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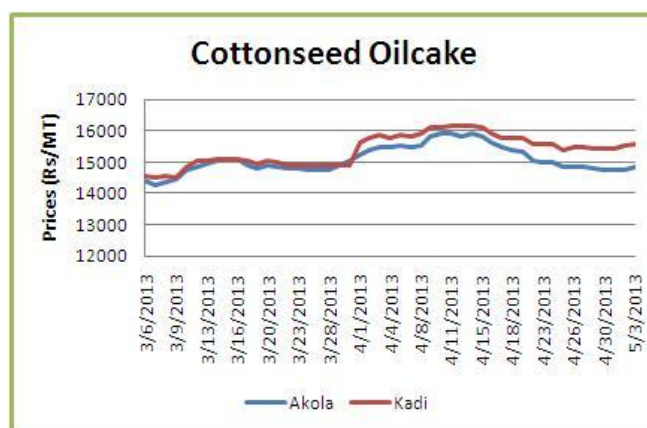
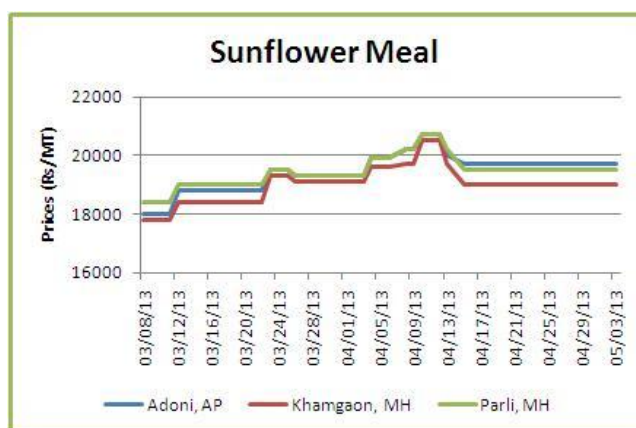
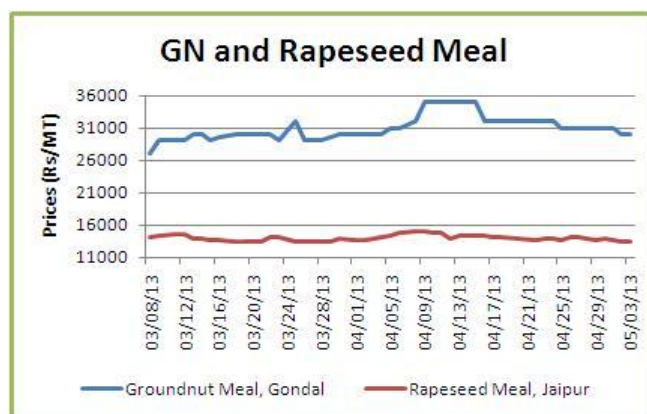
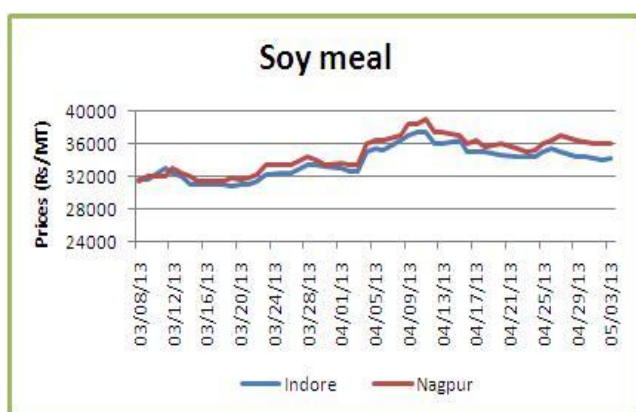
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Summary

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

Soybean, featured steady sentiments during the week in review while soy meal and rapeseed/mustard seed declined during the period. Further, wheat prices remained steady during the week under review on stable buying. Maize featured weak tone while bajra prices were steady to firm on modest demand. Overall, feed prices ruled unchanged during the week under consideration despite variations in prices of key feed ingredients.

Trend – Raw Material, Feed



Source: AgriWatch

Steady to weak sentiments featured in the domestic oilseeds and meal cash markets during the week in review. Soybean featured steady tone, soy meal and rapeseed/mustard seed declined during the period.

Soybean remained flat on lackluster buying in cash markets followed by weak soy meal export sales and lower domestic meal off-take. Fall in supplies failed to lend upward support to the bean prices.

Special margin of 10% in the soybean future contracts (May, Jun, Jul) on long has even discouraged the future participants on buying and heavy sell-off featured after the announcement of the margin, for effective from 30 April 2013.

Besides, Chinese cancellation of US soybean and expectations for increased US planted acreage in the 2013/14 crop year remained negative factors for the beans.

Sales of soybeans from Brazil's 2012/13 crop have been behind previous year reaching 66 percent of the expected harvest, reported Safras & Mercado, down from 75 percent of the crop a year ago. The harvesting pace slowed due to the port workers strike in previous month, which eventually hit the logistics.

In the last official planting report, the rabi oilseeds planting was reported ahead previous year's pace, as on 28 Mar 2013. Overall, the oilseeds planting were reported up by just 0.2 per cent.

The weak supplies followed by slow farmer selling have eventually slowed-down in the domestic crushings and the crushing units are running at below their capacity. The soybean crushers have to struggle to cover the stock needed for their daily crushing as per their unit crushing capacity, hence operations of crushing units are off and on.

However, we feel the soybean prices are likely to boost with the fresh wedding demand in edible oils.

Soy meal prices extended losses consecutive third week on weak export sales and poor domestic off-take by the poultry feed manufactures. This is due to sluggish domestic poultry demand. Besides, the prices of other key feed ingredients like Bajra, Maize, mustard de-oiled cake, DCP, MBM, DRB continued to remain under pressure, consequently supporting the fall in soy meal.

Further, sluggish soy demand from China followed by bird-flu concern and competitive South American soy meal prices compared to the meal of Indian origin remained negative factors for the domestic soy meal.

But, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will continue to support shipments in the same and limit downward potential in near-term.

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 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 29,000-30,450/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 \$146/MT compared to US \$132/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 through 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.

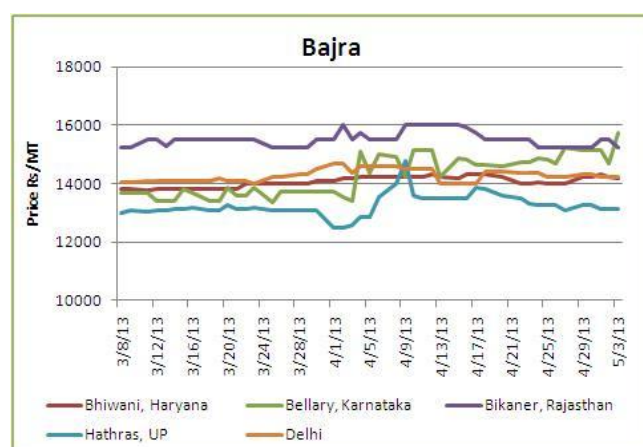
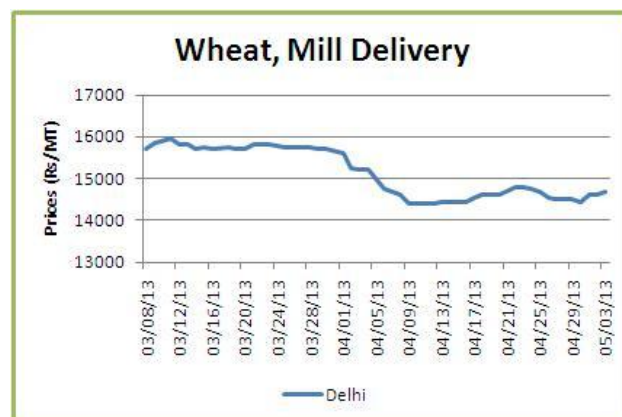
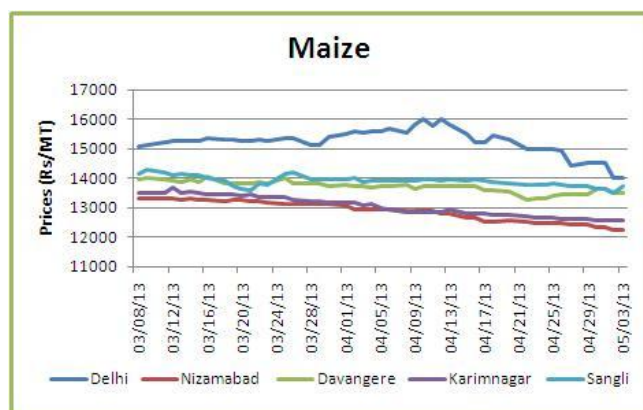
FOR, Kandla is likely feature range-bound movement between the price band of Rs.35,000-36,000/MT.

Mustard seed edged lower on weak buying by the millers at the current price and in anticipation of fall in the seed prices, during the week in review. Sluggish mustard oil demand despite auspicious wedding dates and fall in BMD CPO remained negative factors for the mustard seed.

The seed supplies from Sri Ganganagar have increased in past couple of weeks, though week-on-week supplies in Rajasthan fell due to poor off-take.

Further, Malaysia's April Palm Oil Exports fell 5.6% and reported at 1.29 Mln by SGS. Better rival soybean crop prospects in South America and rising CPO output in Southeast Asia provide the catalyst for the downturn in palm oil.

However, renewed weeding demand in the edible oils is likely to lend upward support to the seed prices. 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 3450–3510 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 of Gujarat, weak demand for maize from poultry industry was reported, thereby, declining prices of maize. Further, increase in arrivals of new crop from Bihar resisted any upwards movement in the market. In the Koppal market of Karnataka, no arrivals have been reported in the past week.

Weak demand in maize was witnessed during the week under review in the spot markets. The crop quality is reported good and contains 13-14 % moisture at this time. Average demand is being witnessed from Kolkata feed millers due to seasonality. We expect that prices could go down to supply pressure in the market.

Maize prices fell during the week as dull demand was reported in the Nizamabad market of A.P amid thin arrivals. As per sources, stock position in the market is about 3 lakh bags. Demand from Hyderabad was also reported lower.

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

In Delhi spot market, arrival of maize was reported nil during last week. However, arrivals of red maize have commenced in the market.

As per latest advance estimate released by Ministry of Agriculture, maize production is estimated to be at 21.82 million tons, up from previous estimate of 21.06 million tons.

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.

As per USDA, U.S. corn export figures reached to 12,521,448 metric tons for the 2012-13 marketing year. Net corn sales were up 5 per cent from the previous week, and from the prior 4-week average

Lanworth has reduced its forecast of the U.S. corn harvest to 13.90 billion bushels, down from its previous estimate of 13.93 billion bushels due to recent rainfall in the producing regions. Expected corn planted area is estimated to reduce by 1 per cent to 96.2 million acres.

As per the latest sowing progress report released by USDA, corn planting has reached 6 per cent of the estimated area, advancing 1 per cent from last week compared with a 5 year average of 31 per cent. Planting pace is very slow this year as last year 53 per cent corn had been planted by this time.

Indian corn prices are likely to trade range bound at current levels due to sluggish export demand and arrival pressure from new crop from Bihar. However, slight gains in CBOT corn prices may provide support.

Prices of wheat remained mostly steady during the week as traders have slowed the purchase of wheat as they expect to lose competitiveness to Black Sea region. Moreover, traders are uncertain about the government policy. Prices have surged in U.P as south Indian millers are getting parity and exporters too are buying though in lower quantity.

Government's 3rd Advance estimate has increased wheat production estimate to 93.62 million tonnes from previous estimate of 92.3 million tonnes. However, as per traders and farmers feedback our estimate is 88.2 million tonnes production due to severe yield loss in Haryana, Rajasthan, Madhya Pradesh, Punjab and U.P.

During the week, Indian firm Amira Pure Foods, made the lowest offer of USD 313.75/T for 50,000 MT wheat in a tender issued by Bangladesh State Grain buying agency.

As per Trade sources exporters have slowed wheat purchase pace due to uncertainty over domestic wheat prices and government policies amid bearish outlook in medium term.

Despite higher pace of procurement this year as compared to last year, overall procurement is expected to dip as private traders are active in buying new crop and farmers too are holding more stocks(Around 10%) this year. Wheat Procured by government agencies in this season in U.P is around 220,000 tonnes which is much lower than last year's 510,000 tonnes at the same time.

Increasing arrival from newly harvest crop is restricting uptrend despite considerable crop loss report. Despite higher pace of procurement this year as compared to last year, overall procurement is expected to dip as private traders are active in buying new crop.

Rajasthan traders are buying lokwan-1 wheat at Rs 1500/Q, loose and stocking it. Rakes are being loaded from Rajasthan to various destinations in South India for Rs 1850-1900/Q at delivered basis. Yield loss has been reported in major wheat growing states varying from 5-15%.

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 around Rs 1580-1600/Q on Mill delivered basis, that's why Millers and Private traders are building inventories in Punjab and Haryana.

According to traders and farmers Wheat production is likely to dip by 6 to 7 percent 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. We expect around 88 million tonnes wheat production this year.

Key Spot market might trade steady as trader and millers are in a wait and watch mode as black sea region crop is expected to hit market soon.

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	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13
1	63.75	112	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0	106.0	84.50
2	42.00	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	
3	93.00	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0	
4	127.5	204	103	79.0	264.0	238.0	147.0	153.0	102.0	110.0	113.0	
5			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, supply pressure due to maize crop arrivals from Bihar could pressure the prices of maize. Meanwhile, bajra may depict range-bound movement on limited supply and demand in the market. By considering the above mentioned facts, we expect that maize spread with bajra could be lower during the coming week.

Maize Average Weekly spread with Jowar

Week	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13
1	-336	66	83	190	150.0	137.0	192.0	205.0	107.0	142.0	265.0	316.0
2	-302	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	
3	-280	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0	
4	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0	170.0	244.0	319.0	
5			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 prices of maize fell slightly more as compared with jowar during last week. Sources revealed that both commodities could trade steady to slightly weak during next week and keep maize spread with jowar range bound.

Maize Average Weekly spread with Wheat

Week	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13
1	-117	22	70	-106	-123	-139	-21	-48.0	-90.8	-59.0	-97.0	-176.0
2	-130	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220.0	
3	-65	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	-179.0	
4	3	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	29.0	-141.0	
5			-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 maize traded lower vs. wheat. Wheat traded mostly steady as traders have slowed the purchase of wheat. We expect that wheat could trade flat during next week and keep maize spread with wheat unchanged.

Maize Average Weekly spread with Barley

Week	June	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13
1	-281	16	133	212	160.0	213.0	242.0	135.0	71.67	152.0	327.5	347.0
2	-250	58	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	369.0	
3	-163	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	383.0	
4	-16	85.8	94	143.0	226.0	215.0	172.0	139.0	167.0	294.0	335.5	
5			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 maize traded weaker and prices of barley featured mild gains. We expect that barley could trade up and with weak bias 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)		
	03.05.2013	26.04.2013	Parity To
Indore (MP)	33800-34500	35500	Gujarat, MP
Kota	34000-34400	36000	Rajasthan, Del, Punjab, Haryana
Akola	34500	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35700	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36000	37400	Andhra, AP, Kar, TN
Dhulia/Jalna	35000	37000	Mumbai, Maharashtra
Nagpur (42/46)	36000	36500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	36000	37200-37500	Local and South
Solapur	36000	37000	Local and South
Bundi	34500	35200	-

Soy DOC at Port

Centers	Port Price	
	03.05.2013	26.04.2013
Kandla (FOR) (INR/MT)	35000	36000
Kandla (FAS) (USD/MT)	649	663

International Soy DOC

Argentina FOB \$/MT	03.05.2013	26.04.2013	Change
Soybean Pellets	474	474	Unch
Soybean Cake Meal	474	474	Unch
Soybean Meal	482	482	Unch
Soy Expellers	482	482	Unch

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	03.05.2013	26.04.2013	Change
Adoni	19700	19700	Unch
Khamgaon	19000	19000	Unch
Parli	19500	19500	Unch
Latur	19200	19200	Unch

Groundnut Meal

Groundnut Meal	03.05.2013	26.04.2013	Change
Basis 45% O&A, Saurashtra	28000	31000	-3000
Basis 40% O&A, Saurashtra	26000	29000	-3000
GN Cake, Gondal	30000	31000	-1000

Mustard DOC/Meal

Mustard DOC/Meal	03.05.2013	26.04.2013	Change
Jaipur (Plant Delivery)	13500	14000	-500
Kandla (FOR)	14600	14900	-300
Sri Ganganagar	615	635	-20

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	26 Apr, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Hybrid	1500	1500	1565	1500	-
Davangere	Bilty	-	-	1355	1400	1095
Naugachia	Bilty	1050	1225	-	-	900
Nizamabad	Bilty	1240	1260	1280	1315	1150
Ahmedabad	Feed	1310	1350	1440	1460	1240
	Starch	1365	1400	1500	1525	1270

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	252.66	NA	304.10	NA
Cost and Freight (Thailand)	302.66	NA	364.11	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	100311
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>3.05.2013</u>	<u>26.04.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1575	1469	106
		Hybrid	Bangalore	1475	1475	Unch
Jowar	Karnataka	White	Bangalore	2100	2100	Unch
		White	Bellary	1294	1250	44
Maize	Karnataka	Yellow	Davangere	-	-	-
	Andhra Pradesh	Yellow	Nizamabad	1220	1250	-30
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	34500	35500	-1000
	Maharashtra	DOC	Sangli	36000	37500	-1500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19700	19700	Unch
	Maharashtra	Ex-factory	Latur	19200	19200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	13500	14000	-500
Groundnut Meal	Gujarat	GN Cake	Gondal	30000	31000	-1000

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