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Summary

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

Soybean edged-up on demand from solvent extractors and supplies declining from its recent peak, when harvesting was in full swing.

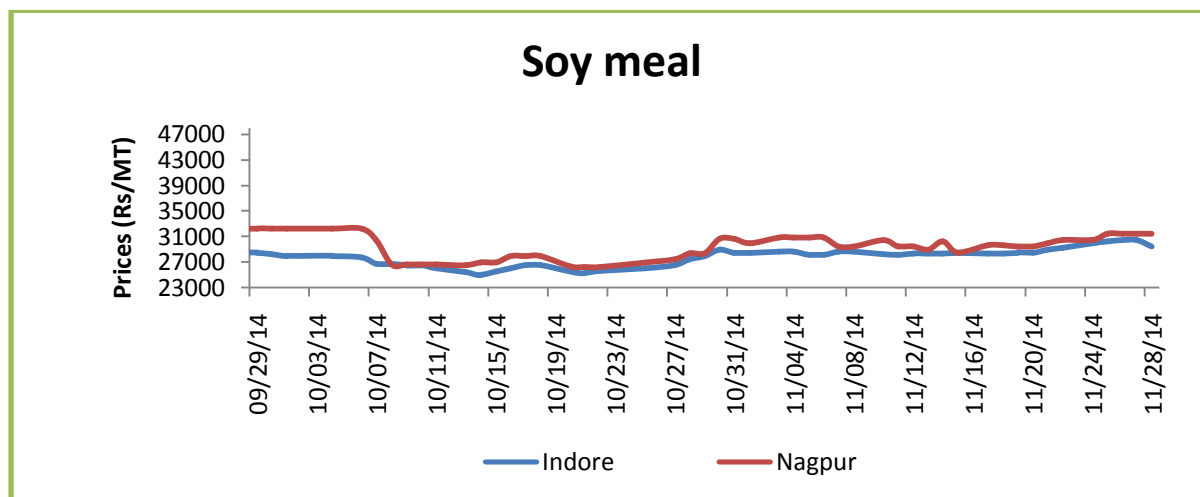
The solvent extractors and stockists are covering their stocks for their crushing needs in future and to meet soy meal exports/forward booking obligations.

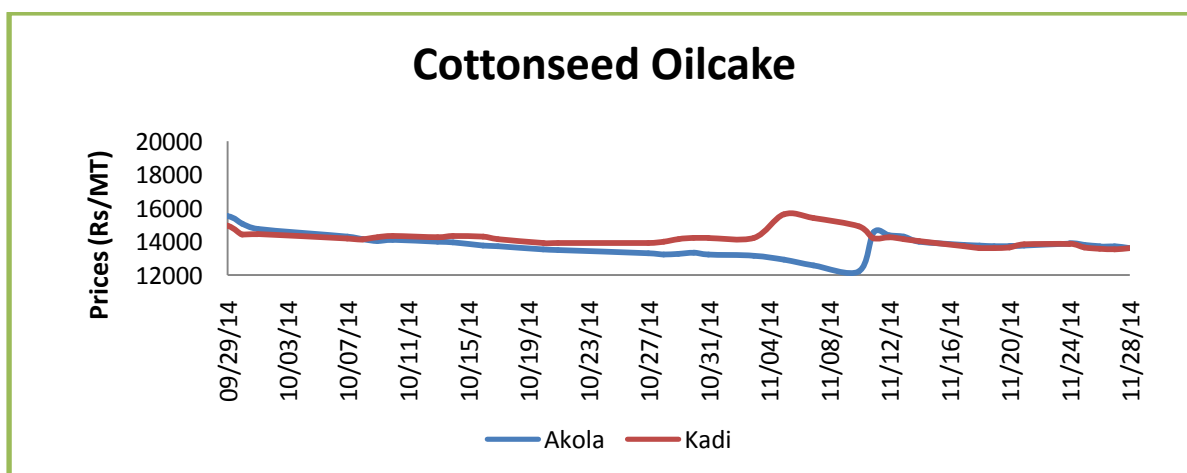
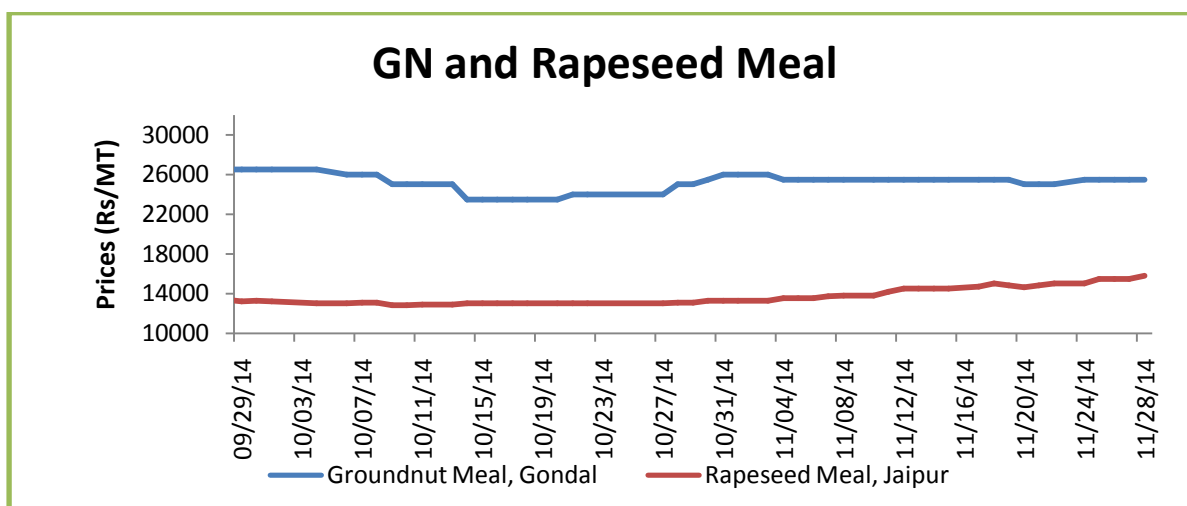
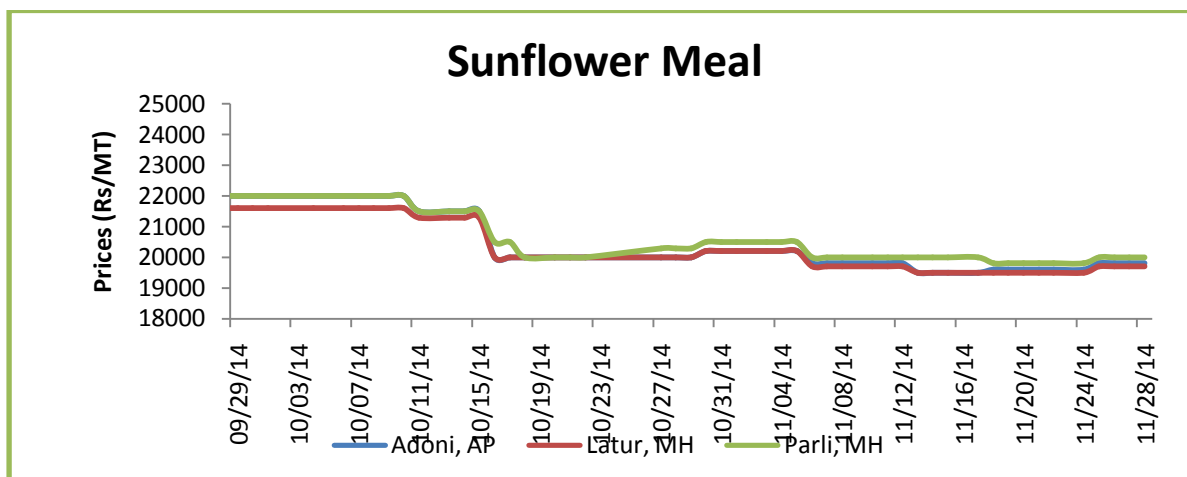
Soy meal extended previous gains in association with soybean during the week under review. Improved overseas demand in October, new season, and fresh seasonal domestic demand from poultry and poultry feed industry remained supportive for the meal.

Wheat market was traded steady to firm due to firmness in International wheat market.

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

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, meal posted gains in conjunction with RM seed on fresh buying during the week under review. Falling supplies too remained supportive for the market.

Soybean:

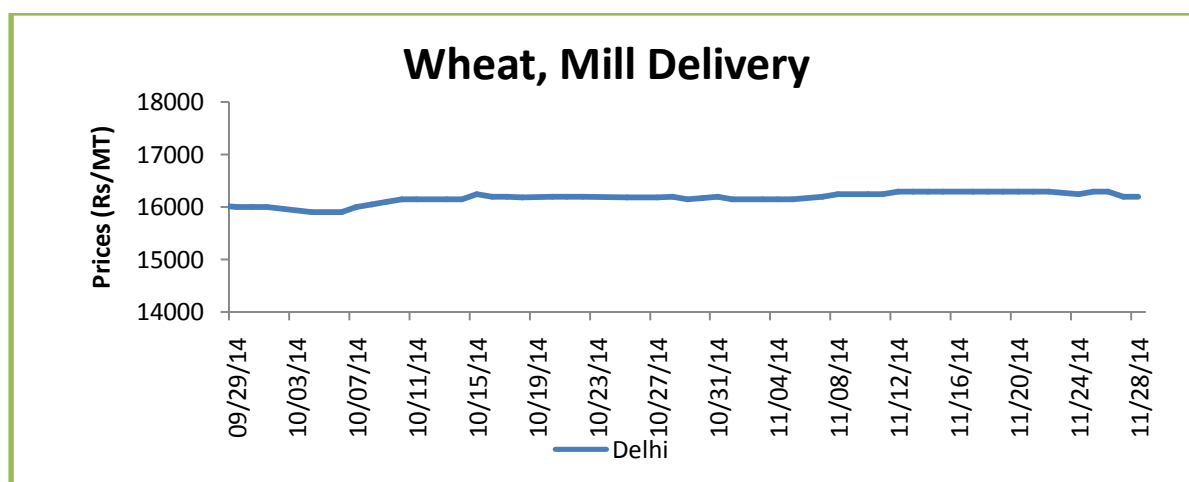
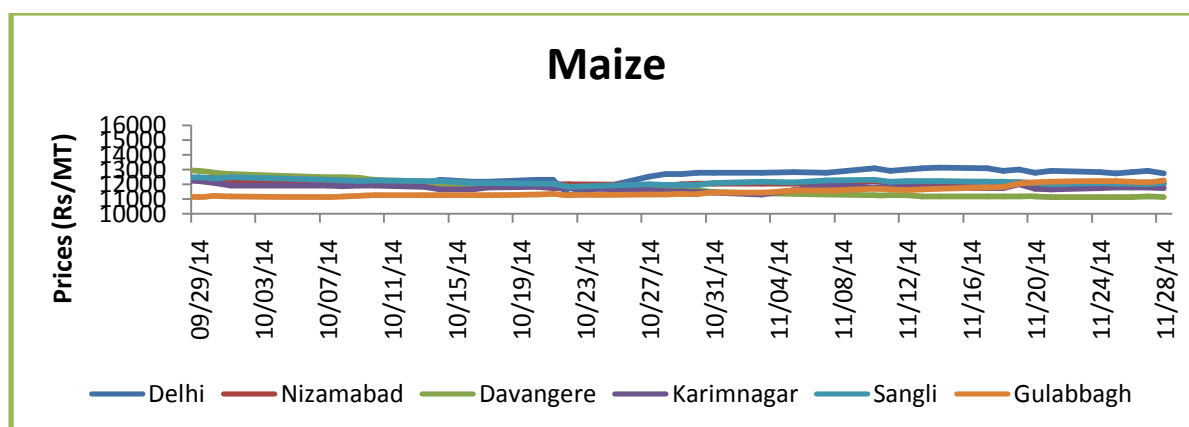
- ❖ Soybean edged-up on demand from solvent extractors and supplies declining from its recent peak, when harvesting was in full swing.
- ❖ The solvent extractors and stockists are covering their stocks for their crushing needs in future and to meet soy meal exports/forward booking obligations.
- ❖ The domestic soybean supplies continued to ease from its peak, the daily average arrivals of Madhya Pradesh fell to 2.4 - 2.5 lakh bags which were 3.0 – 3.25 lakh bags in previous week and 4.5 – 5 lakhs a couple of weeks back.
- ❖ Further, international soybean market remained supportive for the domestic bean during the week under review. The US soybean exports inspection remained strong in previous weeks which remained supportive. Besides, China is expected to boost its soybean buying in coming weeks to cover its state inventories. Its imports were lower in October.
- ❖ Further, the concern regarding plantings and crop prospects in South America has eased with improved moisture conditions in several growing areas in the region. The soybean plantings Argentina is complete by 44.8% of the total estimated but still behind above 1.0 Mn ha from same period last year.

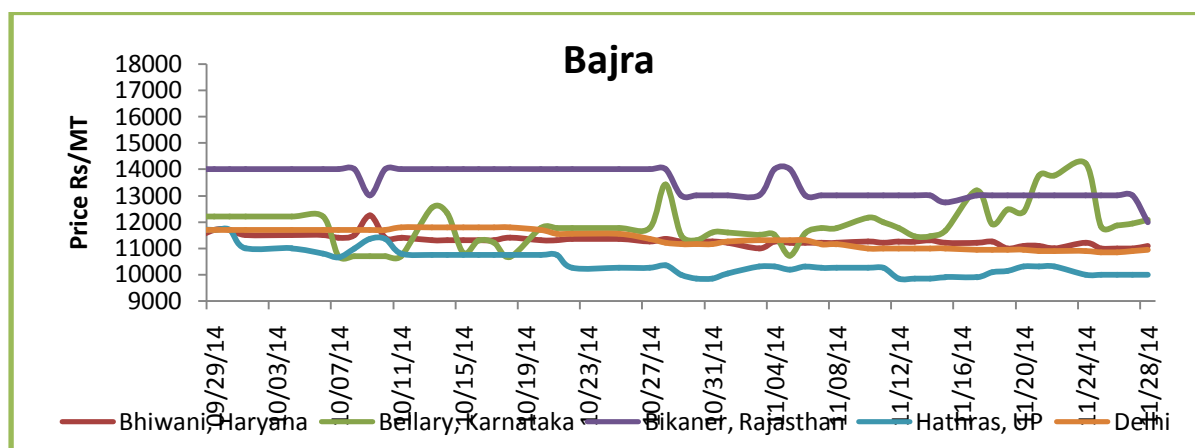
Soy meal:

- ❖ Soy meal extended previous gains in association with soybean during the week under review. 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 soy meal market stable. Further, 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.
- ❖ India's soy meal export sales suffered during the 2013-14 season and 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.
- ❖ 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.

RM Seed:

- ❖ RM seed continued upward trend on continued buying support from millers and the stockists to meet the fresh seasonal mustard oil demand.
- ❖ As discussed earlier, that 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 but it is lagging 4.7% compared to the same period last year and. We expect India's total area under RM seed to be near previous season, which was 71.4 lakh hectares.
- ❖ However, weakness in Malaysian palm oil followed by fall in crude mineral oil and lower exports limited the gains in the RM seed.





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

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1250-1280 per quintal while starch feed makers quoted maize steady at Rs.1220 -1280 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 0.02 million tons for the period of Nov 17 to Nov 23, 2014 mainly to, Vietnam, Nepal, Malaysia, Singapore and Indonesia.

In Gulabghat mandi, maize bilty is trading steady at Rs. 1270 per quintal. Maize is moving towards Kolkata at Rs. 1425-1450 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 crop is around 14-15%. It is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1220 per quintal, Rs. 1180 per quintal and Rs. 1160 per quintal respectively, sourced from Davangere. Sources revealed that government of Karnataka has stock of maize around 0.20 million tons. Maize could trade steady in the near term.

In Delhi, hybrid maize traded down by Rs. 20 per quintal to Rs 1260-1290 per qtl. as compared to last week, sourced from U.P. Sources revealed that stock of maize could be around 50000 quintal. Maize could trade steady in the near term.

In Nizamabad, maize crop contains around 14% moisture, bilty quoted steady at 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 85,11,055 metric tons for the 2014-15 marketing year. Exports of 6,16,400 MT reported by U.S to Mexico (149,100 MT), Egypt (131,100 MT), Colombia (104,800 MT), Japan (88,400 MT), Venezuela (40,000 MT), and Panama (19,000 MT) for the period Nov 14- Nov 20, 2014.

The International Grains Council raised its forecast for the 2014/15 global corn production by 2 million tons to 982 million tons from the previous month forecast; mainly because of an upward revision to production in China.

As per European traders, South Korea's Major Feedmill Group has purchased 126,000 tons of corn for arrival in March 2015, likely to be sourced optionally from the U.S. (Pacific North West or Gulf ports), Europe, South America or South Africa. One consignment of 63,000 tons was purchased at \$213.95 a ton c&f plus a \$1.50 a ton surcharge for additional port unloading. Another 63,000 tons was purchased at \$214.25 a ton c&f plus a \$1.50 a ton surcharge for additional port. Meanwhile, South Korea's largest feedmaker Nonghyup Feed Inc. purchased 93,000 tons corn for shipment from the U.S. Pacific North West coast around Feb. 5-24, 2015, with arrival around Mar. 20, 2015. Some 63,000 tons was purchased at \$212.75 a ton c&f and 30,000 tons at a premium of \$1.75 c&f over the Chicago March 2015 corn contract. The purchases also had an additional \$1.50 a ton surcharge for additional port unloading. (Source: Reuters)

As per the latest crop progress report released by USDA, 94% crop of corn has been harvested as of 23rd November, 2014, same from the last year but above 2% from the last 5 year average period.

Indian wheat Fob prices have fallen down to be competitive in the international market. Australia Fob is in the range of \$260-265 and USA fob is also increasing due to weather concerns. If Indian wheat fob (which is in the range of \$265-270) may decline more it might get the better export opportunity in near term.

According to IBIS, export of wheat in the third week of November (17-23 Nov) was around 16 Thousand Mt. The major export destination of Indian wheat was U.A.E from Kandla port which accounted 15 thousand MT at an average FOB price of \$261.28/Tn .Other countries were Philippines and Malaysia.

As of now Wheat area has slightly increased by 2% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 161.57 lakh hectares against corresponding period of 2013-14(159.11 lakh hectares).

Sowing of wheat in Rajkot region of Gujarat is almost 15% completed, wheat area in this region may decrease as compare to last year due to lack of water availability and less rain. Wheat area may go to dhaniya or zeera as farmers are getting good prices for these commodities and they need less water as well.

The Inflation of wheat has decreased to -1.92% in the month of October as compare to -1.50% in the month of September. WPI has decreased to 209.5 in October as compare to 209.7 in the month of September. Record production and no export demand are the main reason for the decrease in WPI.

Early sown wheat crop in Punjab Haryana UP Rajasthan and Gujarat is under tile ring stage and germination is set to be over 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 swarastra region of Gujarat sowing is over by 90% .Weather remains favorable and theses region sowing is likely to over by 1st week of December.

Global wheat market may trade steady to firm due to unfavorable weather condition. Market may test the first resistance level of 660 cent per bushel in the short term. We expect market to trade in the range of \$215 to \$245 per T.

Outlook

Feed prices are expected to trade steady to firm as feed ingredients prices were slightly 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	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	182.5
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 vs. 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	-200.0
4	446.0	320.0	245.0	207.0	-240.0	-1078.0	-	-727.5	-781.0	-795.0	-792.0	-228.0
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 down with the steady price movement in jowar during last week. We expect that maize spread with jowar could be unchanged with the steady price movement in both.

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	-154.0
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 intact 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	-306.0
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 almost steady as both traded down during last week. We expect that both could trade steady in the near term and keep maize spread with wheat intact for the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	28-Nov-14	21-Nov-14	Parity To
Indore (MP)	29500	28700-29000	Gujarat, MP
Kota	29500	28500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	30200	30300	Mumbai, Maharashtra
Nagpur (42/46)	31500	30000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30200	29700	Andhra, AP, Kar, TN
Latur	31000	31000	-
Sangli	31500	29900	Local and South
Sholapur	31000	30500	Local and South
Akola	29700	29200	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29800	29300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	30000	28500	-

Soy DOC at Port

Centers	Port Price	
	28-Nov-14	21-Nov-14
Kandla (FOR) (INR/MT)	31200	30475
Kandla (FAS) (USD/MT)	503	493

International Soy DOC

Argentina FOB \$/MT	25-Nov-14	20-Nov-14	Change
Soybean Pellets	461	421	40
Soybean Cake Meal	461	421	40
Soybean Meal	469	429	40
Soy Expellers	469	429	40

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	28-Nov-14	21-Nov-14	Change
Adoni	19800	19600	200
Khamgaon	NA	NA	-
Parli	20000	19800	200
Latur	19700	19500	200

Groundnut Meal

Groundnut Meal	28-Nov-14	21-Nov-14	Change
Basis 45% O&A, Saurashtra	26000	25200	800
Basis 40% O&A, Saurashtra	23000	22200	800
GN Cake, Gondal	25500	25000	500

Mustard DOC/Meal

Mustard DOC/Meal	28-Nov-14	21-Nov-14	Change
Jaipur (Plant Delivery)	15800	14800	1000
Kandla (FOR)	16600	15500	1100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	28 Nov. ,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1270	1300	1270	1230	1450
Davangere	Bilty	1050	1080	1080	1180	1160
Nizamabad	Bilty	1225	1230	1180	1200	1225
Ahmedabad	Feed	1270	1250	1350	1320	1270
	Starch	1250	1250	1310	1320	1280

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	189.86	189.25	189.06	261.5

Cost and Freight (Thailand)	239.86	244.25	249.06	296.5
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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

Commodity	State	Variety	Centre	28-Nov-14	21-Nov-14	Change
Bajra	Karnataka	Hybrid	Bellary	1208	1376	-168
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1950	1800	150
		White	Bellary	1168	1569	-401
Maize	Karnataka	Yellow	Davanger e	1050	1080	-30
	Andhra Pradesh	Yellow	Nizamaba d	1150	1150	Unch
Rice	Haryana	IR8	Karnal	NA	NA	-
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2900	2900	Unch
	Maharashtra	DOC	Sangli	3100	2990	110
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	1960	20
	Maharashtra	Ex-factory	Latur	1970	1950	20
Mustard	Rajasthan	Plant	Jaipur	1580	1480	100

		delivery				
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2550	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1355	1385	-30
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1358	1376	-18

Note: Prices Rs./ Qtl

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