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Summary

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

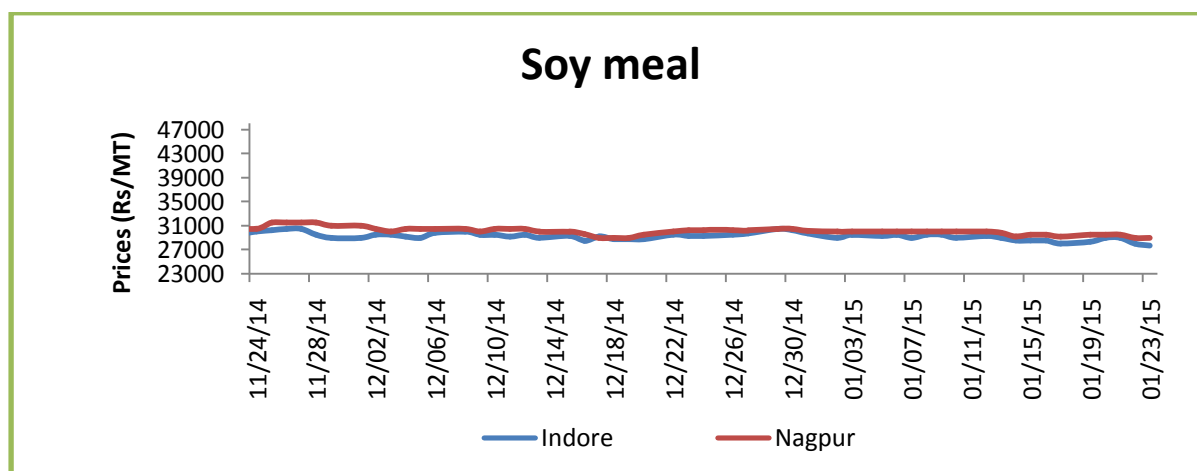
The domestic soybean extended losses tracking international benchmark, CBOT, and sluggish buying the spot market during the week under review.

Spill over impact of sharp fall in crude on soy complex remained pressurising factor coupled with lower than expected US soybean crushing in previous weeks.

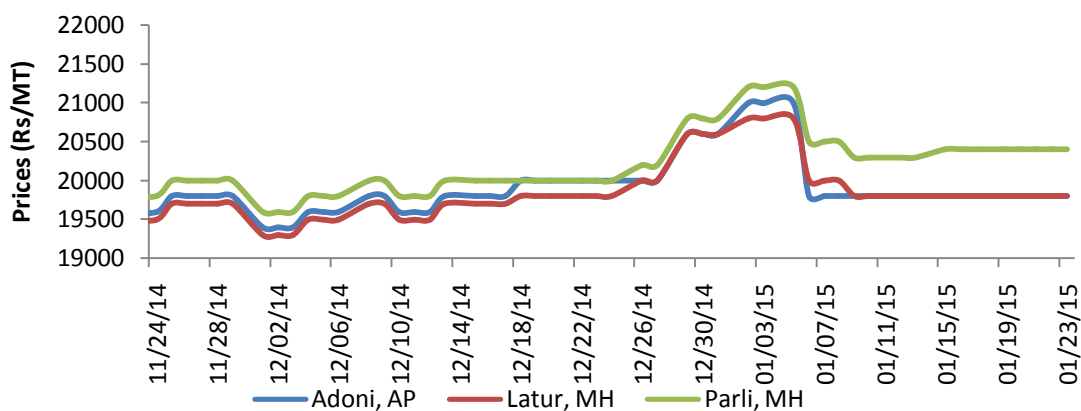
Soy meal continued downtrend tracking severe losses in the benchmark, CBOT. Soy meal witnessed a sharp fall in the international market, 3-month low during the week. Weakness in crude and lower than expected US soybean crushing remained key pressurising factors.

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

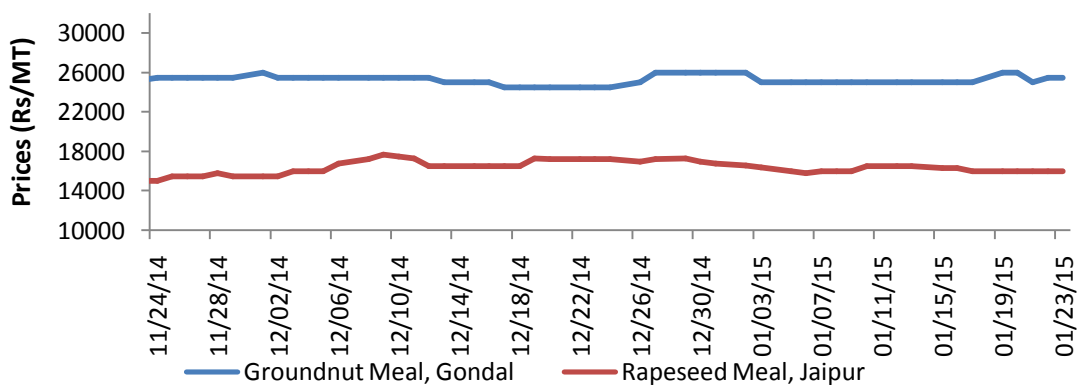
Trend – Raw Material, Feed



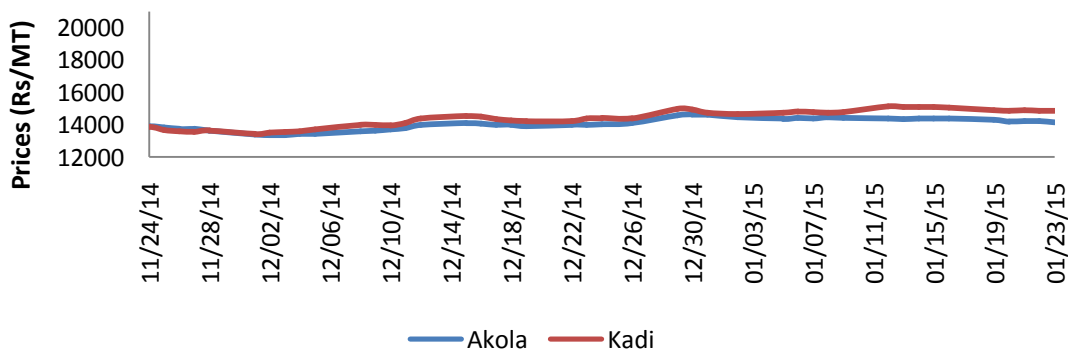
Sunflower Meal



GN and Rapeseed Meal



Cottonseed Oilcake



Source: AgriWatch

Executive Summary

Soybean, RM seed and soy meal extended losses on weak global cues. Fresh short-term bearish factors both in soybean and palm oil remained pressurising factors during the week under review.

Soybean:

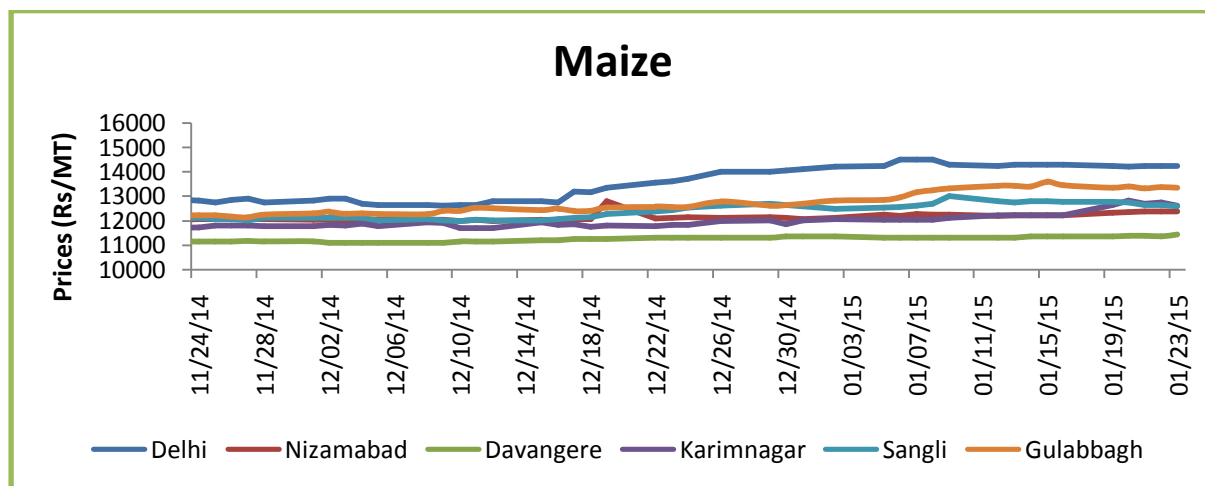
- ❖ The domestic soybean extended losses tracking international benchmark, CBOT, and sluggish buying the spot market during the week under review.
- ❖ Spill over impact of sharp fall in crude on soy complex remained pressurising factor coupled with lower than expected US soybean crushing in previous weeks.
- ❖ India's soy meal exports are already weak and the domestic crushing is facing a severe crisis due to lower crush margin and under capacity utilization in most of the crushing units.
- ❖ The weekly domestic soybean supplies stood at 4.55 lakh bags in MP compared to 4.05 lakhs previous week, lower arrivals in previous week was cited for Makar Sankranti.
- ❖ Reports that Argentina's final soybean planted area will reach above 20.5 million tonnes and Brazil to harvest around 93.9 to 94.2 million tonnes. This is considering the recent forecast by Agroconsult and Celeres respectively. The USDA monthly supply and demand report was bearish.

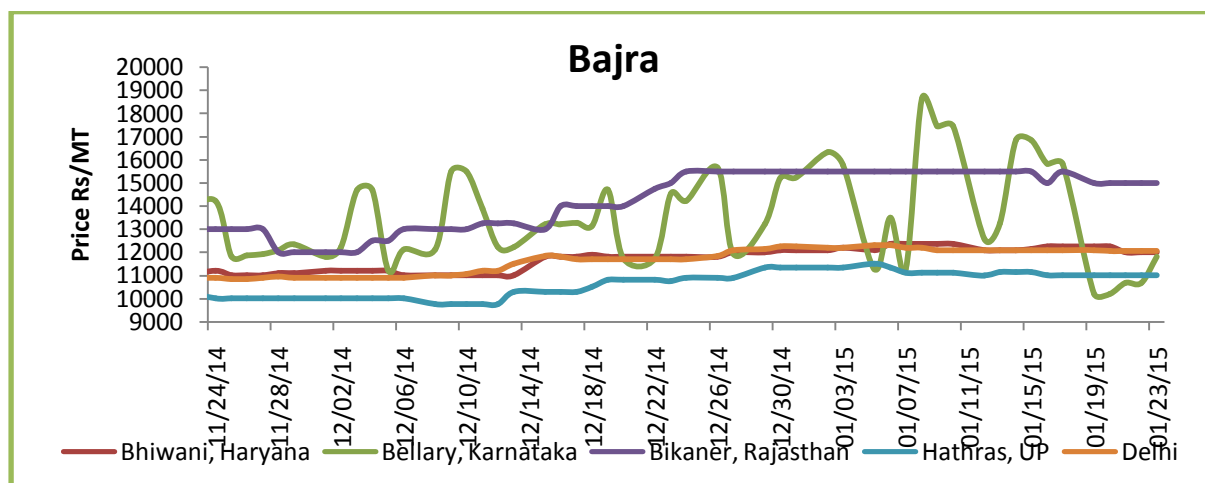
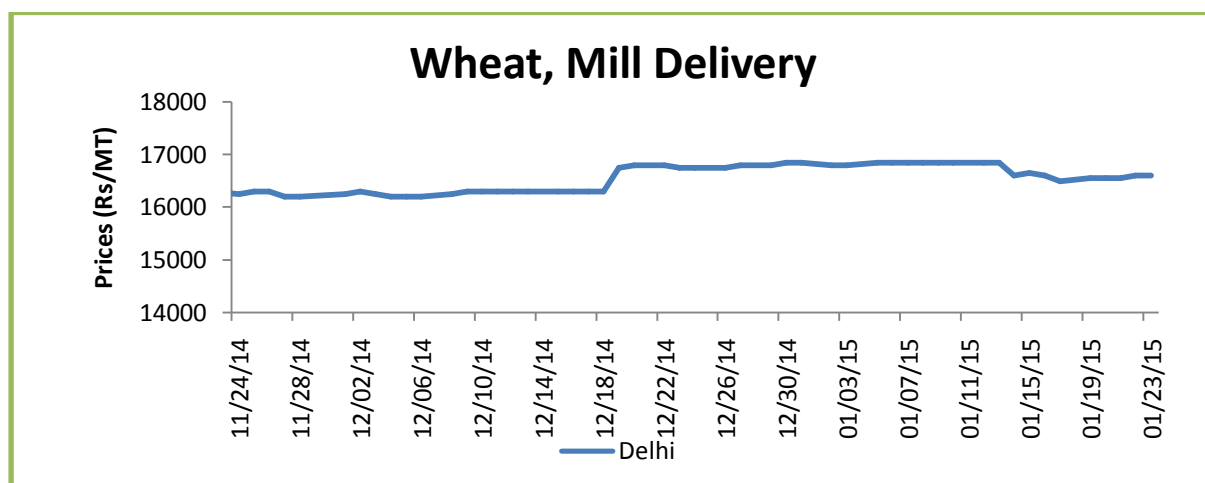
Soy meal:

- ❖ Soy meal continued downtrend tracking severe losses in the benchmark, CBOT. Soy meal witnessed a sharp fall in the international market, 3-month low during the week. Weakness in crude and lower than expected US soybean crushing remained key pressuring factors.
- ❖ Besides, India's soy meal exports sales are hit even this season, the shipments are lower than expected due to competitive price of the meal of South American and US origin in the international market.
- ❖ As discussed above, the domestic solvent extractors are facing severe crisis followed by prolonged disparity on crushing the beans and lower than expected commitment of soy meal export sales from the beginning of the season.
- ❖ The market is already under pressure after NOPA's December report which revealed lower than expected crushing, United States processed 165.383 million bushels of soybeans in December. The volume was below the record-large crush during the same period in 2013 but was below the market expectations.
- ❖ The domestic demand from poultry is still poor with followed by sluggish poultry product demand, the market is expecting it to slightly recover in near-term.
- ❖ The overseas meal demand slightly improved m-o-m but it remained significantly lower compared to the same period last year.
- ❖ India's soy meal shipments during December 2014 was 1,94,012 tones as compared to 4,70,799 tones in the same period of previous year.

RM Seed:

- ❖ RM seed fell consecutive third week tracking losses in BMD CPO and soybean during the week under review. Weakness in soybean led by weakness in crude contributed additional pressure on the RM seed.
- ❖ Again intermittent rains in some parts of mustard seed growing states remained beneficial for the standing crop. The rains at this stage will boost the yield in the seed. However, the domestic planted area is reportedly lower by 7.7% compared to the same period last year. India's area under RM seed was 71.4 lakh hectares in 2013.
- ❖ The early crop harvesting of the mustard seed crop is expected to commence from mid-February.
- ❖ Though the seed prices fell in recent days, but the better overseas demand in rapeseed extract of Indian origin this season from major destinations like Iran, Vietnam and Indonesia remained supportive factor for the seed in previous months.
- ❖ Further, exports of Malaysian palm oil products for Jan. 1-20 declined to 21.8 percent to 709,370 tonnes from 906,594 tonnes shipped during Dec. 1-20, as reported by cargo surveyor Societe Generale de Surveillance.
- ❖ Malaysia's palm oil stocks at the end of December fell 11.6 percent to 2,013,326 tonnes against a revised 2,276,177 tonnes at the end of November - Malaysian Palm Oil Board. Last year at the same time, stocks were 1,987,111 tons. On the production front, Malaysia's palm oil production during 2014 stood at 19.6 million tons, 2.08% higher from the last year.





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

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

In Ahmadabad region of Gujarat, poultry feed makers quoted maize in a range of Rs. 1300-1400 per quintal while starch feed makers quoted maize in a range of Rs. 1300-1425 per quintal during last week.

As per ministry of agriculture, maize have been sown in 13.62 lakh hectares as on 16th January, 2015 during Rabi season, lower by 0.5 lakh hectares as compared to last year.

As per IBIS data, exports of corn were reported around 0.030 million tons for the period of 12th Jan to 18th Jan'15 mainly to Vietnam and Malaysia.

In Gulabghat mandi, maize bilty traded down by Rs. 35 per quintal to Rs. 1325-1400 per quintal. Maize is moving towards Kolkata at Rs. 1500-1525 per quintal on delivered basis sourced from Naugachia region of Bihar.

Maize crop contains 14 moisture. It is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1250 per quintal, Rs. 1300 per quintal, Rs. 1180 per quintal, Rs. 1240 per quintal and Rs. 1300 per quintal respectively, sourced from Davangere. Maize could trade slightly firm amid higher demand.

In Delhi, hybrid maize traded steady at Rs 1450 per quintal as compared to last week, sourced from Karnataka. Sources revealed that stock of maize could be around 3000 quintal. Maize could trade steady in the near term.

As per USDA, U.S accumulated corn export figures reached to 13,777,633 metric tons for the 2014-15 marketing year. Exports of 7,62,448 MT were up by 91 percent from the last week and 31 percent from the prior 4-week average; reported by U.S to Colombia (261,300 MT), Mexico (216,700 MT), Peru (90,400 MT), Japan (78,900 MT), and Guatemala (45,700 MT) for the period January 09-15, 2015.

Korea's largest feedmaker Nonghyup Feed Inc purchased 1,00,000 tons of worldwide origin corn at \$ 207-207.4/ ton on c&f basis for the arrival between Jun 10- Jun 20, 2015. Meanwhile, it purchased 68,000 corn of U.S origin at \$ 207.75/ ton on c&f basis for Jun 30, 2015 arrival. (Source: Reuters)

As of now Wheat area has slightly decreased by around 3% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 305.6 lakh hectares against corresponding period of 2013-14(313.69 lakh hectares).

The global wheat market gained in recent weeks considerably on the back of likely imposition of export tax by Russia from 1st February, 2015. Besides, weather concern also lent support to global wheat market in recent days. Prices moved from around \$250 to \$280 per tonne in last one month. Recent gains in global wheat market have provided export opportunity for India once again. However cheaper supply from EU and prevailing higher prices in domestic market remain a major constraint for Indian exporters.

Wheat stock in govt.'s granary on 15th January was recorded at 24.01 million tonne against 25.11 on 01st January. 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.

Wheat crop in major growing regions has been satisfactory so far under favorable weather condition except Doaba region of Punjab and Karnal in Haryana, where news regarding spreading of yellow rust is surfacing on ground. As temperature remains at lower level at night and lack of sunshine in day may create congenial condition for yellow rust spread in Muktsar and Faridkot. Farmers in these areas, who have not adopted resistance varieties, need to be careful for next two-three weeks.

In some major growing area of Punjab and Haryana wheat leaves have turned pale due to chill and foggy weather. Next two to three weeks are very crucial for ensuring better growth of the standing crop. Agriculture department expects better weather condition in the weeks ahead. Recent rains have increased hope of sunny days ahead and it hints towards bumper crop once again.

According to IBIS, export of wheat in the third week of January (12-18 Jan) was around 32.713 Thousand Mt. The major export destination of Indian wheat was Bangladesh from Kandla port which accounted 31.50 thousand MT at an average FOB price of \$281.05/Tn .Other countries were UAE and Malaysia.

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 520 cent per bushel in the short term & 480 cent per bushel in medium term. We expect market to trade in the range of \$185 to \$215 per T.

Outlook

Feed prices are expected to trade slightly weak as feed ingredients prices were steady to weak 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	237.0
4	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0	182.5	139.0	244.0
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 bajra traded down with the steady movement in maize prices. We expect that both could trade steady in the near term and keep maize spread with bajra steady 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	-53.0
4	245.0	207.0	-240.0	-1078.0	- 1120.0	-727.5	-781.0	-795.0	-792.0	-228.0	-180.0	-50.0
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 slightly down during last week. We expect that both could trade steady in the near term and keep maize spread with jowar intact 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	-178.0
4	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	-110.0	-200.0
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 as barley traded firm 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	-156.0
4	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5	-306.0	-292.0	-138.0
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 slightly 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)		
	23-Jan-15	16-Jan-2015	Parity To
Indore (MP)	27700	28500	Gujarat, MP
Kota	27200-27500	28200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29500	29700	Mumbai, Maharashtra
Nagpur (42/46)	29000	29500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	28500	29100	Andhra, AP, Kar, TN
Latur	29700	30800	-
Sangli	29800	30100	Local and South
Sholapur	29800	30100	Local and South
Akola	28000	28800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	28500	29000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	27500	28200	-

Soy DOC at Port

Centers	Port Price	
	23-Jan-15	16-Jan-2015
Kandla (FOR) (INR/MT)	28400	29025
Kandla (FAS) (USD/MT)	462	569

International Soy DOC

Argentina FOB \$/MT	22-Jan-15	15-Jan-15	Change
Soybean Pellets	404	402	2
Soybean Cake Meal	404	402	2
Soybean Meal	412	410	2
Soy Expellers	412	410	2

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	23-Jan-15	16-Jan-15	Change
Adoni	19800	19800	Unch
Khamgaon	NA	NA	-
Parli	20400	20400	Unch
Latur	19800	19800	Unch

Groundnut Meal

Groundnut Meal	23-Jan-15	16-Jan-15	Change
Basis 45% O&A, Saurashtra	25000	25500	-500
Basis 40% O&A, Saurashtra	22000	22500	-500
GN Cake, Gondal	25500	25000	500

Mustard DOC/Meal

Mustard DOC/Meal	23-Jan-15	16-Jan-15	Change
Jaipur (Plant Delivery)	16000	16300	-300
Kandla (FOR)	16700	17400	-700

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	23-Jan-15	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1450	1290	1410	1520
Davangere	Loose	1080	1120	1100	1200	1340
Nizamabad	Bilty	1250	Closed	1225	1275	1370
Ahmedabad	Feed	1335	1380	1280	1330	1500
	Starch	1370	1380	1270	1320	1560

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	188.48	180.65	182.6	207.148
Cost and Freight	238.48	235.65	242.6	242.148

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	110806
Dec	611157	798041	510698	451314	193832
Total	2937018	4075617	2668918	3512217	1210954

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>23-Jan-15</u>	<u>16-Jan-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1180	1582	-402
		Hybrid	Bangalore	1650	1500	150
Jowar	Karnataka	White	Bangalore	1950	2000	-50
		White	Bellary	1598	1593	5
Maize	Karnataka	Yellow	Davangere	1080	1100	-20
	Andhra Pradesh	Yellow	Nizamabad	1200	1200	Unch
Rice	Haryana	IR8	Karnal	NA	NA	-
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2770	2850	-80
	Maharashtra	DOC	Sangli	2980	3010	-30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	1980	Unch
	Maharashtra	Ex-factory	Latur	1980	1980	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1600	1630	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2500	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1486	1504	-18
Cottonseed Oil	Maharashtra	Ex- Mandi	Akola	1415	1438	-23

Cake						
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Note: Prices Rs./ Qtl

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