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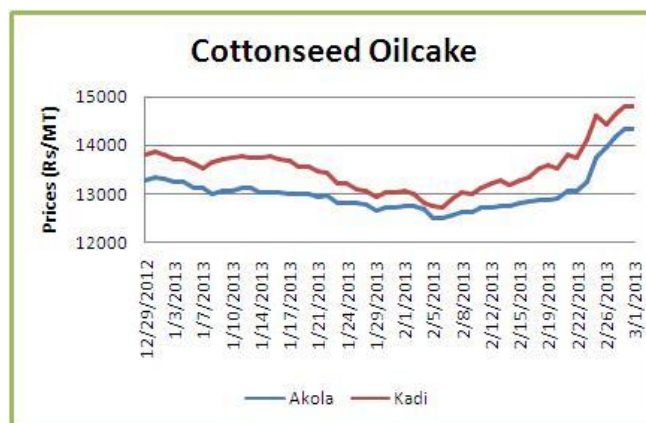
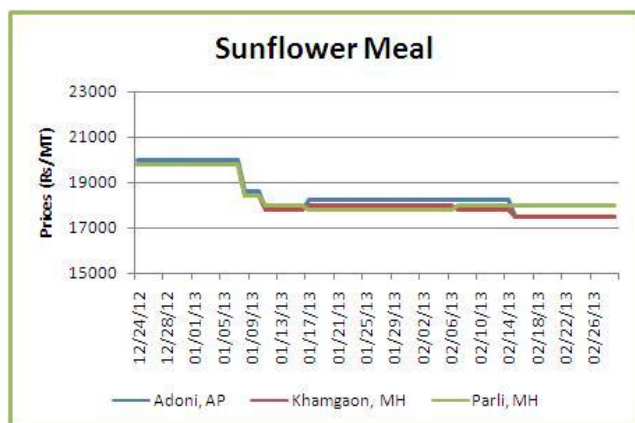
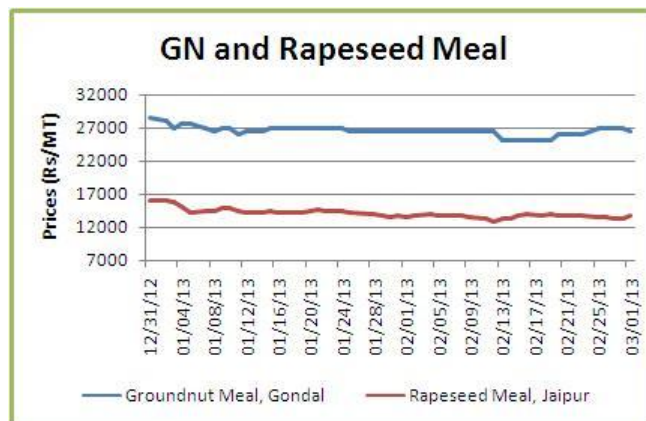
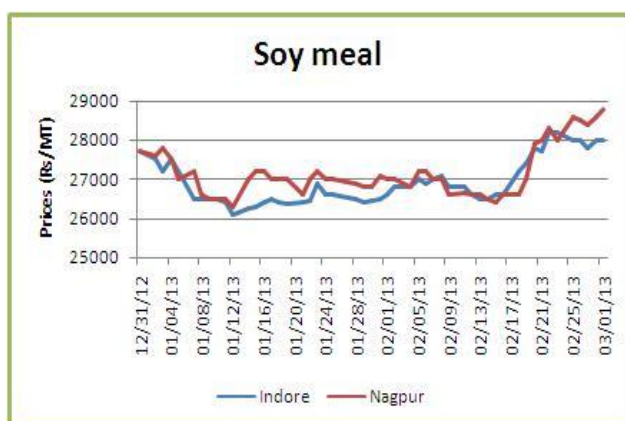
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Summary

The key feed ingredients prices featured mixed sentiments during the week in review.

Soy bean and RM seed prices declined on weakness in the international markets; however meal prices featured gains followed by improved overseas and domestic demand. Further, wheat prices depicted steady to weak tone on new crop arrivals at key centres. Maize prices featured steady to firm tone and bajra prices gained with higher demand from poultry feed manufactures. Overall, feed prices ruled higher in the week under consideration despite mixed tone in the key feed ingredient prices.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean and RM seed edged lower on weakness in BMD CPO and CBOT soybean mostly during the week in review and cautious buying in the oilseeds was featured in the cash market.

The soybean fell on short-term bearish international developments during the period. Port strike in Brazil was called off and the rainfall in Argentina was slightly better than the forecast during the past weekend. Above all, the Brazilian soybean harvesting is picking up the pace and it is heading above historic average. The factors combined together pressured the soybean market.

The soybean benchmark, Indore, which remained closed followed by strike called on by the *hammals/labours* in the mandi for nearly two weeks reopened towards the end of the week. The soybean supplies were slightly hurt due to the strike and *Ravi Das Jayanti* and *Magh Poornima* during the period.

Government's recent imposition of import duty of 2.5 per cent on the crude edible oils and upwards revision in the export duty in palm oil by Malaysia and Indonesia will make India's imports of palm oils slightly expensive.

However, gaining momentum in the soybean harvesting in South America, sluggish exports in the palm oil and easing Brazilian port congestion after workers called off their strike will pressure the soybean market in near-term.

The soy meal prices extended previous gains on better overseas demand and fresh domestic off take from the poultry feed manufacturers. The meal gained, despite fall in the soybeans during the period.

Besides, the Indian government's decision to abolish 10 per cent exports duty on de-oiled rice bran oil cake will give a boost to the exports and make the domestic industry competitive in the world market. India produces around 4 million tons of de-oiled rice bran cake, which is mainly used for cattle feed. Vietnam is the major country where India exports de-oiled rice bran cake. In the period April 2012 to January 2013, India had exported 2 lakh tons of de-oiled rice bran oil cake whose value is estimated at Rs 175 crore.

India's soy meal shipments are likely to suffer in coming days due to demand shift 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 tons as compared to 4,84,195 tons 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 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 (Mar-Apr) exports price, FOR Kandla exports was quoted between Rs 29,500-29,750/MT compared to 18,600-19,000/MT during the same period last year.

C&F Indonesia was between US \$ 536-542/MT which was quoted between US \$386-402/MT during the same period last year. The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US \$43/MT compared to US \$31/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices.

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.29500-29700/MT.

Soybean prices likely to feature range-bound movement with weak bias in near-term - WEEK. The prices are likely to move within the price band of 3300-3350 levels (Indore, Plant basis).

Besides, the RM seed prices fell in association with BMD CPO on weak palm oil exports and new domestic crop supplies in key cash markets. The new crop arrivals are picking up the pace in Rajasthan, Uttar Pradesh, Madhya Pradesh and Gujarat.

The harvesting of the seed is gradually picking up in the major growing regions. In the official planting progress report the rapeseed/mustard seed planting is reported up by around 2.4 per cent at 67.46 lha compared to 65.89 lakh hectares during the same period last year.

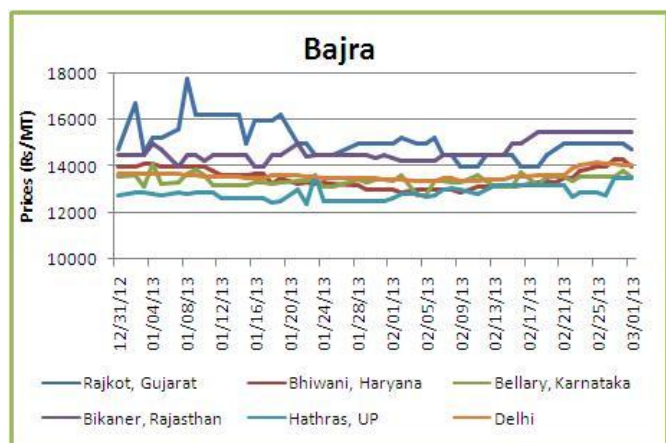
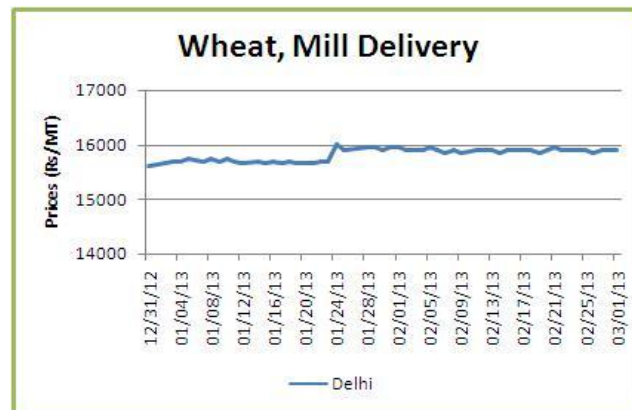
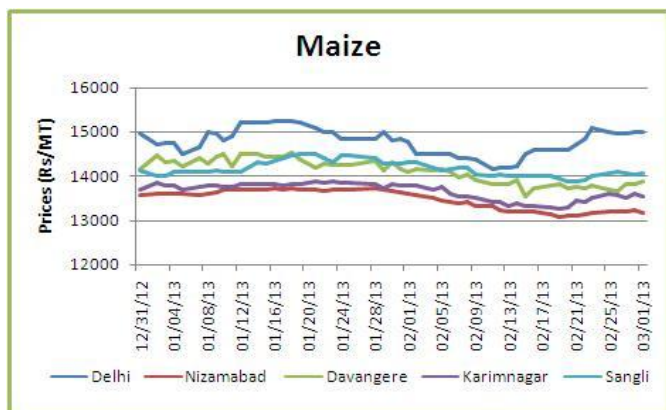
Weak palm oil export demand fueled concern of stockpiles hovering near record levels in February in Malaysia. Inventories totaled 2.58 million metric tons at the end of January, from December's all-time high of 2.63 million tons, reported by Malaysian Palm Oil Board. MPOB will publish the February crop data on March 11.

Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. reported the palm oil shipments fell in February by 9.1% and 8.8%, respectively, from a month earlier.

Planters and traders will meet in Kuala Lumpur this week to discuss the supply-demand outlook, and to hear price forecasts from oilseed analysts Godrej International trading head Dorab Mistry and LMC International Chairman James Fry.

Upward revision in export duty by Indonesia and re-imposition of the duty by Malaysian from March (after 2 consecutive months of nil duty) 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 3500–3550 level in near term.



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

Steady to firm sentiments witnessed in most of the major spot markets of maize during the week under review. Maize prices are hovering at around Rs 1283 per quintal on an average on pan India basis, increased by Rs. 6 per quintal from the last week.

India has started offering new-crop corn at \$298-\$300 a ton on C&F basis for shipment to Southeast Asia in April and May, as compared with Argentine corn being quoted around \$314-\$315 a ton. Malaysian feed millers bought 60,000 tons of Indian corn for arrival in April. (Source: Reuters)

In Ahmadabad, demand for maize from starch industry was reported lower. However, local poultry demand was reported at Rs. 1450-1470 per quintal.

In Bihar, maize crop is good in condition. Sources revealed that corn stocks in mandis are diminished 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 Karnataka, steady to firm sentiments witnessed in most of the maize markets due to lower crop arrivals. Maize is moving towards Chennai and Mangalore at Rs. 1460 per quintal sourced from koppal. In the Nizamabad region of A.P., maize prices traded slightly firm due to lower arrivals in the market.

Maize traded firm during last week due to lower supply with 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 market.

Indian C&F Maize prices (around \$344) increased by \$9.00 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 \$374.55) and getting stiff competition from Brazil C&F (around \$288.63) and Argentina Maize C&F prices (around \$323.82).

As per USDA, U.S. corn export figures reached to 9,069,726 metric tons for the 2012-13 marketing year which is lowered by around 55% from the last marketing year during the same period. However, corn exports were up by 15 percent to 296300 metric tons from the previous week but still down 19% from the prior 4-week average.

Informa Economics has raised its estimate of Brazil's corn crop to 71.6 million tons from 70.3 million tons previously. The firm kept its estimate of Argentina's 2012-13 corn production unchanged at 25 million tons.

Indian maize prices are likely to remain flat in the near term.

Wheat prices traded steady to weak in the market as new crop arrivals have reached Indore mandi and were quoted around Rs 1400-1450/Q, with 14-15% moisture. New crop arrivals of 500 bags have started reaching Bhopal mandi at Rs 1700-1900/Q. Traders are deferring purchases to procure new crop later, which has pressurized market. As per feedback from private traders in Bhopal region, they will be sourcing wheat from U.P and Rajasthan as crop was affected by extreme weather conditions earlier.

Government has stopped selling wheat through tender sale in Madhya Pradesh from March although it will continue in other states. Arrivals in Punjab, Haryana and U.P are expected to hit the market in April. Bulk Wheat buyers have reduced their purchasing by 25-30 per cent from government stocks under OMSS in the second half of this month. Off take may fall further as new crop is round the corner.

STC has received the highest bid of USD 300.10/T for export of 35,000 MT Indian milling wheat and MMTC has received the highest bid of USD 302.02/T for export of Indian milling wheat for 35,000 MT. Tender bids have fallen from USD 310-312/T as international market has declined owing to better crop prospects and poor international buying.

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 tons of wheat was exported from government stocks through PSU's and it is expected that in February 2013, this could reach 500,000 tons.

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.

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

The biggest wheat shipper in 2012-13 is expected to be USA (28.6 million tons); EU and Canada may end up with 18.5 MMT each, followed by Australia (16.5 million T) and then Russia (at 10 million T). India's exports are expected to be around 5 million tonnes.

CBOT wheat has recovered from previous week lowest levels as wheat demand is increasing. Wheat became a cheaper alternative to corn for cattle feed. Moreover, buoyant wheat export too has pushed wheat futures towards north.

Market is expected to trade steady to weak since the government is willing to offload its stock before procurement begins. New crop arrivals have started hitting market in Gujarat and Madhya Pradesh, which will pressurize market.

Outlook

Steady demand from poultry and other feed manufacturers, along with likely rise in prices of soy meal and bajra on improved domestic and export demand is likely to keep the key feed ingredient prices (including soy meal, maize and bajra) stable in the near term.

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	102.0
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 week on week basis as maize traded higher vs. bajra in the last two weeks. However, both commodities traded higher during last few weeks due to higher demand from poultry feed makers. Sources revealed that in the coming weeks, bajra could trade higher due to lower arrivals and higher demand from poultry side. Meanwhile, maize could also trade steady to slightly firm and keep maize spread with bajra in the positive zone.

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	170.0
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 maize traded higher against jowar during last week. Sources revealed that jowar could trade steady in the coming weeks and keep maize spread with jowar towards northward zone.

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	-47.5
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. Wheat traded steady with the firm price movement in maize during last week. We expect that wheat could trade down during next week due to lower flour millers' demand. Meanwhile, private exporters are not buying wheat as they are expecting that prices will go down due to new crop arrival pressure. As per above mentioned facts, we expect that maize spread with wheat could trade positive in the coming weeks.

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	167.0
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 from cattle feed and malt industry buyers. We expect that barley could trade slightly down and keep maize spread with barley in the upward direction.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	01.03.2013	22.02.2013	Parity To
Indore (MP)	28000	28200	Gujarat, MP
Kota	27800	27600	Rajasthan, Del, Punjab, Haryana
Akola	28400	28400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29000	28500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	28700	28500	Andhra, AP, Kar, TN
Dhulia/Jalna	29500	28800	Mumbai, Maharashtra
Nagpur (42/46)	28800	28300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	29500	29200	Local and South
Solapur	29200	29000	Local and South
Bundi	27700	27500-27600	-

Soy DOC at Port

Centers	Port Price	
	01.03.2013	22.02.2013
Kandla (FOR) (INR/MT)	29600	30000
Kandla (FAS) (USD/MT)	543	551

International Soy DOC

Argentina FOB \$/MT	01.03.2013	22.02.2013	Change
Soybean Pellets	499	508	-9
Soybean Cake Meal	499	508	-9
Soybean Meal	507	516	-9
Soy Expellers	507	516	-9

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	01.03.2013	22.02.2013	Change
Adoni	17500	17500	Unch
Khamgaon	17500	17500	Unch
Parli	18000	18000	Unch
Latur	17200	17200	Unch

Groundnut Meal

Groundnut Meal	01.03.2013	22.02.2013	Change
Basis 45% O&A, Saurashtra	24800	24800	Unch
Basis 40% O&A, Saurashtra	22200	23000	-800
GN Cake, Gondal	26500	26000	+500

Mustard DOC/Meal

Mustard DOC/Meal	01.03.2013	22.02.2013	Change
Jaipur (Plant Delivery)	13700	13800	-100
Kandla (FOR)	14500	14400	+100
Sri Ganganagar	690	755	-65

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	01 Mar, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1515	1495	1480	1480	-
Davangere	Bilty	1400	-	1380	1400	1150
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1325	1310	1360	1360	1160
Ahmedabad	Feed	1470	1450	1480	1520	1320
	Starch	1510	1510	1540	1575	1340

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	273.82	233.63	314.55	309.00
Cost and Freight (Thailand)	323.82	288.63	374.55	344.00

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>01.03.2013</u>	<u>22.02.2013</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1357	1339	18
		Hybrid	Bangalore	1400	1450	-50
Jowar	Karnataka	White	Bangalore	1700	1800	-100
		White	Bellary	1290	1274	16
Maize	Karnataka	Yellow	Davangere	1350	1300	50
	Andhra Pradesh	Yellow	Nizamabad	1325	1310	15
Rice	Haryana	IR8	Karnal	1800	1750	50
		Parmal Raw	Karnal	2300	2200	100
Soy meal	Madhya Pradesh	DOC	Indore	28000	28200	-200
	Maharashtra	DOC	Sangli	29500	29200	300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	17500	17500	Unch
	Maharashtra	Ex-factory	Latur	17200	17200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	13700	13800	-100
Groundnut Meal	Gujarat	GN Cake	Gondal	26500	26000	500

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