

Executive Summary

The domestic soybean and meal edged-up on supportive benchmark market while RM seed plunged followed by rapid harvesting pace in the seed and weakness in BMD CPO during the month in review.

Congestion in Brazilian port, overall better Chinese buying in the beans and slow Argentine selling in international front in conjunction with the limited selling in the same in domestic market remained positive factors for the bean during the month.

Worker's strike in Brazilian port lead to the logistic hurdles restricted the soy shipments out Brazil. Lower soybean stock in China improved their imports to meet the domestic need, leading to better buying. Talks that China may have stepped back into the market late last week of March to book spot cargos as vessels continue to be bottlenecked in the ports of Brazil added to the bullish tone.

In addition, the soybean supplies fell in the key market centers during the month with active traders shifting to wheat trade followed by the commencement of the wheat harvest in Madhya Pradesh, Maharashtra and Rajasthan. Consequently, the event helped in boosting the domestic bean prices.

The bean prices are expected move up further on likely better buying in international market.

Besides, the soy meal moved-up in tandem with soybean with better overseas meal demand and improved crush margin during the month. Further, prices of other poultry feed ingredients such as maize, bajra, groundnut extracts, rapeseed extracts, de-oiled rice bran, rice bran surged in recent days, eventually driving the soy meal prices upwards.

The domestic meal demand is steady, though no fresh demand in the same is expected but overseas demand may get stronger on fresh inquiries from Iran and South-East Asian countries.

However, the rape/mustard seed prices plunged on new crop supply pressure followed by harvesting in full swing. Besides, gradual fall in the Malaysian palm oil further pressured the domestic RM seed prices during the period in review.

The harvesting is in full swing in the major producing regions of Rajasthan, UP, MP, Haryana and Punjab, besides buying is likely to pick-up in near-term, which will push up the seed prices in April.

After Kota, the harvesting is in full swing in Alwar and Bharatpur districts of Rajasthan. It is under way in the Agra, UP. The All India arrivals in the seed improved to 6.2 lakh bags from 2.8 lakh bags initially in March.

We feel soybean, meal and rape/mustard seed to witness gains in the month of April with active buying in mustard seed by the stockists and expected fresh demand in edible oils with the upcoming auspicious wedding dates. Besides, expected ease in the palm oil inventories in Malaysia, better Chinese buying in soybean will remain bullish factors and lend additional support to the domestic oilseeds and meal, during the period.

International

- ❖ IMEA has reported that the soybean harvest in the Brazil's Mato Grosso state, the country's biggest soybean grower, is likely to be 23.6 million metric tons, down from a previous forecast of 24.1 million tons due to a dry spell followed by rain at harvest time. The state's soybeans harvest was 92.6 per cent harvested as of March 21, up from 85.2 per cent a week earlier and compared with 94.4 per cent of the harvest completed a year ago.
- ❖ Informa Economics has estimated the 2013-14 soybean planted acreage in the US at 78.46 million acres, down from 78.78 million acres previously and against 2012-13 planted acreage of 77.2 million acres.
- ❖ According to USDA's latest Prospective Plantings report, US soybean planted area for 2013 is estimated at 77.126 million acres, down slightly from last year's figure of 77.198 million acres but the fourth highest on record, if realized. Plantation area for sunflower is projected to fall to 1.684 million acres in 2013, which is the second lowest since 1976 (if realized), compared with 1.919 million acres last year. US soybean stocks (as on March 1 2013) were at 999.28 million bushels, higher than trade expectations at 935 million, but down from 1.374 billion bushels in March 2012.
- ❖ Argentina's Agriculture of Ministry pegged the 2012-13 soybean crop production at 51.3 million tons vs. 40.1 million tons a year ago and against the USDA estimate of 51.50 million tons.
- ❖ As per Oil World, with stocks very low in the exporting countries as well as worldwide and US exports likely to dwindle, world exports of soya meal are likely to be smaller than expected at just 31.8 Mn T in April/Sept 2013.
- ❖ Crop forecaster Lanworth reported that the U.S. farmers are expected to plant a record 81.3 million acres of soybeans in 2013-14 season which will result in a harvest of 3.455 billion bushels. Lanworth increased its forecast for Brazil soybean production to 81.1 million tons from 80.8 million and Argentine soybean production view to 50.5 million tons from 49.4 million.
- ❖ Oil World has reported that the global rapeseed production in 2012-13 to climb to 62.05 Mn T, up by 2.7 per cent from last year, as outlook improved for crops in Australia, the European Union and India.
- ❖ Malaysian palm oil products exports for March 1-25 fell 7 percent to 1,055,914 tons compared with 1,134,872 tons shipped during Feb. 1-25, cargo surveyor Societe Generale de Surveillance. India imported 81,142 tons, down 48.7 percent compared to 158,250 tons during the same period of last month.
- ❖ Indonesia's export tax for crude palm oil for April remains unchanged at 10.5 percent from the previous month. Moreover, Indonesian government also kept unchanged its export tax for RBD palm olein at 4 percent for April. While, Malaysia sets its crude palm oil export tax for April at 4.5 percent.
- ❖ The USDA reported this morning that China bought 234,000 tonnes of 2013/14 soybeans from the US this morning which lifted new crop contracts relative to old crop contracts.

Oil Meal Prices at Key Spot Markets:
Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	30-03-2013	28-02-2013	Parity To
Indore (MP)	33200	28000	Gujarat, MP
Kota	33500	27300-27400	Rajasthan, Del, Punjab, Haryana
Akola	33000	28000	AP, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	29000	AP, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	33600	28500-28600	AP, Kar ,TN
Dhulia/Jalna	35000	29000	Mumbai, Maharashtra
Nagpur (42/46)	33500	28600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35000	29000	Local and South
Solapur	-	29000	Local and South
Bundi	33200-33300	27350	-

Soy DOC at Port

Centers	Port Price	
	30-03-2013	28-02-2013
Kandla (FOR) (INR/MT)	33500	29500
Kandla (FAS) (USD/MT)	626	549

International Soy DOC

Argentina FOB \$/MT	30-03-2013	28-02-2013	Change
Soybean Pellets	463	495	-32
Soybean Cake Meal	463	495	-32
Soybean Meal	471	503	-32
Soy Expellers	471	503	-32

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	30-03-2013	28-02-2013	Change
Adoni	19300	17500	+1800
Khamgaon	19100	17500	+1600
Parli	19300	18000	+1300
Latur	19100	17200	+1900

Groundnut Meal

Groundnut Meal	30-03-2013	28-02-2013	Change
Basis 45% O&A, Saurashtra	29300	24800	+4500
Basis 40% O&A, Saurashtra	26300	22200	+4100
GN Cake, Gondal	30000	27000	+3000

Mustard DOC/Meal

Mustard DOC/Meal	30-03-2013	28-02-2013	Change
Jaipur (Plant Delivery)	13800	13300	+500
Kandla (FOR)	14200	14000	+200
Sri Ganganagar	660	710	-50

Oilseed Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Soybean		30-03-2013	28-02-2013	
	Indore –Plant	3650-3700	3325-3365	+335
	Indore –Mandi	3500-3600	3200-3300	+300
	Nagpur-Plant	3615-3650	3230	+420
	Nagpur – Mandi	3500-3600	3100-3220	+380
	Kota-Plant	3700-3725	3325	+400
	Kota – Mandi	3650	3275	+375
	Bundi-Plant	3700	3325	+375
	Bundi-Mandi	3650	3175-3200	+450
	Baran-Plant	3650	3300	+350
	Baran-Mandi	3550	3200-3225	+325
	BhawaniMandiJhalawar – Kota Plant Delivery	3700-3750	3350	+400
	Jhalwar-Mandi	3600-3650	3250-3300	+350
Rapeseed/Mustard	Jaipur – C	3435-3440	3640-3645	-205

	Alwar – C	3300	3600	-300
	SriGanganagar	2870	3150	-280
	Delhi– C	3420-3425	3675	-250
	Kota (Non-Condition)	3100-3200	3200-3300	-100
	Neewai	3400	3550	-150
	Hapur (UP)	3385	3425	-40
Groundnut Seed	Rajkot	990	1020	-30
	Junagarh	-	-	-
Sunflower Seed	Gulbarga	-	-	-
	Latur	3600-3750	3500-3600	+150
	Solapur	3550-3725	3500-3600	+125
Sesame Seed	Mumbai (White98/2/1 FM)	10450	10500	-50
	-	-	-	-
	-	-	-	-

Soybean Prices are in INR per Qtl ,Arrivals(1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR per Qtl, Arrival (1 bag=85 kg) C – Condition (42%), *Groundnut seed inRs/20 kg, Sunflower Seed in Rs/qtl.

Oilseed Arrivals in Key Centers

Commodity	Centre	Arrivals in Bags/Qtl		Change
Soybean		30-03-2013	28-02-2013	
	Madhya Pradesh	2030000	2605000	-575000
	Maharashtra	990000	1005000	-15000
	Rajasthan	274000	555000	-281000
	Bundi (Raj)	7700	11660	-3960
	Baran (Raj)	50800	74500	-23700
	Jhalawar (Raj)	12800	16800	-4000
Rapeseed/Mustard	Rajasthan	48,85,000	16,94,000	+31,91,000
*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg				

Crop Progress, India

In the last official planting report, the *rabi* oilseeds planting was reported ahead previous year's pace, as on 28 Mar 2013. Overall, the oilseeds planting were reported up by just 0.2 per cent.

Of the major *rabi* oilseeds crop rapeseed/mustard seed planting stood up by around 2.5 per cent at 67.53 lha compared to 65.9 lakh hectares during the same period last year. Groundnut planting was reported down by 2.2 per cent at 10.88 lakh hectares compared to 11.12 lha, sunflower planting was up by 13.6 per cent at 5.34 lha compared to 4.7 lha during the same period last year.

Area in lakh hectares

<i>Crop</i>	<i>As on 28 Mar 2013</i>	<i>As on 28 Mar 2012</i>	<i>% Change</i>
Rapeseed/Mustard Seed	67.53	65.9	2.5
Groundnut	10.88	11.12	-2.2
Safflower	1.53	1.95	-21.5
Sunflower	5.34	4.7	13.6
Sesamum	2.64	2.71	-2.6
Lineed	3.38	4.3	-21.4
Other Oilseeds	0.69	1.13	-38.9
Total Oilseeds	92.0	91.8	0.2

Source: GOI

However, linseed, sesamum and safflower planting continued to lag behind compared to the previous year.

Soybean

Congestion in Brazilian port, overall better Chinese buying in the beans and slow Argentine selling in international front in conjunction with the limited selling in the same in domestic market remained positive factors for the bean during the month.

Worker's strike in Brazilian port lead to the logistic hurdles restricted the soy shipments out Brazil. Lower soybean stock in China improved their imports to meet the domestic need, leading to better buying. Talks that China may have stepped back into the market late last week of March to book spot cargos as vessels continue to be bottlenecked in the ports of Brazil added to the bullish tone.

In addition, the soybean supplies fell in the key market centers during the month with active traders shifting to wheat trade followed by the commencement of the wheat harvest in Madhya Pradesh, Maharashtra and Rajasthan. Consequently, the event helped in boosting the domestic bean prices.

The bean prices are expected move up further on likely better buying in international market.

Balance Sheet – Soybean, India

Fig. in MnT

Oil Year (Oct-Sep)	2008-09	2009-10	2010-11	2011-12	2012-13
Carry In	0.49	0.45	1.12	0.37	0.40
Production	9.60	9.67	10.10	12.00	12.50
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	10.09	10.12	11.22	12.37	12.90
Crush	9.64	9.00	10.85	11.97	12.58
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	9.64	9.00	10.85	11.97	12.58
Carry Out	0.45	1.12	0.37	0.40	0.32
Monthly Use	0.80	0.75	0.90	1.00	1.05
Stock/Consumption Ratio	0.05	0.12	0.03	0.03	0.03
Stock to Month Use Ratio	0.56	1.49	0.41	0.40	0.31

Source: Agriwatch

- Higher crushing due to good meal demand lead to lower carry-in in 2012/13
- India's 2012/13 soybean output is lowered from 13 Mn T to 12.5 Mn T due to crop loss in Madhya Pradesh.
- We expect 2012/13 soybean crush at 12.58 Mn T owing to higher production compared to previous years. India's soy meal prices have to compete with the meal prices of South America, which will eventually make the crushing more viable depending on its exports.

Soy meal- FAS Kandla Vs FOB Argentina (Spread)

Besides, the soy meal moved-up in tandem with soybean with better overseas meal demand and improved crush margin during the month. Further, prices of other poultry feed ingredients such as maize, bajra, groundnut extracts, rapeseed extracts, de-oiled rice bran, rice bran surged in domestic market in recent days, eventually driving the soy meal prices upwards.

India's soy meal exports have slowed down, but their shipments are consistent. Iran, Japan, Thailand and France remained the consistent and major buyers in last several months.

According to the figures of the SOPA, India's Soy meal exports, which constitute the bulk of oilmeal exports, decreased by 30.66% to 3,20,265.370 tonnes in March'13 from 4,61,891.774 tonnes a year earlier.

The annual Soy meal exports in the financial year 2012-2013 (April-March) were 34,33,916.546 tonnes, decreased by 12.28 percent from 39,14,683.205 tonnes a year ago.

During the FY 2012-13 export to Iran registered exceptional growth.

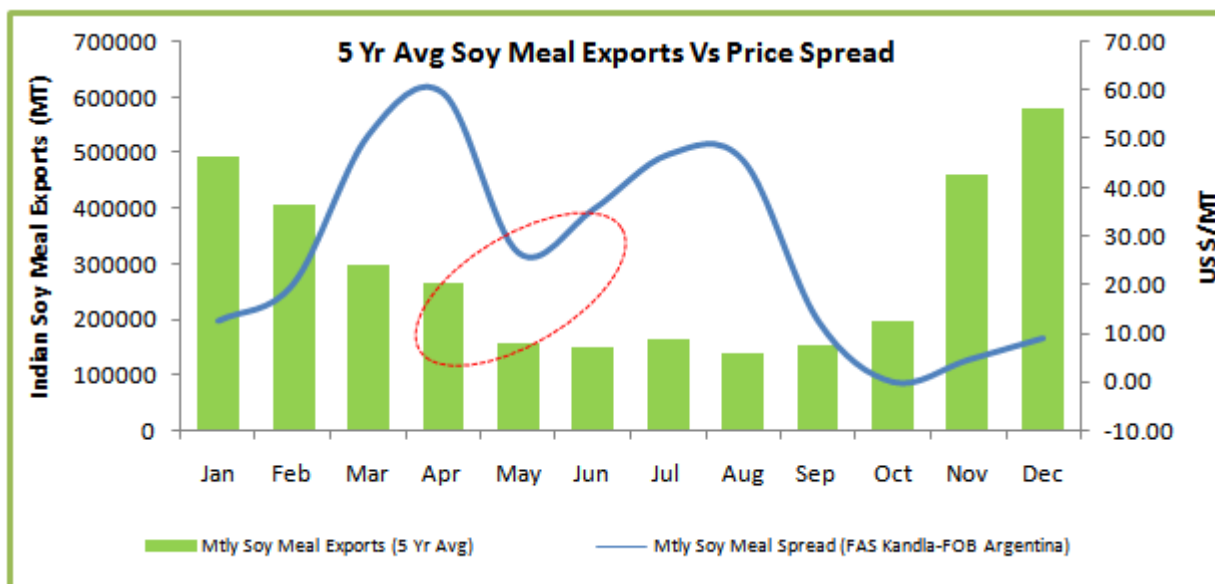
Partially, export of Soybean Meal suffered during Second quarter (Q2) due to poor availability of Soybean & corresponding lower crushing.

During the first half of current Oil year (October – September), exports during October'12 to March'13 were 25,96,838.577 MT as against 27,85,831.205 MT last year or a drop of 6.78%.

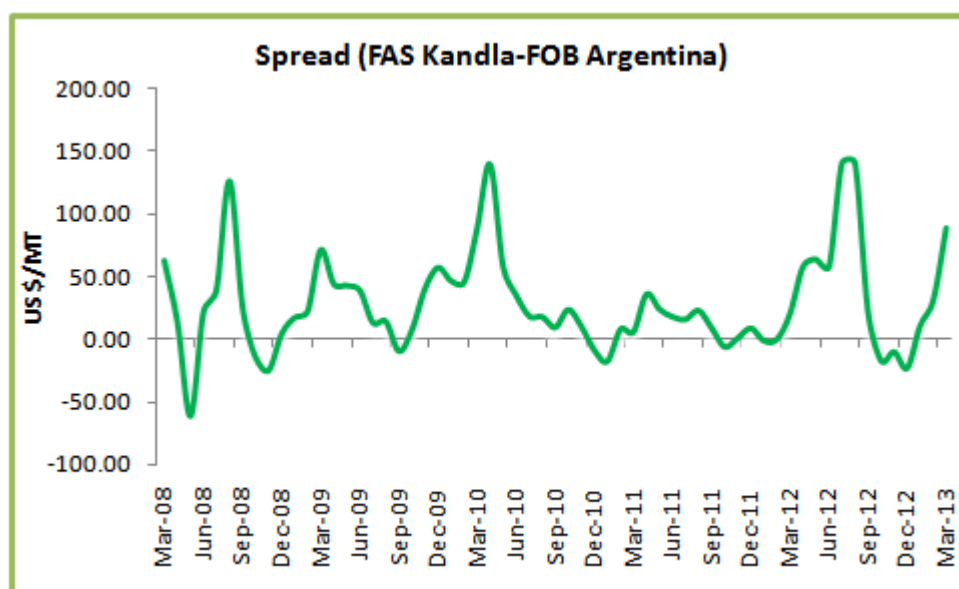
India's soy meal prices are getting stiff competition from South American prices due to the commencement of soybean crop harvesting and improved crushings. Besides, the Brazilian port congestion is easing and this will boost the soy supplies.

As expected India's soy meal shipments have dwindled due to demand shift towards South America followed by competitive meal price of the region. However, preference of the meal of Indian origin mainly by the South-Eastern countries due to logistic and freight advance and demand for non-GMO meal will lend support to the domestic soy meal.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Apr-May) exports price, In the last week of March, FOR Kandla exports price was quoted between Rs 33,000-36,000/MT compared to 24,300-24,800/MT during the same period last year.



Indian soy meal have started facing stiff price competition from South American soy meal followed by peak supply period in Brazil with and likely harvest of Argentina in coming weeks. The Domestic meal prices are likely to feature range-bound movement with weak bias during the month.



*FAS, Kandla less FOB Argentina

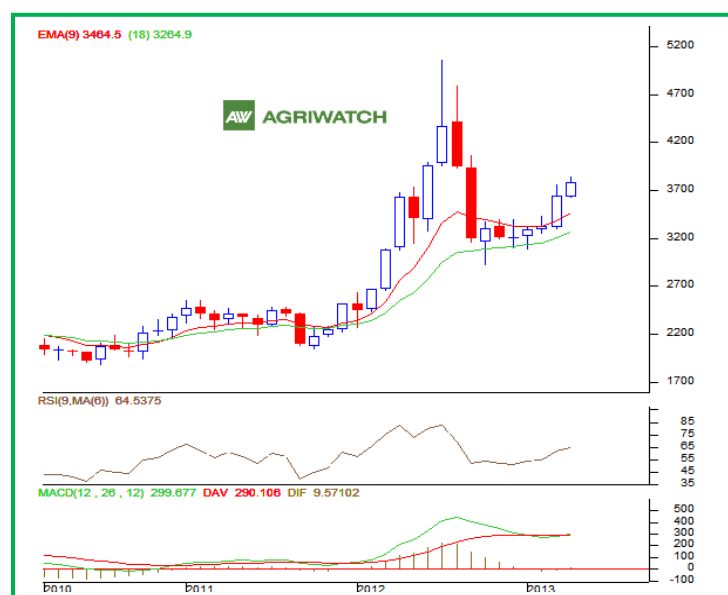
The average monthly soy meal price spread between FAS Kandla and FOB Argentina fell and recorded at US \$ 90/MT in Mar compared to US \$32/MT Feb which translates that the Argentine soy meal prices are getting competitive against Indian meal prices. *India's soy meal exports are at the optimum levels during the period, October thru January, at the considered spread between Indian vs Argentine meal price between US \$8/MT and US \$15/MT. (* Spread - FAS Kandla less FOB Argentina).*

Recommendation: FOR, Kandla was quoted between Rs 33,000- 34,000/MT towards the end of the month -Mar. The Indian meal exporters are advised to aggressively market their meal to the countries in vicinity including traditional South and Far-East Asian destinations. Indian soy meal have started facing stiff price competition from South American soy meal followed by commencement of Brazil's soybean harvest and likely harvest of Argentina in coming days. The Domestic meal prices are likely to feature range-bound movement with firm bias during the month with the fresh overseas and domestic demand. FOR, Kandla is expected to witness range bound movement with firm bias and witness **34,000-39,000 during Apr and early May.**

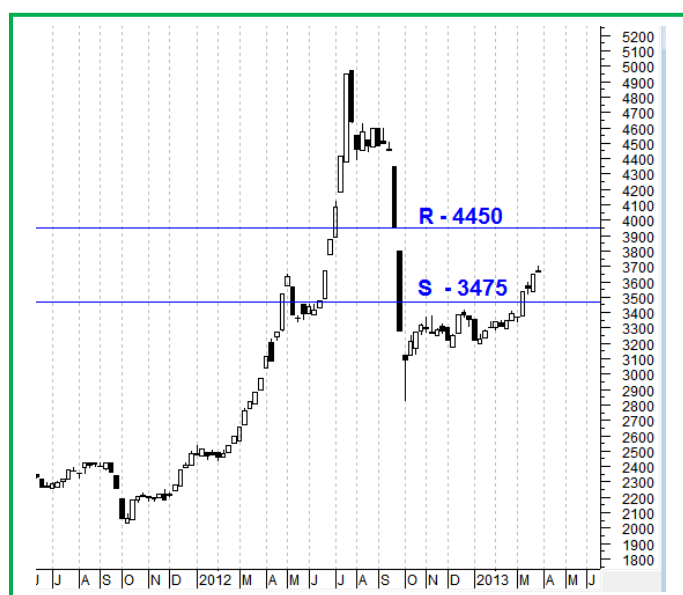
Soybean Crush Margin

Avg Crush Margin – Mar 2013	Avg Crush Margin Feb 2012	Avg Crush Margin – Mar 2012	Avg Crush Margin – Mar 2011
-484	-859	-606	-810

Technical Analysis: NCDEX Soybean Futures



Soybean Spot, Indore



*In Rs/MT

Supports & Resistances NCDEX May Soybean

S2	S1	PCP	R1	R2
3015	3320	3625.5	4041	4346

- The candlestick chart pattern – May points gain in the soybeans.
- Prices closed above 9-day and 18-day EMA, supporting the gains.
- RSI and stochastic are heading upwards in neutral zone. Indicating bullish momentum.
- MACD is rising in positive region.
- The soybean prices are expected to gain during the month.
- **Trade Recommendation (NCDEX Soybean - May) – 1 Month:** BUY between 3590–3610 levels. T1 – 3750; T2 - 3850; SL - 3525.

Trade Recommendation Soybean Spot: Prices are expected to feature range-bound movement with firm bias followed by weak domestic supplies and better buying in international market. The prices are likely to witness 3750-4000 levels (Indore, Plant basis) during the month.

Soybean harvesting in Brazil is underway and it is ahead historical average. Besides, harvest in Argentina is expected in April in sync with domestic mustard seed harvesting which may restrict the upside during April.

Rapeseed - Mustard Seed

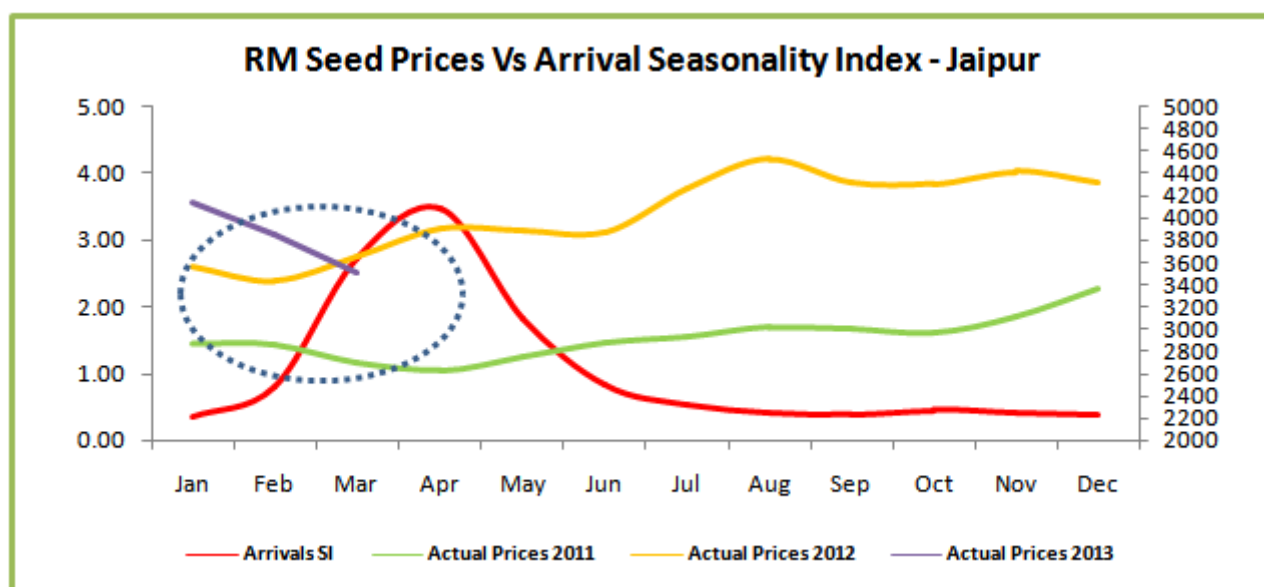
The mustard/rapeseed seed prices plunged on new crop supply pressure followed by harvesting in full swing. Besides, gradual fall in the Malaysian palm oil further pressured the domestic RM seed prices during the period in review.

The harvesting is in full swing in the major producing regions of Rajasthan, UP, MP, Haryana, Punjab and Gujarat, besides buying is likely to pick-up in near-term, which will push up the seed prices in April.

After Kota, the harvesting is in full swing in Alwar and Bharatpur districts of Rajasthan. It is under way in the Agra, UP. The All India arrivals in the seed improved to 6.2 lakh bags from 2.8 lakh bags initially in March.

Rajasthan alone is reportedly recording above 3.0 lakh bags, first week of April. The Rajasthan is expected to witness above 4.0 lakh bag during in April.

Expectations for lower end-March palm oil palm oil inventories in Malaysia, better Chinese buying in soybean will remain bullish factors and lend additional support to the domestic mustard seed, in the months ahead. However, rise in arrivals across the key market centers will limit the gains.

RM Seed Prices Vs Arrivals –Jaipur (Rajasthan)


The seed prices are expected to gain on active buying support.

RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Monthly Arrivals–Mar	1 Month Ago	Corresponding Period Last Year
48,85,000	16,94,000	66,70,000

The RM seed supplies improved in March compared February, however, they were reported than the corresponding period last year.

Balance Sheet – Rapeseed-Mustard Seed, India

Fig in MnT

Marketing Year (Mar-Feb)	2009-2010	2010-11	2011-12	2012-13	2013-14
Carry In	0.45	0.75	0.75	1.25	0.28
Production	6.2	6	7	6.5	7.95
Imports	0	0	0	0	0
Total Availability	6.65	6.75	7.75	7.75	8.23
Crush	5.9	6	6.5	7.47	8.07
Exports	0	0	0	0	0
Total Usage	5.9	6	6.5	7.47	8.07
Carry Out/Ending Stock	0.75	0.75	1.25	0.28	0.16
Monthly Use	0.49	0.50	0.54	0.62	0.67
Stock/Consumption Ratio	0.13	0.13	0.19	0.04	0.02
Stock to Month Use Ratio	1.53	1.50	2.31	0.45	0.24

Source: Agriwatch

- Our preliminary Projection for India's 2013/14 RM seed Outturn stands at 7.95 Mn T. The production has surpassed the previous season's production followed by higher yield potential with favourable weather for the crop.
- The carry-in stands at 0.28 Mn T which is lower than previous year figure, as crushings were lower in 2011/12. Besides, 2012/13 RM seed production declined as compared to 2011/12.
- We have revised the 2012/13 RM seed output upwards to 6.5 Mn T compared to 6.0 Mn T estimated in April 2012. However the 2012/13 production stood lower compared to 2011/12. Lower coverage in RM seed area by 7% in 2011/12, missing winter rains and frost damage hampered the productivity.

Technical Analysis: NCDEX RM Seed Futures



RM Seed Spot, Jaipur



Supports & Resistances NCDEX May RM Seed

S2	S1	PCP	R1	R2
3227	3313	3479	3651	3734

- Thought the RM seed could not sustain at higher levels but it closed above February's level in March.
- Prices closed below 9-day and 18-day EMA.
- MACD is easing in positive territory.
- RSI slightly and stochastic are heading upwards in neutral zone, supporting the gains.
- Trade Recommendation (NCDEX RM SEED – May) – 1 Month: BUY between 3450–3460 levels. T1 – 3550; T2 - 3580; SL - 3407.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot the RM seed prices are expected to remain under pressure in the first half of April, on harvesting pressure. However, it is likely to gain on active buying in the second half of April and witness 3500– 3700 levels during the month.

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