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Summary

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

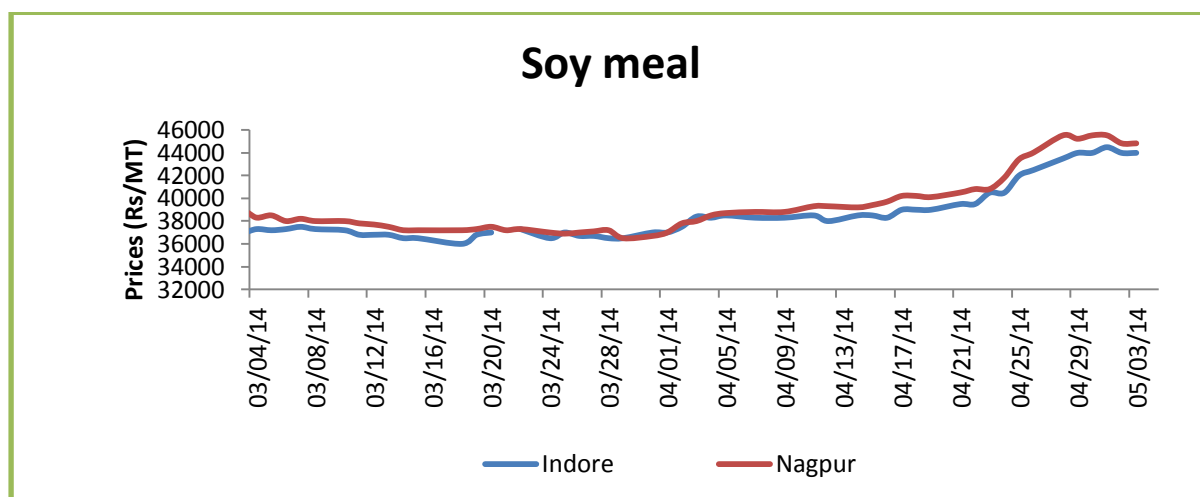
Soybean continued uptrend primarily on weak supplies in the key cash markets during the week under review. The arrivals fell consecutively second week mainly due to Lok Sabha elections during the week in constituencies accounting major soybean markets.

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.

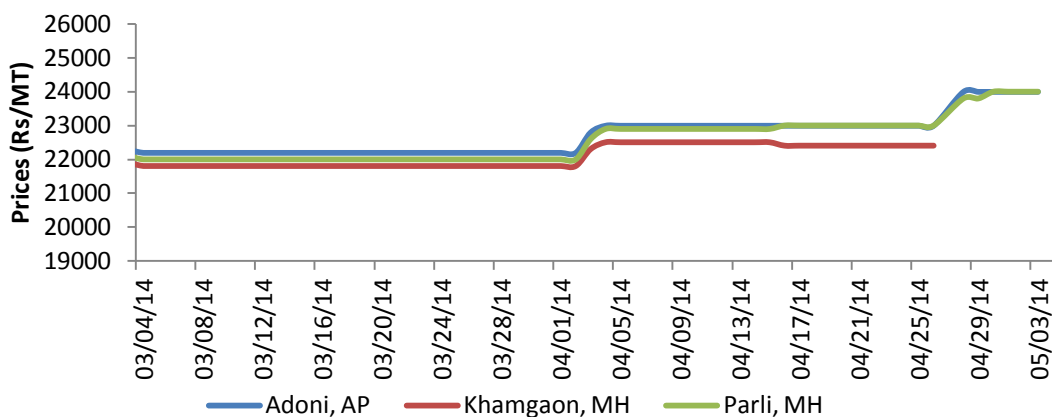
Talks of possible El Nino this year (70% chance) may hit the India's soybean crop in the upcoming crop season. If the phenomena turn out to be true it will eventually lead in lower soybean productivity which will consequently lead to lower supplies in meal in the coming season.

Overall weak sentiments reported in major spot markets of maize during last week. However, Key spot wheat mill delivery prices traded strong due to demand for export.

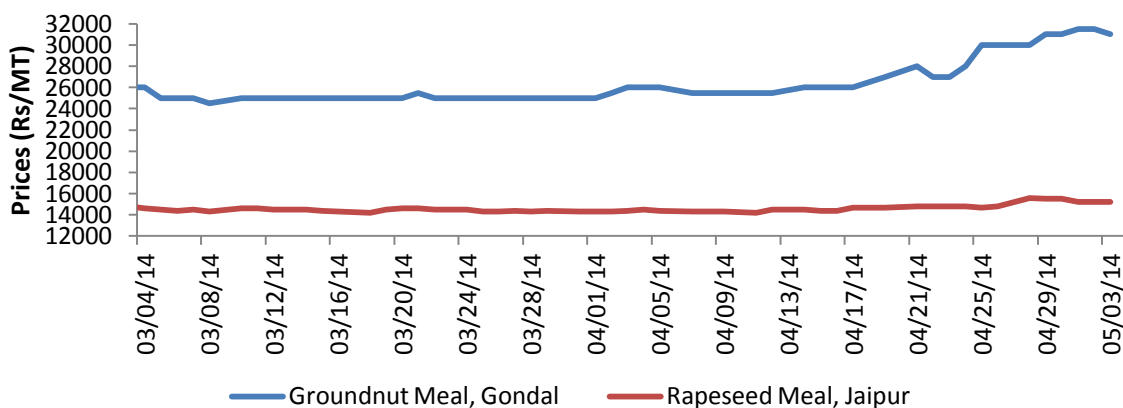
Trend – Raw Material, Feed



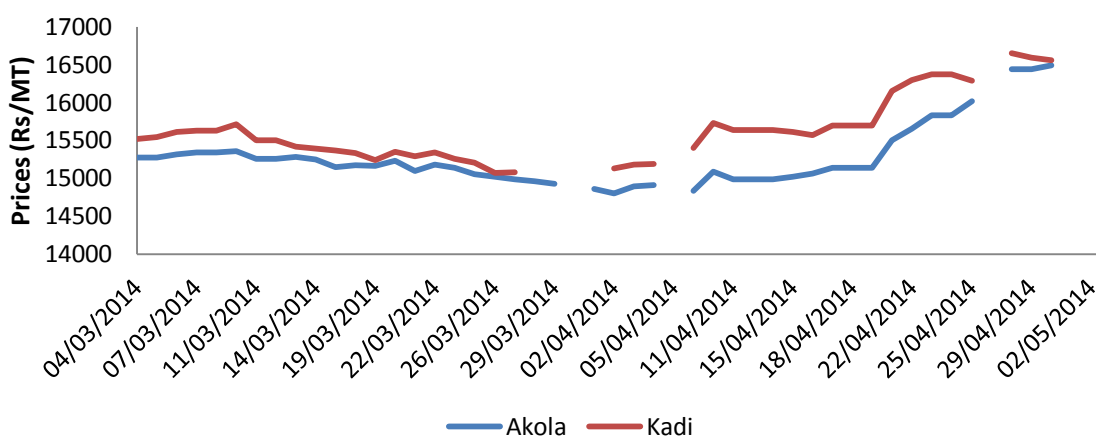
Sunflower Meal



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.

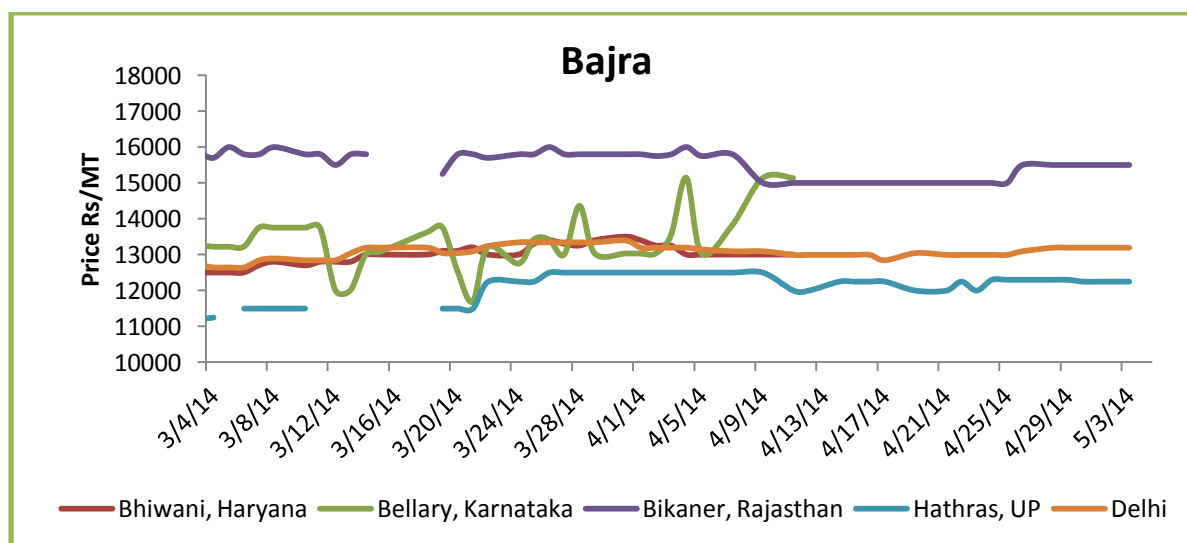
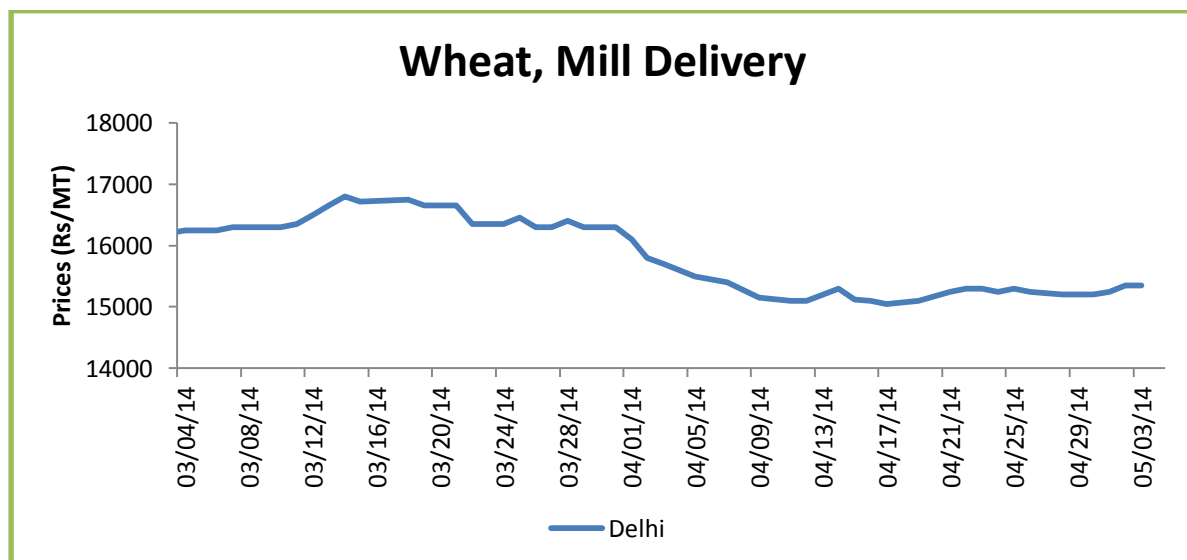
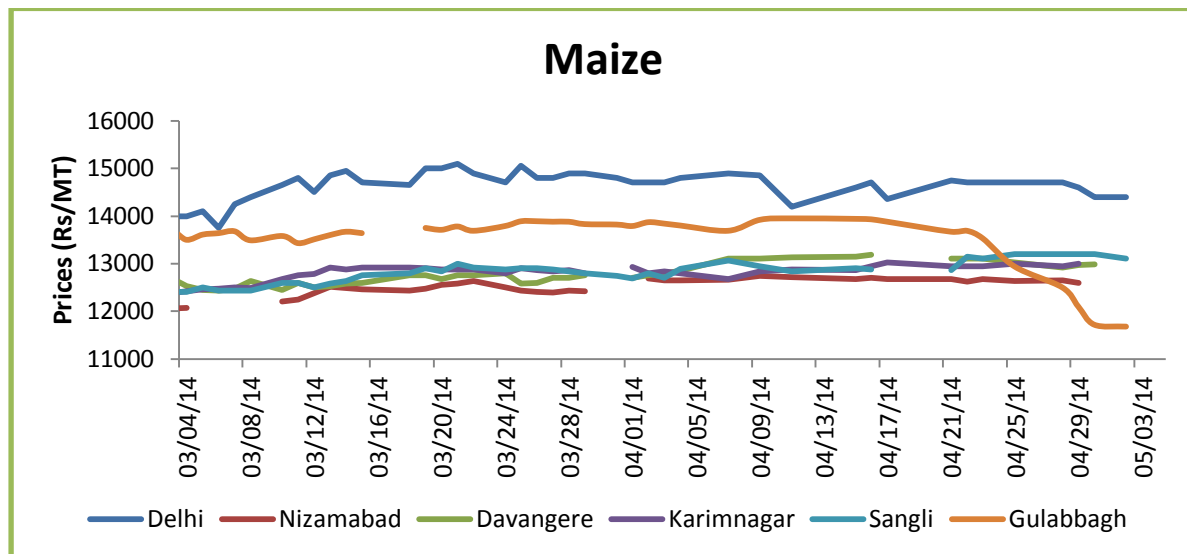
Besides, higher Malaysian palm oil due to weakening ringgit is pushing up the international benchmark BMD CPO and expectations of pre-Ramadan demand and improved palm oil exports from Malaysia recently remained supportive for the domestic mustard seed too. India's rape/mustard seed closely follows BMD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

Overall weak sentiments reported in major spot markets of maize during last week except in Ahmadabad region of Gujarat where poultry feed makers quoted maize firm by Rs. 10 per quintal in a range of Rs. 1270-1310 per quintal while starch feed makers quoted maize steady in a range of Rs. 1265-1355 per quintal as compared to last week, sourced from Maharashtra.

In the Khanna market of Punjab, the maize was quoted steady at Rs. 1450 per quintal as compared to last week. On daily basis, arrivals of maize reported around 11-12 motors. Sources revealed that maize stock could be around 250 motors.

Nizamabad market reported closed during last week due to amavasya, lok sabha election and labour day. Besides, in Karnataka, farmers are not releasing their stock in the market as farmers have already sold around 70% of their produce and have sufficient fund at this time

As per USDA, U.S accumulated corn export figures reached to 27,895,793 metric tons for the 2013-14 marketing year which is lower by 25% from the last week and 8 percent from the prior 4-week average. Exports of 1,215,972 MT were reported by U.S. to Japan (356,200 MT), Mexico (182,700 MT), Egypt (129,400 MT), Spain (67,000 MT), Colombia (65,900 MT), China (61,400 MT), and South Korea (60,500 MT) for the period Apr 18- Apr 24, 2014

As per the latest crop progress report released by USDA, the corn crop has been planted 19% as of 27th Apr, 2014 in the corn growing regions of U.S., higher by 14% from the last year but below 9% from the last 5 year average period due to cool weather conditions in the corn producing region. Besides, corn has been emerged 3% as of 27th Apr, 2014, higher by 1% from the last year but below 3% from the last 5 year average period.

Wheat procurement volume has improved considerably in the last week of April despite sluggish start in the first fortnight. It may improve further once arrivals in Punjab increases. Till 30th April, FCI and other procurement agencies had procured 178 lakh tonne wheat. It is almost 30 percent lower than last year till date. Uttar Pradesh, Bihar and Punjab would contribute higher volume from Mid May as harvesting started at least three weeks delay. Govt. has set procurement target at 31 million tonne wheat this year. The target seems within reach as procurement in Punjab and Uttar Pradesh is yet to pick up.

Higher moisture level in Punjab and Haryana too has restricted procurement. However, with rising temperature moisture level would decrease and resultantly procurement pace would increase starting mid May. Arrivals have been primarily hit in Punjab that accounts for maximum procurement. According to FCI data, arrival in Punjab was only 0.97 million tons against 4.32 million tons last year. Accordingly, procurement in the state also slipped to 0.94 million tons against 4.30 million tons.

Uttar Pradesh and Bihar would contribute more wheat this year to the central pool kitty as production in both states are said to be satisfactory, slightly higher than last year. Harvesting in both the states continued and higher arrivals are expected from mid May. Reports from Bihar suggest that farmers are getting 11 to 12 qt. wheat per bigha this year against 10 to 10.5 qtl. last year.

Average yield in western U.P. is normal while eastern U.P., as report suggests, may realized 5 to 7 percent higher yield this year.

States like M.P. and Rajasthan have not contributed as per expectation till now. Quality/crop loss in M.P., Rajasthan too remains a problem at procurement front. In Madhya Pradesh the arrival dropped from 4.25 million tons to 3.17 million ton.

Ongoing tensions between Ukraine and Russia may increase Indian wheat prices. Ukraine supplies 6 percent of the world's wheat export market, so if the stress continues demand of Indian wheat may rise for export. At this time FoB of India is around \$278.37 as compare to \$295 of Ukraine.

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.

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	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14
1	-5.0	2.50	137.00	145.00	232.0	237.5	205.0	127.0	132.5	129.0	160.0	109.0
2	-9.0	29.00	200.00	204.00	275.5	233.0	192.5	135.0	134.0	146.0	162.5	
3	-38.0	57.00	212.00	197.50	241.25	223.3	160.0	122.0	107.0	141.0	161.0	
4	-49.0	120.00	124.00	190.00	230.0	207.5	153.0	145.0	134.0	155.0	158.0	
5			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 decrease in maize prices. As per trade sources, maize could trade weak on the expectation of new crop arrivals from bihar and keep maize spread with bajra down as compared to last week.

Maize Average Weekly spread with Jowar

Week	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14
1	88.0	175.00	230.00	321.66	364.0	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0
2	146	175.00	295.00	402.00	366.0	492.0	460.0	317.0	293.0	342.0	-145.0	
3	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0	-141.0	
4	229	250.00	334.00	327.00	368.0	450.0	446.0	320.0	245.0	207.0	-240.0	
5			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	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14
1	-132	-112.5	-107.5	-104.0	-128.0	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5
2	-133	-134.0	-125.0	-122.0	-139.0	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	
3	-87.50	-182.5	-121.0	-152.0	-180.0	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	
4	-82.50	-	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	
5		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 maize traded down vs. wheat during last week. We expect that wheat could trade firm in the near term amid higher demand and keep maize spread with wheat down as compared to last week.

Maize Average Weekly spread with Barley

Week	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14
1	213.0	133.0	165.0	244.0	195.0	237.5	185.0	127.0	158.0	102.5	180.0	144.0
2	185.0	115.0	199.0	220.0	191.0	231.0	187.5	143.0	135.0	137.0	217.5	
3	143.0	140.0	224.0	190.0	178.75	216.7	157.0	150.0	102.5	144.0	258.0	
4	147.5	185.0	270.0	197.0	158.0	189.2	171.0	170.0	143.0	163.0	208.0	
5			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)		
	2-May-14	25-Apr-14	Parity To
Indore (MP)	43000-44000	39500-42000	Gujarat, MP
Kota	43000	42000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	45300	43200	Mumbai, Maharashtra
Nagpur (42/46)	44800	43400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	44800-45200	43500	Andhra, AP, Kar, TN
Latur	45200	44000	-
Sangli	45500	44000	Local and South
Sholapur	45500	43000	Local and South
Akola	44500	42500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	45000	44000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	43000	42000	-

Soy DOC at Port

Centers	Port Price	
	2-May-14	25-Apr-14
Kandla (FOR) (INR/MT)	45000	43000
Kandla (FAS) (USD/MT)	747	704

International Soy DOC

Argentina FOB \$/MT	30-Apr-14	24-Apr-14	Change
Soybean Pellets	536	514	22
Soybean Cake Meal	536	514	22
Soybean Meal	544	522	22
Soy Expellers	544	522	22

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	2-May-14	25-Apr-14	Change
Adoni	24000	23000	1000
Khamgaon	NA	22400	-
Parli	24000	23000	1000
Latur	23600	22800	800

Groundnut Meal

Groundnut Meal	2-May-14	25-Apr-14	Change
Basis 45% O&A, Saurashtra	33000	31000	2000
Basis 40% O&A, Saurashtra	31000	29000	2000
GN Cake, Gondal	31500	30000	1500

Mustard DOC/Meal

Mustard DOC/Meal	2-May-14	25-Apr-14	Change
Jaipur (Plant Delivery)	15200	14700	500
Kandla (FOR)	16200	15900	300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	2 May, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1430	1460	1480	1400	1500
Davangere	Bilty	1260	1290	1250	1200	Closed
Nizamabad	Bilty	1250	1260	1260	1260	1325
Ahmedabad	Feed	1310	1265	1320	1350	1350
	Starch	1350	1330	1370	1360	1400

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	233.07	230.9	233.6	NA
Cost and Freight (Thailand)	283.07	285.9	293.6	NA

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>2-May-14</u>	<u>25-Apr-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1404	1482	-78
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1900	1900	Unch
		White	Bellary	1456	1465	-9
Maize	Karnataka	Yellow	Davangere	1210	1240	-30
	Andhra Pradesh	Yellow	Nizamabad	1220	1220	Unch
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	4400	4200	200
	Maharashtra	DOC	Sangli	4550	4400	150
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2300	100
	Maharashtra	Ex-factory	Latur	2360	2280	80
Mustard	Rajasthan	Plant delivery	Jaipur	1520	1470	50
Groundnut Meal	Gujarat	GN Cake	Gondal	3150	3000	150
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1639	1629	10
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1637	1602	35

Note: Prices (Rs. per Qtl.)

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