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Summary

Overall, the key feed ingredients prices witnessed steady to slightly firm sentiments during the week in review.

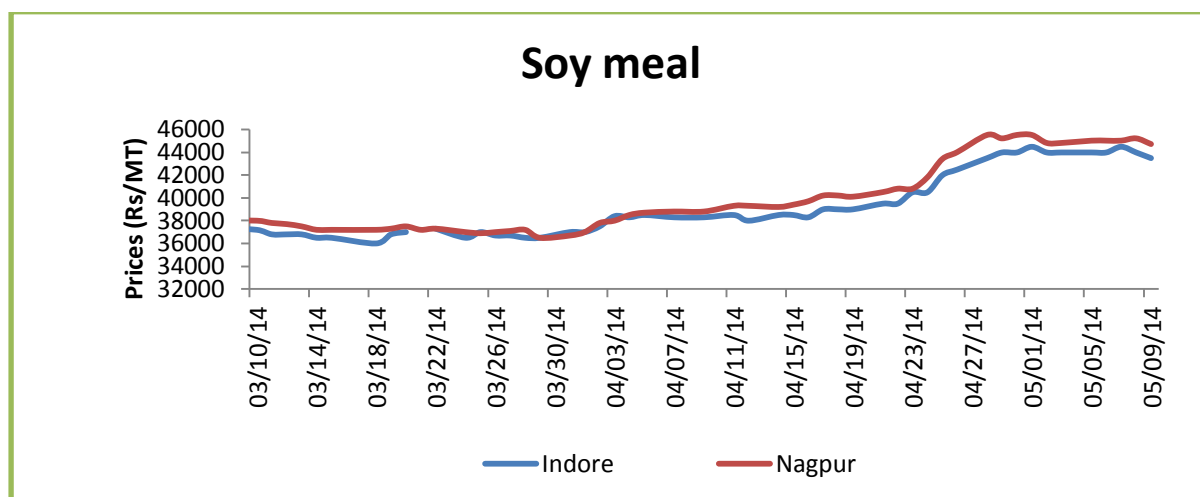
Soybean continued to trade steady to slightly firm on weak supplies in the key cash markets during the week under review. The arrivals fell consecutively third week mainly due to election activities. Major activities are expected after the formation of the govt. i.e in the fourth week of May.

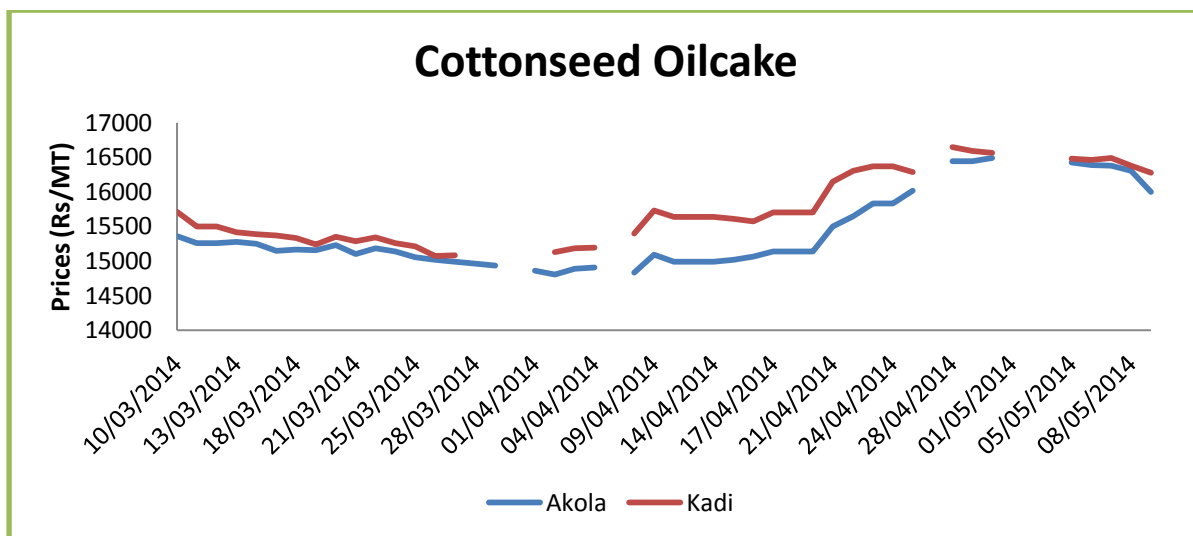
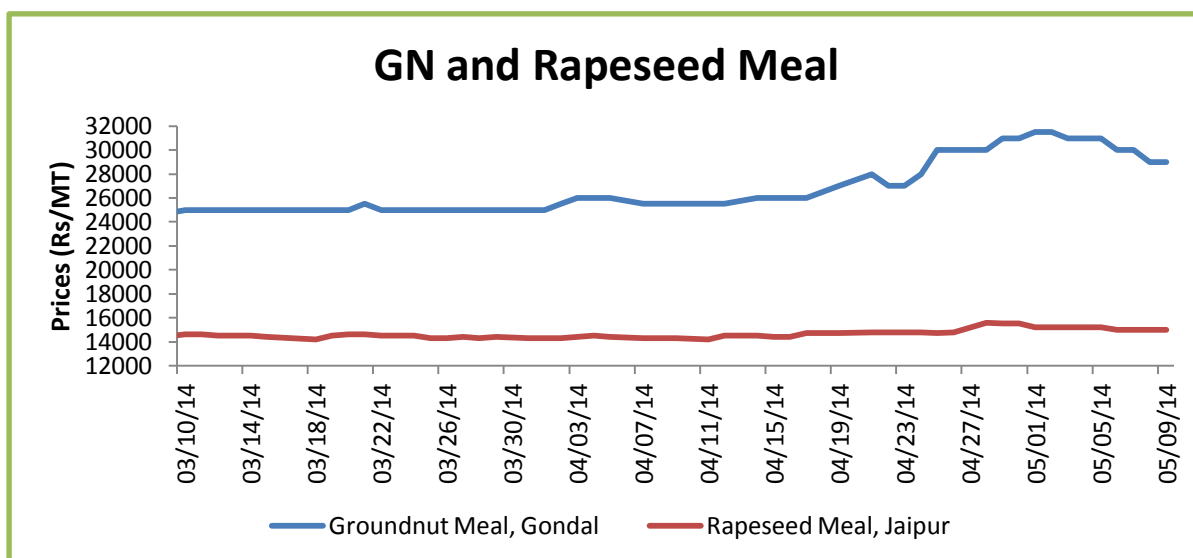
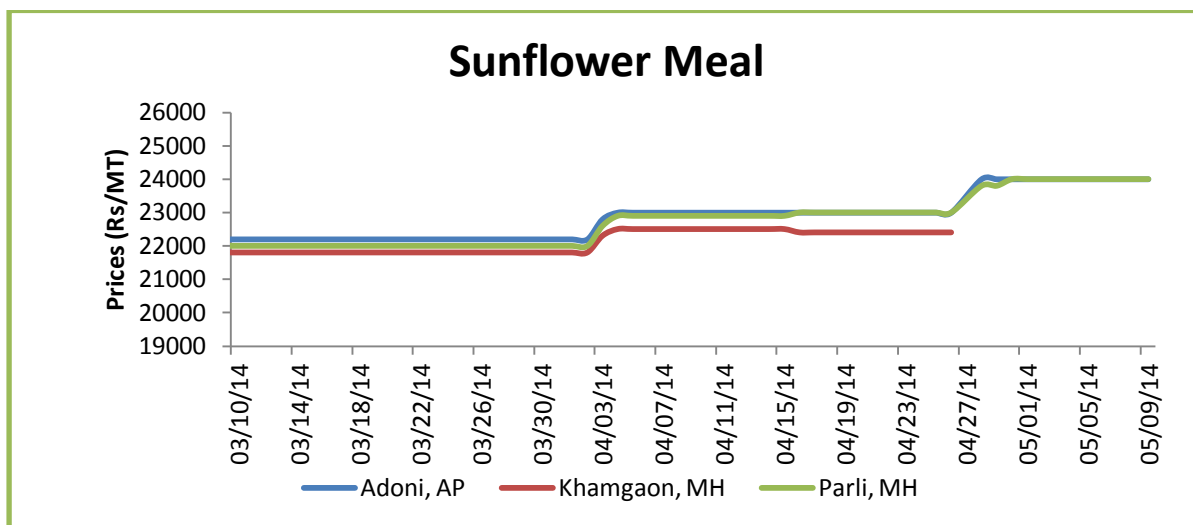
Dwindling supply in the domestic market and fear of negative impact of El-Nino might be restrictive for further dip in the weeks ahead. Market may firms up once again. Besides, the soybean crushing pace is already slow due to weak seasonal supplies in beans as soybean traders switching to wheat and rapeseed/mustard trade.

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.

Mixed 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





Source: AgriWatch

Soybean, soy meal and rapeseed/mustard traded mixed on global as well as the domestic factors during the week under review.

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Dwindling supply in the domestic market and fear of negative impact of El-Nino might be restrictive for further dip in the weeks ahead. Market may firms up once again. 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.

Soybean benchmark CBOT increased sharply during the week after considerable dip in the previous week. May contract hit US \$ 14.90 a bushel from 14.25 on Friday. However, a downward correction is expected at this level. Up to 1.2 mln tonnes of Brazil beans bound for U.S. and pressure might be seen in US market despite fear of negative weather impact and lower area coverage in US. Planting progress is slower than expectation so far.

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 95% complete besides soybean harvesting in Argentina is over 25% 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.

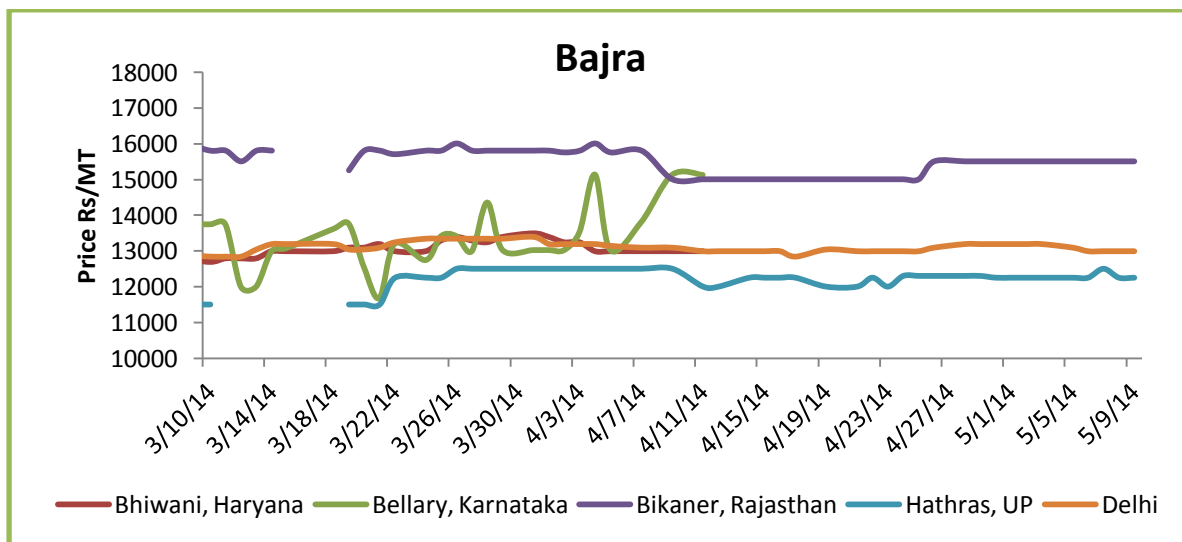
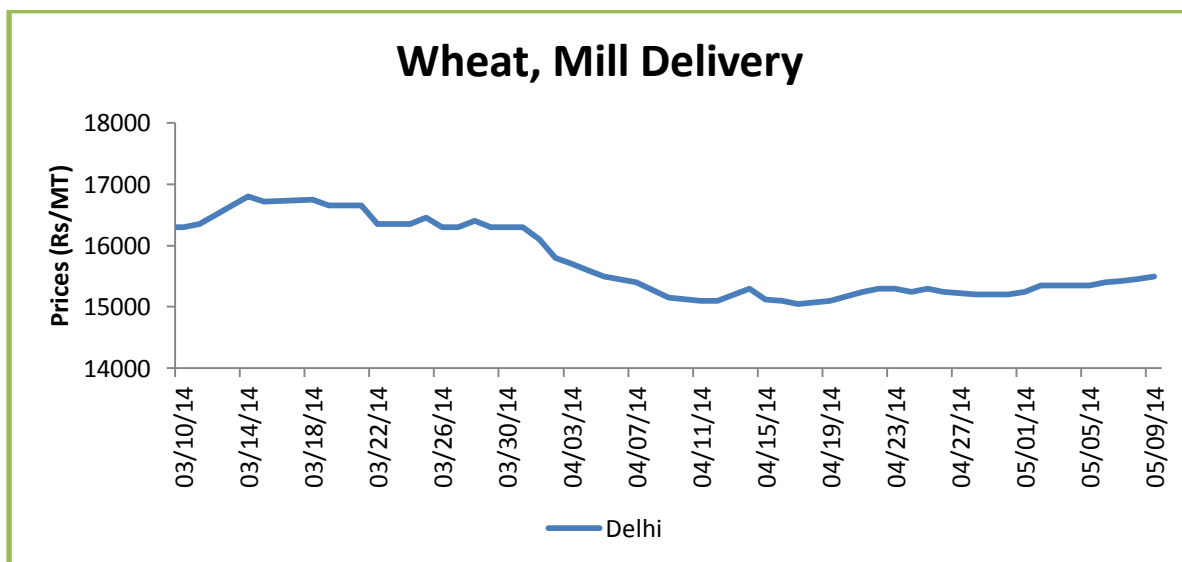
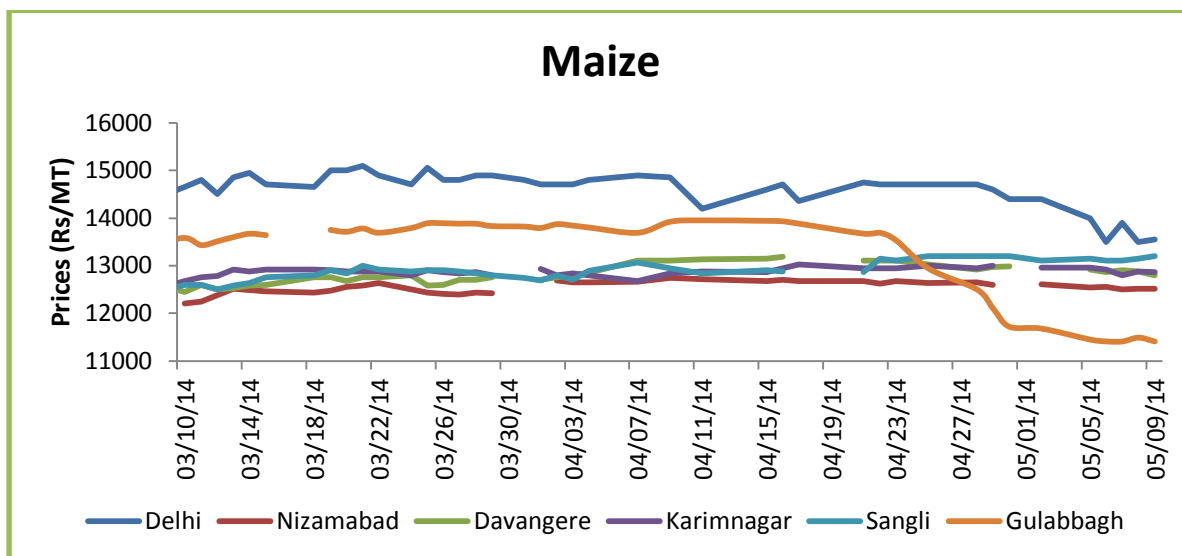
Besides, higher Malaysian palm oil due to weakening ringgit is pushing up the international benchmark BMD CPO and expectations of pre-Ramadan demand and improved palm oil exports from Malaysia recently remained supportive for the domestic mustard seed too. India's rape/mustard seed closely follows BMD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

Mixed sentiments reported in major spot markets of maize during last week.

In Ahmadabad region of Gujarat where poultry feed makers quoted maize firm by Rs. 20 per quintal in a range of Rs. 1280-1330 per quintal while starch feed makers quoted maize firm by Rs. 45 per quintal in a range of Rs.1270-1400 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 10-11 motors. Sources revealed that maize stock could be around 250 motors.

New crop arrivals of maize have started in the Bihar contains around 14-15% moisture. As per trade sources, maize is moving towards Kolkata at Rs. 1250 per quintal, sourced from Naugachia region of Bihar while it is moving towards vizag port at Rs. 1350 per quintal

As per trade sources, 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. Maize is moving towards Bangalore and Nammakal at Rs. 1350-1360 per quintal and Rs. 1400 per quintal respectively, sourced from Davangere.

As per USDA, U.S accumulated corn export figures reached to 29,261,589 metric tons for the 2013-14 marketing year which is higher by 16% from the last week and 11% from the prior 4-week average. Exports of 1,415,100 MT were reported by U.S. to Japan (507,200 MT), Mexico (220,800 MT), South Korea (140,100 MT), Taiwan (135,000 MT), Egypt (118,800 MT), Vietnam (63,000 MT), and Spain (57,000 MT) for the period Apr 25- May 1, 2014.

As per data from the Agriculture Ministry, Ukraine's maize export fell to 1.4 million tons in April from 2.6 million tons in March. (Source: Reuter)

Wheat stock in central pool warehouses was registered at 34.40 million T on 01 May compared to 17.83 million T on 1st April 2014. The highest accumulated stock is in Punjab (8.51 million T) followed by Madhya Pradesh (6.34 million tons) and Haryana (5.70 million Tons) as on 01.05.2014.

According to IBIS (provisional data), export of wheat in the month of April was 4.27 Lakh tones which is around 48% less than last year at the same month, which was 8.32 Lakh tones in April 2013.

Wheat cash market is likely to trade steady to slightly firm in the month of MAY due to active buying by private exporters in the range of RS 1400 to Rs 1500 per qtl. from north and central Indian markets.

Global markets remain favorable for Indian wheat until Russian/Ukrainian wheat starts entering into the global market. New crop expected July onward from Black Sea Region. Malaysia, Korea, Yemen and Bangladesh remain the active buyers for India wheat. Private traders/exporters have struck

export deals of around 1.5 to 2.0 million tons in last one and a half month to be shipped during May to July.

Active procurement by private exporters at higher than MSP price in various growing states has restricted government's procurement. Govt. has procured over two million tons wheat so far. However, target of 31 million ton procurement seems a remote possibility given the slower pace of procurement. Govt. procurement may end up with 26/27 million ton.

Demand for export is likely to continue till July and it would not allow market to decrease much from current level. Lackluster wheat quantity is higher this year due to untimely rains and it too would remain supportive for cash wheat market, especially for export varieties. Domestic demand -supply is normal and arrival would continue till the end of June. It will ensure ample supply for export and domestic demand.

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.

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 to slightly firm as feed ingredients prices traded slightly firm 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	83.0
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 maize traded weak vs. bajra as new crop arrivals of maize has started from Bihar. We expect that both commodities could trade steady in the near term and keep maize spread with bajra intact 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	-615.0
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 maize traded down vs. jowar during last week. We expect jowar could trade steady in the near term and keep maize spread with jowar down for the next 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	-122.5
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	-105.00	-75.0	-135.0	-157.0	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	
5			-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 amid higher demand. We expect that wheat could trade firm in the near term also 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	85.0
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 in the near term and keep maize spread with barley down for the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	9-May-14	2-May-14	Parity To
Indore (MP)	43500	43000-44000	Gujarat, MP
Kota	43200	43000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	45000	45300	Mumbai, Maharashtra
Nagpur (42/46)	44700	44800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	45000-45500	44800-45200	Andhra, AP, Kar, TN
Latur	44800	45200	-
Sangli	45500	45500	Local and South
Sholapur	45200	45500	Local and South
Akola	44000	44500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	45500	45000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	43100	43000	-

Soy DOC at Port

Centers	Port Price	
	9-May-14	2-May-14
Kandla (FOR) (INR/MT)	45000	45000
Kandla (FAS) (USD/MT)	749	747

International Soy DOC

Argentina FOB \$/MT	30-Apr-14	24-Apr-14	Change
Soybean Pellets	529	536	-7
Soybean Cake Meal	529	536	-7
Soybean Meal	537	544	-7
Soy Expellers	537	544	-7

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	9-May-14	2-May-14	Change
Adoni	24000	24000	Unch
Khamgaon	NA	NA	-
Parli	24000	24000	Unch
Latur	23600	23600	Unch

Groundnut Meal

Groundnut Meal	9-May-14	2-May-14	Change
Basis 45% O&A, Saurashtra	31000	33000	-2000
Basis 40% O&A, Saurashtra	29000	31000	-200
GN Cake, Gondal	29000	31500	-2500

Mustard DOC/Meal

Mustard DOC/Meal	9-May-14	2-May-14	Change
Jaipur (Plant Delivery)	15000	15200	-200
Kandla (FOR)	16300	16200	100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	9 May, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1340	1430	1470	1420	1320
Davangere	Bilty	1250	1260	1350	1200	1300
Nizamabad	Bilty	1260	1250	1260	1260	1240
Ahmedabad	Feed	1310	1310	1302	1320	1300
	Starch	1370	1350	1350	1360	1330

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	234.84	230.91	228.84	250
Cost and Freight (Thailand)	284.84	285.91	288.84	285

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>9-May-14</u>	<u>2-May-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1416	1404	12
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1900	-100
		White	Bellary	1315	1456	-141
Maize	Karnataka	Yellow	Davangere	1200	1210	-10
	Andhra Pradesh	Yellow	Nizamabad	1220	1220	Unch
Rice	Haryana	IR8	Karnal	1900	2000	-100
		Parmal Raw	Karnal	2300	2400	-100
Soy meal	Madhya Pradesh	DOC	Indore	4350	4400	-50
	Maharashtra	DOC	Sangli	4550	4550	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2400	Unch
	Maharashtra	Ex-factory	Latur	2360	2360	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1520	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2900	3150	-250
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1628	1639	-11
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1600	1637	-37

Note: Prices (Rs. per Qtl.)

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