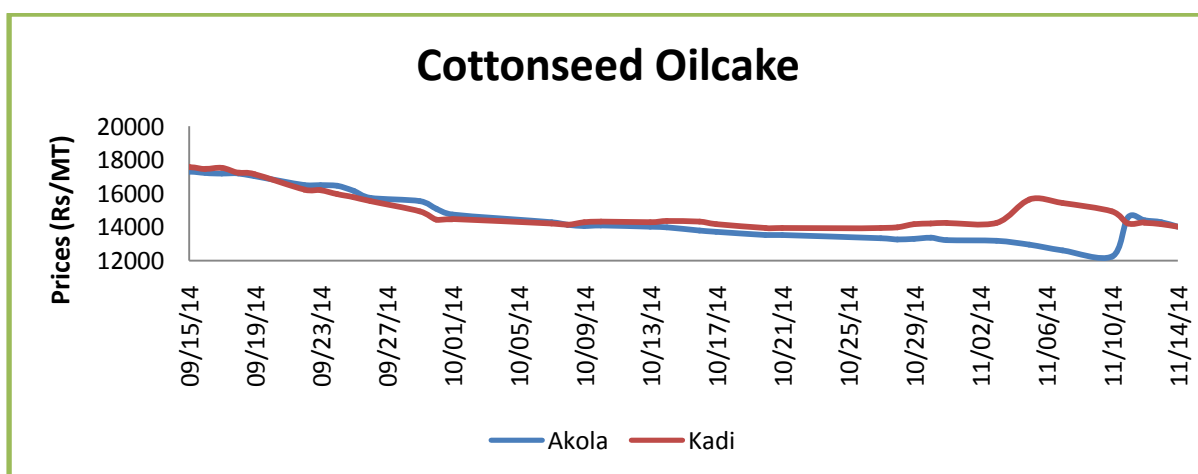
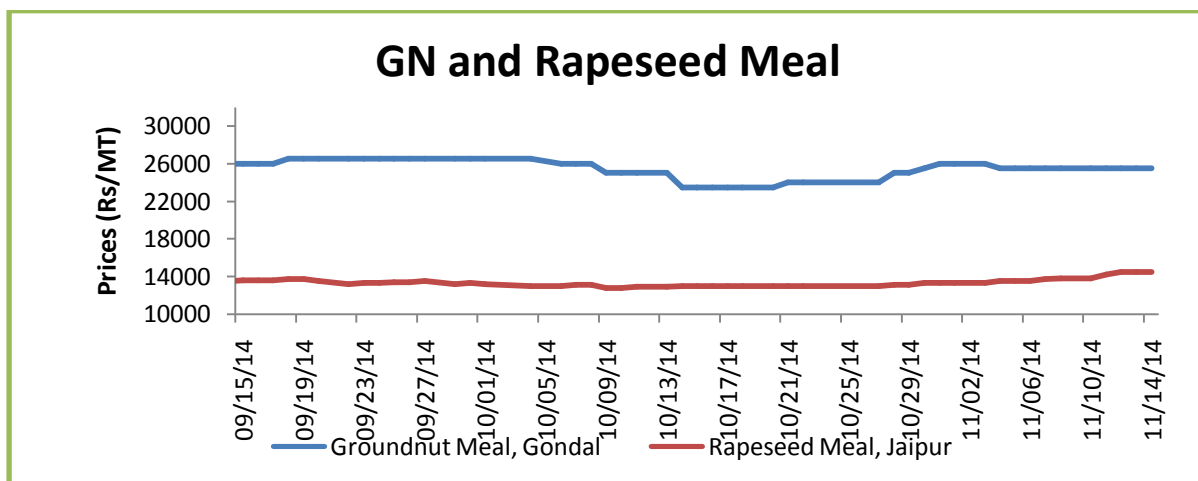
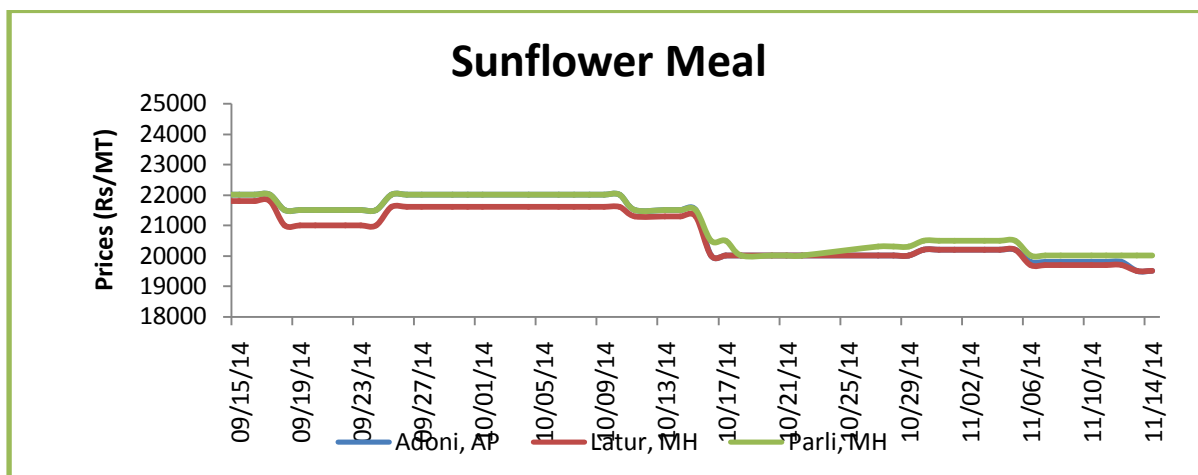
Soy meal fell in line with the soybean on supply pressure and cautious buying in anticipation of fall in the prices, during the week under review.

The forward bookings of soy meal of Indian origin is lower than expected, with the start in new season, as Indian meal sellers are unable to attract the international buyers for the prices are still not that attractive,

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

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal fell on cautious buying while RM seed extended previous gains on continued buying support in the cash market week under review.

Soybean:

- ❖ Soybean fell on supply pressure in domestic market and bearish global outlook in soybean during the week under review.
- ❖ The domestic soybean supplies are at peak and are in full swing, the average daily arrivals of Madhya Pradesh increased to 4.0 – 4.5 lakh bags which were 3.5 – 4.0 lakh bags in previous week.
- ❖ Besides, surge in seasonal US soybean supplies in the international market kept the benchmark, CBOT, both sided with increased buying at the same time. The US soybean harvesting is complete and the US soybean exports inspection are getting stronger day by day with improved buying from the major consumers.
- ❖ Bearish USDA and MPOB demand and supply reports with increased US soybean production estimates and higher palm oil inventories remained bearish for the oilseeds market.
- ❖ The soybean prices are expected to feature gains on expected rise in the buying in near-term.

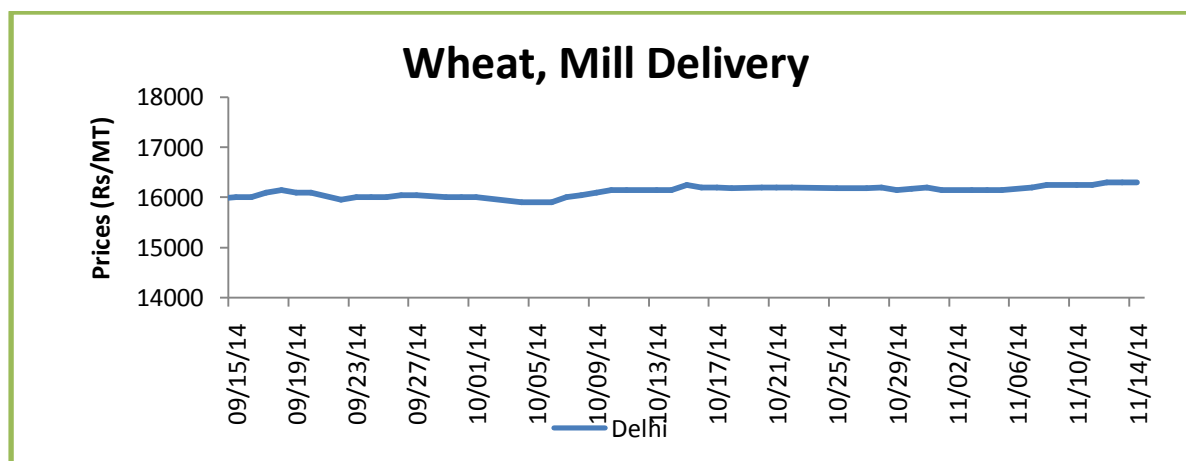
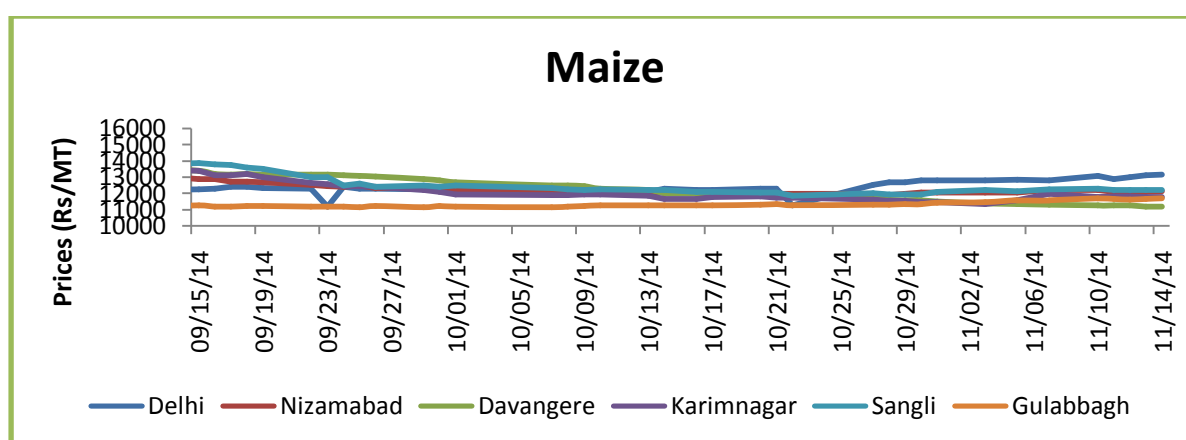
Soy meal:

- ❖ Soy meal fell in line with the soybean on supply pressure and cautious buying in anticipation of fall in the prices, during the week under review.
- ❖ The forward bookings of soy meal of Indian origin is lower than expected, with the start in new season, as Indian meal sellers are unable to attract the international buyers for the prices are still not that attractive,
- ❖ Though India recorded higher soy meal shipments in October 2014 as compared to September'14 but it was 84% lower than the same period last year.
- ❖ India's soy meal export sales during the season 2013-14 witnessed a sharp fall after the weak season for soybean due to lower bean production. India's total soy meal exports in the previous season (Oct 2013/ Sep 14) were just 2.01 Mn T against 3.45 Mn T in 2012/13. Country saw season's lowest exports in September which continued to pressure the domestic meal market.
- ❖ India's soy meal prices have to be attractive in order to boost the exports unlike during 2013/14 season. Iran, France, Indonesia, Greece and Sri Lanka remained the key buyers of Indian soy meal during the season.
- ❖ Top 3 buyers of Indian soy meal in October were also Iran, Indonesia and Sri Lanka.

RM Seed:

- ❖ RM seed extended previous gains on primarily on buying support and improved Malaysian palm oil despite weakness in crude oil during the week under review.
- ❖ The demand prospects in RM seed gets stronger with the improved seasonal demand in RM oil from Nov. thru Jan. But at the same time the seed supplies dwindle during the period on lean season, thus lending support to the seed prices during the period.

- ❖ Reports of lower yield and production in palm fruits in the Malaysia and Indonesia remained bullish for BMD CPO for short-term which boosted the CPO prices in BMD thus lending support to India's RM seed. Further,
- ❖ As per Thomas Mielke, palm oil futures could rise to between 2,300 ringgit and 2,500 ringgit per tons in the first quarter of next year. However, if Brent crude oil price correct below USD 75 per barrels may lead to losses in the CPO prices too but unlikely to drop below 2,000 ringgit a tons. The statement remained bullish for CPO.
- ❖ However, bearish MPOB data and India's higher edible oil imports remained bearish for domestic oils and fats market.
- ❖ The seed prices are expected to stronger on seasonal mustard oil demand.





In Nizamabad, maize crop contains around 14% moisture, bilty quoted firm by Rs. 5 per quintal to Rs. 1225 per quintal as compared to 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 75,07,708 metric tons for the 2014-15 marketing year. Exports of 6,00,800 MT reported by U.S to Mexico (201,000 MT), Peru (72,100 MT), Saudi Arabia (71,500 MT), Colombia (67,200 MT), Japan (66,700 MT), and Venezuela (60,000 MT). for the period October 31- Nov 06, 2014.

As per Rosario grain exchange, Argentina's 2014/15 commercial use corn harvest is projected at 21.5 million tons, lower than USDA forecast of 23 million tons.

Brazil's government crop supply agency Conab forecast corn crop at 78.1 million tons for 2014-15, higher than USDA forecast of 75 million tons.

As per the latest crop progress report released by USDA, 80% crop of corn has been harvested as of 9th November, 2014, below 2% from the last year but same from the last 5 year average period.

As per European traders, a group of Israeli private buyers purchased about 120,000 tons of corn. 60,000 ton was purchased at a premium of around \$1.14 a bushel c&f over the Chicago March 2015 corn contract for shipment between Jan. 25 to Feb. 15, 2015. Another 60,000 ton was purchased at an undisclosed but slightly lower premium over the Chicago March contract for shipment between Feb. 20 to Mar. 10, 2015. (Source: Reuters)

As per USDA, U.S corn production is forecasted lower by 68 million bushels to 14,407 million bushels for 2014/15 from the last month forecast due to decrease in yield by 0.8 bushels per acre to 173.4 bushels.

Wheat area in Punjab is likely to reduce this year and may go under sugarcane .Wheat sowing in Punjab has been started and 80% of the sowing has been completed in Sangrur district. According to the farmers of the sangrur district despite the fall in area, the production is likely to remain around 15.63 lakh tonnes in the next year, a little lower than the 15.67 lakh tonnes last year.

Wheat stock in central pool warehouses was registered at 30.13 million T on 01 November compared to 32.26 million T on 01 October 2014. The highest accumulated stock is in Punjab (11.14 million T) followed by Madhya Pradesh (5.92 million tonne) and Haryana (5.25 million Tonne) as on 01.11.2014.

As of now Wheat area is lagging behind by 52% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 4.47 lakh hactares against corresponding period of 2013-14(9.39 lakh hactares).

According to IBIS, export of wheat in the first week of November (03-09 Nov) was around 1.6 Thousand Mt. The major export destination of Indian wheat was Philippines from JNPT port which accounted .36 thousand MT at an average FOB price of \$283.55/Tn .Other countries were U.A.E and Malaysia.

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 unlikely to decrease this year.

South Indian traders and flour miller had purchased 12,000 tons of premium white wheat from Australia at \$310-315/tonne. 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.

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.

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 600 bushel.

In Bikaner, stock of bajra could be around 5000 quintal, trading at Rs. 1300 per quintal. In Agra, bajra crop contain 13% moisture while in Moradabad, it contain 14% moisture.

Outlook

Feed prices are expected to trade steady as feed ingredients prices were mixed 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	202.0
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 firm as maize traded firm with the decrease in prices of bajra during last week. We expect that both could trade steady in the near term and keep maize spread with bajra intact 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	-198.0
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 during last week. We expect that jowar could trade steady in the near term and keep maize spread with jowar unchanged 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	-40.0
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 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 in the positive tone.

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	-297.5
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 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 unchanged during next week.

Annexure

Oil Meal Prices at Key Spot Markets:
Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	14-Nov-14	7-Nov-14	Parity To
Indore (MP)	28400	28700	Gujarat, MP
Kota	28500	28500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	30500	31000	Mumbai, Maharashtra
Nagpur (42/46)	30250	29500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	29900	30100	Andhra, AP, Kar, TN
Latur	31000	30800	-
Sangli	30700	31300	Local and South
Sholapur	30800	31500	Local and South
Akola	29500	29800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	29800	30100	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	28500	28400	-

Soy DOC at Port

Centers	Port Price	
	14-Nov-14	7-Nov-14
Kandla (FOR) (INR/MT)	30125	30100
Kandla (FAS) (USD/MT)	489	489

International Soy DOC

Argentina FOB \$/MT	12-Nov-14	6-Nov-14	Change
Soybean Pellets	447	462	-15
Soybean Cake Meal	447	462	-15
Soybean Meal	455	470	-15
Soy Expellers	455	470	-15

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	14-Nov-14	7-Nov-14	Change
Adoni	19500	19800	-300
Khamgaon	NA	NA	-
Parli	20000	20000	Unch
Latur	19500	19700	-200

Groundnut Meal

Groundnut Meal	14-Nov-14	7-Nov-14	Change
Basis 45% O&A, Saurashtra	25500	25500	Unch
Basis 40% O&A, Saurashtra	22500	22500	Unch
GN Cake, Gondal	25500	25500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	14-Nov-14	7-Nov-14	Change
Jaipur (Plant Delivery)	14500	13700	800
Kandla (FOR)	15500	14600	900

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	14 Nov. ,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1300	1280	1225	1225	1440
Davangere	Bilty	1080	1070	1100	1250	1200
Nizamabad	Bilty	1225	1220	1175	NA	1275
Ahmedabad	Feed	1280	1350	1340	1370	1320
	Starch	1250	1350	1320	1290	1300

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	186.52	183.75	201.3	238.32
Cost and Freight (Thailand)	236.52	238.75	261.3	273.32

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>14-Nov-14</u>	<u>7-Nov-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1146	1176	-30
		Hybrid	Bangalore	1600	1875	-275
Jowar	Karnataka	White	Bangalore	2200	2250	-50
		White	Bellary	1354	1082	272
Maize	Karnataka	Yellow	Davangere	1080	1070	10
	Andhra Pradesh	Yellow	Nizamabad	1150	1160	-10
Rice	Haryana	IR8	Karnal	1900	1900	Unch
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2874	2870	4
	Maharashtra	DOC	Sangli	3070	3130	-60
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1950	1980	-30
	Maharashtra	Ex-factory	Latur	1950	1970	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1450	1370	80
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2550	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1397	1552	-155

Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1395	1260	135
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Note: Prices Rs./ Qtl

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