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Summary

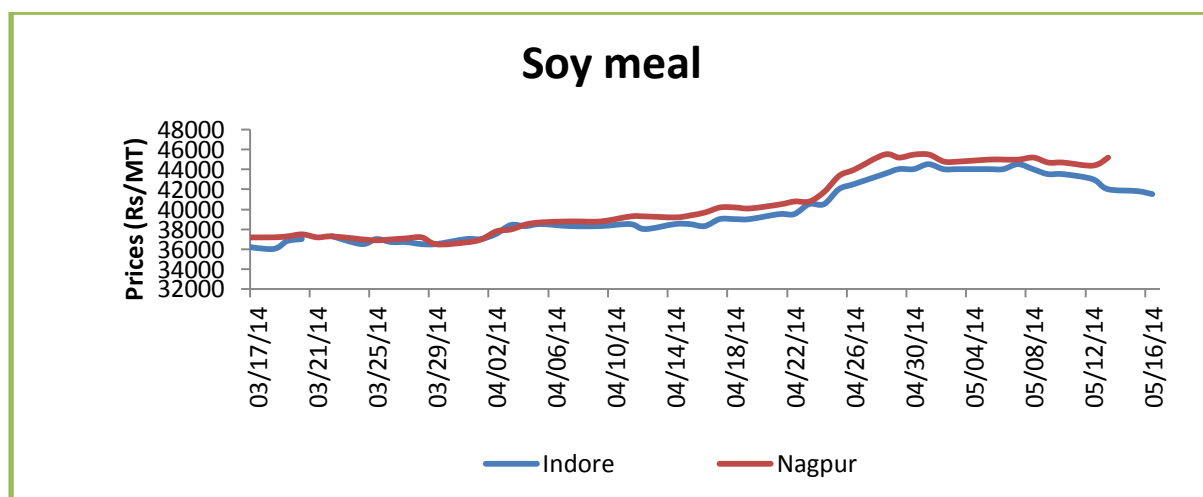
Overall, the key feed ingredients prices witnessed mixed sentiments during the week in review.

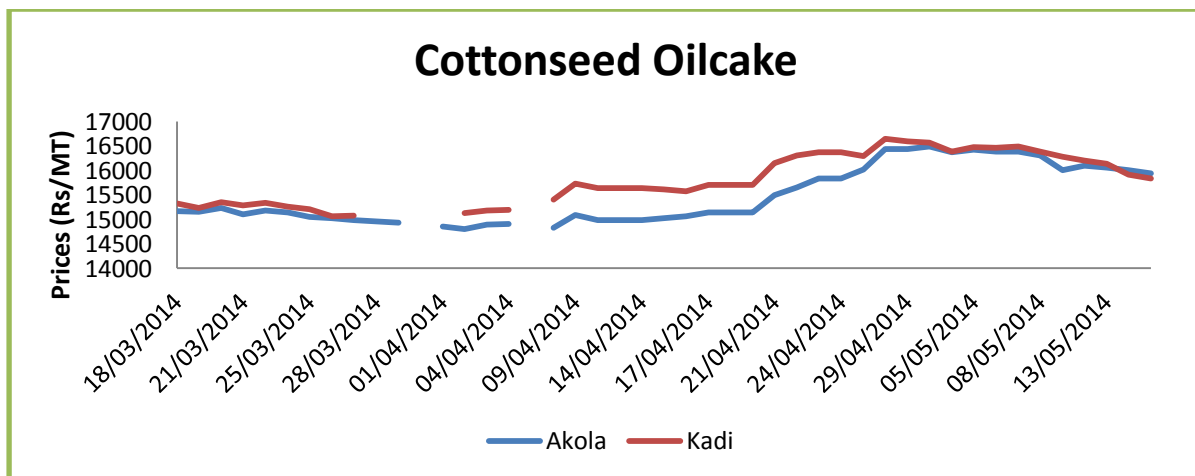
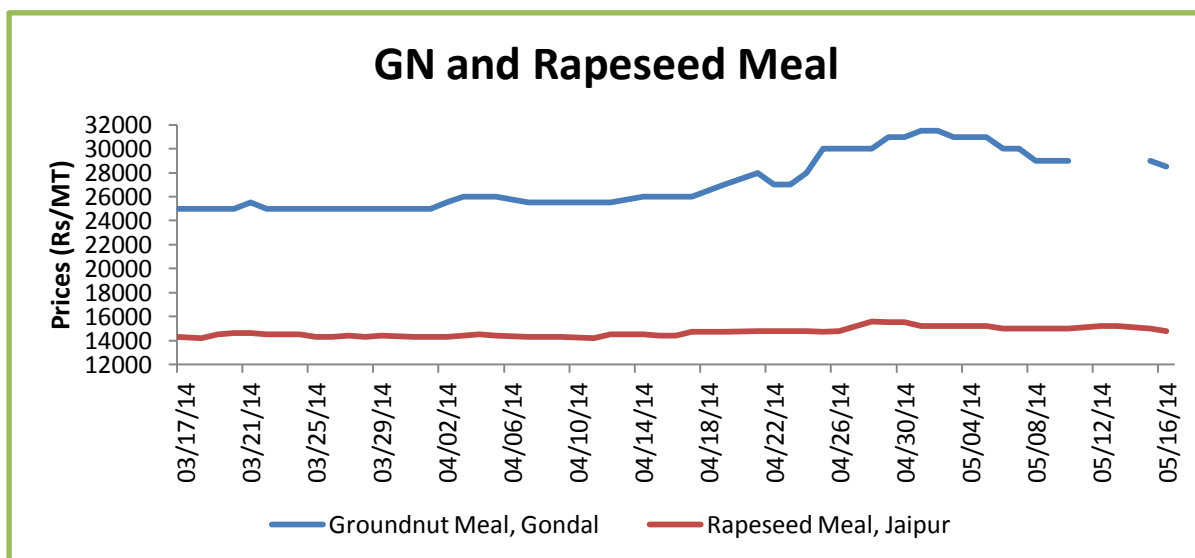
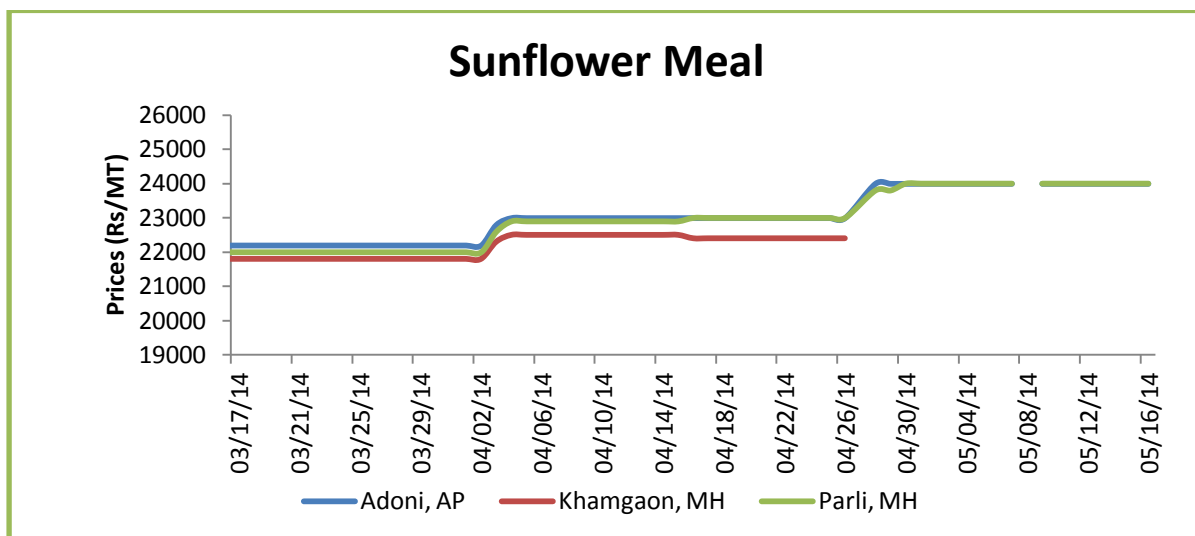
Soybean continued to reel under pressure primarily on weak international clue in the key cash market. Despite lower arrivals inner tone in the market remains weak. However, mustard seed post considerable gains last week on the back of lower arrivals.

Pressure on soy meal continues on the back of weak global clue and sluggish trading activities. More downward correction is expected in the short term.

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

Pressure on soy meal continues on the back of weak global clue and sluggish trading activities. More downward correction is expected in the short term. Brazil, Argentina would remain aggressive seller due to higher availability and competitive price there. It being a lean season in India seed availability has decreased considerably and demand for soymeal too has declined for Indian soymeal as parity turned into negative despite recent dip in seed and meal prices. Foreigners (importers) are now turning to South America due to attractive price there. However, medium term outlook remains bullish.

Soymeal export in April declined by 24.35 percent to 76,000 tonne in comparison to April 2013. During the same month last year, soymeal export were at 100,000 tons. During current Oil year, (October - September), exports during October 2013 to April, 2014 were 2.04 million tonnes, against 2.69 million tonnes last year, registering a decrease of 24.36 per cent, SOPA adds.

Iran top the country list by importing 35500 tonnes, followed by France that imported 18,197 tonnes, whereas Indonesia was third at 10,183 tonnes. Majority of the soymeal was exported through Kandla Port, Mumbai/JNPT and Bedi Port.

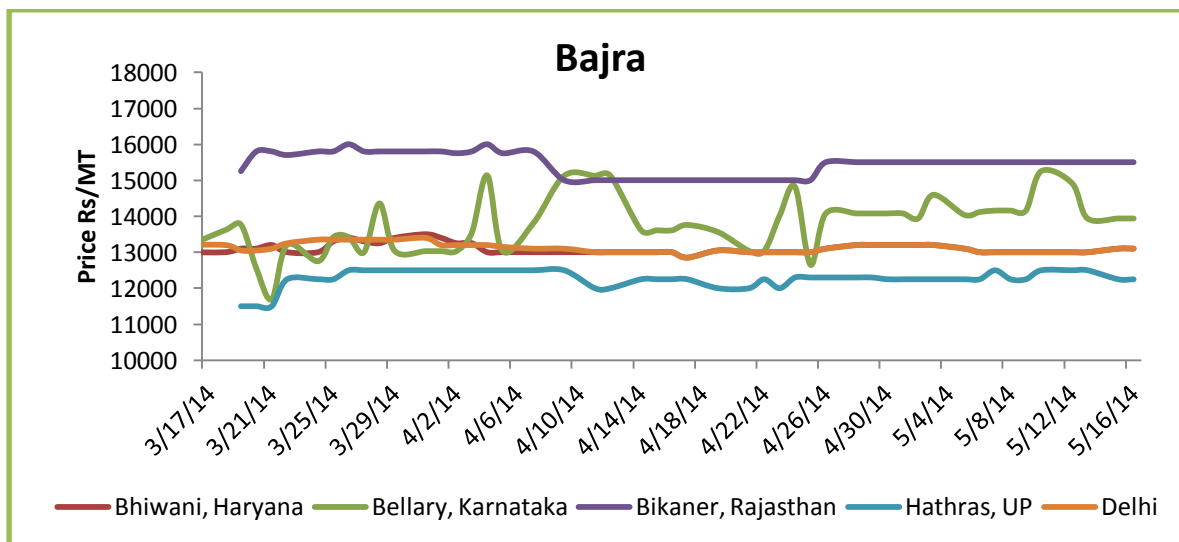
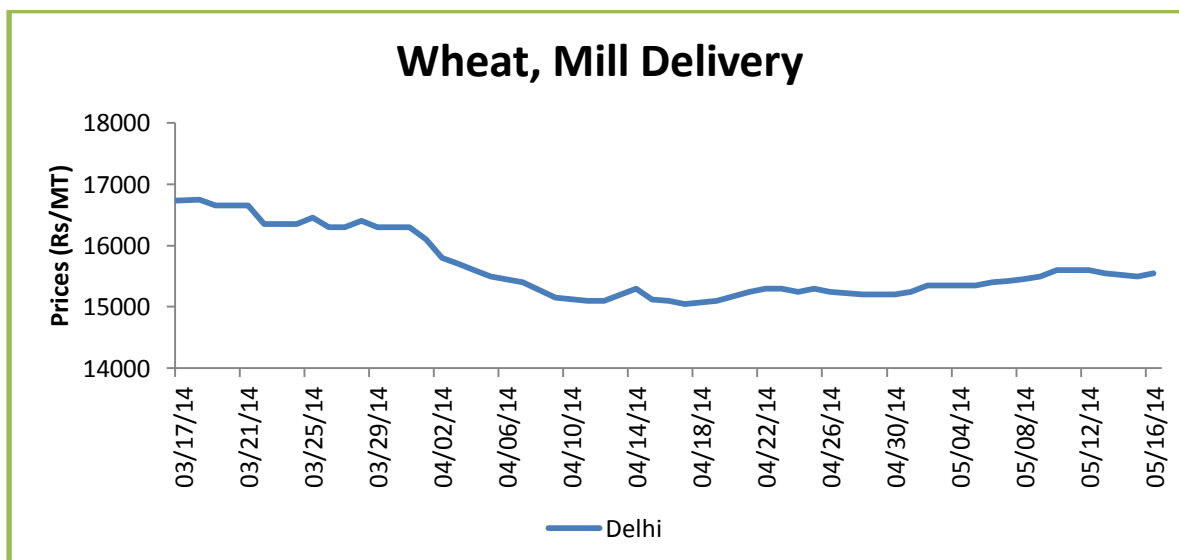
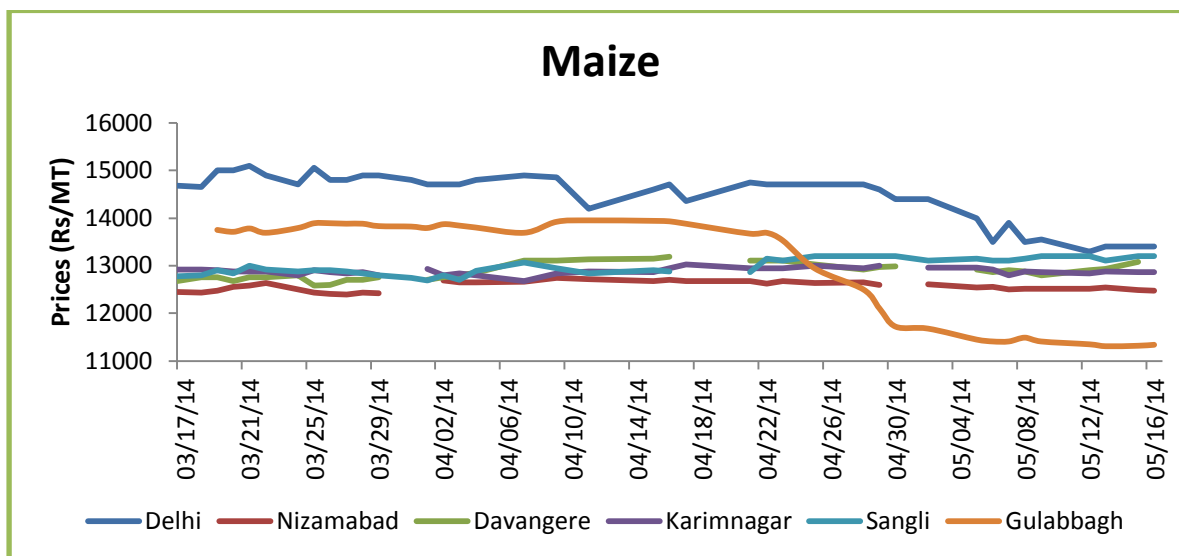
Talks of possible El Nino this year (70% chance) may hit the India's soybean crop in the upcoming crop season. If the phenomena turn out to be true it will eventually lead in lower soybean productivity which will consequently lead to lower supplies in meal in the coming season.

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 in the medium term 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 arrival during the week pushed up the seed prices.



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, poultry feed makers quoted maize steady at Rs. 1280-1330 per quintal while starch feed makers quoted maize steady at Rs.1290-1400 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 150-200 motors.

In Gulabghat mandi, maize was quoted at Rs. 1120-1130 per quintal last week. Sources revealed that new crop contained 14-15% moisture. Besides, it is moving towards vizag port at Rs. 1340 per quintal while it is moving towards Kolkata at Rs. 1300 per quintal, sourced from Naugachia region of Bihar.

As per trade sources, maize is moving towards Bangalore and Nammakal at Rs. 1430-1450 per quintal and Rs. 1450-1470 per quintal respectively, sourced from Davangere.

We expect that maize prices could go down in the coming days as Lok sabha election has been over now. Besides, peak arrivals of maize from Bihar are expected at the end of this month which could further pressurize the prices of maize.

As per USDA, U.S accumulated corn export figures reached to 30,284,895 metric tons for the 2013-14 marketing year which is down by 28% from the last week and 23% from the prior 4-week average. Exports of 1,023,300 MT were reported by U.S. to Japan (294,200 MT), Mexico (197,600 MT), Egypt (129,800 MT), Israel (117,700 MT), Colombia (102,600 MT), Portugal (54,100 MT), and Indonesia (31,600 MT) for the period May 2- May 8, 2014.

As per official think-tank forecast, China is expected to produce a record 222.1 million tons of corn in 2014/15, up 2% from the last year. Besides, country's corn import are estimated to be lower at 3.5 million tons for 2014/15 (Oct/Sept) from 5.5 million tons estimated for this year.

As per USDA, Private exporters reported the sale of 126,000 tons of U.S. corn to South Korea for delivery in 2013/14.

As per Reuter, European traders told that Taiwan's maize industry procurement association MFIG has purchased 60,000 tons corn from Japanese trading house Mitsui for shipment from Brazil July 26 to August14. The purchase was made in a combination of a flat price of \$263.90 a ton c&f for 1,500 tons and at a basis price of a premium of 178.90 cents a bushel c&f over the Chicago September corn contract for the remaining 58,500 tons.

As per the latest crop progress report released by USDA, the corn crop has been planted 59% as of 11th May, 2014 in the corn growing regions of U.S., higher by 33% from the last year and 1% from

the last 5 year average period. Besides, corn has been emerged 18% as of 11th May, 2014, higher by 13% from the last year but below 7% from the last 5 year average period.

Wheat continues to trade steady to slightly firm on slowed down arrivals in various markets. One of the major regions of firmness in recent weeks is private traders active participation this year. Export opportunity up to July has encouraged exporters/multinational to buy more wheat on higher than MSP price.

Besides, due to election borders of adjoining states remained seals and interstates movement remained limited. It lent support wheat price at major consuming centers. Now supply from Uttar Pradesh would increase and some weakness may be seen in the cash market. Wheat may decrease Rs 20 to 40 per qtl. in coming weeks.

There is a report from Uttar Pradesh that almost 3 percent wheat is infected with Karan Bunt and one percent from blackoppers. However, overall grain quality is good. Harvesting is almost over. Recent rains have impacted threshing activities in some area.

Farmers this year have retained 10 percent more crop in anticipation of higher realization in lean season and continuation of export. Govt procurement may touch 28 million ton as U.P would contribute more now.

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 ton) and Haryana (5.70 million Ton) 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 B'desh remain the active buyers for India wheat. Private traders/exporters have struck export deals of around 1.5 to 2.0 million ton in last one and a half month to be shipped during May to July.

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	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	28.0
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 slightly firm with the decrease in maize prices. We expect that trend could continue in the near term 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	-615.0
3	243	197.00	305.00	390.00	400.0	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0
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 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	-173.0
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 wheat traded steady with the down in maize prices. We expect that both commodities could trade down due to arrival pressure and keep maize spread with wheat intact 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	61.0
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 maize traded down vs. barley 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)		
	15-May-14	9-May-14	Parity To
Indore (MP)	41500	43500	Gujarat, MP
Kota	42000	43200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	44500	45000	Mumbai, Maharashtra
Nagpur (42/46)	45000	44700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	44000	45000-45500	Andhra, AP, Kar, TN
Latur	44000	44800	-
Sangli	NA	45500	Local and South
Sholapur	NA	45200	Local and South
Akola	44100	44000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	NA	45500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	43200	43100	-

Soy DOC at Port

Centers	Port Price	
	15-May-14	9-May-14
Kandla (FOR) (INR/MT)	42000	45000
Kandla (FAS) (USD/MT)	714	749

International Soy DOC

Argentina FOB \$/MT	15-May-14	8-May-14	Change
Soybean Pellets	535	529	6
Soybean Cake Meal	535	529	6
Soybean Meal	543	537	6
Soy Expellers	543	537	6

Sunflower Meal Rates

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

Groundnut Meal

Groundnut Meal	16-May-14	9-May-14	Change
Basis 45% O&A, Saurashtra	29500	31000	-1500
Basis 40% O&A, Saurashtra	27500	29000	-1500
GN Cake, Gondal	28500	29000	-500

Mustard DOC/Meal

Mustard DOC/Meal	16-May-14	9-May-14	Change
Jaipur (Plant Delivery)	14800	15000	-200
Kandla (FOR)	16000	16300	-300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	16 May, 2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1330	1340	1450	1500	1400
Davangere	Bilty	1350	1250	1350	1230	1300
Nizamabad	Bilty	1250	1260	1260	1260	1240
Ahmedabad	Feed	1310	1310	1300	1350	1300
	Starch	1310	1370	1320	1360	1330

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	226.87	223.6	228.1	251.0
Cost and Freight (Thailand)	276.87	278.6	288.1	286

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>16-May-14</u>	<u>9-May-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1394	1416	-22
		Hybrid	Bangalore	1400	1400	Unch
Jowar	Karnataka	White	Bangalore	1800	1800	Unch
		White	Bellary	1472	1315	157
Maize	Karnataka	Yellow	Davangere	1300	1200	100
	Andhra Pradesh	Yellow	Nizamabad	1220	1220	Unch
Rice	Haryana	IR8	Karnal	2200	1900	300
		Parmal Raw	Karnal	2400	2300	100
Soy meal	Madhya Pradesh	DOC	Indore	4150	4350	-200
	Maharashtra	DOC	Sangli	4500	4550	-50
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2400	Unch
	Maharashtra	Ex-factory	Latur	2360	2360	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1480	1500	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2850	2900	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1584	1628	-44

Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1594	1600	-6
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Note: Prices (Rs. per Qtl.)

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