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Summary

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

The soybean prices hovered around the previous week's level in the absence of fresh buying and the market was looking for the news.

The soybean supplies further declined in the key physical markets after festive buying which got over the previous week. The soybean arrivals were already lower with the fall in crushers' demand and gradual shift in mustard seed crushing which is now in full swing with the new crop supplies.

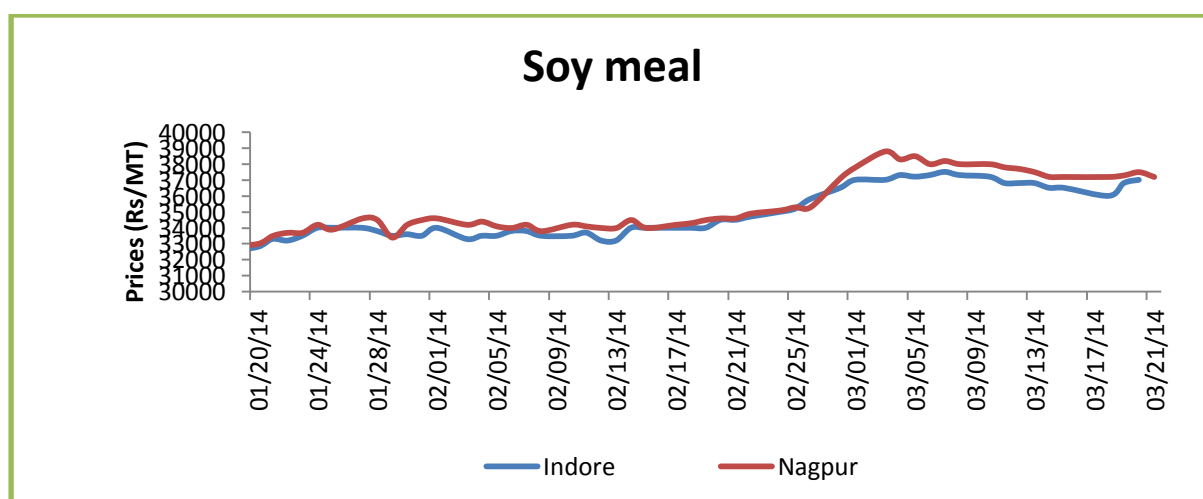
Overall, the soybean prices are at the higher levels with the underlying bullish fundamentals. Severe dry weather in Malaysia, Indonesia and Thailand has hit the palm production which will eventually lower the palm oil production in near-term.

The soybean prices are expected to feature range-bound movement and hover around the current levels during the week.

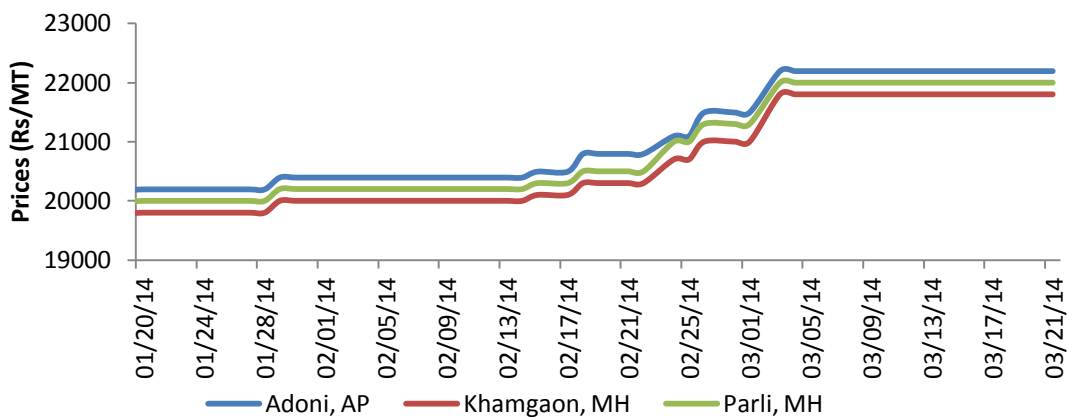
Soy meal extended losses on weak export sales and widening disparity on crushing soybeans. India's soy meal shipments declined by 68% in Feb 2014 compared to the corresponding period last year.

Mixed sentiments witnessed in most of the major spot markets of maize during last week. However, Key spot wheat mill delivery prices traded steady to moderately weak due to arrival of the new crop.

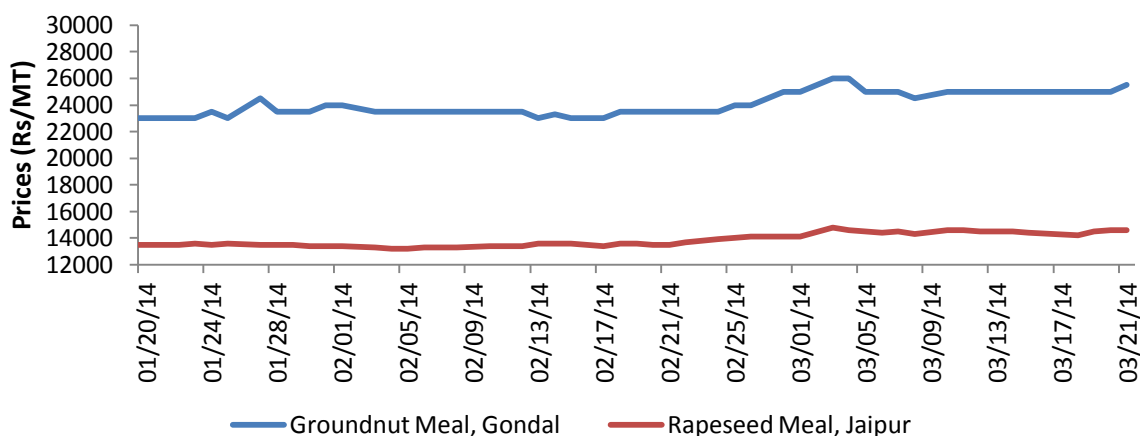
Trend – Raw Material, Feed



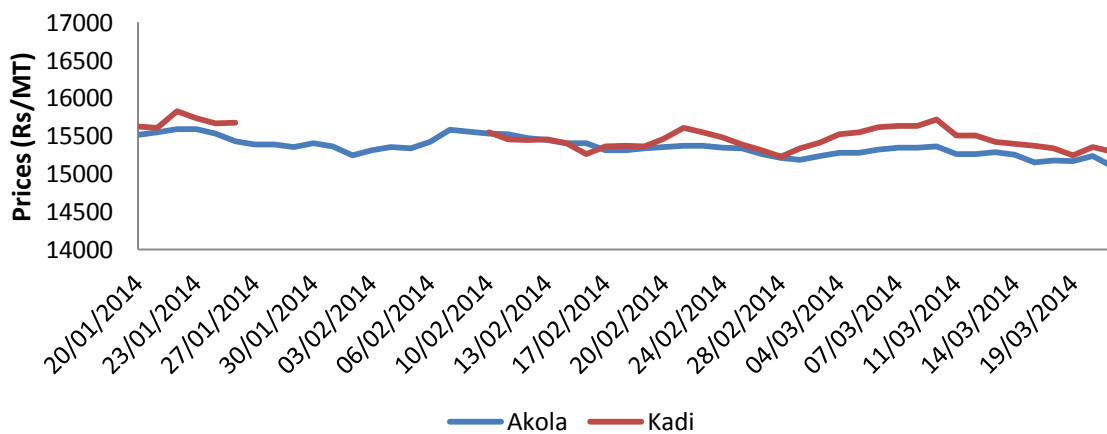
Sunflower Meal



GN and Rapeseed Meal



Cottonseed Oilcake



Steady to weak sentiments featured in the domestic oilseeds and meal markets during the week in review.

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Soy meal extended losses on weak export sales and widening disparity on crushing soybeans. India's soy meal shipments declined by 68% in Feb 2014 compared to the corresponding period last year.

The domestic crush margin continues to be in negative and the disparity is currently quite wide making it solvent extractors unviable for crushing the seed.

Demand shift from major soy meal buyers to South America due to price competitiveness followed by rise in crushing with harvesting of the beans in progress in the region continued to remain bearish for the domestic soy meal.

Of the top 5 buyers (Iran, Japan, France, Korea and Thailand) of soy meal of Indian origin Japan and Thailand skid to 10th and 19th position from 2nd and 5th position in the month of February 2014.

Indian soy meal exports are unlikely to pick up in coming months due to demand diversion and the prices are expected to featured range-bound movement with weak-bias in near-term on likely lower soy meal shipments in days ahead.

Domestic mustard seed continued downward movement on supply pressure with harvesting of the seed in full swing across major grown states/region.

Besides, persistence of weakness in BMD CPO during the week pressured the domestic seed market.

The new crop supplies are continuously increasing, as expected; all India arrivals have reached to 4.50 - 4.95 lakh bags a day compared to 4.10 - 4.15 lakh bags a day a week ago.

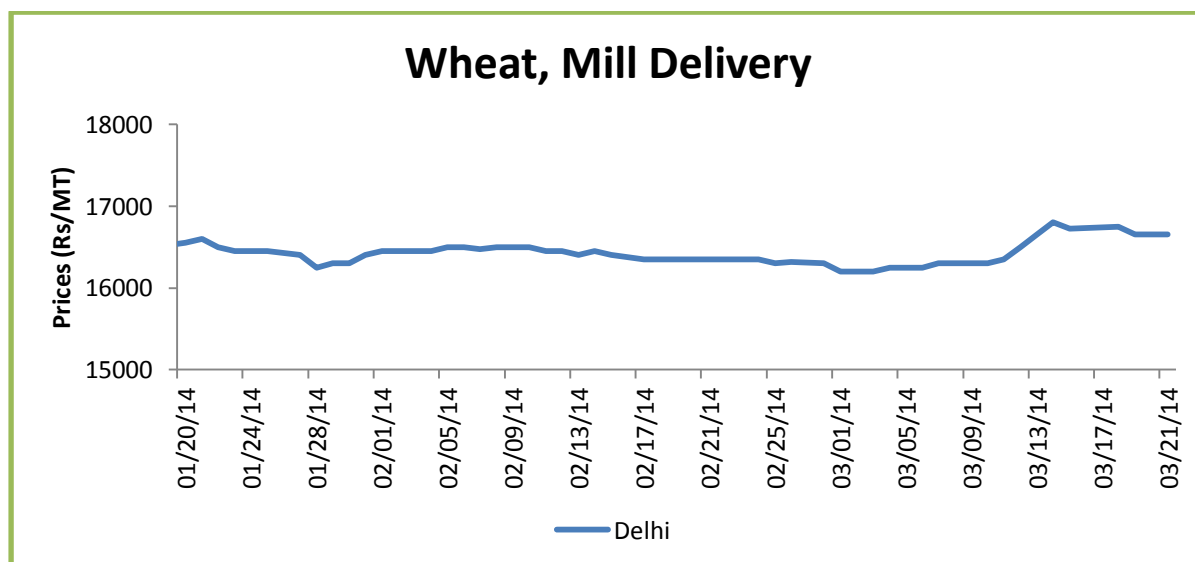
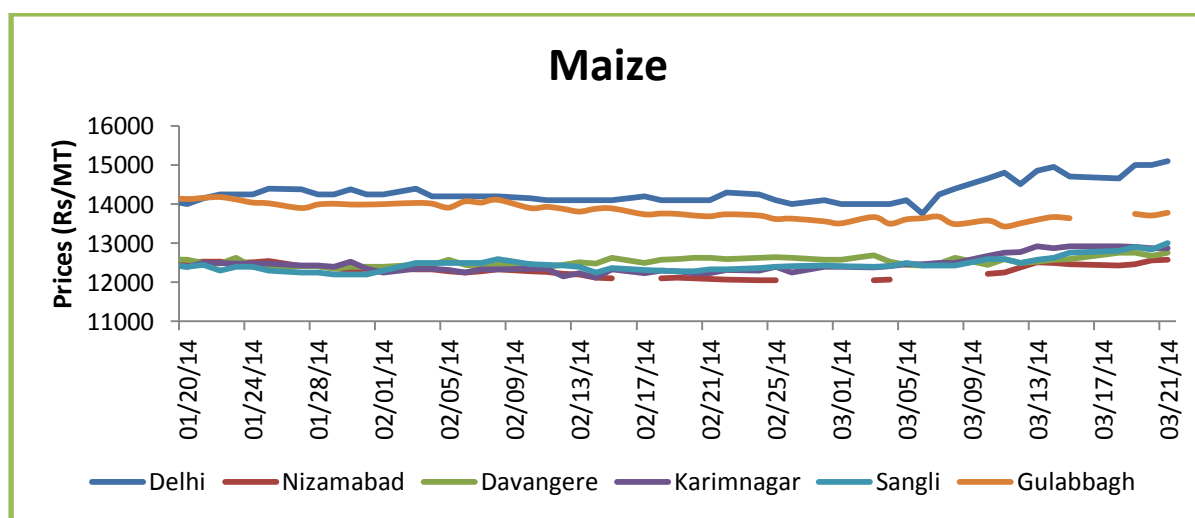
However, reports of severe dry weather in key palm growing parts of Malaysia, Indonesia and Thailand is likely to lend upward support to the Malaysian palm oil after the correction in BMD CPO gets factorized after short-term bearish fundamentals, which will eventually support India's rapeseed/mustard seed market in coming days.

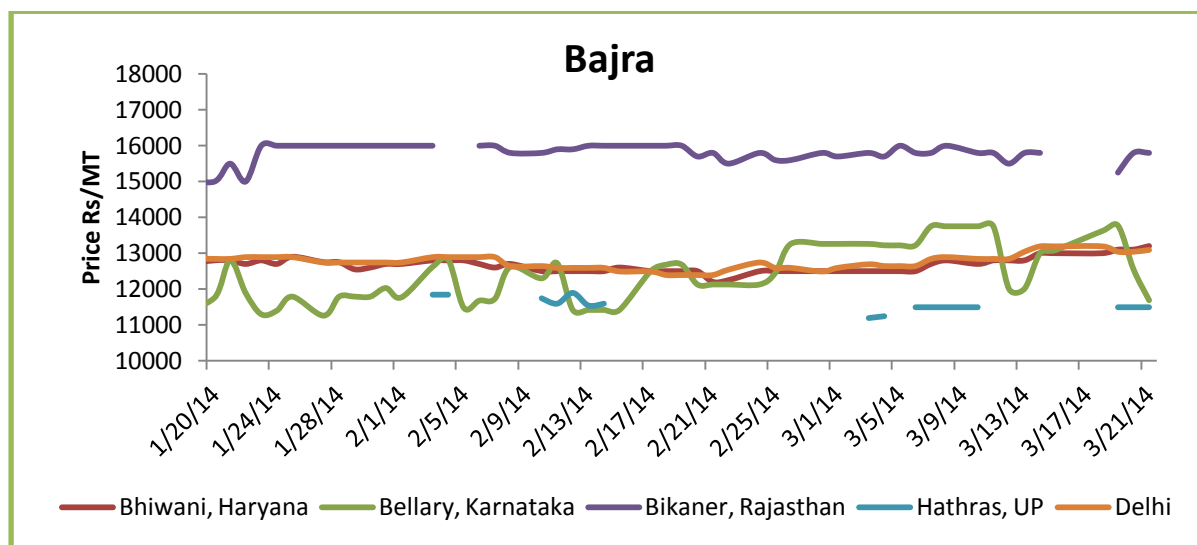
Active buying in the new seed by the solvent extractors and the stockists is expected to rebound and feature short-term gains on bullish underlying current.

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 estimates of global soybean production followed by record outturn in Brazil and Argentina despite crop losses will cap the gain in oilseeds.

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





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

Mixed sentiments witnessed in most of the major spot markets of maize during last week.

In Ahmadabad region of Gujarat, Poultry feed makers quoted maize firm by Rs. 20 per quintal in a range of Rs. 1310-1380 per quintal. Meanwhile, Starch feed makers quoted maize firm by Rs. 15 per quintal in a range of Rs.1320-1375 per quintal as compared to last week, sourced from Maharashtra.

However, in the Khanna market of Punjab, the maize was quoted steady at Rs.1450 per quintal as compared to last week. On daily basis, arrivals of maize reported around 6-7 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 20,167,712 metric tons for the 2013-14 marketing year which is higher by ~97% from the last marketing year during the same period and up by 2% from the last week. Exports of 927,100 MT were reported by U.S. to Colombia (219,200 MT), Japan (185,600 MT), Mexico (147,400 MT), South Korea (117,900 MT), Saudi Arabia (92,200 MT), and Peru (33,000 MT) for the period Mar 7- Mar 13, 2014

As per data from the General Administration of Customs, China's corn imports from the United States decreased sharply in February month to 205,776 tons from 641,843 tons in the January month. The decrease was due to Beijing's rejection of an unapproved genetically-modified (GMO) strain, but imports of non-GMO corn from Ukraine surged to 192,374 tons in February, bringing the country's total imports in the month to 479,758 tons. (Source: Reuter)

As per USDA, U.S. had shipped 314,900 tons of corn to Egypt for 2013/14, and had 889,000 tons on the books as of March 13.

Wheat export market remains favorable for India with ongoing issue between Russia and Ukraine. Besides, rough weather condition in US wheat growing plains and lower production estimate for

Australia support the global wheat market. Prices are likely to hover at current level for next 8 to 10 days.

Under current scenario prices of wheat in domestic market are bound to decrease as harvesting starts in major wheat producing states like Madhya Pradesh and Rajasthan. Harvesting in Gujarat is in full swing and supply in local market would increase by the first week of April. Harvesting in Punjab, Haryana and Uttar Pradesh is expected to be delayed by a week /or two due to recent rains. Higher moisture level in the field has delayed the maturity of the crop.

We see Indian wheat exports increasing as long as prices are above US\$ 260 per ton. As per latest market update Indonesian wheat mills are looking for 40,000 tons from India while another 50,000 ton Indian wheat tender was confirmed for April shipment to Bangladesh.

Indian wheat export to Saudi Arabia is also forecast to increase to 200,000 tons this year, up from 60,000 tons shipped last year. India was sitting on a wheat stock of around 21 million tons as on March this year. Harvesting is just to commence and India expects record production of Over 95 million ton this year.

As per by 2nd advance estimate , wheat production is likely to increase by 3.35 % to 95.60 Million Ton from target figure of 92.50 Million tons .However ,private trade estimate is around 96 Million Ton.

Wheat arrival in Gujarat has increased to 35000 bags per day and increasing. Private buyers are offering Rs 1710-1735 per quintal to farmers as quality of new crop is excellent.

Prices of FAQ variety in Delhi are hovering in the range of 1660-1670. Private millers and buyers are waiting for new crop as they could get wheat near MSP in the month of April.

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.

Indian exporters can get better price for wheat in the global market as demand for Indian wheat would increase in absence of Russia and Ukraine. However, if issues get settle between Russia and Ukraine wheat prices would decrease.

Private trade would remain active in Gujarat, M.P, and Rajasthan for premium grade as export opportunity is there. Market participants says that wheat quality is affected considerably in Madhya Pradesh and discoloured wheat would be used by millers. Actual loss is still being asseessed and the clear picture would emerge in a week or two.

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 as feed ingredients prices traded mixed during last week.

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	146.0
3	154.0	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0	107.0	141.0
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 increased as compared to last week as bajra traded firm vs. maize. We expect 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	342.0
3	320.0	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0
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 steady during last week. We expect that trend could continue in the near term 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	-109.0
3	-179	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0
4	76.0	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	
5		-137		105.00	-66.0		-140.0		-131.0			

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

As the table depicts, maize spread with wheat decreased during last week as wheat traded firm vs. maize during last week. We expect that wheat could trade down 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	137.0
3	383.0	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0	102.5	144.0
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 increased as barley traded steady during last week. We expect that trend could continue 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)		
	21-Feb-14	14-Feb-14	Parity To
Indore (MP)	34500	34000	Gujarat, MP
Kota	33200-33500	33000	Rajasthan, Del, Punjab, Haryana
Akola	34500	34300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	NA	NA	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	NA	34200	Andhra, AP, Kar, TN
Dhulia/Jalna	35800	35000	Mumbai, Maharashtra
Nagpur (42/46)	34600	34500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	35500	34500	Local and South
Solapur	NA	34200	Local and South
Bundi	33400	33000	-

Soy DOC at Port

Centers	Port Price	
	21-Feb-14	14-Feb-14
Kandla (FOR) (INR/MT)	586	570
Kandla (FAS) (USD/MT)	36400	35500

International Soy DOC

Argentina FOB \$/MT	20-Feb-14	13-Feb-14	Change
Soybean Pellets	545	549	-4
Soybean Cake Meal	545	549	-4
Soybean Meal	553	557	-4
Soy Expellers	553	557	-4

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	21-Feb-14	14-Feb-14	Change
Adoni	20800	20400	+400
Khamgaon	20300	20000	+300
Parli	20500	20200	+300
Latur	20400	20000	+400

Groundnut Meal

Groundnut Meal	21-Feb-14	14-Feb-14	Change
Basis 45% O&A, Saurashtra	24400	24300	+100
Basis 40% O&A, Saurashtra	22400	22300	+100
GN Cake, Gondal	23500	23300	+200

Mustard DOC/Meal

Mustard DOC/Meal	21-Feb-14	14-Feb-14	Change
Jaipur (Plant Delivery)	13500	13600	-100
Kandla (FOR)	14500	14700	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	21 March, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1460	1500	1350	1410	1515
Davangere	Bilty	1250	1230	1220	1210	1350
Nizamabad	Bilty	Closed	1260	1260	1275	1380
Ahmedabad	Feed	1350	1350	1325	1340	1450
	Starch	1375	1360	1350	1330	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	N.A	220.55	236.00	N.A
Cost and Freight (Thailand)	N.A	275.55	295.60	N.A

Soy Meal Exports (In MT):

<u>Month</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
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>21-Mar-14</u>	<u>14-Mar-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1321	1300	21
		Hybrid	Bangalore	1375	1375	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1625	1575	50
Maize	Karnataka	Yellow	Davangere	1200	1180	20
	Andhra Pradesh	Yellow	Nizamabad	Closed	1220	-
Rice	Haryana	IR8	Karnal	1900	1900	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3700	3650	50
	Maharashtra	DOC	Sangli	3800	3820	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2220	2220	Unch
	Maharashtra	Ex-factory	Latur	2200	2200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1460	1450	10
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2500	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1529	1539	-10
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1510	1525	-15

Note: Prices Rs./ qtl

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