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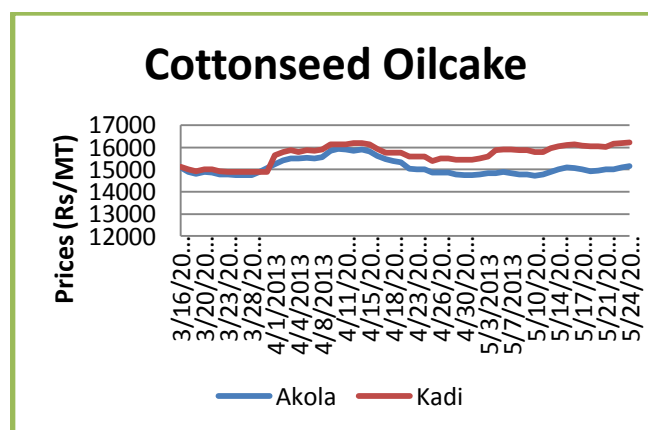
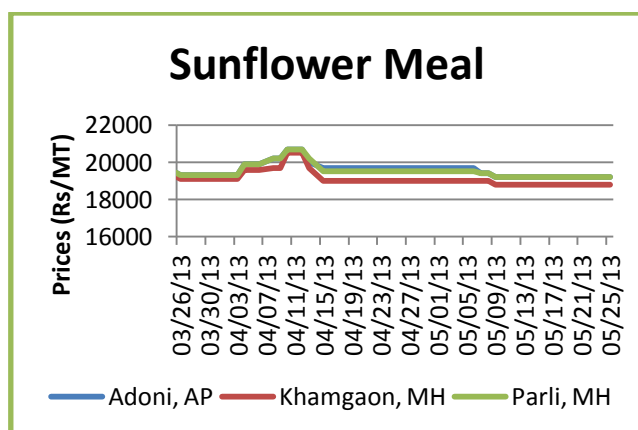
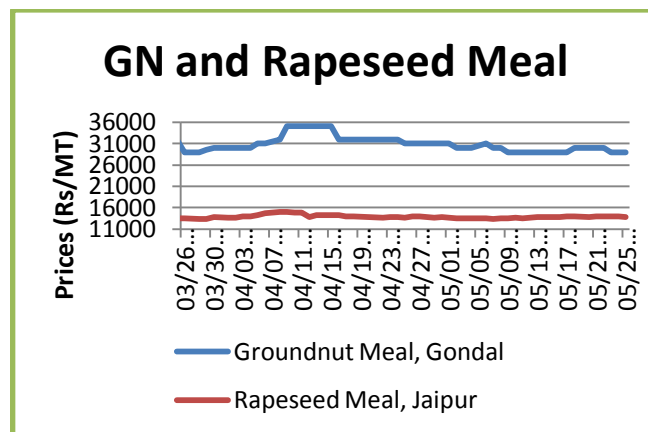
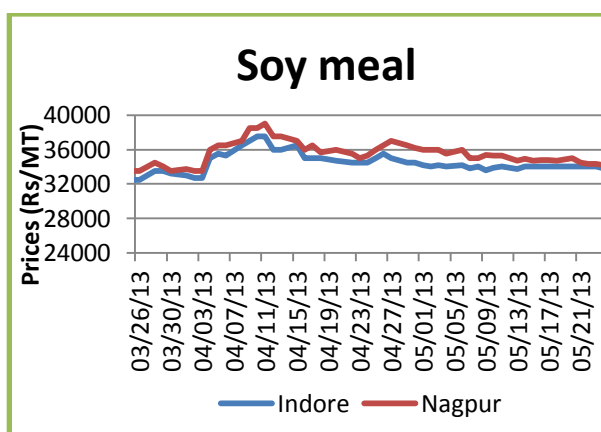
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Summary

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

Soy meal featured steady to weak tone on weak export sales, poor domestic off-take from poultry feed industry and sluggish demand in soy oil. However, Rapeseed/mustard seed prices improved on supportive international market during the period. Fall in soybean arrivals and weeding demand in edible oils slightly pushed up the mustard seed sentiments. Also, wheat prices were up during the week on strong millers demand. Maize featured firm tone due to lower supply. Meanwhile, bajra traded also firm during the week. Overall, feed prices were steady to firm during the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

Soy meal featured steady to weak tone on weak export sales, poor domestic off-take from poultry feed industry and sluggish demand in soy oil. India's soy meal exports commitments remained small. The shipments were only witnessed for those countries which have preference for Indian meal, besides, freight and trade advantage.

Several bearish factors continue to pressure domestic soy meal, which included competitive South American soy meal prices compared to due to peak season and higher pace in soybean crushings in the region; lower demand in the meal from poultry feed industry due to sluggish production in poultry and cheaper availability of imported edible oils.

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.

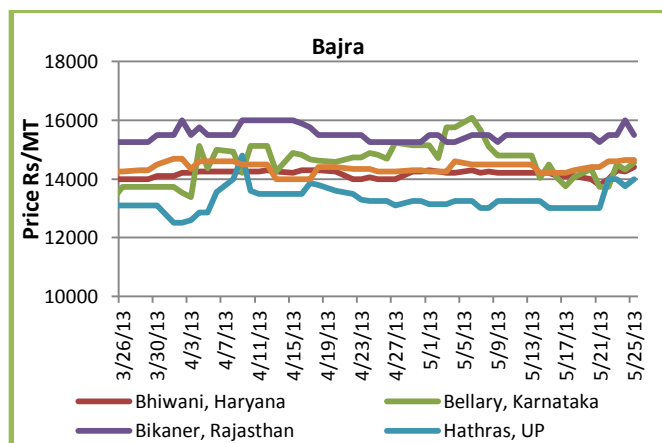
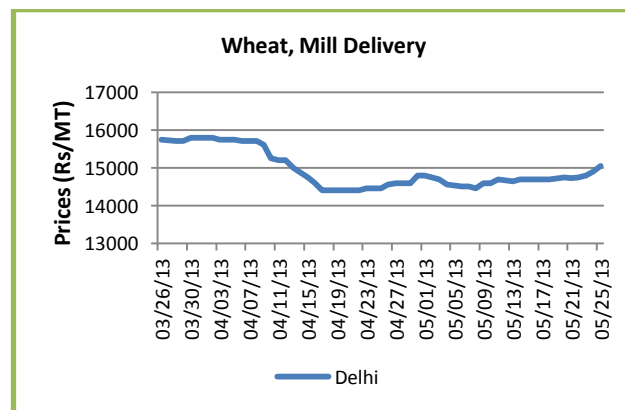
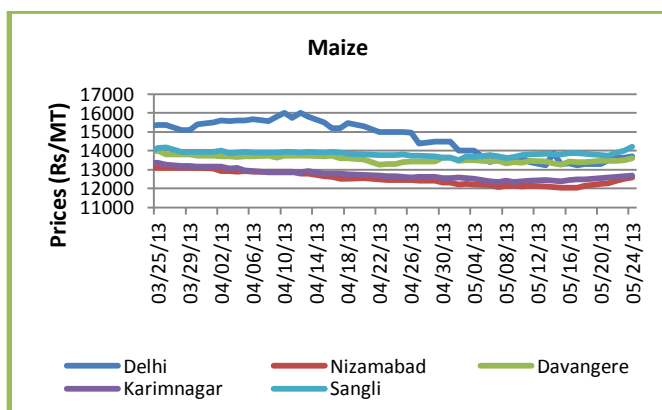
China is likely to resume the imports of oil meal from India following agreement over the lifting of a ban imposed in January 2012 on import of oil meals from India, after traces of malachite green in rapeseed extract. The move will be positive factor for rapeseed extract in coming days, which was primarily hit by the ban.

We feel soy meal prices to feature range-bound movement with weak-bias in near-term.

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 35,700-36,150/MT compared to 28,800-29,600/MT during the same period last year.



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

Steady to firm sentiments witnessed in most of the major spot markets of maize during last week due to lower crop arrivals in the market.

In Bihar, maize traded slightly firm due to lower arrivals in the market during last week. As per Agriwatch trade sources, in Bihar, around 60% corn crop harvesting has completed. Traders are expecting lesser production this year because of yield loss due to unfavorable weather conditions. Sources revealed that crop contain around 16% moisture levels, due to which crop is not moving towards Kolkata from the Naugachia region of Bihar.

In Nizamabad spot market, maize traded firm due to lower crop arrivals during last week. In A.P., corn harvesting is almost done and no damage reported till date. As per trade sources, around 15-20% area has shifted in maize from paddy and tilli. Around 3 lakh bags of maize (old & new) could be in the A.P. spot market.

In Gujarat, feed makers are buying corn from the Rajasthan. Earlier, they were purchasing it from Bihar and Maharashtra. During the week, poultry feed makers demand reported for corn in a range of Rs. 1320-1425 per quintal. Meanwhile, starch feed makers demand reported in a range of Rs. 1400-1450 per quintal.

As per USDA, U.S. corn export figures reached to 13282073 metric tons for the 2012-13 marketing year which is lowered by ~54.5% from the last marketing year during the same period. Corn exports were down by 10 percent to 270,000 metric tons from the last week and 11% from the prior 4-week average. Out of total weekly exports of 270,000 MT for the period of May 10-16, 2013 reported by U.S to Mexico (142,200 MT), Japan (35,600 MT), Taiwan (33,300 MT), Cuba (27,000 MT), and Panama (13,200 MT).

As per the latest crop progress report released by USDA, the corn crop has been planted 71% as of 19th May, 2013 in the corn growing regions of U.S., higher by 43 % from the last week but below 24% from the last year and 8% from the last 5 year average period. Meanwhile, Corn has emerged 19% till date which is also higher 14% from the last week but below 54% from the last year and 27% from the last 5 year average period. Meanwhile, sorghum has been planted in 35% of the estimated area till 19th May 2013 in the U.S against 53% last year during the same period.

As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 42.2 % in the March'13 from 44.3% during the same month last year due to higher U.S. corn prices. Japanese buyers have turned to cheaper Brazilian corn and Brazil's share of Japan's corn imports topped the United States for a third month in a row in March, rising to 50.2 percent from just 0.1 percent in March 2012.

Indian corn prices are likely to trade range bound in the near term amid sluggish export and domestic demand with the lower supply from the Bihar.

Wheat prices traded firm during the week due to strong demand from Chakki's and Millers. Farmers are holding more marketable surplus this year, around 32-35% as compared to last year's 25% which has resulted in price surge. Prices are expected to rise and consolidate for a couple of weeks more.

During the week STC received highest bid of USD 304.5/T for 60,000 MT wheat from promising International Ltd to be exported from Mundra Port. In another tender STC received highest bid of USD 302/MT for 40,000 MT from Louis Dreyfus to be shipped from Chennai port. PEC issued two tenders of 40,000 MT each and it received the highest bid of USD 305/MT from AL Ghuriar and USD 301/T for another tender to be shipped from east coast.

As on 21st May, 247.77 lakh tonnes of wheat has been procured by government agencies in current procurement season as compared to 319.7 lakh tonnes same time last year, which is 22.5% less than previous year.

According to traders and farmers, wheat procurement has fallen this year has due to holding of crop by farmers as they anticipate rise in price and active buying from traders and millers, moreover Lower expected production of 88.2 million tonnes this year as compared to 94.88 million tonnes last year is another cause for lower procurement. Trader estimates this year's wheat procurement at 252-257 lakh tonnes.

Procurement is lagging behind than last year in all major wheat producing states. In Madhya Pradesh where government has announced bonus of Rs 150/Q over MSP has procured around 7% less wheat than last year as Traders from Maharashtra and Gujarat are buying M.P wheat at Rs 1800-1900/Q delivered due to lower production.

In Rajasthan, M.P and Gujarat farmers wheat sale to government is almost over as traders are buying wheat at Rs 1500-1600/Q. Exports purchase are low, that to honor previous contracts. Local wheat supply is almost dry in Gujarat due to lower production this year and Tukri wheat is reaching Gujarat at Rs 1600-1800/Q from Rajasthan and Lok-1 is reaching Gujarat from M.P at Rs 1750-1850/Q.

Domestic wheat market is trading firm due demand from millers and traders. Arrivals has been declining as farmers are expecting better prices and lower production estimate of around 88.2 million tonnes as compared to previous year's 94.88 million tonnes.

Traders are reporting shriveled 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.

Outlook

Feed prices are likely to depict sideways movement in the coming days, after a steady to firm trend in the last week.

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	-100.00
4	127.5	204	103	79.0	264.0	238.0	147.0	153.0	102.0	110.0	86.0	-104.00
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 slightly decreased from last week. Bajra traded higher vs maize during last week. Maize also traded higher due to lower availability of transport facility in Naugachia region of Bihar. Also, wet weather conditions in Bihar disrupted the supply during last week. Sources revealed that maize prices could go up further with the steady prices movement in Bajra and keep maize spread with bajra in the 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	-23.00
4	-152	85.8	17.5	93.0	140.0	142.0	172.0	153.0	170.0	244.0	205.0	0.83
5			122.5					132.5				

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

As the table depicts, maize spread with jowar increased from last week. Maize traded firm 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 be positive during next week.

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	-140.00
4	3	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	29.0	76.0	-174.00
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 firm during last week due to higher demand from millers' side amid lower production. Considering the above mentioned facts, we expect that both commodities could trade positive and keep maize spread with wheat intact 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	151.0
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 increased from last week as maize traded firm with the steady price movement in barley prices. We expect that trend will follow in the next week and could keep maize spread with barley in the positive direction.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	24.05.2013	17.05.2013	Parity To
Indore (MP)	33500	34000	Gujarat, MP
Kota	34000	34000	Rajasthan, Del, Punjab, Haryana
Akola	-	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB

Hingoli	34500	35000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	34500	36000	Andhra, AP, Kar, TN
Dhulia/Jalna	34200	34500	Mumbai, Maharashtra
Nagpur (42/46)	35200	34800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35100	36000	Local and South
Solapur	33700	-	Local and South
Bundi	33500	34200	-

Soy DOC at Port

Centers	Port Price	
	24.05.2013	17.05.2013
Kandla (FOR) (INR/MT)	35700	36000
Kandla (FAS) (USD/MT)	642	656

International Soy DOC

Argentina FOB \$/MT	24.05.2013	17.05.2013	Change
Soybean Pellets	526	489	+37
Soybean Cake Meal	526	489	+37
Soybean Meal	534	497	+37
Soy Expellers	534	497	+37

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	24.05.2013	17.05.2013	Change
Adoni	19200	19200	Unch
Khamgaon	18800	18800	Unch
Parli	19200	19200	Unch
Latur	19000	19000	Unch

Groundnut Meal

Groundnut Meal	24.05.2013	17.05.2013	Change
Basis 45% O&A, Saurashtra	28500	28500	Unch
Basis 40% O&A, Saurashtra	26500	26500	Unch

GN Cake, Gondal	29000	29000	Unch
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Mustard DOC/Meal

Mustard DOC/Meal	24.05.2013	17.05.2013	Change
Jaipur (Plant Delivery)	13900	14000	-100
Kandla (FOR)	14900	15000	-100
Sri Ganganagar	640	640	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	24 May, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Hybrid	-	1400	1500	1535	-
Davangere	Bilty	1360	1340	1340	1370	1090
Naugachia	Bilty	1060	1050	1225	-	900
Nizamabad	Bilty	1270	1240	1275	1350	1100
Ahmedabad	Feed	1400	1310	1340	1450	1170
	Starch	1430	1370	1450	1510	1210

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	255.81	NA	298.15	NA
Cost and Freight (Thailand)	305.81	NA	358.15	NA

Soy Meal Exports (In MT):

Month	2009	2010	2011	2012	2013
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>	24.05.2013	17.05.2013	Change
Bajra	Karnataka	Hybrid	Bellary	1431	1375	56
		Hybrid	Bangalore	1500	1475	25
Jowar	Karnataka	White	Bangalore	2000	2000	Unch
		White	Bellary	1269	1379	-110
Maize	Karnataka	Yellow	Davangere	-	1250	-
	Andhra Pradesh	Yellow	Nizamabad	1220	1210	10
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	33500	34000	-500
	Maharashtra	DOC	Sangli	35100	36000	-900
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19200	19200	Unch
	Maharashtra	Ex-factory	Latur	19000	19000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	13900	14000	-100
Groundnut Meal	Gujarat	GN Cake	Gondal	29000	29000	Unch

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