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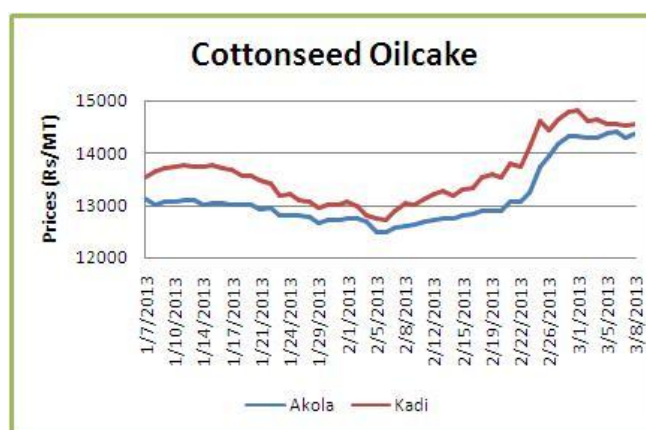
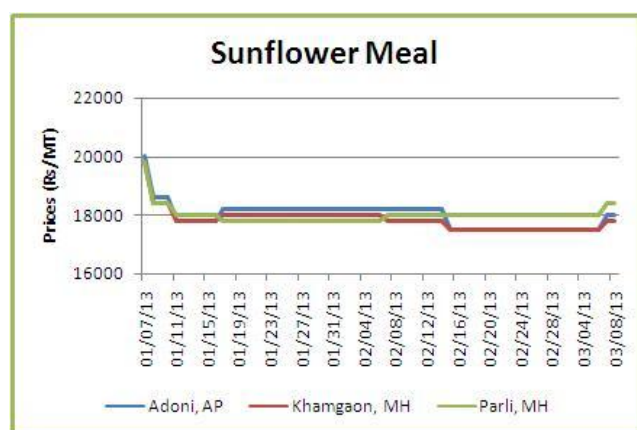
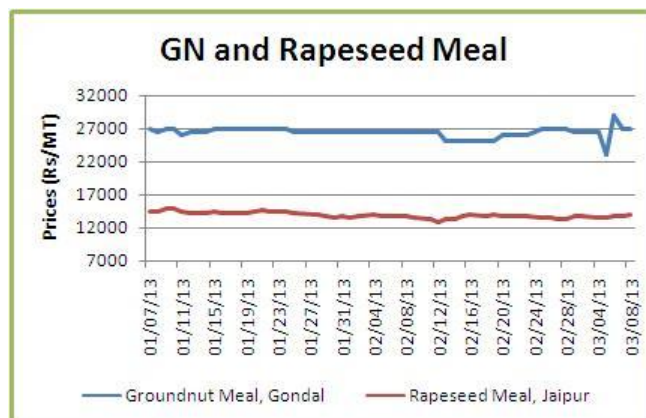
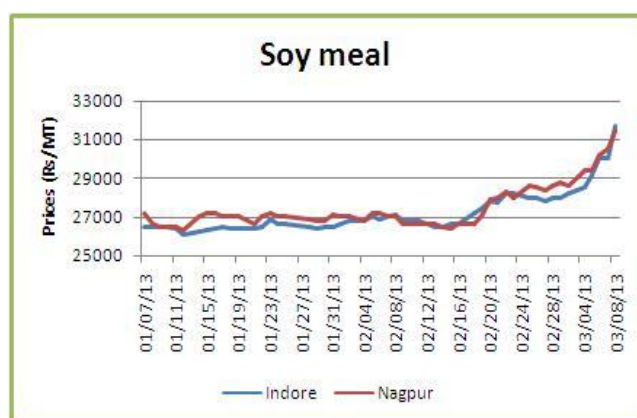
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Summary

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

The domestic soybean and meal featured gains supported by bullish international soybean and palm oil market during the week under consideration. Soy meal prices edged-up on better than previous year export sales and improved domestic demand from poultry feed manufacturers. Further, wheat prices were pressurised by increasing new crop arrivals at key centres. Maize prices featured mixed tone while bajra prices were up on good demand from poultry feed manufactures. Overall, feed prices were stable despite fluctuations in the key feed ingredient prices in the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean and meal featured gains supported by bullish international soybean and palm oil market during the week under consideration. Besides, better export sales in soy meal in previous weeks remained supportive for the domestic beans.

Better Chinese soybean buying, growing concerns that the delays to vessel loading in the ports of Brazil will shift more demand to the US and improved India's soy meal export sales together remained positive factors for the soybeans.

Once again, in Brazil port workers have declared to go on strike on March 19 for 24 hours.

Besides, buying support to US soybeans, during the week, came from thoughts that the Brazil soybean production estimate could fall in the weekend report. The USDA attache in Brazil estimated production at 82.5 million tonnes, during the week, vs. the current USDA estimate of 83.5 Mn T. However, the Brazilian soybean estimates were kept unchanged in the March USDA demand and use report.

Brazil's government cut 1.3 million tonnes, or 1.6 percent, off its forecast for the 2012-13 soybean crop on Thursday, citing too little rain in parts of the south in January and too much rain in top-producing Mato Grosso state in February. Brazil is still expected to produce a record crop of 82.1 million tons, a huge increase from last season's 66.4 million tons. Likely downward revision in the production estimates of Brazil and Argentina by the leading analysts due to the dry weather condition is expected to support the soybean prices in near-term.

However, gaining momentum in the soybean harvesting in South America, higher palm oil inventory with Malaysia and Indonesia will pressure the soybean in near-term.

Soy meal prices edged-up on better than previous year export sales and improved domestic demand from poultry feed manufacturers. The Indian government in its Union Budget has already abolished 10 per cent exports duty on de-oiled rice bran oil cake which will give a boost to the exports and make the domestic industry competitive in the world market.

India's exports of Soy meal during February, 2013 was 5,77,589 tons as compared to 3,70,524 tons in February, 2012 showing a increase by 55.88% over the last year, said SOPA.

On a financial year basis, the export during April 2012 to February 2013 is 31,13,651 MT as compared to 34,52,791 MT in the same period of previous year showing a decrease of 9.82%.

During current Oil year (October – September), exports during October 2012 to February 2013 is 22,76,573 MT as against 23,23,939 MT last year, which is marginally lower by 2%. Iran, Yemen, Japan and Belgium were the largest buyers of soy meal of Indian origin in the month of February 2013.

India's soy meal exports are falling month-on-month with the 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.

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 29,900-32,500/MT compared to 20,200-21,700/MT during the same period last year.

C&F Indonesia was between US \$ 560-590/MT which was quoted between US \$428-455/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$54/MT compared to US \$43/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices. India's soy meal exports are 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.32500-32800/MT.

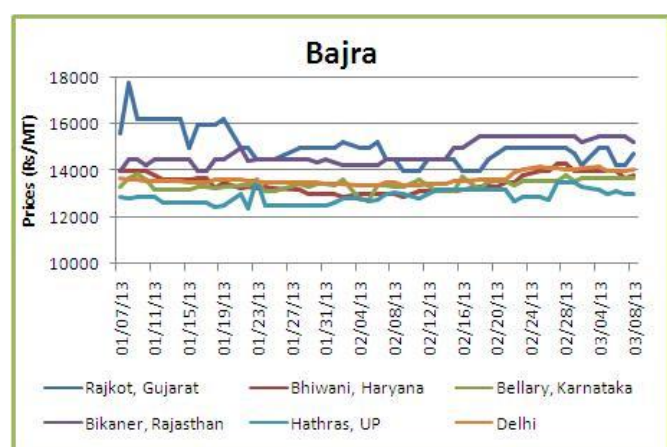
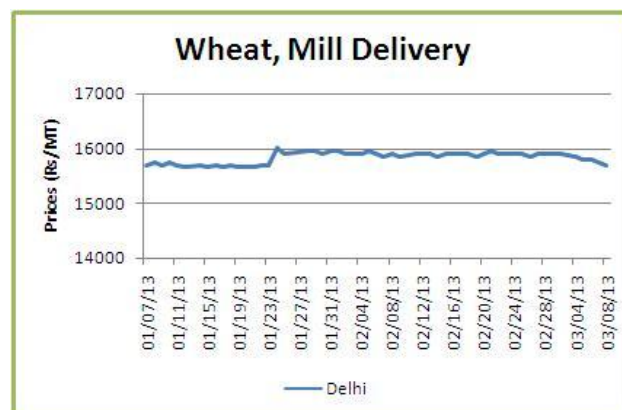
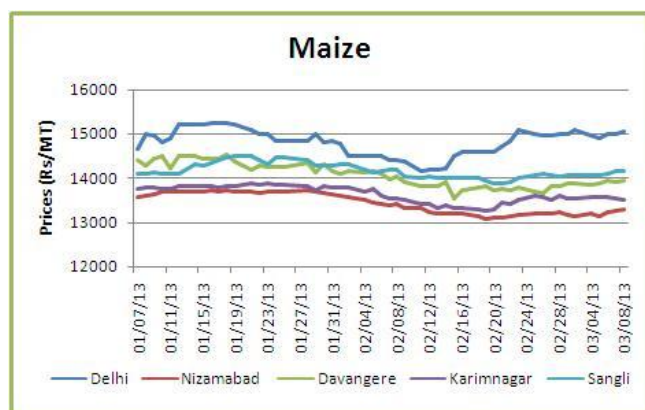
The mustard/rapeseed prices fell followed by increase in new crop arrivals in the key producing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh and Gujarat. The new crop supplies are gradually increasing and mounting pressure on the prices across the major centres. The new crop arrivals in Rajasthan were seen at 10,80,000 bags (85 kg each) compared with 7,05,000 bags in the previous week.

Besides, Dorab Mistry presented a bearish palm oil outlook for the season. Mistry said prices palm oil should remain in a 2,300-2,500 ringgit (\$740-806) range until end-April, warning that trading may be more volatile due to a looming election in Malaysia. Prices stood at above 2,400 ringgit in the weekend.

Increasing soybean output from South America, estimated rise in more than 20 percent this year, is likely to push down palm oil prices to 2,200 ringgit after mid-April, Mistry added. A higher soybean supply for crushing into vegetable oil could shift demand away from rival palm oil.

While prices may slump further on expanding palm oil output in July-August, Mistry did not foresee prices falling below 1,800 ringgit unless Brent crude oil drops under \$80 per barrel from around \$112 in the Palm Oil Conference held in Kuala Lumpur.

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)

Mixed sentiments witnessed in most of the major spot markets of maize. Maize prices are hovering at around Rs 1289 per quintal on an average on pan India basis, increased by Rs. 6 per quintal from the last week.

Stock position is lower at this time in the Ahmadabad market of maize. Sources revealed that maize could trade steady in the month of March. From April onwards, new crop arrivals from Bihar could weigh on the prices if export demand does not rise. Demand for maize from starch industry was reported lower. However, local poultry demand reported at Rs. 1440-1460 per quintal during last week.

Currently, maize is moving towards Hyderabad at Rs. 1400 per quintal sourced from Nizamabad region of A.P. As per trade sources, despite the lower stock in A.P. (around 25,000 tons), prices are going down due to higher stock position in Karnataka and Tamil Nadu. If export demand comes, exporters have option to purchase from that. Sources revealed that in Karnataka, maize stock would be around 1 lakh tons.

In Bihar, maize crop is in good condition. Sources revealed that corn stocks in mandis are very low and new crop would arrive by the first week of April. No trade activities reported at this time due to lower stock.

Sources revealed that maize could trade steady in the near term in the Delhi spot market. As per trade sources, around 1-1.25 lakh bags of maize could be in the Delhi market. Delhi market of maize was closed on Thursday due to protests against FDI.

In Karnataka, maize is moving towards Chennai and Mangalore at Rs. 1460 per quintal sourced from Koppal. As per trade sources, in Karnataka, maize stock is around 1 lakh tons which is slightly lower from last year. Davangere market of maize was closed on Wednesday and Thursday due to elections.

Indian C&F Maize prices (around \$344) were same from the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (around \$372.61) and getting stiff competition from Brazil C&F (around \$289.09) and Argentina Maize C&F prices (around \$317.13).

On the export front, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 1.564 million tons during the October- February month. During February, 0.552 million tons corn exports were reported to Indonesia, UAE, Vietnam, Malaysia, Taiwan, China, Bahrain, Singapore, Philippines through JNPT Sea, Chennai Sea, Tondiarpet ICD, Raxaul LCS, Vizag Sea port.

As per USDA, U.S. corn export figures reached to 9436966 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 24 percent to 367200 metric tons from the previous week and 27% from the prior 4-week average.

Indian maize prices could witness steady tone in the near term. However fresh export enquiries may support gains.

Wheat market traded under pressure ahead of new crop and increasing arrivals in the states like Madhya Pradesh, Rajasthan and Gujarat.

Wheat traded steady to weak in the market as new crop arrivals has reached Indore mandi and traded 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.

Old wheat is being sold near MSP in these states of Madhya Pradesh, Rajasthan and Gujarat. However, new wheat is being traded around Rs 1450 to Rs 1500 per qtl. Arrivals from Punjab, Haryana, Uttar Pradesh and Bihar are expected to be delayed by 10 days due to extended phase of low temperature in Jan and Feb. We expect arrivals in the second week of April in these states.

As per market feedback, private traders and exporters are unwilling to buy old wheat at Rs 1480 per qtl, recently fixed by the government. Upon adding freight, total cost of wheat from Rajasthan to Gujarat goes above Rs 1600 per qtl. While new wheat in Gujarat is available around Rs 1500 per qtl. Same condition is being seen in Punjab and Haryana when old wheat is sourced from here.

March starts with hefty wheat stock at 27.10 million tons and new season is expected to start with over 25 million tons wheat stock, almost higher by 5 million T from previous year's carryout. The main reason of higher carryout stock despite ongoing export is mainly attributed to higher production (almost 95 million T) last year. New crop is likely to add stock burden further.

With continuation of export procurement target of 44 (set by govt.) is unlikely to meet this year despite bumper production, hiked MSP and bonus. As per market expectation, govt. will not be able to procure more than 38 million T wheat in MY 2013-14 as private trade will continue to buy for export offering cash to farmers at their door step.

Maximum bid received in PEC tender on 6th March 2013 for 40,000 T was \$303.40 /MT. The lowest bid was recorded at \$292/MT. Other bidders who offer \$ 303.40 MT, out of the trend can buy wheat under tendered quantity.

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 '12 to 21.39% in January '13. Although WPI has reduced marginally to 205.4 in January 2013 from 205.3 in December 2012 as the government had increased the supply in January.

As per latest WASDE update, global wheat supplies for 2012-13 are expected to be higher by 1.8 million tons with higher production. India's production is increased 1.0 million tons based on the latest revisions by the government of India for the crop harvested nearly a year ago.

World wheat ending stocks for 2012-13 are projected 1.5 million tons higher with the largest increases for India, Iran, and the United States. The biggest reductions in ending stocks are for Australia, Egypt, EU-27, Brazil, Canada, and Ukraine.

Prices of wheat are likely to trade steady to weak as new crop begins hitting the market in Rajasthan and Madhya Pradesh. Stake holders should go for selling on rise. Overall, outlook remains bearish.

Outlook

Prices of key feed ingredients are likely to feature steady to firm sentiments in the near term following uptrend in the demand of key feed ingredients (including soy meal and maize) for exports and from key feed manufacturers.

Spreads

Maize Average Weekly spread with Bajra

Week	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13
1	286.6	95	63.75	112	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0
2	300	95.8	42.00	166	119	86.67	219.0	213.0	210.0	131.0	82.50	
3	250.0	101.7	93.00	200	90	100.0	270.0	214.0	158.0	170.0	93.75	
4	161.0	72.0	127.5	204	103	79.0	264.0	238.0	147.0	153.0	102.0	
5		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 decreased from last week. Maize traded slightly weak vs. bajra during last week. Sources revealed that in the coming weeks, bajra could trade higher in the Delhi spot market with steady price movement in maize and keep maize spread with bajra towards southward zone.

Maize Average Weekly spread with Jowar

Week	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13
1	93.3	-322.5	-336	66	83	190	150.0	137.0	192.0	205.0	107.0	142.0
2	-90	-324	-302	113	46	198.3	180.0	183.0	218.0	190.0	80.0	
3	-127.1	-170	-280	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	
4	-251.0	-320	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0	170.0	
5		-403			122.5					132.5		

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

As the table depicts, maize spread with jowar decreased from last week as maize traded lower against jowar during last week. Sources revealed that both the commodities could trade steady in the coming weeks and keep maize spread with jowar intact.

Maize Average Weekly spread with Wheat

Week	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13
1	125	-108	-117	22	70	-106	-123	-139	-21	-48.0	-90.8	-59.0
2	122	-109	-130	61	28	-142	-188	-170	0.0	-44.0	-143	
3	59.3	-69	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25	
4	-36.0	-96	3	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	
5		-188			-167					-62.0		

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

As the table depicts, maize spread with wheat decreased from last week. Wheat traded steady to weak during last week on need based buying. New crop arrival of wheat could weigh on the prices in the near term. However, during next week, wheat could trade steady as new crop arrival has delayed in the market. As per above mentioned facts, we expect that maize spread with wheat could trade steady in the next week.

Maize Average Weekly spread with Barley

Week	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13
1	63.33	-239	-281	16	133	212	160.0	213.0	242.0	135.0	71.67	152.0
2	140	-191.7	-250	58	96	201.67	226.0	150.0	268.0	140.0	62.50	
3	-91.42	-191.7	-163	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	
4	-176	-238.0	-16	85.8	94	143.0	226.0	215.0	172.0	139.0	167.0	
5		-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 decreased from last week. Barley traded steady during last week. Sources revealed that maize and barley could trade steady in the next week and keep maize spread with barley unchanged.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	08.03.2013	01.03.2013	Parity To
Indore (MP)	31700	28000	Gujarat, MP
Kota	31000	27800	Rajasthan, Del, Punjab, Haryana
Akola	31400-31500	28400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	32500	29000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33000	28700	Andhra, AP, Kar, TN
Dhulia/Jalna	32500	29500	Mumbai, Maharashtra
Nagpur (42/46)	31500	28800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	34000	29500	Local and South
Solapur	32700	29200	Local and South
Bundi	30500	27700	-

Soy DOC at Port

Centers	Port Price	
	08.03.2013	01.03.2013
Kandla (FOR) (INR/MT)	32000	29600
Kandla (FAS) (USD/MT)	588	543

International Soy DOC

Argentina FOB \$/MT	08.03.2013	01.03.2013	Change
Soybean Pellets	494	499	-5
Soybean Cake Meal	494	499	-5
Soybean Meal	502	507	-5
Soy Expellers	502	507	-5

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	08.03.2013	01.03.2013	Change
Adoni	18000	17500	+500
Khamgaon	17800	17500	+300
Parli	18400	18000	+400
Latur	17800	17200	+600

Groundnut Meal

Groundnut Meal	08.03.2013	01.03.2013	Change
Basis 45% O&A, Saurashtra	27000	24800	+2200
Basis 40% O&A, Saurashtra	24000	22200	+1800
GN Cake, Gondal	27000-29000	26500	+2500

Mustard DOC/Meal

Mustard DOC/Meal	08.03.2013	01.03.2013	Change
Jaipur (Plant Delivery)	14000	13700	+300
Kandla (FOR)	15000	14500	+500
Sri Ganganagar	685	690	-5

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	08 Mar, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1500	1515	1465	1465	-
Davangere	Bilty	1400	1400	1360	1390	1120
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1310	1325	1325	1365	-
Ahmedabad	Feed	1460	1470	1460	1510	1300
	Starch	1500	1510	1530	1565	1315

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	267.13	234.09	312.61	309.00
Cost and Freight (Thailand)	317.13	289.09	372.61	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	577589
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>08.03.2013</u>	<u>01.03.2013</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1370	1357	13
		Hybrid	Bangalore	1500	1400	100
Jowar	Karnataka	White	Bangalore	1700	1700	Unch
		White	Bellary	1290	1290	Unch
Maize	Karnataka	Yellow	Davangere	1350	1350	Unch
	Andhra Pradesh	Yellow	Nizamabad	1310	1325	-15
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	31700	28000	3700
	Maharashtra	DOC	Sangli	34000	29500	4500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18000	17500	500
	Maharashtra	Ex-factory	Latur	17800	17200	600
Mustard	Rajasthan	Plant delivery	Jaipur	14000	13700	300
Groundnut Meal	Gujarat	GN Cake	Gondal	29000	26500	2500

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