

***Contents:***

---

- ❖ Summary
- ❖ Trend – Raw Material, Feed
- ❖ Outlook
- ❖ Spreads
- ❖ Annexure - Prices

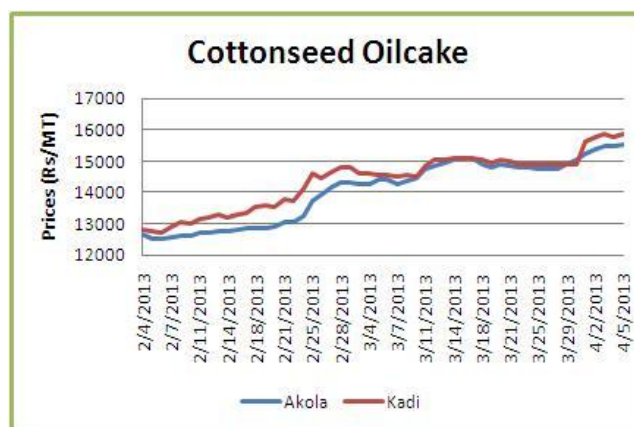
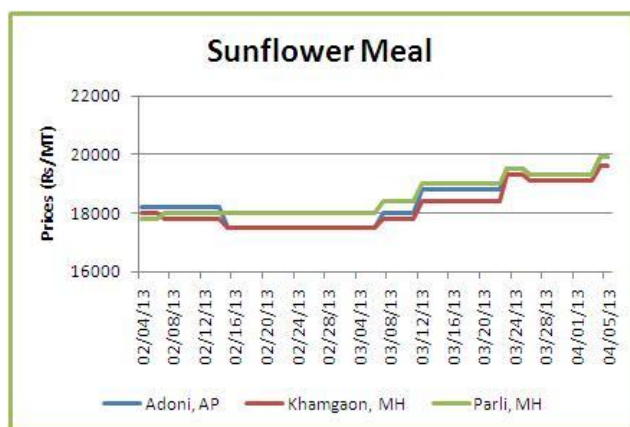
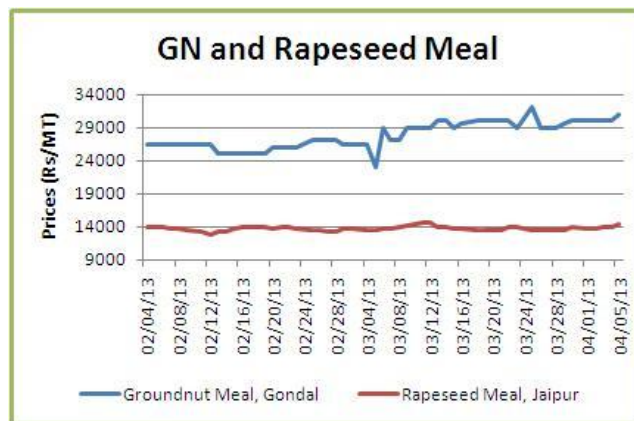
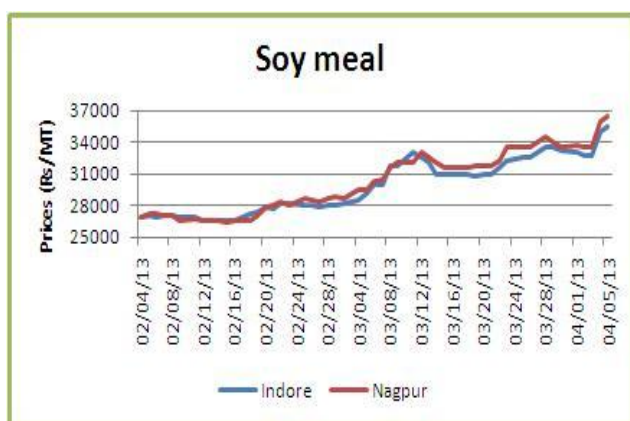
## Summary

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

Soybean and soy meal prices featured gains after mandis reopened on renewed buying interest and higher quotes and rapeseed/mustard seed prices witnessed mild gains despite increasing pace of harvest due to buying interest from millers after mandis reopened. Further, wheat remained weak during the week under review due to increased pace of new crop arrivals at key centres. Maize featured mixed tone while bajra prices were firm on robust demand.

Overall, with the surge in prices of key feed ingredients such as soy meal and bajra, feed prices edged higher in the week under consideration.

## Trend – Raw Material, Feed



Source: AgriWatch

The domestic soybean, meal and mustard seed prices improved during the week in review. Fresh demand in oilseeds from solvent extractors after sluggish activity in the cash markets ahead closing

of finance year and festivities including, Holi and Good Friday, helped in boosting the oilseeds and meal prices.

The soybean rose due to the renewed buying and higher quotes for the beans after key mandis reopened which either remained closed or featured dull trade activity for a couple of weeks ahead closing of finance year.

Further, the soybean supplies already fell with the traders shifting in wheat trade with the commencement of its harvest in the major growing regions. The short-supplies lead to the decline in the bean stock with the solvent extractors subsequently leading to fresh demand in the same at higher quotes once the cash markets resumed in the first week of finance year. Active buying in the bean was featured during the period.

Informa Economics has increased its estimate for Argentina's 2012-13 crop to 52 million tons, from 51 million tons previously, but has decreased its figure for Brazil's soy crop to 83.25 million tons from 84.5 million tons.

Oil World has suggested that the worst of the shipment delays in the Brazilian ports may be over for now. The analyst expects exports to pick up from here on out which could help ease the tight global supply. It was also reported that a couple cargos of soybeans were shipped out of Argentina at the end of March to China.

The soybean prices are likely to witness further gains on improved buying support.

The domestic soy meal featured gains on weak supplies in soybean which limited the crushings to meet the domestic and overseas exports commitments during the period.

India's soy meal exports have slowed down, but their shipments are consistent. Iran, Japan, Thailand and France remained the consistent and major buyers in last several months.

Trade inquiries from the big buyers like Iran, Japan and other South-East Asian countries will further lend support the India meal prices. Preference for non-GMO meal, trade and logistic advantages will continue to remain supportive for the Indian meal.

According to the figures of the SOPA, India's soy meal exports, which constitute the bulk of oilmeal exports, decreased by 30.66% to 320,265 tons in March'13 from 4,61,891.774 tons a year earlier.

The annual Soy meal exports in the financial year 2012-2013 (April-March) were 3,433,916 tons, decreased by 12.28 percent from 3,914,683 tons a year ago. During the FY 2012-13 export to Iran registered exceptional growth.

Partially, export of Soybean Meal suffered during Second quarter (Q2) due to poor availability of soybean & corresponding lower crushing.

During the first half of current Oil year (October – September), exports during October'12 to March'13 were 25,96,838.577 MT as against 27,85,831.205 MT last year or a drop of 6.78%.

The y-o-y fall in the India's soy meal export sales in the month of March is due to the demand shift towards South America owing to their competitive meal prices. This is due to the peak season in South America.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Apr-May) exports price, FOR Kandla exports was quoted between Rs 33,000-36,000/MT compared to 24,300-24,800/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$159/MT compared to US \$122/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, continued soy meal exports 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.37,000-40,000/MT. Soybean prices likely to feature range-bound movement with firm bias in near-term - WEEK. The prices are likely to gain and witness the price between 4000-4200 levels (Indore, Plant basis).

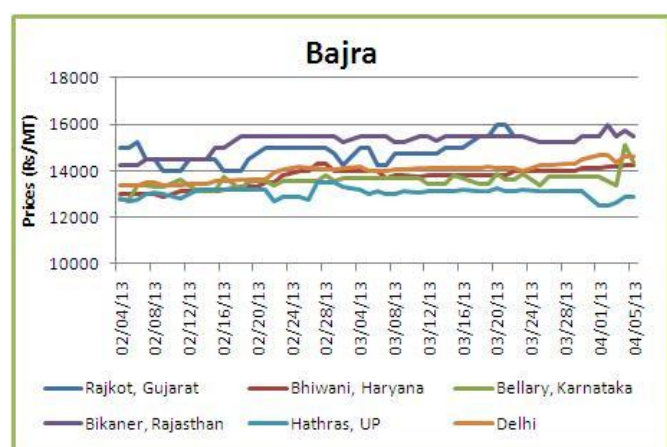
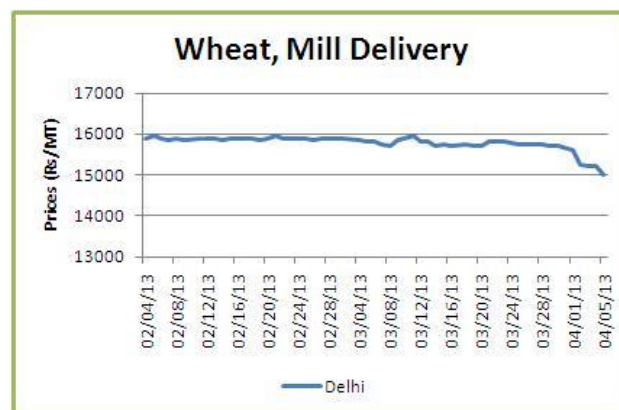
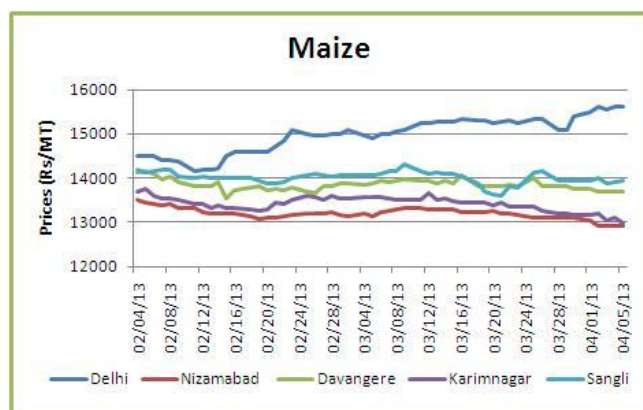
Mustard/rapeseed prices witnessed mild gains on buying interest from millers after mandis reopened which remained closed in the last couple of weeks in March.

The seed prices firmed-up despite the supplies improved compared to previous week, which was exception for supplies to fall owing to the festivities, Holi and Good Friday.

The mustard seed harvesting is in full swing in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana and Punjab. Though the supplies will increase further, but the active buying will push up the seed prices in near future.

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.

RM seed prices are expected to feature range bound movement with firm bias, in near term, on fresh buying. The prices are likely improve and are expected to witness 3550–3600 level in near term.



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

During the week, mixed sentiments witnessed in most of the major spot markets of maize.

In Andhra Pradesh, new crop arrivals have started. However, market participants are still waiting for Bihar crop which is expected in the third week of April. At this time, new crop arrival from A.P, contains high moisture level i.e. around 16 %, resulted lower demand for that. Anticipation of new crop arrival from Bihar weighs on the market.

Sources revealed that forward contract has been made in the beginning of March month for the Bihar crop at the rate of Rs. 1320 per quintal for May delivery.

Meanwhile, in the Ahmadabad market of maize, lower arrivals reported from Maharashtra. Sluggish local poultry feed makers demand reported at Rs. 1420-1450 per quintal while starch industry demand for corn reported at Rs. 1465-1510 per quintal during last week.

Market participants are waiting for new crop arrival from Bihar Sources revealed that forward contract has been made in the beginning of March month for the Bihar crop at the rate of Rs. 1320 per quintal for May delivery.

Maize traded steady to weak in major spot markets ok Karnataka during last week due to sluggish demand.

In Delhi spot market, maize traded slightly firm during last week. However, Traders are expecting that prices could go down due to lower demand. New crop arrival in the near term could also weigh on the prices.

On the export front, Indian C&F Maize prices (~\$332) decreased by \$ 3.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$358), Brazil C&F (~\$333.1) and getting stiff competition from Argentina Maize C&F prices (~\$286.32).

As per USDA, U.S. corn export figures reached to 11214313 metric tons for the 2012-13 marketing year which is lowered by ~53% from the last marketing year during the same period. Corn exports were up by 47 percent to 565900 metric tons from the previous week and 43% from the prior 4-week average.

As per Reuter news, Informa Economics raised its production forecasts for Brazil's corn crop in 2012/13 by 71.6 million to 71.95 million tons. Also, raised forecast for Argentina' corn production from 25 million to 25.3 million tons, which is also the estimate by Rosario grain exchange. Informa raised its forecast for China's 2013/14 corn production by 8 million tons to 213 million tons, from the previous estimates.

Indian corn prices are likely to trade slightly weak on the expectation of new crop arrival pressure in the near term.

Wheat market continued to reel under pressure on expectation of better supply side in the weeks ahead on the back of bumper crop prospects and with harvesting activities being round the corner in the north Indian states. Despite procurement with bonus in Rajasthan, Uttar Pradesh and Madhya Pradesh by the govt.'s agencies pressure on cash wheat market is likely to continue.

In the week under review two tenders were issued by the PSU PEC and MMTC in which no bids were received as government has fixes USD 300/T, FOB as base price but international market is ruling around USD 280-285/T, FOB.

Government has started procuring wheat in Rajasthan and as of now it seems that government can procure around 22 lakh tonnes of wheat as compared to previous years' 19.74 lakh tonnes as per estimates by traders.

Haryana government has banned import of wheat from neighbouring state as it expects to harvest bumper crop once again. Government is expecting to procure around 87.30 lakh tonnes of wheat this year. Farmers have been advised to bring wheat with 12% moisture maximum and foreign matter of 7% maximum.

Some damage to standing wheat crop has been reported in Narsingh, Jabalpur, Katni and Satana region from hailstorm last week in Madhya Pradesh. According to traders farmers are holding good quality of wheat as they anticipate higher prices later on since exports are going on. New crop arrivals are reaching in Mandis at Alwar, Kota and Bundi as harvesting has picked up but in Gananagar region crop harvesting has yet to take off.

Wheat harvesting in Punjab and Haryana is about to start and government expects 227.30 lakh tonnes from these two states. 140 lakh tons wheat from Punjab and 87.3 lakh tons from Haryana is expected to be procured, however carryover stocks from last year might create storage problems. As wheat harvesting is underway, a glut situation is arising due to expected crop of around 93 million tonnes and a carryover stock of around 27 million tonnes.

M.P. is targeting a procurement of 11.5 million tonnes up from 8.5 million tonnes procures last year. Since the commencement of first phase of procurement in M.P, government agencies have procured 2.6 lakh tonnes wheat from Ujjain, Indore, Hoshangabad and Bhopal. In Uttar Pradesh, the arrivals have begun to trickle in Agra, Gonda and Shahjahanpur mandis.

Internationally, according to USDA estimate, Russian wheat crop is expected to rise about 33-50% due to larger area coverage and improved weather condition. In 2013-14 Russia is expected to export around 15 million tonnes wheat.

Spot and Future market is likely to trade under pressure due to seasonal factors like arrivals.

## Outlook

---

Prices of key feed ingredients are likely to feature range bound movement with firm bias in the days ahead, buoyed by the likely rise in prices of key ingredients (mainly soy meal and bajra). Slack in demand of poultry products due to seasonality may weaken the feed prices.



## Spreads

### Maize Average Weekly spread with Bajra

Week	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13
1	95	63.75	112	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0	106.0
2	95.8	42.00	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	
3	101.7	93.00	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	
4	72.0	127.5	204	103	79.0	264.0	238.0	147.0	153.0	102.0	110.0	
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 was slightly down as bajra traded higher vs. maize during last week. Sources revealed that bajra could trade firm during next week due to continuous demand from poultry feed makers. However, maize could trade down due to sluggish demand and new crop arrival pressure. Considering the above mentioned facts, we expect that maize spread with bajra could go down during next week.

### Maize Average Weekly spread with Jowar

Week	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13
1	-322.5	-336	66	83	190	150.0	137.0	192.0	205.0	107.0	142.0	265.0
2	-324	-302	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	
3	-170	-280	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	
4	-320	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0	170.0	244.0	
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 slightly higher from jowar during last week. Sources revealed that jowar could trade steady in the near term and keep maize spread with jowar in the positive tone.



### Maize Average Weekly spread with Wheat

Week	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13
1	-108	-117	22	70	-106	-123	-139	-21	-48.0	-90.8	-59.0	97.0
2	-109	-130	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	
3	-69	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	
4	-96	3	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	29.0	
5	-188			-167					-62.0			

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

As the table depicts, maize spread with wheat increasing week on week basis as wheat is trading down due to new crop arrival pressure. We expect that both commodities could trade down due to new crop arrival pressure and keep maize spread with wheat intact in the near term.

### Maize Average Weekly spread with Barley

Week	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13
1	-239	-281	16	133	212	160.0	213.0	242.0	135.0	71.67	152.0	327.5
2	-191.7	-250	58	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	
3	-191.7	-163	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	
4	-238.0	-16	85.8	94	143.0	226.0	215.0	172.0	139.0	167.0	294.0	
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 as barley traded down due to dull demand from malt industry buyer. Further, Expectation of new crop arrival of barley also weighs on the prices. Considering the above mentioned facts, we expect that maize spread with barley could be unchanged in the near term.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	05.04.2013	29.03.2013	Parity To
Indore (MP)	35500-36000	33500	Gujarat, MP
Kota	36000	33500	Rajasthan, Del, Punjab, Haryana
Akola	36200	33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	38000	34500	Andhra, AP, Kar, TN
Dhulia/Jalna	36000	35000	Mumbai, Maharashtra
Nagpur (42/46)	36500	34000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	38500-39000	35000	Local and South
Solapur	38000	35000	Local and South
Bundi	36000	33500	-

#### Soy DOC at Port

Centers	Port Price	
	05.04.2013	29.03.2013
Kandla (FOR) (INR/MT)	36000	34050
Kandla (FAS) (USD/MT)	656	626

#### International Soy DOC

Argentina FOB \$/MT	05.04.2013	29.03.2013	Change
Soybean Pellets	431	461	-30
Soybean Cake Meal	439	469	-22
Soybean Meal	431	461	-30
Soy Expellers	439	469	-22

#### Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	05.04.2013	29.03.2013	Change
Adoni	19900	19300	+600
Khamgaon	19600	19100	+500
Parli	19900	19300	+600
Latur	19600	19100	+500

#### Groundnut Meal

Groundnut Meal	05.04.2013	29.03.2013	Change
Basis 45% O&A, Saurashtra	30000	29000	+1000
Basis 40% O&A, Saurashtra	28500	26000	+2500
GN Cake, Gondal	31000	29500	+1500

#### Mustard DOC/Meal

Mustard DOC/Meal	05.04.2013	29.03.2013	Change
Jaipur (Plant Delivery)	14300	13400	+900
Kandla (FOR)	15000	14200	+800
Sri Ganganagar	665	660	+5

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	05 Apr, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1565	1540	1480	-	-
Davangere	Bilty	1350	-	1400	1360	1150
Naugachia	Bilty	-	-	-	-	1175
Nizamabad	Bilty	1280	-	1315	1350	1160
Ahmedabad	Feed	1450	1450	1470	1460	1350
	Starch	1500	1510	1520	1535	1370

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	236.32	278.1	298	297
Cost and Freight (Thailand)	286.32	333.1	358	332

**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	320265
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	
<b>Total</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	

**Feed Ingredient Prices at a Glance:**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>05.04.2013</u>	<u>29.03.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1436	1372	64
		Hybrid	Bangalore	1475	1475	Unch
Jowar	Karnataka	White	Bangalore	1800	2000	-200
		White	Bellary	1289	1280	9
Maize	Karnataka	Yellow	Davangere	1300	1320	-20
	Andhra Pradesh	Yellow	Nizamabad	1230	1300	-70
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2250	2350	-100
Soy meal	Madhya Pradesh	DOC	Indore	36000	33500	2500
	Maharashtra	DOC	Sangli	39000	35000	4000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19900	19300	600
	Maharashtra	Ex-factory	Latur	19600	19100	500
Mustard	Rajasthan	Plant delivery	Jaipur	14300	13400	900
Groundnut Meal	Gujarat	GN Cake	Gondal	31000	29500	1500

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.