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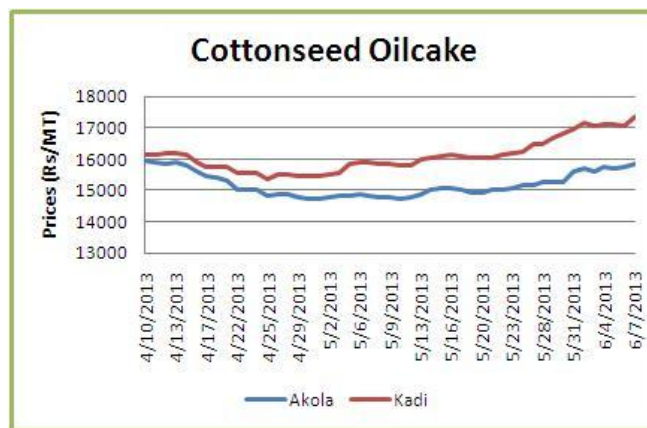
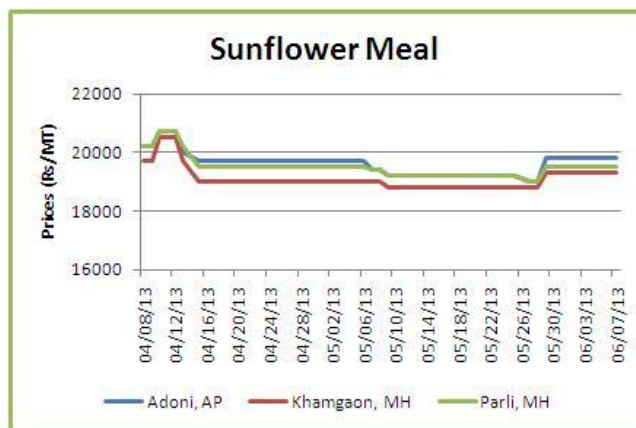
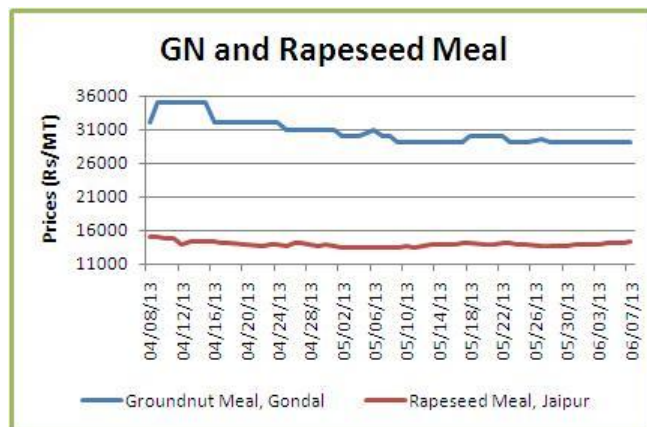
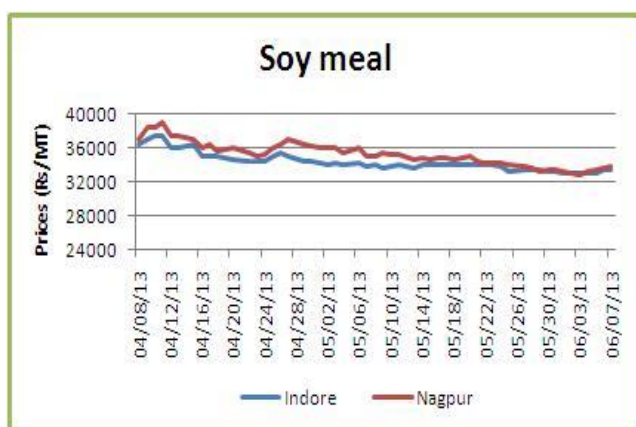
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Summary

The key feed ingredients prices witnessed mixed sentiments during the week in review.

Soybean and soy meal prices fell on poor domestic and export demand but RM seed prices featured gains. Further, maize prices featured steady to firm sentiments on depleting stocks and thin supplies from Bihar. Wheat prices surged on improved buying from bulk buyers, while bajra prices fell during the week. Overall, feed prices depicted slightly firm trend during the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

Domestic soybean and meal prices edged-lower while mustard seed witnessed gains during the week in review.

Soybean featured losses consecutive third week on week crushing, poor soy meal exports and forecast of normal and timely monsoon.

The big crushers refrained from the market as they have lower soy meal exports commitments. Besides, cheap availability of imported edible oil and its comfortable stock at Indian port remained bearish for the beans.

Pre-monsoon showers in some parts of key soy growing regions of Maharashtra and Madhya Pradesh have strengthened the sowing intention. India planted 107.08 lakh hectares of soybean in 2012 compared to 103.36 lha in 2011, up 3.6 per cent. We expect India's soybean planting area in 2013 to remain near previous year's level. IMD has officially forecasted for normal and timely monsoon this season.

The crushing units continued to run below their crushing capacity, reportedly below 45 per cent, besides several small crushing units have stopped their operations due to widening disparity in crush margin.

In the international front, Brazil's soybean exports continue to pick up speed which has shifting demand away from the US for soybeans. The Trade Ministry in Brazil estimated Brazil soybean exports in May at a new record of 7.95 million tonnes, up from 7.15 million April. Soy meal demand remained strong which is helping the US crush pace hold steady amid tight old crop supplies.

Domestic soybean prices are likely feature range-bound movement with weak-bias during the week.

Soy meal fell on slack in overseas demand and lower domestic off-take from poultry industry. Competitive South American soy meal quotes compared to the meal of Indian origin remained negative factor for Indian soy meal exports in recent months. India's y-o-y soy meal exports in fell 30 per cent in May, and they were lower in previous months too.

The crushers are not keen in aggressively crushing the beans due limited buying inquiries and comfortable edible oil stock at Indian ports, hence widening disparity in crush margin. Further, sluggish poultry production lead to the lower off-take in the meal from the poultry industry.

Besides, the prices of other key feed ingredients like Bajra, Maize, mustard de-oiled cake, DCP, MBM, DRB continued to feature steady to weak tone, consequently restricted the upside in soy meal.

The soy meal prices are expected to feature range-bound movement with weak-bias on sluggish demand.

According to the figures of the SOPA, India's soy meal export during May 2013 was 0.97 Lac tons as compared to 1.39 lac tones in the same period of previous year showing a decrease of 29.74%. Overall demand of Soybean meal is poor all across the world.

On a financial year basis, the export during April 2013 to May 2013 has been 1.98 Lac tons as compared to 4.75 Lac tones in the same period of previous year showing a decrease of 58.33%.

During current Oil year, (October - September), total exports during October 2012 to May, 2013 are 27.95 Lac tones as against 32.61 Lac tones last year, showing a decrease by 14.29%. (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 34,500-35,250/MT compared to 28,500-29,475/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$106/MT compared to US \$116/MT a week ago, indicating a slight narrowing 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.

Rapeseed/mustard seed prices witnessed mild gains on some buying interest during the week. Further, stagnant palm oil production and likely fall in the Malaysian palm oil inventories has helped lift the sentiments with spill-over impact on the domestic mustard seed.

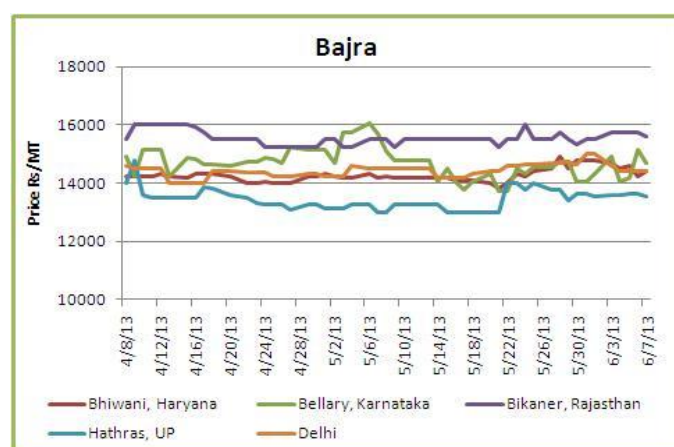
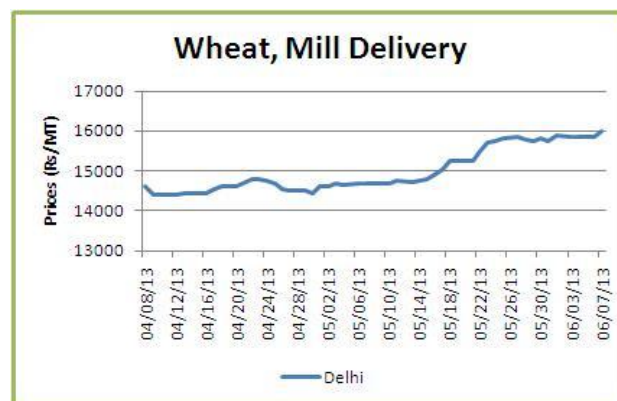
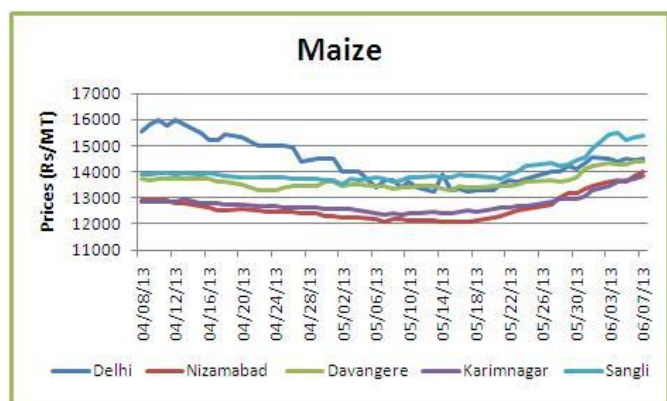
Market participants say end-May palm oil inventories probably fell 6.7%-7.7% to around 1.78 million-1.80 million tons—a level not seen since June 2012—from end-April's 1.93 million tons, while production likely remained stagnant at 1.37 million tons. The palm oil inventories are expected to further fall in June and even in July.

Mustard oil and seed demand from West-Bengal was consistent and normal last week, however the demand for the seed and oil slightly rose from the state mainly from Agra. The crushing in Rajasthan, UP, Haryana and Punjab remained stable during the week.

However, the seed supplies this year are higher compared to the previous year, which almost doubled compared the same period last year.

The seed prices are expected to feature range-bound movement with firm-bias on likely support from firm Malaysian palm oil and expected rise in domestic off-take in the oil as the monsoon gripping most of the parts of India.

The domestic mustard/rapeseed prices are likely to get stronger on improved buying support across the cash markets in the key producing regions in near-term.



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 depleting stock and thin supply from the Bihar.

However, during the week, in Ahmadabad region of Gujarat, poultry feed makers demand reported down by Rs. 15 per quintal while starch feed makers demand reported firm by Rs. 25 per quintal as compared to last week, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1425-1460 per quintal while starch feed makers demand reported in a range of Rs. 1475-1525 per quintal.

In Punjab, traders are expecting that maize could trade firm in the near term due to higher poultry feed makers demand. On daily basis, around 6 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab sourced from Bihar. Also, one rake business reported from Bihar towards Punjab at Rs. 1350 per quintal on Monday.

In Bihar, maize traded slightly firm due to lower crop arrivals in the market. On daily basis, around 6 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab sourced from Bihar. Also, one rake business reported from Bihar towards Punjab at Rs. 1350 per quintal on Monday. Sources revealed that due to wet weather conditions, crop contains around 16-18 % moisture level.

In Nizamabad spot market, maize traded firm due to lower crop arrivals amid higher local feed makers demand during last week. As per trade sources, around 3.5- 4 lakh bags of maize (old & new) could be in the A.P. spot market and maize could trade firm further due to higher demand.

As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.168 million tons during the October- May period. During May month, 0.507 million tons corn exports reported to Malaysia, Vietnam, Taiwan, Nepal, Yemen and China through Tondiarpet ICD, JNPT, Chennai Sea, Raxul LCS and Mundra port.

As per USDA, U.S. corn export figures reached to 13996587 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. However, Corn exports were up by 1 percent to 359800 metric tons from the last week and 29% from the prior 4-week average.

Fresh export enquiries amid lower stock could support the firmness in maize spot markets. However, weather conditions could be the major price determine factor for the near term.

Wheat traded firm in major benchmark markets on the back of good demand from bulk users. Despite lower arrivals in various markets market is likely to trade range bound in the beginning of the week starting from Monday. Buyers for Jammu are active in Sirsa, where wheat is available in the range of Rs 1435 to 1440 per qtl. It is being delivered at Rs1600 per qtl. in Jammu region.

Wheat is not available abundantly in Rajkot for bulk buyers. Bulk buyers and exporters are sourcing wheat from Uttar Pradesh, Haryana and Rajasthan. ITC and L.D are active in Gujarat, U.P. and Bihar. Sources say that delivered prices at Kandla are in the range of Rs 1550 to Rs 1680 per qtl. depending on sourcing states.

On 1st June, 2013 government has 443.89 lakh tonnes of wheat in its central pool, which is lower than last year's 489.70 lakh tonnes at the same time.

As on 06th June 250.53 lakh tones wheat has been procured by government agencies as compared to 356.88 lakh tonnes. Wheat procurement is lagging behind by 30% due to lower production and higher market price over MSP. It is expected that procurement may remain around 252-257 lakh tonnes this season.

Wheat from U.P is reaching Karnataka (Bangalore, Hassan and Mysore) at Rs 1870-1895/Q delivered by truck. Parity from U.P may not sustain due to rising prices in U.P and South Indian traders may turn to Rajasthan and M.P in days tom come.

As per the reports government has removed the 5% VAT from Wheat lifted from Punjab and Haryana for exports and unconfirmed reports say government may fix price around Rs 1550/Q against Rs 1484/Q plus VAT.

As on 29.5.2013 government agencies has procured 249.86 lakh tonnes against 339.67 lakh tonnes last year. As per traders and analyst estimate procurement this year is expected to remain around 260 lakh tonnes owing to lower production and higher price in open market (Rs 1420-1550/Q).

M.P government will be providing wheat at Rs 1/Kg from June 1 under *Mukhyamantri Annapurna Yojana*. Tamil Nadu and Chhattisgarh have already announced the same earlier.

Wheat production this year is estimated at 88.2 million tonnes by Agriwatch due to fall in yield in key producing states like Haryana, Punjab, Rajasthan, U.P and Madhya Pradesh. 5 year average yield indicates production at 85.94 million tonnes. Market rumours 80-82 million tonnes production seems unlikely.

It seems that mixed sentiments will be witnessed in the week ahead as prices may drop in Rajasthan and M.P due to lower buying.

Outlook

Feed prices are likely to remain firm in the coming days on expected uptrend in the prices of key feed ingredients. However, fall in prices of soy meal and bajra may restrict strong gains in the feed prices.

Spreads

Maize Average Weekly spread with Bajra

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	112	193	117.5	177.0	187.5	213.0	115.0	113.0	86.0	106.0	71.00	-5.0
2	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00	
3	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0	-100.0	
4	204	103	79.0	264.0	238.0	147.0	153.0	102.0	110.0	86.0	-104.0	
5		106.0					135.0				-72.0	

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

As the table depicts, In Delhi spot market, maize spread with bajra increased from last week as maize traded higher during last week due to higher poultry feed makers demand amid lower stock. We expect that maize could follow the positive trend, while bajra could trade steady and keep maize spread with bajra in the positive tone.

Maize Average Weekly spread with Jowar

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	66	83	190	150.0	137.0	192.0	205.0	107.0	142.0	265.0	171.0	88.0
2	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0	
3	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0	-23.0	
4	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				53.0	

*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 trend would continue and could keep maize spread with jowar towards northward direction.

Maize Average Weekly spread with Wheat

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	22	70	-106	-123	-139	-21	-48.0	-90.8	-59.0	-97	67	-132
2	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220	32	
3	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	-179	-140	
4	108	-173	-156	-127	-27	-8.0	-31.0	-47.5	29.0	76.0	-174	
5		-167					-62.0				-137	

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

As the table depicts, maize spread with wheat increased from last week as maize traded higher vs. wheat. Wheat traded also firm during last week due to higher demand from millers' side. We expect that both commodities could trade firm and keep maize spread with wheat towards upward direction.

Maize Average Weekly spread with Barley

Week	July	Aug	Sep	Oct	Nov	Dec	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
1	16	133	212	160.0	213.0	242.0	135.0	71.67	152.0	327.5	290.0	213.0
2	58	96	201.67	226.0	150.0	268.0	140.0	62.50	189.0	369.0	283.0	
3	102.5	76	234.0	206.0	157.0	168.0	174.0	122.5	239.0	383.0	122.5	
4	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				196.0	

*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 higher vs. barley. As per trade sources, barley stock could be around 10,000 quintal in the Delhi spot market. We expect that barley could trade steady during next week and 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)		
	07.06.2013	31.05.2013	Parity To
Indore (MP)	33200-33400	33000-33300	Gujarat, MP
Kota	33100-33400	33300	Rajasthan, Del, Punjab, Haryana
Akola	33200-33500	33000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	33300	-	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	34500	35300	Andhra, AP, Kar, TN
Dhulia/Jalna	33400	34500	Mumbai, Maharashtra
Nagpur (42/46)	33800	33500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35000-35300	35000	Local and South
Solapur	34500	33500	Local and South
Bundi	33000	33000	-

Soy DOC at Port

Centers	Port Price	
	31.05.2013	24.05.2013
Kandla (FOR) (INR/MT)	35300	35000
Kandla (FAS) (USD/MT)	622	620

International Soy DOC

Argentina FOB \$/MT	07.06.2013	31.05.2013	Change
Soybean Pellets	513	512	+1
Soybean Cake Meal	513	512	+1
Soybean Meal	521	520	+1
Soy Expellers	521	520	+1

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	07.06.2013	31.05.2013	Change
Adoni	19800	19800	Unch
Khamgaon	19300	19300	Unch
Parli	19500	19500	Unch
Latur	19300	19300	Unch

Groundnut Meal

Groundnut Meal	07.06.2013	31.05.2013	Change
Basis 45% O&A, Saurashtra	28500	28000	+500
Basis 40% O&A, Saurashtra	26500	26000	+500
GN Cake, Gondal	29000	29000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	07.06.2013	31.05.2013	Change
Jaipur (Plant Delivery)	14400	13900	+500
Kandla (FOR)	15400	15000	+400
Sri Ganganagar	633	631	+2

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	7 June, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Red	1425	1425	1320	-	1050
Davangere	Bilty	1440	1410	1347	1375	1134
Naugachia	Bilty	1175	1100	1040	-	870
Nizamabad	Bilty	1370	1310	1240	1330	1100
Ahmedabad	Feed	1450	1475	1300	1470	1120
	Starch	1525	1500	1330	1490	1155

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	265.06	NA	300.51	NA
Cost and Freight (Thailand)	315.06	NA	360.51	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	97546
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>7.06.2013</u>	<u>31.05.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1469	1406	63
		Hybrid	Bangalore	1500	1500	Unch
Jowar	Karnataka	White	Bangalore	2000	2000	Unch
		White	Bellary	1280	1274	6
Maize	Karnataka	Yellow	Davangere	-	1350	-
	Andhra Pradesh	Yellow	Nizamabad	1350	1280	70
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	33400	33300	100
	Maharashtra	DOC	Sangli	35300	35000	300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	19800	19800	Unch
	Maharashtra	Ex-factory	Latur	19300	19300	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	14400	13900	500
Groundnut Meal	Gujarat	GN Cake	Gondal	29000	29000	Unch

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