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Summary

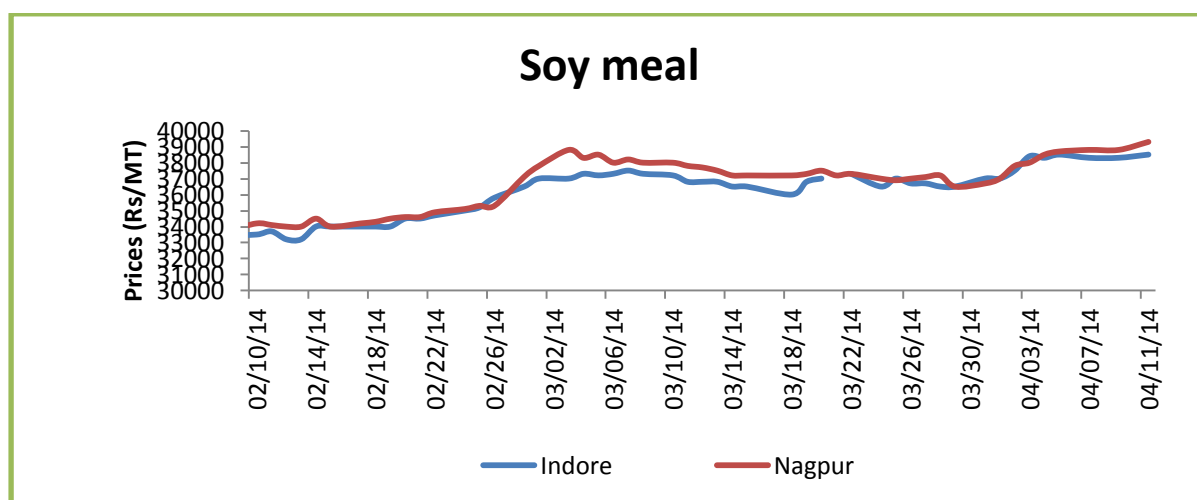
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

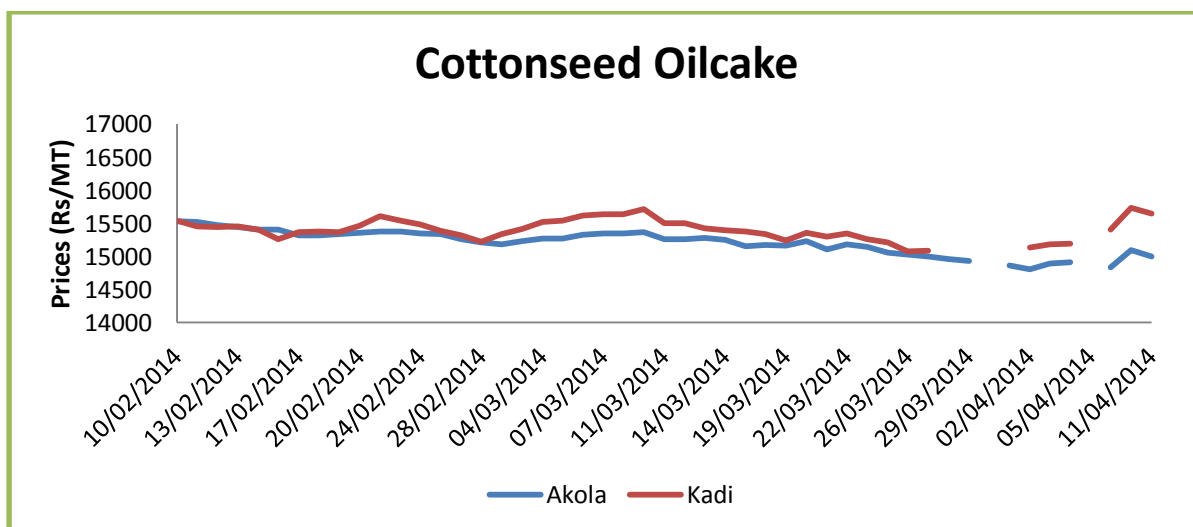
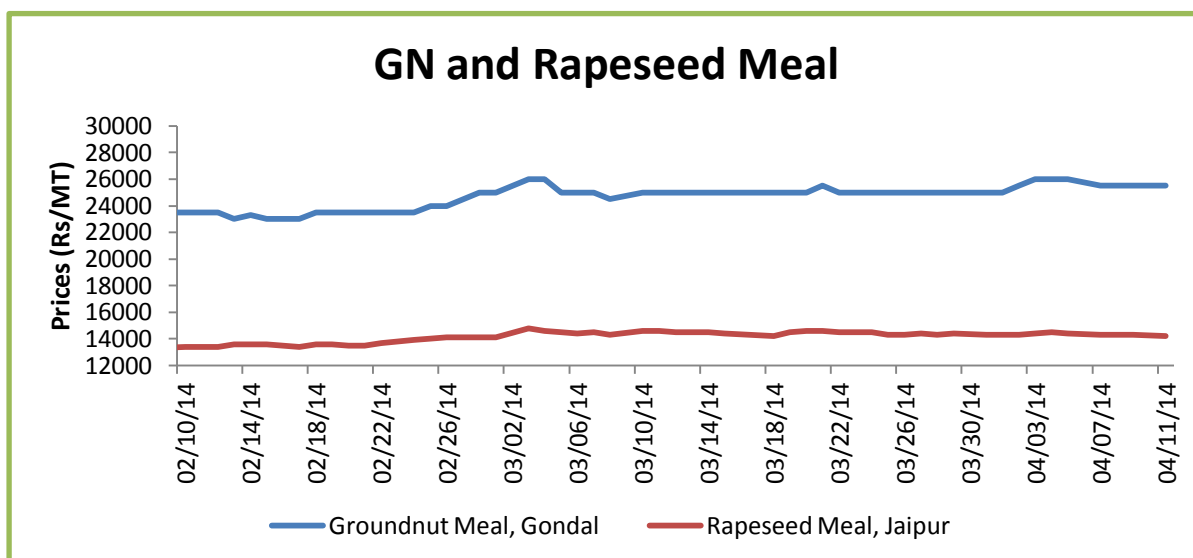
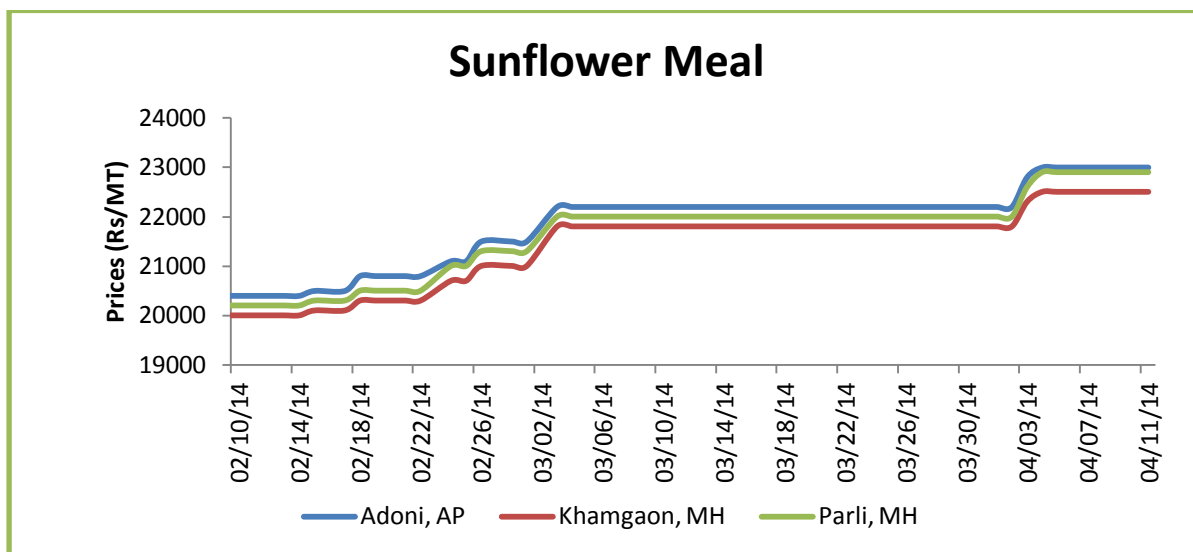
Domestic soybean continued upward trend on lower supplies and stronger benchmark CBOT soybeans in recent past. The bean supplies further declined in the key cash markets and it was reported between 25,000-40,000 bags a day during the week compared to 35,000-45,000 bags per day previous week in the physical markets of Madhya Pradesh.

Soy meal witnessed gain in sync with soybeans during the week in review. The domestic meal demand remained steady while lower crushings due to weak supply in beans has lead to fall in the availability in meal lending support to the prices at higher levels.

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





Source: AgriWatch

Soybean, soy meal posted gains on firm global factors while rapeseed/mustard declined on heavy arrivals pressure during the week in review.

Domestic soybean continued upward trend on lower supplies and stronger benchmark CBOT soybeans in recent past. The bean supplies further declined in the key cash markets and it was reported between 25,000-40,000 bags a day during the week compared to 35,000-45,000 bags per day previous week in the physical markets of Madhya Pradesh.

The domestic crush margin is discouraging as there is a persistent disparity in crushing the beans followed by lower soy meal export sales and comfortable edible oil stocks in domestic market. The crushing is slow paced and the crushing units in Madhya Pradesh are just able to operate for 8-10 days a month due to inadequate supplies in beans and are running much below their crushing capacity.

Over 50% of the domestic soybean produce is out in the market from the farmers and stockists for crushing since Oct 2013.

There is a concern over the availability of quality and certified seed for planting this kharif season especially in the state of Madhya Pradesh. This may hit the soybean yield of the upcoming season. The soybean planting in India begins in late June.

Spillover support from the stronger CBOT soybeans continued to lend support to the domestic beans, CBOT May contract tested fresh high at US \$ 15.12/bu on 09 April 2014. This is due to good buying by the major buyers. The harvesting in Argentina has commenced while it is over 80% done in Brazil.

Reduction in soybean production estimates of South America by various leading global grain analysts due to dry weather, and slash in its forecast for the 2013-14 soybeans carry over to 135 million bushels, down 10 million from last month by USDA, which was below an average of trade estimates of 139 million bushels and would be a 10-year low remain bullish factors for soybean.

Further, dry weather concern in Thailand, Indonesia and Malaysia and talks of possible El Nino in the region which will eventually hit the palm output and subsequently palm oil production continues to lend support to the soybean and palm oil prices at higher levels and are likely to support in near to medium term too.

However, reports of default of Chinese importers of least 500,000 tonnes of U.S. and Brazilian soybean, the biggest in a decade, and raise in the Malaysian palm oil inventory by 2% in Mar. pressured CBOT soybeans and RM seed during the week, to some extent.

Soy meal witnessed gain in sync with soybeans during the week in review. The domestic meal demand remained steady while lower crushings due to weak supply in beans has lead to fall in the availability in meal lending support to the prices at higher levels.

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 during the season remained weak primarily 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.

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.

India's Oilmeal shipments declined 9.8% to 4.33 million tonnes in 2013-14 in finance year ended March 31 2013.

India's Oilmeal shipments in March stood at 3.97 lakh tonnes compared to 4.30 lakh tonne during the same period last year, said SEA.

India's Soy meal exports, which constitute the bulk of oil meal exports, decreased by 27.50% to 2.32 Lac tonnes in March'14 from 3.20 Lac tonnes a year earlier.

The annual Soy meal exports in the financial year 2013-2014 (April-March) in terms of Quantity were 28,40,874.837 tonnes, decreased by 17.27 percent from 34,33,916.546 tonnes a year ago. In terms of value the total earning is Rs. 9,976.40 crores compared to Rs.10,192.91 crores in 2012-13 marginally down by 2.12%.

Partially, export of Soybean Meal suffered during first and fourth quarter due to poor availability of soybean and corresponding lower crushing.

During the first half of current Oil year (October - September), exports during October'13 to March'14 in terms of quantity were 19.65 Lac tonnes as against 25.97 Lac tonnes last year or a drop of 24.35%. In terms of value the total earning is Rs. 6,987.97 crores compared to Rs.7,602.67 crores in 2012-13 down by 8.08%.

The soy meal prices are expected to feature range-bound movement with firm bias and short-term.

RM seed edged-lower on heavy arrivals across the major cash markets during the period under review. The rapeseed harvesting in the major producing states of Rajasthan, Uttar Pradesh and Madhya Pradesh is underway and it is done over 80% and the seasonal supply pressure of the seed is mounting, they are currently at the peak.

The all India seed arrivals are reported at between 6.5 – 7.0 lakh bags during the week compared to 5.5 - 6.6 lakh bags previous week.

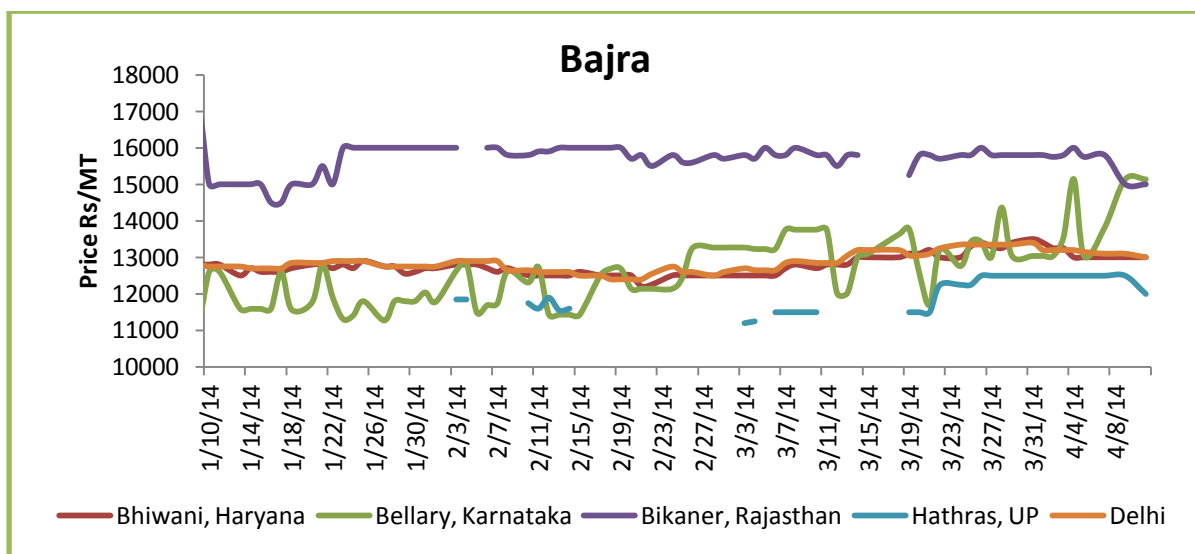
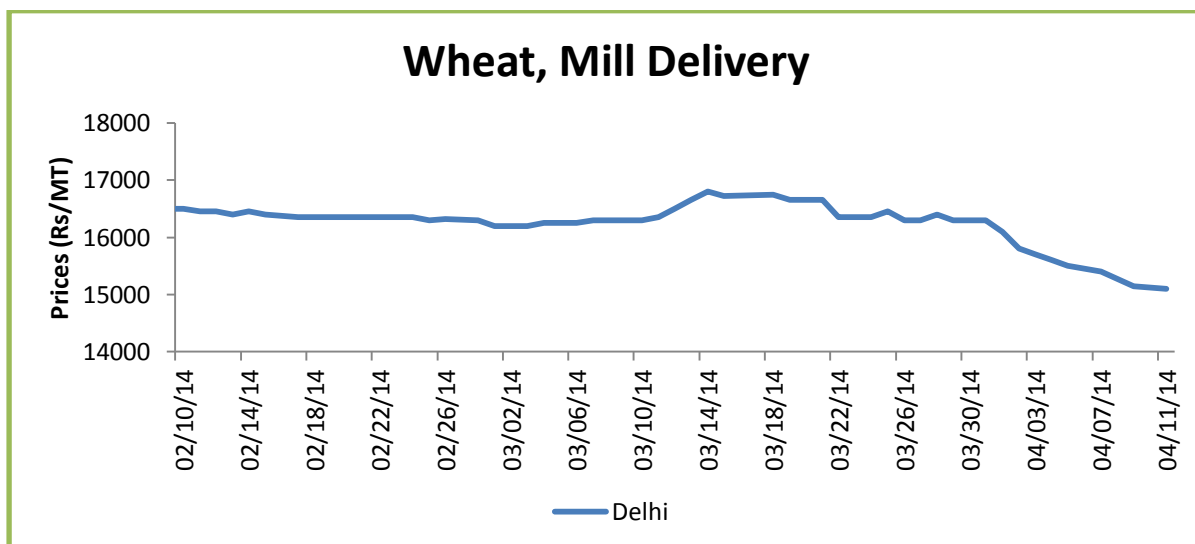
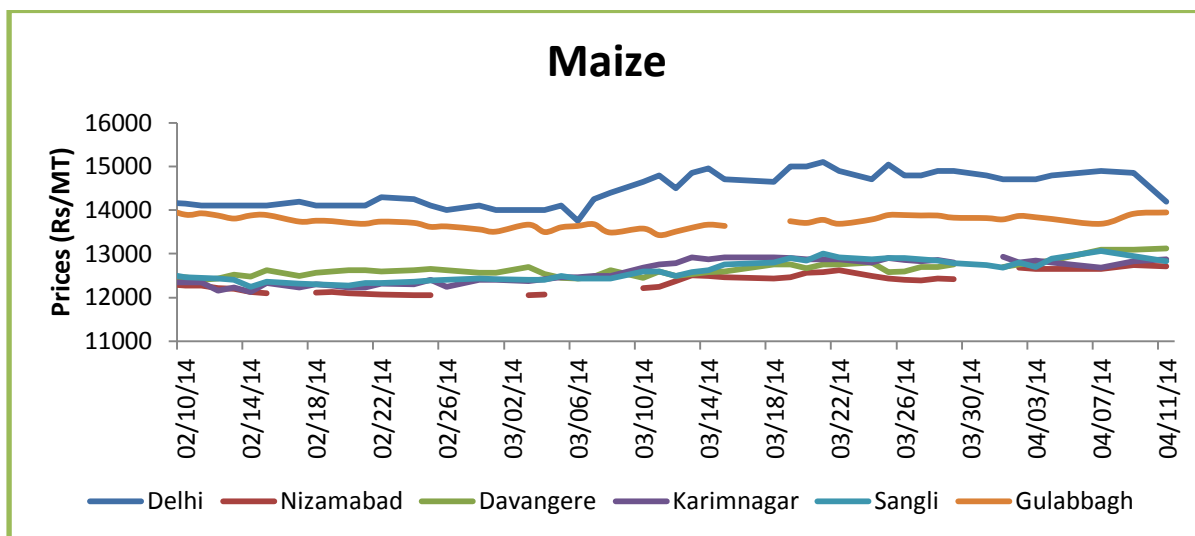
However, there is active participation of both the seller and the buyers across the key physical markets. The millers and the stockists are buying at the current price levels to cover their stocks for future. Dry weather in Malaysia, Thailand and Indonesia and talks of possible El Nino this year are 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.

But the bearish side is that Malaysian palm oil inventories for March estimated at 1,687,709 tons against a revised 1,656,908 tons last month. Inventories surged by rose 2 percent compared to last month. However, Malaysian palm oil inventories hovering at 22.2 percent lower on y-o-y basis. Higher palm oil production and weak exports helped lift stocks. On the production front, palm oil output for March is estimated at 1.49 million tons, up 17.3 percent on m-o-m basis - Malaysian Palm Oil Board

We feel the RM seed prices have bottomed out and they will recover on better miller and stockist's buying in near to medium term.

Overall, underlying current in oils and fats market is bullish, though few bearish factors will limit the upside in short-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. 10 per quintal in a range of Rs. 1290-1320 per quintal while starch feed makers quoted maize down by Rs. 30 per quintal in a range of Rs.1285-1350 per quintal as compared to last week, sourced from Maharashtra.

In the Khanna market of Punjab, the maize was quoted firm by Rs. 75 per quintal to Rs.1525 per quintal as compared to last week. On daily basis, arrivals of maize reported around 9 motors. Sources revealed that maize stock could be around 300 motors.

In A.P., as per government data, maize stock is around 0.25 million tons. Trade sources revealed that maize is moving towards Krishnapatnam and Chennai at Rs. 1380 and Rs. 1400 per quintal respectively.

Maize is moving towards Tripura at Rs. 1385 per quintal, sourced from Davangere. Also, it is moving towards Pune and Satara at Rs. 1250 and Gujarat at Rs. 1290 per quintal, sourced from Maharashtra.

As per USDA, U.S accumulated corn export figures reached to 24,014,753 metric tons for the 2013-14 marketing year which is higher by ~109% from the last marketing year during the same period but down by 15% from the last week. Exports of 1,217,389 MT were reported by U.S. to Japan (365,400 MT), Mexico (250,200 MT), South Korea (177,900 MT), Colombia (96,700 MT), Taiwan (76,900 MT), and Venezuela (64,000 MT) for the period Mar 28- Apr 3, 2014

USDA lowered global corn ending stocks for 2013/14 by 0.47 million tons to 158 million tons. Global corn production is raised by 6.38 million tons to 973.9 million tons with a 2 million ton increase for Brazil and 1 million ton increases each for South Africa and Russia; offset mainly by higher export demand for U.S corn.

According to IBIS (provisional data), export of wheat in the month of March was 3.44 Lakh tones which is around 56% less than last year at the same month, which was 7.92 Lakh tones in February 2013.

Wheat harvesting gains momentum in major producing states like Rajasthan, M.P. and has just commenced in Punjab and Haryana .Harvesting in U.P. and Bihar is expected in the second fortnight of April.

At production front trade estimates lower production against government estimate of 95.60 Million ton (as per 2nd advance estimate).The main reason for lower production is mainly attributed to crop loss in parts of M.P. , Punjab and Haryana due to untimely rains and hailstorm.

Wheat price is hovering in the range of Rs 1450-1475 M.P. & Rs1475-1480 in Rajasthan which is above MSP. Private exports are buying wheat at 275 -276 dollar /tonne, better export opportunity likely to continue till June when Black Sea region crop starts hitting the global market.

Due to delayed harvesting and higher prevalent prices in the market restricts procurement activities .As per market feedback government procurement would be lower than set target of 30-31 Million ton for 2014-15 MY.

Overall wheat quality is good except some pockets of M.P., Punjab and Rajasthan. Quality of wheat in Saurashtra region (Gujarat) is better than last year.

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.

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	162.5
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 increased 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	-145.0
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	17.5
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	-105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	
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 as wheat traded down vs. maize during last week. We expect that trend could continue in the near term and keep maize spread with wheat intact 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	217.5
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)		
	11-Apr-14	4-Apr-14	Parity To
Indore (MP)	38500	38000-38300	Gujarat, MP
Kota	38500	38500	Rajasthan, Del, Punjab, Haryana
Akola	39500	39500	Mumbai, Maharashtra
Hingoli	39300	39000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded/Latur	39500	39500	Andhra, AP, Kar ,TN
Dhulia/Jalna	39500	39800	-
Nagpur (42/46)	40200	40500	Local and South
Sangli	39500	39500	Local and South
Solapur	38000	39500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	39000	39000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB

Soy DOC at Port

Centers	Port Price	
	11-Apr-14	4-Apr-14
Kandla (FOR) (INR/MT)	656	655
Kandla (FAS) (USD/MT)	39550	39500

International Soy DOC

Argentina FOB \$/MT	9-Apr-14	4-Apr-14	Change
Soybean Pellets	510	515	-5
Soybean Cake Meal	510	515	-5
Soybean Meal	518	523	-5
Soy Expellers	518	523	-5

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	11-Apr-14	4-Apr-14	Change
Adoni	23000	23000	Unch
Khamgaon	22500	22500	Unch
Parli	22900	22900	Unch
Latur	22800	22800	Unch

Groundnut Meal

Groundnut Meal	11-Apr-14	4-Apr-14	Change
Basis 45% O&A, Saurashtra	26500	27000	-500
Basis 40% O&A, Saurashtra	24500	25000	-500
GN Cake, Gondal	25500	26000	-500

Mustard DOC/Meal

Mustard DOC/Meal	11-Apr-14	4-Apr-14	Change
Jaipur (Plant Delivery)	14200	14500	-300
Kandla (FOR)	15200	15600	-400

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	11 April, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1460	1480	1420	1410	1600
Davangere	Bilty	1300	1250	1230	1190	1360
Nizamabad	Bilty	1260	1260	1260	1260	1330
Ahmedabad	Feed	1310	1310	1350	1325	1440
	Starch	1350	1380	1360	1350	1510

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	225.2	225.1	236	239
Cost and Freight (Thailand)	275.2	280.1	295.8	274

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>11-Apr-14</u>	<u>4-Apr-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1429	1414	15
		Hybrid	Bangalore	1500	1515	-15
Jowar	Karnataka	White	Bangalore	1900	1800	100
		White	Bellary	1550	1469	81
Maize	Karnataka	Yellow	Davangere	1300	1200	100
	Andhra Pradesh	Yellow	Nizamabad	1220	1220	Unch
Rice	Haryana	IR8	Karnal	2000	1900	100
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3850	3830	20
	Maharashtra	DOC	Sangli	4020	4050	-30
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2300	Unch
	Maharashtra	Ex-factory	Latur	2280	2280	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1420	1450	-30
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2600	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1564	1519	45
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1499	1491	8

Note: Prices Rs. / qtl.

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