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Summary

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

The soybean fell on weak global cues and feeble buying in the domestic cash market during the period under review.

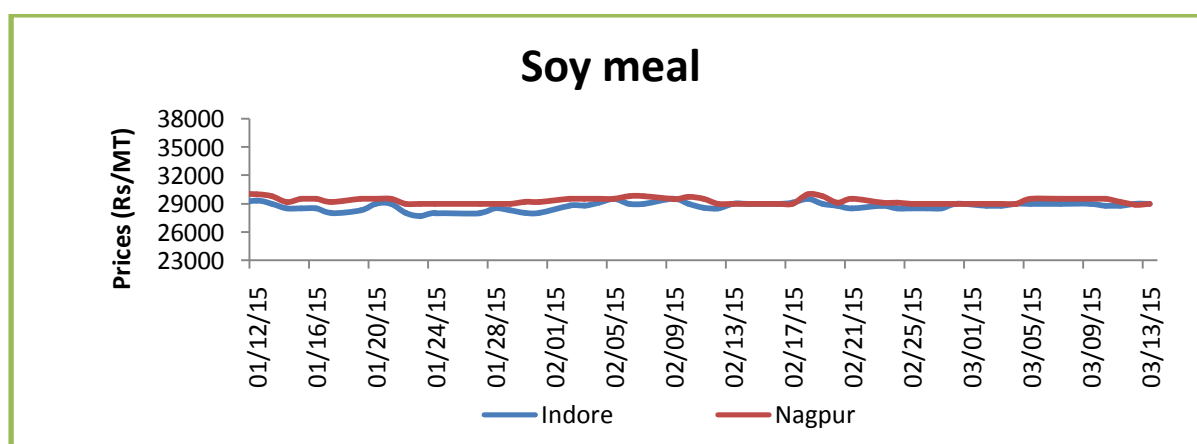
Lower than expected soy meal exports commitment, higher edible oil imports with cheaper availability in the international market and higher global soy supply scenario remained bearish for the domestic soybean market.

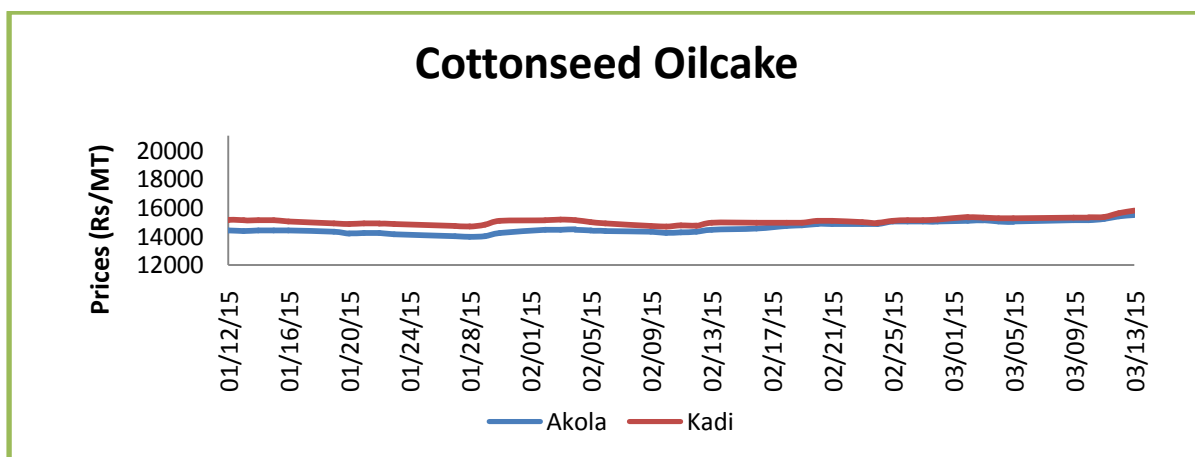
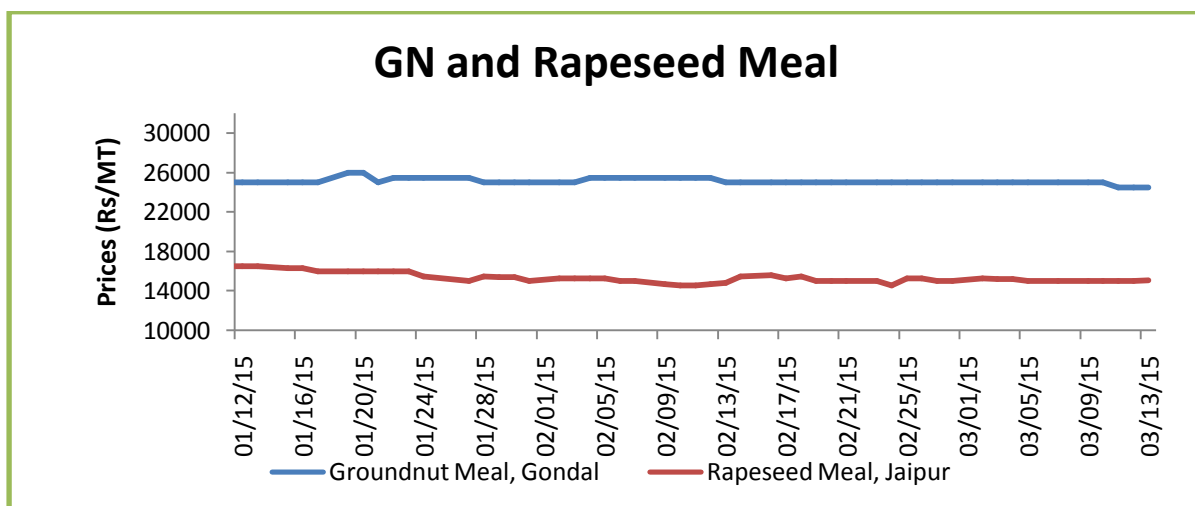
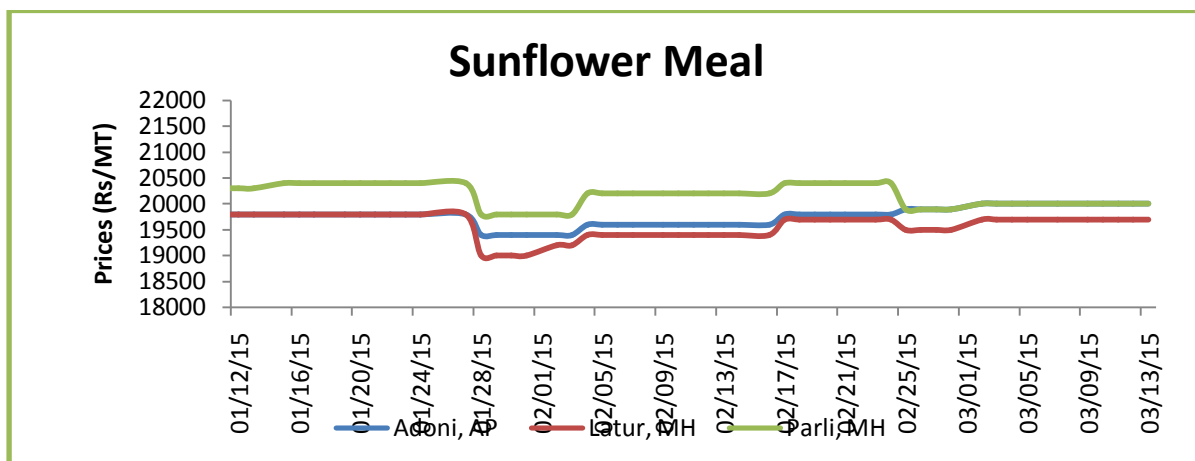
Soy meal edged-up on improved buying remained supportive for the meal during the period under review.

However, the overall near and medium-term fundamentals remain bearish for domestic soy meal mainly due to weak international prices with higher global soy supply scenario and lower crude. The competitive S. American soy meal price compared to India's remained negative factor for domestic meal.

Overall maize cash market traded steady to firm during the week under review except Ranebennur. Maize traded firm in Delhi, Bagalkot, Gadag, Sangli and Ahmadabad market while traded unchanged in Davangere, Shimoga and Khanna markets. Domestic maize market is likely to stay steady to slightly firm in the near term 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 rapeseed-mustard fell on supply pressure while soy meal witnessed modest on steady buying during the week under review. The current fundamentals factors continue to remain week for the soy complex.

Soybean:

- ❖ The soybean fell on weak global cues and feeble buying in the domestic cash market during the period under review.
- ❖ Lower than expected soy meal exports commitment, higher edible oil imports with cheaper availability in the international market and higher global soy supply scenario remained bearish for the domestic soybean market.
- ❖ South American soya oil shipments were higher than expected in Jan/Feb 2015, mainly to India and Iran, reports Oil World. Malaysia and Indonesia has already exempted export duty from palm oil making it cheaper for importing countries.
- ❖ Further, lower crude continued to be another key factor pressurizing soy market both globally as well as domestically.
- ❖ In yet another bearish news, Allendale has estimated U.S. farmers to increase 2015/16 soybean plantings to a record 86.052 million acres with likely reduced sowing of corn, if realized, it would exceed last year's record plantings of 83.701 million acres.
- ❖ Conab – Brazil's government crop supply agency has trimmed its 2014/15 soybean production estimate to 93.3 million tonnes this week from 94.6 million tonnes in February slashing sown area and potential yield output.
- ❖ Soy harvesting in Brazil is in full swing and besides Conab, Safras & Mercado has also slashed the production estimate to 94.4 million tonnes from previous 95 million tonnes in their previous forecast.
- ❖ *The domestic soybean prices will remain under global supply pressure, lower crude and India's weak soy meal export sales with disparity on crushing the bean, though mild gains in cash market can't be ruled out with some bullish news.*

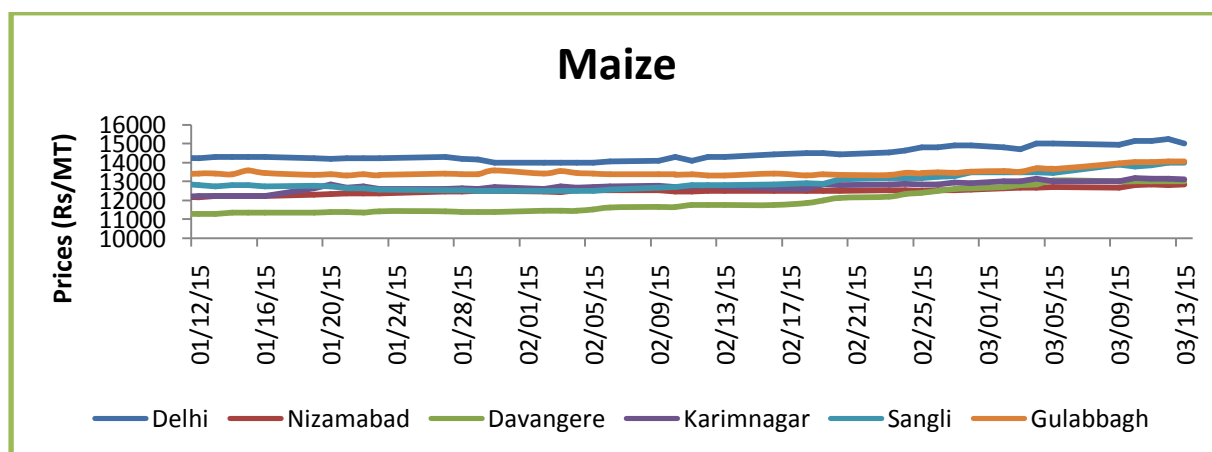
Soy meal:

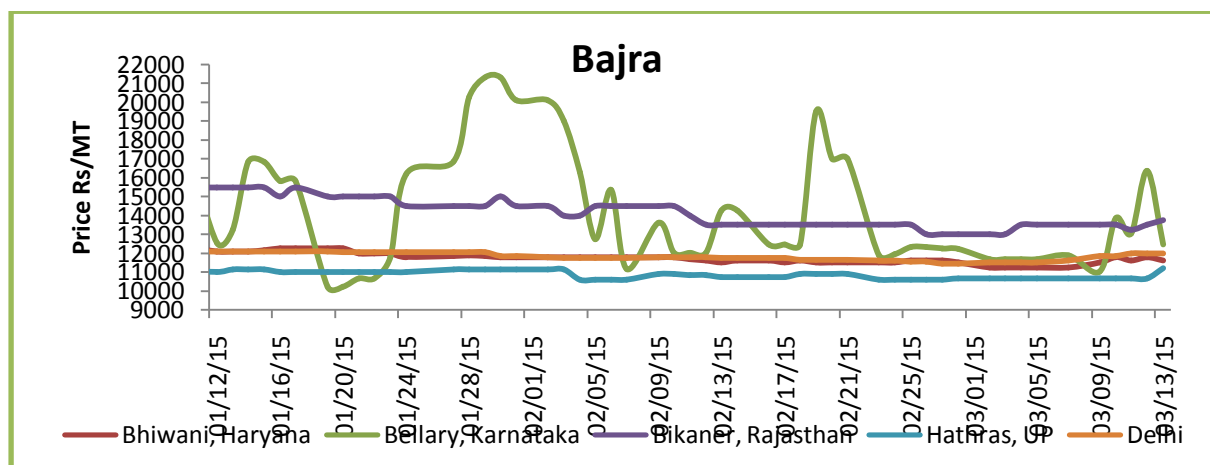
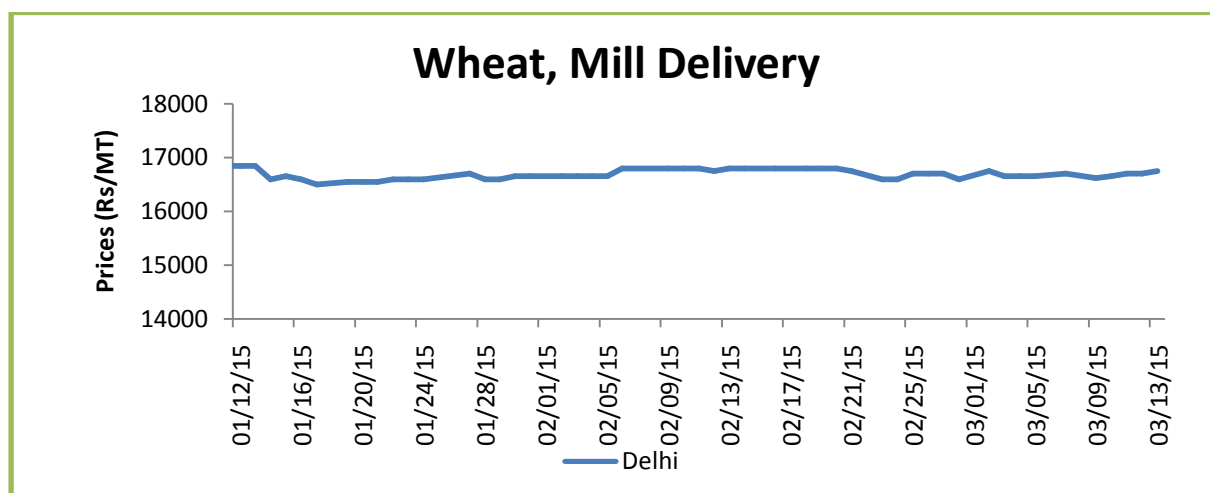
- ❖ Soy meal edged-up in sync with soybean, improved buying remained supportive for the meal during the period under review.
- ❖ However, the overall near and medium-term fundamentals remain bearish for domestic soy meal mainly due to weak international prices with higher global soy supply scenario and lower crude. The competitive S. American soy meal price compared to India's remained negative factor for domestic meal.
- ❖ As discussed, heavy rains in February and early March has hit the Argentina's soybean yield, the water is receding though. The government forecast a record soy crop of 58 million tonnes, while Agripac before cutting its forecast to 55.5 million tonnes. The flood damage is expected to reduce the Argentina's soy crop by 1.7% to 4.5% or by 1 million tonnes or 2.5 million tonnes.

- ❖ India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.
- ❖ *The soy meal prices are likely to feature range-bound movement in near-term.*

RM Seed:

- ❖ RM seed declined straight third week mainly on new crop supply pressure during the period under review. Overall the BMD CPO is lower, though it posted some gains during the week after monthly MPOB data on lower palm oil inventories, lower production estimates in the same.
- ❖ The losses are limited with weather concern over the India's seed growing region where mature standing crop is at risk expected in loss in oil recovery and yield in case of late sown seed. Again some gains in Malaysian palm oil restricted the losses.
- ❖ There are more forecast of cloudy weather, rains and thunderstorm in near-term.
- ❖ The all India seed arrivals were reported at 17,40,000 bags during the week under review compared to 12,55,000 bags previous week. In Rajasthan the supplies fell to 9,45,000 bags due to rains compared to 58,5000 bags in the previous week. Again, weather remains a concern with intermittent rains over the growing region, decisive factor for the harvesting pace.
- ❖ The harvesting in on in Rajasthan, Uttar Pradesh while farmers in Haryana were in the wait and watch situation for the harvesting due to uncertainty of weather during the week.
- ❖ *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.*





Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)

Overall maize cash market traded steady to firm during the week under review except Ranebennur. Maize traded firm in Delhi, Bagalkot, Gadag, Sangli and Ahmadabad market while traded unchanged in Davangere, Shimoga and Khanna markets. Domestic maize market is likely to stay steady to slightly firm in the near term 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.

Agriwatch expect maize production in India at 21.01 million ton in 2014-15 against our yearly domestic consumption of 20.989 million ton including export.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 40 per quintal to Rs. 1380-1440 per quintal while starch feed makers quoted maize steady in a range of Rs. 1380-1450 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 0.012 million tons for the period of 2nd Mar to 8th Mar'15 mainly to Vietnam and Malaysia

Maize crop contains below 13 moisture and it is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1360 per quintal, Rs. 1400 per quintal, Rs. 1330 per quintal, Rs. 1400 per quintal and Rs. 1400 per quintal respectively, sourced from Davangere. As per trade sources, around 8-10% arrival is damaged and fungus affected. Maize is likely to trade steady to slightly firm in the near term. As per trade sources, one rake was loaded for Sahyadri Starch, Maharashtra at Rs. 1360 per quintal yesterday and one rake is likely to be loaded for Suguna Foods, Bangalore at Rs. 1350 per quintal, sourced from Davangere.

In Delhi, hybrid maize traded firm by Rs. 35 per quintal to Rs 1525 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 20,047,807 metric tons for the 2014-15 marketing year. Exports of 11,65,300 MT were down by 16 percent from the last week but up 31 percent from the prior 4-week average; reported by U.S to South Korea (344,100 MT), Mexico (279,600 MT), Japan (269,800 MT, including 31,900 MT late reporting), Colombia (117,400 MT), Morocco (47,400 MT), Chile (36,600 MT), and Costa Rica (27,000 MT) for the period February 27-March 05, 2015.

USDA reduced its outlook for world corn ending stock by 4.36 MMT to 185.28 MMT for 2014/15 from the last month forecast.

Likely lower FoB quote for wheat by Russia would not allow global wheat market to get firmer in the months ahead. It would affect Export opportunity for India also. Indian new wheat is being traded at Rs 1350 to Rs 1500 currently while Russia can offer wheat at \$205 per tonne in forward months (July-August) while India cannot offer wheat below \$255/260 per tonne at any case as MSP of Indian wheat is Rs 14500 per tonne. Right now US wheat is more competitive than Indian wheat and Indian exporters may see tough time ahead.

Loss in Punjab may be even higher than Haryana as at least 7 districts has been affected in Punjab while three districts got affected in Haryana. Here crop loss percentage may be 5 to 8 percent and it has dashed the hope of record production and yield this year.

Punjab has targeted 168 Lakh tonne wheat production in 2013-14 .With timely sowing, favorable weather and disease free crop had increased the aspiration of record crop this year, over 2011-12,when 180 Lakh tonne wheat was produced. Punjab share in total production was 176 Lakh tonne last year. If we consider current loss Punjab would produce not more than 162 Lakh tonne this year.

According to IBIS, export of Indian wheat in the first week of March (02-08 March) was around 931 MT at an average FoB price of \$302.10/tonne. The major export destination of Indian wheat was Malaysia from Mundra port which accounted 364 MT at an average FOB price of \$272.33/Tn .Other major countries were UAE and Sri Lanka.

Almost 20% wheat has got flattened due to unseasonal hailstorm and strong winds in Karnal region. Nilokheri was the worst-hit block where nearly 30% standing wheat crop was feared to be affected. Due to these inclement climatic conditions there is a growing fear of considerable yield loss. Grain may lose its natural color and the percentage of shrinkage grains would increase from normal level.

Wheat stock in govt.'s granary on 01st March was recorded at 19.52 million tonne against 22.01 million tonne on 1st February, 2015. India needs 4.46 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st April, 2015. Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.

According to IBIS (provisional data), export of wheat in the month of February was 0.06 Lakh tones which is around 99% less than last year at the same month, which was 6.75 Lakh tones in 2014. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., EU and Australia.

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. Market may test the first support level of 485 cent per bushel & 540 cent per bushel resistance in the short term. We expect market to trade in the range of \$175 to \$200 per T.

Outlook

Feed prices are expected to trade steady as feed ingredients prices were mixed 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	322.0
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 down as bajra traded firm vs maize during last week. We expect that trend could continue in the near term and keep maize spread with bajra down 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	16.0
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	-84.0
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 amid steady movement in barley.

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	-97.0
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 maize traded firm vs. wheat 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)		
	13-Mar-15	5-Mar-15	Parity To
Indore (MP)	28800-29000	28500-29000	Gujarat, MP
Kota	28000-28100	28100-28200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29100	29500	Mumbai, Maharashtra
Nagpur (42/46)	29000	29500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	29600	29600	Andhra, AP, Kar, TN
Latur	29700	29500	-
Sangli	30400	30000	Local and South
Sholapur	30000	29300	Local and South
Akola	28700	28600	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29400	29400	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	28200	28100	-

Soy DOC at Port

Centers	Port Price	
	13-Mar-15	5-Mar-15
Kandla (FOR) (INR/MT)	29500	29150
Kandla (FAS) (USD/MT)	471	469

International Soy DOC

Argentina FOB \$/MT	12-Mar-15	4-Mar-15	Change
Soybean Pellets	379	372	7
Soybean Cake Meal	379	372	7
Soybean Meal	387	380	7
Soy Expellers	387	380	7

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	13-Mar-15	5-Mar-15	Change
Adoni	20000	20000	Unch
Khamgaon	NA	NA	-
Parli	20000	20000	Unch
Latur	19700	19700	Unch

Groundnut Meal

Groundnut Meal	13-Mar-15	5-Mar-15	Change
Basis 45% O&A, Saurashtra	24300	24500	-200
Basis 40% O&A, Saurashtra	21300	21500	-200
GN Cake, Gondal	24500	25000	-500

Mustard DOC/Meal

Mustard DOC/Meal	13-Mar-15	5-Mar-15	Change
Jaipur (Plant Delivery)	15100	15000	100
Kandla (FOR)	15100	15700	-600

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	13-Mar-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Hybrid	1510	1480	1425	1450	1520
Davangere	Loose	1300	1300	1150	1230	1380
Nizamabad	Bilty	NA	NA	1265	1260	1300
Ahmedabad	Feed	1425	1400	1350	1350	1470
	Starch	1450	1440	1400	1360	1540

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	164.76	168.5	173.75	234.07
Cost and Freight	214.76	223.5	233.75	269.07

Soy Meal Exports (In MT):

Month	2011	2012	2013	2014	2015
Jan	574996	474993	620133	364444	103934
Feb	540360	344240	577589	183551	64515
Mar	410537	460464	320265	232176	
Apr	305033	313832	100311	75884	
May	176819	142588	97546	8226	
Jun	117600	180987	213564	2636	
Jul	139547	168341	107038	6682	
Aug	165510	10005	183555	2778	
Sep	225921	6525	173381	868	
Oct	223594	49840	182724	29071	
Nov	397659	517103	503269	110806	
Dec	798041	510698	451314	193832	
Total	4075617	2668918	3512217	1210954	168449

Feed Ingredient Prices at a Glance

Commodity	State	Variety	Centre	13-Mar-15	5-Mar-15	Change
Bajra	Karnataka	Hybrid	Bellary	1100	1176	-76
		Hybrid	Bangalore	1600	1460	140
Jowar	Karnataka	White	Bangalore	2450	2300	150
		White	Bellary	1485	1454	31
Maize	Karnataka	Yellow	Davangere	1250	Closed	-
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2200	2050	150
Soy meal	Madhya Pradesh	DOC	Indore	2900	2900	Unch
	Maharashtra	DOC	Sangli	3040	3000	40
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2000	2000	Unch
	Maharashtra	Ex-factory	Latur	1970	1970	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1510	1500	10
Groundnut Meal	Gujarat	GN Cake	Gondal	2450	2500	-50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1576	1523	53
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1547	1500	47

Note: Prices Rs./ Qtl

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