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Summary

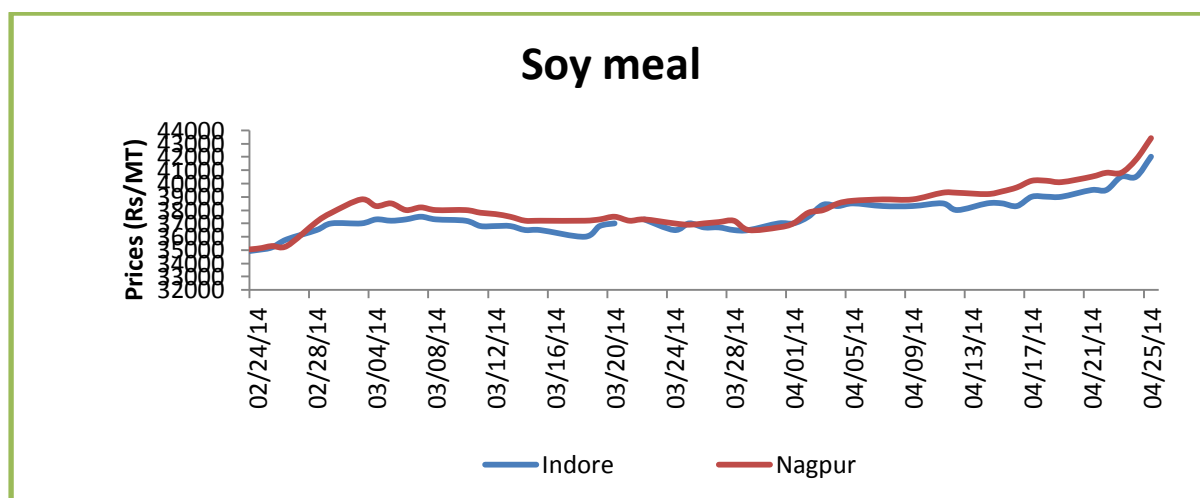
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

Soybean continued uptrend primarily on weak supplies in the key cash markets during the week under review. The arrivals fell consecutively second week mainly due to Lok Sabha elections during the week in constituencies accounting major soybean markets.

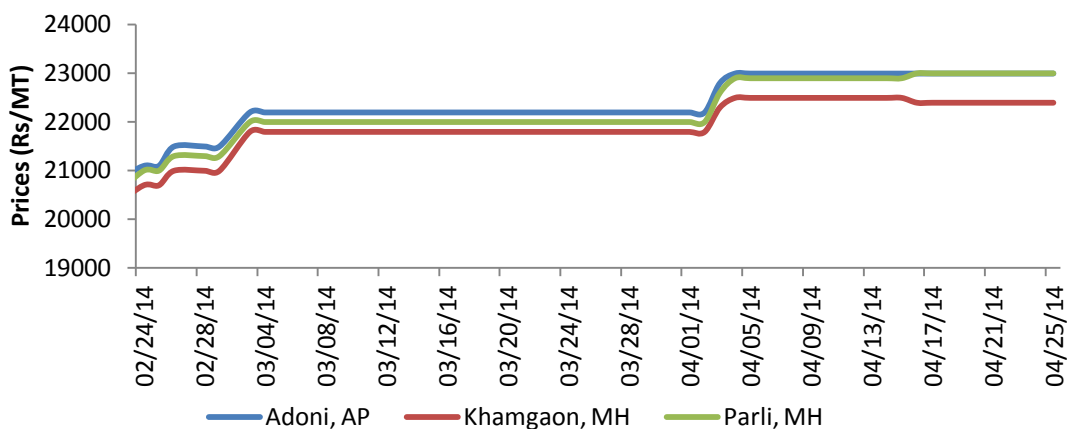
Soy meal extended gains in tandem with soybean followed by lower arrival in beans and eventually poor soy meal supplies during the week review. The domestic soy meal demand is continued and steady primarily for poultry feed and weak crushings of soybean continued to remain supportive for the meal prices.

Maize is expected to feature steady to weak tone as new crop arrivals have started in the market. However, Key spot wheat mill delivery prices traded strong due to demand for export.

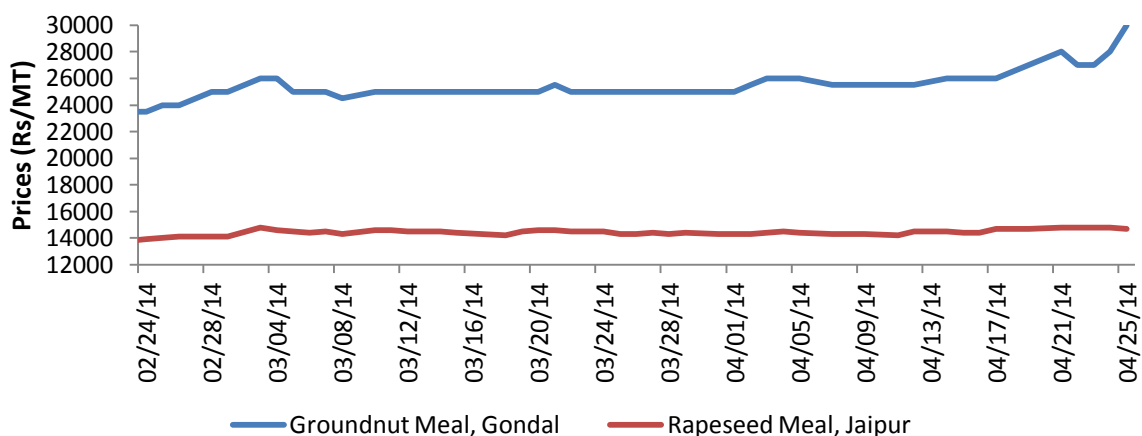
Trend – Raw Material, Feed



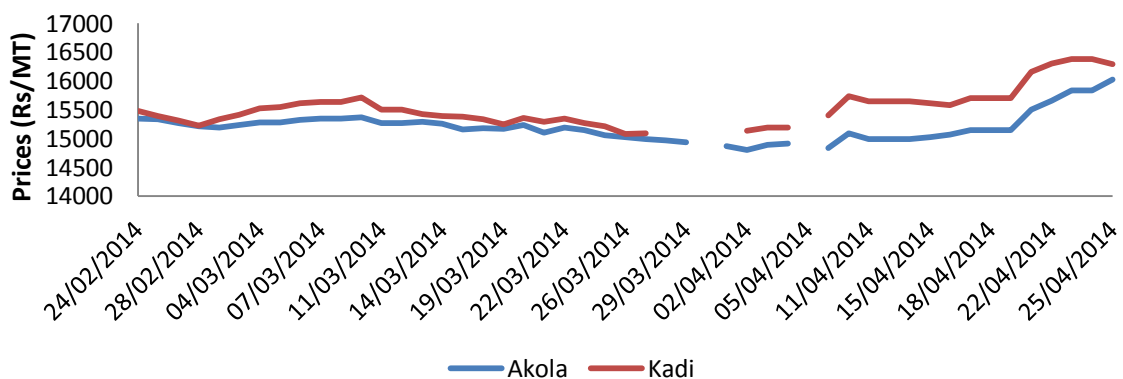
Sunflower Meal



GN and Rapeseed Meal



Cottonseed Oilcake



Source: AgriWatch

Soybean, soy meal and rapeseed/mustard posted gains on global as well as the domestic factors during the week under review

Soybean continued uptrend primarily on weak supplies in the key cash markets during the week under review. The arrivals fell consecutively second week mainly due to Lok Sabha elections during the week in constituencies accounting major soybean markets.

The soybean traders and the grain market laborers were busy campaigning for the elections ahead polling which was scheduled on 24 Apr 14, the bean supplies were limited and it was quoted higher by the solvent extractors. Besides, the soybean crushing pace is already slow due to weak seasonal supplies in beans as soybean traders switching to wheat and rapeseed/mustard trade.

However, soybean benchmark CBOT fell during the week after the May contract hit US \$ 15.22 a bushel on previous week. Chinese cancellations of soybean orders have pressured nearby months in anticipation of an easing of the tight stocks situation in the United States. The soybean planting has commenced in the key growing states of US and the official US planting progress report on the bean is expected next week.

USDA has reported that there is a 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 over 90% complete besides soybean harvesting in Argentina is over 20% complete. The global soybean supplies have seasonally improved and the buying at the current levels from US and South America has increased. Again there is concern for recent defaults by Chinese importers from US and Brazil which slightly pressured the market previous week.

Gains in BMD CPO too remained supportive for soybeans during the week. If El Nino weather pattern gains strength may 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. Soybean planting in India begins in late June.

Overall, the soybean prices are likely to remain firm on lower seasonal supplies and lower US soybean stock at the international in near-term.

Soy meal extended gains in tandem with soybean followed by lower arrival in beans and eventually poor soy meal supplies during the week review. The domestic soy meal demand is continued and steady primarily for poultry feed and weak crushings of soybean continued to remain supportive for the meal prices.

Talks of possible El Nino this year (70% chance) may 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 which will consequently lead to lower supplies in meal in the coming season.

As discussed, the current domestic meal demand is good and intact with poultry products expected to rise by at least 6% this year, according to NECC this will keep the meal demand intact at 3 MMT and thus prices this season.

Overall, India's soy meal shipments during the season declined 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 seasonal supplies with the start in new marketing season in the region. 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.

The meal prices are expected to remain firm on weak soybean crushing and good domestic and steady international demand.

The RM seed rebound after seasonal supply pressure in previous weeks. Good buying support by the millers and the stockists and fall in arrivals due to general elections during the week pushed up the seed prices.

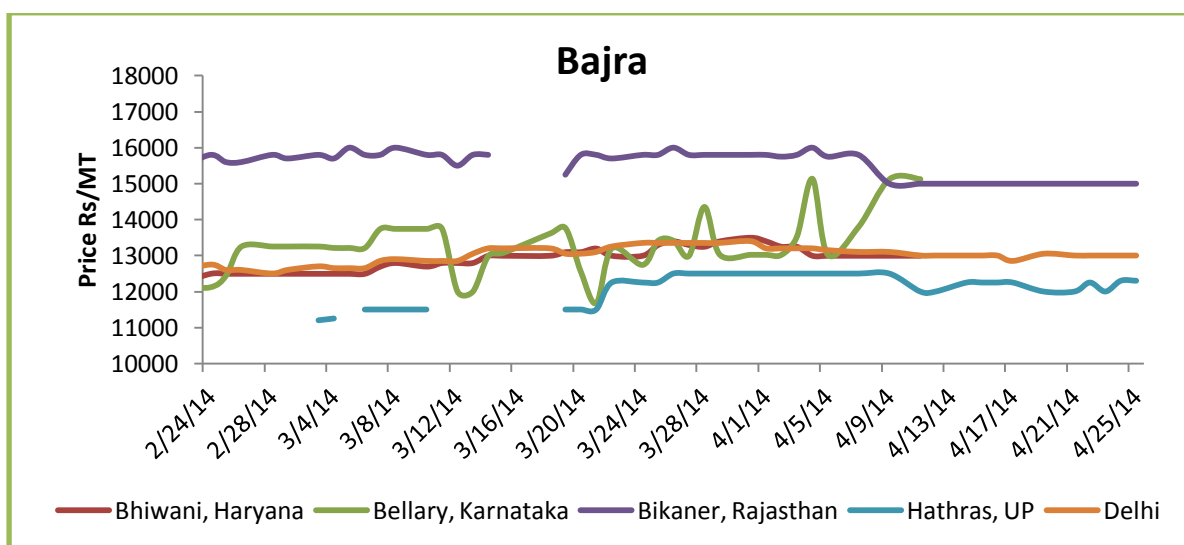
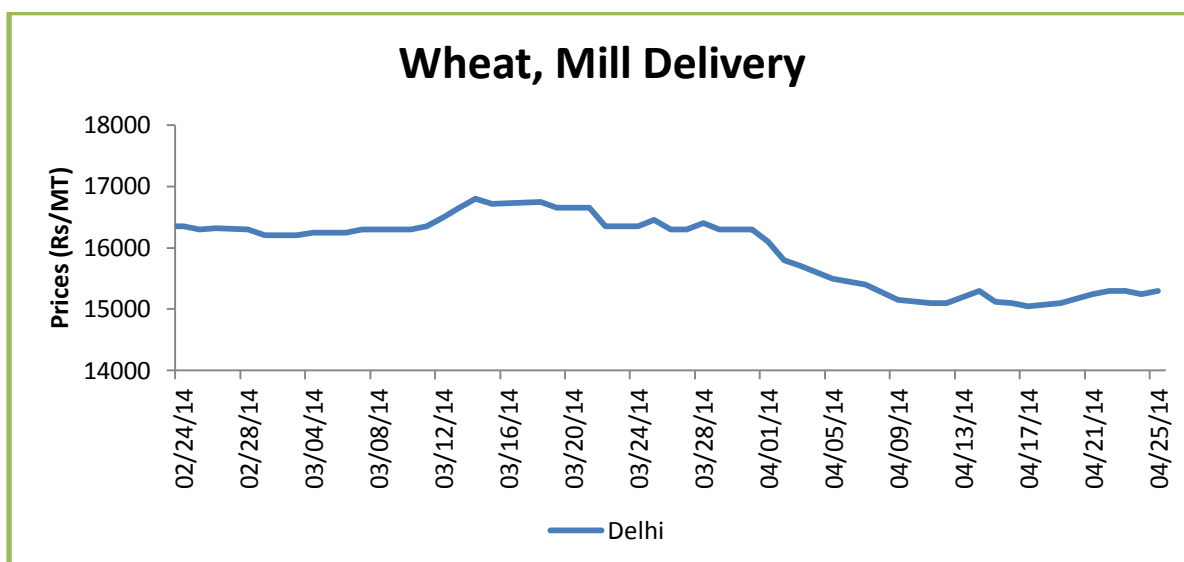
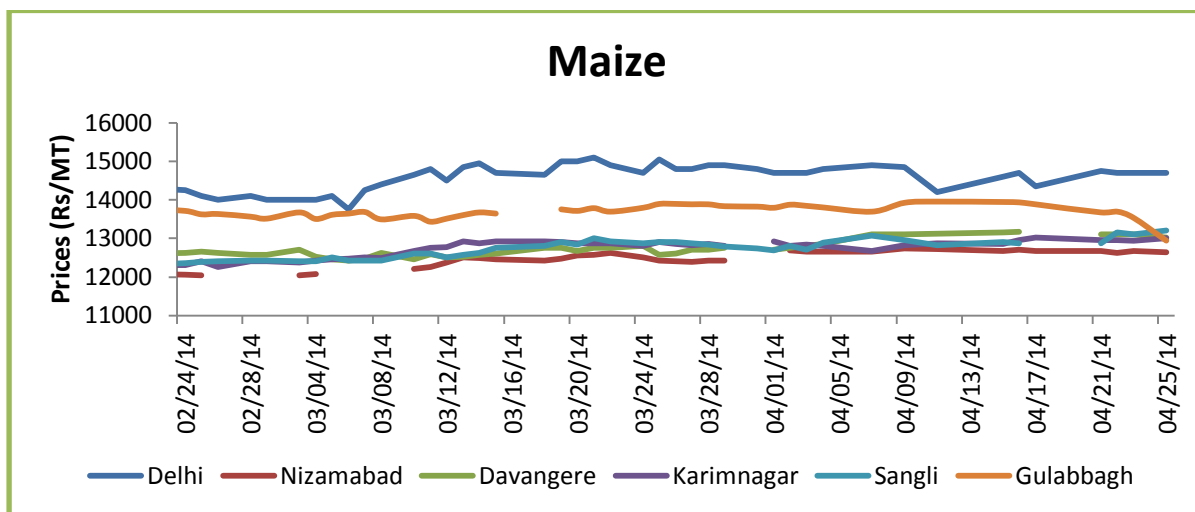
Besides, higher Malaysian palm oil due to weakening ringgit is pushing up the international benchmark BMD CPO and expectations of pre-Ramadan demand and improved palm oil exports from Malaysia recently remained supportive for the domestic mustard seed too. India's rape/mustard seed closely follows BMD CPO.

The mustard seed harvesting is nearing completion 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 in the remaining areas.

The buyers are active in the market including millers and the stockists at the current price to cover their stocks.

We feel the RM seed prices have bottomed out previous week 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)

New crop arrivals of maize have started in the Bihar and A.P. region. Besides, Karnataka government has huge stock of maize which will put pressure on the market sentiments. In Bihar, new crop contains around 15-16% moisture.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal in a range of Rs. 1250-1300 per quintal amid sluggish demand while starch feed makers quoted maize firm by Rs. 5 per quintal in a range of Rs.1270-1355 per quintal as compared to last week, sourced from Maharashtra. Sources revealed that starch feed makers have 6000 bags in quantity and are demanding more quantity of corn at this time.

In the Khanna market of Punjab, the maize was quoted down by Rs. 75 per quintal to Rs.1450 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 150-200 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. 1250 and Rs. 1270 per quintal respectively.

During the week, hybrid maize traded down by Rs. 5 per quintal in a range of Rs.1450-1475 per quintal as compared to last week, sourced from U.P. Sources revealed that prices could trade steady to weak in the near term on the expectation of new crop arrivals from the Bihar

As per USDA, U.S accumulated corn export figures reached to 26,683,788 metric tons for the 2013-14 marketing year which is higher by 55% from the last week and 33 percent from the prior 4-week average. Exports of 1,621,051 MT were reported by U.S. to Japan (243,300 MT), Colombia (231,000 MT), Egypt (224,600 MT), Taiwan (205,100 MT), South Korea (183,500 MT), Mexico (170,300 MT), and Saudi Arabia (117,000 MT) for the period Apr 11- Apr 17, 2014.

As per Reuter, European traders told that the Korea Feed Association purchased 60,000 tons of corn from Toepfer International at \$265.79 a ton c&f plus a \$1.50 a ton surcharge for extra port unloading for arrival by Oct. 15.

As per USDA, Private exporters reported the sale of 240,000 tons of U.S. corn to Mexico for delivery in the 2014/15 marketing year, which will start on Sept. 1.

As per the latest crop progress report released by USDA, the corn crop has been planted 6% as of 20th Apr, 2014 in the corn growing regions of U.S., higher by 2% from the last year but below 8% from the last 5 year average period due to cool weather conditions in the corn producing region.

As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46% in the Feb'14 from 42.3% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.

Given tight global stocks position, freeze damage, drought conditions in Canada, political uncertainty in the Ukraine and possibility of lower production in Australia due to impending El-Nino impact, wheat prices should remain relatively strong through June and into July in the global wheat market. It may disrupt normal supply chain and demand for Indian wheat may increase. At this point of time FOB of India is around \$278.37 as compare to \$295 of Ukraine.

Lower pace of procurement & arrival is due to delayed harvesting and cloudy weather condition prevalent during the month of April. As per market feedback government procurement would be lower than set target of 30-31 Million ton for 2014-15 MY. Uttar Pradesh and Bihar would contribute more than last year.

Wheat export volume has decreased considerably as private trades are unable to export more than 80 to 90 thousand ton per month despite better prices in the global market. Delayed harvesting, lower arrivals in mandis and higher prices in local market restrict volume from private trade. However, more export volume is expected in May.

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 is entering in last phase in Gujarat, M.P., Punjab and Haryana while it has gained momentum in Uttar Pradesh and Bihar now. Yield is better in East Uttar Pradesh and Bihar while it is slightly lower in Western U.P., as reported by farmers.

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 1440-1470 M.P. & Rs1470-1475 in Rajasthan which is above MSP. Private exports are buying wheat at 275 -276 dollar /ton, better export opportunity likely to continue till July when Black Sea region crop starts hitting the global market.

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 was recorded 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.

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	158.0
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 firm with the steady movement in maize prices. As per trade sources, maize could trade steady to weak on the expectation of new crop arrivals from bihar while 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 down 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	-240.0
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 during last week. We expect jowar could trade firm in the near term amid higher demand for seed 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	6.0
4	-174	-82.50	- 105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0
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 decreased as wheat traded firm during last week. We expect that wheat could trade firm in the near term also amid higher demand and keep maize spread with wheat 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	208.0
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 decreased as barley traded firm during last week. We expect that barley could trade steady to firm in the near term amid higher demand and keep maize spread with barley 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)		
	25-Apr-14	17-Apr-14	Parity To
Indore (MP)	39500-42000	39000	Gujarat, MP
Kota	42000	40000-40300	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	43200	NA	Mumbai, Maharashtra
Nagpur (42/46)	43400	40200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	43500	40500	Andhra, AP, Kar, TN
Latur	44000	40800	-

Sangli	44000	41000	Local and South
Sholapur	43000	40200	Local and South
Akola	42500	38000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	44000	40300	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	42000	39200	-

Soy DOC at Port

Centers	Port Price	
	25-Apr-14	17-Apr-14
Kandla (FOR) (INR/MT)	43000	40000
Kandla (FAS) (USD/MT)	704	662

International Soy DOC

Argentina FOB \$/MT	24-Apr-14	16-Apr-14	Change
Soybean Pellets	514	522	-8
Soybean Cake Meal	514	522	-8
Soybean Meal	522	530	-8
Soy Expellers	522	530	-8

Sunflower Meal Rates

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

Groundnut Meal

Groundnut Meal	25-Apr-14	17-Apr-14	Change
Basis 45% O&A, Saurashtra	31000	27000	4000
Basis 40% O&A, Saurashtra	29000	25000	4000
GN Cake, Gondal	30000	26000	4000

Mustard DOC/Meal

Mustard DOC/Meal	25-Apr-14	17-Apr-14	Change
Jaipur (Plant Delivery)	14700	14700	Unch
Kandla (FOR)	15900	16000	-100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	25 April, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1460	1450	1480	1400	1500
Davangere	Bilty	1290	Closed	1200	1230	NA
Nizamabad	Bilty	1260	1285	1260	1260	1275
Ahmedabad	Feed	1265	1270	1360	1320	1340
	Starch	1330	1275	1375	1350	1400

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	234.74	226.8	235.08	235.4
Cost and Freight (Thailand)	284.74	281.8	295.08	270

Soy Meal Exports (In MT):

Month	2010	2011	2012	2013	2014
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>25-Apr-14</u>	<u>17-Apr-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1482	1361	121
		Hybrid	Bangalore	1400	1500	-100
Jowar	Karnataka	White	Bangalore	1900	1900	Unch
		White	Bellary	1465	1351	114
Maize	Karnataka	Yellow	Davangere	1240	1300	-60
	Andhra Pradesh	Yellow	Nizamabad	1220	1210	10
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	4200	3900	300
	Maharashtra	DOC	Sangli	4400	4100	300
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2300	2300	Unch
	Maharashtra	Ex-factory	Latur	2280	2280	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1470	1470	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	3000	2600	400
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1629	1570	59
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1602	1514	88

Note: Prices (Rs. per Qtl.)

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