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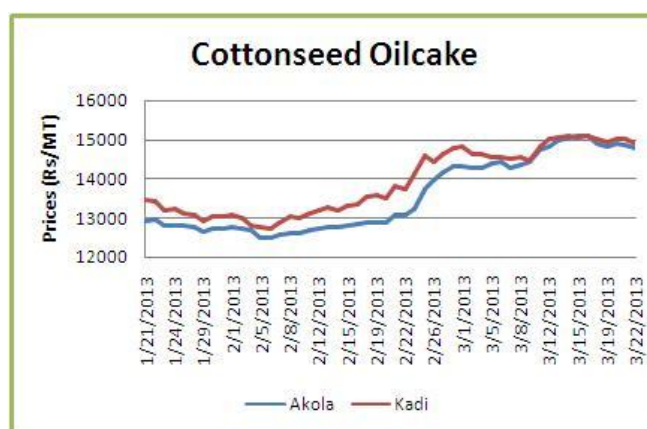
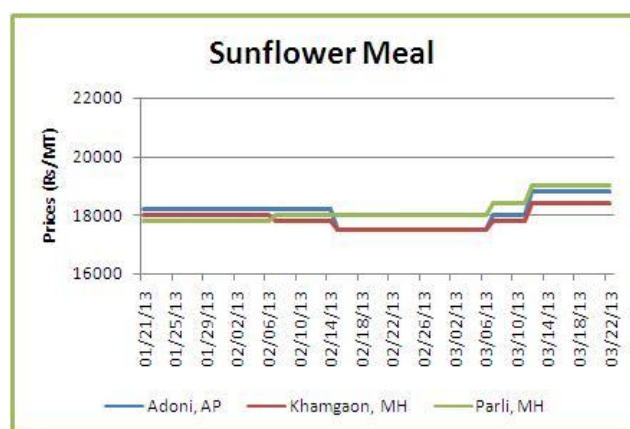
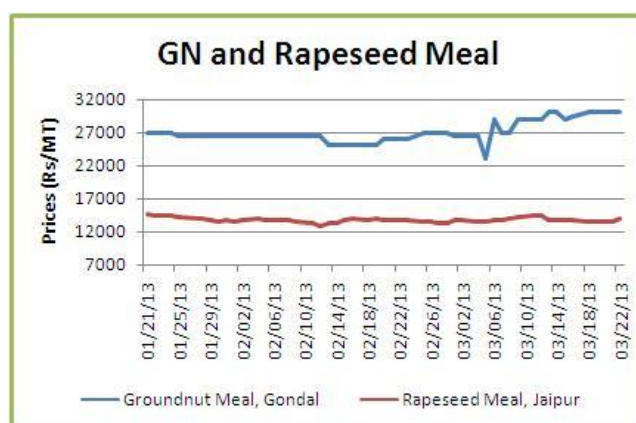
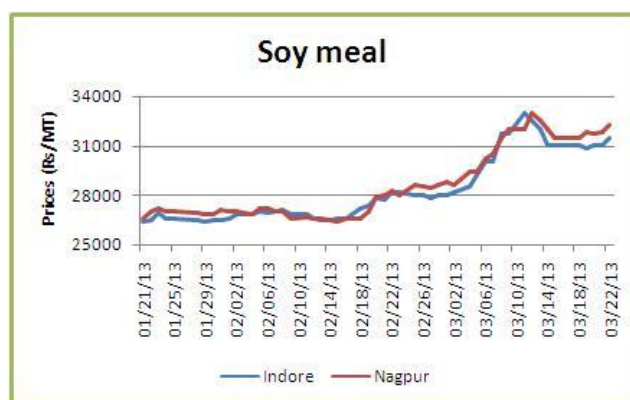
Summary

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

Soybean prices featured mild gains on firmness in international markets but soy meal fell on price competition from South America. Rapeseed/mustard seed prices further declined due to new crop supply pressure in the key cash markets during the week in review.

Further, wheat prices ruled steady on lower arrivals at key centres despite ongoing harvesting activities. Maize featured steady to weak tone in major spot markets while bajra was steady to firm. Overall, despite a drop in the prices of a few ingredients, feed prices were mostly steady as input costs were still seen towards the up side in the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean featured slight gains while soy meal and mustard seed prices plunged on varied factors during the week in review.

The soybean prices slightly edged-up tracking gains in international market. Sluggish edible oil demand in domestic market and lower South American soy meal quotes as compared to the India's restricted the soybean gains, which though overall, stood firm supported by international soybean market during the period.

The international benchmark CBOT and BMD initially skid on bearish news but they mostly remained firm during the week. Strong Chinese demand for soybeans after reports that Brazilian cargos were cancelled and reports of lower stocks in China coupled with delays in loading vessels in Brazil lead to demand shift to the US.

However, talks that soybean crush margins in China have declined and a Chinese state-agency will release 1-1.5 million tonnes of soybeans to domestic crushers will limit the gains in international soybeans in short-term.

Gaining momentum in the soybean harvesting in Brazil which is set to surpass US soybean outturn, slow down in India's palm oil imports due to comfortable stocks at ports and ongoing mustard seed harvesting in India will pressure the soybean prices in near-term. Soybean prices to feature range-bound movement with weak bias in near-term - week. The prices are likely to move within the price band of 3500-3600 levels (Indore, Plant basis).

Soy meal prices slightly fell compared to previous week but were considerably higher which rallied in last couple of weeks driven by large export sales to Iran. We consider the fall a short-term due to the non-GMO preference and inquiries of the major meal buyers of the meal of the Indian origin.

Besides, trade and logistic advantage to South-East Asia and West Asia will continue to lend support to the Indian soy meal.

India's y-o-y exports sales have improved in last couple of months due to the preference for Indian origin. Besides, demand from poultry feed industry will once again push-up the meal prices in near-term.

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 per cent 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 31,500-32,000/MT compared to 20,200-22,000/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$102/MT compared to US \$98/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 January 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.

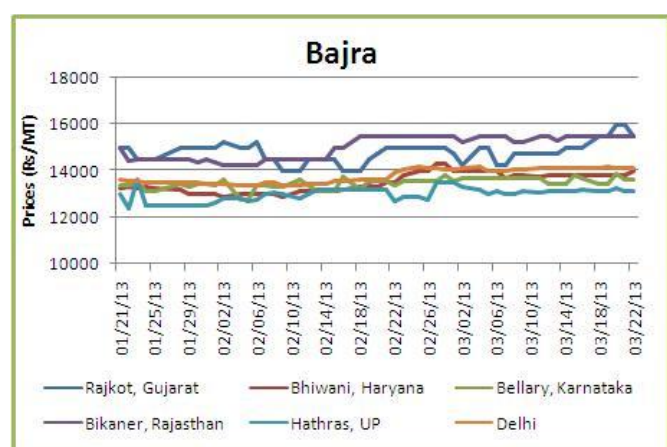
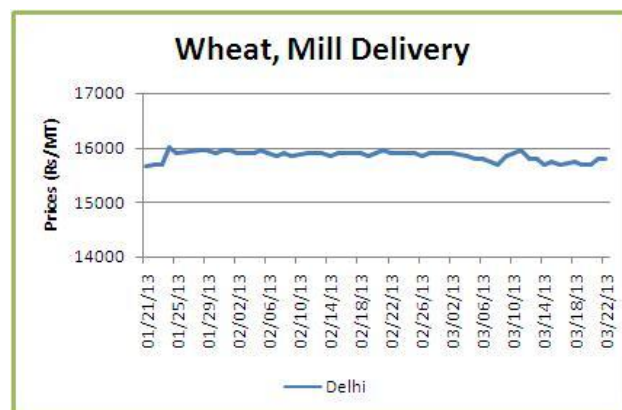
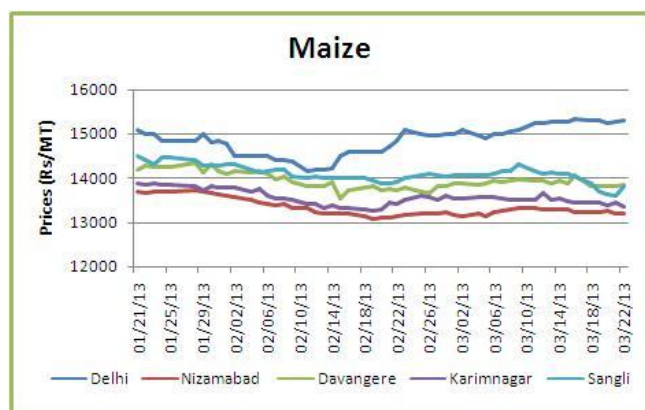
Further, rapeseed/mustard seed prices plunged followed by increasing supplies in the seed across the key cash markets. The arrivals are gradually picking up in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat and Haryana.

In Rajasthan, the seed supplies are in full swing in Kota division, though 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.

India's mustard seed closely tracks BMD CPO which recently gained on better export sales, but we feel in the upcoming weeks, palm oil could ease from current levels as farmers in South America and India speed up oilseed harvesting including soybean and rapeseed/mustard.

Further, downside potential to CPO is likely due to slower CPO exports to India given high inventory of palm-oil stocks at ports and pipelines which will pressure domestic oilseeds mainly mustard seed.

The domestic mustard/rapeseed prices are likely to ease further on rising new crop supplies across the cash markets in the key producing regions in near-term. The prices are likely get pressure and are likely to witness 3400–3550 level in near term.



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

During the week, steady to weak sentiments witnessed in most of the major spot markets of maize. Maize prices are hovering at around Rs 1280 per quintal on an average on pan India basis, decreased by Rs. 10 per quintal from the previous week.

Market participants are waiting for new crop arrival from Bihar which is expected in the month of April. However, sources revealed that forward contract has been made for the Bihar crop at the rate of Rs. 1320 per quintal for May delivery. Till the new crop arrival, maize' market would trade steady.

In the Ahmadabad market of maize, maize arrivals from Maharashtra reported lower during the last week. Despite the lower arrivals in the market, maize would trade steady due to forward contract for Bihar crop. Meanwhile, local poultry feed makers demand reported at Rs. 1440-1470 per quintal while starch industry demand for corn at Rs. 1475-1540 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, maize would trade steady in the near term due to equal ratio between demand and supply. Around 25,000 tons of maize stock would be in the Nizamabad market of maize.

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

As per trade a source, maize is not moving towards Chennai and Mangalore at this time. In Karnataka, maize stock would be around 1 lakh tons which is slightly lower from last year.

Indian C&F Maize prices (around \$335) were decreased by \$ 5.00 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 \$374.94), Brazil C&F (around \$347.70) and getting stiff competition from 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 Feb month, 0.552 million tons corn exports 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 10,263,632 metric tons for the 2012-13 marketing year which is lower by around 55% from the last marketing year during the same period. However, Corn exports were up by 3 percent to 418,500 metric tons from the previous week and 26% from the prior 4-week average.

Crop forecaster Lanworth expects the U.S. corn acreage of 96.5 million acres in 2013-14 season, down 1 per cent from a year earlier. Lanworth also reduced its U.S. corn production outlook to 13.640 billion bushels from 13.700 billion. Lanworth raised its estimates of Argentine corn production to 25.5 million tons from 24.9 million and Argentine soybean production to 50.5 million tons from 49.4 million.

Indian corn prices could trade steady in the near term as market participants are waiting for new crop arrival from Bihar.

Wheat cash market continued to rule steady despite improved harvesting activities in Rajasthan, Madhya Pradesh and North East Gujarat. Lower arrivals at this point of time have compelled government agencies to extend procurement schedule for at least two weeks. Procurement is expected to start from 1st April 2013.

Abnormal rise in temperature (above 33 degree Celsius) in major wheat growing belts, especially in Uttar Pradesh, Bihar, Rajasthan, Haryana and Gujarat at this point of time is likely to affect normal yield. Temperature is likely to rise continuously and may touch 37-38 degree Celsius by the end of this month. At this stage, ideal temperature for wheat in these states should be around 30 degree Celsius. Above 32 degree Celsius, temperature can reduce yield by three to five percent in these states. Higher temperature may reduce grain size of late-sown varieties in Uttar Pradesh and Bihar.

In Madhya Pradesh the first phase, wheat will be procured from March 18 to May 18 in Bhopal, Indore, Ujjain and Narmadapuram divisions. The second phase of wheat procurement will be from March 25 to May 25 in the remaining divisions including Gwalior, Chambal, Rewa, Shahdol, Sagar

and Jabalpur. Crop arrival has picked up in Gujarat and Rajasthan which pressurized the market and prices are expected to fall.

Rake loading from Kota to Kottayam and Coimbatore continues at Rs 1830/Q on delivered basis. Private exporters are still in a wait and watch mood and are expected to wait for Uttar Pradesh crop, where there is no bonus over and above MSP.

Wheat quality in Gujarat is poor in comparison to last year and exporters are unwilling to buy it. Lower production and poor quality there remains a discouraging factor and only local traders are buying wheat at Rs1425-1450/Q. Millers from Gujarat are not buying from Rajasthan due to disparity. FOR Kandla is Rs 1590 and when buyers source it from Kota, the total costing including freight comes to Rs 1665/Q for mill delivery.

The percentage of milling quality in new arrival is 30 percent, in Lok-1 is 35 percent and in Graded variety is 35 percent in Rajasthan and Madhya Pradesh. Milling grade is being quoted at Rs 1420, Lok-1-Rs1445-50 and Graded variety at Rs1480-1500/Q. Overall trend for wheat market is likely to stay steady despite better production prospects since arrivals as well as harvesting gets delayed by recent rains.

As per latest International Grain Council (IGC) report 2012-13 production remains unchanged from previous estimate of 656 million tons. Trade has been increased by 1 million tonne to 138 million tons from previous estimate due to recent fall in wheat prices across the globe. Carryover stocks have been increased to 177 million tons by 1 million tonnes but it is still 20 million tons lower year on year basis.

Market is expected to trade weak as buyers unwilling to buy at current level unstable in domestic and international market.

Outlook

Prices of key feed ingredients are likely to rule around the current levels in the near term on steady demand of key feed ingredients (including soy meal, maize and bajra) from domestic feed manufacturers. However, poultry demand is expected to witness seasonal drop, which could likely weaken the 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	110.0
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 slightly from last week as both commodities traded steady during the week. Sources revealed that trend would follow in the next week which could keep the maize spread with bajra intact in the next week.

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	178.0
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 jowar traded steady to weak compared with maize during last week. Sources revealed that both the commodities could trade steady during next week with the steady demand 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	-14.0
3	59.3	-69	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50
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 compared with maize during last week due to new crop arrival pressure. We expect that wheat could go down further due to new crop arrival pressure with the steady price movement in maize and keep maize spread with wheat towards northward zone.

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	239.0
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 weak during last week due to dull demand from malt industry buyer. Sources revealed that maize and barley could trade steady in the next week and keep maize spread with barley unchanged in the coming weeks.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	22.03.2013	15.03.2013	Parity To
Indore (MP)	31500	31000	Gujarat, MP
Kota	32000	31300	Rajasthan, Del, Punjab, Haryana
Akola	32000	32000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	33000	33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33000	35000	Andhra, AP, Kar, TN
Dhulia/Jalna	33000	33000	Mumbai, Maharashtra
Nagpur (42/46)	32300	31500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	34500	34000	Local and South
Solapur	34500	33500	Local and South
Bundi	31000	31500	-

Soy DOC at Port

Centers	Port Price	
	22.03.2013	15.03.2013
Kandla (FOR) (INR/MT)	32000	32000
Kandla (FAS) (USD/MT)	589	591

International Soy DOC

Argentina FOB \$/MT	22.03.2013	15.03.2013	Change
Soybean Pellets	466	467	-1
Soybean Cake Meal	466	467	-1
Soybean Meal	474	475	-1
Soy Expellers	474	475	-1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	22.03.2013	15.03.2013	Change
Adoni	18800	18800	Unch
Khamgaon	18400	18400	Unch
Parli	19000	19000	Unch
Latur	18500	18500	Unch

Groundnut Meal

Groundnut Meal	22.03.2013	15.03.2013	Change
Basis 45% O&A, Saurashtra	27000	27000	Unch
Basis 40% O&A, Saurashtra	24500	26000	-1500
GN Cake, Gondal	30000	29000-30000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	22.03.2013	15.03.2013	Change
Jaipur (Plant Delivery)	14000	13600	+400
Kandla (FOR)	15000	14500	+500
Sri Ganganagar	675	690	-15

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	22 Mar, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1515	1520	1495	1520	-
Davangere	Bilty	1350	1370	-	1400	1125
Naugachia	Bilty	-	-	-	-	-
Nizamabad	Bilty	1350	1360	1310	1365	-
Ahmedabad	Feed	1450	1480	1450	1500	1310
	Starch	1500	1540	1510	1550	1330

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	NA	292.7	314.94	300
Cost and Freight (Thailand)	NA	347.7	374.94	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	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>22.03.2013</u>	<u>15.03.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1360	1380	-20
		Hybrid	Bangalore	1500	1500	Unch
Jowar	Karnataka	White	Bangalore	2100	1650	450
		White	Bellary	1271	1276	-5
Maize	Karnataka	Yellow	Davangere	1300	1320	-20
	Andhra Pradesh	Yellow	Nizamabad	1300	1360	-60
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2350	2300	50
Soy meal	Madhya Pradesh	DOC	Indore	31500	31000	500
	Maharashtra	DOC	Sangli	34500	34000	500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	18800	18800	Unch
	Maharashtra	Ex-factory	Latur	18500	18500	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14000	13600	400
Groundnut Meal	Gujarat	GN Cake	Gondal	30000	30000	Unch

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