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Summary

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

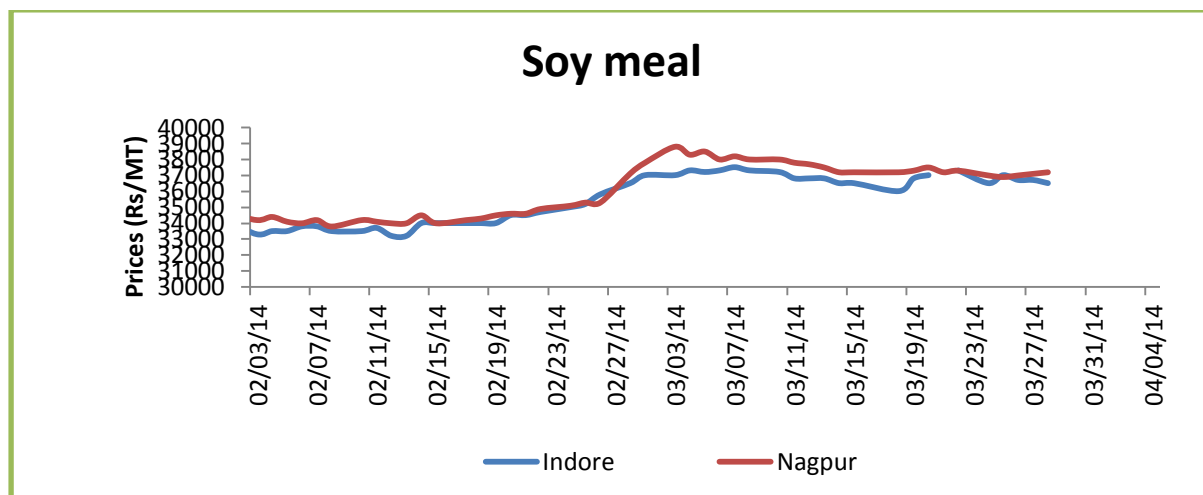
Domestic soybean extended gains on fall in supplies and steady buying and during the week review. The daily arrivals in the cash markets of Madhya Pradesh were in the range 20,000-65,000 bags in March compared to 0.25-1.5 lakh bags in Feb.

Higher international (CBOT) soybean remained supportive for the domestic market also, CBOT May contract testing fresh high at US \$14.91/bu on 01 April 2014.

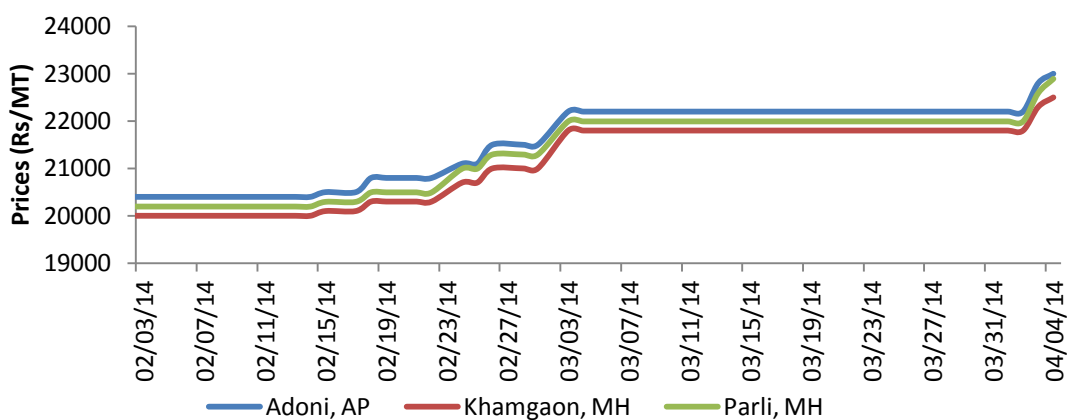
Soy meal prices edged-up in tandem with soybean on account of lower than expected supplies in bean and meal globally. Talks of possible El Nino this year is likely to hit the India's soybean crop in the upcoming crop season. If this turns out to be true, the phenomena will eventually lead in lower meal supplies and exports.

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

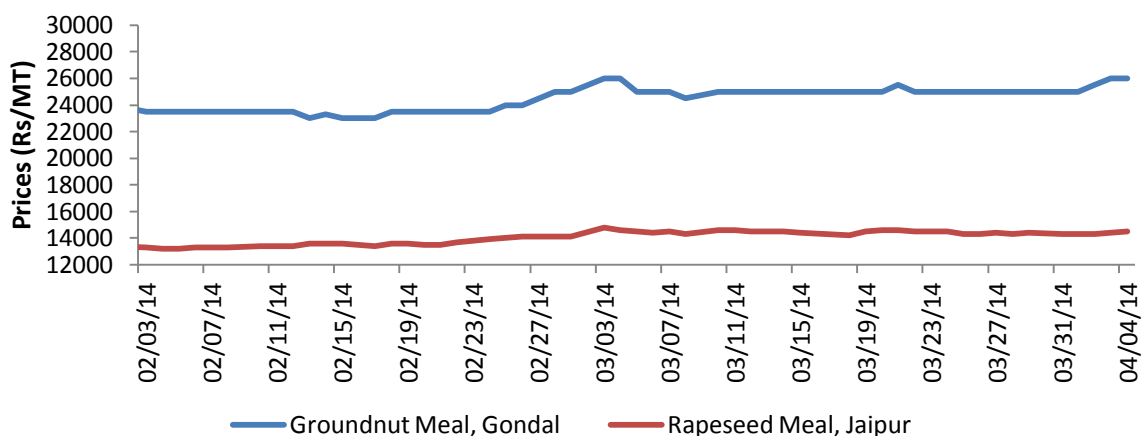
Trend – Raw Material, Feed



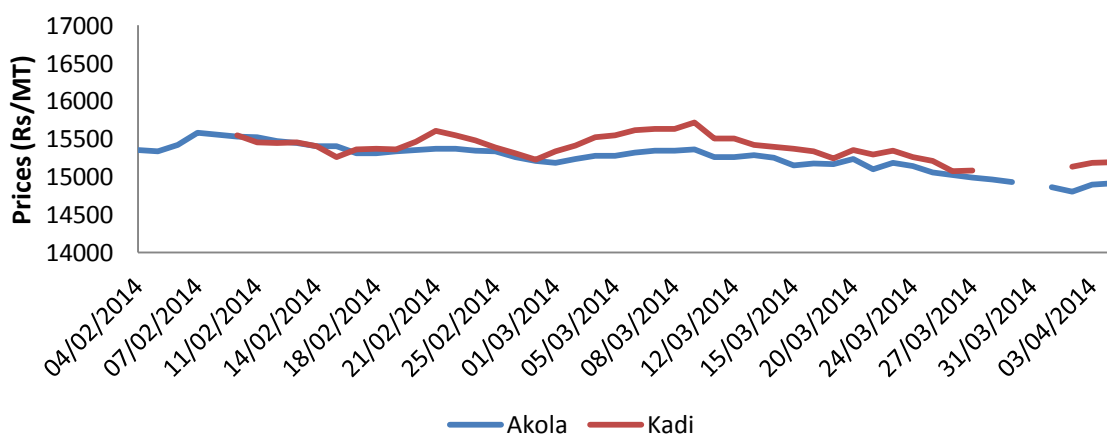
Sunflower Meal



GN and Rapeseed Meal



Cottonseed Oilcake



Source: AgriWatch

Soybean, soy meal and rapeseed/mustard witnessed gains on firm global cues during the week in review.

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Higher international (CBOT) soybean remained supportive for the domestic market also, CBOT May contract testing fresh high at US \$14.91/bu on 01 April 2014.

Though the domestic crush margin has slightly improved in Mar. as compared to Feb. but the disparity in crushing is still discouraging. The soybean crushing units in Madhya Pradesh are just able to operate 8-10 days a month due to inadequate supplies in beans and are running much below their crushing capacity.

In the upcoming weeks, the bean traders in major producing states of Madhya Pradesh, Maharashtra and Rajasthan will actively switch to wheat trading due to higher volume followed by wheat harvesting in full swing. Hence, dull trade in soybean is likely in coming weeks with weak supplies and lower crushings.

Reportedly, over 50% of the domestic produce is out from the farmers and stockists for crushing since Oct 2013.

Downward revision in soybean production estimate of South America by various leading grain analysts due to dry weather in recent weeks remained bullish for soybeans.

South America is not only affected from dry weather but also the South East Asian countries like Thailand, Malaysia and Indonesia are hit by the dry weather affecting the soybean and palm production, eventually leading to lower than expected oils and fats supplies in medium to long term. These factors along with lower domestic supplies continue to lend support to the soybean prices at higher levels and are likely to support in near to medium term too.

Soy meal prices edged-up in tandem with soybean on account of lower than expected supplies in bean and meal globally. Talks of possible El Nino this year is likely to hit the India's soybean crop in the upcoming crop season. If this turns out to be true, the phenomena will eventually lead in lower meal supplies and exports.

India's meal shipments this season (Oct-Sep) has already suffered due to poor quality and fall in overseas orders. Besides, the major soy buyers have shifted to South America due to price competitiveness followed by increased supplies with the start in new marketing season in the region.

However, the domestic meal demand is good and intact. India's demand for poultry products are likely to rise by at least 6% this year, according to NECC which will keep the meal demand intact at 3 MMT and thus prices this season.

However, the chances of improving India's meal exports in coming months are bleak as a result of demand shift/diversion to South America. The previous trend reveals that India's soy meal exports fall in upcoming months.

RM seed featured gains on active buying by the millers and the stockists in the first week of new finance year after dull trade previous week due to the end of finance year. The traders took fresh position in physical and futures market during the week.

The rapeseed harvesting in the major producing states of Rajasthan, Uttar Pradesh and Madhya Pradesh is in full swing (more than 80% done) and the seasonal supply pressure of the seed is mounting. In fact, they are currently at the peak.

The all India seed arrivals are reported at between 5.5 - 6.6 lakh bags towards the end March which was 1.25 – 1.95 lakh bags in Feb.

However, active buying is featured by the millers and the stockists across the key physical markets. Dry weather in Malaysia, Thailand and Indonesia and talks of possible El Nino this year are the bullish factors for Malaysian palm oil which will subsequently push up not only the palm oil prices but also the domestic RM seed.

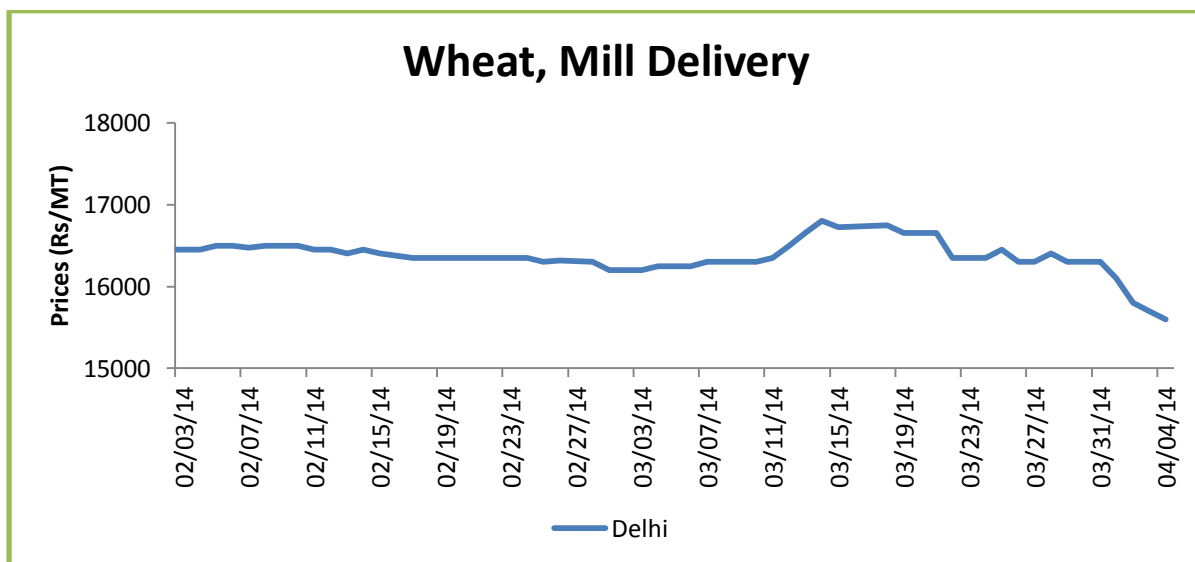
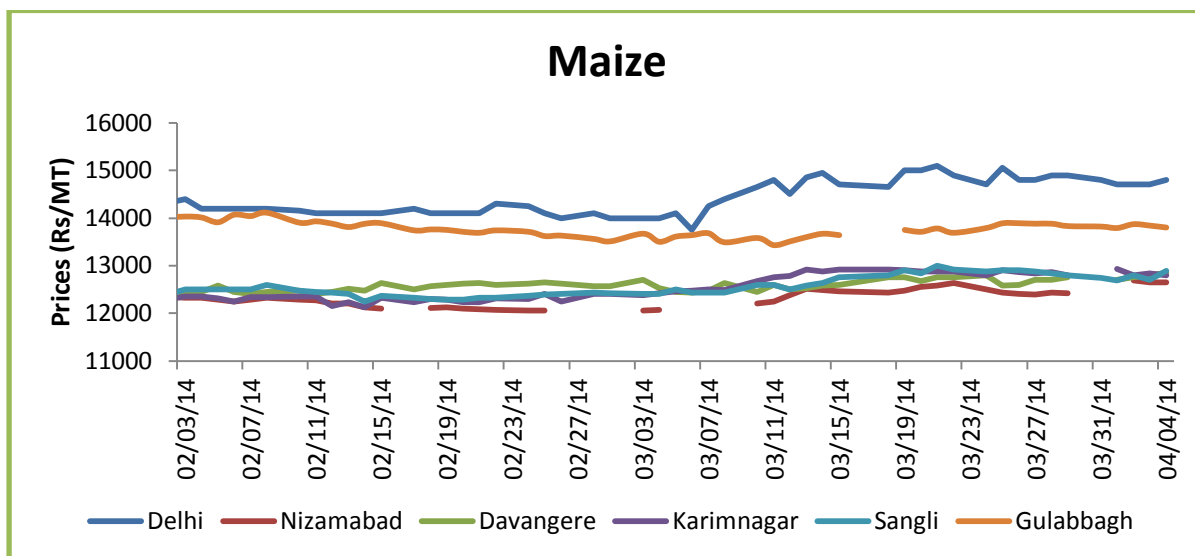
Indonesia increased its export tax for crude palm oil to 13.5 percent in April from 10.5 percent in March. Besides, Malaysia has raised its crude palm oil export tax for April to 5.5 percent, last month 5% in March. The upward revision will increase the landed cost of palm oil at Indian ports which is another bullish factor for domestic RM seed.

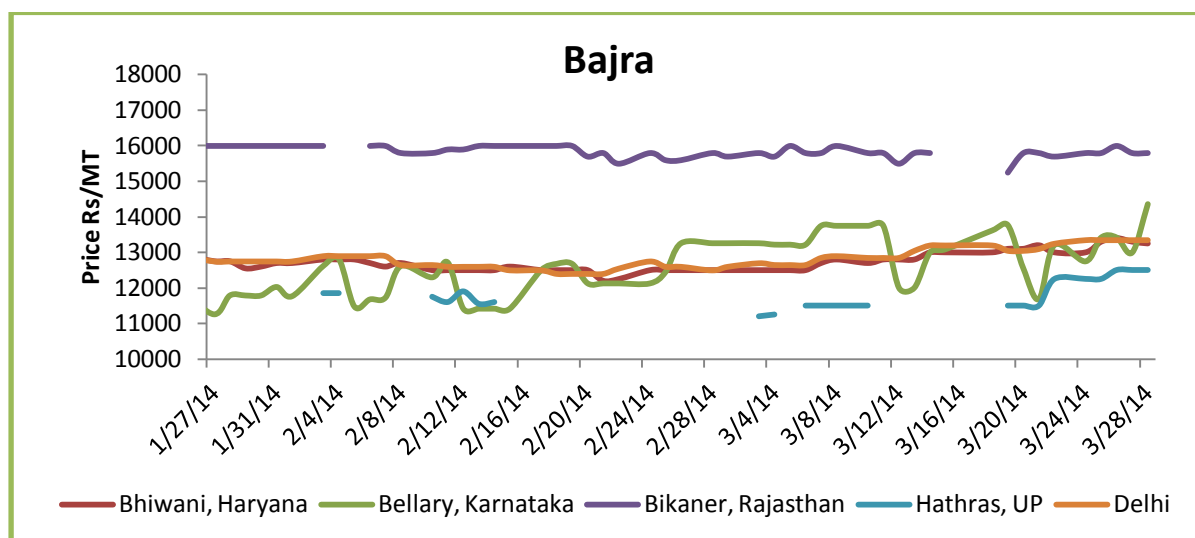
There are reports that the Ministry of Agriculture has suddenly revised the mustard sown area from its earlier figure in Mar at 71.36 lha to 66.29 lha which is even lower than last year's total sown area of 67.46 lha. Eventually, the RM seed production estimate will reduce this season and go below previous year's level.

We feel the RM seed prices to improve on better miller and stockist's buying in near to medium term.

Severe dry weather conditions in Malaysia, Indonesia and Thailand has raised the concern on the palm oil production in the region which further proved bullish for the international palm oil and subsequently on the domestic mustard seed.

However, rise in US and South American soybean production estimates, will be somewhat bearish for the oilseeds.





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. 30 per quintal in a range of Rs. 1300-1330 per quintal while starch feed makers quoted maize firm by Rs. 5 in a range of Rs.1320-1380 per quintal as compared to last week, sourced from Vadodara and Maharashtra.

In the Khanna market of Punjab, the maize quotes remained steady at Rs.1450 per quintal as compared to last 2 week. On daily basis, arrivals of maize reported around 9 motors, sourced from Bihar and Himachal. Sources revealed that maize stock could be around 125 motors.

Maize is moving towards Krishnapatnam at Rs. 1410 per quintal and Chennai at Rs. 1380 per quintal, sourced from Davangere.

Maize is expected to feature steady to weak tone in the near term as new crop arrivals are expected to arrive in the market soon.

As per USDA, U.S accumulated corn export figures reached to 22,798,364 metric tons for the 2013-14 marketing year which is higher by ~103% from the last marketing year during the same period and 16% from the last week. Exports of 1,425,700 MT were reported by U.S. to Japan (324,800 MT), Egypt (261,200 MT), Mexico (207,600 MT), Colombia (163,000 MT), South Korea (123,300 MT), Taiwan (74,400 MT), and Saudi Arabia (69,000 MT) for the period Mar 21- Mar 27, 2014.

As per Reuter, Informa Economics raised its estimate for Brazil's 2013/14 corn harvest to 68.0 million tons, from 65.45 million tons previously estimated, citing increased plantings of winter corn. It's raised its forecast for Argentina's 2013/14 corn crop to 23.0 million tons, from 22.6 million tons previously forecasted. Informa also raised its forecast for Ukraine's 2014/15 corn crop to 26.0 million tons, up 3 million tons from previously forecasted but down by 4.9 million tons from the 2013/14.

As per Reuter, European traders told that a group of Israeli private buyers has purchased about 35,000 tons of optional-origin corn at a premium of 135 cents a bushel c&f over the Chicago July corn contract, likely to be sourced from the United States or South America for May/June shipment.

As per Reuter, European traders told that the Taiwan Sugar Corp. has purchased 20,000 tons of U.S.-origin corn from Columbia Grain. Some 7,000 tons of the yellow corn was bought at the flat price of \$300.38 a ton c&f and 13,000 tons at the basis price of 253.50 cents a bushel over the Chicago July corn contract.

USDA reported totalled 7.006 billion bushels of corn as of March 1, 2014, up 30% from the last year but below the market expectations for 7.099 billion bushels. Of the total stocks, 3.86 billion bushels are stored on farms, up 45% from the last year. Off-farm stocks are at 3.15 billion bushels, up 15% from the last year. The December 2013 - February 2014 indicated disappearance is 3.45 billion bushels, compared with 2.63 billion bushels during the same period last year.

As per USDA, corn planting is forecasted to fall 4% to 91.7 million acres, the smallest area since 2010 and below the average trade forecast by 1 million as farmers switch to soybeans and other oilseeds crop this spring.

Wheat stock in central pool warehouses was registered at 17.83 million T on 01 April compared to 22.35 million T on 1st March 2014. The highest accumulated stock is in Punjab (7.00 million T) followed by Haryana (2.94 million Ton) and Madhya Pradesh (2.12 million ton) as on 01.04.2014.

Unexpected rains, accompanied by strong winds, in larger parts of Punjab and Haryana in the last week of March and the first day of April may affect quality of wheat. Standing crop has flattened and it may reduce yield. Wheat crop in districts like Ferozpur, Gurdaspur, Pathankot, Mohali, Tarn Taran in Punjab and Palwal, Yamunanagar in Haryana has flattened and more rains can adversely affect the yield and quality.

Lodging has taken place in several wheat fields at different places in Punjab because of rain and strong winds," an official of Punjab Agriculture department said. Lodging refers to term used to describe crop falling flat on the ground due to heavy rain and winds which causes yield loss in crop. Rains at this stage could have negative impact on early sowed crop.

Stronger INR, likely ban on wheat and non-basmati rice export from govt.'s stock would cut export quantity (around 20 to 25 percent collectively) of wheat and rice considerably this year despite attractive price in global market. Shortage of premium quality wheat (from M.P. & Rajasthan) may encourage wheat prices earlier than expectation. If global wheat market stays steady, export through private channel would continue. However volume would decrease.

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 favorable 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.

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	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14
1	71.00	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0	132.5	129.0	160.0
2	33.00	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	135.0	134.0	146.0	
3	-100.0	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0	107.0	141.0	
4	-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 decreased as compared to last week as bajra traded down 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	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14
1	171.0	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0	318.0	269.0	-101.0
2	133.0	146	175.00	295.00	402.00	366.0	492.0	460.0	317.0	293.0	342.0	
3	-23.0	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0	
4	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	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14
1	67	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0
2	32	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0	-109.0	
3	-140	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0	
4	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	
5	-137		105.00									

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

As the table depicts, maize spread with wheat decreased as wheat traded firm 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	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14
1	290.0	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0	158.0	102.5	180.0
2	283.0	185.0	115.0	199.0	220.0	191.0	231.0	187.5	143.0	135.0	137.0	
3	122.5	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0	102.5	144.0	
4	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 barley traded down vs. maize 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)		
	4-Apr-14	28-Mar-14	Parity To
Indore (MP)	38000-38300	36500	Gujarat, MP
Kota	38500	36500	Rajasthan, Del, Punjab, Haryana
Akola	39500	37600	Mumbai, Maharashtra
Hingoli	39000	37200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded/Latur	39500	37300	Andhra, AP, Kar ,TN
Dhulia/Jalna	39800	37800	-
Nagpur (42/46)	40500	38500	Local and South
Sangli	39500	38300	Local and South
Solapur	39500	37000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	39000	37800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB

Soy DOC at Port

Centers	Port Price	
	4-Apr-14	28-Mar-14
Kandla (FOR) (INR/MT)	655	641
Kandla (FAS) (USD/MT)	39500	38538

International Soy DOC

Argentina FOB \$/MT	3-Apr-14	28-Mar-14	Change
Soybean Pellets	515	518	-3
Soybean Cake Meal	515	518	-3
Soybean Meal	523	526	-3
Soy Expellers	523	526	-3

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	4-Apr-14	28-Mar-14	Change
Adoni	23000	22200	+800
Khamgaon	22500	21800	+700
Parli	22900	22000	+900
Latur	22800	22000	+800

Groundnut Meal

Groundnut Meal	4-Apr-14	28-Mar-14	Change
Basis 45% O&A, Saurashtra	27000	26000	+1000
Basis 40% O&A, Saurashtra	25000	24000	+1000
GN Cake, Gondal	26000	25000	+1000

Mustard DOC/Meal

Mustard DOC/Meal	4-Apr-14	28-Mar-14	Change
Jaipur (Plant Delivery)	14500	14300	+200
Kandla (FOR)	15600	15300	+300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	4 April, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1480	1500	1400	1420	1565
Davangere	Bilty	1250	1250	1200	1230	1350
Nizamabad	Bilty	1260	1260	1260	1250	1280
Ahmedabad	Feed	1310	1320	1350	1330	1430
	Starch	1380	1370	1360	1370	1500

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	221.85	223.7	234	238
Cost and Freight (Thailand)	271.85	278.7	294.3	273

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	183550
Mar	163666	410537	460464	320265	223204
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>4-Apr-14</u>	<u>28-Mar-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1414	1436	-22
		Hybrid	Bangalore	1515	1375	140
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1469	1568	-99
Maize	Karnataka	Yellow	Davangere	1200	1200	Unch
	Andhra Pradesh	Yellow	Nizamabad	1220	1220	Unch
Rice	Haryana	IR8	Karnal	1900	1950	-50
		Parmal Raw	Karnal	2400	2250	150
Soy meal	Madhya Pradesh	DOC	Indore	3830	3650	180
	Maharashtra	DOC	Sangli	4050	3850	200
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2220	80
	Maharashtra	Ex-factory	Latur	2280	2200	80
Mustard	Rajasthan	Plant delivery	Jaipur	1450	1430	20
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2500	100
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1519	1509	10
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1491	1496	-5

Note: Prices Rs. / qtl.

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