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## Summary

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

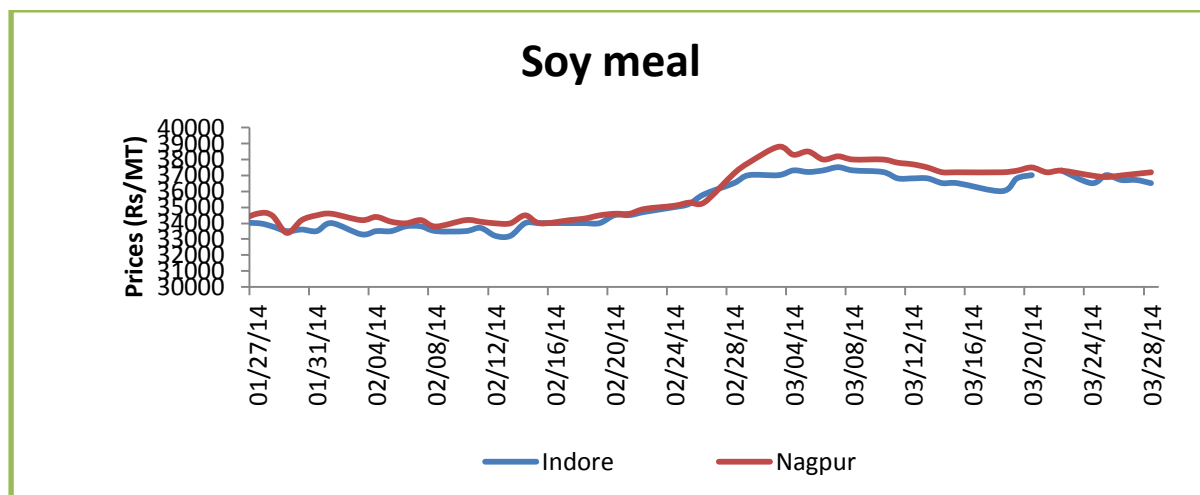
The soybean prices slightly gained on need based buying and gains in international benchmark CBOT soybeans during the week in review.

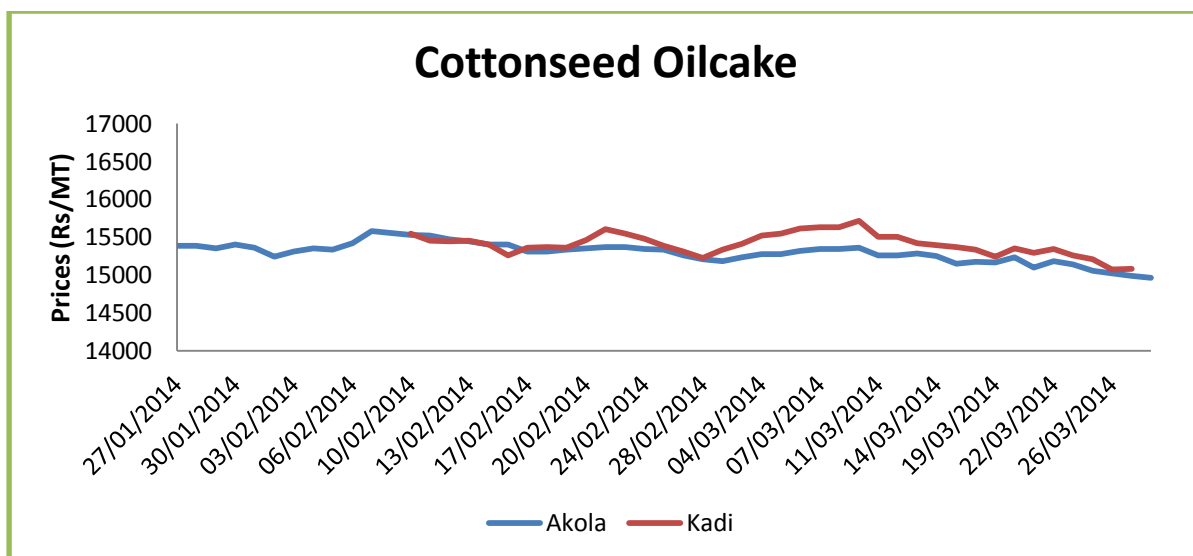
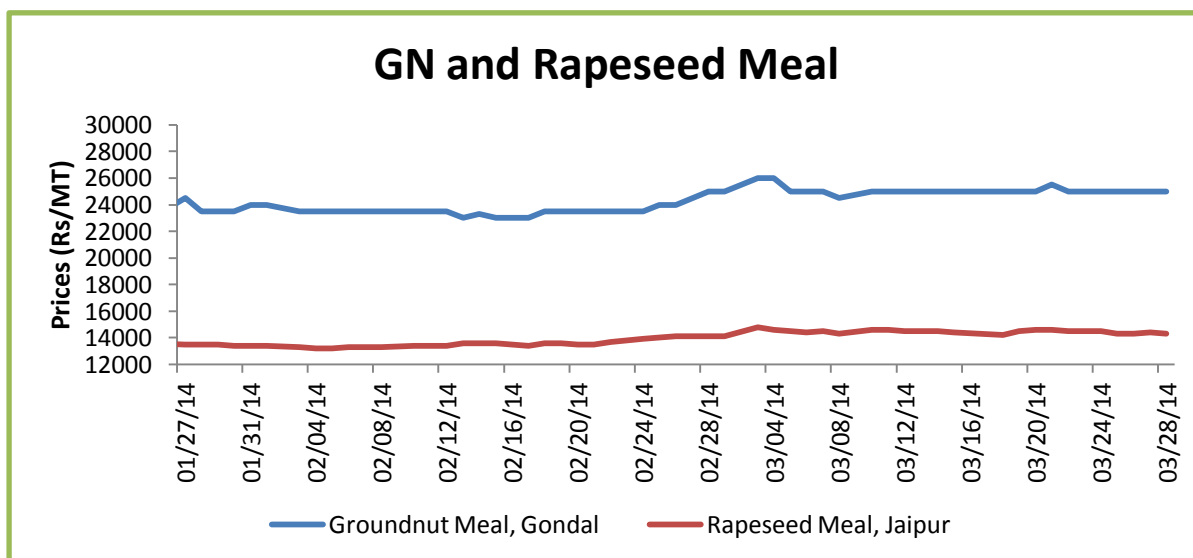
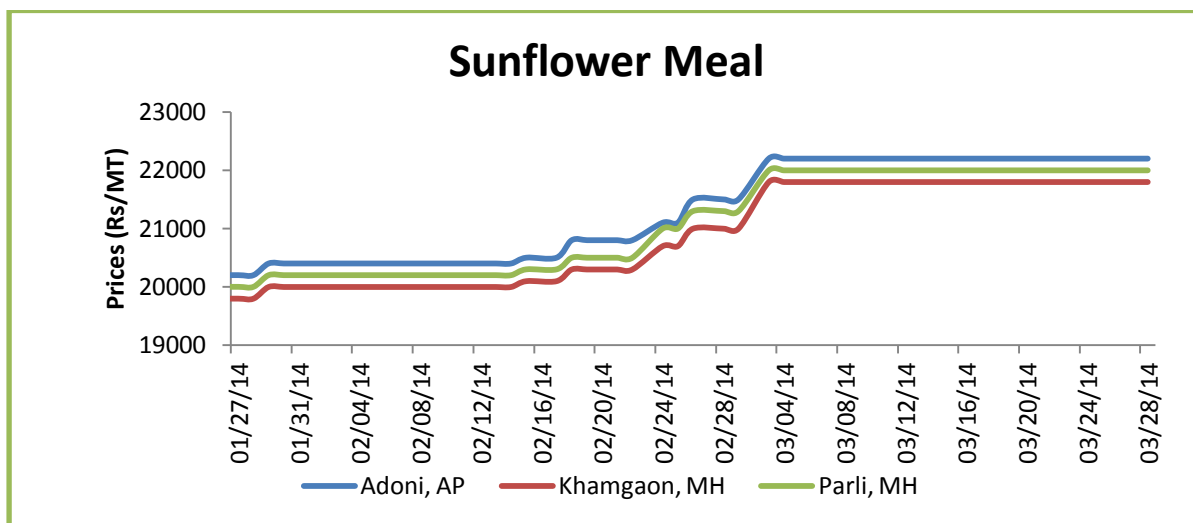
Soy meal witnessed gains in line with soybean on firm global cues. Concern over South American crop loss due to dry weather and bullish soy meal supply scenario remained supporting factor for domestic soy meal too. Besides, dry weather in palm producing regions of South-East Asia remained positive for the domestic oils and fats market.

However, India's soy meal shipment continued to be weak as a result of demand shift of major buyers to South America due to their competitive meal prices owing to increased availability in meal with new crop supplies and improved crushings.

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





Source: AgriWatch

The domestic soybean and meal edged-up tracking firm global cues while rapeseed/mustard seed fell on heavy arrival pressure during the week under review.

The soybean prices slightly gained on need based buying and gains in international benchmark CBOT soybeans during the week in review.

Both buyers and sellers are cautious and are not actively participating ahead finance year ending, the traders are busy maintaining their books.

The soybean crushing is lower due to the widening disparity, sluggish soy meal export sales and higher imports of edible oils in recent past.

The crushing units are running below their actual capacity at around 25-30% or just 8-10 days in month.

The soybean prices are expected to feature gains on expected fresh buying with active participation in the new fiscal year.

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However, India's soy meal shipment continued to be weak as a result of demand shift of major buyers to South America due to their competitive meal prices owing to increased availability in meal with new crop supplies and improved crushings.

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

Indian soy meal exports are unlikely to pick up in medium-term due to demand diversion while 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 price extended losses on heavy arrival pressure followed by harvesting of the seed in major growing region in full swing. Besides, weaknesses in Malaysian palm oil with slowdown in usage and exports from Malaysia and other key palm oil exporters in recent weeks remained bearish for the domestic seed.

India's mustard seed closely tracks Malaysian palm oil. However, tight supplies in palm oil along with dry weather in Malaysia, Thailand and Indonesia will limit the losses in domestic seed.

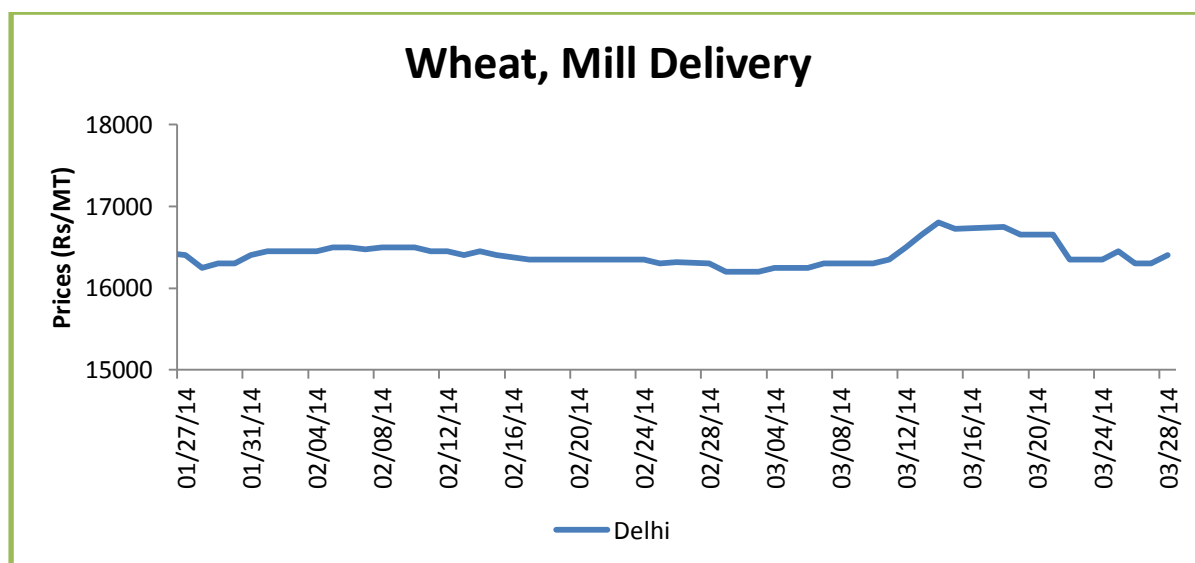
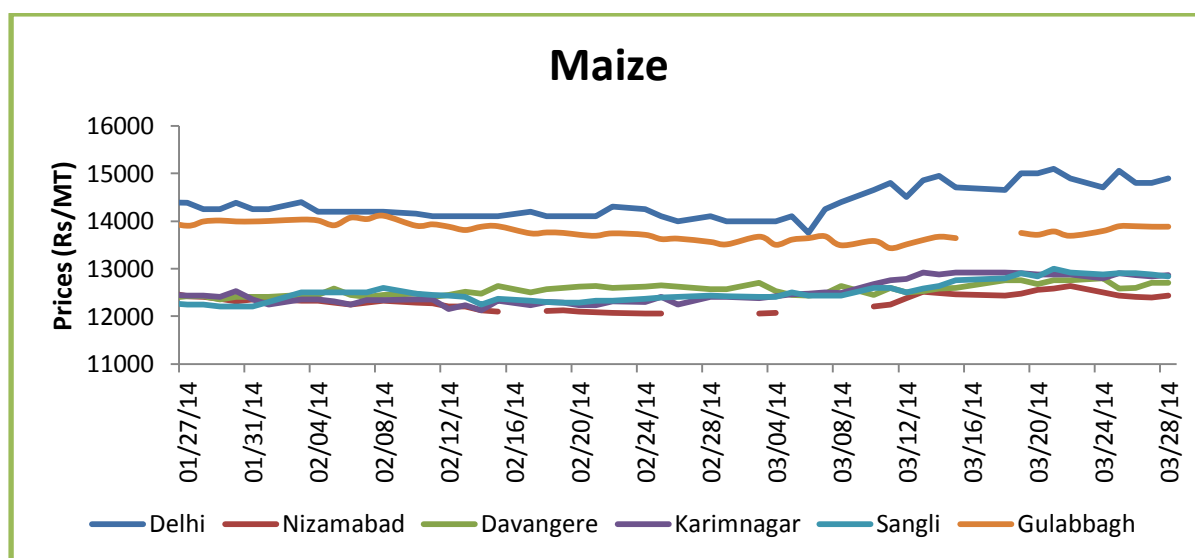
Besides, buyers and sellers were not actively participating in the market during the week due to finance year ending. We feel fresh and active buying from millers and stockiest will revive within a week.

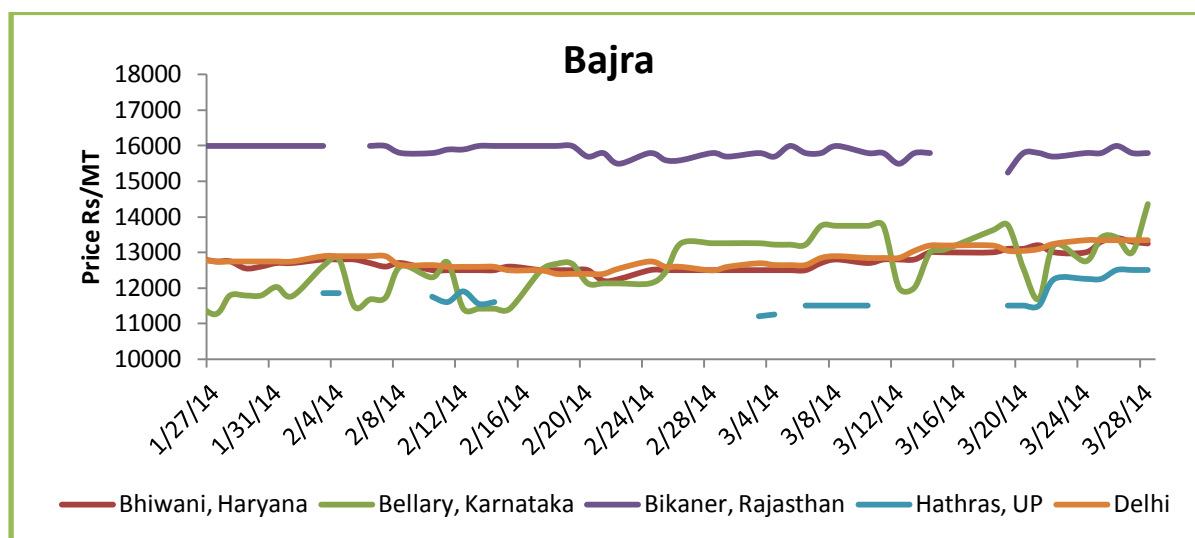
However, the seed prices will remain under pressure due to heavy arrivals in the seed but likely active buying by the solvent extractors and stockists will limit the losses in near-term.

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 down by Rs. 20 per quintal in a range of Rs. 1300-1360 per quintal while starch feed makers quoted maize steady in a range of Rs.1330-1375 per quintal as compared to last week, sourced from Maharashtra.

In the Khanna market of Punjab, the maize quotes remained 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. Sources revealed that maize stock could be around 150 motors.

As per USDA, U.S accumulated corn export figures reached to 21,397,714 metric tons for the 2013-14 marketing year which is higher by ~100% from the last marketing year during the same period and 33% from the last week. Exports of 1,230,002 MT were reported by U.S. to Mexico (353,200 MT), Japan (249,800 MT), Colombia (127,600 MT), Taiwan (79,400 MT), Venezuela (71,000 MT), and South Korea (63,100 MT) for the period Mar 14- Mar 20, 2014

Buenos Aires Grains Exchange raised its forecast for Argentina's 2013/14 corn harvest at 24 million tons due to good crop weather. (Source: Reuter)

As per report issued by a USDA attache in the Brazil, Brazil's 2013/14 corn crop is estimated at 72 million tons. Besides, the attache forecast 2014/15 corn production to fall 3 percent to 71 million tons, based on decreased area and a second ("safrinha") crop.

As per Reuter, Informa Economics cut its 2014 forecast for U.S. corn plantings by 0.29 million acres to 93.029 million acres.

As per Reuter, European traders told that Taiwan has bought about 150,000 tons of corn from multinational trading houses which was to be sourced from South Africa for June/July shipment.

As per Reuter, China has rejected total of 908,800 tons of U.S. corn since November after detecting an unapproved genetically- modified strain in shipments.

Wheat production is likely touch record level of 96.03 million ton this year (2013-14) despite considerable loss of crop in parts of Madhya Pradesh and Rajasthan. The main reason for higher production is attributed to higher area coverage and favorable weather throughout the season except the second fortnight of February when heavy rains fall and hails storm affected the quality of grains adversely.

Carry out includes private stock of 1 to 1.5 million ton. Thus production would be 1.29 percent higher than last year. However, temperature in March remains crucial for late sowed crop in Uttar Pradesh and Bihar. Abnormal rise in temperature may affect the grain size and has potential to downgrade the final size of the crop in both the states.

With 24.04 million ton carryout total availability for 2014-15 marketing year would be around 120.67 million ton against the total usage of 94 million ton including export. Carryout for next season would increase from 24.64 million ton to 26.67 million ton, an increase of 8.23 percent. This implies sufficient supply throughout the season.

Export quantity has been downgraded to 6 million ton as favourable condition for Indian wheat in the global market is unlikely to continue in the third quarter with expected arrivals in Black Sea Region from June onward. Australian crop too would start hitting the market from October and it may pressurize wheat prices in the global market.

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 10days.

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.

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	155.0
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 maize traded firm vs. bajra. 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	207.0
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 down as jowar traded firm vs. maize during last week. We expect that trend could continue in the near term and keep maize spread with jowar down 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	-26.0
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 increased as wheat traded down during last week. We expect that wheat could trade steady to firm in the near term and keep maize spread with wheat down 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	163.0
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 maize traded firm vs. barley 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)		
	28-Feb-14	21-Feb-14	Parity To
Indore (MP)	36500	34500	Gujarat, MP
Kota	36500	33200-33500	Rajasthan, Del, Punjab, Haryana
Akola	37000	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	37800	NA	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	37300	NA	Andhra, AP, Kar, TN
Dhulia/Jalna	37600	35800	Mumbai, Maharashtra

Nagpur (42/46)	37200	34600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	38500	35500	Local and South
Solapur	38300	NA	Local and South
Bundi	36000	33400	-

#### Soy DOC at Port

Centers	Port Price	
	28-Feb-14	21-Feb-14
Kandla (FOR) (INR/MT)	641	586
Kandla (FAS) (USD/MT)	38538	36400

#### International Soy DOC

Argentina FOB \$/MT	28-Feb-14	21-Feb-14	Change
Soybean Pellets	518	526	-8
Soybean Cake Meal	518	526	-8
Soybean Meal	526	534	-8
Soy Expellers	526	534	-8

#### Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	28-Feb-14	21-Feb-14	Change
Adoni	22200	20800	+1400
Khamgaon	21800	20300	+1500
Parli	22000	20500	+1500
Latur	22000	20400	+1600

#### Groundnut Meal

Groundnut Meal	28-Feb-14	21-Feb-14	Change
Basis 45% O&A, Saurashtra	26000	24400	+1600
Basis 40% O&A, Saurashtra	24000	22400	+1600
GN Cake, Gondal	25000	23500	+1500

#### Mustard DOC/Meal

Mustard DOC/Meal	28-Feb-14	21-Feb-14	Change
Jaipur (Plant Delivery)	14300	13500	+800
Kandla (FOR)	15300	14500	+800

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	28 March, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1500	1460	1400	1420	1540
Davangere	Bilty	1250	1250	1200	1240	1370
Nizamabad	Bilty	1260	Closed	Closed	1275	1350
Ahmedabad	Feed	1320	1350	1300	1310	1450
	Starch	1370	1375	1360	1350	1510

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	221.26	219.3	231	239
Cost and Freight (Thailand)	271.26	274.3	291.1	274

#### 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	
<b>Total</b>	<b>2937018</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>364443</b>

**Feed Ingredient Prices at a Glance**

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>28-Mar-14</u>	<u>21-Mar-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1436	1169	267
		Hybrid	Bangalore	1375	1375	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1568	1573	-5
Maize	Karnataka	Yellow	Davangere	1200	1200	Unch
	Andhra Pradesh	Yellow	Nizamabad	1220	Closed	-
Rice	Haryana	IR8	Karnal	1950	1900	50
		Parmal Raw	Karnal	2250	2400	-150
Soy meal	Madhya Pradesh	DOC	Indore	3650	3700	-50
	Maharashtra	DOC	Sangli	3850	3800	50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2220	2220	Unch
	Maharashtra	Ex-factory	Latur	2200	2200	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1430	1460	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2550	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1509	1529	-20
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1496	1510	-14

**Note: Prices Rs. / qtl.**

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