

Contents:

- ❖ **Summary**
- ❖ **Trend – Raw Material, Feed**
- ❖ **Outlook**
- ❖ **Spreads**
- ❖ **Annexure - Prices**

Summary

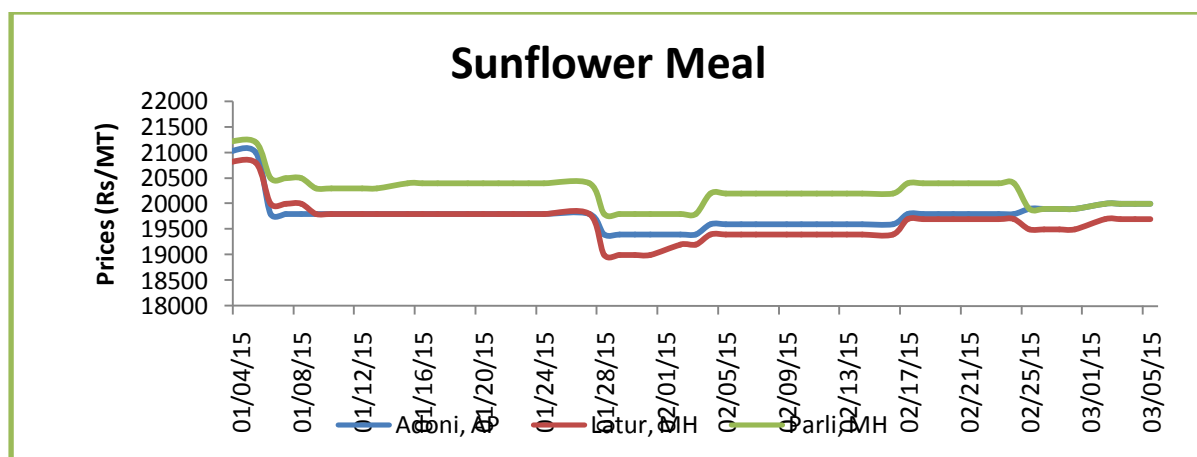
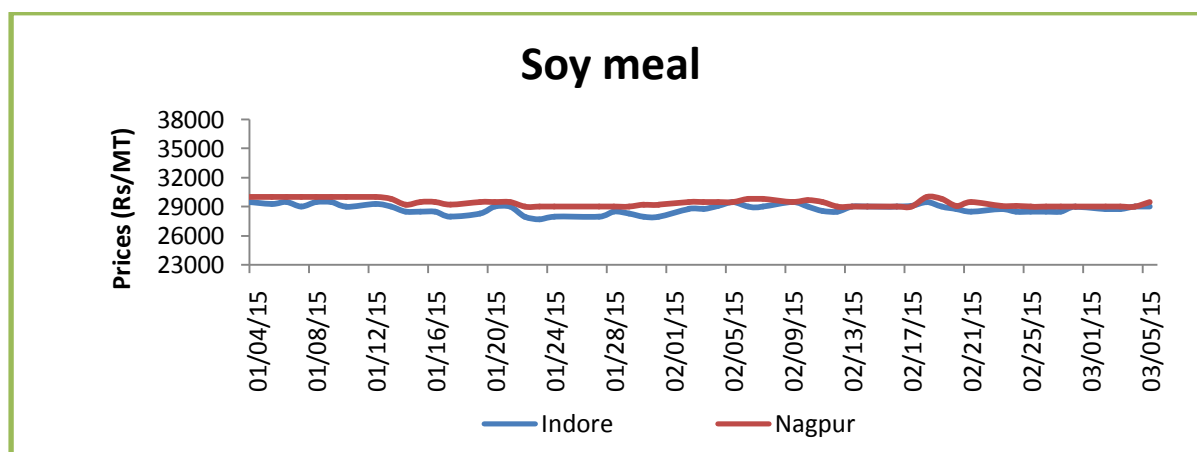
Overall, the key feed ingredients prices witnessed steady to firm tone during the week in review.

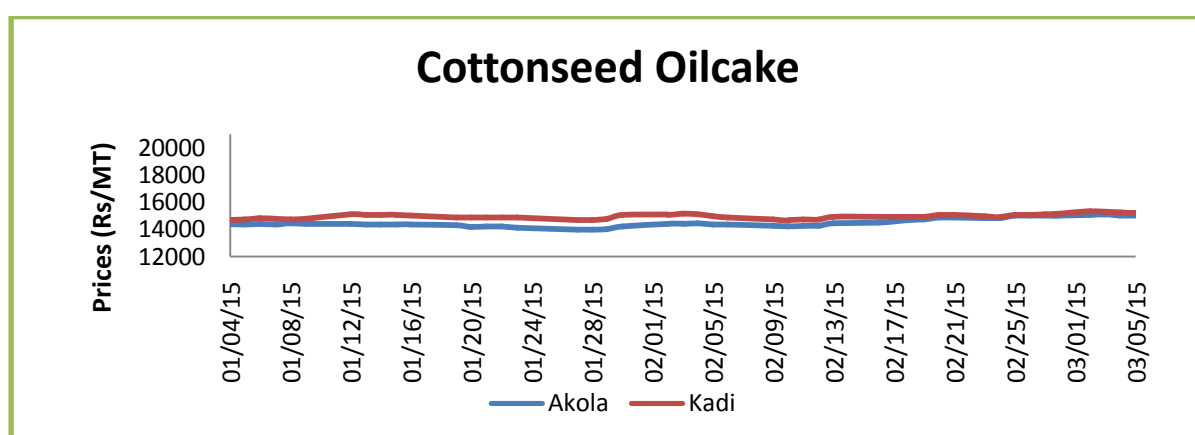
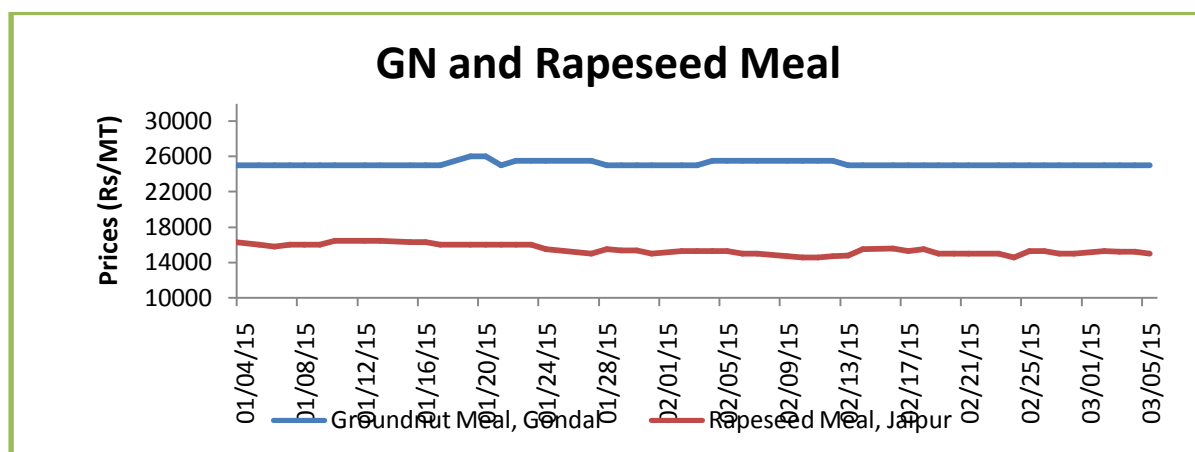
The soybean witnessed mild gains in anticipation of demand in soy oil ahead *Holi* during the week under review. The gains were despite the fall in CBOT soybeans during the period.

Soy meal posted mild gains in tandem with soybean followed by some fresh domestic demand in the meal, during the period under review.

Overall maize cash market traded steady to firm during the week under review except Ranebennur and Bagalkot. Domestic maize market is likely to stay steady to slightly firm due to delayed arrival from new crop. As short supply is being witnessed of quality seeds, it lends support to cash market fundamental currently. However firm tone would not continue for long as arrival from Bihar is expected to start from the first week of April.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean and meal slightly edged-up with some buying support while RM seed fell on increasing new crop supply pressure during the week under review. The underlying factors continue to remain week for the soy complex.

Soybean:

- ❖ The soybean witnessed mild gains in anticipation of demand in soy oil ahead Holi during the week under review. The gains were despite the fall in CBOT soybeans during the period.
- ❖ The soybean prices fell with the decline in crude and with the end of trucker's strike in Brazil protesting against the new fuel tax. The event disrupted the soybean supply which is under harvest in Brazil. As expected the event not only increased the congestion on roads but also at ports in near-term, though the concern has eased.
- ❖ The shipment delays of soybeans and soya meal in South America are keeping supplies in the importing countries at lower than expected levels reports the Oil World. Three of the Argentina's four largest farm groups will halt the sale of grains including soy for 72 hours from Wednesday.

- ❖ Argentina's key soy growing areas are hit by flood which is likely to negatively affect the soybean yield in pod formation stage. The analyst may cut their Argentine soybean production forecast in coming weeks.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ The Brazil's soybean harvesting is in full swing in key growing states including Mato Grosso, the harvesting is done above 20% of the total area under soy. The harvesting is behind year ago period and behind five-year average.
- ❖ *The domestic soybean prices will remain under global supply pressure, lower crude and weak India's soy meal export sales with disparity on crushing the bean.*

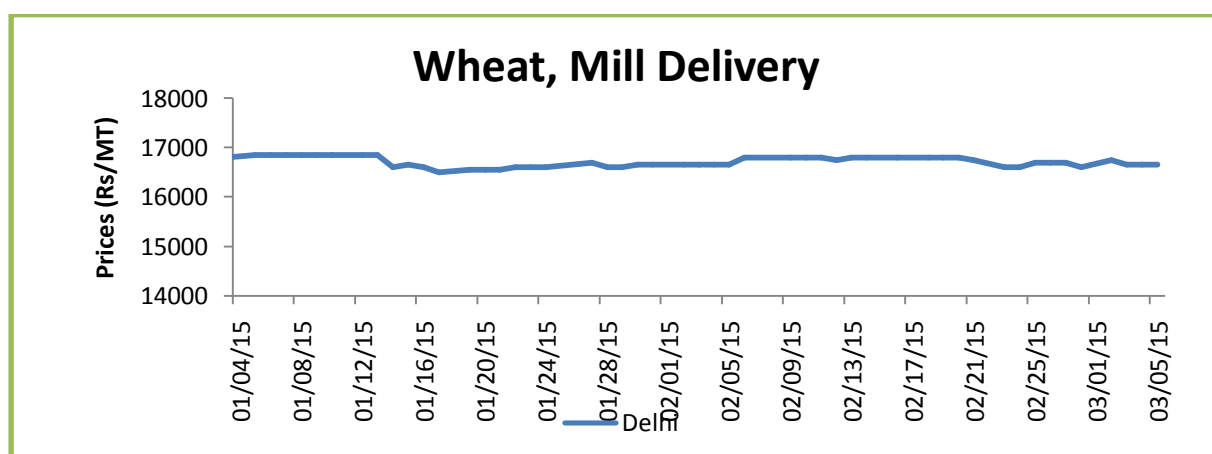
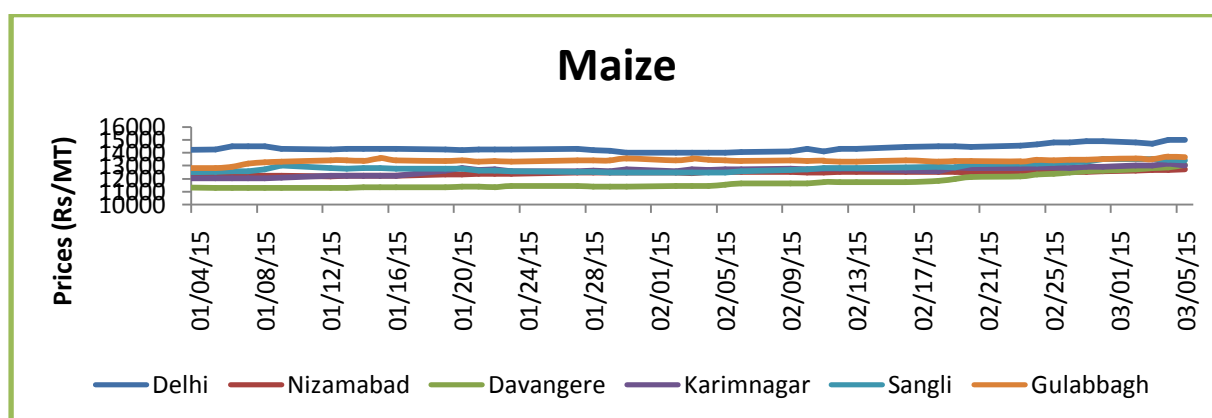
Soy meal:

- ❖ Soy meal posted mild gains in tandem with soybean followed by some fresh domestic demand in the meal, during the period under review.
- ❖ However, the meal prices are lower since the beginning of the season followed by bearish global supply scenario and weak export sales of Indian origin, disparity on domestic crushing and lower crude. The scenario will limit any sharp rise in the meal prices during the season.
- ❖ India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.
- ❖ In a latest development SOPA has requested MP government to withdraw taxes on the industry. The soy industry is disappointed at the budget proposals of MP State Government to levy one percent tax on soy meal / de-oiled cake. Being a highly competitive agro based industry, it should not be burdened with additional taxation, which significantly contributes to the agro-economy of the state, says SOPA.
- ❖ Neighboring state Maharashtra has no tax on soy meal/De-oiled cake and units in MP will become uncompetitive in comparison.
- ❖ *Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.*
- ❖ *The soy meal prices are likely to feature range-bound movement in near-term.*

RM Seed:

- ❖ RM seed fell primarily on new crop supply pressure during the week under review. Weakness in BMD CPO has lent additional pressure to the seed market.
- ❖ However, intermittent unfavorable rains in the rapeseed-mustard growing region since last couple of weeks limited the losses. There are further forecast of rains in coming days. The rains have already hit the potential yield output in the seed, though it is premature to comment on the losses. The

- ❖ The all India seed arrivals were reported at 12,55,000 bags during the week under review compared to 10,85,000 bags previous week. In Rajasthan the supplies fell to 58,5000 bags due to rains compared to 6,65,000 bags in the previous week.
- ❖ The domestic rapeseed-mustard harvesting is gaining momentum and it is expected to pick-up with festivities got over. The seasonal rise in arrivals will continue in coming weeks, which will continue to weigh on the seed prices. Bearish global oilseeds supply scenario will remain a negative factor for the seed.
- ❖ The market is expecting Malaysia's monthly MPOB data on palm oil inventories, production and consumption for the month of February this week, the palm oil stocks are expected to ease for February.
- ❖ *Increasing seasonal arrivals of the rapeseed-mustard with harvesting gaining momentum and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term.*





In Delhi, hybrid maize traded firm by Rs. 10 per quintal to Rs 1490 per quintal as compared to last week due to low crop arrival. Sources revealed that stock of maize could be around 2500 quintal and is likely to trade steady to slightly firm in the near term also due to low supply in the market.

As per USDA, U.S accumulated corn export figures reached to 18,882,537 metric tons for the 2014-15 marketing year. Exports of 13,78,800 MT were up by 59 percent from the last week and 91 percent from the prior 4-week average; reported by U.S Japan (402,500 MT), Mexico (231,200 MT), Colombia (162,200 MT), Saudi Arabia (145,300 MT), Egypt (131,000 MT), South Korea (67,000 MT), the Dominican Republic (42,900 MT), and Peru (33,000 MT) for the period February 20-26, 2015.

According to IBIS, export of Indian wheat in the last week of February (23 Feb-01 Mar) was around 2132 MT at an average FoB price of \$323.63/tonne. The major export destination of Indian wheat was UAE from Mundra port which accounted 1197 MT at an average FOB price of \$336.68/Tn .Other major countries were China and Philippines.

Wheat farmers in Rajasthan have suffered 5 to 10 percent crop loss in some particulars regions like Barmer, Bundi and Baran Agriwatch team is still in process of analyzing total loss in the region. However, crop condition in Bihar, Punjab and Haryana is in good to excellent so far. Good production prospect is live in these states. Temperature in March month would remain crucial for the final size of the crop. Abnormally higher temperature may increase shrinkage percentage in grain.

In Gujarat crop size is expected to be lower by 10 to 15 percent. Early sown crop has attained maturity and harvesting has commenced. During grain feeling stage temperature started increasing in the major growing belt of Swarashtra region and it compelled grain to ripen early. It did not allow grain to attain it normal size that may affect yield by 10 to 15 percent.

According to the latest report of USDA Indian wheat export may come to 2 MMT due to uncompetitive prices and expectations of no government wheat exports. However, according to Agriwatch estimate Indian wheat export may reach to 3MMT due higher production and good demand of quality wheat like Tukda and Lokwan.

According to second advance estimate released by Indian government wheat production may reach to 95.76 MMT which is around 2 percent higher than the first estimate of 94.00 MMT .They have increased the wheat production estimate due to expectation of higher yield in major growing area despite lower area coverage as compare to last year.

Fewer water supplies from the canal and increasing temperature in the maturity stage may affect the yield of wheat in the Rajkot region as it will make the seed to shrink more. As per farmers feedback area of wheat has decreased around 6-7 percent from last year and harvesting may start from 1st week of March.

According to the state-wise target of wheat to be purchased from farmers during the Rabi marketing season, Punjab is expected to purchase 12 MMT of wheat in 2015-16 against 11.64 MMT in 2014-15 and Haryana 7 MMT in 2015-16 against 6.45 MMT in 2014-15. Procurement estimate for Madhya Pradesh is 6 MMT, Uttar Pradesh 3 MMT and Rajasthan 1.8 MMT. The targets were fixed at a meeting of food secretaries.

Global wheat market may trade steady to weak due to ample supply in the world market. Recently market showed firmness due to weather concern in USA and Russia. Market may test the first support level of 480 cent per bushel in the short term & 450 cent per bushel in medium term. We expect market to trade in the range of \$170 to \$200 per T.

Outlook

Feed prices are expected to trade slightly firm as feed ingredients prices were steady to firm during last week.

Spreads

Maize Average Weekly spread with Bajra

Week	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15
1	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0	144.0	180.0	180.00	252.0	332.0
2	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0	202.0	164.0	227.0	247.0	
3	161.0	28.0	-62.0	30.0	8.0	6.00	93.0	207.0	119.0	237.0	269.0	
4	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0	182.5	139.0	244.0	320.0	
5		5.0		30.0		60.0				242.0		

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with bajra traded firm as maize traded firm with the steady price movement in bajra. We expect that both could trade steady to slightly firm in the near term and keep maize spread with bajra firm for the next week.

Maize Average Weekly spread with Jowar

Week	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15
1	-101.0	-604.0	-	-	-785.0	-781.6	-669.0	-532.0	-230.0	-19.0	-72.0	-16.0
2	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0	-198.0	-253.0	-53.0	-75.0	
3	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	
4	-240.0	-1078.0	-	-727.5	-781.0	-795.0	-792.0	-228.0	-180.0	-50.0	-27.0	
5			-	-740.0		-770.0				-61.0		

*Market Center: Delhi. Maize – loose price. Maize prices less Jowar

As the table depicts, maize spread with jowar traded firm during last week as maize traded firm with the steady price movement in jowar during last week. We expect that 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 Barley

Week	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15
1	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5	-166.0	-155.0	-29.0	-174.0	-116.0
2	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0	-40.0	-149.0	20.0	-175.0	
3	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0	-52.0	-137.0	-178.0	-164.0	
4	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	-110.0	-200.0	-127.0	
5		78.0		-140.0		-110.0				-211.0		

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with barley traded firm during last week and is expected to be firm in next week also.

Maize Average Weekly spread with Wheat

Week	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15
1	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0	-324.0	-296.0	-212.0	-240.0	-117.0
2	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0	-297.5	-297.5	-160.0	-192.5	
3	6.0	-173.0	-306.0	-302.0		-312.5	-318.0	-307.0	-290.0	-156.0	-176.0	
4	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5	-306.0	-292.0	-138.0	-132.0	
5		-173.0		-240.0		-297.5				-154.0		

*Market Center: Delhi. Maize – loose price. Maize prices less Wheat

As the table depicts, maize spread with wheat traded firm as wheat traded down during last week. We expect that both could trade steady to slightly firm in the near term and keep maize spread with wheat firm for the next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	5-Mar-15	27-Feb-15	Parity To
Indore (MP)	28500-29000	28500	Gujarat, MP
Kota	28100-28200	28000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29500	29100	Mumbai, Maharashtra
Nagpur (42/46)	29500	28500-29100	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	29600	29600	Andhra, AP, Kar, TN
Latur	29500	29700	-
Sangli	30000	30100	Local and South

Sholapur	29300	29300	Local and South
Akola	28600	28700	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29400	29400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	28100	28200	-

Soy DOC at Port

Centers	Port Price	
	5-Mar-15	27-Feb-15
Kandla (FOR) (INR/MT)	29150	29500
Kandla (FAS) (USD/MT)	469	477

International Soy DOC

Argentina FOB \$/MT	4-Mar-15	26-Feb-15	Change
Soybean Pellets	372	411	-39
Soybean Cake Meal	372	411	-39
Soybean Meal	380	419	-39
Soy Expellers	380	419	-39

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	5-Mar-15	27-Feb-15	Change
Adoni	20000	19900	100
Khamgaon	NA	NA	-
Parli	20000	19900	100
Latur	19700	19500	200

Groundnut Meal

Groundnut Meal	5-Mar-15	27-Feb-15	Change
Basis 45% O&A, Saurashtra	24500	24500	Unch
Basis 40% O&A, Saurashtra	21500	21500	Unch
GN Cake, Gondal	25000	25000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	5-Mar-15	27-Feb-15	Change
Jaipur (Plant Delivery)	15000	15000	Unch
Kandla (FOR)	15700	16000	-300

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	5-Mar-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Hybrid	1480	1480	1430	1400	1510
Davangere	Loose	1300	1220	1150	1210	1400
Nizamabad	Bilty	NA	NA	1270	1260	1325
Ahmedabad	Feed	1400	1400	1330	1330	1460
	Starch	1440	1440	1375	1360	1510

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	173.23	177.65	177.74	236.30
Cost and Freight	223.23	232.65	237.74	271.30

Soy Meal Exports (In MT):

Month	2010	2011	2012	2013	2014
Jan	240318	574996	474993	620133	364444
Feb	220552	540360	344240	577589	183551
Mar	163666	410537	460464	320265	232176
Apr	60264	305033	313832	100311	75884
May	60575	176819	142588	97546	8226
Jun	98400	117600	180987	213564	2636
Jul	166632	139547	168341	107038	6682
Aug	176138	165510	10005	183555	2778
Sep	290868	225921	6525	173381	868
Oct	404960	223594	49840	182724	29071
Nov	443488	397659	517103	503269	110806
Dec	611157	798041	510698	451314	193832
Total	2937018	4075617	2668918	3512217	1210954

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	5-Mar-15	27-Feb-15	Change
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Bajra	Karnataka	Hybrid	Bellary	1176	1225	-49
		Hybrid	Bangalore	1460	1500	-40
Jowar	Karnataka	White	Bangalore	2300	1900	400
		White	Bellary	1454	1563	-109
Maize	Karnataka	Yellow	Davangere	Closed	1220	-
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	1800	NA	-
		Parmal Raw	Karnal	2050	2200	-150
Soy meal	Madhya Pradesh	DOC	Indore	2900	2850	50
	Maharashtra	DOC	Sangli	3000	3010	-10
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2000	1990	10
	Maharashtra	Ex-factory	Latur	1970	1950	20
Mustard	Rajasthan	Plant delivery	Jaipur	1500	1500	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	2500	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1523	1511	12
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1500	1500	Unch

Note: Prices Rs./ Qtl

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