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## Summary

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

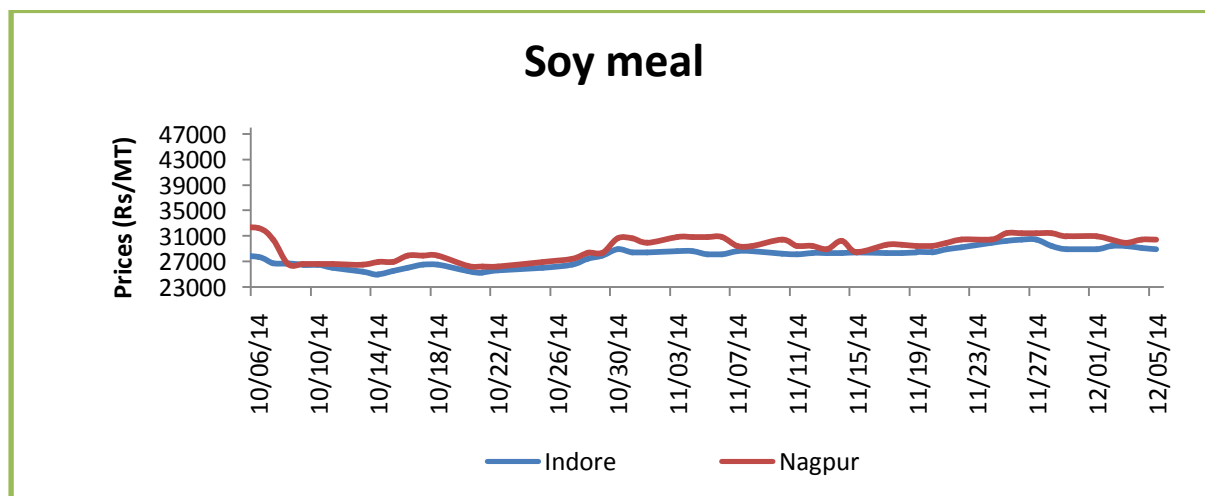
Soybean featured losses on sluggish buying and weak soy meal export sales and weak international soybean market.

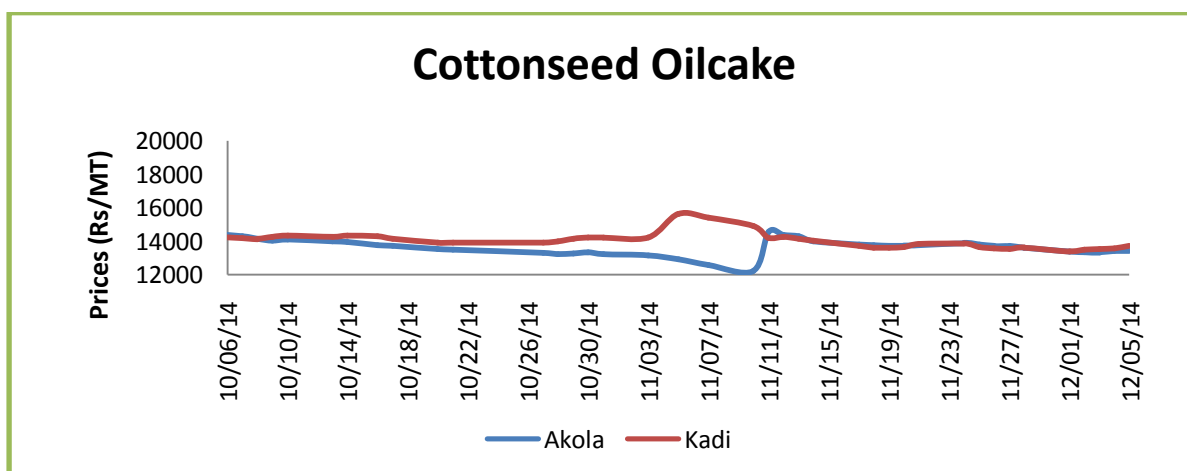
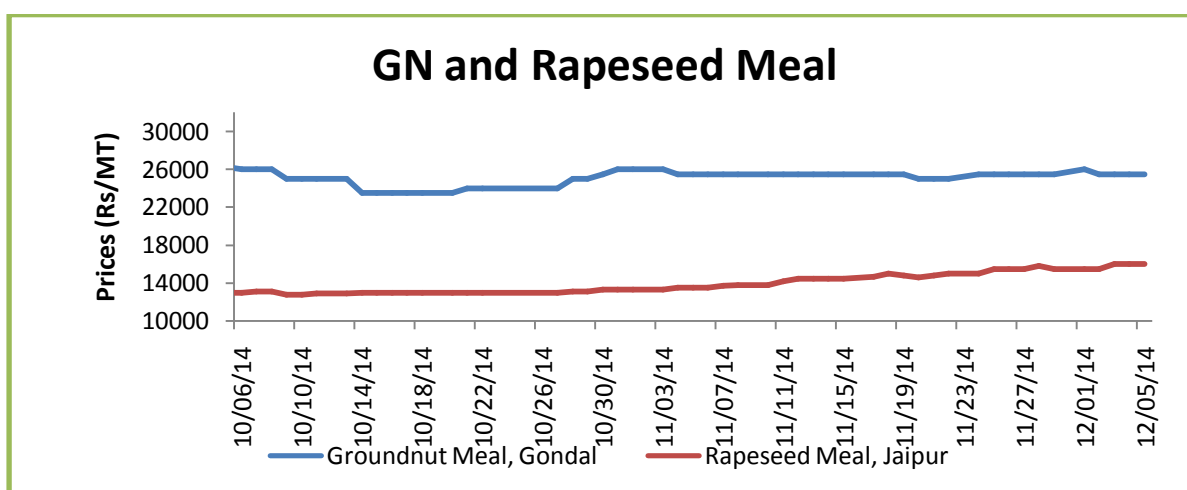
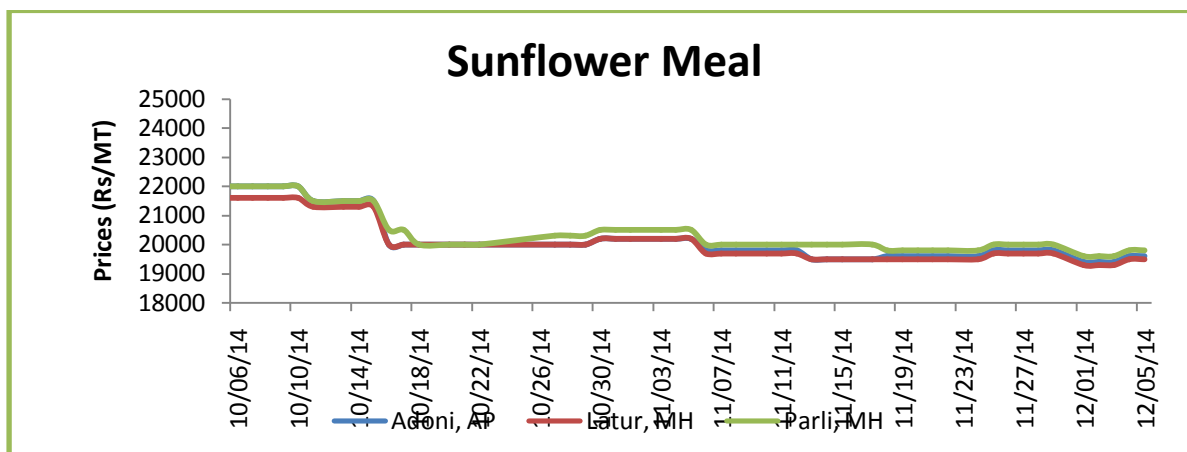
Cautious buying in soybean was featured in anticipation of further fall in the bean prices. Sharp fall in crude oil and bearish global soy supply scenario remained pressurising factor for the bean.

Soy meal fell in tandem with soybean during the week under review. Weak overseas meal demand even with the start in new season coupled with lower than expected domestic demand remained pressurising factors.

More or less steady sentiments witnessed in major spot markets of maize during the week under review.

## Trend – Raw Material, Feed





Source: AgriWatch

## **Executive Summary**

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Soybean and meal fell on sluggish buying while RM seed extended gains on continued buying during the week under review. Weak international soybean market remained pressurising factor for the domestic bean.

### **Soybean:**

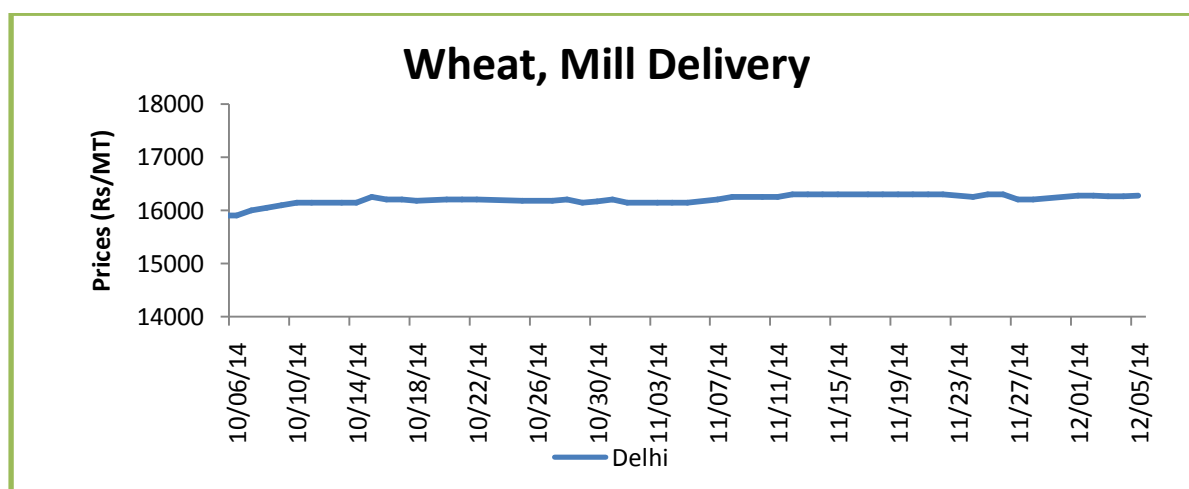
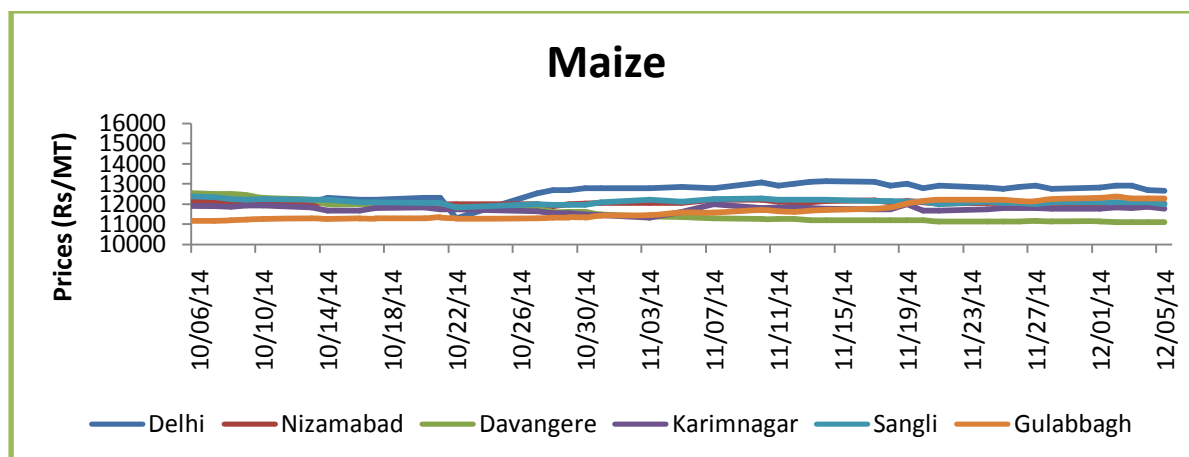
- ❖ Soybean featured losses on sluggish buying and weak soy meal export sales and weak international soybean market.
- ❖ Cautious buying in soybean was featured in anticipation of further fall in the bean prices. Sharp fall in crude oil and bearish global soy supply scenario remained pressurising factor for the bean.
- ❖ Farmers were not keen in offloading their bean at the current price levels hence, the fall in the domestic supplies.
- ❖ The domestic soybean supplies continued to ease from its peak, the daily average arrivals of Madhya Pradesh fell to 2 - 3 lakh bags which were 2.4 - 2.5 lakh bags previous week and 4.5 - 5 lakhs a couple of weeks back.
- ❖ Widening crush margin too remained discouraging factor for the solvent extractors.
- ❖ Much needed rains in South America in the previous week helped boost the lagging soybean planting in Brazil and Argentina.
- ❖ Brazil's 2014/15 soy crop planting was 85% complete last week which is up 9% from 76% a week earlier with sufficient rains in growing regions, Brazilian consultancy AgRural last week.

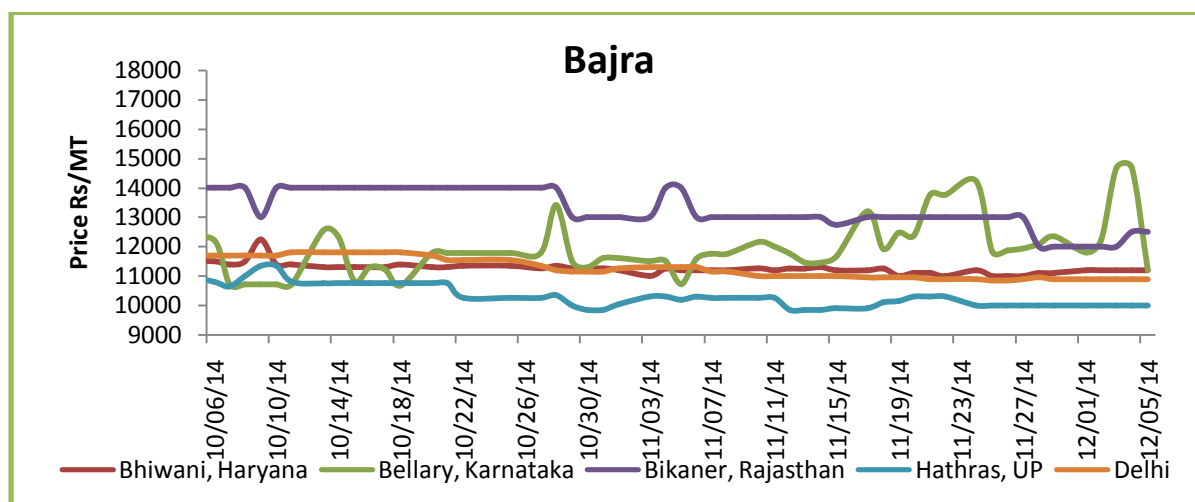
### **Soy meal:**

- ❖ Soy meal fell in tandem with soybean during the week under review. Weak overseas meal demand even with the start in new season coupled with lower than expected domestic demand remained pressurising factors.
- ❖ The overseas meal demand slightly improved m-o-m but it remained significantly lower compared to the same period last year.
- ❖ Further, the domestic meal demand too slightly suffered with the concern of the outbreak of bird-flu in some parts of Kerala.
- ❖ The domestic 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, bearish global supply scenario and weakness in crude in conjunction with subdued Malaysian palm oil limited the upside in domestic soy meal.
- ❖ India's soy meal shipments in Nov. 2014 rose 282% as compared to Oct.'14 but it was 78% lower than the same period last year.

**RM Seed:**

- ❖ RM seed posted gains on supportive buying from millers and the stockists ahead rise in mustard oil demand in coming days.
- ❖ Further, lower supplies in the seed remained supportive too mustard oil consumption improves as the weather temperature dips in the key consuming region with increased consumption of snack and fries.
- ❖ India's continued rapeseed extract shipments to major destinations like Iran, Vietnam and Indonesia lent additional support to the seed.
- ❖ India's mustard seed planting is in full swing but it is lagging 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.
- ❖ The fall in planting pace is primarily due to warm weather in most of the growing areas where farmers waited for the rain spells so that the soil moisture improves.
- ❖ However, weakness in Malaysian palm oil followed by fall in crude mineral oil and lower exports limited the gains in the RM seed. Slight gains in BMD CPO in recent days remained supportive for RM seed.





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

More or less steady sentiments witnessed in major spot markets of maize during the week under review. Prices of maize decreased slightly in Shimoga, Bagalkot while it increased in Davangere and Gadag. Remained traded unchanged as compared to last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 5 per quintal to Rs. 1230-1275 per quintal while starch feed makers quoted maize down by Rs. 10 per quintal to Rs.1200-1270 per quintal as compared to last week.

As per ministry of agriculture, maize have been sown in 5.6 lakh hectares as on 28th November, 2014 during Rabi season, higher by 0.99 lakh hectares as compared to last year.

As per IBIS data, exports of corn were reported around 0.055 million tons for the Nov month mainly to Malaysia, Vietnam, Nepal, Singapore and Indonesia.

In Gulabghat mandi, maize bilty traded down by Rs. 20 per quintal to Rs. 1250 per quintal as compared to last week. Maize is moving towards Kolkata at Rs. 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. 1200 per quintal and Rs. 1130 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 1260-1270 per qtl. as compared to last week, sourced from U.P. Sources revealed that stock of maize could be around 3000 quintal. Maize could trade steady in the near term.

In Nizamabad, maize crop contains around 14% moisture, bilty quoted down 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 0.04 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 92,57,486 metric tons for the 2014-15 marketing year. Exports of 7,46,400 MT reported by U.S Mexico (182,800 MT), Peru (177,500 MT), Japan (92,700 MT), Egypt (66,000 MT), Guatemala (63,400 MT), and Colombia (58,500 MT) for the period November 21-27, 2014.

As per ministry of agriculture, coarse cereals have been sown in 43.12 lakh hectares as on 5th December, 2014 during Rabi season, lower by 2.95 lakh hectares as compared to last year.

As per farmer's feedback, paddy harvesting in Eastern Uttar Pradesh is under process and likely to end up by December end, Wheat sowing is too on its full swing and expected to complete by first week of January. As per data received from Agriculture Ministry, approx 60-65% area is covered for wheat sowing in Uttar Pradesh and acreage under wheat in 2014-15 is up by around 21% from same period last year of area.

Wheat stock in govt.'s granary on 01st November was recorded at 30.13 million tonne against 32.26 million tonne on 1st October, 2014. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014. Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.

According to IBIS (provisional data), export of wheat in the month of November was 0.22 Lakh tones which is around 66% less than last year at the same month, which was 0.65 Lakh tones in 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine and high domestic prices.

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.

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.

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.

With ample global wheat surplus in international wheat market, price would continue to trade under pressure in the month of December. As per latest IGC estimate update global wheat production may touch 717 MMT this year. With recent weather concern in wheat area in Black Sea Region, Australia, and US there has been a rise in price in International market. Russia may introduce new regulations to curb wheat export to make sure it has enough wheat for domestic use.

## Outlook

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

## Spreads

### Maize Average Weekly spread with Bajra

Week	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
1	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0	144.0	180.0
2	135.0	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0	202.0	
3	122.0	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00	93.0	207.0	
4	145.0	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0	182.5	
5					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 lower than bajra as compared to last week. We expect that bajra could trade steady to firm in the near term and keep maize spread with bajra down for next week.



### Maize Average Weekly spread with Jowar

Week	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
1	357.0	318.0	269.0	-101.0	-604.0	-	-	-785.0	-781.6	-669.0	-532.0	-230.0
2	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0	-198.0	
3	310.0	201.0	354.0	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0	-200.0	
4	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 lower than jowar as compared to 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	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
1	127.0	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5	-166.0	-155.0
2	143.0	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0	-40.0	
3	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0	-52.0	
4	170.0	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	
5					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 slightly down 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	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
1	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0	-324.0	-296.0
2	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0	-297.5	
3	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0	-307.0	
4	-197.0	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5	-306.0	
5					-173.0		-240.0		-297.5			

\*Market Center: Delhi. Maize – loose price. Maize prices less Wheat

As the table depicts, maize spread with wheat traded firm as wheat 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)		
	5-Dec-14	28-Nov-14	Parity To
Indore (MP)	29000	29500	Gujarat, MP
Kota	29000	29500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29800	30200	Mumbai, Maharashtra
Nagpur (42/46)	30500	31500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30500	30200	Andhra, AP, Kar ,TN
Latur	30300	31000	-
Sangli	30500	31500	Local and South
Sholapur	30500	31000	Local and South
Akola	29000	29700	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	30100	29800	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	29000	30000	-

**Soy DOC at Port**

Centers	Port Price	
	5-Dec-14	28-Nov-14
Kandla (FOR) (INR/MT)	30750	31200
Kandla (FAS) (USD/MT)	497	503

**International Soy DOC**

Argentina FOB \$/MT	4-Dec-14	25-Nov-14	Change
Soybean Pellets	428	461	-33
Soybean Cake Meal	428	461	-33
Soybean Meal	436	469	-33
Soy Expellers	436	469	-33

#### Sunflower (DOC) Rates

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

#### Groundnut Meal

Groundnut Meal	5-Dec-14	28-Nov-14	Change
Basis 45% O&A, Saurashtra	25800	26000	-200
Basis 40% O&A, Saurashtra	22800	23000	-200
GN Cake, Gondal	25500	25500	Unch

#### Mustard DOC/Meal

Mustard DOC/Meal	5-Dec-14	28-Nov-14	Change
Jaipur (Plant Delivery)	16000	15800	200
Kandla (FOR)	17000	16600	400

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	5-Dec-14	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1270	1270	1260	1230	1450
Davangere	Bilty	1080	1050	1060	1130	1220
Nizamabad	Bilty	1225	1225	1200	1175	1275
Ahmedabad	Feed	1250	1270	1320	1310	1300
	Starch	1260	1250	1310	1310	1310

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	194.78	177.17	188.9	258.74
Cost and Freight (Thailand)	244.78	232.17	248.9	293.74

**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	
<b>Total</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>877245</b>

**Feed Ingredient Prices at a Glance**

Commodity	State	Variety	Centre	5-Dec-14	28-Nov-14	Change
Bajra	Karnataka	Hybrid	Bellary	1120	1208	-88
		Hybrid	Bangalore	1350	1400	-50
Jowar	Karnataka	White	Bangalore	1275	1950	-675
		White	Bellary	1988	1168	820
Maize	Karnataka	Yellow	Davangere	1030	1050	-20
	Andhra Pradesh	Yellow	Nizamabad	NA	1150	-
Rice	Haryana	IR8	Karnal	NA	NA	-
		Parmal Raw	Karnal	2400	2200	200
Soy meal	Madhya Pradesh	DOC	Indore	2900	2900	Unch
	Maharashtra	DOC	Sangli	3050	3100	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1960	1980	-20
	Maharashtra	Ex-factory	Latur	1950	1970	-20
Mustard	Rajasthan	Plant delivery	Jaipur	1600	1580	20
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2550	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1372	1355	17

Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1344	1358	-14
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**Note: Prices Rs./ Qtl**

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