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Summary

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

Steady sentiments featured in the domestic soybean prices remained flat on steady demand during the period under review.

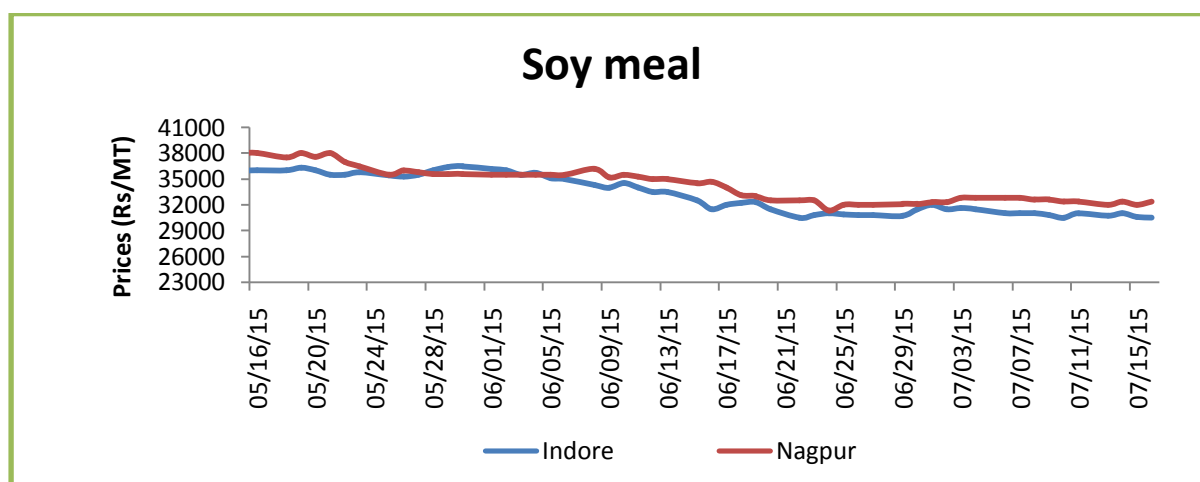
Decision of EU on bailout package for Greece and Iran Nuclear deal in Geneva remained supportive for the market for short-term.

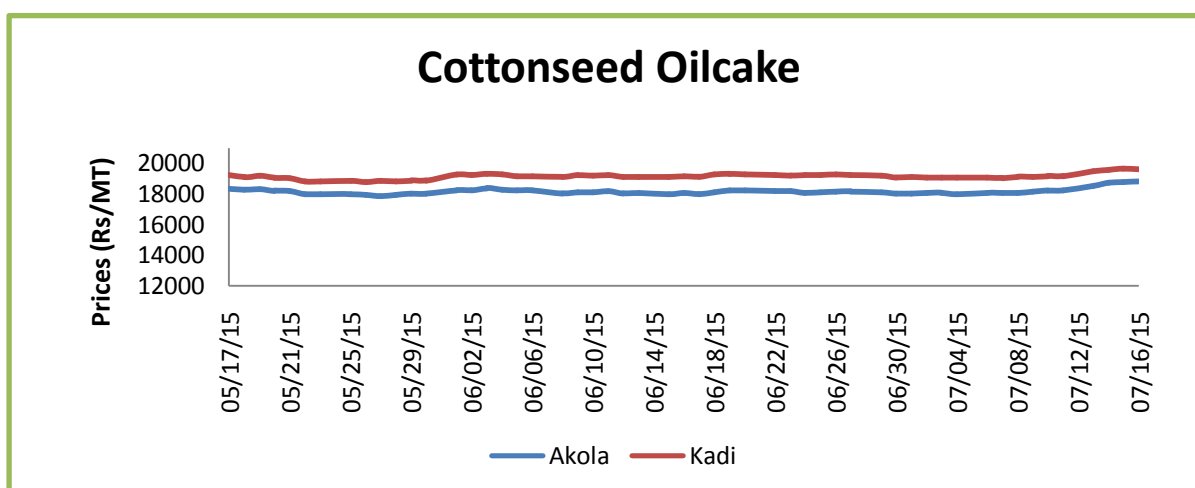
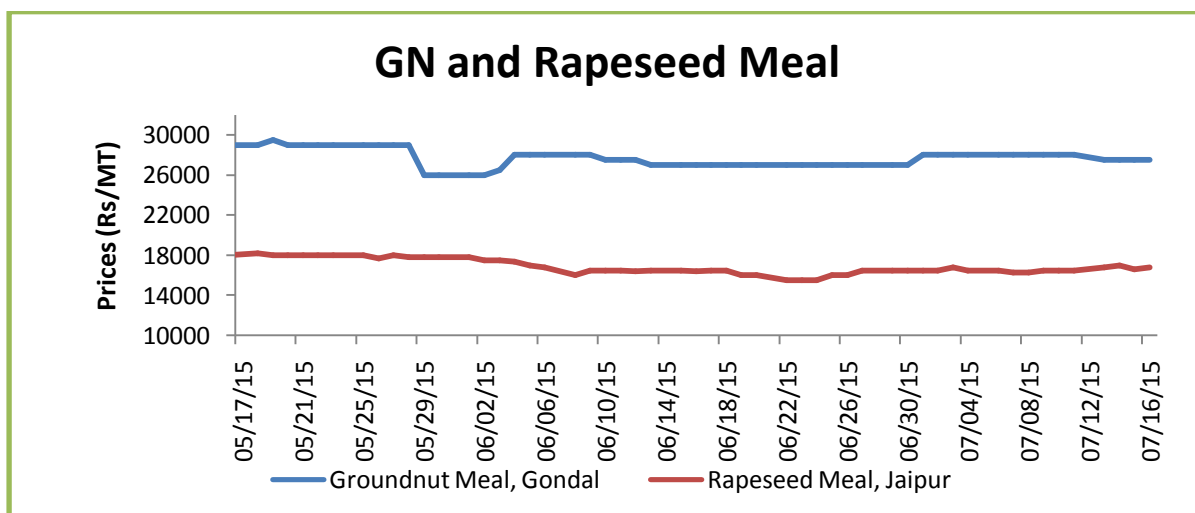
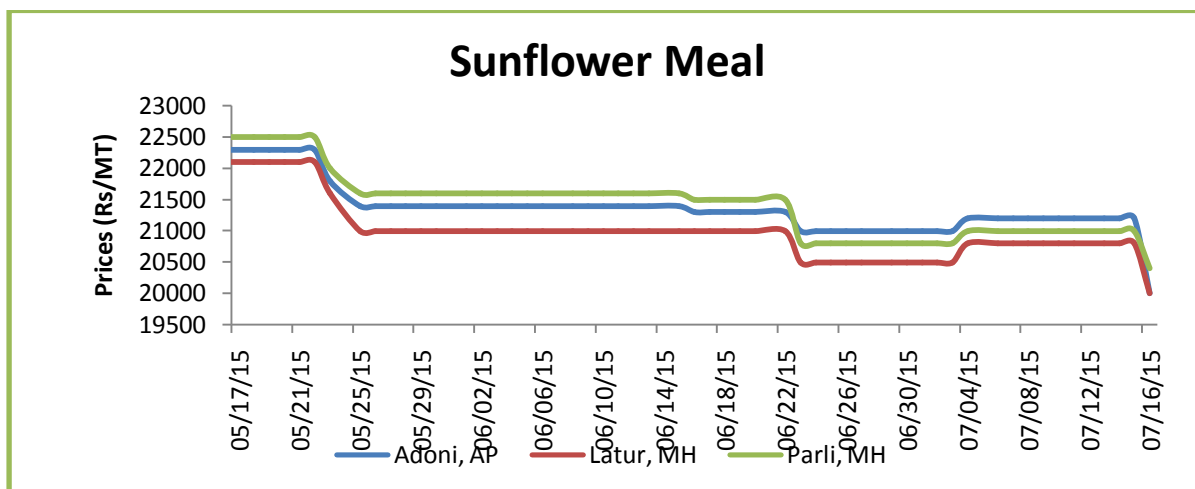
The domestic soy meal edged-up on firm global cues, for short term, and on weather concern for soybean crop - excess rains in US and dry spell in India during the period under review.

India's soy meal export sales continued to remain weak and discouraging due to demand shift to South America followed by their competitive meal price compared to the meal of Indian origin.

Mixed sentiments witnessed in major cash markets of maize during the week under review. However, market is likely to be steady to slightly firm with the continued feed makers' demand.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, meal and rapeseed-mustard posted gains on concern over seasonal rains over the oilseeds growing regions in coming days.

Decision of EU on bailout package for Greece and Iran Nuclear deal in Geneva remained supportive for the market for short-term.

The soybean planting is complete in US while it is underway and nearing completion in India.

Soybean

Steady sentiments featured in the domestic soybean prices remained flat on steady demand during the period under review.

Decision of EU on bailout package for Greece and Iran Nuclear deal in Geneva remained supportive for the market for short-term.

The soybean planting is complete in US as well while it is nearing completion in some pockets of the key growing regions of in India. This year the domestic soybean planting was ahead normal sown period followed by early coverage of monsoon rainfall in the growing region. The domestic soy crop is under development stage in most of the growing areas.

However, the long interval of dry spell in the key growing region has raised the concern, though the crop is not in the stress.

The observations of the survey in a recent field visit by SOPA reveals that

The sowing of soybean in Madhya Pradesh started earlier as compared to last year. In Malwa region, it has been found that about 2 lakh hectare area is under severe moisture stress and the crop in this area is virtually lost.

Almost 80% sowing of soybean in Madhya Pradesh was completed during the first spell of rains in mid June. The crop sown in this spell is currently under moisture stress, but will still revive, if precipitation occurs within next 3-4 days. Otherwise, the yield in this area will be adversely affected.

There are no incidences of pest attack or disease as of now. Subsoil moisture is still present at a depth of 2.5 to 3 inches and it can sustain the standing crop for another one week. Over all vegetative growth is average and the crop condition is also average.

In Maharashtra, the area under soybean cultivation is satisfactory. But, the crop in Latur Division and Marathwada is under severe moisture stress and the productivity is likely to be adversely affected. Major area in Amravati and Nagpur Division in Vidarbha region is seen to be average to fair. If the Monsoon revives by this week, it will improve the crop condition considerably.

In Rajasthan, the area under soybean is likely to touch 10 lakh hectares. The crop is reported to be quite satisfactory which helped by late rains including recent rains and available irrigation facility.

India's soybean planted area in 2015 will be higher as compared to area under 2014.

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.

India's actual seasonal rainfall from 1 June to 18 July 2015 is reported at 302.6 mm compared to 328.4 mm normal and the departure stood at -8%.

Central India received rainfall at 288.4 mm compared to 348.4 mm normal while the actual rainfall in Northwest is reported at 208.9 mm vs 187.4mm normal. The soy growing belt has been slightly affected due to dry spell for a week or two. The region requires adequate rains for better crop development.

In the international front, according to Oil World the world import demand for soya oil has picked up significantly. June exports of Argentina, Brazil and the USA jumped to around 950 Thd T.

US soybean planting is reported complete by 12 Jul. Soybean emergence is reported at 96% lower than previous year and 5 year average of 100%. Further, about 38% is blooming which is slightly above the 5 year average of 37% but slightly below the 39% compared to last year.

The crop is in 62% good to excellent against 72% during the same period last year. Further, about 6% of the crop is setting pod which is slightly lower than previous year and 5 year average of 8% and 7% respectively. The factors have turned-up slightly bullish for the international soybean for short-term.

Chinese imports of soybeans are likely to reach 9.2 – 9.5 million tonnes in July which is much higher when compared to monthly average of 5.5 – 6 million tonnes.

Brazil has exported 9.81 million tonnes of soybeans in June, compared with 9.34 million tonnes in May and 6.89 million tonnes a year ago; showing that the imports are better than same period last year.

Higher edible oil imports, lower soy meal shipments will pressurize the domestic soybean market and bearish global soybean supply scenario. However, recent rains in the US Midwest have hurt the remaining soybean planting in the region. This will limit any sharp fall in near-term in addition to better Chinese buying.

Soy meal

The domestic soy meal edged-up on firm global cues, for short term, and on weather concern for soybean crop - excess rains in US and dry spell in India during the period under review.

India's soy meal export sales continued to remain weak and discouraging due to demand shift to South America followed by their competitive meal price compared to the meal of Indian origin.

Further, hopes of revival in demand from Iran ends with its opportunity of exploring competitive markets with the lifting of sanctions in the recent nuclear deal in Geneva. Iran bought in huge volume of soy meal from India in recent past.

Tamil Nadu has lifted the ban of entry of poultry products from Kerala followed by notification of central government after it was confirmed that the avian influenza in Kerala has been contained and there is no need of restricting the entry which was hurting the poultry industry of Kerala.

The step will boost the poultry products in Kerala and thus leading to the gains in the domestic soy meal demand in near-term.

As reported earlier, India's oilmeal shipment in June fell 34% compared to the same period last year to 137, 571 tonnes.

Of the total oil meal shipments of India in Jun, soy meal comprised of 2,098 tonnes, rapeseed meal (56,139 tonnes), rice bran extraction (2,200 tonnes) and castor seed meal was (77,134 tonnes).

India's soy meal shipment during June, 2015 was 2,098 tons as compared to 2,637 tons in June, 2014 showing a decrease by 20.41% over the same period of last year.

On a financial year basis, the soy meal export during April'2015 to June'2015 is 34,160 tons as compared to 86,741 tons in the same period of previous year showing a decrease of 60.61%.

During current Oil year, (October – September), total soy meal exports during October 2014 to June, 2015 is 5,83,788 tons as against 20,51,322 tons last year, showing a decrease by 71.54%.

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 price compared to meal of Indian origin.

We expect the domestic soy meal consumption of the Poultry Industry to rise in coming days, with the likely increase in seasonal poultry consumption. This will limit any sharp fall in the meal price, the underlying soy meal fundamentals remain weak for the season.

The soy meal exports from Argentina have surged in June after the strike in May which had disrupted the meal shipments from the country during the month.

India's rapeseed meal exports are expected see a boost in coming days with China's recent lift in ban from meal of Indian origin. China has identified 5 rapeseed-mustard crushing plants of India for rapeseed-mustard meal imports. This will lend support to the seed prices in cash market.

Chinese imports of rapeseed meal are estimated at 150,000 tonnes during 2015/16 (June/May), which is lower by 25% from a year ago (imported from other countries). China's demand is projected around 10.8 million tonnes for the year, according to a CNGOIC estimate.

Australia is reported buying a huge quantity of soy meal to supplement domestic feed supplies.

Considering the current global scenario, we feel, India may not be able to regain its market which it lost last season due to Competitive prices in US, and South American meal followed by record supply scenario.

The soy meal prices are likely to feature range-bound movement with weak bias followed by improved supply scenario in near-term.

Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal will continue to lend support to the domestic soy meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea could be seen as the major destinations for Indian soy meal exports.

India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (Jul. – Aug. delivery) was quoted between Rs 30,900 – 31,100/MT compared to Rs 37,800 – 38,000/MT during the same period last year

Rapeseed - Mustard Seed

RM seed posted gains on both domestic and international factors during the week under review.

Tight supply in the seed, Indonesia's decision to impose levy on palm oil exports and reports of likely fall in palm production due to inadequate rains in the palm growing regions of Indonesia and Malaysia followed by En-Nino, which may lower the yield of palm.

The all India seed arrivals are gradually falling and they were reported at a total of about 4,45,000 bags during the week under review compared to about 5,85,000 bags previous week. In Rajasthan the supplies too were reported lower at about 2,35,000 bags during the week compared to about 3,00,000 bags previous week.

The Indonesian Government has imposed a levy on palm oil exports with effect from July 16 which is at US \$50/T on crude and US \$30/MT on processed oil.

India's vegetable oil imports in June 2015 rose by 23 percent to 1.02 million tonnes from 883,679 tons. Higher imports were due to *Ramadan* and buying before Palm oil levy by Indonesia. Demand concerns from leading consumers along with high production season in Malaysia has put lid on prices international palm oil prices. But Palm levy could push prices higher along with weaker Ringgit.

However, according to SGS, palm oil exports by Malaysia from 1-15 July fell by 15.1 percent to 664,641 tons from 782,854 tons. Top buyers were China 158,697 tons (149,770 tons), European

Union 110,755 tons (152,300 tons), India 95,800 tons (148,800 tons), United States 55,064 tons (21,650 tons) and Pakistan 23,400 tons (22,300 tons). Values in brackets are figures of same period last month.

Malaysia's Palm oil ending stocks for June 2015 was at 2,151,287 tons (2,248,577 tons), down 4.33 percent from May 2015. Trade estimates estimated Malaysia's Palm Oil ending stocks at 2.12 million tons. Production for June was at 1,763,928 tons (1,810,709 tons), down by 2.58 percent from May 2015. Exports were higher by 5.19 percent at 1,697,256 tons (1,613,566 tons). Imports were higher by 8.40 percent at 79,396 tons (73,241 tons). Values in brackets are figures of May 2015.

The gains in the domestic seed prices will be limited if the Malaysian palm oil exports continues to be sluggish in future.

India's edible oil imports remained stronger in recent months. Higher imports are due to zero export duty on palm oil by Indonesia and Malaysia (except April 2015) since October 2014. Besides, less demand of CPO for bio diesel pushed the export of palm oil to India to reduce swelling stock held by the exporting countries i.e. Indonesian and Malaysia. Higher prices of oilseeds and lesser realization of oils and meals domestically, resulted in record imports of vegetable oils into India, said Solvent Extractors' Association of India (SEA).

China's rapeseed oil reserve policy is reported to be dismantled in 2015-16, according to the International Grains Council.

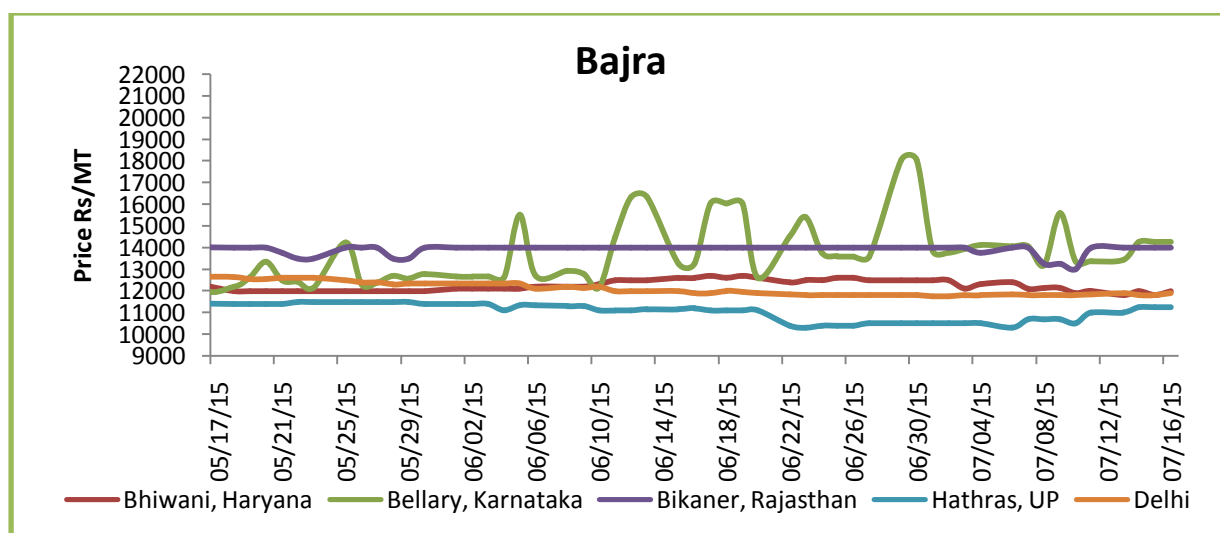
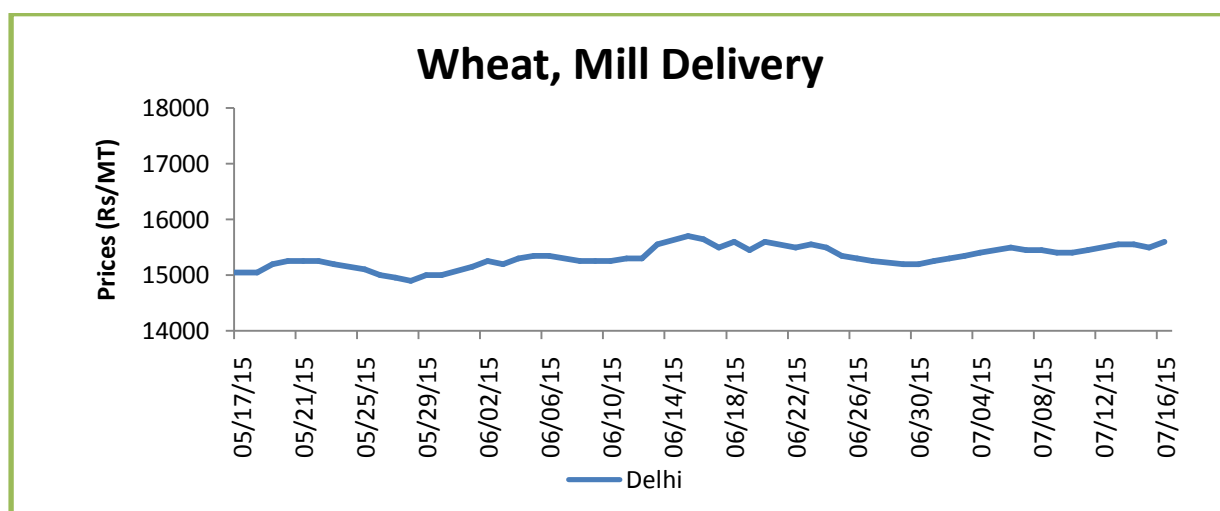
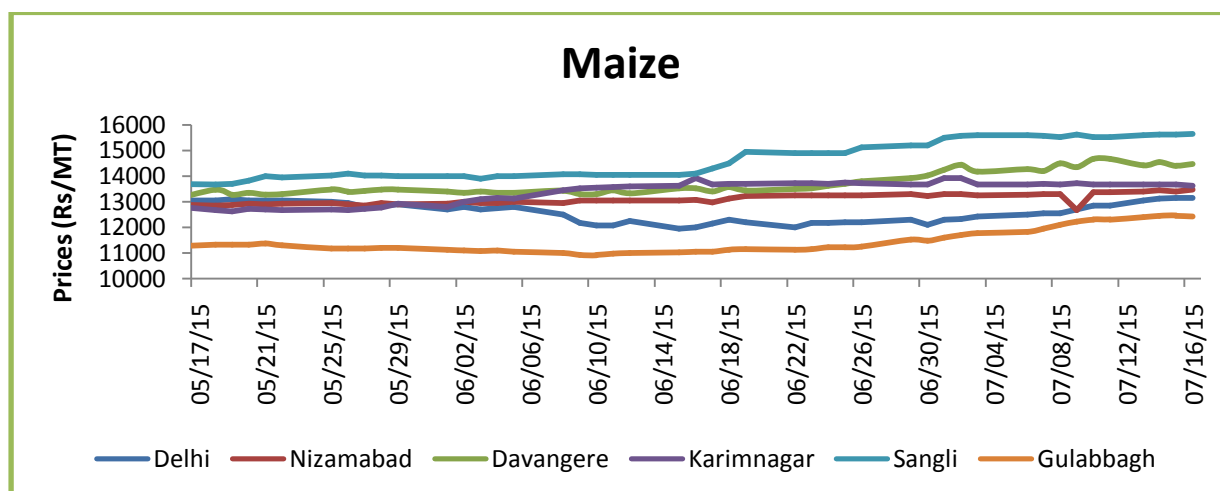
Under this program the Chinese government was buying rapeseed from Chinese farmers since 2009 at prices much higher than international prices.

IGC estimates that the Chinese government has stocked up about six million tonnes of rapeseed oil, which has become costly to maintain.

It expects the Chinese government to sell 600,000 tonnes of that oil into the marketplace in 2015-16, which could reduce the amount of canola purchased by the world's largest importer of the product. .

The outlook for domestic rapeseed-mustard remains stronger for medium and long-term owing to the tight supplies due to lower production this season.

Tight supplies in seed, likely fall in the palm oil production in key exporting countries and China's renewed demand in rapeseed meal of Indian origin will lend support to the rapeseed-mustard prices at higher level.



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

Mixed sentiments witnessed in major cash markets of maize during the week under review. However, market is likely to be steady to slightly firm with the continued feed makers' demand.

Maize sowing is done in A.P. and crop area is likely to be same as compared to last year. As no rainfall occurred since last 20 days and if this scenario continues, yield could be badly affected. In Karnataka, around 70% of maize sowing has been completed. As per trade sources, around 5% of cotton area has been shifted towards maize. In Rajasthan, weather conditions are favorable and yield is likely to increase as compared to last year if weather conditions remain favorable in the long run.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs 25 per quintal to Rs. 1450 per quintal. Starch feed makers quoted maize steady at Rs. 1425 per quintal as compared to last week.

As per IBIS data, exports of corn, mainly to Malaysia and Nepal, were reported around 7412 tons for the period of 6th July -12th July '15.

Maize sourced from Bihar is moving towards Kolkata at Rs.1400-1425 per quintal. Maize could trade steady to slightly firm in the near term due to feed makers' demand.

In A.P, stock of maize could be around 160,000 tons (140,000 Government and 20,000 in the hands of Private traders). Maize is likely to trade firm by Rs. 40-50 per quintal amid regular poultry and cattle feed makers' demand.

Maize sourced from Davangere is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1540 per quintal, Rs. 1540 per quintal, Rs. 1480 per quintal, Rs. 1520 per quintal and Rs. 1530 per quintal respectively. In Karnataka, stock of maize could be around 200,000 quintal. It is expected to trade slightly firm in the near term due to low supply amid higher demand.

In Delhi, maize traded firm by Rs. 30 per quintal to Rs 1300 per quintal as compared to last week. Maize could trade slightly firm in the near term led by stockists' and poultry feed makers' demand. Stock of maize could be around 5000 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 38,313,570 metric tons for the 2014-15 marketing year. Exports of 11,31,659 MT, for the period July 3-July 9, 2015, were up 17 percent from the last week and 9 percent from the prior 4-week average; reported by U.S to Japan (236,100 MT), Mexico (234,100 MT), South Korea (153,800 MT), Saudi Arabia (98,900 MT), Taiwan (73,800 MT), and China (62,100 MT).

As per the latest crop progress report released by USDA, Corn silking is 27% as on 1^{2th} July, 2015, lower by 4% from the last year and 7% from the last 5 year average period. 69% crop of corn is in good to excellent condition.

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	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	72.0
3	8.0	6.00	93.0	207.0	119.0	237.0	269.0	338.0	261.0	54.0	7.0	103.0
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 vs. bajra. 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	-245.0
3	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	31.0	-17.0	-198.0	-298.0	-206.0
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	13.0
3	-112.0	-109.0	-147.0	-52.0	-137.0	-178.0	-164.0	-27.5	383.0	43.0	-58.0	64.0
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	-215.0
3		-312.5	-318.0	-307.0	-290.0	-156.0	-176.0	-79.0	75.0	-167.5	-288.0	-219.0
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 down as wheat traded firm vs. maize during last week. We expect maize spread with wheat down for next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centres	Ex-factory rates (Rs/ton)		
	17-Jul-15	10-Jul-15	Parity To
Indore (MP)	30500	30500	Gujarat, MP
Kota	30300	32800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	32400	32400	Mumbai, Maharashtra
Nagpur (42/46)	32400	32400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33000	33000	Andhra, AP, Kar, TN
Latur	33500	32500	-
Sangli	33000	33000	Local and South
Sholapur	33200	33500	Local and South
Akola	32000	32000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	32300	32300	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	30400	30500	-

<u>Soy DOC at Port</u>		
Centers	Port Price	
	17-Jul-15	10-Jul-15
Kandla (FOR) (INR/MT)	NA	31000
Kandla (FAS) (USD/MT)	NA	489

International Soy DOC			
Argentina FOB USD/MT	16-Jul-15	9-Jul-15	Change
Soybean Pellets	392	NA	-
Soybean Cake Flour	392	NA	-
Soya Meal	400	NA	-
Soy Expellers	400	NA	-
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	17-Jul-15	10-Jul-15	Change
Adoni	20000	21200	-1200
Khamgaon	NA	NA	-
Parli	20400	21000	-600
Latur	20000	20800	-800
Groundnut Meal (Rs/MT)	17-Jul-15	10-Jul-15	Change
Basis 45%, Saurashtra	28000	27500	500
Basis 40%, Saurashtra	25000	24500	500
GN Cake, Gondal	28000	28000	Unch
Mustard DOC/Meal	17-Jul-15	10-Jul-15	Change
Jaipur (Plant delivery)	16500	16500	Unch
Kandla (FOR Rs/MT)	17500	17500	Unch
Sri Ganganagar	2075	2065	10

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	16-July-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Red	1330	1250	1190	1220	1430
Davangere	Loose	1430	1450	1300	1400	NA
Nizamabad	Bilty	1310	1300	1275	NA	1500
Ahmadabad	Feed	1460	1380	1320	1400	1600

	Starch	1420	1400	1350	1350	1575
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FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India (Bihar Origin)
FOB	186.02	163.3	191.93	253.38
Cost and Freight	236.02	218.3	251.93	288.38

Soy Meal Exports (In MT):

<u>Month</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>16-Jul-15</u>	<u>9-Jul-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1426	1560	-134
		Hybrid	Bangalore	1600	1650	-50
Jowar	Karnataka	White	Bangalore	2050	2050	Unch
		White	Bellary	1299	1371	-72
Maize	Karnataka	Yellow	Davangere	1380	1400	-20
	Andhra Pradesh	Yellow	Nizamabad	1260	1250	10
Rice	Haryana	IR8	Karnal	2000	1950	50
		Parmal Raw	Karnal	2500	2550	-50
Soy meal	Madhya Pradesh	DOC	Indore	3050	3080	-30
	Maharashtra	DOC	Sangli	3300	3310	-10

Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2000	2120	-120
	Maharashtra	Ex-factory	Latur	2000	2080	-80
Mustard	Rajasthan	Plant delivery	Jaipur	1680	1650	30
Groundnut Meal	Gujarat	GN Cake	Gondal	2750	2800	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1960	1912	48
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1881	1814	67

Note: Prices
Rs./Qtl

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