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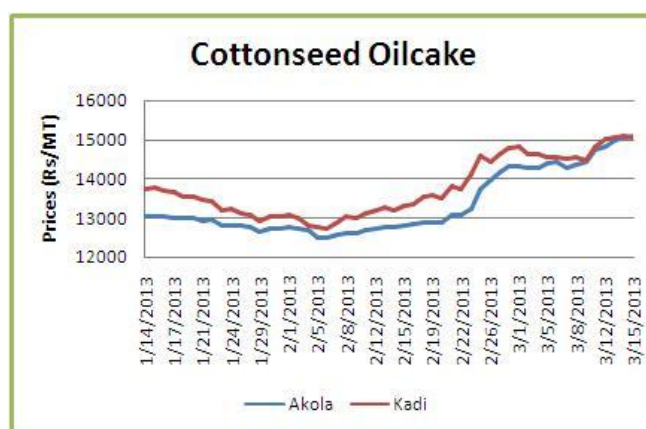
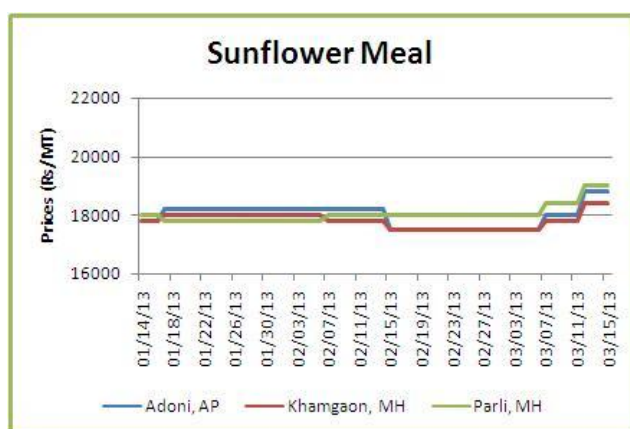
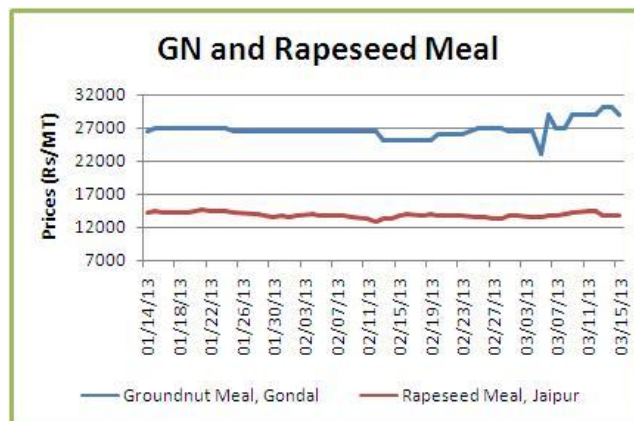
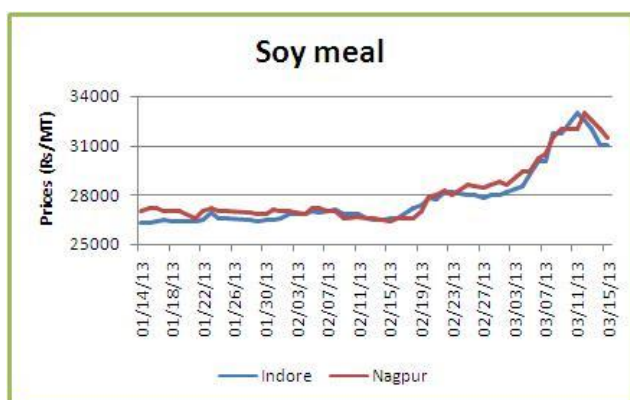
Summary

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

The domestic soybean and meal featured gains on better overseas and poultry demand in meal while the rapeseed/mustard seed prices declined primarily due to new crop supply pressure in the key cash markets during the week in review.

Further, wheat prices fell on rise in new crop arrivals at key centres. Maize featured steady tone in major spot markets while bajra was steady to firm on continuous demand from poultry feed manufactures. Overall, the rise in key ingredients prices witnessed over the last few weeks led to uptrend in the feed prices in the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean and meal featured gains while the rapeseed/mustard seed prices declined during the week in review.

The soybean edged-up in cash markets supported by better crush margin. Soy meal was the leading in the soy complex in domestic cash markets. The bean and meal prices witnessed gains despite fall in the same in the benchmark, CBOT.

Besides, slow selling in new Argentine soybean crop in anticipation of higher prices in near-term and better Chinese buying for 2013/14 delivery remained positive for the soybean.

Argentine farmers have so far priced just 10 per cent of their soybean crop vs. up to 30 per cent at this time last year. Comparatively, In Brazil 60 per cent of the crop has been sold and priced by farmers who have completed more than 60 per cent half of their harvest.

The USDA's Beijing bureau has estimated Chinese soybean imports at 65.5 Mn T in 2013-14 season which is up 2.5 Mn from 2012-13 season's total. This is due to strong demand from crushing industry amid decline in domestic production this season.

Further, logistics hurdle in Brazilian port still persist on due to port congestion, though it is gradually easing, and expected to last few more days. Again the port workers have called on a 24 hour strike on 19 March.

However, gaining momentum in the soybean harvesting in Brazil (set to surpass US soybean outturn), comfortable soybean stocks in Chinese ports after huge imports in recent days and easing port congestion in Brazil and higher palm oil inventory with Malaysia and Indonesia may limit the gains in soybean in short-term.

Soy meal prices firmed-up on better overseas and domestic demand during the period in consideration. The y-o-y exports sales have improved in last couple of months due to the preference for non-GM meal of Indian origin. Besides, renewed demand from poultry feed industry continued to lend additional support to the meal during the week. Also, logistic and freight advantage continues to lend support to India's meal exports.

Brazilian soybean outturn is set to surpass US soybean production this season. Consequently, Brazil's soy meal production will increase this season leading price competitiveness in the meal in the international market.

India's exports of Soy meal during February, 2013 was 5,77,589 tones as compared to 3,70,524 tones 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 31,800-33,500/MT compared to 20,200-21,700/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$98/MT compared to US \$54/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.32500-32800/MT.

The rapeseed/mustard seed prices declined primarily new crop supply pressure in the key cash markets. But, active buying in the seed across the major centers restricted any major fall. The arrivals are gradually picking up in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat and Haryana.

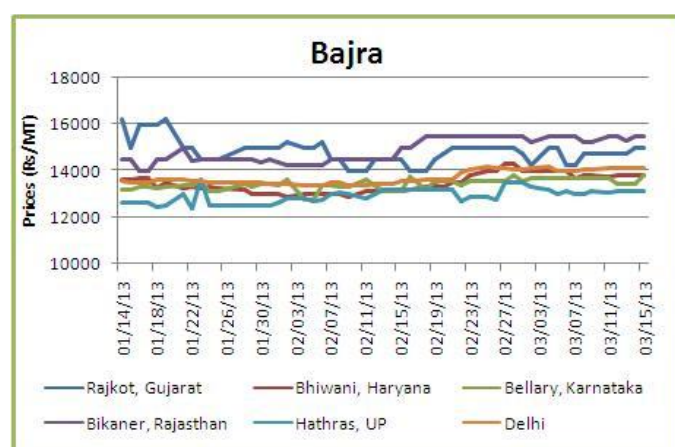
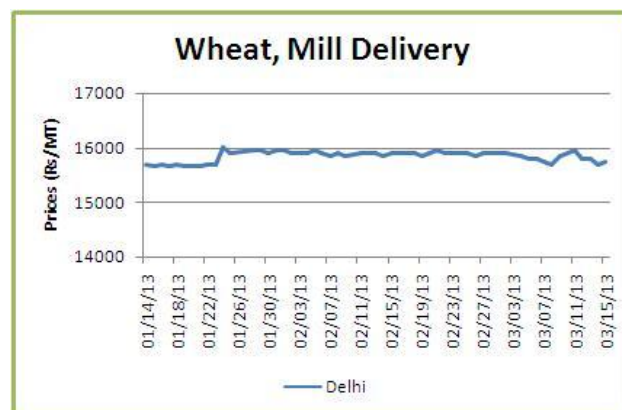
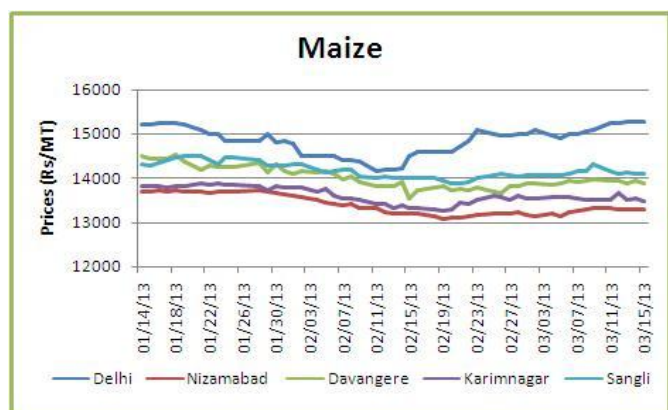
In Rajasthan, the seed supplies are in full swing in Kota division, while it is yet to pick up in Bharatpur and Alwar. However, Sri Ganganagar will be the last one to witness the new seed supplies, as sowing and harvesting are done late there as compared to the other parts of Rajasthan.

Cargo surveyor Intertek Agri Services said March 1-15 shipments rose 0.2% from a month earlier to 675,210 tons, while another surveyor SGS (Malaysia) Bhd. said exports for the period rose 4.6% to 678,829 tons.

As there was no clear direction during the week, players are likely to remain on sidelines until there's a significant breakout from the MYR 2,200-MYR 2,600/ton range.

Malaysia will keep its crude palm oil export tax for April at 4.5 percent, unchanged from March and both the Malaysia and Indonesia sets reference price of 2,383.84 ringgit per tons for crude palm oil for April.

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 3525–3450 level in near term.



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

During the week, mixed sentiments were witnessed in most of the major spot markets of maize. Maize prices are hovering at around Rs 1300 per quintal on an average on pan India basis, increased by Rs. 16 per quintal from the last week.

In the Ahmadabad market of maize, crop arrival reported lower from Maharashtra. Around 15 day's stocks reported in the Ahmadabad market of maize which could diminish in the coming days due to increase in demand from poultry and starch industries and could support the prices in the short run. As per trade sources, minimum daily requirement of poultry feed makers is around 15,000 bags while only 6,000-7000 bags are arriving in the market. Local poultry feed makers demand reported at Rs. 1450-1470 per quintal while starch industry demand for corn at Rs. 1480-1540 per quintal during last week.

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 first week of April. No trade activities reported at this time due to lower stock.

Currently, maize is moving towards Hyderabad at Rs. 1400 per quintal sourced from Nizamabad region of A.P. As per trade sources, around 25,000 tons of maize stock would be in the Nizamabad market.

Sources revealed that maize could trade steady in the near term. As per trade sources, around 50,000 quintal of maize could be in the Delhi spot market.

As per trade sources, maize did not move towards Chennai and Mangalore during last week. In Karnataka, maize stock would be around 1 lakh tons which is slightly lower from last year.

As per news sources, Indian traders have struck a rare deal to export 13,700 tons of corn to China at around \$275 per ton, free on board, for April shipment. This deal is on a trial basis as there are quarantine issues to be resolved. Another trader said that Indonesia is buying Indian corn around \$293/ton, cost and freight basis. Tight supply in the U.S. and shipment delays of several weeks from Brazil has pressed several importers in Southeast Asia to turn to India to meet immediate needs. (Source: Reuters)

Indian C&F Maize prices (around \$340) were 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 \$374.28) and getting stiff competition from Brazil C&F (around \$286.7) and Argentina Maize C&F prices (around \$319.78).

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 9845167 metric tons for the 2012-13 marketing year which is lowered by around 55 percent from the last marketing year during the same period. However, Corn exports were up by 11 percent to 408200 metric tons from the previous week and 24% from the prior 4-week average.

Indian maize prices could trade steady in the near term. However, new fresh export enquiries may support gains.

Wheat cash market traded under pressure despite increasing possibility of delayed arrivals from Punjab, Haryana, Uttar Pradesh and Bihar. New arrivals from these states are expected from the second week of April. Arrivals from new crop in Madhya Pradesh, Rajasthan and Gujarat have started picking up. FCI and state agencies are ready to buy maximum quantity coming into mandis.

Private exporters/traders are not active in Rajasthan and Madhya Pradesh as the government is offering bonus of Rs 150 per qtl. above MSP. They all are waiting for crop in Uttar Pradesh, where no bonus has been declared so far. This means buyers will purchase wheat from Uttar Pradesh around MSP level and that will enable them to compete with other exporting nations.

Overall crop condition is good and we expect bumper crop once again over 93 million T. Supply in domestic market will increase with span of time and it will continue to weigh on market

fundamentals. Private exporters and traders are active only in Gujarat and trying to source maximum wheat above MSP. Gujarat being a port based state attracts buyers/exporters. This will limit procurement quantity there for the govt.

India has approved exports of 5 million tons direct to private traders, on top of 4.5 million tons already approved for tenders by state-run companies. The very idea of exporting wheat to liquidate stocks will get defeated, as exports will slow down if the government maintains its stand of not selling below \$300 a tonne. Global wheat outlook is bearish and June onwards global price may slip with Black Sea region crop.

Government's subsidy bill for providing cheap rice and wheat to the poor and below poverty line (BPL) families via ration shops touched Rs 80,491 crore so far in the current fiscal. The subsidy on rice was Rs 36,540 crore as of March 6, 2013, while, that on wheat was Rs 43,951 crore. In the previous fiscal, subsidy on rice stood at Rs 49,041 crore and that on wheat was Rs 25,862 crore.

Wheat cash market is likely to stabilize near MSP in April, where MSP is not being offered. With continuation of export, private trade activities are expected to be higher than last year. If wheat from Uttar Pradesh is sourced at Rs 1350 and shifted to Kandla it will cost almost Rs 150 more. This means actual costing would come to Rs 1500 per qtl. If VAT at 6 percent is charged the costing would go up by Rs 80. Then handling charge of Rs 50 plus commission Rs 20 brings it to Rs 1630 per qtl. In dollar terms, it comes to near \$300 per T. Thus if VAT is reduced for exporters, export viability from U.P. will increase. Buyers are interested to buy near \$290 to 295 per T on FOB basis as per the market feedback.

In the week under consideration, CBOT wheat fell on speculation that a rebound in global output will reduce demand for supplies from the U.S., the biggest shipper.

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

Outlook

Prices of key feed ingredients are likely to remain stable in the near term on steady demand of key feed ingredients (including soy meal, maize and bajra) from domestic feed manufacturers and overseas markets. However, poultry demand is expected to witness seasonal drop, which could likely weaken feed prices.

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	112.5
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 increased from last week. Maize traded higher during last week with the steady price movement in bajra. Sources revealed that maize could trade steady in the coming weeks with steady poultry demand 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	172.5
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 increased from last week as maize traded higher against jowar during last week. Sources revealed that both the commodities could trade steady in the coming weeks with the steady demand and keep maize spread with jowar unchanged.

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	-14.0
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 increased from last week as wheat traded slightly down during last week due to new crop arrival pressure. We expect that wheat could trade down with the steady price movement in maize and keep maize spread with wheat in the positive tone.

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	189.0
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 increased from last week. Barley traded steady to weak during last week. Sources revealed that maize and barley could trade steady in the next week and keep maize spread with barley intact in the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	15.03.2013	08.03.2013	Parity To
Indore (MP)	31000	31700	Gujarat, MP
Kota	31300	31000	Rajasthan, Del, Punjab, Haryana
Akola	32000	31400-31500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	33500	32500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	35000	33000	Andhra, AP, Kar, TN
Dhulia/Jalna	33000	32500	Mumbai, Maharashtra
Nagpur (42/46)	31500	31500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	34000	34000	Local and South
Solapur	33500	32700	Local and South
Bundi	31500	30500	-

Soy DOC at Port

Centers	Port Price	
	15.03.2013	08.03.2013
Kandla (FOR) (INR/MT)	32000	32000
Kandla (FAS) (USD/MT)	591	588

International Soy DOC

Argentina FOB \$/MT	15.03.2013	08.03.2013	Change
Soybean Pellets	467	494	-27
Soybean Cake Meal	467	494	-27
Soybean Meal	475	502	-27
Soy Expellers	475	502	-27

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	15.03.2013	08.03.2013	Change
Adoni	18800	18000	+800
Khamgaon	18400	17800	+600
Parli	19000	18400	+600
Latur	18500	17800	+700

Groundnut Meal

Groundnut Meal	15.03.2013	08.03.2013	Change
Basis 45% O&A, Saurashtra	27000	27000	Unch
Basis 40% O&A, Saurashtra	26000	24000	+2000
GN Cake, Gondal	29000-30000	27000-29000	+1000

Mustard DOC/Meal

Mustard DOC/Meal	15.03.2013	08.03.2013	Change
Jaipur (Plant Delivery)	13600	14000	-400
Kandla (FOR)	14500	15000	-500
Sri Ganganagar	690	685	+5

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	15 Mar, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1520	1500	1430	1530	-
Davangere	Bilty	1370	1400	1360	1400	1110
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1360	1310	1310	1370	1160
Ahmedabad	Feed	1480	1460	1440	1500	1340
	Starch	1540	1500	1490	1550	1350

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	269.78	231.7	314.28	305.00
Cost and Freight (Thailand)	319.78	286.7	374.28	340.00

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>15.03.2013</u>	<u>08.03.2013</u>	<u>Chg</u>
Bajra	Karnataka	Hybrid	Bellary	1380	1370	10
		Hybrid	Bangalore	1500	1500	Unch
Jowar	Karnataka	White	Bangalore	1650	1700	-50
		White	Bellary	1276	1290	-14
Maize	Karnataka	Yellow	Davangere	1320	1350	-30
	Andhra Pradesh	Yellow	Nizamabad	1360	1310	50
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	31000	31700	-700
	Maharashtra	DOC	Sangli	34000	34000	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18800	18000	800
	Maharashtra	Ex-factory	Latur	18500	17800	700
Mustard	Rajasthan	Plant delivery	Jaipur	13600	14000	-400
Groundnut Meal	Gujarat	GN Cake	Gondal	30000	29000	1000

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