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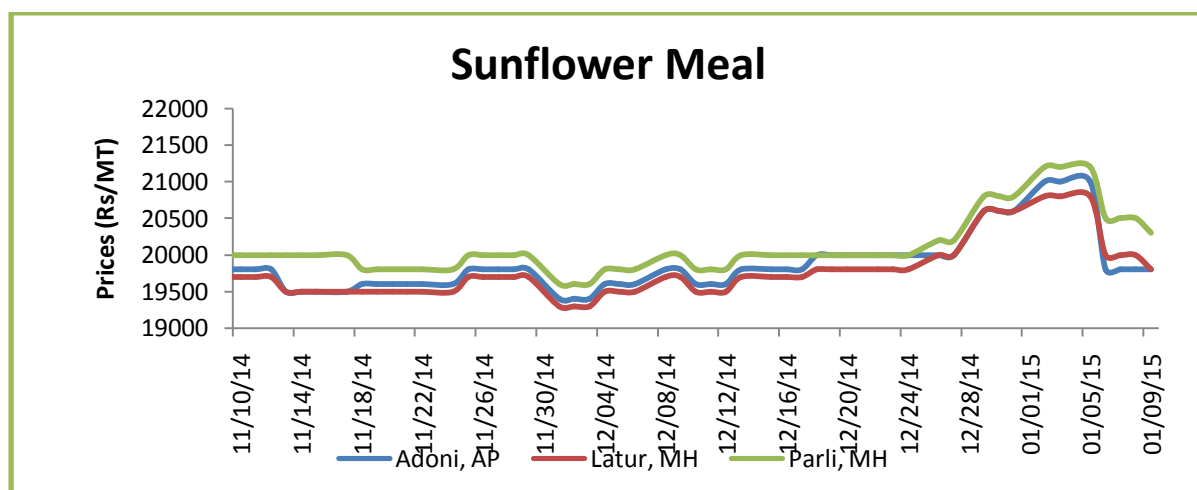
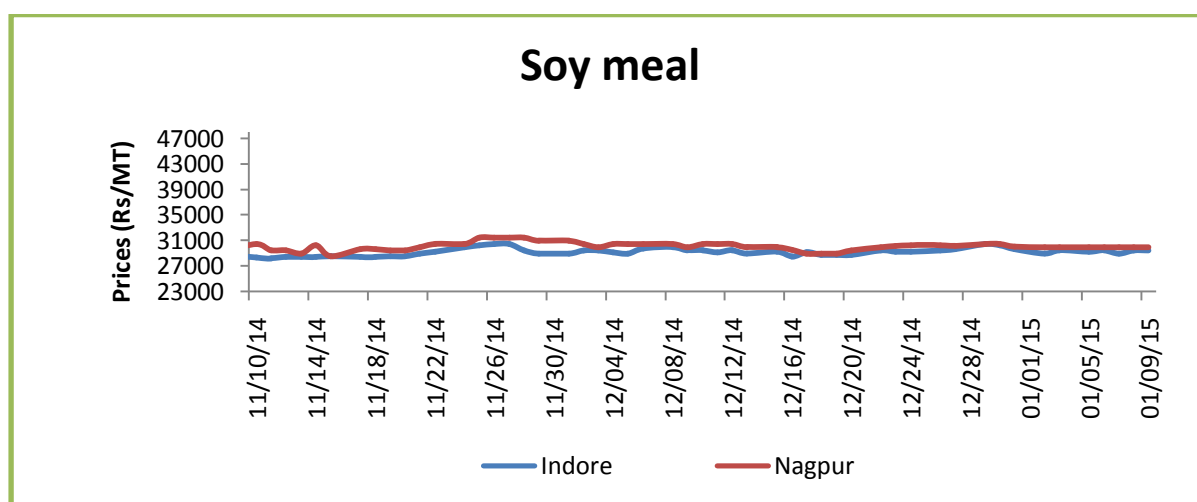
Summary

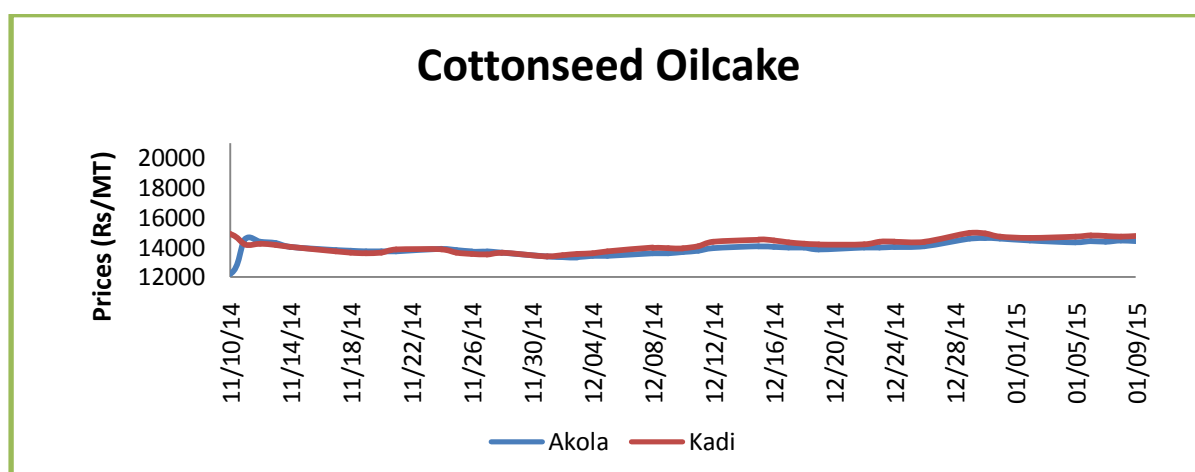
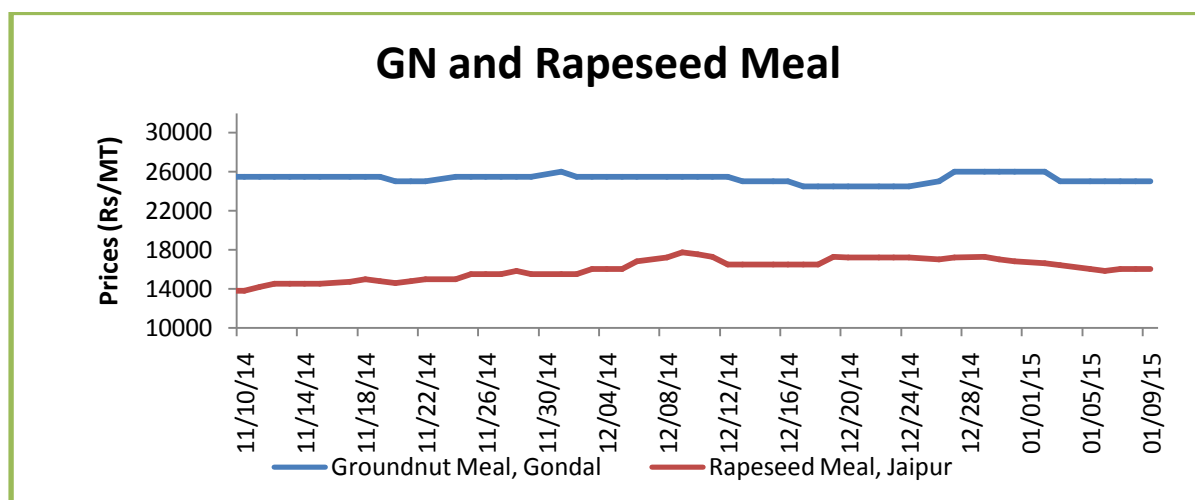
Overall, the key feed ingredients prices witnessed steady to firm tone during the week in review.

The domestic soybean extended gains tracking higher international soybean and improved domestic buying in the same during the week under review.

Overall steady to firm sentiments witnessed in major cash markets of maize except Davangere market during the week under review. Prices of maize increased in Delhi, Gadag, Khanna and Sangli while traded unchanged in Shimoga and Ludhiana market as compared to last week.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean

The domestic soybean extended gains tracking higher international soybean and improved domestic buying in the same during the week under review.

Further, fall in domestic soybean supplies remained supportive during the week.

The domestic soybean supplies continued to fall from its peak, the daily average arrivals in Madhya Pradesh fell to 1.0 – 1.25 lakh bags during the week which were 1.10 – 1.25 lakh bags previous week and 4.5 – 5 lakhs from its peak this in the start of the season.

Recent gains in CBOT soybeans followed by reports of higher than expected soybean export sales and upward move in BMD CPO on flooding concern in the palm growing region hitting the palm oil production.

US soybean exports were larger than expected at 30.85 Mn T in Sept/Dec, which is 5.5 Mn T or 22% above during the same period last year, this is more than offsetting reduced South American exports as reported by the Oil World.

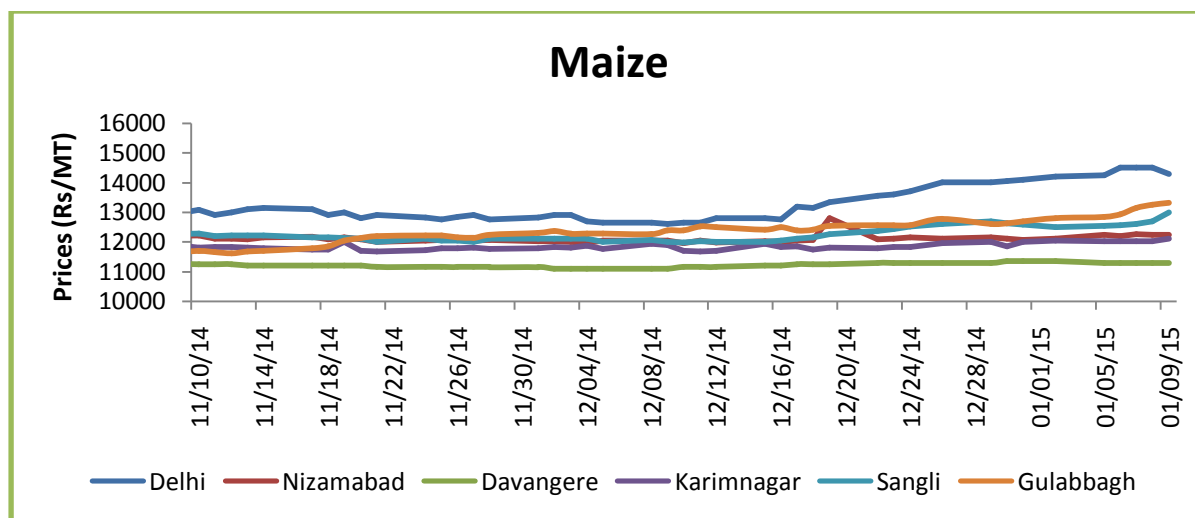
The global soybean supply prospects are bearish for 2015 with record US soybean production and likely larger crop in Brazil and Argentina.

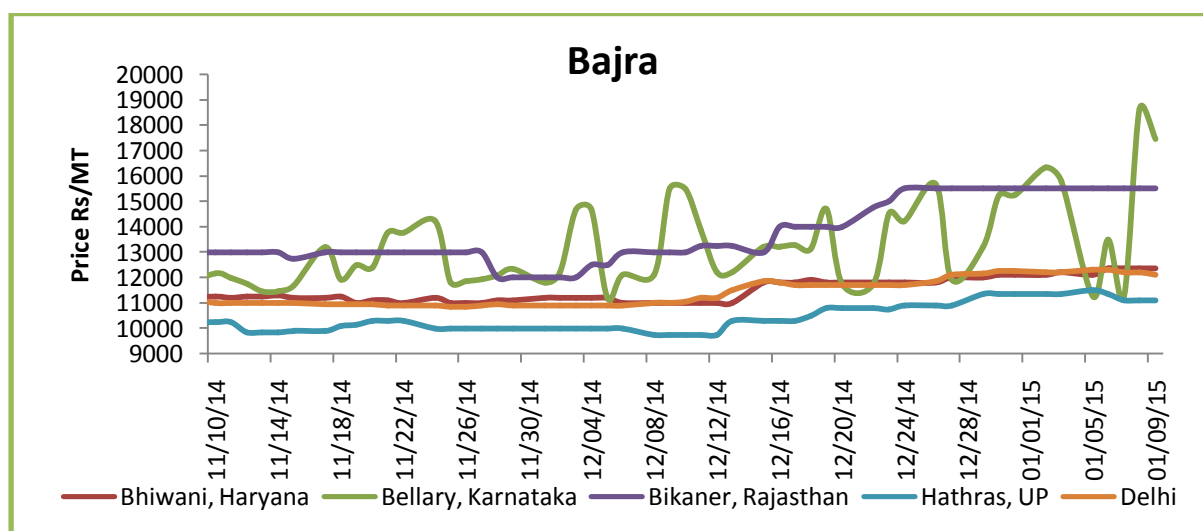
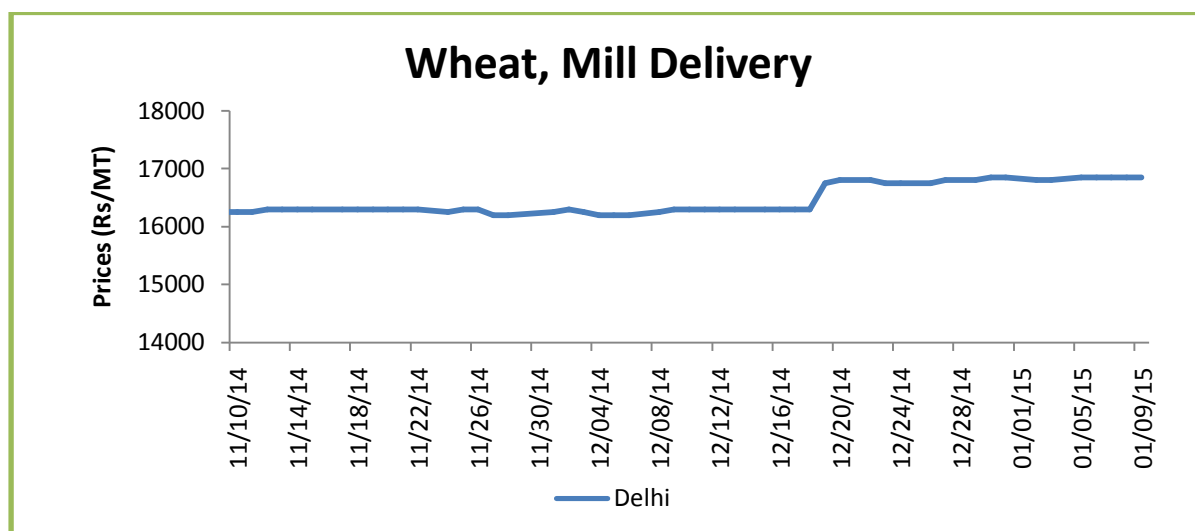
The soybean planting in Brazil is already over while it is nearing completion in Argentina. Both are expected to harvest 20-30 days longer than the usual due to delayed planting followed by dry weather, initially.

Net US weekly soybean export sales of 910,600 MT for 2014/2015 were up 49 percent from the previous week and 39 percent from the prior 4-week average. Increases were primarily for China (550,100 MT, including 120,000 MT switched from unknown destinations and decreases of 138,500 MT), USDA.

Brazil's vegetable oil association Abiove has increased its forecast for the country's 2014/15 soybean crop to a record 91.9 million tonnes from 91 million tonnes previously estimated. However, the government crop supply agency Conab hiked its forecast to 95.8 million tonnes.

Better Chinese buying, slight recovery in crude mineral oil, improved Malaysian palm oil exports and hike in import duty in edible oils by the Indian government will boost the soybean prices to some extent. However, global bearish supply scenario in soybean will limit the gains.





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

Overall steady to firm sentiments witnessed in major cash markets of maize except Davangere market during the week under review. Prices of maize increased in Delhi, Gadag, Khanna and Sangli while traded unchanged in Shimoga and Ludhiana market as compared to last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1400 per quintal while starch feed makers quoted maize firm by Rs. 5 per quintal to Rs.1380 per quintal as compared to last week.

As per ministry of agriculture, maize have been sown in 12.22 lakh hectares as on 2nd January, 2015 during Rabi season, lower by 0.42 lakh hectares as compared to last year. As weather conditions are favourable for maize crop; we expect that will help to get the better yield as compared to last year and lead to production also.

As per IBIS data, exports of corn were reported around 0.019 million tons for the period of 29th Dec to 04th Jan'15 mainly to Malaysia, Vietnam and Canada.

In Gulabbagh mandi, maize bilty traded slightly firm by Rs. 50 per quintal to Rs. 1400 per quintal as compared to last week. Maize is moving towards Kolkata at Rs. 1500 per quintal on delivered basis sourced from Naugachia region of Bihar. Maize could trade slightly firm amid good demand from Kolkata feed makers.

Maize crop contains 14-16% moisture. It is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1250 per quintal, Rs. 1250 per quintal, Rs. 1160 per quintal, Rs. 1240 per quintal and Rs. 1240 per quintal respectively, sourced from Davangere. Maize could trade slightly firm amid higher demand.

In Delhi, hybrid maize traded firm by Rs. 20 per quintal to Rs 1450 per qtl. as compared to last week, sourced from Karnataka. Sources revealed that stock of maize could be around 2000 quintal. Maize could trade steady in the near term.

As per USDA, U.S accumulated corn export figures reached to 12,614,981 metric tons for the 2014-15 marketing year. Exports of 5,10,400 MT were down 24 percent from the last week and 28 percent from the prior 4-week average; reported by U.S to Colombia (118,900 MT), Japan (107,900 MT), Mexico (98,400 MT), Peru (90,400 MT), Taiwan (32,900 MT), and New Zealand (19,600 MT) for the period December 26- January 01, 2015.

Informa Economics trimmed its estimate for U.S. 2014 corn production to 14.425 billion bushels from 14.493 billion previously estimated. It raised its estimate of Brazil's 2014/15 all-corn production to 72.25 million tons, up 3.0 million tons from its previous month forecast. It also pegged Ukraine's 2014/15 corn harvest at 28.0 million tons, up 1.5 million tons from last month. (Source: Reuters)

As of now Wheat sown area has marginally lower in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 299.33 lakh hectares against corresponding period of 2013-14(304.25 lakh hectares).However wheat area in Gujarat, MP and Haryana is lagging behind from the last year.

According to IBIS (provisional data), export of wheat in the month of December was 0.89 Lakh tones which is around 76% less than last year at the same month, which was 3.83 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.

Private trades from various centers to south Indian millers has decreased considerably in the month of December as stock in private hands is contracting fast .Wheat rake loading from kota region of Rajasthan is being taken place at Rs 1860-1870/ quintal for Bangalore and Mysore region .

Wheat stock in govt.'s granary on 01st January was recorded at 25.11 million tonne against 27.20 million tonne on 1st December, 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.

Winter rains in the month of December in main wheat growing belts in central and north India helped to increase sowing activities in major growing states like Bihar, Uttar Pradesh and some parts of Rajasthan and Madhya Pradesh. Recent rains and decreasing temperature remain favorable for wheat crop that is under sprouting stage right now.

Crop condition in Punjab and Haryana is satisfactory to excellent so far and recent rains in these areas will ensure better growth of the standing crop. Farmers are applying second dose of fertilizers with better moisture available in the field. Current crop condition hints towards bumper wheat crop once again in 2015 given the normal weather condition so far.

Early sown wheat crop in Gujarat and Madhya Pradesh is in vegetative state and overall crop condition is satisfactory so far. However fear of spreading yellow rust and lower water availability in some parts of Rajasthan and Madhya Pradesh still remain the cause of concern for overall productivity of wheat.

Global wheat market may trade steady to weak due to ample supply in the world market. Recently market showed firmness due to weather concern in USA and Russia restriction on wheat export, however recent weather updates has calm down the concern of wheat crop in USA and Global wheat production started pressuring the wheat market. Market may test the first support level of 560 cent per bushel in the short term & 520 cent per bushel in medium term. We expect market to trade in the range of \$190 to \$220 per T.

Outlook

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

Spreads

Maize Average Weekly spread with Bajra

Week	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
1	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0	144.0	180.0	180.00
2	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0	202.0	164.0	227.0
3	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00	93.0	207.0	119.0	
4	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0	182.5	139.0	
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 firm as maize traded firm with the steady movement in bajra prices. We expect that both could trade steady in the near term and keep maize spread with bajra firm for next week.

Maize Average Weekly spread with Jowar

Week	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
1	318.0	269.0	-101.0	-604.0	- 1032.0	- 1037.0	-785.0	-781.6	-669.0	-532.0	-230.0	-19.0
2	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0	-198.0	-253.0	-53.0
3	201.0	354.0	-141.0	-966.0	- 1012.0	-902.0	-896.0	-873.0	-547.0	-200.0	-207.0	
4	245.0	207.0	-240.0	-1078.0	- 1120.0	-727.5	-781.0	-795.0	-792.0	-228.0	-180.0	
5					- 1172.0	-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 jowar traded firm vs. maize during last week. We expect that both 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	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
1	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5	-166.0	-155.0	-29.0
2	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0	-40.0	-149.0	20.0
3	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0	-52.0	-137.0	
4	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	-110.0	
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 down during last week. We expect that barley could trade steady to slightly firm in the near term and keep maize spread with barley down as compared to last week.

Maize Average Weekly spread with Wheat

Week	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15
1	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0	-324.0	-296.0	-212.0
2	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0	-297.5	-297.5	-160.0
3	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0	-307.0	-290.0	
4	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5	-306.0	-292.0	
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 wheat could trade steady to slightly weak in the near term and keep maize spread with wheat firm for the next week.

Annexure

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

Centres	Ex-factory rates (Rs/ton)		
	9-Jan-2015	2-Jan-2015	Parity To
Indore (MP)	28800-29500	29000	Gujarat, MP
Kota	28800	29200-29300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	30500	29400	Mumbai, Maharashtra
Nagpur (42/46)	30000	30000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30500	30500	Andhra, AP, Kar, TN
Latur	30800	30600	-
Sangli	30500	30500	Local and South
Sholapur	30400	30500	Local and South
Akola	29200	29400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29900	29900	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	28700	29200	-

Soy DOC at Port

Centers	Port Price	
	9-Jan-2015	2-Jan-2015
Kandla (FOR) (INR/MT)	29550	30000
Kandla (FAS) (USD/MT)	474	474

International Soy DOC

Argentina FOB \$/MT	8-Jan-15	1-Jan-15	Change
Soybean Pellets	422	NA	-
Soybean Cake Meal	422	NA	-
Soybean Meal	430	NA	-
Soy Expellers	430	NA	-

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	9-Jan-15	2-Jan-15	Change
Adoni	19800	21000	-1200
Khamgaon	NA	NA	-
Parli	20300	21200	-900
Latur	19800	20800	-1000

Groundnut Meal

Groundnut Meal	9-Jan-15	2-Jan-15	Change
Basis 45% O&A, Saurashtra	25500	26000	-500
Basis 40% O&A, Saurashtra	22500	23000	-500
GN Cake, Gondal	25000	26000	-1000

Mustard DOC/Meal

Mustard DOC/Meal	9-Jan-15	2-Jan-15	Change
Jaipur (Plant Delivery)	16000	16600	-600
Kandla (FOR)	17500	17500	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	9-Jan-15	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1415	1280	1410	1500
Davangere	Loose	1080	1100	1100	1200	1330
Nizamabad	Bilty	1224	NA	1225	1271	1370
Ahmedabad	Feed	1400	1400	1240	1250	1500
	Starch	1375	1350	1260	1275	1565

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	196.16	168.52	181.6	205
Cost and Freight	246.16	223.52	241.6	240.08

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	29071
Nov	443488	397659	517103	503269	
Dec	611157	798041	510698	451314	
Total	2937018	4075617	2668918	3512217	906316

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>9-Jan-15</u>	<u>2-Jan-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1746	1633	113
		Hybrid	Bangalore	1800	1800	Unch
Jowar	Karnataka	White	Bangalore	2100	1950	150
		White	Bellary	1511	1861	-350
Maize	Karnataka	Yellow	Davangere	1080	1100	-20
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	NA	NA	-
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2950	2900	50
	Maharashtra	DOC	Sangli	3050	3050	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	2100	-120
	Maharashtra	Ex-factory	Latur	1980	2080	-100
Mustard	Rajasthan	Plant delivery	Jaipur	1600	1660	-60
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2600	-100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1477	1464	13

Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1441	1446	-5
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Note: Prices Rs./ Qtl

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