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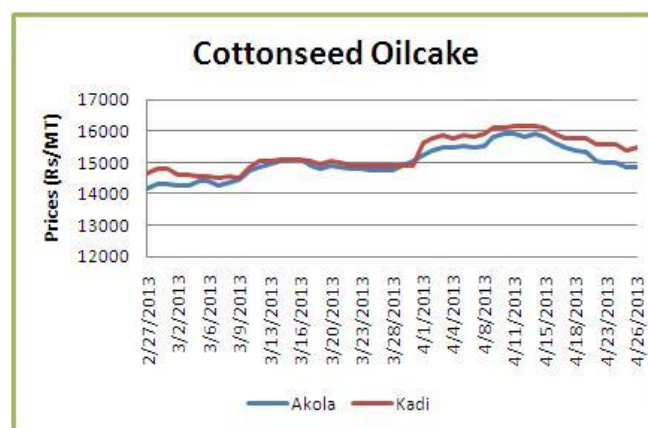
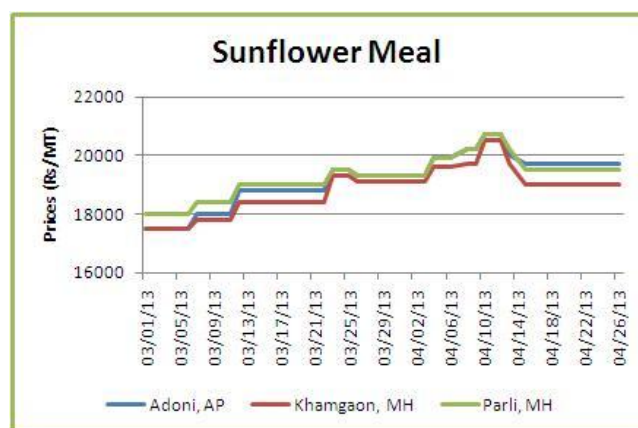
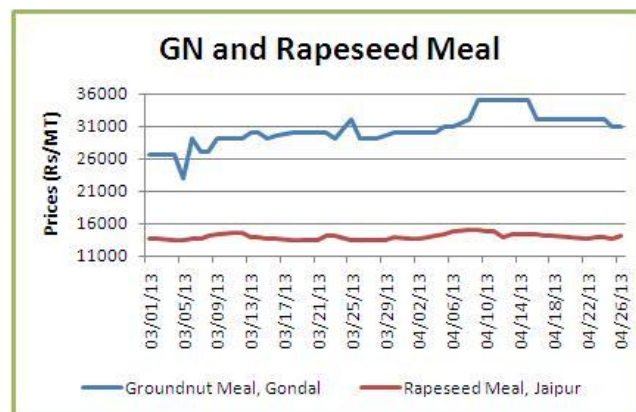
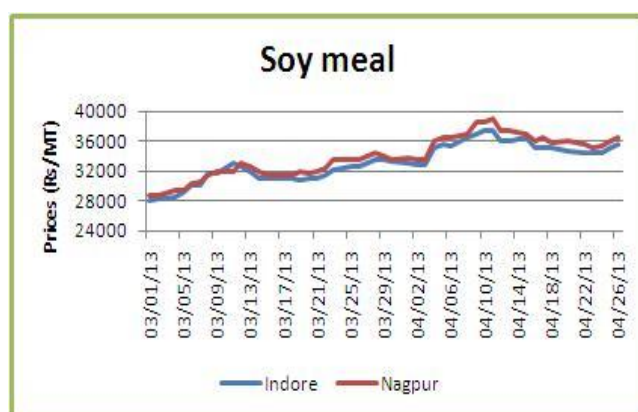
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Summary

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

Soybean, meal and mustard seed extended losses on feeble buying during the week in review. Arrivals in soybean and RM seed further declined due to *Mahavir and Hanuman Jayanti* holidays during the period. Further, wheat prices posted gains during the week under review on strong buying from millers and stockists. Maize featured weak tone while bajra prices were steady to slightly weak on modest demand. Overall, feed prices ruled flat during the week under consideration despite a decline in prices of key feed ingredients.

Trend – Raw Material, Feed



Source: AgriWatch

Soybean featured steady tone on sluggish buying from solvent extractors in the absence of fresh edible oil and meal demand. All the big buyers refrained from the cash market and no active buying featured in the key soybean markets across major producing states.

Weak soy meal exports and lower domestic off-take continues to remain negative factor for the beans.

Both, buyers and sellers featured dull activity in the physical market. A tug of war is visible between buyers and sellers in the market. Slow selling by the big farmers and stockists is featured in anticipation of higher prices in future while the solvent extractors feel slow buying will subdue the prices from the current levels.

However, with the commencement of auspicious wedding dates, the edible oil demand is likely to pick-up in near-term which will boost the bean prices.

Soy meal prices declined consecutive second week on weak export sales and poor domestic off-take by the poultry feed manufactures. This is due to the fall in the domestic poultry demand.

India's soy meal shipments are losing the market over South American followed by price competitive with soybean harvesting in full swing in the region. Again, Bird flu concern in China is still a negative factor for the meal. However, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will consistently support shipments in the same and limit the losses in near-term.

According to the figures of the SOPA, India's Soy meal exports, which constitute the bulk of oilmeal exports, decreased by 30.66% to 3,20,265.370 tonnes in March'13 from 4,61,891.774 tonnes a year earlier. The annual soy meal exports in the financial year 2012-2013 (April-March) were 34,33,916.546 tonnes, decreased by 12.28 percent from 39,14,683.205 tonnes 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 35,000-36,000/MT compared to 26,100-28,200/MT during the same period last year.

There were no FAS, soy meal – Kandla quotes in the absence of any fresh deals during the week. The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US \$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 exports 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.

Soybean prices to feature range-bound movement with firm bias in near-term - WEEK. The prices are likely to gain and witness the price between 4150-4250 levels (Indore, Plant basis).

Rapeseed/mustard seed prices edged lower primarily on dull buying by the millers. However, higher BMD CPO limited the losses during the week. The arrivals in the seed too declined followed by Mahavir Jayanti.

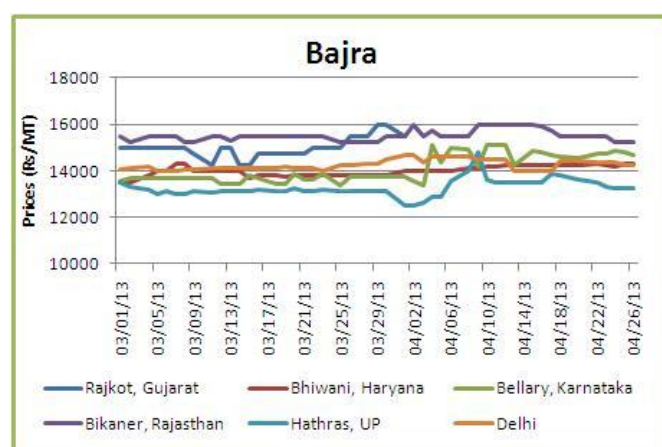
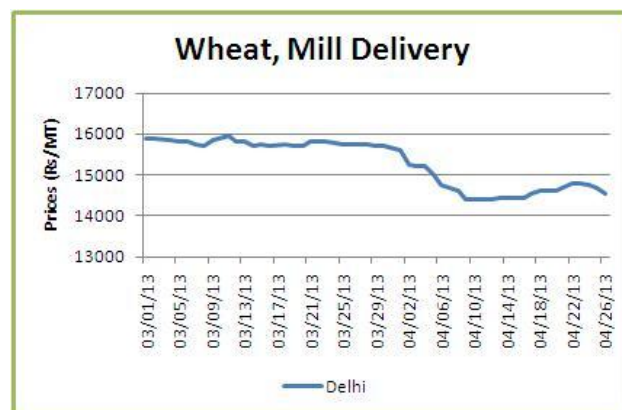
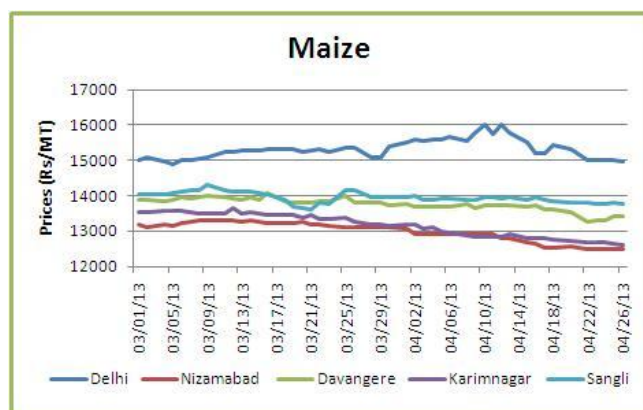
Cautious Chinese buying in the palm oil due to better stocks in tandem with higher inventories of edible oils at Indian ports (both worlds' top edible oil consumers) remained discouraging for the seed prices.

Poor economic data out of China and the European Union helped to pressure cash oilseeds markets during the week.

The market participants are eagerly waiting for China to open the rape extract import and looking for the opportunity. Import restrictions from China, after it found 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.

The domestic mustard/rapeseed prices are likely to gain on active buying support 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 3510–3570 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 was reported weak and starch industry reported steady demand during the week due to sufficient stock. Average price movement was seen the maize prices amid flat demand. 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. In the Koppal market of Karnataka, no arrivals have been reported in the past week.

Maize crop in Bihar witnessed steady to weak demand during the week under review. The crop contains 15-16 % moisture at this time and steady demand is being witnessed by Kolkata feed millers. We expect that prices could go down to supply pressure in the market.

Weak demand was reported in the Nizamabad market of A.P amid thin arrivals, as prices of Bihar crop are lower from that.

In the Koppal market of Karnataka, no arrivals were reported during the week under consideration.

In Delhi spot market, arrival of maize was reported nil during last week. As per trade sources, arrivals are likely to commence from the first week of May. Sources revealed that maize is going to Rajpura (Punjab) at Rs 1375/qtl station delivery on demand from feed industry.

Exports are not being made by India currently as competing 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.

Corn prices decreased on the CBOT on concerns over bearish USDA global data and improving corn crop prospects amid better weather forecast for the coming days.

As per USDA, U.S. corn export figures reached to 11,795,648 metric tons for the 2012-13 marketing year. Corn exports were down 21 per cent from the previous week, but up 2 percent from the prior 4-week average. Increases reported for Japan (108,400 MT), Saudi Arabia (70,400 MT), Mexico (52,900 MT), Honduras (34,500 MT), Cuba (25,000 MT), and Venezuela (22,500 MT).

As per the latest USDA crop progress report, corn has been planted in 4% of the estimated area till 21st April'13 in the U.S against 26% last year during the same period. Rainfall forecasts and cold temperatures are likely to delay U.S. corn plantings.

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

Wheat prices remained firm during the week as aggressive purchases were made by millers and exporters and farmers are holding crop in M.P, Rajasthan and Haryana as they expect bonus over MSP. Prices are expected to remain steady to slightly up.

Private traders and millers are aggressively buying wheat in Punjab and Haryana as mill delivered price is around Rs 1480-1500/Q, but if Wheat is purchased from U.P, basic cost is Rs 1330/Q plus all taxes@ 8%, Gunny bags and Transportation (extra) total cost comes at around Rs 1580-1600/Q on Mill delivered basis, that's why millers and private traders are building inventories in Punjab and Haryana.

Wheat procurement target in M.P are unlikely to be met. Firstly, crop is estimated at 12-13 million tons as crop was affected by erratic weather. Also, as exports are open, traders are buying aggressively and farmers too are holding some crop in anticipation of higher prices. So far 3.7 million tons has been procured in M.P and it seems 8-9 million tons can be procured in this season.

According to traders and farmers, wheat production is likely to dip by 6 to 7 per cent this year due to small grain size and lower yield. Farmers from Punjab, Haryana, Rajasthan, Uttar Pradesh, and Madhya Pradesh have reported lower yield varying from 5 to 8 percent. Abnormally lower temperature in Jan 1st week had adversely impacted the normal growth of the plant and

consequently lower grain size. Traders are expecting 88 to 90 million T productions this year against 94.8 million T last year.

Lower production is likely to affect procurement target of 40 million T this year as per trader's point of view. They say that government will not be able to procure more than 30-32 million Tonnes of wheat as private players are active and farmers are releasing (20-30 percent) lower stocks in anticipation of bonus and higher prices June onward.

With lower quotes (\$260 to \$270 per T) in Black Sea Region, Indian wheat would lose its competitiveness and export is likely to stop May onward. Besides, government's strategy to sell with reserve price (considered higher against black sea region likely price in May June) from its stock will discourage exporters.

Small traders generally sell wheat to exporters/stockiest sourced from FCI/state agencies at higher prices and this ongoing trend is unlikely to sort out government's intention to curb prices when sale continues through tender. As per traders view quantity should be abolished for every category and wheat should be sold through tender with fixed bench mark price without any quantitative restriction. It would stabilize prices in the market.

IGC has forecasted the world wheat ending stocks for 2013-14 at 181 million tonnes, which is 2 million tonnes more than 2012-13 due to lower feed wheat use. World wheat production is estimated at 680 million tonnes for 2013-14 which is higher than 2012-13 655 million tonnes since better yield and increased sown area is expected in Black sea region and European Union.

Key spot market might trade steady to slightly firm on aggressive purchase from millers, exporters and stockists.

Outlook

Prices of key feed ingredients are expected to remain steady around current levels in the coming days with a weak bias. Depleted demand of feed products and fall in prices of key feed ingredients (mainly soy meal, maize and bajra) are likely to pressurize the feed prices in the days ahead.

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 | 113.0 |
| 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 lower during last week. This is because bajra traded firm as compared to maize during the week. As per trade sources, the lower supply in Delhi is supporting the prices of maize and this is likely to continue. Meanwhile, bajra may continue the upward movement with the limited supply and demand in the market. By considering the above mentioned facts, we expect that maize spread with bajra could be unchanged during the coming 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 | 319.0 |
| 5 | -403 | | | 122.5 | | | | | 132.5 | | | |

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

As the table depicts, maize spread with jowar slightly decreased as maize traded lower vs. jowar during last week. Sources revealed that both commodities could trade steady to slightly firm 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 | 141.0 |
| 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 aggressive purchases were made by millers and exporters, and farmers are holding crop in M.P, Rajasthan and Haryana as they expect bonus over MSP. 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 | 346.0 |
| 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 as barley traded higher. We expect that barley could trade up and with range bound movement in maize could keep maize spread with barley lower during next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

| Centers | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|------------|---|
| | 26.04.2013 | 19.04.2013 | Parity To |
| Indore (MP) | 35500 | 35000 | Gujarat, MP |
| Kota | 36000 | 35400 | Rajasthan, Del, Punjab, Haryana |
| Akola | 36000 | 35500 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Hingoli | 36000 | 37500 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Nanded/Latur | 37400 | 38000 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 37000 | 37000 | Mumbai, Maharashtra |
| Nagpur (42/46) | 36500 | 35700 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 37200-37500 | 38000 | Local and South |
| Solapur | 37000 | 38000 | Local and South |
| Bundi | 35200 | 35400 | - |

Soy DOC at Port

| Centers | Port Price | |
|-----------------------|------------|------------|
| | 26.04.2013 | 19.04.2013 |
| Kandla (FOR) (INR/MT) | 36000 | 36000 |
| Kandla (FAS) (USD/MT) | 663 | 666 |

International Soy DOC

| Argentina FOB \$/MT | 26.04.2013 | 19.04.2013 | Change |
|---------------------|------------|------------|--------|
| Soybean Pellets | 474 | 469 | +5 |
| Soybean Cake Meal | 474 | 469 | +5 |
| Soybean Meal | 482 | 477 | +5 |
| Soy Expellers | 482 | 477 | +5 |

Sunflower Meal Rates

| Centers | Ex-factory rates (Rs/ton) | | |
|----------|---------------------------|------------|--------|
| | 26.04.2013 | 19.04.2013 | Change |
| Adoni | 19700 | 19700 | Unch |
| Khamgaon | 19000 | 19000 | Unch |
| Parli | 19500 | 19500 | Unch |
| Latur | 19200 | 19200 | Unch |

Groundnut Meal

| Groundnut Meal | 26.04.2013 | 19.04.2013 | Change |
|---------------------------|------------|------------|--------|
| Basis 45% O&A, Saurashtra | 31000 | 29000 | +2000 |
| Basis 40% O&A, Saurashtra | 29000 | 26000 | +3000 |
| GN Cake, Gondal | 31000 | 32000 | -1000 |

Mustard DOC/Meal

| Mustard DOC/Meal | 26.04.2013 | 19.04.2013 | Change |
|-------------------------|------------|------------|--------|
| Jaipur (Plant Delivery) | 14000 | 14000 | Unch |
| Kandla (FOR) | 14900 | 15000 | -100 |
| Sri Ganganagar | 635 | 645 | -10 |

Maize Spot Market Prices (Rs. /Quintal)

| Market | Grade | 26 Apr, 2013 | Week Ago | Month Ago | 2 Month Ago | Year Ago |
|-----------|--------|--------------|----------|-----------|-------------|----------|
| Delhi | Hybrid | 1500 | 1525 | 1535 | 1510 | - |
| Davangere | Bilty | - | - | 1370 | 1395 | 1140 |
| Naugachia | Bilty | 1225 | 1275 | - | - | 940 |
| Nizamabad | Bilty | 1260 | 1300 | 1350 | 1310 | 1150 |
| Ahmedabad | Feed | 1350 | 1390 | - | 1480 | 1230 |
| | Starch | 1400 | 1450 | 1540 | 1500 | 1270 |

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

| | Argentina | Brazil | US | India (Davangere Origin) |
|-----------------------------|-----------|--------|--------|--------------------------|
| FOB | 242.03 | NA | 282.22 | NA |
| Cost and Freight (Thailand) | 292.03 | NA | 342.22 | 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 | |
| Total | 2610835 | 2937018 | 4075617 | 2668918 | |

Feed Ingredient Prices at a Glance:

| <u>Commodity</u> | <u>State</u> | <u>Variety</u> | <u>Centre</u> | <u>26.04.2013</u> | <u>18.04.2013</u> | <u>Change</u> |
|------------------|----------------|----------------|---------------|-------------------|-------------------|---------------|
| Bajra | Karnataka | Hybrid | Bellary | 1469 | 1462 | 7 |
| | | Hybrid | Bangalore | 1475 | 1475 | Unch |
| Jowar | Karnataka | White | Bangalore | 2100 | 2100 | Unch |
| | | White | Bellary | 1250 | 1238 | 12 |
| Maize | Karnataka | Yellow | Davangere | - | - | - |
| | Andhra Pradesh | Yellow | Nizamabad | 1250 | 1250 | Unch |
| Rice | Haryana | IR8 | Karnal | 1800 | 1800 | Unch |
| | | Parmal Raw | Karnal | 2300 | 2300 | Unch |
| Soy meal | Madhya Pradesh | DOC | Indore | 35500 | 35000 | 500 |
| | Maharashtra | DOC | Sangli | 37500 | 38000 | -500 |
| Sunflower Meal | Andhra Pradesh | Ex-factory | Adoni | 19700 | 19700 | Unch |
| | Maharashtra | Ex-factory | Latur | 19200 | 19200 | Unch |
| Mustard | Rajasthan | Plant delivery | Jaipur | 14000 | 14000 | Unch |
| Groundnut Meal | Gujarat | GN Cake | Gondal | 31000 | 32000 | -1000 |

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