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Summary

Overall, the key feed ingredients prices witnessed firm sentiments during the week in review.

The domestic soybean edged-up on strong world soybean and palm oil market. Besides, fall in domestic soybean supplies in the key cash markets remained supportive for soybeans during the week in review. Tight supplies in palm oil and growing concern on the additional crop damage – palm in Malaysia, Indonesia and Thailand boosted the international palm and soybean along.

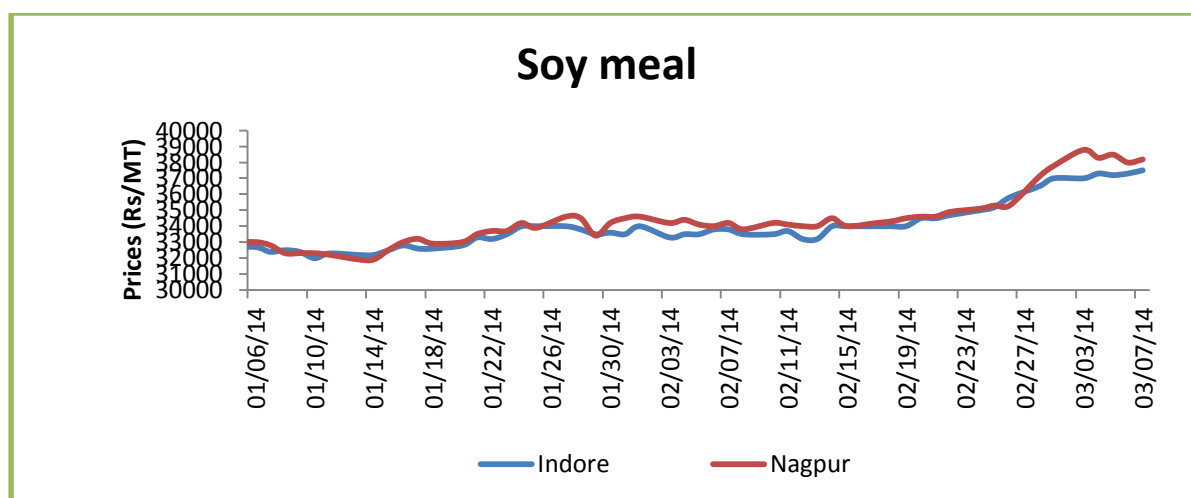
Besides, downward revision of South American soybean production estimates due to crop damage followed by dry weather in the region pushed up the international and domestic soybeans. Considerable crop loss in Brazil, Argentina, Uruguay and Paraguay reported in last couple of weeks. The CBOT soybeans continued its uptrend, consecutive 5th week, and May contract tested new highs (US \$14.45/bu) previous week.

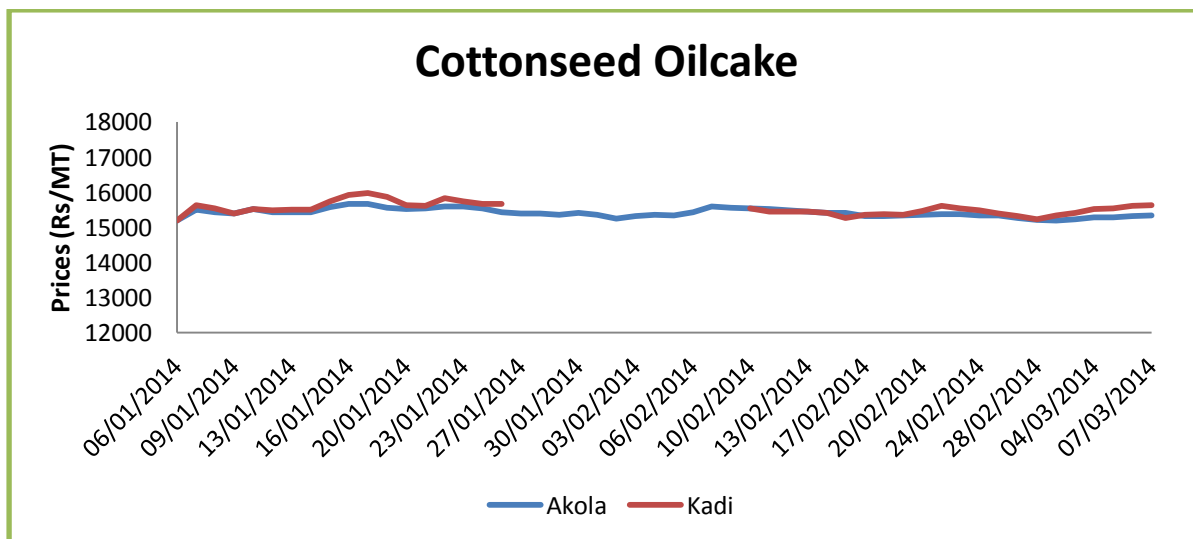
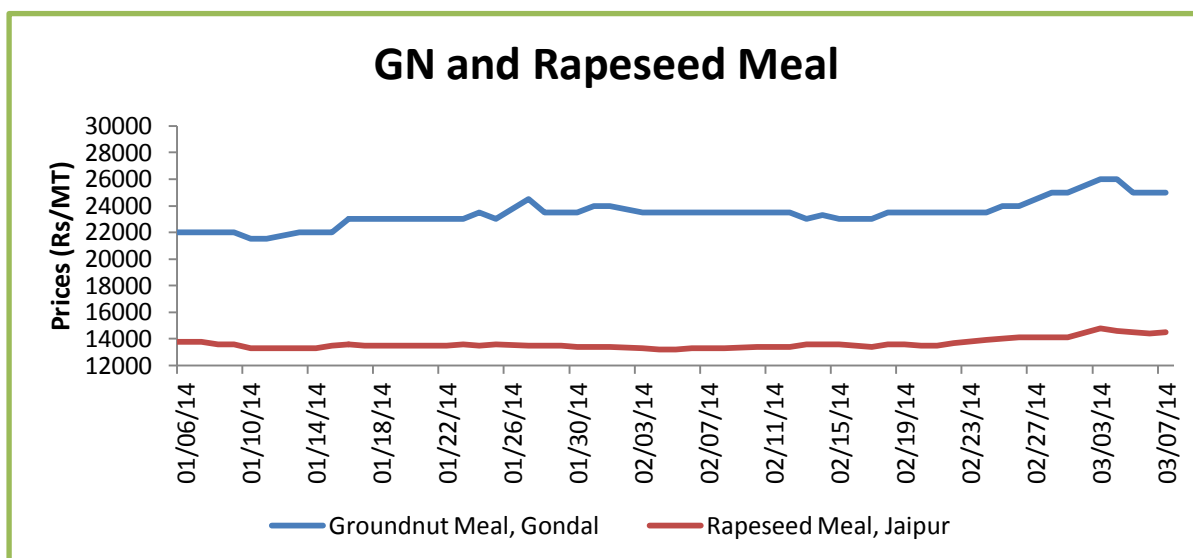
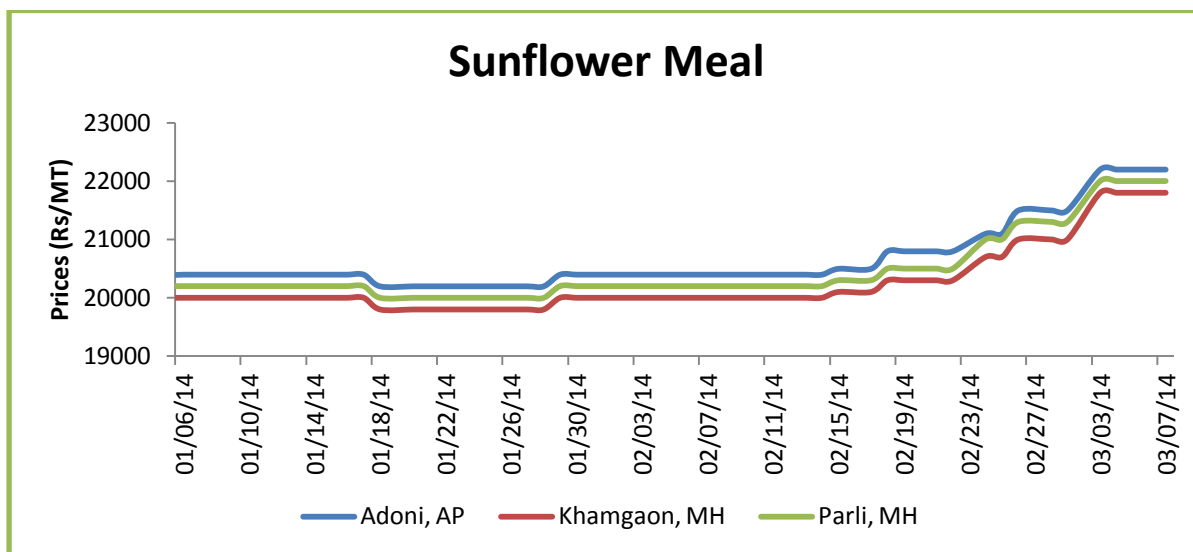
Soy meal prices posted gains along with soybeans supported by firm international soybean market. Besides, higher Malaysian palm oil attributed to dry weather in the palm growing region of South East Asia remained bullish for the oil meals including soy meal.

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

We expect wheat cash market to trade steady to slightly firm due to crop loss and export demand. However in the medium term market is expected to trade weak.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean, soy meal and rapeseed/mustard continued upward move during the week in review. Bullish global oils and fats market followed by weather concern in soybean and palm growing regions remained supportive for the market.

The domestic soybean edged-up on strong world soybean and palm oil market. Besides, fall in domestic soybean supplies in the key cash markets remained supportive for soybeans during the week in review. Tight supplies in palm oil and growing concern on the additional crop damage – palm in Malaysia, Indonesia and Thailand boosted the international palm and soybean along.

Besides, downward revision of South American soybean production estimates due to crop damage followed by dry weather in the region pushed up the international and domestic soybeans. Considerable crop loss in Brazil, Argentina, Uruguay and Paraguay reported in last couple of weeks. The CBOT soybeans continued its uptrend, consecutive 5th week, and May contract tested new highs (US \$14.45/bu) previous week.

However, domestic crushings are poor owing to the week soy meal export sales and higher imports in cheap vegoils in previous months. India's soy meal shipments fell by 68% in Feb 2014 compared to the same period last year.

The soybean prices are likely to remain strong in coming weeks due to the bullish international factors.

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Forward bookings and export commitments for India are quite weak as the major buyers have been placing their soy meal orders to Brazil and Argentina due to their price competitiveness.

India's oilmeal shipments fell 53% in Feb 2014 compared to the same period last year while soy meal exports declined by 68% in Feb 2014 compared to the corresponding period last year. Japan which stood at second position after Iran in buying soy meal of Indian origin slipped to 19th position in Feb.

India's shipment of soy meal during February, 2014 was 1.83 lac tons as compared to 5.77 lac tons in February, 2013 showing a decrease by 68.28% over the same period of last year.

This decline in the export is primarily due to lower arrival of soybean resulting the lower crushing.

On a financial year basis, the export during April'2013 to February'2014 is 26.09 lac tons as compared to 31.13 lac tons in the same period of previous year showing a decrease by 16.19%.

During current Oil year, (October - September), total exports during October'2013 to February'2014 are 17.32 lac tones as against 22.77 lac tones last year, showing a decrease by 23.94%.

Soy meal prices are expected feature firm tone on varied bullish factors hovering in the oils and fats market.

Domestic mustard seed extended on higher Malaysian palm oil and firm soybeans during the period. Besides, active buying by the stockists and crusher's remained supportive for the market during the week in review.

The RM seed harvesting is underway and it is gaining momentum with clear weather favorable for harvesting. Hence, the new crop supplies are gradually increasing, all India arrivals have just doubled in last one week and it has reached to 3.5 lakh bags a day compared to 1.6-1.8 lakh bags a day a week ago, which were just 80,000-90,000 bags initially in Feb.

Reports of soybean crop damage in Brazil and other parts of South America continued to lend support to the oilseeds including RM seed.

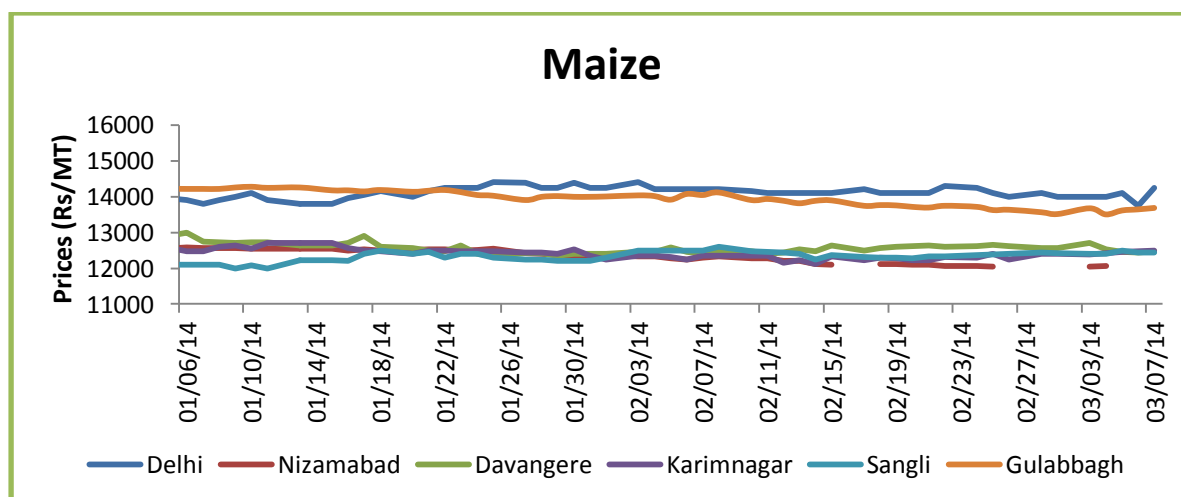
Further, severe dry weather in key palm growing parts of Malaysia, Indonesia and Thailand continued to push up the oils and fats markets leading BMD uptrend, thus supporting India's rapeseed/mustard seed market during the week. However, rise in mustard planted area this season by 6% limited the gains to some extent.

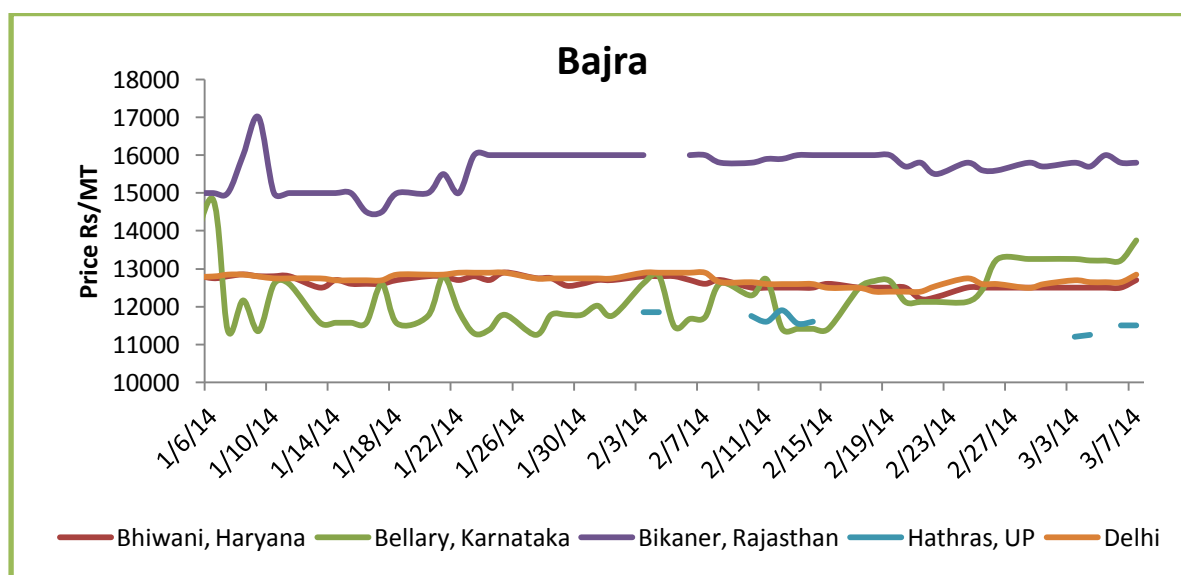
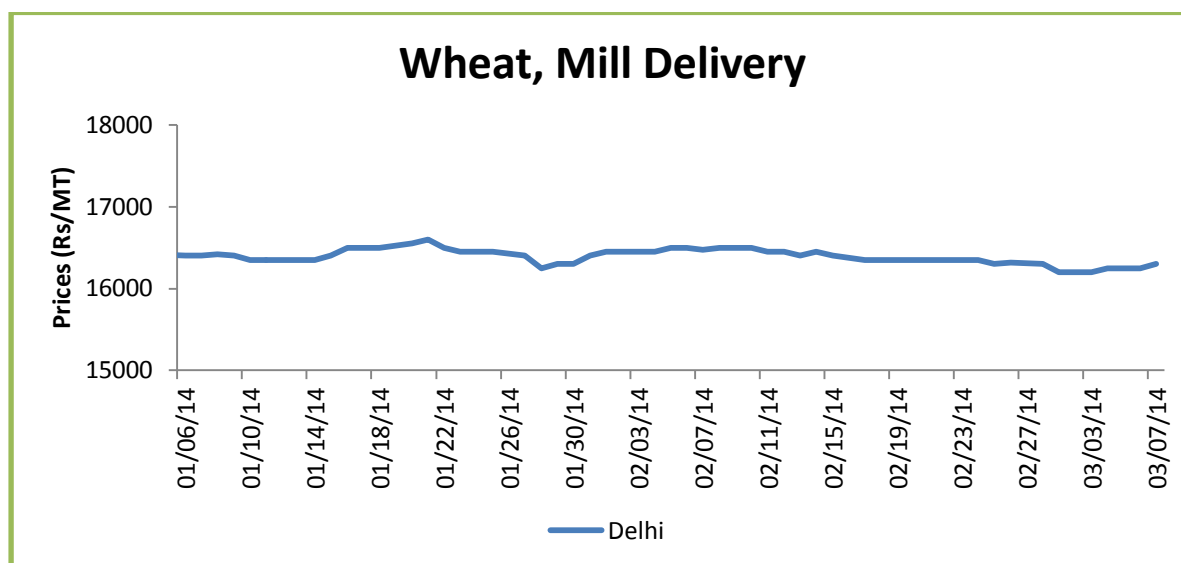
The seed prices are expected to feature short-term gains on bullish global factors.

Soybean crop damage in South America, bullish reports on palm oil inventories in Malaysia and dry weather in Malaysia, Indonesia and Thailand will continue to remain positive for the oil and fats markets.

However, higher imports in edible oils including palm, soy and sunflower oils in recent months and comfortable stocks remained bearish for the domestic oilseeds.

The oilseeds and meal prices are expected to featured range-bound movement with firm-bias in near-term.





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

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

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize steady in a range of Rs. 1300-1350 per quintal. Starch feed makers also quoted maize steady in a range of Rs.1300-1360 per quintal as compared to last week, sourced from Maharashtra.

However, in the Khanna market of Punjab, the maize was quoted down by Rs. 10 per quintal to Rs.1450 per quintal as compared to last week. On daily basis, arrivals of maize reported around 8-9 motors, sourced from Bihar and Himachal. Sources revealed that maize stock could be around 150-200 motors.

As per USDA, U.S accumulated corn export figures reached to 18,390,158 metric tons for the 2013-14 marketing year which is higher by ~95% from the last marketing year during the same period and up by 33% from the last week. Exports of 11,38,100 MT were reported by U.S. to South Korea (256,700 MT), Mexico (224,300 MT), Japan (190,600 MT), Egypt (135,000 MT), and Peru (83,300 MT) for the period Feb 21- Feb 27, 2014

As per Reuter, in imports, the EU cleared 346,000 tons of maize, putting this season's total at 8.9 million tons, against 8.0 million tons last year.

As per Reuter, Corn premiums at the Gulf firmed 5 cents, offered at 105 cents/bushel over Chicago Board of Trade futures for April/May shipment late Thursday as U.S. corn was the top choice for world buyers amid unrest in the Ukraine and a slowed South American harvest.

Informa Economics lowered its 2013/14 corn production estimate for Brazil to 65.45 million tons from 66.55 million tons previously estimated. However, firm left unchanged its corn production estimate for Argentina at 22.6 million tons.

The corn production in US is expected to be 353.7 million tons, around 29% higher compared to last year, a recent report from US Department of Agriculture (USDA) showed.

According to IBIS (provisional data), export of wheat in the month of February was 6.75 Lakh tones which is around 4% more than last year at the same month, which was 6.48 Lakh tones in February 2013.

Cash wheat market traded slightly firm during the week under review. Recent rains, hails storm in M.P. and expected delay in harvesting due to high moisture level in the field remain supportive for the wheat market fundamental in the short term.

Besides, there is a short supply of premium grade wheat in private hands. Major buyers like flour millers are completely dependent on govt.'s stock. With this back ground market is expected to trade steady to slightly firm in the current week.

Crop size this year is expected to touch record despite report of loss in Madhya Pradesh and Rajasthan. Area coverage has been revised down from 314.34 lakh ha to 306 lakh ha. against previous year(296 lakh ha.).Market expects production in the range of 94 to 95 million tonne this year against govt.'s estimate of around 96 million tonne.

Private trades are active in Gujarat and they are buying new wheat around Rs 1670 to Rs 1700 per qtl. for export purpose.As arrival is yet to pick up,price would come down in the weeks ahead. As export opportunity is still live with price increase in global market,more buying from private trade is expected.

There is a talk in the market that moisture level in the field has increased considerably and harvesting in both the states may be delayed by 15 to 20 days. This has helped market to sustain

near Rs 1550 to Rs 1570 per qtl. despite bumper production prospects. Higher offtake is expected from central pool stock in the month of March. However, overall sentiment remains bearish.

The Inflation of wheat has increased to 7.55% in the month of January as compare to 7.40% in the month of December. WPI has increased to 220.9 in January as compare to 220.5 in the month of December.

Glencore has won a tender to supply 50,000 tonnes of wheat to Bangladesh at \$303 a tonne including CIF liner out which could be sourced from India as it is competitive with rival supplies from the Black Sea region, as per trader.

International market is likely to trade steady to slightly firm due to recent loss. However in medium term market is expected to trade slightly down due to expectation of good wheat production.

Outlook

Feed prices are expected to trade steady to firm as feed ingredients prices traded firm during last week. Besides, increase in demand could also raise the prices.

Spreads

Maize Average Weekly spread with Bajra

Week	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14
1	106.0	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0	132.5	129.0
2	145.0	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	135.0	134.0	
3	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0	107.0	
4	86.0	-104.0	-49.0	120.00	124.00	190.00	230.0	207.5	153.0	145.0	134.0	
5		-72.0			132.00		234.0		152.0			

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

As the table depicts, in Delhi spot market, maize spread with bajra decreased as compared to last week as bajra traded firm vs. maize. Sources revealed that trend could continue in the near term and keep maize spread with bajra intact as compared to last week.

Maize Average Weekly spread with Jowar

Week	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14
1	265.0	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0	318.0	269.0
2	322.0	133.0	146	175.00	295.00	402.00	366.0	492.0	460.0	317.0	293.0	
3	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	
4	205.0	0.83	229	250.00	334.00	327.00	368.0	450.0	446.0	320.0	245.0	
5		53.0			372.00		370.0		422.0			

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

As the table depicts, maize spread with jowar traded firm as jowar traded down during last week. We expect that jowar could trade steady in the near term with the firm movement in maize and keep maize spread with jowar firm as compared to last week.

Maize Average Weekly spread with Wheat

Week	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14
1	-97	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0
2	-220	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0	
3	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	
4	76.0	-174	-82.50	- 105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	
5		-137			-66.0		-140.0		-131.0			

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

As the table depicts, maize spread with wheat increased during last week as maize traded firm vs. wheat. We expect that wheat could trade steady in the near term and keep maize spread with wheat firm as compared to last week.

Maize Average Weekly spread with Barley

Week	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14
1	327.5	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0	158.0	102.5
2	369.0	283.0	185.0	115.0	199.0	220.0	191.0	231.0	187.5	143.0	135.0	
3	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0	102.5	
4	314.0	151.0	147.5	185.0	270.0	197.0	158.0	189.2	171.0	170.0	143.0	
5		196.0			272.0		190.0		155.0			

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

As the table depicts, in Delhi spot market, maize spread with barley decreased as maize traded firm vs. barley. We expect that barley could trade steady in the near term and keep maize spread with barley firm 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)		
	7-March-14	28-Feb-14	Parity To
Indore (MP)	37000-37500	35900-36500	Gujarat, MP
Kota	37000-37500	35500-36200	Rajasthan, Del, Punjab, Haryana
Akola	37500	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	39000	37500	Andhra, Chattisgarh, Orissa, Jharkhand, WB

Nanded/Latur	38000	37000-37500	Andhra, AP, Kar ,TN
Dhulia/Jalna	38300	37700	Mumbai, Maharashtra
Nagpur (42/46)	38200	37100-37115	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	39300	38300	Local and South
Solapur	38000	37500	Local and South
Bundi	37500	35500	-

Soy DOC at Port

Centers	Port Price	
	7-March-14	28-Feb-14
Kandla (FOR) (INR/MT)	631	613
Kandla (FAS) (USD/MT)	38500	38031

International Soy DOC

Argentina FOB \$/MT	7-March-14	28-Feb-14	Change
Soybean Pellets	534	549	-15
Soybean Cake Meal	534	549	-15
Soybean Meal	542	557	-15
Soy Expellers	542	557	-15

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	7-March-14	28-Feb-14	Change
Adoni	22200	21500	+700
Khamgaon	21800	21000	+800
Parli	22000	21300	+700
Latur	22000	21000	+1000

Groundnut Meal

Groundnut Meal	7-March-14	28-Feb-14	Change
Basis 45% O&A, Saurashtra	27000	23500	+3500
Basis 40% O&A, Saurashtra	25000	23000	+2000
GN Cake, Gondal	25000	25000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	7-March-14	28-Feb-14	Change
Jaipur (Plant Delivery)	14500	14100	+400
Kandla (FOR)	15500	15200	+300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	7 March, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1415	1400	1410	1410	1480
Davangere	Bilty	1200	1200	1200	1200	1400
Nizamabad	Bilty	Closed	Closed	1250	1275	1310
Ahmedabad	Feed	1330	1300	1300	1260	1460
	Starch	1350	1360	1350	1270	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	N.A	203.41	239	N.A
Cost and Freight (Thailand)	N.A	258.41	298.5	N.A

Soy Meal Exports (In MT):

Month	2010	2011	2012	2013	2014
Jan	240318	574996	474993	620133	364443
Feb	220552	540360	344240	577589	
Mar	163666	410537	460464	320265	
Apr	60264	305033	313832	100311	
May	60575	176819	142588	97546	
Jun	98400	117600	180987	213564	
Jul	166632	139547	168341	107038	
Aug	176138	165510	10005	183555	
Sep	290868	225921	6525	173381	
Oct	404960	223594	49840	182724	
Nov	443488	397659	517103	503269	
Dec	611157	798041	510698	451314	
Total	2937018	4075617	2668918	3512217	364443

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>7-Mar-14</u>	<u>28-Feb-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1375	1280	95
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1810	1800	10
		White	Bellary	1465	1405	60
Maize	Karnataka	Yellow	Davangere	1150	1150	Unch
	Andhra Pradesh	Yellow	Nizamabad	1220	1225	-5
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2250	150
Soy meal	Madhya Pradesh	DOC	Indore	3750	3650	100
	Maharashtra	DOC	Sangli	3930	3830	100
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2220	2150	70
	Maharashtra	Ex-factory	Latur	2200	2100	100
Mustard	Rajasthan	Plant delivery	Jaipur	1450	1410	40
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2500	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1534	1522	12
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1563	1521	42

Note: Prices Rs./qtl.

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