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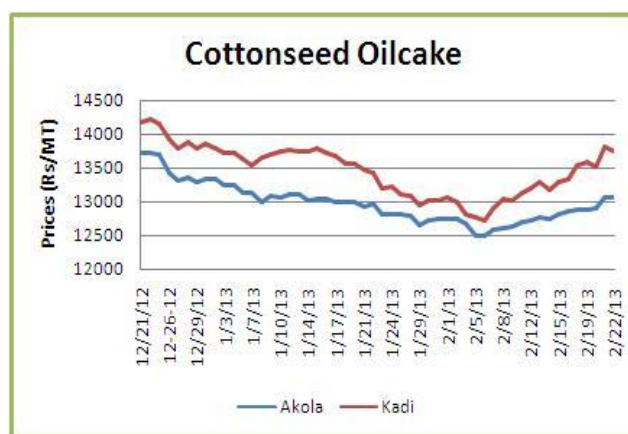
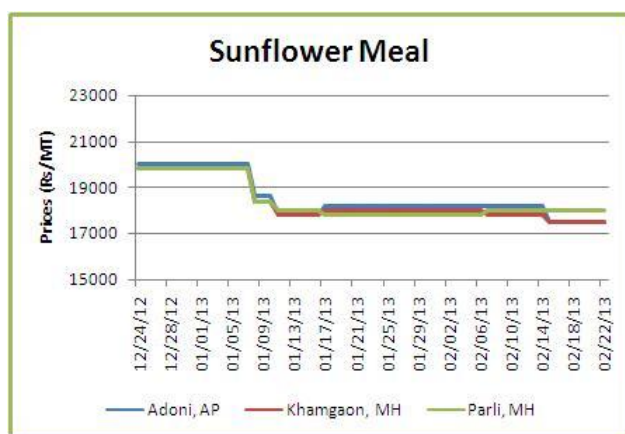
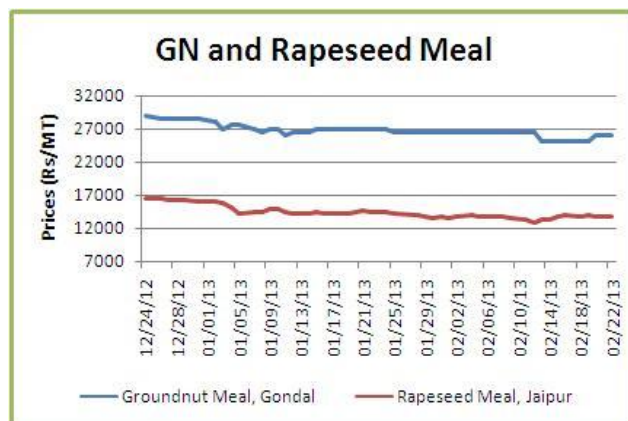
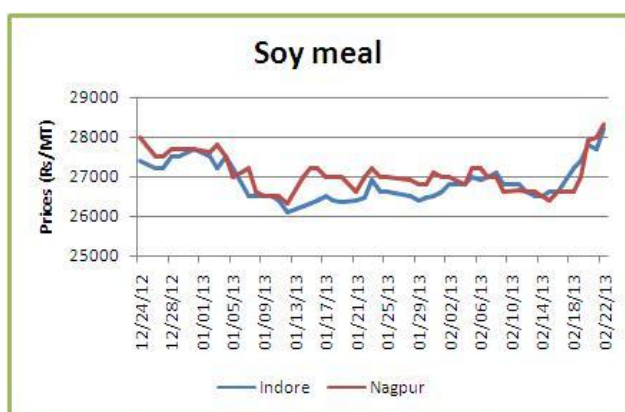
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Summary

The key feed ingredients prices featured steady to firm sentiments during the week in review.

Soy meal prices featured gains followed by improved overseas and domestic demand. RM seed prices increased tracking gains in Malaysian palm oil. Further, wheat prices remained stable on steady domestic supplies and demand. Maize prices featured mixed tone and bajra prices gained with improved demand from poultry feed manufactures. Overall, feed prices were range bound as key feed ingredient prices depicted steady to firm tone during the week in review.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic oilseeds and oil meals rebounds on supported by higher international market and improved buying soybean, meal and mustard seed.

Soybean prices boosted in the cash markets mainly supported by bullish international factors and good buying during the week in review.

The *Hammal*/labour strike in key cash markets including Indore continued during the week hurting the supplies to some extent.

Fresh Chinese buying after Chinese Lunar New Year holidays, congestion in Brazilian ports followed by strike and lower than forecasted rainfall in Argentina and its downward revision in production estimates proved bullish for the international soybeans, eventually lending support to the domestic soybeans.

Chinese importers have booked up to nine cargoes of US soybeans during the week for shipment beginning in March, with port congestion in Brazil likely to delay shipments from South America's largest exporter. At least two of those cargoes, each containing between 50,000 and 60,000 tons, were previous Chinese purchases of Brazilian soybeans that were switched to US Gulf shipment due to backups at Brazilian ports of up to 40 days, trade sources.

Besides, upward revision in palm oil exports duty by Indonesia and Malaysia have made the imports slightly expensive along with depreciation in Indian rupee against US dollar.

Better Chinese buying, rise in export duty in palm oil by the major exporters, Brazilian port congestion and persistent dry weather in Argentina will push up the soybean prices for short-term.

Soy meal prices too featured gains followed by improved overseas and domestic demand. Increased offtake in poultry products eventually pushed up the meal demand for feed, thus supporting up the prices.

Further, the South American soy meal prices are getting competitive with the harvesting picking up the pace in the region. However, Brazilian port strike continues to hurt the soy supplies and the logistics hurdle is likely to continue further. India's soy meal exports in January 2013 were 73% up yoy. However, the shipments were reportedly lower during oil year and finance year.

India's soy meal shipment may suffer in coming days due to demand diversion towards South America followed by competitive meal price of the region. However, preference of the meal of Indian origin mainly by the South-Eastern countries due to logistic and freight advance and demand for non-GMO meal will lend support to the domestic soy meal.

Thailand, Japan, Vietnam, Iran and Turkey were the largest buyers of soy meal of Indian origin in the month of January 2013.

India's exports of soy meal during January, 2013 was 6,20,133 tones as compared to 4,84,195 tones in January, 2012 showing a increase by 28.07% over the last year. On a financial year basis, the export during April 2012 to January 2013 is 25,36,062 MT as compared to 30,82,267 MT in the same period of previous year showing a decrease of 17.72%.

During the current Oil year, (October - September), exports during October 2012 to January 2013 is 16,98,984 MT as against 19,53,415 MT last year, showing a decrease by 13%, said SOPA.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Feb-Mar) exports price, FOR Kandla exports was quoted between Rs 28,850-29,800/MT compared to 18,500-18,900/MT during the same period last year.

C&F Indonesia was between US \$ 550-562/MT which was quoted between US \$406-415/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$31/MT compared to US \$44/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices. India's soy meal export is at the optimum levels during the period, October thru January, at the considered spread between Indian vs. Argentine meal price between US \$8/MT and US \$15/MT.

The domestic soy meal is under pressure followed by competitive South American soy meal prices with harvesting picking up in the region. However, improved soy meal exports in Jan. will lend support to some extent. The Indian meal exporters are advised to aggressively market their meal to the countries in vicinity including traditional South and Far-East Asian destinations to materialize the freight and logistics advantage. The prices are expected to feature range-bound movement on mixed sentiments. FOR, Kandla is likely feature range-bound movement between the price band of Rs.29700-30000/MT.

Besides, the domestic mustard seed prices boosted tracking gains in Malaysian palm oil on better export sale in the palm oil, fall in the palm oil inventories in Malaysian and Indonesia with rise in the shipments in recent days. Further lending support to the domestic mustard seed during the period.

In addition to it, the rise in the export duty from 7.5 per cent to 9 per cent by Indonesia and Malaysia's announcement of imposing 4.5 per cent export duty in March have made the palm oil imports little expensive for the importers like India.

Further, India's mustard crop harvesting is underway and it is gradually picking and the new crop buying has improved with the reduction in moisture content. The new seed supplies are gradually picking up the pace in Rajasthan, Uttar Pradesh, Madhya Pradesh and Gujarat.

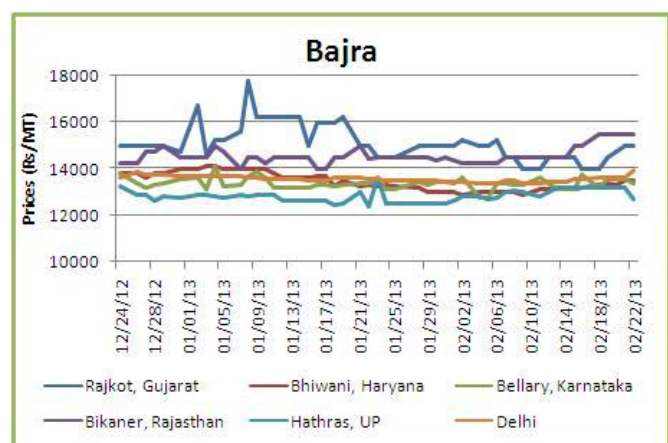
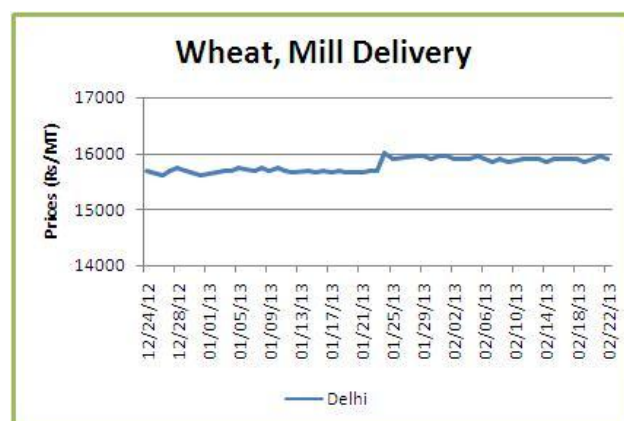
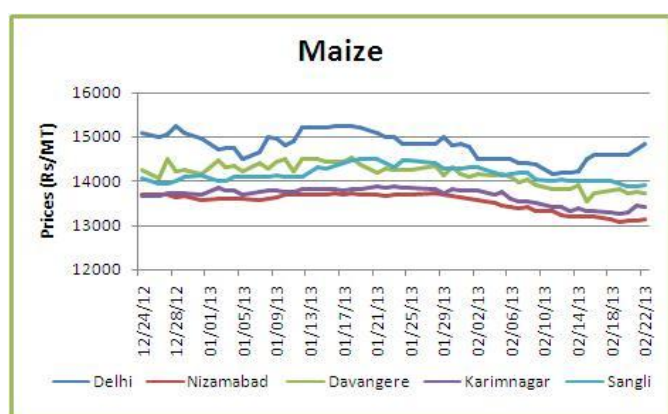
Unseasonal rains accompanied by heavy winds and hailstorm have damaged standing mustard crop in few districts of Madhya Pradesh and Rajasthan in recent days. However, the damage is expected to be minor. The event has slightly pushed up the seed prices in recent days.

In Rajasthan the mustard crop is in seed is in green seed to brown seed stage. Harvesting in few regions has begun.

The crop is in flowering and pod formation stage in west Uttar Pradesh. Early crop harvesting is underway in the region. The crop is in maturity stage in Madhya Pradesh. It is in flowering stage in Punjab and harvesting stage depending upon the sowing time in Gujarat. The crop is in pod formation and seed development stage in Haryana. In West Bengal, the crop is in pod development to maturity stage. No major pests/diseases were noticed or crop loss/damage reported due to adverse weather.

Upward revision in export duty by Indonesia and re-imposition of the same by Malaysian from March will make the palm oil imports expensive for India. However, new RM seed crop arrivals in some of the key producing region of Rajasthan, Gujarat, Madhya Pradesh and Uttar Pradesh will limit the gains in near-term.

RM seed prices are expected to feature range bound movement with weak bias, in near term, on rising new crop arrivals. The prices are likely get pressure and are likely to witness 3650–3700 level in near term.



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

Mixed sentiments witnessed in most of the major spot markets of maize. Demand from poultry feed millers reported dull during last week. Karnataka, Nizamabad and Delhi markets of maize were closed on Wednesday and Thursday due to Bharat Bandh. Meanwhile, lower exports demand for Indian corn weighing on the prices.

Maize traded firm during last week due to lower supply with the support from continuous demand from poultry feed makers. Sources revealed that maize could trade firm in the near term with the higher poultry demand. As per trade sources, around 1-1.25 lakh bags of maize could be in the Delhi spot market.

In Bihar, maize crop is good in condition. Sources revealed that corn stocks in mandis are very less and new crop would arrive till the March end. Meanwhile, demand from Kolkata feed millers reported around at Rs. 1600 per quintal (Delivery rate).

In the Nizamabad region of A.P., maize market was closed most of the days during last week. Sluggish export and domestic demand for maize kept prices at the lower level. In Karnataka, most of the mandis were closed during last week due to which, corn arrivals were lower in the market.

As per the data released by the Ministry of Agriculture as on 15th Feb, 2013, area sown under maize during Rabi season for 2012-13 is estimated higher by 1.88 lakh hectares to 15.34 lakh hectares from the last year.

Indian C&F Maize prices (around \$335) decreased by \$4.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (around \$357.96) and getting stiff competition from Brazil C&F (around \$333.8) and Argentina Maize C&F prices (around \$313.48).

On the export front, in the current marketing year (Oct '12-Sep '13), total maize exports reported around 1.011 million tons during the October- January month to Indonesia, Malaysia, Vietnam, Bangladesh, Taiwan, China, Yemen, and Singapore through Vizag Sea, Mangalore Sea, Mundra Sea, Mangalore Sea, Kakinada Sea, JNPT and Chennai ea, generally in 20' containers.

As per USDA, U.S. corn export figures reached to 8773390 metric tons for the 2012-13 marketing year which is lowered by around 55% from the last marketing year during the same period. Corn exports were down by 35 percent to 256800 metric tons from the last week and from the prior 4-week average.

As per the latest IGC report, the 2012-13 world corn production is estimated higher by 5 million tons to 850 million tons from the January month estimate. Planting of the 2013/14 crop will soon commence in the northern hemisphere and the global area is tentatively forecast up 0.6% y/y led by an anticipated further growth in the US, although spring rainfall will be crucial in drought-affected areas. The global stock outlook is likely to be tightening by 16 million tons y-o-y basis.

Lower export demand for Indian corn is likely to weigh on the domestic corn prices in the coming days.

Prices of wheat were steady in the market as government is increasing supplies to make way for new crop. Wheat cash markets remained almost unchanged at previous level with matching supply-demand side. Wheat crop is in good condition and production prospects have improved further with recent rains. Most of the crops are entering now in filling stage.

Arrivals have started reaching at Rajkot and Junahgarh mandi at Rs 1700-1750/Q with 15-17% moisture of Lokwan Quality. Prices may come under pressure in weak ahead.

Government has set a target of procuring around 44 million tons wheat this year. Punjab is likely to be the largest contributor towards wheat central pool stock while Madhya Pradesh may takeover

Haryana as second largest contributor with around 11.5 million tons wheat as sown area has increased by 3 lakh hectares in M.P.

Thailand feed millers have bought 40,000 MT Indian wheat during the week as prices are declining. Purchases were made around USD 315/T CNF. In January 2013, 400,674 MT of wheat was exported from government stock through PSU's and it is expected that in February 2013, this could reach 500,000 MT.

The government may allow private traders to export wheat from central pool stock. Discussions with various ministries are going on. However, quantity has not been specified. As per market expert it may be almost 5 million tons. Food Ministry has circulated a Cabinet note for inter-ministerial discussions on allowing export.

Wheat sowing has completed now. As per the latest figures area sown under wheat is 298.38 lakh hectares against 298.61 lakh hectares last year at the same time, almost twenty three thousand hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh.

Some wheat will be shipped to flour millers in the Middle East where Indian wheat is currently offered around \$340/ton, basis cost and freight. Some volumes are expected to be shipped to Ethiopia where buyers purchased at least 150,000 tons Indian wheat around \$362/ton, C&F.

India is expected to produce 92.3 million tonnes of wheat in 2013-14 which is lower than 2012-13, 94.88 million tonnes. Lower area coverage is witnessed in Rajasthan, Maharashtra and Gujarat and yield is expected to fall due to irregular weather conditions which will consequently result in lower production this year.

Wheat inflation has declined from December 2012(23.23%) to 21.39% in January 13. Although WPI has reduced marginally to 205.4 in January 2013 from 205.3 in December 2012 as government had increased the supply in January.

According to IGC, world wheat production is forecast to increase by around 4 percent in the 2013-14 crop year, with most of the increase expected to be absorbed by rising demand. World production of wheat may reach 656 million tons, little changed from the previous forecast. Ending stocks are predicted to be 176 million tons, 2 million tons more than the January outlook.

The market is expected to trade steady to weak since the government is willing to offload its stock before procurement begins. Supply will limit any uptrend in prices.

Outlook

Steady demand from poultry and other feed manufacturers is expected to persist in the near term, which is likely to keep the key feed ingredient prices (including soy meal, maize and bajra) stable.

Spreads

Maize Average Weekly spread with Bajra

Week	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13
1	357.5	286.6	95	63.75	112	193	117.5	177.0	187.5	213.0	115.0	113.0
2	335	300	95.8	42.00	166	119	86.67	219.0	213.0	210.0	131.0	82.50
3	335	250.0	101.7	93.00	200	90	100.0	270.0	214.0	158.0	170.0	93.75
4	323.33	161.0	72.0	127.5	204	103	79.0	264.0	238.0	147.0	153.0	
5	298		90.0			106.0					135.0	

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

As the table depicts, in Delhi spot market, maize spread with bajra increased as maize traded higher against bajra during last week. However, both commodities traded higher from last week due to higher demand from poultry feed makers. Sources revealed that in the coming week, trend would continue its positive tone and could keep maize spread with bajra unchanged.

Maize Average Weekly spread with Jowar

Week	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13
1	295	93.3	-322.5	-336	66	83	190	150.0	137.0	192.0	205.0	107.0
2	80	-90	-324	-302	113	46	198.3	180.0	183.0	218.0	190.0	80.0
3	375	-127.1	-170	-280	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5
4	80	-251.0	-320	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0	
5	92		-403			122.5					132.5	

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

As the table depicts, maize spread with jowar increased from last week as jowar traded down on sluggish demand from cattle feed industry. Sources revealed that jowar could trade steady in the coming weeks and keep maize spread with jowar firm in the coming weeks.

Maize Average Weekly spread with Wheat

Week	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13
1	201.2	125	-108	-117	22	70	-106	-123	-139	-21	-48.0	-90.8
2	208.7	122	-109	-130	61	28	-142	-188	-170	0.0	-44.0	-143
3	190	59.3	-69	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25
4	125	-36.0	-96	3	108	-173	-156	-127	-27	-8.0	-31.0	
5	146		-188			-167					-62.0	

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

As the table depicts, maize spread with wheat increased from last week as wheat traded down during last week. We expect that wheat could trade steady during next week with the firm price movement in maize and keep maize spread with wheat in upward direction.

Maize Average Weekly spread with Barley

Week	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13
1	180	63.33	-239	-281	16	133	212	160.0	213.0	242.0	135.0	71.67
2	155	140	-191.7	-250	58	96	201.67	226.0	150.0	268.0	140.0	62.50
3	67	-91.42	-191.7	-163	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5
4	-43.33	-176	-238.0	-16	85.8	94	143.0	226.0	215.0	172.0	139.0	
5	37		-283.0			207.5					97.50	

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

As the table depicts, in Delhi spot market, maize spread with barley increased from last week as barley traded slightly down during last week due to dull demand. We expect that barley could trade steady during next week and keep maize spread with barley in positive tone.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	22.02.2013	15.02.2013	Parity To
Indore (MP)	28200	26600	Gujarat, MP
Kota	27600	26300	Rajasthan, Del, Punjab, Haryana
Akola	28400	26500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	28500	27000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	28500	27200	Andhra, AP, Kar, TN
Dhulia/Jalna	28800	28200	Mumbai, Maharashtra
Nagpur (42/46)	28300	26400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	29200	-	Local and South
Solapur	29000	27300	Local and South
Bundi	27500-27600	26500	-

Soy DOC at Port

Centers	Port Price	
	22.02.2013	15.02.2013
Kandla (FOR) (INR/MT)	30000	28700
Kandla (FAS) (USD/MT)	551	532

International Soy DOC

Argentina FOB \$/MT	22.02.2013	15.02.2013	Change
Soybean Pellets	508	477	+31
Soybean Cake Meal	508	477	+31
Soybean Meal	516	485	+31
Soy Expellers	516	485	+31

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	22.02.2013	15.02.2013	Change
Adoni	17500	17500	Unch
Khamgaon	17500	17500	Unch
Parli	18000	18000	Unch
Latur	17200	17200	Unch

Groundnut Meal

Groundnut Meal	22.02.2013	15.02.2013	Change
Basis 45% O&A, Saurashtra	24800	24500	+300
Basis 40% O&A, Saurashtra	23000	22000	+1000
GN Cake, Gondal	26000	22250	+3750

Mustard DOC/Meal

Mustard DOC/Meal	22.02.2013	15.02.2013	Change
Jaipur (Plant Delivery)	13800	13700	+100
Kandla (FOR)	14400	14400	Unch
Sri Ganganagar	755	745	+10

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	22 Feb, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1495	1430	1520	1520	-
Davangere	Bilty	-	1360	1400	1405	1125
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1310	1310	1365	1360	1160
Ahmedabad	Feed	1450	1440	1500	1500	1320
	Starch	1510	1490	1550	1560	1330

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	263.48	278.8	297.96	300
Cost and Freight (Thailand)	313.48	333.8	357.96	335

Soy Meal Exports (In MT):

<u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Jan	521243	240318	574996	474993	620133
Feb	375098	220552	540360	344240	
Mar	224639	163666	410537	460464	
Apr	100106	60264	305033	313832	
May	77018	60575	176819	142588	
Jun	109923	98400	117600	180987	
Jul	58268	166632	139547	168341	
Aug	127299	176138	165510	10005	
Sep	171955	290868	225921	6525	
Oct	219721	404960	223594	49840	
Nov	297340	443488	397659	517103	
Dec	328225	611157	798041	510698	
Total	2610835	2937018	4075617	2668918	

Feed Ingredient Prices at a Glance:

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>22.02.2013</u>	<u>15.02.2013</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1339	1312	27
		Hybrid	Bangalore	1450	1450	Unch
Jowar	Karnataka	White	Bangalore	1800	2500	-700
		White	Bellary	1274	1268	6
Maize	Karnataka	Yellow	Davangere	1300	1310	-10
	Andhra Pradesh	Yellow	Nizamabad	1310	1310	Unch
Rice	Haryana	IR8	Karnal	1750	1700	50
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	28200	26600	1600
	Maharashtra	DOC	Sangli	29200	28500	700
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	17500	17500	Unch
	Maharashtra	Ex-factory	Latur	17200	17200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	13800	13700	100
Groundnut Meal	Gujarat	GN Cake	Gondal	26000	25000	1000

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