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Summary

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

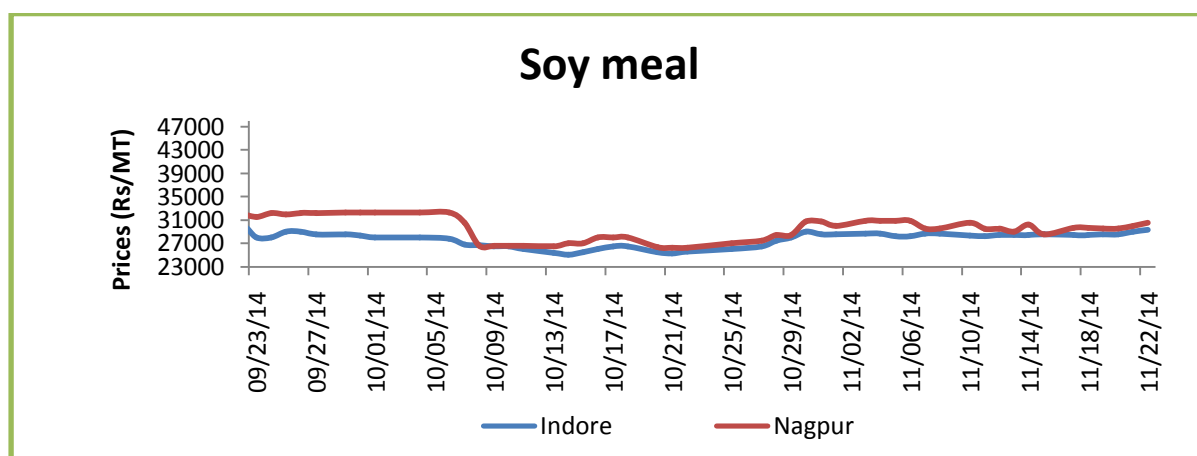
Soybean remained flat on cautious buying and weak international soy benchmark. Currently, the soybean market is looking for a direction. Buying remained sluggish as the buyers are anticipating fall in the bean prices.

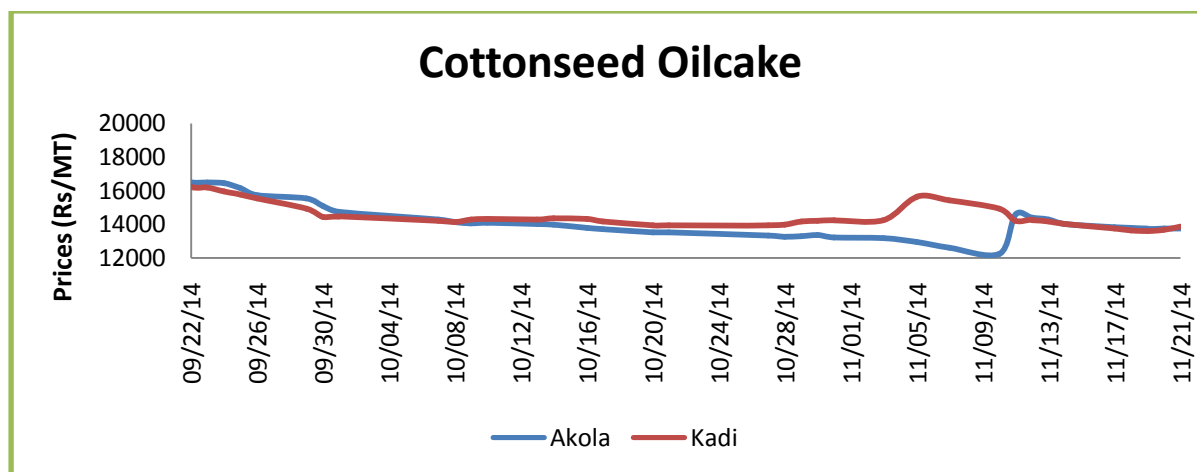
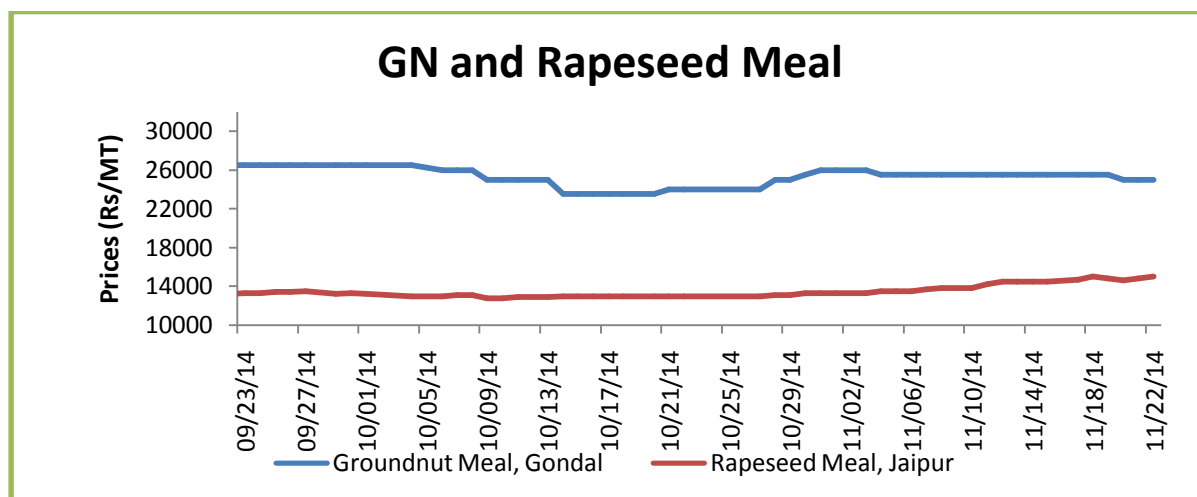
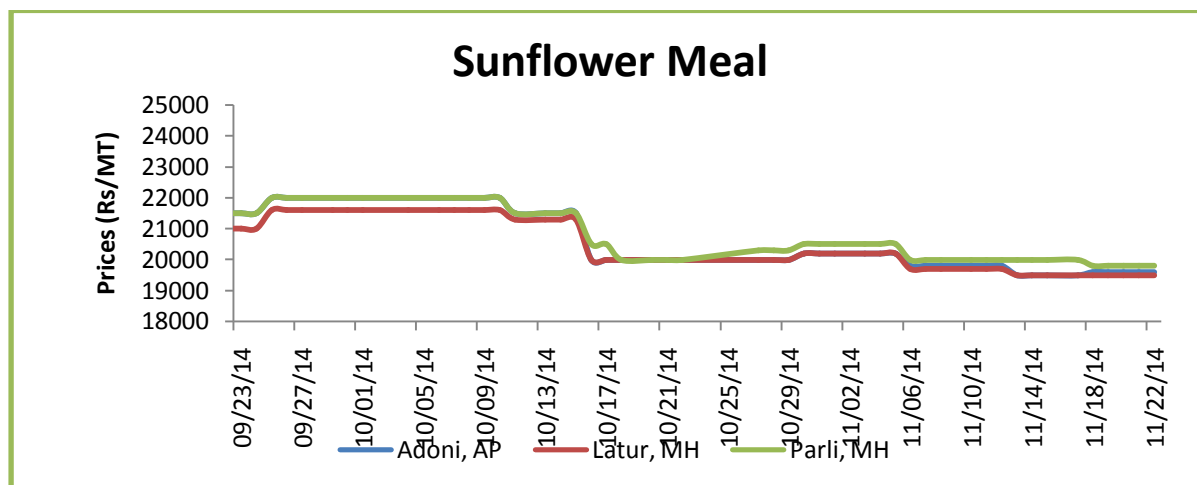
Besides, rising Malaysian palm oil inventories due to weak palm oil export sales in recent weeks too remained a bearish factor for domestic oilseeds.

Soy meal posted mild gains on expectations of rise in the meal demand in the new season. Improved overseas demand in October, new season, and fresh seasonal domestic demand from poultry and poultry feed industry remained supportive for the meal.

However, mixed sentiments witnessed in major spot markets of maize during the week under review.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean remained under supply pressure while soy meal and RM seed posted gains on supportive buying during the week under review.

Soybean:

- ❖ Soybean remained flat on cautious buying and weak international soy benchmark. Currently, the soybean market is looking for a direction. Buying remained sluggish as the buyers are anticipating fall in the bean prices.
- ❖ Besides, rising Malaysian palm oil inventories due to weak palm oil export sales in recent weeks too remained a bearish factor for domestic oilseeds.
- ❖ The domestic soybean supplies are in full swing, the average daily arrivals of Madhya Pradesh fell to 3.0 – 3.25 lakh bags which were 4.0 – 4.5 lakh bags in previous week.
- ❖ The domestic soybean market will closely follow the international benchmark, CBOT soy and BMD CPO. The bean prices are reeling under pressure due to bearish global supply scenario in conjunction sharp fall in crude oil.
- ❖ Net US weekly export sales of soybean was a marketing year low, were down 55% from previous week and 68% from the prior 4-week average, the US soybean exports remained stronger in recent weeks.
- ❖ Prolonged dry weather situation in South America has hit the soybean planting and germination of the seed in the region.

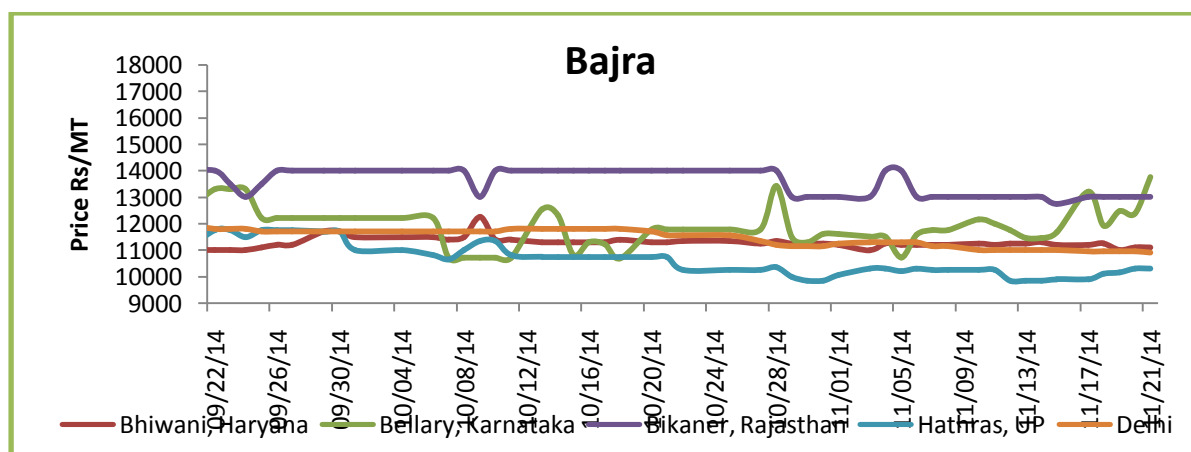
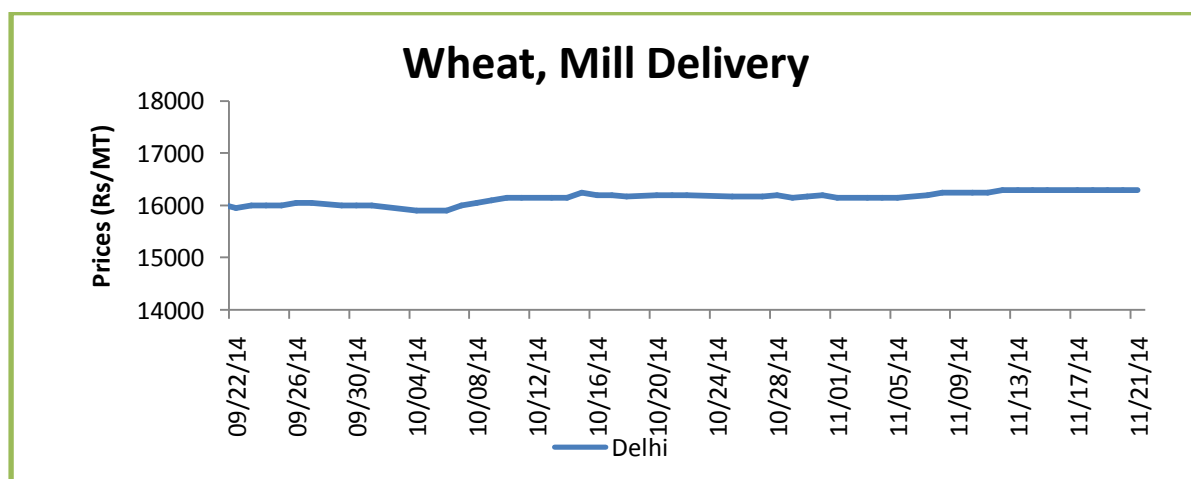
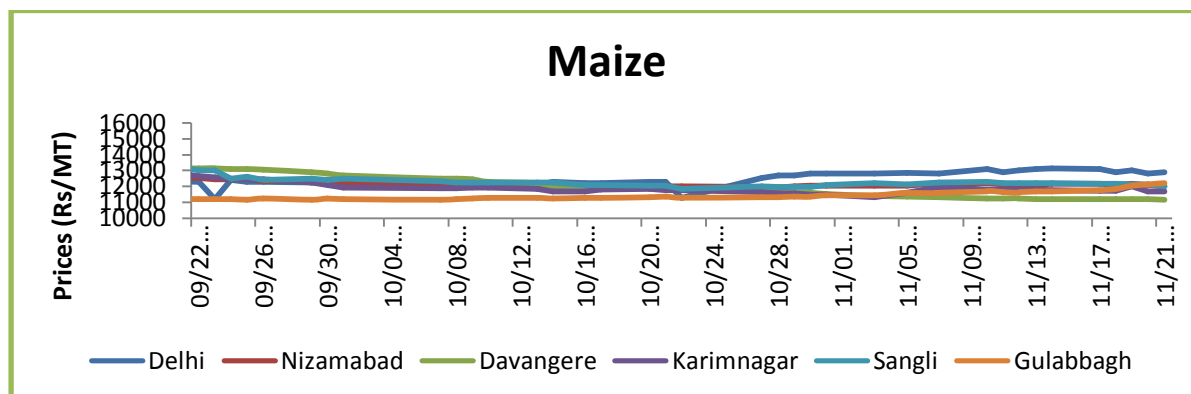
Soy meal:

- ❖ Soy meal posted mild gains on expectations of rise in the meal demand in the new season. Improved overseas demand in October, new season, and fresh seasonal domestic demand from poultry and poultry feed industry remained supportive for the meal.
- ❖ The domestic soy meal demand increases with the rise in poultry consumption in winter which keeps the market stable. Besides, overseas meal demand gets shifted to India with increased pace in the soybean crushings.
- ❖ However, global supply pressure and weakness in crude in conjunction with subdued Malaysian palm oil limited the upside in domestic soy meal.
- ❖ India's soy meal shipments in October 2014 rose as compared to September'14 but it was 84% lower than the same period last year.

RM Seed:

- ❖ RM seed witnessed gains primarily on supportive buying in the cash market during the week under review. Improved seasonal demand in the mustard seed oil in the key consuming regions and gradual fall in the RM seed supplies continued to support the seed market during the week.
- ❖ The mustard oil consumption improves as the weather temperature dips in the key consuming region with increased consumption of snack and fries.

- ❖ India's mustard seed planting is in full swing and currently the area coverage is ahead last year, during the same period. We expect India's total area under RM seed to be near previous season, which was 71.4 lakh hectares.
- ❖ However, fall in Malaysian palm oil exports and crude mineral oil limited the gains. Now that there are signs of some recovery in crude oil, which if sustain, we can expect Malaysian palm oil to improve with the falling supplies with estimated lower yield in the palm fruit in key growing countries.



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 increased in Gadag, Nizamabad and Khanna while it decreased in Shimoga, Ranebennur, Bagalkot, Sangli and Ahmadabad. It traded almost unchanged in Delhi, Davangere and Ludhiana last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1200-1300 per quintal while starch feed makers quoted maize down by Rs. 20 per quintal to Rs. 1200-1280 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 1.074 million tons for the period of Nov 10 to Nov 16, 2014 mainly to Malaysia, Vietnam, Nepal, Singapore and UAE.

In Gulabghat mandi, maize bilty is trading higher at Rs. 1270 per quintal. Maize is moving towards Kolkata at Rs. 1400-1425 per quintal on delivered basis sourced from Naugachia region of Bihar. Maize could trade slightly firm amid good demand from Kolkata feed makers.

In Davangere, moisture in maize vary from 14-20%. Dry maize is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1220 per quintal, Rs. 1280 per quintal and Rs. 1160 per quintal respectively, sourced from Davangere. Sources revealed that government of Karnataka has stock of maize around 0.35 million tons. Maize could trade steady in the near term.

In Delhi, hybrid maize traded steady at Rs 1290-1310 per qtl. as compared to last week, sourced from U.P. Sources revealed that stock of maize could be around 50000-60000 quintal. Maize could trade steady to weak in the near term.

In Nizamabad, maize crop contains around 14% moisture, bilty quoted firm by Rs. 5 per quintal to Rs. 1230 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 78,94,652 metric tons for the 2014-15 marketing year. Exports of 3,86,900 MT reported by U.S to Japan (139,800 MT), Mexico (94,900 MT), Colombia (56,600 MT), Peru (34,800 MT), Guatemala (22,600 MT), and Honduras (14,800 MT) for the period Nov 07- Nov 13, 2014.

As per the latest crop progress report released by USDA, 89% crop of corn has been harvested as of 16th November, 2014, below 1% from the last year above 1% from the last 5 year average period.

Informa Economics raised its projection for U.S. 2015 corn plantings by 0.531 million acres to 88.331 million acres from the last month.

Early sown wheat crop in Punjab Haryana UP Rajasthan and Gujarat is under tile ring stage and germination is set to be over 90% of the sown seed. In some area farmers are thinking of second

irrigation as crop has entered into sprouting stage. Crop in these states are rated good to excellent condition so far one pre monsoon rain is expected at this point of time which may prove more beneficial to the wheat crop.

Wheat sowing in various part of the country is on full swing backed up by favorable weather .In khanna region of Punjab, wheat sowing reach at 70% of expected area .In Indore region of MP it is nearing complete ion of around 80%.however it is slower Bhopal where 50% area has been sown till date. In swarashtra region of Gujarat sowing is over by 90% .Weather remains favorable and theses region sowing is likely to over by 1st week of December.

Despite ample supply from private and central pool wheat price is bound to move slightly up in the coming weeks due to seasonal factors like lower supply of premium grade wheat, normal demand from whole sellers, retailers and flour millers. However any spike from current level is unlikely as supply from central pool stock through tender and it will remain restrictive to the market fundamental.

According to IBIS, export of wheat in the second week of November (10-16 Nov) was around 1.3 Thousand Mt. The major export destination of Indian wheat was Philippines from JNPT port which accounted .85 thousand MT at an average FOB price of \$283.98/Tn .Other countries were U.A.E and Malaysia.

As of now Wheat area is lagging behind by 18% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 42.88 lakh hactares against corresponding period of 2013-14(52.50 lakh hactares).

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 tons in the next year, a little lower than the 15.67 lakh tons 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.

Global wheat market may trade steady to firm due to unfavorable weather condition. Market may test the first resistance level of 590 cent per bushel in the short term. However, better production world over and higher marketable surplus would not allow market to go for any Bull Run. We expect market to trade in the range of \$190 to \$220 per T.

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	207.0
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 bajra traded down during last week. We expect that bajra could trade steady to firm in the near term and keep maize spread with bajra down 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	-200.0
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 down as maize traded slightly down with the steady price movement in jowar during last week. We expect that trend could continue in the near term and keep maize spread with jowar down 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	-52.0
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 steady in the near term and keep maize spread with barley down 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	-297.5
3	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0	-307.0
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 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)		
	21-Nov-14	14-Nov-14	Parity To
Indore (MP)	28700-29000	28400	Gujarat, MP
Kota	28500	28500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	30300	30500	Mumbai, Maharashtra
Nagpur (42/46)	30000	30250	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	29700	29900	Andhra, AP, Kar, TN
Latur	31000	31000	-
Sangli	29900	30700	Local and South
Sholapur	30500	30800	Local and South

Akola	29200	29500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	29300	29800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	28500	28500	-

Soy DOC at Port

Centers	Port Price	
	21-Nov-14	14-Nov-14
Kandla (FOR) (INR/MT)	30475	30125
Kandla (FAS) (USD/MT)	493	489

International Soy DOC

Argentina FOB \$/MT	20-Nov-14	12-Nov-14	Change
Soybean Pellets	421	447	-26
Soybean Cake Meal	421	447	-26
Soybean Meal	429	455	-26
Soy Expellers	429	455	-26

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	21-Nov-14	14-Nov-14	Change
Adoni	19600	19500	100
Khamgaon	NA	NA	-
Parli	19800	20000	-200
Latur	19500	19500	Unch

Groundnut Meal

Groundnut Meal	21-Nov-14	14-Nov-14	Change
Basis 45% O&A, Saurashtra	25200	25500	-300
Basis 40% O&A, Saurashtra	22200	22500	-300
GN Cake, Gondal	25000	25500	-500

Mustard DOC/Meal

Mustard DOC/Meal	21-Nov-14	14-Nov-14	Change
Jaipur (Plant Delivery)	14800	14500	300
Kandla (FOR)	15500	15500	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21 Nov. ,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1300	1300	1250	1240	1450
Davangere	Bilty	1080	1080	1000	1220	1200
Nizamabad	Bilty	1230	1225	NA	NA	1275
Ahmedabad	Feed	1250	1280	1340	1340	1280
	Starch	1250	1260	1320	1300	1260

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	187.07	187.35	187.16	257.11
Cost and Freight (Thailand)	237.07	242.35	247.16	292.11

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	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>21-Nov-14</u>	<u>14-Nov-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1376	1146	230
		Hybrid	Bangalore	1400	1600	-200
Jowar	Karnataka	White	Bangalore	1800	2200	-400
		White	Bellary	1569	1354	215
Maize	Karnataka	Yellow	Davanger e	1080	1080	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1150	1150	Unch
Rice	Haryana	IR8	Karnal	NA	1900	-
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2900	2840	60
	Maharashtra	DOC	Sangli	2990	3070	-80
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1960	1950	10
	Maharashtra	Ex-factory	Latur	1950	1950	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1480	1450	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2550	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1385	1403	-18
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1376	1402	-26

Note: Prices Rs./ Qtl

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