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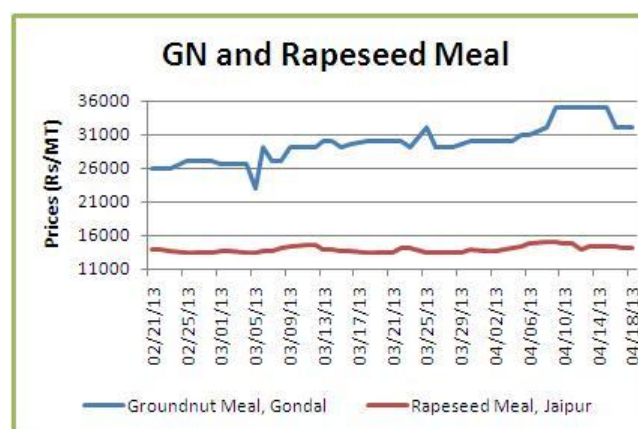
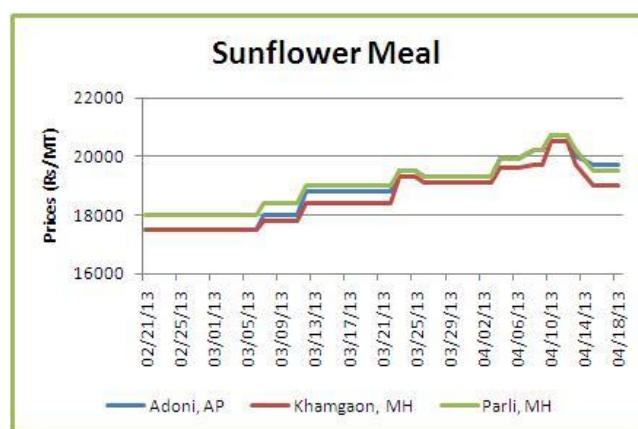
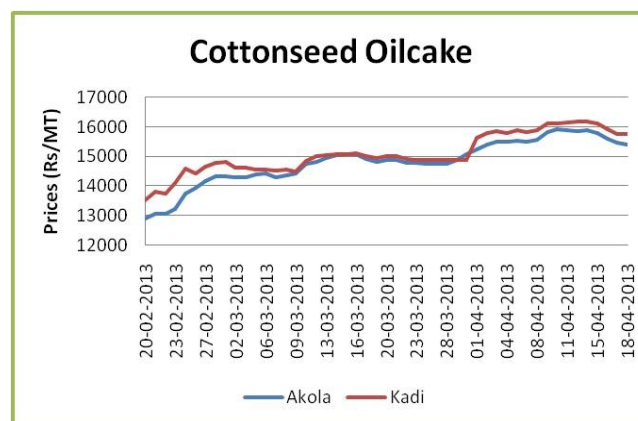
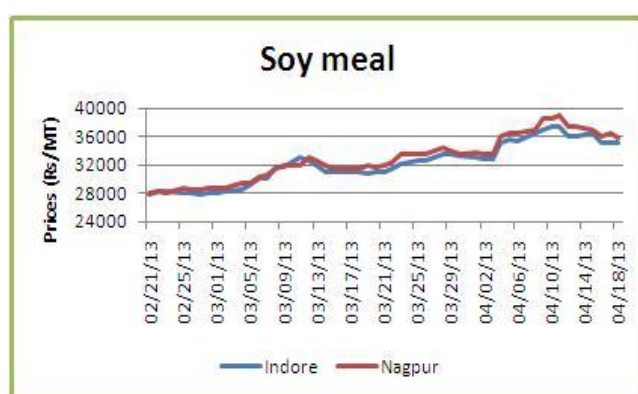
## Summary

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

Soybean and soy meal prices depicted downtrend on weak demand and bearish sentiments in global markets of gold, crude oil and silver. Rapeseed/mustard seed prices declined on slack demand amidst increasing arrivals and fall in Malaysian palm oil. Further, wheat prices posted gains during the week under review on fresh buying activities. Maize featured weak tone while bajra prices were also slightly weak on limited demand.

Overall, feed prices remained steady at previous levels in the week under consideration despite downwards pressure on prices of key feed ingredients.

## Trend – Raw Material, Feed



Source: AgriWatch

Soybean, soy meal and mustard seed plunged on weak global cues during the week in review.

Soybean fell on lackluster buying by the crushers followed by sluggish demand in edible oils and oil meal and weak outside market followed by widespread liquidation with gold, copper, crude oil, and silver kept the soybean market under pressure during the week.

Further, a worse than expected GDP reading from China initially during the week added momentum to the downward potential in physical commodity markets on fears the global economic outlook is slowing.

The Bird Flu concern in China has already hit the bean demand followed by fall in poultry consumption in China, the biggest soybean buyer. Though sources indicate there is no human-to-human transmission. Chinese traders suggest that contracting poultry demand and slumping hog prices in China could limit demand for soybean meal in the short term. Besides, US NOPA crush came in at 137.08 million bushels, slightly below market estimates of 137.5 and up from 136.3 the month prior.

The factors all together pressured the international soybean market which subsequently kept the domestic soybean lower during the period.

Soy meal edged lower on sluggish overseas demand and poor offtake by the poultry feed manufacturers in domestic market. Reduced off-take in eggs and poultry consequently affected in the meal demand. Besides, other feed ingredients like bajra, DCP, MBM, DRB prices fell in tandem, eventually supporting the fall in soy meal.

Overseas demand remained sluggish as the South American prices are getting competitive compared to the Indian meal. The soy meal export sales are sluggish but continued, especially to Iran and Japan. As usual South-East Asian countries are the largest buyer.

The meal prices are likely to feature range-bound movement with slight gains on lower supplies in the beans.

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

According to the figures of the SOPA, India's soy meal exports, which constitute the bulk of oil meal exports, decreased by 30.66% to 3,20,265.370 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 34,33,916.546 tons, decreased by 12.28 percent from 39,14,683.205 tons a year ago.

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 35,500-37,000/MT compared to 26,000-26,500/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$132/MT compared to US \$152/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, 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. 36,000-37,200/MT.

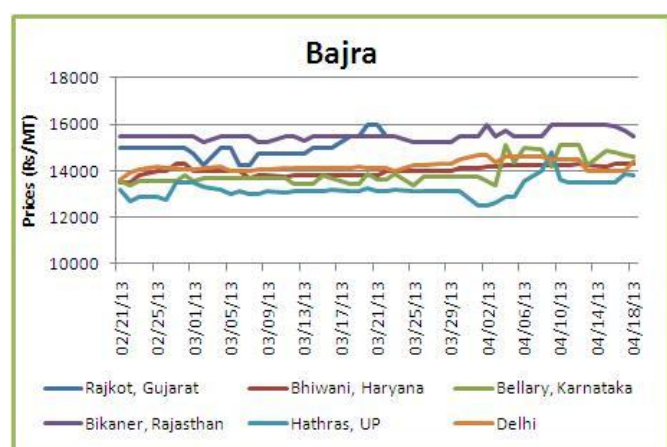
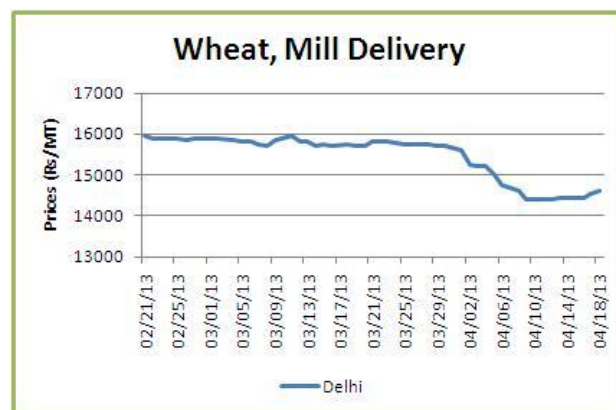
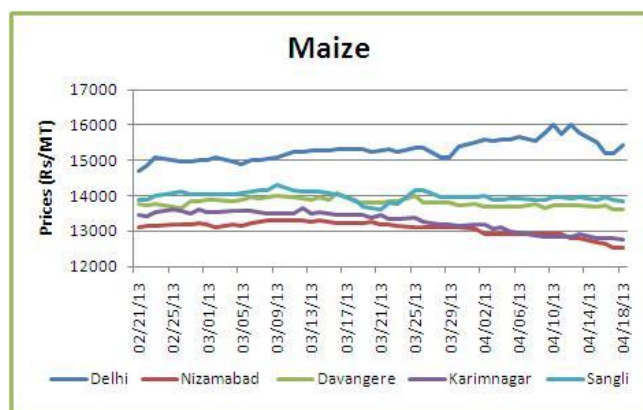
Mustard/rapeseed prices declined on feeble millers buying as major buyers refrained from the cash market during the week that saw a broad sell-off across commodities. Malaysian palm oil mostly posted losses during the week in review subsequently pressuring the domestic seed market.

Weak economic reports from the US and China raised concerns that slowing global growth could hurt demand, triggering a flight of capital this week from markets such as crude oil and gold.

Weak Malaysian palm exports pressure the BMD CPO after Malaysia's shipment of the edible oil fell for the first 15 days in the month. Palm oil shipments from Malaysia decline 4 per cent and 7.2 per cent according to cargo surveyors Intertek Testing Services and Societe Generale de Surveillance, respectively. The palm oil stocks fell to 2.17 million tonnes in March and it is likely to ease below the psychological 2-million-tonne mark in April if shipments stay strong.

The market participants are closely watching rape extract exports for opportunity. Import restrictions from China, after traces of malachite green in the rapeseed extract imported by the country in December 2011 have hurt India's rapeseed shipments to a large extent.

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 3550–3650 level in near term.



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

During the week, weak sentiments prevailed in most of the major spot markets of maize.

In the Ahmadabad market, demand for maize from poultry feed makers and starch industries buyers reported lower by Rs. 50 and 60 per quintal respectively from the last week due to sufficient stock in quantity. Poultry feed makers have around 30 days stock while starch industry buyers 45 days stock of maize is weighing on the prices. Further, expectation of increase in arrivals from Bihar also restricts the market to gain. Bihar crop contains 15-16 % moisture at this time and demanded by Kolkata feed millers at Rs. 1425 per quintal. The situation in the Koppal market of Karnataka is that traders are not selling their stock due to lower maize prices.

Exports are not being made by India at this time as competitive nations are quoting lower corn prices.

As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 2.12 million tons during the October- March period. During March month, 0.559 million tons corn exports reported to Indonesia, Vietnam, Malaysia, China, Taiwan, Singapore through JNPT Sea, Tondiarpet ICD, Chennai Sea, Tuticorin Sea, Krishnapatnam Sea port.

Bihar crop contains 15-16 % moisture at this time and demanded by Kolkata feed millers at Rs. 1425 per quintal. We expect that prices could go down to supply pressure in the market.

Sluggish demand was reported in the Nizamabad of A.P, as prices of Bihar crop are lower from that. Sources revealed that around 3,00,000 bags of maize could be in the Nizamabad market of maize.

In the Koppal market of Karnataka, traders are not selling their stock due to lower maize prices.

In Delhi spot market, arrivals of maize reported nil during last week. As per trade sources, arrivals could start from the first week of May in the Delhi spot market.

As per USDA crop progress report, corn has been planted 2% till date in the U.S against 16% last year during the same period. More rainfall is expected in the coming week which will further slow U.S. corn plantings.

As per USDA, U.S. corn export figures reached to 11795648 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. However, Corn exports were up by 8 percent to 301600 metric tons from the previous week but down 27% from the prior 4-week average.

Indian corn prices are likely to trade weak due to sluggish export demand as global corn prices trade weak. New crop arrivals from Bihar are also weighing on the prices.

Wheat prices remained firm during the week as fresh purchasing were made across major markets.

In Haryana, around 35-40% of wheat crop has been harvested. As per traders wheat crop in Karnal and Panipat region is expected to be 8-10% lesser than last year due to fall in yield by 5-6 quintal per acre. Hodal region wheat was bought by millers in Gujarat at Rs 1600/Q, mill delivered and Maharashtra at Rs 1700/Q mill delivered.

U.P origin wheat is bought by traders in West Bengal, Tamil Nadu and Maharashtra from Kanpur and Mathura region. Traders of Maharashtra and Gujarat are buying at Rs 1750/Q delivered from Madhya Pradesh.

With rising temperature and increased threshing activities arrivals from newly harvested crop has increased considerably in major wheat growing states like Punjab, Haryana, Uttar Pradesh and Bihar. Harvesting activities in Madhya Pradesh, Rajasthan and Gujarat are nearing to an end now.

Private players including MNCs' (ITC, Emmsons International and Cargill) are buying wheat from Uttar Pradesh due to cheaper availability there. Wheat is available here in the range of Rs 1300 to 1450 per Q, depending on quality and moisture level.

Sourcing wheat from other states is not viable from export point of view. M.P. wheat costs Rs 1750 per Q on delivered basis Kandla. Even Rajasthan wheat too is not very attractive due to higher price (Rs 1550 to Rs 1600 per Q) on delivered basis Kandla.

Offtake (old stock) from central pool for export from Punjab and Haryana at Rs 1485 per Q is expected to remain slow in April and May due to ample availability in U.P. and lower quotes in the global market. We expect higher off take July onwards when wheat market starts getting firmer.

The difference between Indian FoB quote and Black Sea Region is widening and is almost \$30 to \$35 per tonne and it encouraged Indian exporters to stay away from market. Indian FoB comes around \$310 to \$315 against Black Sea region quote of around \$270-275 per T. Gujarat's local wheat is cheaper but availability is lower and its FoB comes to around \$305 per T.

Wheat inflation in March, 2013 was 19.87% which is lower than February's 21.63%. WPI has fallen from 206.9 in February to 206.3 in March. Inflation is expected to fall further in April due to new crop arrivals.

According to Buenos Aries Grain Exchange, Argentina is expected to plant 3.9 million hectares wheat this year as compared to 3.6 million hectares last year as government export oriented policy is helping farmers to receive better remuneration for their crops.

Domestic spot and futures market is likely to trade firm as millers, exporters and stockiest are active in market. Expectation of bonus above MSP in Punjab and Haryana might push market up.

## Outlook

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Prices of key feed ingredients are expected to feature range bound movement around current levels in the coming days due to the price fluctuations in key ingredients (mainly soy meal and bajra). However, likely decline in production of poultry products due to seasonality is likely pressurize 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	145.0
3	101.7	93.00	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0
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 traded firm during last week. However, both commodities traded weak last week but bajra traded lower vs. maize. As per trade sources, despite the lower supply in Delhi spot market, maize is trading weak as prices in Rajasthan markets are lower. Meanwhile, bajra could continue the trend with the limited supply and demand in the market. Considering the above mentioned facts, we expect that maize spread with bajra could be unchanged 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	322.0
3	-170	-280	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0
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 decreased as maize traded lower vs. jowar during last week. Sources revealed that both commodities could trade weak during next week and keep maize spread with jowar intact.



**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	220.0
3	-69	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	179.0
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 decreased from last week as wheat traded higher on the expectation of bonus declaration in Punjab, Haryana and Rajasthan. We expect that wheat could trade high during next week and keep maize spread with wheat towards southward zone.

**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	369.0
3	-191.7	-163	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	383.0
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 new crop arrival pressure. We expect that barley could trade down further and could keep maize spread with barley intact during next week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	19.04.2013	12.04.2013	Parity To
Indore (MP)	35000	36000	Gujarat, MP
Kota	35400	36500	Rajasthan, Del, Punjab, Haryana
Akola	35500	37000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	37500	38500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	38000	38500	Andhra, AP, Kar, TN
Dhulia/Jalna	37000	39000	Mumbai, Maharashtra
Nagpur (42/46)	35700	37500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	38000	38500	Local and South
Solapur	38000	38500	Local and South
Bundi	35400	37000	-

#### Soy DOC at Port

Centers	Port Price	
	19.04.2013	12.04.2013
Kandla (FOR) (INR/MT)	36000	37375
Kandla (FAS) (USD/MT)	666	687

#### International Soy DOC

Argentina FOB \$/MT	19.04.2013	12.04.2013	Change
Soybean Pellets	469	439	+30
Soybean Cake Meal	469	439	+30
Soybean Meal	477	447	+30
Soy Expellers	477	447	+30

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	19.04.2013	12.04.2013	Change
Adoni	19700	20700	-1000
Khamgaon	19000	20500	-1500
Parli	19500	20700	-1200
Latur	19200	20500	-1300

**Groundnut Meal**

Groundnut Meal	19.04.2013	12.04.2013	Change
Basis 45% O&A, Saurashtra	29000	33000	-4000
Basis 40% O&A, Saurashtra	26000	30000	-4000
GN Cake, Gondal	32000	35000	-3000

**Mustard DOC/Meal**

Mustard DOC/Meal	19.04.2013	12.04.2013	Change
Jaipur (Plant Delivery)	14000	13800	+200
Kandla (FOR)	15000	14800	+200
Sri Ganganagar	645	655	-10

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

Market	Grade	18 Apr, 2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1525	1600	1525	1435	-
Davangere	Bilty	-	-	1380	1380	1140
Naugachia	Bilty	1450	-	-	1125	1450
Nizamabad	Bilty	-	1400	1310	1180	-
Ahmedabad	Feed	-	1440	1470	1460	1300
	Starch	1470	1510	1540	1500	1330

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

	Argentina	Brazil	US	India (Davengere Origin)
FOB	245.87	NA	286.86	NA
Cost and Freight (Thailand)	295.87	NA	346.86	NA

**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>18.04.2013</u>	<u>12.04.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1462	1421	41
		Hybrid	Bangalore	1475	1475	Unch
Jowar	Karnataka	White	Bangalore	2100	1800	300
		White	Bellary	1238	1269	-31
Maize	Karnataka	Yellow	Davangere	-	1310	-
	Andhra Pradesh	Yellow	Nizamabad	1250	1280	-30
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	35000	36000	-1000
	Maharashtra	DOC	Sangli	38000	38500	-500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19700	20700	-1000
	Maharashtra	Ex-factory	Latur	19200	20500	-1300
Mustard	Rajasthan	Plant delivery	Jaipur	14000	13800	200
Groundnut Meal	Gujarat	GN Cake	Gondal	32000	35000	-3000

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