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## Summary

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

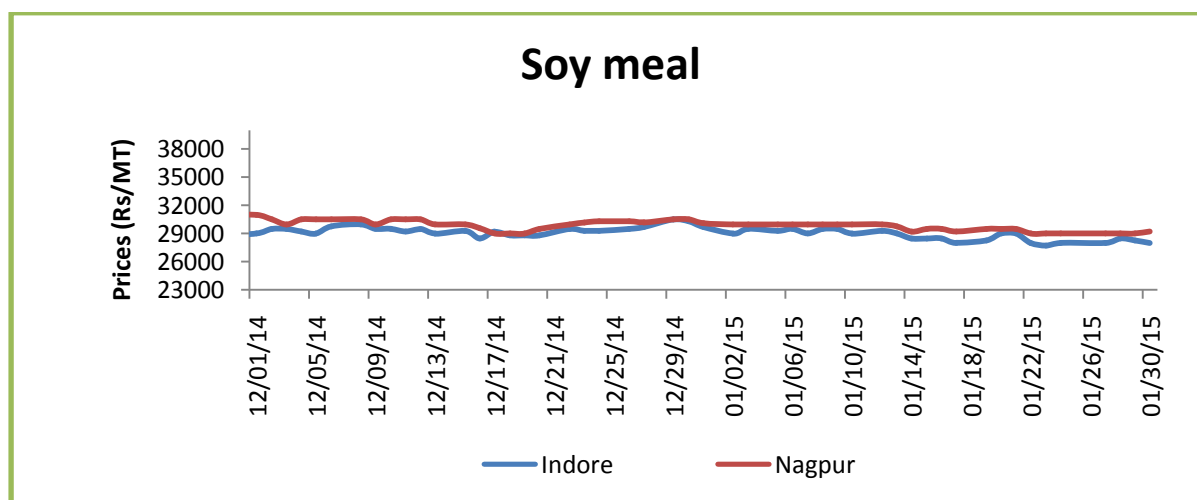
The soybean continued downward movement primarily pressured by international benchmark, CBOT, which fell on prospects of record soybean production in South American this season.

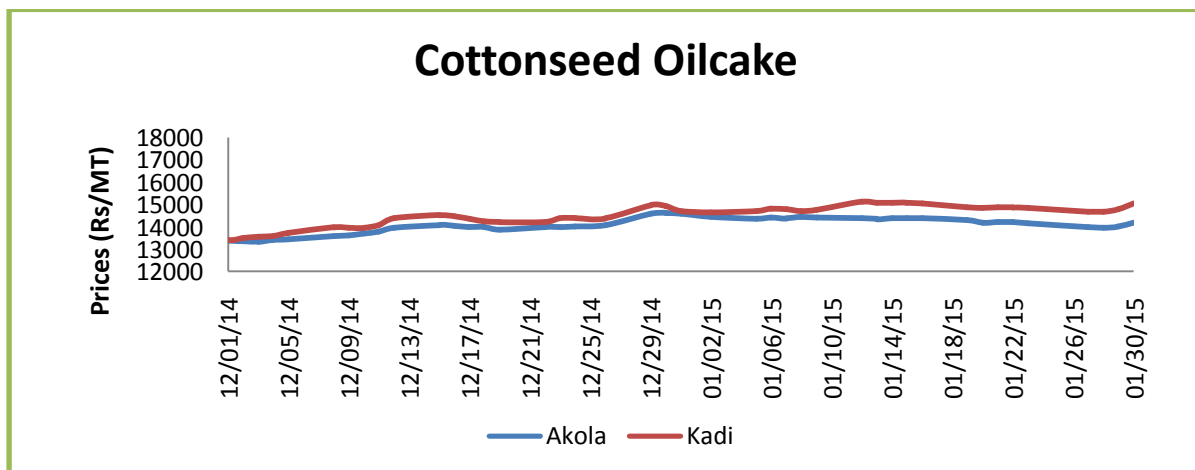
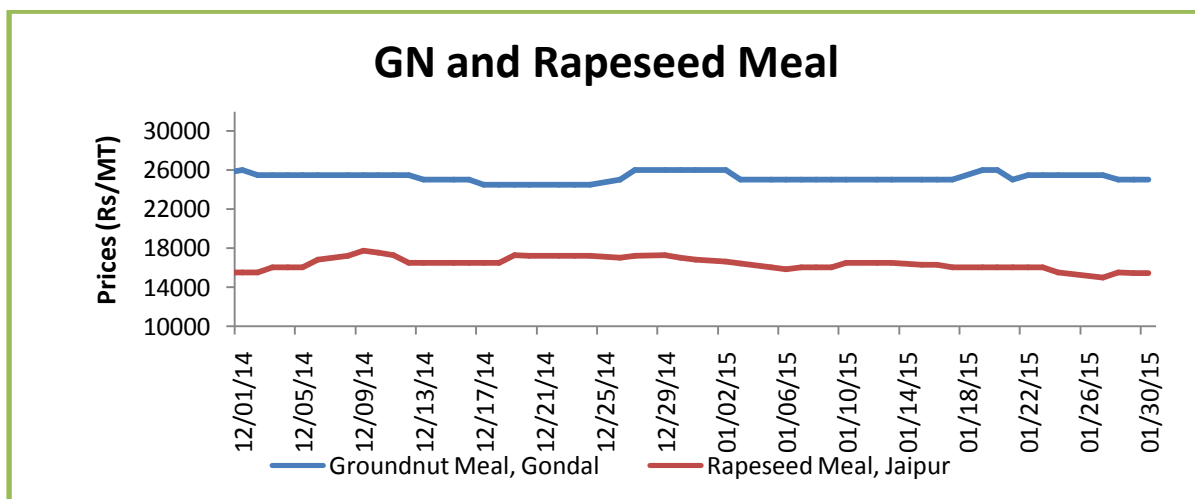
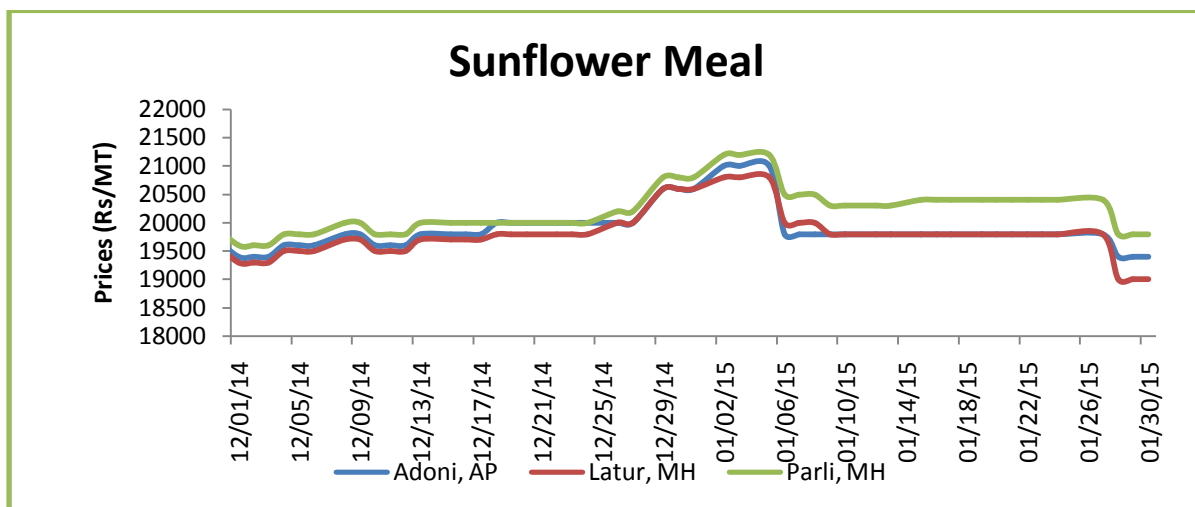
Soy meal fell on domestic and international factors during the week under review. Soy meal was the biggest loser in the soy complex at CBOT in recent weeks, now at 3-month low.

Further, India's soy meal exports continues to be weak, the shipments are lower than expected due to competitive price of the meal of US and South American origin in the international market.

Overall mixed sentiments witnessed in major cash markets of maize during the week under review. Wheat cash markets in India trades range bound and any jump from current level is unlikely due to smooth supply side from central pool stock and virtually negligible demand for export.

## Trend – Raw Material, Feed





Source: AgriWatch

Soybean, RM seed and soy meal continued downtrend on weak global and domestic factors during the week under review.

**Soybean:**

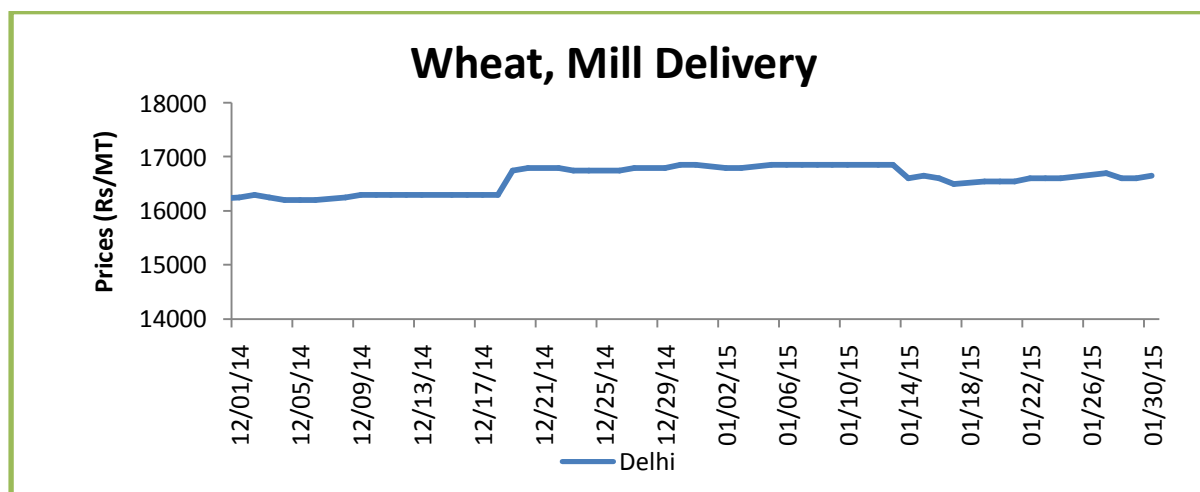
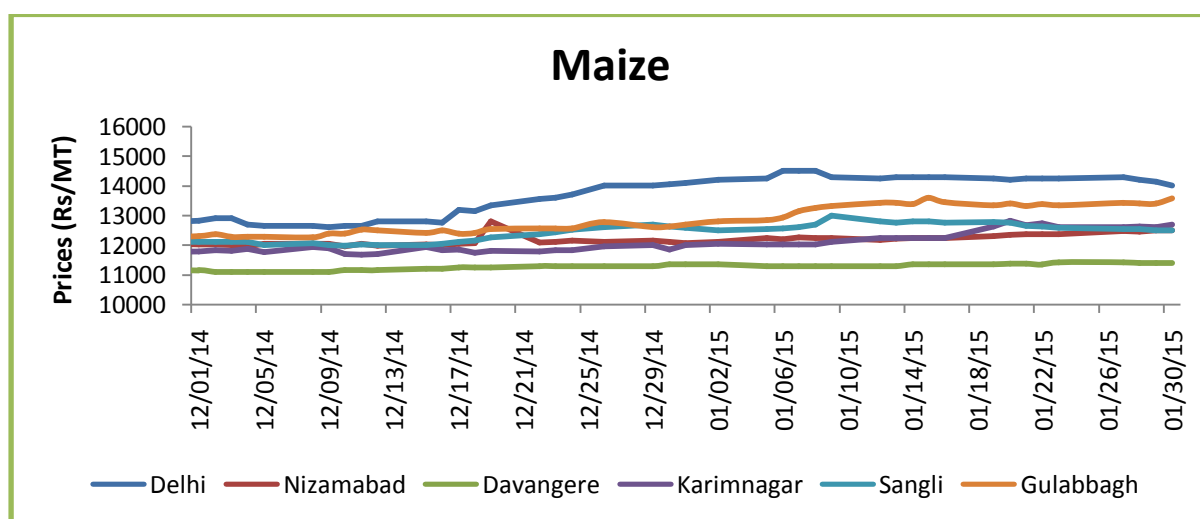
- ❖ The soybean continued downward movement primarily pressured by international benchmark, CBOT, which fell on prospects of record soybean production in South American this season.
- ❖ The weekly domestic soybean supplies stood at 3.65 lakh bags in MP compared to 4.55 lakhs previous week. The farmers were not keen in offloading the beans at the lower prices, hence lower supplies.
- ❖ Continued fall in the crude mineral oil (US \$44.45/bl - WTI NYMEX) remained a major pressurizing factor for soybean.
- ❖ Further, soy meal, the biggest loser in soy complex and slowed down demand in bean from the key buyers like China after aggressive buying remained negative for the domestic soybean too.
- ❖ Recent rains over most of the Brazil's and Argentina's soybean growing area and favourable weather in South America will boost the soybean yield.
- ❖ Both, Brazil and Argentina are likely to harvest record soybean in 2014/15. Argentina's area under soybean is reported around 20.4 million hectares and expected to produce 54.5-55 million tonnes of soybean.
- ❖ Besides, Brazil's 2014/15 soybean production estimates vary from record 93.9 - 95.5 million tonnes. Analyst Safras and Mercado has trimmed the Brazil's soybean out to 95 million tonnes from 95.9 million earlier.

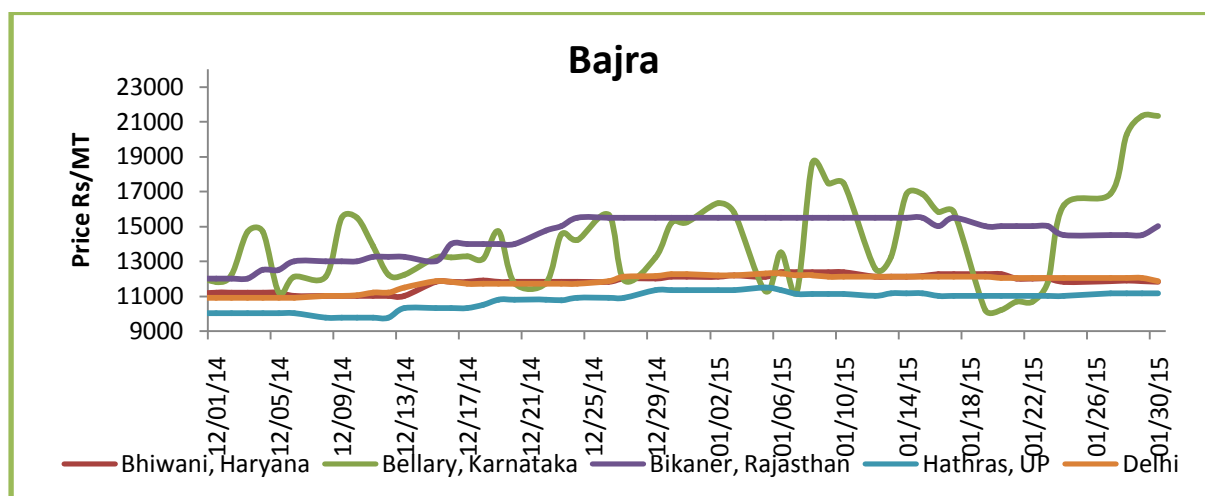
**Soy meal:**

- ❖ Soy meal fell on domestic and international factors during the week under review. Soy meal was the biggest loser in the soy complex at CBOT in recent weeks, now at 3-month low.
- ❖ Further, India's soy meal exports continues to be weak, the shipments are lower than expected due to competitive price of the meal of US and South American origin in the international market.
- ❖ Besides, even domestic soy meal demand remained sluggish in recent months due to poor off-take from poultry industry, which was reeling under stress for lower than expected poultry demand.
- ❖ Reports of avian influenza in Kerala kept the poultry demand lower than expected from south India in December and even in January when the demand improves seasonally.
- ❖ In Follow Up Report No.5 dated 28 January to the World Organisation for Animal Health (OIE), the veterinary authority in India reported one further outbreak of highly pathogenic avian influenza of the H5N1 subtype.
- ❖ The latest outbreak was reported on a commercial turkey farms at Kureepuzha in the state of Kerala. Starting on 18 January, 1,628 birds in the flock of 10,531 died and 6,475 were destroyed. (Source: The Poultry Site).

**RM Seed:**

- ❖ RM seed fell straight 4th week tracking steep fall in BMD CPO and fag end of the domestic seed season.
- ❖ Favourable weather in the seed growing area with recent rains in parts of mustard seed growing states remained beneficial for the standing RM seed crop. The rains will eventually boost the RM seed yield.
- ❖ However, the domestic planted area is reportedly lower by 7.6% (65.14 lha) compared to the same period last year. India's area under RM seed was 71.4 lakh hectares in 2013.
- ❖ The early mustard crop seed is expected to hit the market after 15th of 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 limited the losses in the seed.
- ❖ India's RM seed closely tracks Malaysian palm oil which is as discussed has sharply fell in recent days.
- ❖ The exports of Malaysian palm oil products for Jan. 1-25 fell 19.0 percent to 877,730 tonnes from 1,083,151 tonnes shipped during Dec. 1-25, as reported by cargo surveyor Societe Generale de Surveillance. This is again bearish for the palm and subsequently domestic mustard seed market.





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

Overall mixed sentiments witnessed in major cash markets of maize during the week under review. Prices of maize decreased in Delhi, Bagalkot, and Sangli while traded unchanged in Gadag, Khanna and Ludhiana market. Prices of maize were firm in Davangere, Ranebennur and Nizamabad as compared to last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down in a range of Rs. 1280-1340 per quintal while starch feed makers quoted maize down in a range of Rs. 1280-1350 per quintal during last week.

As per ministry of agriculture, maize have been sown in 14.74 lakh hectares as of 23rd January, 2015 during Rabi season, lower by 0.43 lakh hectares as compared to last year. Lower acreage reported in A.P, Maharashtra and Bihar. In Bihar, around 5-7% area has shifted towards wheat. However, weather conditions are favourable at the time which will lead to higher yield. A.P. crop is expected to arrive in the first week of March while Bihar crop is expected to arrive till the end of March.

As per IBIS data, exports of corn were reported around 0.033 million tons for the period of 19th Jan to 25th Jan'15 mainly to Indonesia and Malaysia.

In Gulabbagh mandi, maize bilty traded steady at Rs.1400 per quintal. Maize is moving towards Kolkata at Rs. 1500-1525 per quintal on delivered basis sourced from Naugachia region of Bihar. As per trade sources, around 5-7% maize crop area has shifted towards wheat crop. However, weather conditions are favourable at the time which will lead to higher yield. Bihar crop is expected to arrive till the end of March.

Maize crop contains 13 moisture. It is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1300 per quintal, Rs. 1330 per quintal, Rs. 1200 per quintal, Rs. 1300 per quintal and Rs. 1330 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 to weak in the near term.

As per USDA, U.S accumulated corn export figures reached to 14,720,199 metric tons for the 2014-15 marketing year. Exports of 9,42,566 MT were up by 24 percent from the last week and 61 percent from the prior 4-week average; reported by U.S to Japan (549,800 MT), Mexico (210,000 MT), Venezuela (58,000 MT), Morocco (33,000 MT), and Colombia (31,900 MT) for the period January 16-22, 2015.

As per China National Grain and Oils Information Centre, the corn processing industry is likely to consume higher by 2 million tons to 52 million tons corn in 2014/15 as compared to last year.

China's state corn stockpiles are likely to go up by a record volume this year, as Beijing's efforts to boost demand with a tax rebate for corn starch exports struggle to stimulate sales. (Source: Reuters)

As per European traders, South Korea's Feed Leaders Committee purchased 57,000 tons of optional-origin corn in a direct non-tender deal. The yellow corn was purchased at \$205.95 a ton c&f plus a \$1.50 a ton surcharge for extra port unloading, from trading house Concordia for arrival around July 5, with shipment from June 1-20 from the U.S. Pacific North West coast, between May 12-31 from the U.S. Gulf or Black Sea region or between May 7-26 from South America. (Source: Reuters)

Wheat cash markets in India trades range bound and any jump from current level is unlikely due to smooth supply side from central pool stock and virtually negligible demand for export. Besides, crop condition is satisfactory so far and better yield is expected this year on the back of favorable weather condition throughout the growing regions.

According to IBIS, export of wheat in the fourth week of January (19-23 Jan) was around 1138 MT. The major export destination of Indian wheat was China from Mundra port which accounted 648 MT at an average FOB price of \$309.95/Tn .Other countries were UAE and Jordan.

As of now (30.01.2015)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 305.94 lakh hectares against corresponding period of 2013-14(315.25 lakh hectares).

The global wheat market gained in recent weeks considerably on the back recently imposed export tax by Russia. 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 some 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.

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 500 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 steady as feed ingredients prices were mixed 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				242.0

\*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. We expect that trend could continue in the near term and keep maize spread with bajra slightly down as compared to last 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				-61.0

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

As the table depicts, maize spread with jowar traded down during last week as maize traded down with the steady movement in jowar prices. We expect 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	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				-211.0

\*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 and is expected to be down in next week also.

**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				-154.0

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

As the table depicts, maize spread with wheat traded down as wheat traded firm during last week. We expect that wheat could trade steady to slightly firm in the near term and keep maize spread with wheat down for the next week.

Annexure

## Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	30-Jan-15	23-Jan-15	Parity To
Indore (MP)	28000	27700	Gujarat, MP
Kota	28000	27200-27500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29500	29500	Mumbai, Maharashtra
Nagpur (42/46)	29200	29000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	28600	28500	Andhra, AP, Kar, TN
Latur	30000	29700	-
Sangli	30000	29800	Local and South
Sholapur	30000	29800	Local and South
Akola	28300	28000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	28500	28500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	28000	27500	-

### Soy DOC at Port

Centers	Port Price	
	30-Jan-15	23-Jan-15
Kandla (FOR) (INR/MT)	29000	28400
Kandla (FAS) (USD/MT)	470	462

### International Soy DOC

Argentina FOB \$/MT	28-Jan-15	10-Dec-14	Change
Soybean Pellets	413	442	-29
Soybean Cake Meal	413	442	-29
Soybean Meal	421	450	-29
Soy Expellers	421	450	-29

#### Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	30-Jan-15	23-Jan-15	Change
Adoni	19400	19800	-400
Khamgaon	NA	NA	-
Parli	19800	20400	-600
Latur	19000	19800	-800

#### Groundnut Meal

Groundnut Meal	30-Jan-15	23-Jan-15	Change
Basis 45% O&A, Saurashtra	24700	25000	-300
Basis 40% O&A, Saurashtra	21700	22000	-300
GN Cake, Gondal	25000	25500	-500

#### Mustard DOC/Meal

Mustard DOC/Meal	30-Jan-15	23-Jan-15	Change
Jaipur (Plant Delivery)	15400	16000	-600
Kandla (FOR)	16400	16700	-300

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

Market	Grade	30-Jan-15	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1435	1450	1380	1420	1485
Davangere	Loose	1100	1080	1050	1240	1330
Nizamabad	Bilty	1260	1250	1225	1275	1360
Ahmedabad	Feed	1310	1335	1375	1320	1500
	Starch	1350	1370	1375	1350	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	188.58	176.95	177.76	210.38
Cost and Freight	238.58	231.95	237.76	245.38

**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
<b>Total</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>1210954</b>

**Feed Ingredient Prices at a Glance**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>30-Jan-15</u>	<u>23-Jan-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	2133	1180	953
		Hybrid	Bangalore	1650	1650	Unch
Jowar	Karnataka	White	Bangalore	1950	1950	Unch
		White	Bellary	1527	1598	-71
Maize	Karnataka	Yellow	Davangere	1100	1080	20
	Andhra Pradesh	Yellow	Nizamabad	1220	1200	20
Rice	Haryana	IR8	Karnal	NA	NA	-
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2800	2770	30
	Maharashtra	DOC	Sangli	3000	2980	20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1940	1980	-40
	Maharashtra	Ex-factory	Latur	1900	1980	-80
Mustard	Rajasthan	Plant delivery	Jaipur	1540	1600	-60
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2550	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1505	1486	19
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1420	1415	5

**Note: Prices Rs./ Qtl**

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