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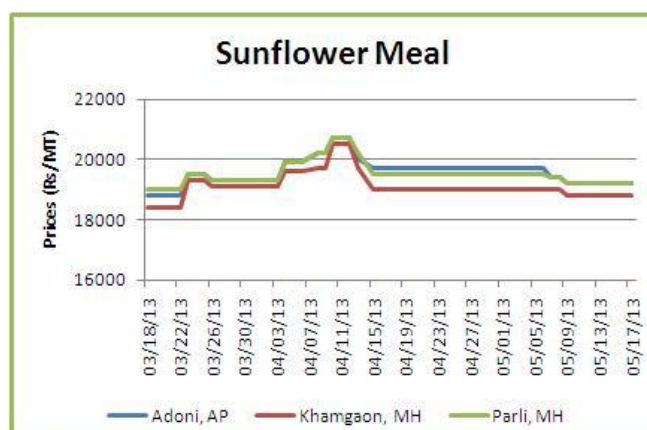
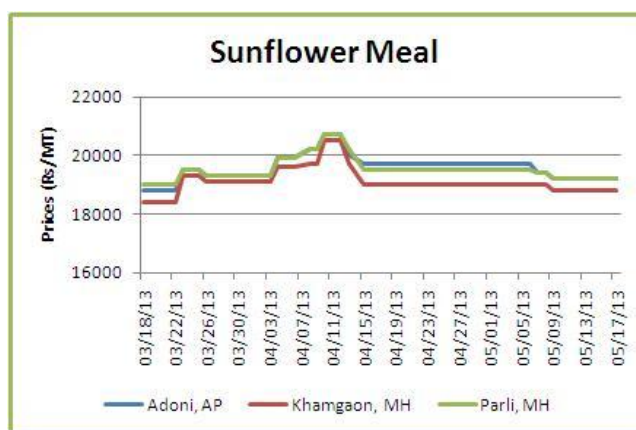
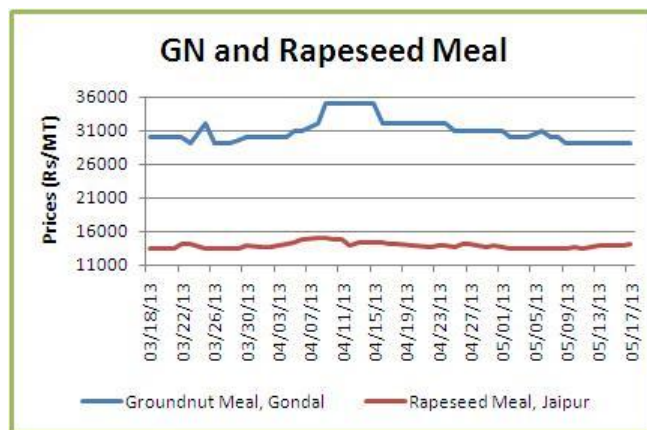
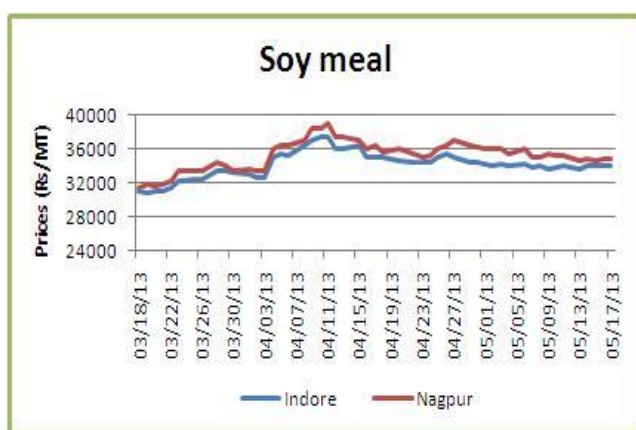
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## Summary

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

Soybean prices were up on buying from crushers amid low supplies while soy meal prices ruled flat in the week. However, rapeseed/mustard seed surged on improved demand and firm BMD CPO. Also, wheat prices were up during the week on strong demand. Maize featured mixed tone while bajra prices fell during the week. Overall, feed prices were slightly weak during the week under consideration.

## Trend – Raw Material, Feed



Source: AgriWatch

The domestic oilseeds and meals featured gains on buying support in cash market during the week in review.

Soybean gained on crushers buying to meet the fresh edible oil and meal demand. Besides, continued declining supplies in the beans boosted the upward potential in the prices.

The international soybean market witnessed bulls and bears during the week. The soybean shipments from Brazil were hit due to the worker's strike in 3 major ports during the week, which worked as a bullish sentiment for the market. However, the workers of one port have resumed to work towards the end of the week.

Besides, lower pace in US soybean planting remained positive for the international soybeans, to some extent. In the last weekly USDA planting update, US bean planting stood at 6 per cent, which is well below 5 year average of 24 per cent, the planting was complete 43 per cent previous year during the same period last year.

The U.S. soybean crush declined to 120.1 million bushels in April, which was below trade expectations and the second-lowest monthly total in 19 months, National Oilseed Processors Association data during the week.

Chinese soybean imports were preliminarily reported at 3.98 Mn T in April, which were reportedly lower than the usual. The imports were hit due to bird-flu concern and slow down in hog farming, this somewhat limited the gain in international beans.

We feel the domestic soybean prices to feature range bound movement with firm-bias due to slight rise in the edible oil demand.

Soy meal largely remained unchanged, after witnessing recovery last week, on steady overseas shipments during the week in review. Further, weak domestic off-take in meal from poultry feed industry restricted the gains in the meal. This is due to sluggish poultry production followed by weak demand.

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.

World soy meal exports have improved since April but it has not fully reached market expectations. Although soya meal supplies are likely to recover in May, current physical supplies are still tight at consumer level, supporting meal prices, as reported by Oil World.

Thai millers purchased about 50,000 tonnes of soy meal from Argentina for August-September shipment, said market participants.

We feel the soy meal prices to feature range-bound movement in view of lower overseas and domestic demand. India's soy meal prices will continue to face stiff price competition to South American meal as the harvesting in the region is underway.

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 35,500-36,000/MT compared to 29,000-30,200/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$157/MT compared to US \$162/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices. India's soy meal exports are 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.35,800-36,300/MT.

The rapeseed/mustard seed prices witnessed substantial gains in cash market tracking firm BMD CPO and buying support in the cash market.

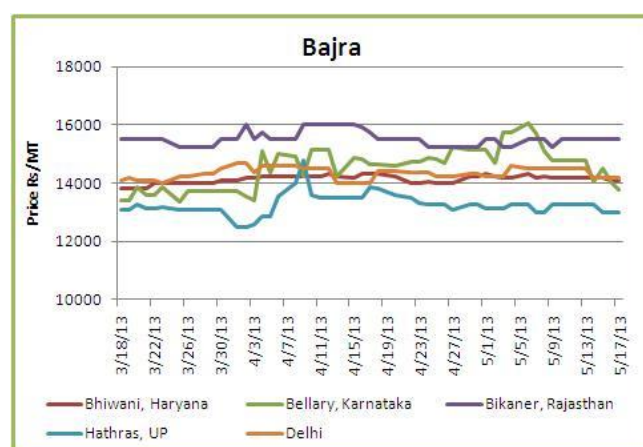
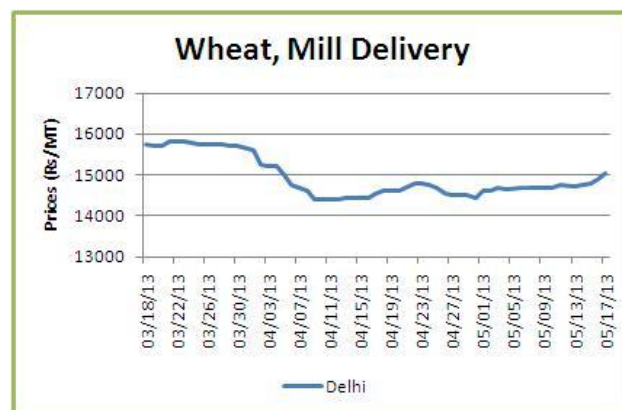
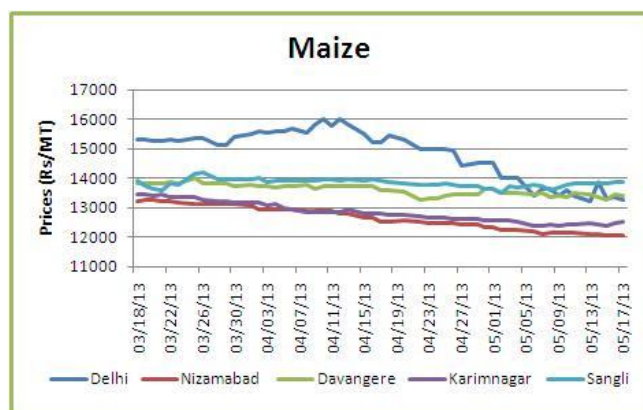
Continued fall in soybean arrivals has pushed-up demand for mustard seeds and oil in mandis across Madhya Pradesh, Rajasthan and Gujarat for the past few days, supporting the seed prices.

The harvesting in Sri Ganganagar is complete. However, the supply is lower than the usual due to reserved farmer's selling at the current price. The buyers are mostly local millers and the processors of Alwar, Kota and Morena- MP.

Expectation in rebound in palm oil export sales in May and ease in Malaysian palm oil stocks to 1.80 million tons at end-May from 1.93 million tons last month is lending support to the domestic mustard seed.

The seed prices are likely to feature further gains on falling soybean supplies and improved wedding demand in edible oils, in recent days.

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 3550–3650 level in near term.



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

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

In Gujarat, sluggish demand of poultry and starch feed makers for corn kept prices at lower level. During the week, poultry feed makers demand reported for corn in a range of Rs. 1250-1310 per quintal. Meanwhile, starch feed makers demand reported in a range of Rs. 1330-1370 per quintal.

However, trade sources revealed that in the A.P., maize could trade steady in the near term with the continuous local demand from poultry and starch feed makers. Around 3 lakh bags of maize (old & new) could be in the market.

In Bihar market, despite the lower arrivals, maize prices remained steady in a range of Rs. 1040-1050 per quintal as compared to last week.

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

In Delhi spot market, maize traded down at Rs. 1400 per quintal sourced from U.P. However, Red maize traded in a range of Rs.1325-1335 per quintal sourced from Bihar during last week.

As per latest IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 2.66 million tons during the October- April period. During April month, 0.537 million tons corn exports reported to Malaysia, Taiwan, Vietnam, and China through Tondiarpet ICD, JNPT, Chennai Sea and Kakinada port. Exports are not being made by India currently as competing nations are quoting lower corn prices.

As per USDA, U.S. corn export figures reached to 13012085 metric tons for the 2012-13 marketing year which is lowered by around 54% from the last marketing year during the same period. However, Corn exports were up by 55 percent to 298500 metric tons from the previous week but down 2% from the prior 4-week average.

As per the latest crop progress report released by USDA, the corn crop has been planted 28% as of 12th May, 2013 in the corn growing regions of U.S., below 57% from the last year and 37% from the last 5 year average period. As per Reuters' news, Informa Economics has projected U.S. 2013 corn plantings at 96.827 million acres, below the USDA' current estimate of 97.3 million.

Indian corn prices are likely to trade steady to weak due to sluggish export demand. Crop arrivals from Bihar are also weighing on the prices.

Wheat prices traded firm during the week due to strong demand from *chakkis* and millers. Prices have surged in U.P and Bihar as South Indian millers are getting parity. Lower production estimate this year too is weighing on prices.

South Indian millers are purchasing wheat from U.P and Bihar, where prices have risen in recent times due to strong demand. It seems likely that South Indian Miller will start getting parity from M.P and Rajasthan if prices continue to rise in U.P and Bihar, according to traders.

During the week, according to traders, milling wheat was bought by millers of Bhopal region in Bangalore at Rs 1910-1920/Q, Bangalore delivered. In another purchase millers bought milling wheat from U.P at Rs 1785-1800/Q, Bangalore delivered.

Traders are reporting shrivelled and small size grain this year, which will consequently lower production estimate. Milling wheat weight has been reported at 73-74Kg/Hectoliters as compared to last year's 77-78 Kg/Hectoliters. Rajasthan wheat is being demanded from M.P and Gujarat regions.

As on 15th May 2013, government agencies have procured 24.23 million tons wheat as compared to previous year's 29.66 million tons. Procurement is lagging behind in all major producing states except M.P as state government has announced bonus over MSP. Analyst and traders are now forecasting government's procurement in this season at around 29 million tons.

Wheat inflation fell to 13.89% in April from 19.87% in March, which is lowest in last 8 months. WPI has fallen from 206.3 in March to 204.2 in April as new crop arrival dragged wheat towards south.

South Indian wheat market traded steady to slightly firm on local millers demand. Flour millers in Bangalore sourced wheat from Etta, Kanpur and Mainpuri by truck (load ranging 10, 15 and 18

tonnes) almost 25 lorry are arriving everyday at the rate of Rs 1780, Rs 1785 and Rs 1785 per qtl respectively delivered at mill.

There is not much demand for Rajasthan and M.P wheat as prices are comparatively higher. This year, the quality of Bihar and U.P's wheat is very good and South Indian millers prefer it at Rs 1780-1790/Q. Truck load from Sasaram, Nevada and Barauni continues for Bangalore at the rate of Rs 1760 to Rs 1770 per qtl.

FCI wheat is being offered at Rs 1800 per qtl with a condition of advance draft and with at least seven-eight days delivery time. Against it wheat from Bihar and Uttar Pradesh is being offered at Rs 1760 and Rs 1785 per qtl through private channel with assured quality and 8 to 10 days credit.

Key spot market might trade firm in week ahead owing to strong buying and lower wheat production estimate this year.

## Outlook

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Feed prices are likely to depict sideways movement in the coming days, after a downtrend in the last week, primarily on sluggish demand of soy meal and bajra from poultry and fluctuations in prices of key feed ingredients.

## 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	-100.0
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 as maize traded lower vs. bajra during last week. Sources revealed that maize prices could go up in the near term due to increase in freight charges and lower availability of transport facility in Bihar as they prefer to load lichi instead of maize. Considering the above mentioned fact, we expect that maize spread with bajra could move in positive tone.

### 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	-23.0
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. Maize traded down with the steady price movement in Jowar prices. We expect that jowar would follow the trend with the increase in maize prices. Considering the above mentined fact, we expect that maize spread with jowar could move towards northward direction.



### 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	-140.0
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 wheat traded higher vs. maize. Wheat traded slightly firm during last week due to lower production of wheat. Meanwhile, farmers are not bringing their stock on the expectation of increase in prices. Considering the above mentioned facts, we expect that both commodities could trade positive and keep maize spread with wheat unchanged during next week.

### 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	122.5
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 decreased from last week as barley traded steady with the fall in maize prices. We expect barley could continue the trend and could keep maize spread with barley in the positive tone.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	17.05.2013	10.05.2013	Parity To
Indore (MP)	34000	33700-34100	Gujarat, MP
Kota	34000	34000-34500	Rajasthan, Del, Punjab, Haryana
Akola	34500	34700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35000	35500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36000	36200	Andhra, AP, Kar, TN
Dhulia/Jalna	34500	34500	Mumbai, Maharashtra
Nagpur (42/46)	34800	35300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	<b>36000</b>	37000	Local and South
Solapur	-	36800	Local and South
Bundi	34200	34000	-

#### Soy DOC at Port

Centers	Port Price	
	17.05.2013	10.05.2013
Kandla (FOR) (INR/MT)	36000	35500
Kandla (FAS) (USD/MT)	656	651

#### International Soy DOC

Argentina FOB \$/MT	17.05.2013	10.05.2013	Change
Soybean Pellets	489	475	+14
Soybean Cake Meal	489	475	+14
Soybean Meal	497	483	+14
Soy Expellers	497	483	+14

#### Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	17.05.2013	10.05.2013	Change
Adoni	19200	19200	Unch
Khamgaon	18800	18800	Unch
Parli	19200	19200	Unch
Latur	19000	19000	Unch

#### Groundnut Meal

Groundnut Meal	17.05.2013	10.05.2013	Change
Basis 45% O&A, Saurashtra	28500	28500	Unch
Basis 40% O&A, Saurashtra	26500	26500	Unch
GN Cake, Gondal	29000	29000	Unch

#### Mustard DOC/Meal

Mustard DOC/Meal	17.05.2013	10.05.2013	Change
Jaipur (Plant Delivery)	14000	13600	+400
Kandla (FOR)	15000	14700	+300
Sri Ganganagar	640	623	+17

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

Market	Grade	17 May, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Hybrid	1400	1500	1600	1525	-
Davangere	Bilty	1340	1337	1360	1380	1090
Naugachia	Bilty	1050	1050	1375	-	925
Nizamabad	Bilty	1240	1240	1250	1400	1100
Ahmedabad	Feed	1310	1290	1400	1480	1180
	Starch	1370	1330	1480	1550	1200

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	260.93	NA	300.25	NA
Cost and Freight (Thailand)	310.93	NA	360.25	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	
<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>17.05.2013</u>	<u>10.05.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1375	1480	-105
		Hybrid	Bangalore	1475	1475	Unch
Jowar	Karnataka	White	Bangalore	2000	2000	Unch
		White	Bellary	1379	1312	67
Maize	Karnataka	Yellow	Davangere	1250	-	-
	Andhra Pradesh	Yellow	Nizamabad	1210	1210	Unch
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	34000	34100	-100
	Maharashtra	DOC	Sangli	36000	37000	-1000
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19200	19200	Unch
	Maharashtra	Ex-factory	Latur	19000	19000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14000	13600	400
Groundnut Meal	Gujarat	GN Cake	Gondal	29000	29000	Unch

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