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Summary

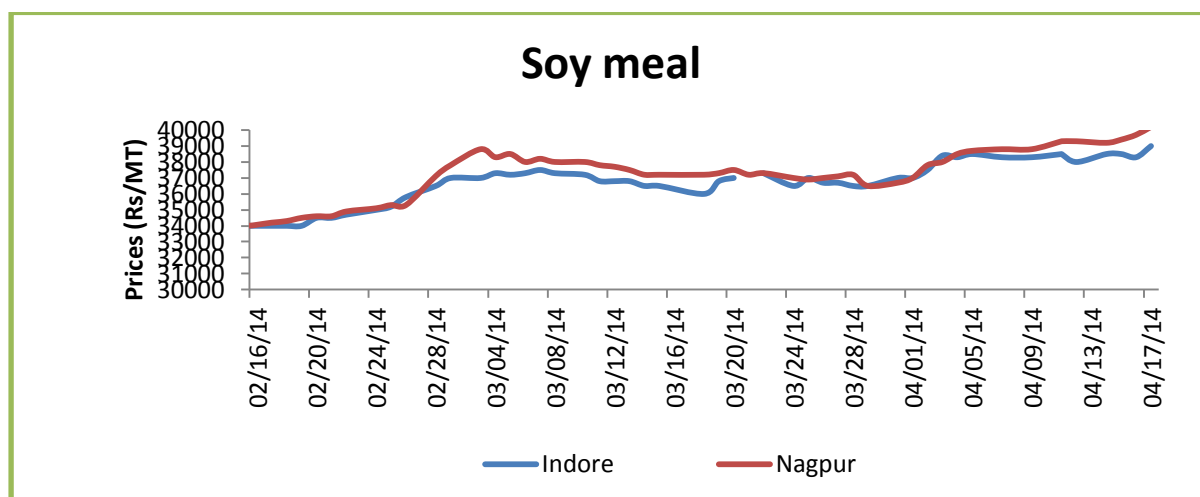
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

Soybean continued to feature gains supported by bullish global factors and weak domestic supplies during the week under review.

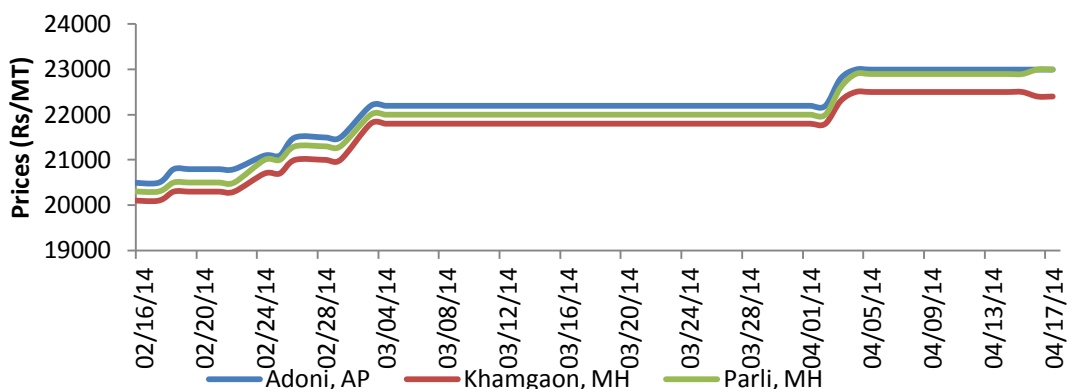
Soy meal extended gains in conjunction with soybean during the period. Steady and continued domestic demand in meal for poultry feed and weak crushings of soybean remained supportive for the meal prices.

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.

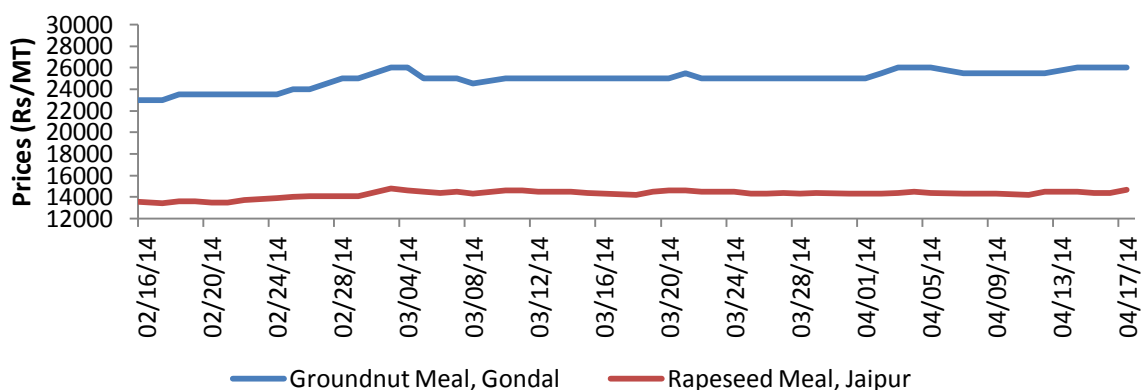
Trend – Raw Material, Feed



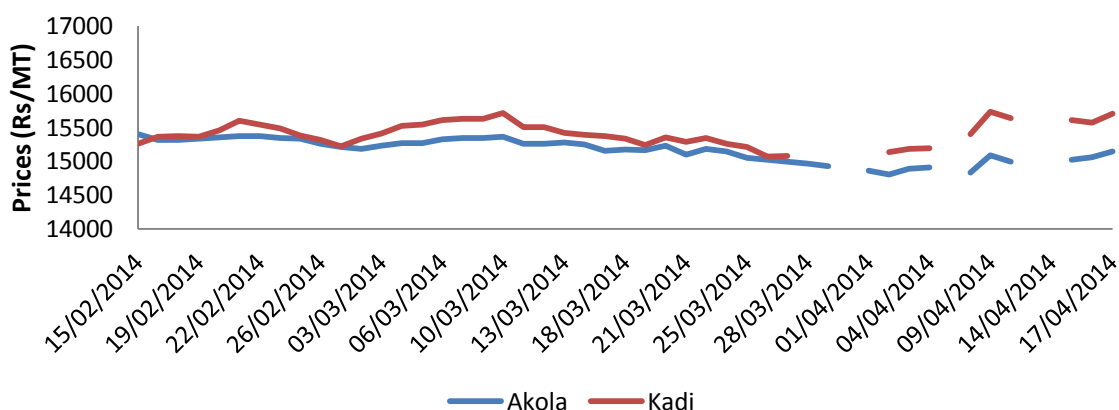
Sunflower Meal



GN and Rapeseed Meal



Cottonseed Oilcake



Source: AgriWatch

Soybean and soy meal extended gains on firm global cues while rapeseed/mustard remained under pressure due to supply pressure followed by ongoing harvesting of the seed during week under review.

Soybean continued to feature gains supported by bullish global factors and weak domestic supplies during the week under review. Several key grain markets remained closed on *Ambedkar* and *Hanuman Jayanti* which hit the supplies during the week.

The international benchmark CBOT soybean is hitting fresh highs every week, the May contract has hit US \$ 15.22 a bushel on Wednesday, 16 April 2014. Tight US soybean inventories is lending the support, as the USDA cut its forecast for the 2013-14 soybean carry over to 135 million bushels, down 10 million from March month. The figure was below an average of trade estimates of 139 million bushels and expected to be a 10-year low, if realised by the end of the marketing year on Aug. 31.

The harvesting in Brazil is underway and it is about 85% complete besides soybean harvesting in Argentina is over 15% complete. The global supplies have increased and the buying at the current levels from US and South America has improved, except for recent defaults by Chinese importers from US and Brazil which slightly pressured the market previous week.

US soybean plantings have commenced, though it has not gained the momentum. The local statistics reveal that 4% of the intended area was sown in Arkansas as of Apr 13, 13% in Louisiana and 6% in Mississippi.

In the domestic front, the bean arrivals across the various key cash markets is lower due to the slowdown in crushings followed by disparity on crushing and lower soy meal shipments from India this season. 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.

There is also 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. Besides, talks of possible El Nino may discourage the soybean farmers as it may lead to weak monsoon which will eventually hit the soybean yield this season.

Overall, the soybean prices are expected to remain firm on lower supplies in domestic front and better international buying and lower US soybean stock at the international.

Soy meal extended gains in conjunction with soybean during the period. Steady and continued domestic demand in meal for poultry feed and weak crushings of soybean remained supportive for the meal prices.

Talks of possible El Nino this year (70% chance) is likely to hit the India's soybean crop in the upcoming crop season. If the phenomena turn out to be true it will eventually lead in lower soybean productivity and hence lower supplies in meal in the coming season.

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.

As discussed, the current domestic meal demand is good and intact. India's demand for poultry products are expected 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, Indian soy meal shipments remained weak 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 soy meal shipments stand at the optimum level during Oct – Feb.

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.

The RM seed continued remain under pressure on heavy arrivals followed by harvesting in full swing in the major producing regions including Rajasthan, UP, Madhya Pradesh, Punjab and Haryana. Overall, the seed supplies are higher followed by harvesting in full swing though it is done around 90%.

The arrivals slightly fell due to *Ambedkar and Hanuman Jayanti* besides Lok Sabha poll in some key centers. The all India seed arrivals are reported at between 3.2 – 6.4 lakh bags during the week compared to 6.5 – 7.0 lakh bags previous week.

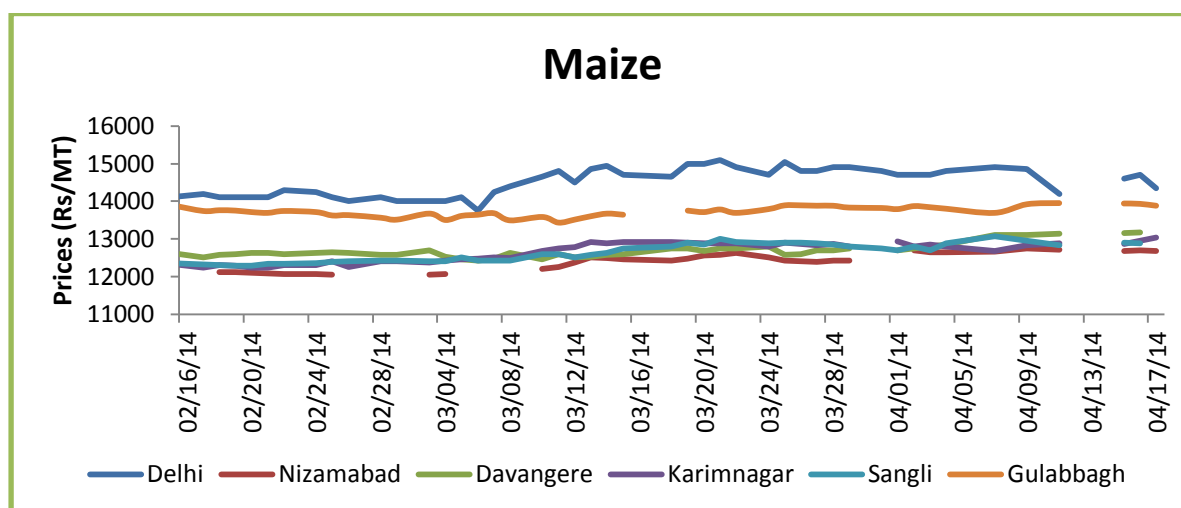
Active participation of both the seller and the buyers across the key physical markets is witnessed. The millers and the stockists are actively buying the seed at the current price levels to cover their stocks for future. Despite the improved precipitation in recent weeks, it is still much too dry in many palm oil producing regions of Malaysia and Indonesia, which will lend support to the BMD CPO in near-term.

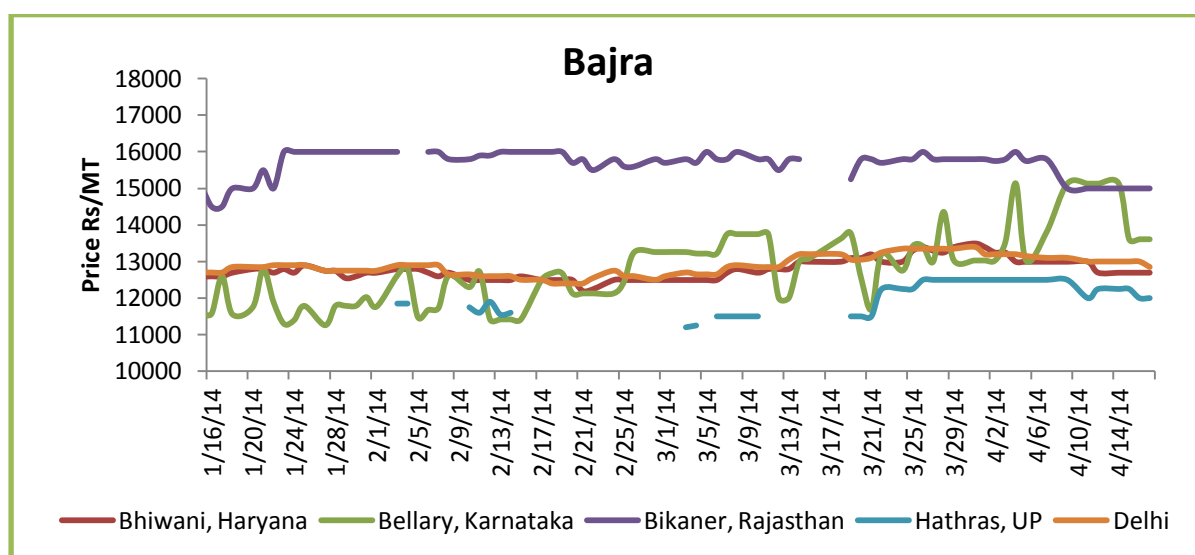
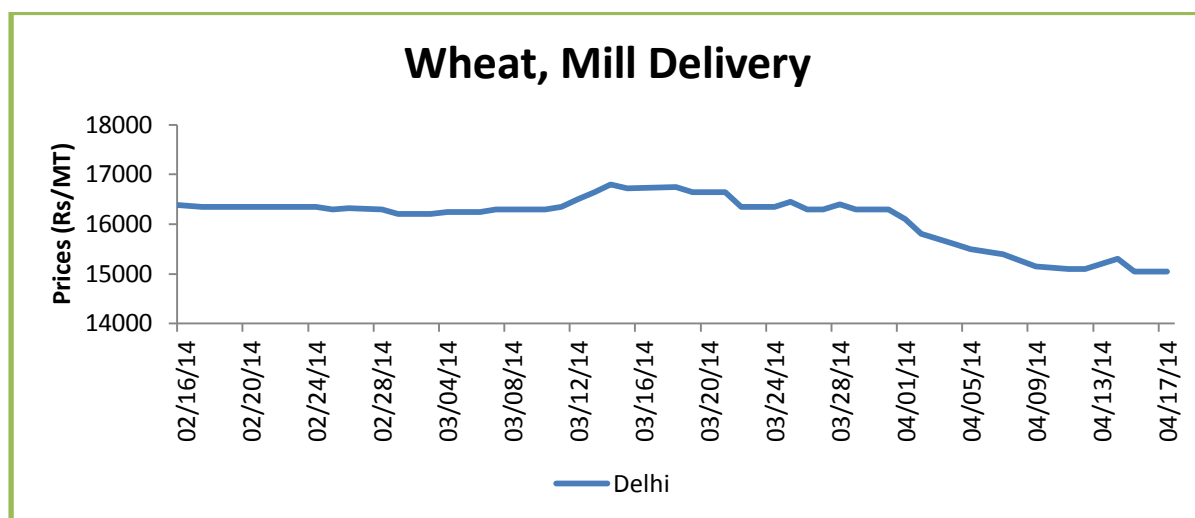
Indonesia increased its export tax for crude palm oil to 13.5 percent in April from 10.5 percent in March. Besides, Malaysia has raised its crude palm oil export tax for April to 5.5 percent, last month 5% in March. The upward revision will increase the landed cost of palm oil at Indian ports which is 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 are prevalent in the market will limit the upside in short-term.





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

No major activities reported during last week as most of the time, major spot markets of maize were closed due to Ambedkar Jayanti, Good Friday and Election. As per Trade sources, new crop arrivals from Bihar has delayed and expected to arrive in the market from 1st week of May; till date market could trade in a range. After that prices will go down in the market.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 10 per quintal in a range of Rs. 1270-1310 per quintal while starch feed makers quoted maize firm by Rs. 30 per quintal in a range of Rs.1275-1380 per quintal as compared to last week, sourced from Maharashtra.

In the Khanna market of Punjab, the maize was quoted down by Rs. 45 per quintal to Rs.1480 per quintal as compared to last week. On daily basis, arrivals of maize reported around 10 motors. Sources revealed that maize stock could be around 250 motors.

In A.P., as per government data, maize stock is around 0.25 million tons. Most of the days, market was closed due to Ambedkar Jayanti. Trade sources revealed that starch feed makers is buying maize at Rs. 1250 per quintal.

Maize is moving towards Tamil Nadu at Rs. 1470-1500 per quintal and Bangalore at Rs. 1420-1460 per quintal, sourced from Davangere while it is moving towards Pune and Satara at Rs. 1230 and Gujarat at Rs. 1300 per quintal, sourced from Maharashtra.

As per USDA, U.S accumulated corn export figures reached to 25,125,736 metric tons for the 2013-14 marketing year which is lower by 9% from the last week and 7 percent from the prior 4-week average. Exports of 1,110,983 MT were reported by U.S. to Japan (374,800 MT), Mexico (229,300 MT), Colombia (80,700 MT), Egypt (74,800 MT), Saudi Arabia (73,800 MT), Taiwan (69,500 MT), and Venezuela (55,000 MT) for the period Apr 4- Apr 10, 2014.

As per the latest crop progress report released by USDA, the corn crop has been planted 3% as of 13th Apr, 2014 in the corn growing regions of U.S., higher by 1% from the last year but below 3% from the last 5 year average period.

As per Reuter, European traders told that South Korea's largest animal feed maker Nonghyup Feed Inc. has purchased 193,000 tons of optional origin corn. Some 63,000 tons of corn was bought at \$269.70 a ton c&f from Cargill for arrival by Sept. 30. Another 65,000 tons of corn was bought from Bunge at \$269.75 a ton c&f with arrival due by Oct. 10 and further, 65,000 tons of corn was bought from Bunge at \$268.99 a ton c&f for arrival by Oct. 20.

Rain accompanied by strong wind has lashed several parts of Punjab and adjoining areas causing damage to wheat crops in Hoshiarpur, Kapurthala, Gurdaspur, Tarn Taran and Amritsar districts. It also increases the moisture content of the crop and has adverse affect on the yield of the crop.

The Inflation of wheat has decreased to 5.77% in the month of March as compare to 6.67% in the month of February. WPI has decreased to 218.2 in March as compare to 220.7 in the month of February.

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 /ton, 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.

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	161.0
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 maize traded down vs. bajra. As per trade sources, maize could trade steady to firm amid lower supply and bajra could trade steady to firm due to poultry feed makers demand. Considering the above mentioned facts, we expect that maize spread with bajra could be 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	-141.0
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 down vs. maize during last week. We expect jowar could trade steady in the near term and keep maize spread with jowar firm 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	6.0
4	-174	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	
5	-137		105.00	-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 as wheat traded firm during last week. We expect that wheat could trade firm in the near term also amid lower supply and keep maize spread with wheat slightly down 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	258.0
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 barley could trade firm in the near term amid higher demand and keep maize spread with barley slightly down as compared to last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	17-Apr-14	11-Apr-14	Parity To
Indore (MP)	39000	38500	Gujarat, MP
Kota	40000-40300	38500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	NA	39500	Mumbai, Maharashtra
Nagpur (42/46)	40200	39300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	40500	39500	Andhra, AP, Kar, TN
Latur	40800	39500	-
Sangli	41000	40200	Local and South
Sholapur	40200	39500	Local and South
Akola	38000	38000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	40300	39000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	39200	38400	-

Soy DOC at Port

Centers	Port Price	
	17-Apr-14	11-Apr-14
Kandla (FOR) (INR/MT)	40000	39550
Kandla (FAS) (USD/MT)	662	656

International Soy DOC

Argentina FOB \$/MT	16-Apr-14	9-Apr-14	Change
Soybean Pellets	522	510	12
Soybean Cake Meal	522	510	12
Soybean Meal	530	518	12
Soy Expellers	530	518	12

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	17-Apr-14	11-Apr-14	Change
Adoni	23000	23000	Unch
Khamgaon	22400	22500	-100
Parli	23000	22900	100
Latur	22800	22800	Unch

Groundnut Meal

Groundnut Meal	17-Apr-14	11-Apr-14	Change
Basis 45% O&A, Saurashtra	27000	26500	500
Basis 40% O&A, Saurashtra	25000	24500	500
GN Cake, Gondal	26000	25500	500

Mustard DOC/Meal

Mustard DOC/Meal	17-Apr-14	11-Apr-14	Change
Jaipur (Plant Delivery)	14700	14200	500
Kandla (FOR)	16000	15200	800

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	17 April, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1450	1460	1450	1350	1500
Davangere	Bilty	Closed	1300	1250	1230	NA
Nizamabad	Bilty	1285	1260	NA	1260	1250
Ahmedabad	Feed	1270	1310	1380	1290	1400
	Starch	1275	1350	1370	1325	1480

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	225.79	226.7	232	237
Cost and Freight (Thailand)	275.79	281.7	292.1	272

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>17-Apr-14</u>	<u>11-Apr-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	NR	1429	-
		Hybrid	Bangalore	1500	1500	Unch
Jowar	Karnataka	White	Bangalore	NR	1900	-
		White	Bellary	NR	1550	-
Maize	Karnataka	Yellow	Davangere	NR	1300	-
	Andhra Pradesh	Yellow	Nizamabad	1285	1220	65
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	3900	3850	50
	Maharashtra	DOC	Sangli	4100	4020	80
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2300	Unch
	Maharashtra	Ex-factory	Latur	2280	2280	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1470	1420	50
Groundnut Meal	Gujarat	GN Cake	Gondal	2600	2550	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1570	1564	6
Cottonseed Oil	Maharashtra	Ex- Mandi	Akola	1514	1499	15

Cake						
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Note: Prices (Rs. per Qtl.)

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