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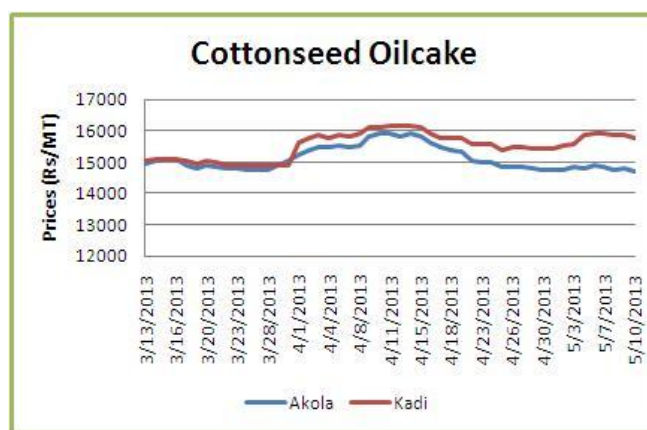
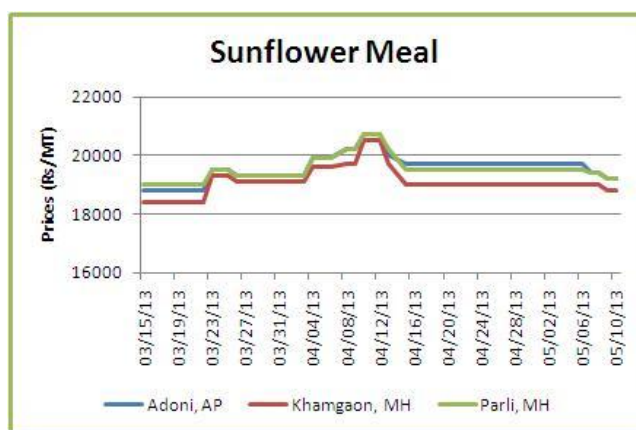
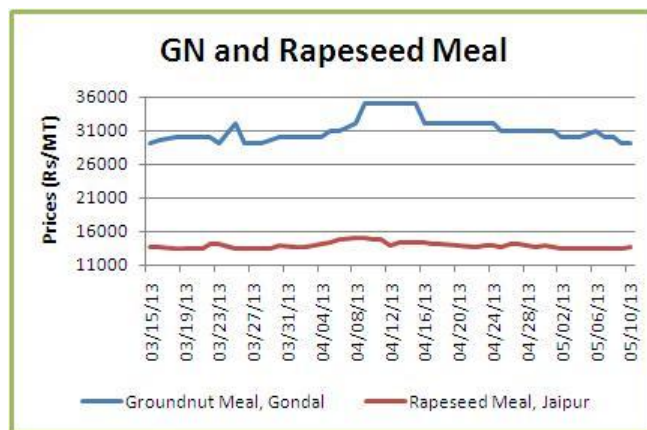
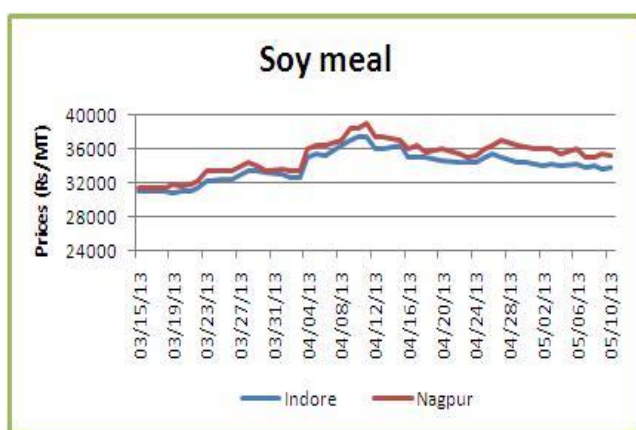
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Summary

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

Soybean witnessed steady tone during the week in review on sluggish demand but was supported by gains in CBOT. Soy meal prices fell on dull export demand and rapeseed/mustard seed declined on weak buying activities. However, wheat prices were up during the week on strong demand. Maize featured mixed tone while bajra prices depicted mild gains. Overall, feed prices witnessed a fall during the week under consideration on decline in prices of key feed ingredients.

Trend – Raw Material, Feed



Source: AgriWatch

Steady to weak sentiments featured, consecutive second week, in the domestic oilseeds and meal cash markets during the week in review. Soybean prices hovered near previous week's level, soy meal and rapeseed/mustard seed extended losses during the period.

Soybean prices largely remained flat compared to previous week due to sluggish processors demand followed by fall in crushings. However, gains in CBOT soybeans and Malaysian palm oil lend support during the week restricted any downside despite weak crushing in beans.

Most soybean processing plants in Madhya Pradesh, Maharashtra and Rajasthan are operating below 50 per cent of their actual crushing capacity due to poor supplies in cash market, previous weeks. Reserved farmers selling in beans still featured in the domestic market, the farmers are anticipating higher soybean prices near planting for new season.

Further, weak soy meal export sales are making it unviable for crushing and hence limiting the gains in the beans. USDA report was considered bearish for higher production and stock estimates in soybeans.

However, we feel renewed wedding demand in edible oils and upcoming Ramadan buying in the same will lend support to the bean prices.

Soy meal failed to post gains consecutive fourth week on weak export sales and lower domestic off take from poultry feed industry. Sluggish domestic poultry demand continued to pressure the meal. Besides, the prices of other key feed ingredients like bajra, maize, mustard de-oiled cake, DCP, MBM, DRB featured steady to weak tone, consequently discouraging the upside in soy meal.

According to the figures of the SOPA, India's soy meal export during April 2013 was 1.00 Lac tones as compared to 3.36 lac tones in the same period of previous year showing a decrease of 70.15%. This widened the disparity in domestic crushing during the period. Overall, global usage in soy meal remained weak during the month.

Overall demand of soy meal is poor all across the world. Indian soy meal prices are not competitive in comparison to international rates. Hence, demand diversion towards South America and decline in exports from India. Overall demand of Soybean Meal is poor all across the world.

Indian Soybean Meal prices are not competitive in comparison to International rates. Hence, decline in exports.

During current Oil year, (October - September), exports during October 2012 to April, 2013 were 26.97 Lac tones as against 31.21 Lac tones last year, showing a decrease by 13.60%. (Source: SOPA).

The y-o-y fall in the India's soy meal export sales in the month of April 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 (May-Jun) exports price, FOR Kandla exports was quoted between Rs 35,000-35,500/MT compared to 29,800-30,400/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 at \$162/MT compared to US \$146/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.33,800-35,100/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.

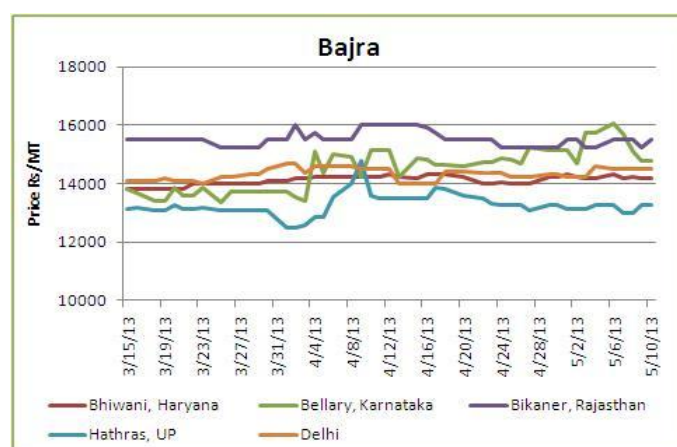
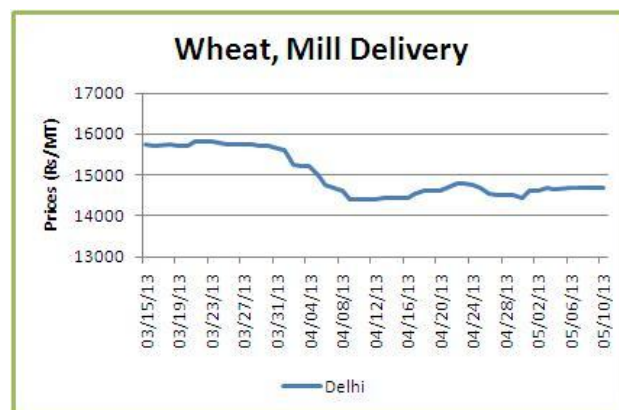
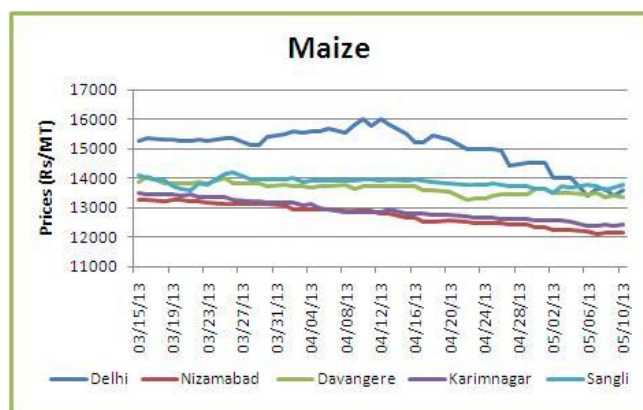
The seed supplies from Sri Ganganagar have increased in past couple of weeks, though week-on-week supplies in Rajasthan fell due to poor off-take.

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.

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.

In spot, the 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)

Mixed sentiments prevailed in most of the major spot markets of maize during last week.

As per sources, around 37 rakes have moved from Bihar towards various destinations. Cloudy weather conditions prevailed across maize growing regions in Bihar which urge the prices to go up in spot markets. Arrivals have come down in Gulab bagh market to 4000 bags per day as reported.

In the Ahmadabad market of Gujarat, weak demand for maize from poultry industry was reported. In the Koppal market of Karnataka, no arrivals have been reported in the last few weeks.

In Bihar market, despite the lower arrivals, maize prices remained steady as compared to last week.

Andhra Pradesh: Despite the lower arrivals, maize prices traded steady during last week. As per trade sources, stock position in the market is about 3 lakh bags. Demand from Hyderabad was also reported lower.

In the Delhi market, good demand is reported in maize from poultry industry of Punjab and Haryana, and from starch industry in Gujarat. However, moisture content was reportedly slightly on the higher side.

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.

As per USDA, U.S. corn export figures reached to 12,713,577 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. Corn exports were down by 52 percent to 192100 metric tons from the previous week and 41% from the prior 4-week average.

As per the latest WASDE report released by USDA, corn production for 2013-14 is projected at 14.1 billion bushels, up 3.4 billion from 2012-13. Further, U.S. corn exports for 2013/14 are projected 550 million bushels higher at 1.3 billion bushels.

Indian corn prices are likely to trade weak due to dull export demand as global corn prices remain weak and new crop arrivals from Bihar. However, slight gains may be seen in near term on likely improvement in CBOT prices.

Wheat prices traded firm during the week due to strong demand from *chakkis* and Millers moreover according to market reports traders have slowed the purchase of wheat for exports as they expect to lose competitiveness to Black Sea region. Prices have surged in U.P as south Indian millers are getting parity and exporters too are buying though in lower quantity

As per reports, Lokwan wheat rake has been loaded form Bhopal to Hyderabad at Rs 1920/Q, milling wheat is being traded at Rs 1450-1530/Q in Bhopal. According to traders, private exporters are purchases low quantity of premium wheat in Madhya Pradesh to stock and later on sell by mixing with previous year crop.

In Haryana government is purchasing at MSP, Rs 1350/Q and Millers and Traders are also buying to stock as they are uncertain about prices in near future. Farmers are still holding crop as they are waiting for bonus over MSP.

21.64 million tons wheat has been procured as on 3rd May, as compared to 22.85 million tons same time last year. Government is lagging behind in Haryana, Rajasthan and U.P as traders are active and farmers are holding crop. Overall procurement is expected to fall to around 33 million tons as compared to last year's 38.1 million tons.

As on 1st May 2013, government agencies hold 427.30 lakh tons of wheat stock, which is higher than last year at the same time. 369.83 lakh tons is with various government agencies, 2.65 lakh tons is in transit and 52.82 lakh tons is lying in mandis.

According to traders, exporters are purchasing wheat for exports at Rs 1600/Q FOR, Kandla but in lower quantity. Gujarat Traders are purchasing wheat from M.P and Rajasthan.

With lower yields from Punjab, Haryana and Eastern U.P, wheat procurement for central pool stock is likely to fall around 33 million tonnes from 38.1 million tonnes last year.

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 due to severe yield loss in Haryana, Rajasthan, Madhya Pradesh, Punjab and U.P.

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. We expect around 88 million tonnes wheat production this year.

According to USDA WASDE report, 2013-14 world wheat production is forecasted at 701.10 million tonnes which 45.5 million tonnes higher than last year's estimate. Wheat production is seen higher in almost all major producing and exporting countries from EU and Black Sea region. However, Indian wheat crop is seen at 92 million tonnes.

USDA WASDE, report sees higher export in 2013-14 at 143.32 million tonnes as increase in exports from India, Black Sea region and Argentina is likely to offset reduction in exports from Australia. World wheat ending stocks are forecasted at 186.4 million tonnes which is 6.2 million tonnes higher than last year.

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

Outlook

Prices of key feed ingredients (mainly soy meal, maize and bajra) are likely to depict a downward movement in the coming days on weak demand, thereby, 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	71.00
2	42.00	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00
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	86.0	
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 decreased from last week. Despite the higher demand from poultry and cattle feed makers, maize could trade down further due to selling pressure in Bihar. Meanwhile, bajra could trade steady with the limited demand and supply. By considering the above mentioned facts, we expect that maize spread with bajra could further fall during next 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	171.0
2	-302	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0
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	205.0	
5			122.5					132.5				

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

As the table depicts, maize spread with jowar decreased from last week as prices of jowar traded slightly firm from last week. We expect that jowar could trade steady in the near term and keep maize spread with jowar towards southward zone.

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	67.5
2	-130	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220.0	32.5
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	76.0	
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 slightly firm during last week. We expect that wheat could trade steady in the near term and keep maize spread with wheat down in the near term.

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	290.0
2	-250	58	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	369.0	283.0
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	314.0	
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 slightly decreased from last week as barley traded steady with the fall in maize prices. We expect that trend would continue in the near term and could keep maize spread with barley intact in the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	10.05.2013	03.05.2013	Parity To
Indore (MP)	33700-34100	33800-34500	Gujarat, MP
Kota	34000-34500	34000-34400	Rajasthan, Del, Punjab, Haryana
Akola	34700	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35500	35700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36200	36000	Andhra, AP, Kar, TN
Dhulia/Jalna	34500	35000	Mumbai, Maharashtra
Nagpur (42/46)	35300	36000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	37000	36000	Local and South
Solapur	36800	36000	Local and South
Bundi	34000	34500	-

Soy DOC at Port

Centers	Port Price	
	10.05.2013	03.05.2013
Kandla (FOR) (INR/MT)	35500	35000
Kandla (FAS) (USD/MT)	651	649

International Soy DOC

Argentina FOB \$/MT	10.05.2013	03.05.2013	Change
Soybean Pellets	487	474	+13
Soybean Cake Meal	487	474	+13
Soybean Meal	495	482	+13
Soy Expellers	495	482	+13

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	10.05.2013	03.05.2013	Change
Adoni	19200	19700	-500
Khamgaon	18800	19000	-200
Parli	19200	19500	-300
Latur	19000	19200	-200

Groundnut Meal

Groundnut Meal	10.05.2013	03.05.2013	Change
Basis 45% O&A, Saurashtra	28500	28000	+500
Basis 40% O&A, Saurashtra	26500	26000	+500
GN Cake, Gondal	29000	30000	-1000

Mustard DOC/Meal

Mustard DOC/Meal	10.05.2013	03.05.2013	Change
Jaipur (Plant Delivery)	13600	13500	+100
Kandla (FOR)	14700	14600	+100
Sri Ganganagar	623	615	+8

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>10.05.2013</u>	<u>3.05.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1480	1575	-95
		Hybrid	Bangalore	1475	1475	Unch
Jowar	Karnataka	White	Bangalore	2000	2100	-100
		White	Bellary	1312	1294	18
Maize	Karnataka	Yellow	Davangere	-	-	-
	Andhra Pradesh	Yellow	Nizamabad	1210	1220	-10
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	34100	34500	-400
	Maharashtra	DOC	Sangli	37000	36000	1000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19200	19700	-500
	Maharashtra	Ex-factory	Latur	19000	19200	-200
Mustard	Rajasthan	Plant delivery	Jaipur	13600	13500	100
Groundnut Meal	Gujarat	GN Cake	Gondal	29000	30000	-1000

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