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Summary

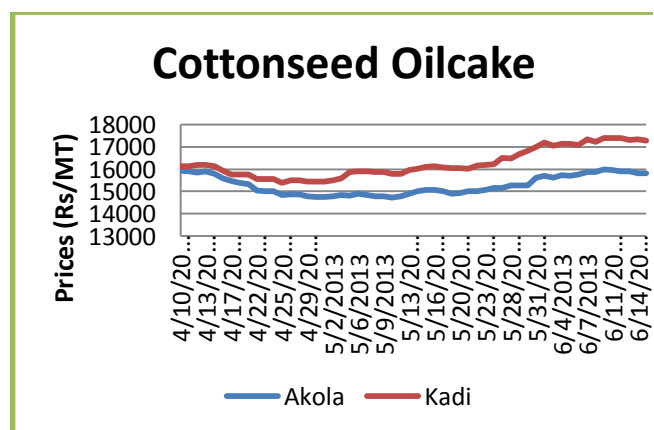
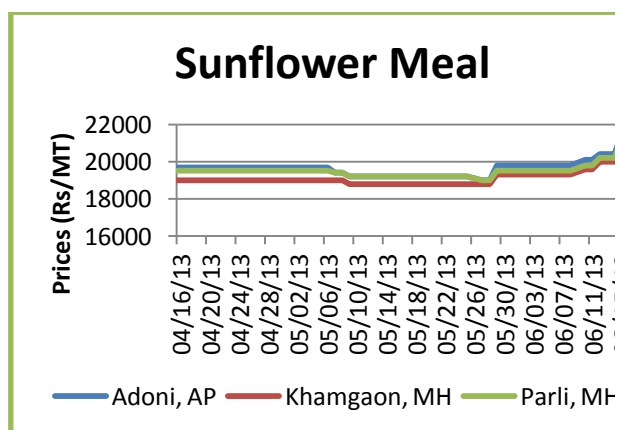
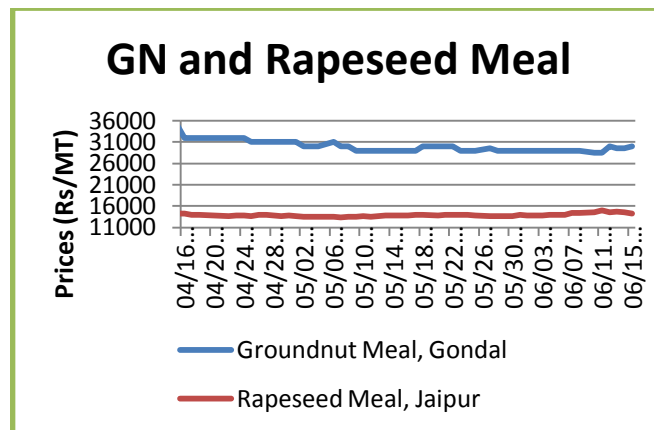
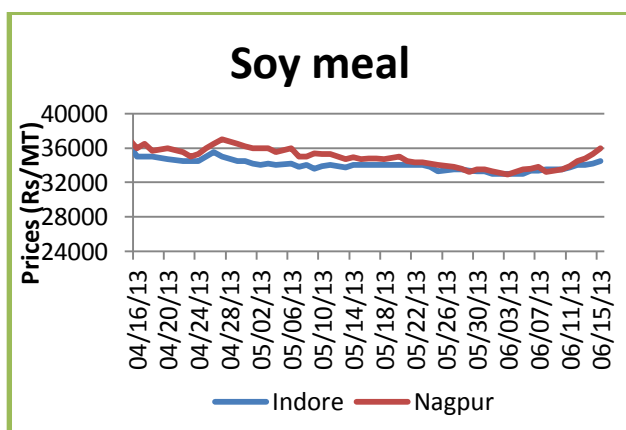
The key feed ingredients prices witnessed mixed sentiments during the week in review.

Soybean edged-up on primarily on buying support and expected gains in international oils and fats market, in view of Ramadan buying. Soy meal gained on improved overseas demand on weakness in rupee against US dollar and expected rise in the domestic off-take from poultry industry. Further, maize prices featured steady to firm sentiments on depleting stocks and thin supplies from Bihar. However, expectation of higher sowing during kharif season and lower crop quality of Bihar could restrain the gain in the near term.

Wheat prices have fallen in past few days as arrivals has increased in mandis as farmers are trying to release wheat stocks ahead of heavy monsoon showers in Madhya Pradesh and Rajasthan. Slack demand from millers and stockiest too has pressurized the market prices.

Overall, feed prices depicted slightly firm trend during the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

Domestic oilseeds and meal prices featured gains on firm global cues and improved demand during the week in review.

Soybean edged-up on primarily on buying support and expected gains in international oils and fats market, in view of Ramadan buying. Pre-monsoon showers in Maharashtra and Madhya Pradesh and advancement of the south-west monsoon at the better than expected pace has firmed the sentiments of the soybean growers in both the states.

With forecast of normal monsoon the soybean planting is likely to commence after 15 June with some more rains to make the soil ideal for planting, which is expected to pick the pace in late June.

Besides, slight improved overseas demand in soy meal and stronger US dollar against INR supported the beans. The crushers quoted the bean high to meet the soy meal exports commitment followed by better realization on stronger US dollar. However, currently crushing units are running much below their crushing capacity.

We feel soybean prices to improve further on farmer's buying for seeding, stronger US dollar against INR leading to better realization in soy meal and planting snarls in US.

Soy meal gained on improved overseas demand on weakness in rupee against US dollar and expected rise in the domestic off-take from poultry industry. The poultry consumption improves as the monsoon grips the country, which eventually increases the domestic soy meal off-take from poultry industry. The monsoon has already gripped 2/3 rd of the India and it is expected to fully cover in a week, which is bullish for the soy meal market.

India continued to register lower soy meal exports this year compared to previous year. Again, currently the South American meal quotes are competitive compared that of India's, which subsequently shifted the seasonal demand to South America. However, frequent port workers' strike in Brazil and Argentina in recent past has hit their exports too.

However, the prices of other key feed ingredients like Bajra, Maize, DCP, MBM, DRB featured steady to weak tone, but Mustard de-oiled cake witnessed gains supporting soy meal.

We feel domestic soy meal prices to gain further on renewed demand, in near-term.

Mustard seed gained on better buying and slight improved crushing during the period. Expectation of better monsoon this year and likely rise in the mustard oil demand as the monsoon grips whole country will boost the seed prices in near-term.

The seed supplies are consistently much higher compared to the same period last year. Crushing is at the normal pace across all the major centers in Rajasthan, UP, MP, Haryana and Punjab. Demand in mustard oil from West-Bengal and Kashmir is stable and expected rise in days ahead, consequently supporting the seed.

Further, better palm oil export sales from Malaysia and Indonesia ahead Ramadan and stable production will lend support to the BMD CPO, which will eventually support mustard seed in days ahead.

We feel mustard seed prices to edged-up in coming weeks on expected firm international oils and fats market.

Likely gains in BMD CPO followed by renewed palm oil buying ahead Ramadan, stable palm oil production and declining palm oil inventories in Malaysia, fresh demand in soybean for seeding in India with the onset of monsoon and slow US soybean planting will remain bullish for the oilseeds in near-term.

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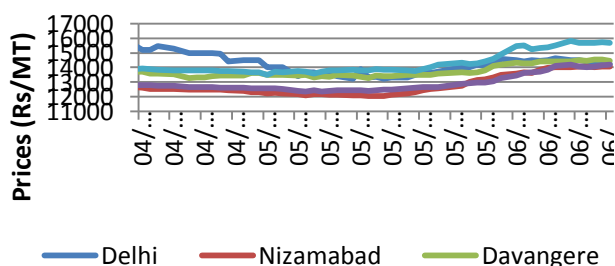
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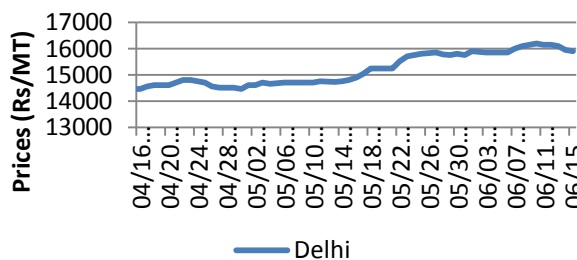
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The domestic mustard/rapeseed prices are likely to get stronger on improved buying support across the cash markets in the key producing regions in near-term.

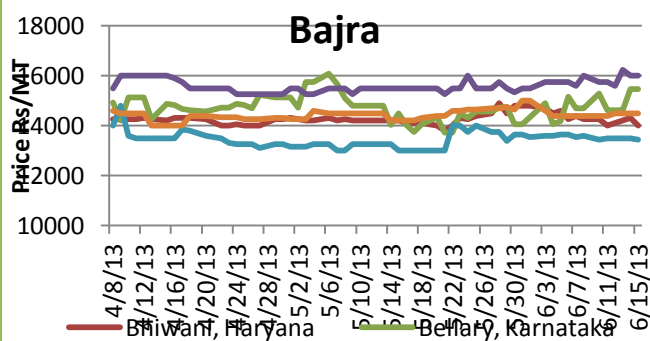
Maize



Wheat, Mill Delivery



Bajra



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. As per Agriwatch trade sources, around 287 rake business has been reported during this season. On daily basis, around 10-12 rake business have been reported from Bihar towards Punjab, Haryana and U.P. However, at this time, stockiest are not buying maize due to higher moisture content in the maize crop.

As per trade sources, in Gujarat also, stockiest are not buying maize in higher quantity on the expectation of decrease in prices as crop quality of maize from Bihar is not good. In Nizamabad region of A.P., around 3.5- 4 lakh bags of maize (old & new) could be in the market and prices could trade firm due to higher local feed makers demand. However, In Delhi spot market, sources revealed that prices could go down in the near term only as crop from U.P. has started. In Khanna market of Punjab, sources revealed that stock of maize could be around 400-500 motors in the market and market could trade steady in the near term.

As per Reuter news, extensive rains since the beginning of May in Bihar have disrupted around 500,000 tons of corn shipments that traders have sold to feed millers in Southeast Asia. Further, rains across India's eastern crop belt are holding up shipments of corn, tightening feed grain supplies in Vietnam, Indonesia and Malaysia. A Singapore trader said that there are eight to 10 ships waiting to carry some 250,000 tons of corn at the southeastern port of Visakhapatnam, adding that trading houses were trying to arrange supplies from alternative origins but getting cargoes from South America is not easy because of the huge line of ships.

In Ahmadabad region of Gujarat, poultry and starch feed makers demand reported up by Rs. 50 and Rs. 20 per quintal respectively as compared to last week, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1450-1510 per quintal while starch feed makers demand reported in a range of Rs. 1475-1550 per quintal. Gujarat trader revealed that corn from Rajasthan is not coming in to the Ahmadabad market of Gujarat as it is moving towards Haryana.

On daily basis, around 5-6 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab at the rate of Rs. 1400 per quintal, sourced from Bihar.

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 14,229,370 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 35 percent to 232,800 metric tons from the last week and 27% from the prior 4-week average. Out of total weekly exports of 2,32,800 MT for the period of May 31- June 6, 2013 reported by U.S to Japan (80,800 MT), Mexico (78,000 MT), Venezuela (51,500 MT), and Trinidad (7,700 MT).

Depleting stock and thin supply from Bihar keeps prices at the upper side. However, expectation of higher sowing during kharif season and lower crop quality of Bihar could restrain the gain in the near term.

USDA has pegged Indian wheat production at 87 million tonnes, which is 5 million tonnes lower from previous estimate of 92 million tonnes. Fall in production is attributed to fall in yield in Punjab, Haryana and Uttar Pradesh ranging from 8-10%. Wheat exports are seen at 5 million tonnes owing to better global production and falling international prices.

Wheat inflation has fallen to 12.65% in May from 13.89% in April. Wheat WPI for May 2013 was 201.30 against 204.20 in April 2013.

As on 12th June 250.69 lakh tonnes wheat has been procured by government agencies as compared to 363.08 lakh tonnes. Wheat procurement is lagging behind by 31% due to lower production and higher market price over MSP. It is expected that procurement may remain around 252-254 lakh tonnes this season.

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.

Indian FOB has fallen in past week owing to weak INR, however falling international FOB due to nearing wheat harvest in US and Black sea region might not help Indian exports substantially. Indian FOB is hovering in range of USD 292-296/T against USD 262-275/T in US and Black sea region.

Wheat traded bearish during the week in major benchmark markets on the back of poor demand from bulk buyers and millers. Wheat purchases for export have declined recently.

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.

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 88.17 million tonne 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.

Outlook

Feed prices are likely to remain steady in the coming days on expected steady movement in the prices of key feed ingredients. However, increase in prices of soy meal could keep feed prices at the higher side.

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	-5.00
2	166	119	86.67	219.0	213.0	210.0	131.0	82.50	112.5	145.0	33.00	-9.00
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 traded slightly down with the steady price movement in maize and bajra prices as compared to last week. We expect that maize and bajra could trade slightly down in the next week as arrivals from U.P has started and keep maize spread with bajra intact.

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	88.00
2	113	46	198.3	180.0	183.0	218.0	190.0	80.0	172.5	322.0	133.0	146.00
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 as jowar traded down during last week due to lower cattle feed makers demand. We expect that jowar would continue its negative trend and could keep maize spread with jowar in the positive zone.

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	-132.00
2	61	28	-142	-188	-170	0.0	-44.0	-143	-14.0	-220	32	-133.00
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 decreased from last week as wheat traded higher vs. maize. However, wheat also rule steady during last week. We expect that wheat could also trade down due to supply pressure and lower demand. Considering the above mentioned facts, we expect that maize spread with wheat could be unchanged from the last week.

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	185.0
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 decreased from last week as barley traded higher vs. maize. 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)		
	14.06.2013	07.06.2013	Parity To
Indore (MP)	34000-34200	33200-33400	Gujarat, MP
Kota	34300	33100-33400	Rajasthan, Del, Punjab, Haryana
Akola	35000	33200-33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	36500	33300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36500	34500	Andhra, AP, Kar, TN
Dhulia/Jalna	34800	33400	Mumbai, Maharashtra
Nagpur (42/46)	35300	33800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	36200	35000-35300	Local and South
Solapur	-	34500	Local and South
Bundi	34200	33000	-

Soy DOC at Port

Centers	Port Price	
	14.06.2013	07.06.2013
Kandla (FOR) (INR/MT)	35800	35300
Kandla (FAS) (USD/MT)	620	622

International Soy DOC

Argentina FOB \$/MT	14.06.2013	07.06.2013	Change
Soybean Pellets	503	513	-10
Soybean Cake Meal	511	513	-2
Soybean Meal	503	521	-18
Soy Expellers	511	521	-10

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	14.06.2013	07.06.2013	Change
Adoni	20400	19800	+600
Khamgaon	2000	19300	-17300
Parli	20200	19500	+700
Latur	20000	19300	+700

Groundnut Meal

Groundnut Meal	14.06.2013	07.06.2013	Change
Basis 45% O&A, Saurashtra	28500	28500	Unch
Basis 40% O&A, Saurashtra	25500	26500	-1000
GN Cake, Gondal	29500	29000	+500

Mustard DOC/Meal

Mustard DOC/Meal	14.06.2013	07.06.2013	Change
Jaipur (Plant Delivery)	14500	14400	+100
Kandla (FOR)	15700	15400	+300
Sri Ganganagar	650	633	+17

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	14 June, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Red	1450	1425	1325	-	1035
Davangere	Bilty	1455	1440	1300	-	1150
Naugachia	Bilty	1175	1175	1050	-	850
Nizamabad	Bilty	1400	1370	1240	-	1050
Ahmedabad	Feed	1490	1450	1280	-	1160
	Starch	1550	1525	1330	-	1170

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	269.09	NA	325.6	NA
Cost and Freight (Thailand)	319.09	NA	385.6	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	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:

Commodity	State	Variety	Centre	14.06.2013	7.06.2013	Change
Bajra	Karnataka	Hybrid	Bellary	1548	1469	79
		Hybrid	Bangalore	1450	1500	-50
Jowar	Karnataka	White	Bangalore	2200	2000	200

		White	Bellary	1314	1280	34
Maize	Karnataka	Yellow	Davangere	-	-	-
	Andhra Pradesh	Yellow	Nizamabad	1380	1350	30
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2300	2300	Unch
Soy meal	Madhya Pradesh	DOC	Indore	34200	33400	800
	Maharashtra	DOC	Sangli	36200	35300	900
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	20400	19800	600
	Maharashtra	Ex-factory	Latur	20000	19300	700
Mustard	Rajasthan	Plant delivery	Jaipur	14500	14400	100
Groundnut Meal	Gujarat	GN Cake	Gondal	29500	29000	500

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