

Contents:

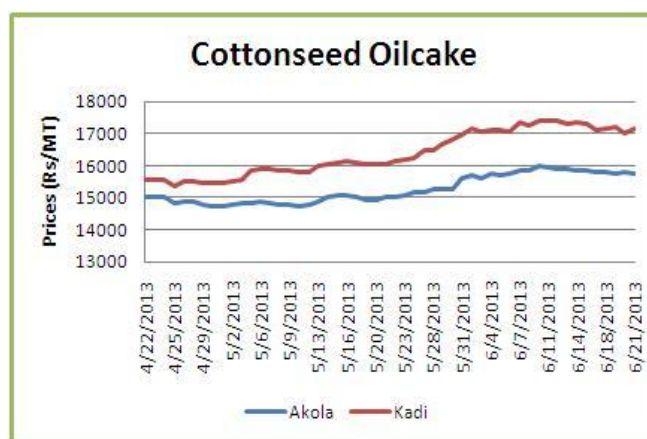
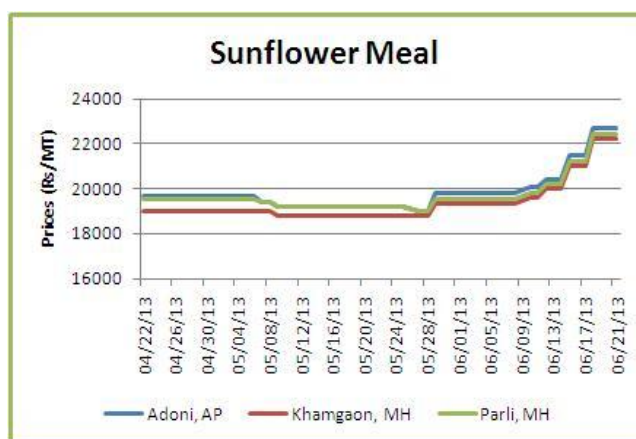
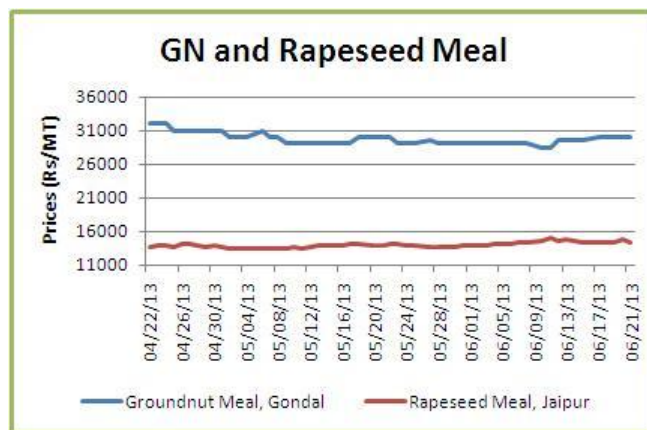
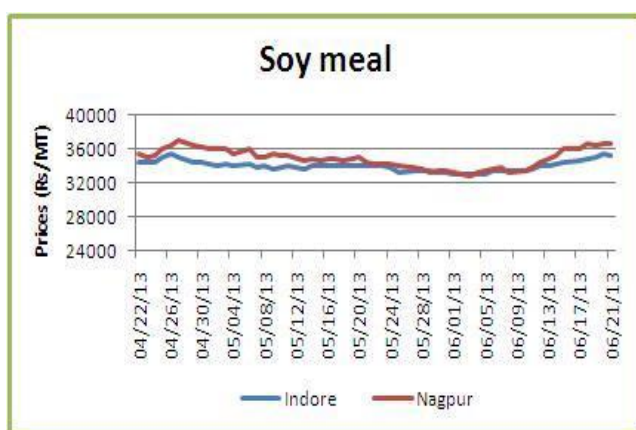
- ❖ Summary
- ❖ Trend – Raw Material, Feed
- ❖ Outlook
- ❖ Spreads
- ❖ Annexure - Prices

Summary

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

Soybean and soy meal prices featured steady to firm tone on better buying and stronger USD against the rupee. RM seed prices also improved on cues from overseas markets. Further, maize prices featured steady to slightly firm sentiments. However, wheat prices declined on poor buying support. Bajra prices were mostly steady on stable demand. Overall, feed prices depicted firm trend during the week under consideration.

Trend – Raw Material, Feed



Source: AgriWatch

Domestic oilseeds and oil meals featured steady to firm tone on buying support and stronger US dollar against INR during the week in review.

Soybean gained on improved farmers buying for seed, besides normal crushing demand. Further, weakness in Indian rupee against US dollar and firm international oils and fats markets on supportive buying ahead Ramadan helped boost the sentiments in bean.

Improved overseas and domestic soy meal demand from poultry with better and early monsoon coverage lend addition support to the bean.

The soybean planting has commenced in key growing states with clear weather after rains, but it at the initial stage, the sowing is expected to pick in a week or two.

Internationally, US soybean oil stocks fell sharply to 2.469 billion pounds in May as compared with 2.638 billion in April and against trader estimates of 2.547 billion. Stocks are still above year ago levels of 2.312 billion.

A well-followed oilseed analyst estimated that the US will import around 250,000 tonnes of soybeans in June and July of this year. This would be a new record if achieved.

Logistical issues in South America continue to keep a supportive undertone to the market but more exports into the US are expected from Paraguay as well as Brazil. Market participants hint that meal may be imported by US from Argentina later this summer.

Domestic soybean prices are likely to edged-up on farmers demand for seed, improved soy meal demand with rise in poultry production and likely gains in international oil and fats market on better edible oil demand ahead Ramadan.

In the last official planting report, the kharif oilseeds planting was reported ahead previous year's pace, as on 20 Jun 2013. Overall, the oilseeds planting were reported up by 156.3 per cent.

Of the major kharif oilseeds crop soybean planting stood up by around 725 per cent at 1.32 lha compared to 0.16 lakh hectares during the same period last year. Groundnut planting was reported up by 152 per cent at 5.57 lakh hectares compared to 2.21 lha, sunflower planting was up by 86.4 per cent at 0.41 lha compared to 0.22 lha during the same period last year. However, linseed, sesamum and safflower planting continued to lag behind compared to the previous year.

Soy meal prices edged-up on improved domestic and overseas demand. Better and early monsoon coverage will boost the poultry demand and consequently the soy meal for feed from the industry.

Stronger US dollar against Indian rupee is leading to better realization soy meal exports. Consistent better soy meal demand from major buyers like Japan and Iran is further lending support to the meal.

Price competitiveness of the South American soy meal continues to be a negative factor for the meal of Indian origin, which subsequently shifted the seasonal demand to South America. However, logistical issues in South America continue to keep a supportive undertone to the market but more exports into the US are expected from Paraguay as well as Brazil.

Further, the prices of other key feed ingredients like Bajra, Maize, DCP, MBM, DRB recovered on supportive buying lending support to soy meal, only Mustard de-oiled cake slightly declined.

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

According to the figures of the SOPA, India's soy meal export during May 2013 was 0.97 Lac tones as compared to 1.39 lac tones in the same period of previous year showing a decrease of 29.74%.

On a financial year basis, the export during April 2013 to May 2013 has been 1.98 Lac tonnes 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 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 36,000-37,150/MT compared to 29,750-31,250/MT during the same period last year.

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$119/MT compared to US \$99/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.

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 37,000-37,500/MT.

Mustard seed witnessed steady to firm tone on better buying supportive international oils and fats market during the week in review. Besides, stronger US dollar against INR has made the edible oil imports expensive for India. The INR has hit all-time low at 59.97 against US dollar.

Active palm oil buying ahead Ramadan and better exports from Malaysia and Indonesia remained supportive for benchmark BMD CPO. Food consumption typically rises during the Muslim fasting month of Ramadan due to month-long communal feasting after dawn-to-dusk abstinence from food and drink.

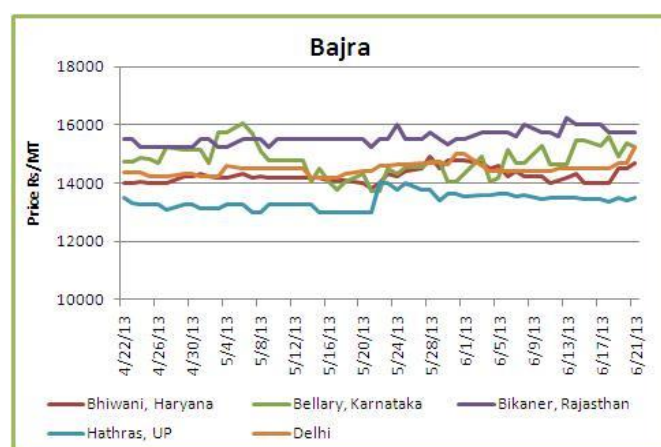
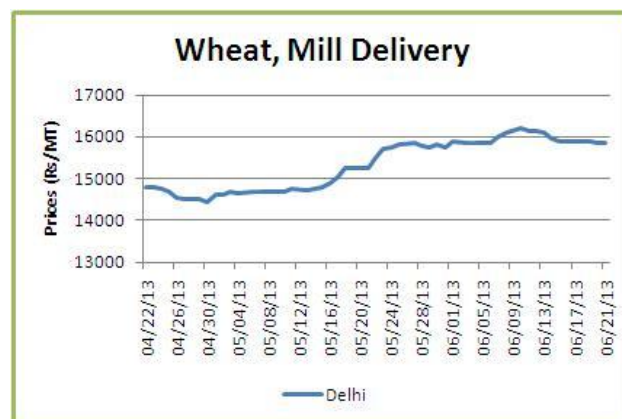
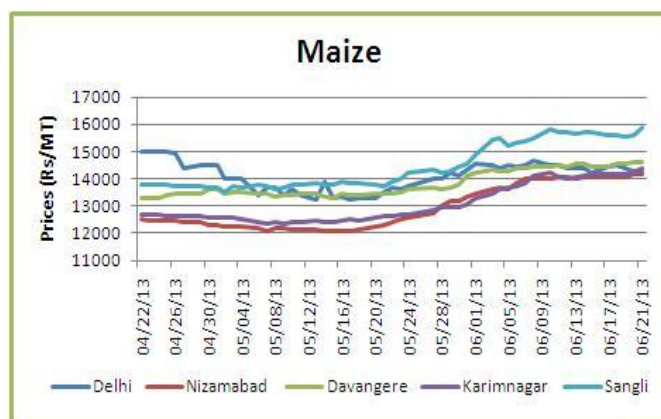
Besides, lower palm oil stocks at a time when export demand is rising due to increased orders from Pakistan and the Middle East did provide underlying support to the international palm oil market. Indian mustard seed market closely tracks BMD CPO.

Improved export demand in palm oil from major producers in recent days continued to lend support to domestic mustard seed market. The current seed arrivals in Rajasthan are almost double compared to the same period last year.

We feel the seed prices to edged-up in coming weeks on supportive buying and likely higher international vegetable oil market.

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.

RM seed prices are expected to feature range bound movement with firm bias, in near term, likely support from BMD CPO on rising palm oil demand. The prices are likely to improve and are expected to witness 3520–3550 level in near term.



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

Steady to slightly firm sentiments witnessed in most of the major spot markets of maize during last week.

In Nizamabad region of A.P., around 4- 4.5 lakh bags of maize (old & new) could be in the hand of stockiest and farmers. Sources revealed that prices could trade firm till the new crop arrivals which would arrive in the September month.

In Delhi spot market, during the week, red maize traded in a range of Rs. 1360-1450 per quintal sourced from Bihar. Price variance is due to moisture level which varies from 14-20 %. Meanwhile, hybrid maize traded in a range of Rs.1410-1425 per quintal sourced from U.P. contains 14% moisture level while U.P. and Ludhiana crop contained around 14-15% moisture and crop from A.P. contained 11.5% moisture. Sources revealed that prices could go down in the near term as new crop arrivals from U.P. will pick up in the near term.

In Ahmadabad region of Gujarat, poultry feed makers demand reported up by Rs. 60 per quintal as compared to last week, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1490-1570 per quintal while starch feed makers demand reported steady in a range of Rs. 1500-1550 per quintal. Trade sources revealed that local crop is arriving higher in the market as

compared to Bihar crop due to wet weather conditions. Gujarat trader also 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 4-5 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab at the rate of Rs. 1500 per quintal due to higher poultry feed makers demand, 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 Agriwatch trade sources, Bangladesh is demanding Indian corn at Rs. 1425 per quintal, sourced from Bihar which contained around 15%.

Lower supply amid higher domestic demand kept prices of maize firm in the Bihar market. However, last week, crop quality was not as per standard due to high moisture contained but it has improved now and some new export enquiries reported from Bangladesh which could support maize prices.

As per USDA, U.S. corn export figures reached to 14,551,807 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 39 percent to 322,400 metric tons from the last week and 6% from the prior 4-week average.

As per Reuters' news, crop forecaster Lanworth lowered its world corn production at 957 million tons from 961 million tons previously forecasted due to wet weather in key growing areas of the United States that caused it to reduce yield expectations from 158.8 bushels per acre to 156.7 bushels per acre.

Depleting stock and thin supply from Bihar support the maize prices. Meanwhile, expectation of higher sowing during kharif season and lower crop quality of Bihar restrain the gain for the near term.

In wheat, prices have fallen at key spot markets owing to dull buying and continuous rains hampering market arrivals and trade

Wheat prices in local market are bound to trade weak this week on government's decision of releasing 10 million tons wheat from its stocks for bulk and small traders. Export plans were not discussed at the meeting at the meeting concluded Friday. The food ministry will soon send a separate proposal to the cabinet to export 2 million tons of wheat at a minimum price of \$300 a ton through PSU's.

Out of 10 million T 8.5 million tons of wheat to bulk buyers at a base prices of Rs 15,000 a ton. Traders would receive wheat through bidding process. The remaining 1.5 million tons will be offered

to state governments, small traders and cooperatives at the base price. The cabinet is expected to consider a plan to sell 7.5 million tons of wheat and rice to the poor at subsidized rates next week.

Market participants believe that wheat prices will trade range bound/steady for till September and they see uptrend October onwards as impact of lower crop production will be visible by that time, as of now ease in demand side has restricted uptrend in the prices. During the lean season, October onwards market will be dependent on government stock, pricing policy and quantity released which is believed to decide the direction of market movement.

As per trade sources wheat in South Indian markets is sourced from Rajasthan and M.P as there is no parity from U.P due to export demand for U.P wheat from Bangladesh. Prices in Rajasthan and M.P have fallen in past few days as arrivals have increased and demand has fallen.

As per traders, despite of falling INR exporters are not buying much for exports as international markets are expected to trade weak ahead of harvesting in key wheat producing and exporting countries like US, Ukraine and Russia. Better wheat plantation in Canada and Argentina along with improved soil moisture due to recent rains in Australia is likely to put downward pressure.

International spot and future markets are likely to trade steady to weak due to new crop arrivals pressure from Russia, Ukraine, US and Kazakhstan. The Rust fears do not seem to be affecting market significantly.

Outlook

Feed prices are likely to remain firm in the coming days on expected uptrend in the prices of key feed ingredients. Rise in prices of soy meal and bajra expected to support gains in the feed prices in the coming days.

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	-9.0
3	200	90	100.0	270.0	214.0	158.0	170.0	93.75	110.0	154.0	-100.0	-38.0
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 down as compared to last week. Bajra traded higher vs. maize. However, both commodities traded firm during last week. We expect that maize and bajra could trade slightly down during next week as arrivals from U.P. have started and keep maize spread with bajra unchanged.

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	146
3	73.00	0	208.0	177.0	204.0	169.0	182.5	147.5	178.0	320.0	-23.0	243
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 could trade steady during next week and keep maize spread with jowar slightly down as compared to last week.

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	-133
3	107	-47	-154	-193	-101	-5.0	4.0	-81.25	-2.50	-179	-140	-87.50
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 wheat traded down due to supply pressure amid lower demand. We expect that both commodities would trade down in the near term and could keep maize spread with wheat 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	143.0
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 increased higher vs. maize. We expect that barley could trade steady during next week and keep maize spread with barley slightly down as compared to last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centers	Ex-factory rates (Rs/ton)		
	21.06.2013	14.06.2013	Parity To
Indore (MP)	35200	34000-34200	Gujarat, MP
Kota	35200	34300	Rajasthan, Del, Punjab, Haryana
Akola	36000	35000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	37500	36500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	37200	36500	Andhra, AP, Kar, TN
Dhulia/Jalna	36500	34800	Mumbai, Maharashtra
Nagpur (42/46)	36700	35300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	37000	36200	Local and South
Solapur	-	-	Local and South
Bundi	35000	34200	-

Soy DOC at Port

Centers	Port Price	
	21.06.2013	14.06.2013
Kandla (FOR) (INR/MT)	3700	35800
Kandla (FAS) (USD/MT)	623	620

International Soy DOC

Argentina FOB \$/MT	21.06.2013	14.06.2013	Change
Soybean Pellets	503	503	Unch
Soybean Cake Meal	503	511	-8
Soybean Meal	511	503	+8
Soy Expellers	511	511	Unch

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	21.06.2013	14.06.2013	Change
Adoni	22700	20400	+2300
Khamgaon	22200	20000	+20200
Parli	22400	20200	+2200
Latur	22000	20000	+2000

Groundnut Meal

Groundnut Meal	21.06.2013	14.06.2013	Change
Basis 45% O&A, Saurashtra	29500	28500	+1000
Basis 40% O&A, Saurashtra	26500	25500	+1000
GN Cake, Gondal	30000	29500	+500

Mustard DOC/Meal

Mustard DOC/Meal	21.06.2013	14.06.2013	Change
Jaipur (Plant Delivery)	14300	14500	-200
Kandla (FOR)	15600	15700	-100
Sri Ganganagar	656	650	+6

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21 June, 2013	Week Ago	Month Ago	2 Months Ago	Year Ago
Delhi	Red	1440	1450	1335	1500	1060
Davangere	Bilty	1500	1455	-	-	1150
Naugachia	Bilty	1180	1175	1050	1275	925
Nizamabad	Bilty	1390	1400	1250	1260	1100
Ahmedabad	Feed	1550	1490	1330	1390	1225
	Starch	1550	1550	1400	1450	1225

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

	Argentina	Brazil	US	India (Davangere Origin)
FOB	274.51	NA	324.51	NA
Cost and Freight (Thailand)	333.28	NA	393.28	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>21.06.2013</u>	<u>14.06.2013</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1522	1548	-26
		Hybrid	Bangalore	1510	1450	60
Jowar	Karnataka	White	Bangalore	2200	2200	Unch
		White	Bellary	1314	1314	Unch
Maize	Karnataka	Yellow	Davangere	1450	-	-
	Andhra Pradesh	Yellow	Nizamabad	1350	1380	-30
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2200	2300	-100
Soy meal	Madhya Pradesh	DOC	Indore	35200	34200	1000
	Maharashtra	DOC	Sangli	37000	36200	800
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	22700	20400	2300
	Maharashtra	Ex-factory	Latur	22000	20000	2000
Mustard	Rajasthan	Plant delivery	Jaipur	14300	14500	-200
Groundnut Meal	Gujarat	GN Cake	Gondal	30000	29500	500

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.