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Summary

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

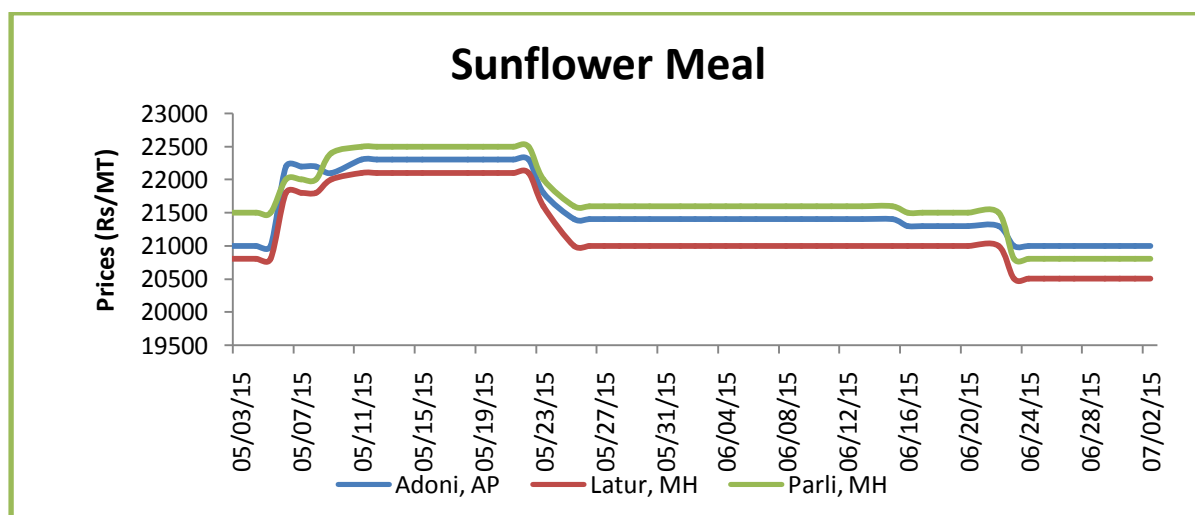
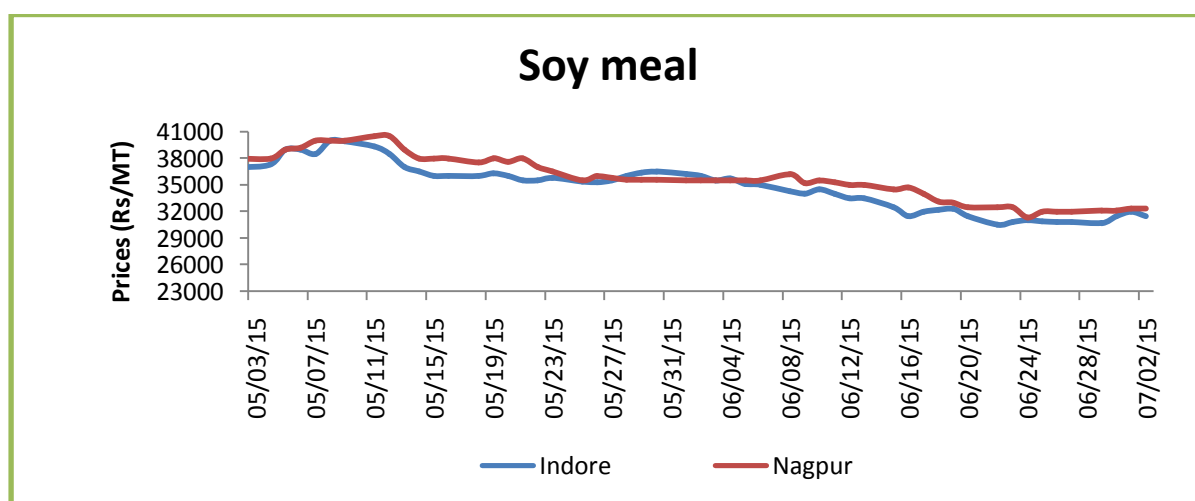
The domestic soybean rebound on firm global cues and buying support the cash market during the week under review.

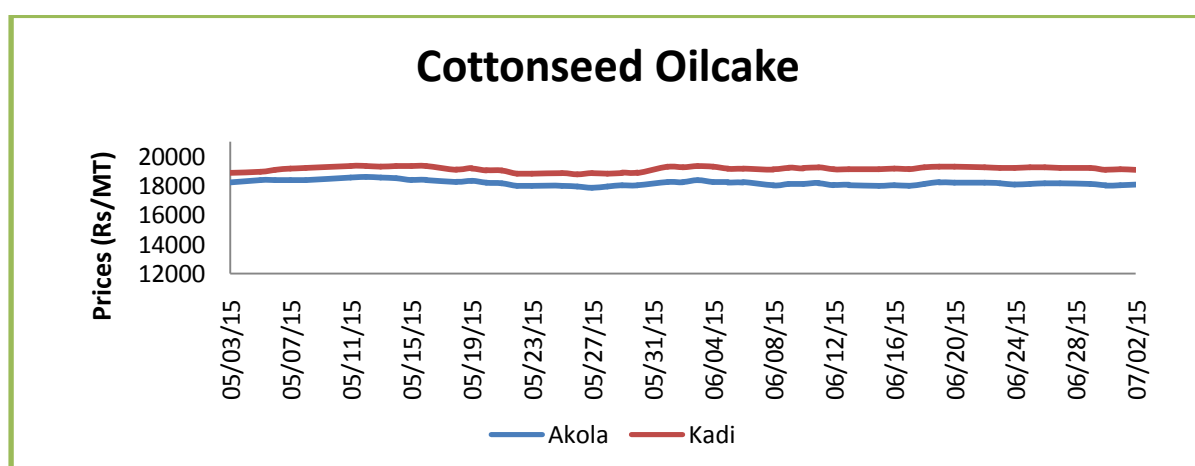
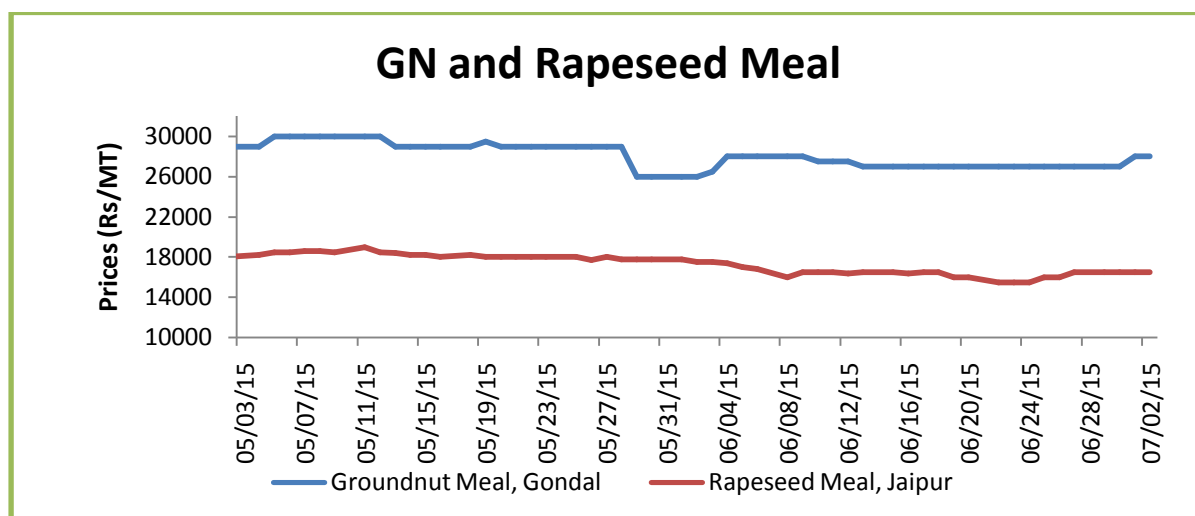
The domestic soy meal posted gains in sync with soybean supported by firm international market during the week under review.

Additional rains in US mid-west, the major soy growing region, and lower than expected US soybean inventories reported on June 1 remained bullish for soy meal too.

Steady to firm sentiments witnessed in major cash markets of maize during the week under review and market is likely to be steady to firm with the continued feed makers demand.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean and meal and rapeseed-mustard edged-up on firm global cues during the week under review. Besides, renewed buying in cash market remained supportive for the oilseeds market.

Earlier than normal/usual monsoon throughout India lead to boost in oilseeds planting including soybean and groundnut.

Robust palm oil exports from Malaysia and Indonesia remained supportive for BMD CPO while heavy rains in US mid-west pushed up the CBOT soybean.

Soybean:

- ❖ The domestic soybean rebound on firm global cues and buying support the cash market during the week under review.
- ❖ Gains in benchmark CBOT soybean which tested US \$10.59-1/4 a bushel, six months high, on weather concerns and lower than expected US soybean stocks reported in June 1 boosted

the soybean prices in the international market, thus lending support to Indian soybean prices at higher levels to some extent.

- ❖ Though US soy stocks were lower than the trade expectations but the stocks were up from previous year.
- ❖ US soybean stocks as of June 1 were 625 million bushels, up from 405 million bushels a year earlier. The quarterly usage figure of 701 million bushels was the fourth biggest ever for the period.
- ❖ Besides, additional rains in several parts of US mid-west, the major soybean growing belt, in recent days hurdled the remaining 5% - 6% of the soybean planting in the region. The factors remained bullish for international market for near-term.
- ❖ US Soybean planted area for 2015 is estimated at a record high 85.1 million acres, up 2% from last year. Area for harvest, at 84.4 million acres, is also up 2% from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin. USDA will redo its fresh acreage survey in August.
- ❖ The soybean planting in India is fast progressing with adequate soil moisture followed by recent precipitation in the key soy growing regions.
- ❖ Further, there are fair changes that India's soybean planted area in 2015 will be higher as compared to area under 2014. As per SOPA the area is expected to increase by 7% - 10% to 118 lakh hectares or above.
- ❖ But the telephonic survey by Agriwatch reveals around 5% increase in India's coverage under soybean due to lower planting intentions in cotton, in the state of Maharashtra, which is expected to shift to soybean. India's 2014/15 soybean planting was in 110.22 lakh hectares which was already lower by 9.8% than in 2013.
- ❖ Brazil has exported 9.81 million tonnes of soybeans in June, compared to 9.34 million tonnes in May and 6.89 million tonnes a year ago; this shows the imports are better than same period last year.
- ❖ *Better than expected seasonal rains, higher edible oil imports, lower soy meal shipments will pressurize the domestic soybean market. However, recent rains in the US mid-west have hurt the remaining soybean planting in the region. This will limit any sharp fall in near-term in addition to consistent Chinese buying.*

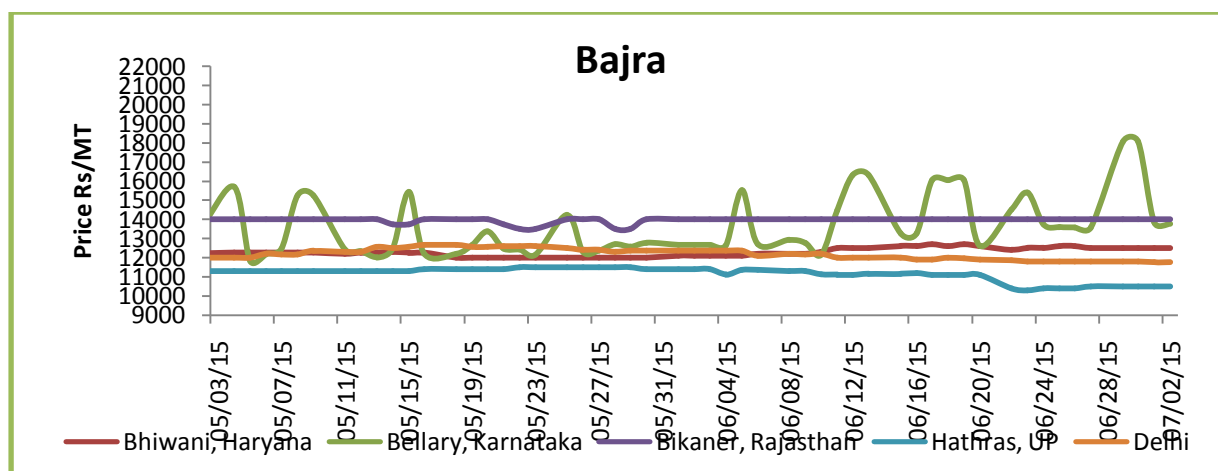
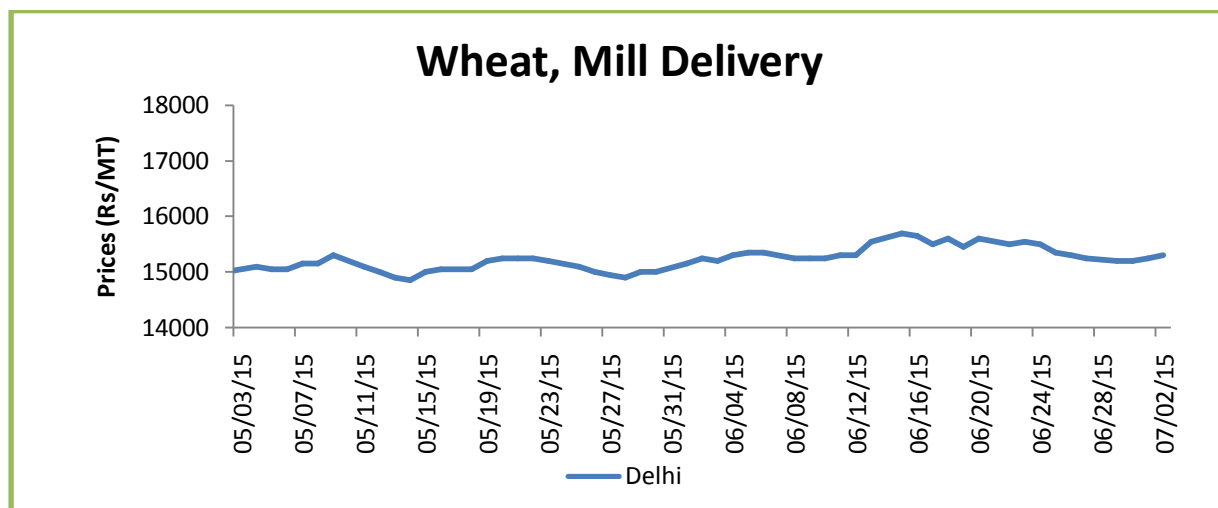
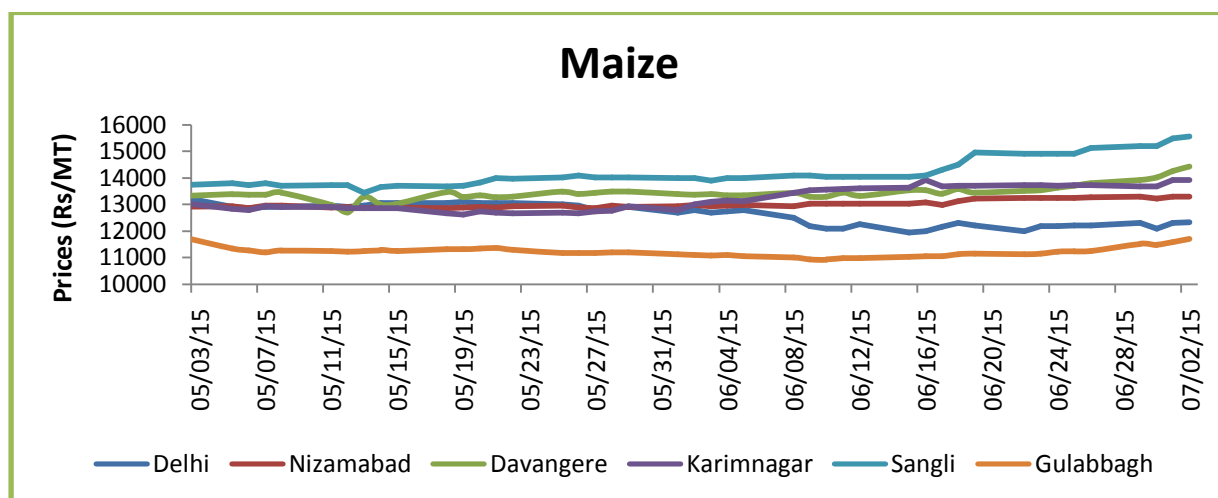
Soy meal:

- ❖ The domestic soy meal posted gains in sync with soybean supported by firm international market during the week under review.
- ❖ Additional rains in US mid-west, the major soy growing region, and lower than expected US soybean inventories reported on June 1, remained bullish for soy meal too.
- ❖ The soybean reached six months high during the week pushing up the whole soy complex including soy meal.
- ❖ India's soy meal exports commitments continued to remain weak and are not expected to pick-up due to increased global supply scenario followed by record soybean production in the key growing areas, which eventually increased the global soy meal supplies at competitive prices compared to meal of Indian origin.

- ❖ The heat wave concern is over with onset of monsoon, the chicken and egg prices have surged due to heat wave which has killed above 17 million birds in May.
- ❖ Overall, the domestic meal consumption fell in recent weeks.
- ❖ India's monthly soy meal exports in the month of May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year. But, the exports in May were below 5 year average of 10,62,65 MT.
- ❖ China, which has recently lifted ban from meal of Indian origin, has identified India's 5 rapeseed-mustard crushing plants for rapeseed-mustard meal imports.. This will lend support to the seed prices at higher levels in cash market.
- ❖ *India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (Jul. – Aug. delivery) was quoted between Rs 30,800 – 32,400/MT compared to Rs 37,500 – 39,000/MT during the same period last year.*

RM Seed:

- ❖ RM seed witnessed gains on buying interest in the cash market and expected fresh demand of rapeseed meal, Indian origin, from China's.
- ❖ Tight domestic supply scenario due to lower seed production this season continued to remain positive for the RM seed market.
- ❖ The all India seed arrivals are gradually falling and they were reported at a total of about 5,90,000 bags during the week under review compared to about 7,30,000 bags previous week. In Rajasthan the supplies too were reported lower at about 3,20,000 bags during the week compared to about 4,45,000 bags previous week.
- ❖ According to SGS, Malaysia's 1-30 June 2015 exports rose by 9.4 percent at 1,696,096 tons (1,550,675). Top buyers were India at 411,930 tons (345,080), European Union at 360,354 tons (316,655), China at 272,320 tons (393,475), United States at 59,170 tons (56,735) and Pakistan at 49,850 tons (31,500). Values in brackets are figures of 1-30May, 2015.
- ❖ The rise in ending stock is primarily due to greater than expected rise in production. Palm oil production rose by 6.92% from 1,693,424 tons to 1,810,692 tons while exports rose by 37.32% from 1,175,248 tons to 1,613,566 tons.
- ❖ China, which has recently lifted ban from meal of Indian origin, has identified India's 5 rapeseed-mustard crushing plants for rapeseed-mustard meal imports.. This will lend support to the seed prices at higher levels in cash market.
- ❖ The outlook for rapeseed-mustard remains stronger for medium and long-term owing to the tight supplies due to lower production this season.
- ❖ Tight supplies in seed, better Malaysian palm oil exports and China's renewed demand in rapeseed meal of Indian origin will lend support to the rapeseed-mustard prices at higher level. But, higher Malaysian palm oil stock and improved palm oil production will pressurize the domestic seed market.



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

Steady to firm sentiments witnessed in major cash markets of maize during the week under review and market is likely to be steady to firm with the continued feed makers demand.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs 10 per quintal to Rs. 1360 per quintal. Starch feed makers also quoted maize firm by Rs. 20 per quintal to Rs. 1380 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 11131 tons for the period of 22nd -28th Jun '15 mainly to Nepal, Malaysia and Philippines.

Maize is moving towards Kolkata at Rs.1300-1325 per quintal, sourced from Bihar. Maize could trade steady to slightly firm in the near term due to feed makers demand.

In A.P, as per trade sources, farmers are likely to shift 5-7% maize crop area towards soybean. Stock of maize could be around 21,000 tons (20,000 Government and 1,000 in the hands of Private traders). Around 70-80% maize sowing has been completed.

Maize is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1520 per quintal, Rs. 1500 per quintal, Rs. 1430 per quintal, Rs. 1460 per quintal and Rs. 1500 per quintal respectively, sourced from Davangere. It is expected to trade steady to slightly firm for the near term. In Karnataka, around 60% of maize sowing has been completed As per trade sources, around 5% cotton area has shifted towards maize.

In Delhi, maize traded steady at Rs 1215 per quintal as compared to last week. Maize could trade slightly firm in the near term amid stockists and poultry feed makers demand. Stock of maize could be around 1000 tons.

Maize market is likely to trade steady to slightly firm due to feed makers demand.

As per USDA, U.S accumulated corn export figures reached to 36,215,706 metric tons for the 2014-15 marketing year. Exports of 10,24,900 MT were down 9 percent from the last week but up 4 percent from the prior 4-week average; reported by U.S to Mexico (289,500 MT), Japan (163,000 MT), Egypt (120,100 MT), Iran (65,100 MT), China (60,100 MT), South Korea (59,700 MT), and Guatemala (56,300 MT) for the period June 19- 25, 2015.

As per China agriculture ministry, China is likely to reduce corn acreage in 2016 as Beijing has huge grain stock. Four provinces in China's northeast, including Heilongjiang and Jilin, produce about 40 percent of the country's total corn output and would be the main areas targeted for reduction.

As per the latest crop progress report released by USDA, Corn silking is 4% as on 28th June, 2015, same from the last year but lower by 4% from the last 5 year average period. 68% crop of corn is in good to excellent condition.

Wheat cash market traded mixed and is likely to move range bound in the near term. Govt may impose 10 percent import duty on wheat to restrict the flow of imported wheat. With the help of this measure govt intends to offload poor quality grain stored out in central pool stock this year. Out

of 27 MMT 10/12 MMT wheat is considered to be of poor quality and its life cycle is not more than 10 months as market participants opine.

At present, rake loading from Kota region of Rajasthan to South Indian states is being done at Rs 1750 to Rs 1760 per qtl for milling grade wheat. If bulk users source it from Punjab and Haryana costing would go up slightly. Besides, there is a fear over quality of wheat procured this year by govt agencies. So, local millers will continue to prefer sourcing wheat from open market first.

Market sources say that half out of 5 lakh tonne contracted (in between \$255 to \$275 per Tonne) so far around one lakh tonne has already landed in India. The remaining quantity is scheduled to reach India in July onward. Market has witnessed two new developments this year. Firstly, wheat import is taking place in vessels and south Indian millers are in process of buying wheat from Russia and France first time.

India has exported 3432.95 tonne wheat in the fourth week of June till 28th. at an ave FOB price of \$273.75 per tonne. During the same period wheat import was registered at 27,500 tonne at an Ave CIF of \$268.78 per tonne. Wheat has been imported from Australia and is likely to continue as deals have already been struck.

Total wheat procurement was registered at 276.19 lakh tonne as on 25.06.2015 against 270.68 lakh tonne till date last year. Punjab has contributed 99.52 lakh tonne so far, followed by Haryana 67.55 lakh tonne. M.P. contribution stands at around 72.61 lakh tonne. Rajasthan has procured only 12.95 lakh tonne. Overall procurement is up by 0.46 percent this year

Wheat stock in central pool was registered at 403.51 lakh tonne as on 1st June 2015. The highest quantity of wheat is available in north and west zone. It is almost 280 lakh tonne in northern states while western states have around 100 lakh tonne wheat stock. Under buffer norms India needs to maintain 245.80 and 30 lakh tonne wheat under buffer and strategic reserve on 1st July, 2015.

Agriculture statistics Division, DES has released Third Adv estimates of Production of foodgrains for 2014-15 on 13.05 2015. It has revised wheat production estimate down by 4.9 MMT to 90.78 MMT. In second Adv Est. production was estimated at 95.76 MMT. The drastic decrease in third Adv Est is mainly attributed to inclement weather conditions in March and April. India has produced 95.85 million tonne wheat in 2013-14.

Global wheat market is likely to trade steady to slightly firm due to US lower crop size, below normal prospects for Australian wheat. Likely imposition of export tax by Russia may be supportive for global wheat market. Besides downgraded production estimate by IGC from 715 to 711 MMT remains supportive in the near term. However, any one way spike is unlikely as there are lots of wheat in global market. Overall sentiment for June remains firm.

Outlook

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

Spreads

Maize Average Weekly spread with Bajra

Week	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	July'15
1	27.0	0.00	59.0	144.0	180.0	180.00	252.0	332.0	356.0	119.0	21.0	42.5
2	20.0	-3.00	62.0	202.0	164.0	227.0	247.0	322.0	352.0	67.5	2.0	
3	8.0	6.00	93.0	207.0	119.0	237.0	269.0	338.0	261.0	54.0	7.0	
4	-0.8	63.0	154.0	182.5	139.0	244.0	320.0	361.0	225.0	38.0	32.5	
5		60.0				242.0				41.0		

*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 steady movement in bajra prices. We expect that maize could trade slightly firm in the near term and keep maize spread with bajra firm for the next week.

Maize Average Weekly spread with Jowar

Week	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	July'15
1	-785.0	-781.6	-669.0	-532.0	-230.0	-19.0	-72.0	-16.0	50.0	-181.0	-248.0	-279.0
2	-768.0	-773.0	-760.0	-198.0	-253.0	-53.0	-75.0	16.0	63.0	-218.0	-289.0	
3	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	31.0	-17.0	-198.0	-298.0	
4	-781.0	-795.0	-792.0	-228.0	-180.0	-50.0	-27.0	48.0	-72.5	-202.5	-287.0	
5		-770.0				-61.0				-221.0		

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

As the table depicts, maize spread with jowar traded firm during last week as maize traded firm with the steady price movement in jowar. We expect maize spread with jowar firm for next week also.

Maize Average Weekly spread with Barley

Week	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	July'15
1	-128.0	-112.0	-122.5	-166.0	-155.0	-29.0	-174.0	-116.0	340.0	219.0	-30.0	-29.0
2	-102.0	-117.0	-100.0	-40.0	-149.0	20.0	-175.0	-84.0	390.0	134.0	-69.0	
3	-112.0	-109.0	-147.0	-52.0	-137.0	-178.0	-164.0	-27.5	383.0	43.0	-58.0	
4	-109.0	-105.0	-90.0	-154.0	-110.0	-200.0	-127.0	121.0	327.5	20.0	-37.0	
5		-110.0				-211.0				-3.0		

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

As the table depicts, in Delhi spot market, maize spread with barley traded firm during last week and

is expected to be firm in next week also amid firm movement in maize.

Maize Average Weekly spread with Wheat

Week	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	July'15
1	-240.0		-309.0	-324.0	-296.0	-212.0	-240.0	-117.0	-43.0	-134.0	-210.0	-238.0
2	-270.0	-269.0	-306.0	-297.5	-297.5	-160.0	-192.5	-97.0	167.5	-184.0	-259.0	
3		-312.5	-318.0	-307.0	-290.0	-156.0	-176.0	-79.0	75.0	-167.5	-288.0	
4		-288.0	-302.5	-306.0	-292.0	-138.0	-132.0	-37.0	37.0	-168.0	-242.0	
5	-240.0		-297.5				-154.0				-176.0	

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

As the table depicts, maize spread with wheat traded firm as maize traded firm vs. wheat during last week. We expect maize spread with wheat firm for next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	3-July-15	26-Jun-15	Parity To
Indore (MP)	31600	30800	Gujarat, MP
Kota	31500	30500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	32500	32000	Mumbai, Maharashtra
Nagpur (42/46)	32800	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33000	32400	Andhra, AP, Kar, TN
Latur	33600	32400	-
Sangli	33800	32900	Local and South
Sholapur	33400	32800	Local and South
Akola	32300	31500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32600	32100	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32000	30500	-

Soy DOC at Port

Centers	Port Price	
	3-July-15	26-Jun-15
Kandla (FOR) (INR/MT)	31800	30800

Kandla (FAS) (USD/MT)	502	484
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International Soy DOC

Argentina FOB \$/MT	2-Jul-15	25-Jun-15	Change
Soybean Pellets	378	372	6
Soybean Cake Meal	378	372	6
Soybean Meal	386	380	6
Soy Expellers	386	380	6

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	3-Jul-15	26-Jun-15	Change
Adoni	21000	21000	Unch
Khamgaon	NA	NA	-
Parli	20800	20800	Unch
Latur	20500	20500	Unch

Groundnut Meal

Groundnut Meal	3-Jul-15	26-Jun-15	Change
Basis 45% O&A, Saurashtra	28000	26800	1200
Basis 40% O&A, Saurashtra	25000	23800	1200
GN Cake, Gondal	28000	27000	1000

Mustard DOC/Meal

Mustard DOC/Meal	3-Jul-15	26-Jun-15	Change
Jaipur (Plant Delivery)	16800	16000	800
Kandla (FOR)	17500	16800	700

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	2-July-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Red	1215	1215	1250	1190	1430
Davangere	Loose	1450	1370	1250	1350	1450
Nizamabad	Bilty	1300	NA	1270	NA	1500

Ahmadabad	Feed	1360	1360	1300	1360	1570
	Starch	1380	1360	1310	1350	1520

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	187.99	163.49	191.54	256.25
Cost and Freight	237.99	218.49	251.54	291.25

Soy Meal Exports (In MT):

Month	2011	2012	2013	2014	2015
Jan	574996	474993	620133	364444	103934
Feb	540360	344240	577589	183551	64515
Mar	410537	460464	320265	232176	46670
Apr	305033	313832	100311	75884	18017
May	176819	142588	97546	8226	
Jun	117600	180987	213564	2636	
Jul	139547	168341	107038	6682	
Aug	165510	10005	183555	2778	
Sep	225921	6525	173381	868	
Oct	223594	49840	182724	29071	
Nov	397659	517103	503269	110806	
Dec	798041	510698	451314	193832	
Total	4075617	2668918	3512217	1210954	233136

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	2-Jul-15	25-Jun-15	Change
Bajra	Karnataka	Hybrid	Bellary	1377	1360	17
		Hybrid	Bangalore	1650	1600	50
Jowar	Karnataka	White	Bangalore	2050	2050	Unch
		White	Bellary	1322	1291	31
Maize	Karnataka	Yellow	Davangere	1400	1320	80
	Andhra Pradesh	Yellow	Nizamabad	1250	NA	-
Rice	Haryana	IR8	Karnal	2000	1950	50
		Parmal Raw	Karnal	2400	2200	200
Soy meal	Madhya Pradesh	DOC	Indore	3150	3090	60

	Maharashtra	DOC	Sangli	3450	3290	160
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2100	2100	Unch
	Maharashtra	Ex-factory	Latur	2050	2050	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1650	1600	50
Groundnut Meal	Gujarat	GN Cake	Gondal	2800	2700	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1907	1925	-18
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1807	1813	-6

Note: Prices
Rs./Qtl

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