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Summary

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

The soybean edged-up followed by renewed buying in the cash market during the week under review. This is despite fall in the benchmark, CBOT, soybeans during the period.

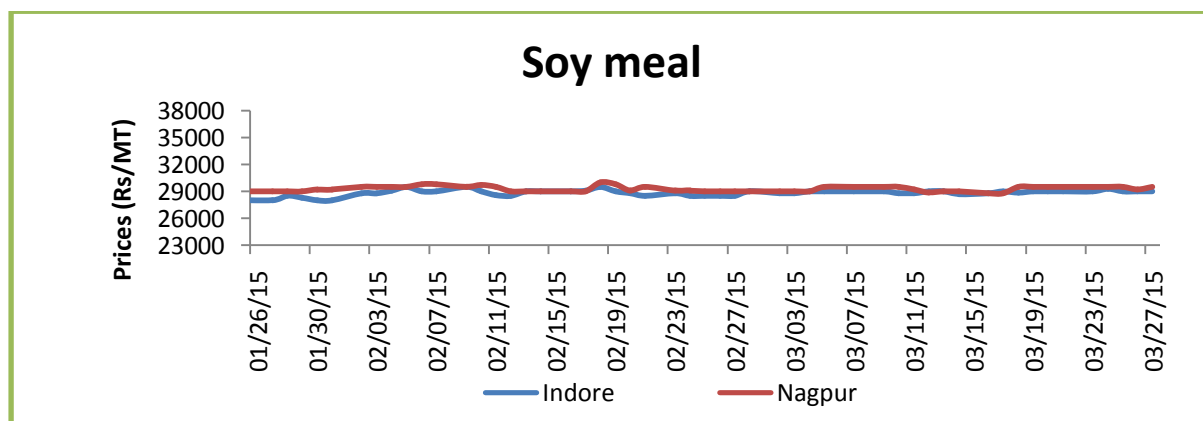
However, the domestic oilseeds market is under continued pressure with ongoing harvesting in rapeseed-mustard. Further, weakness in crude and bearish soybean supply outlook is limiting the gains in domestic soybeans too.

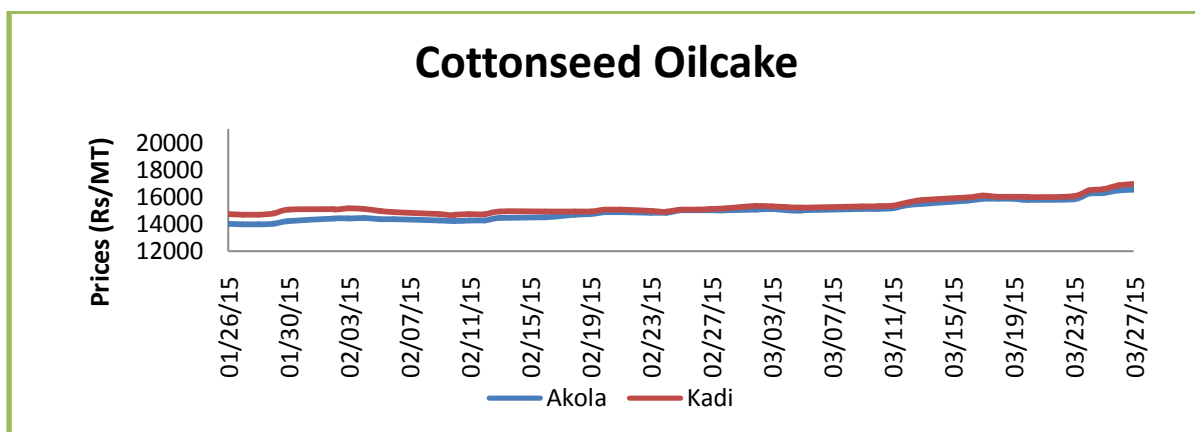
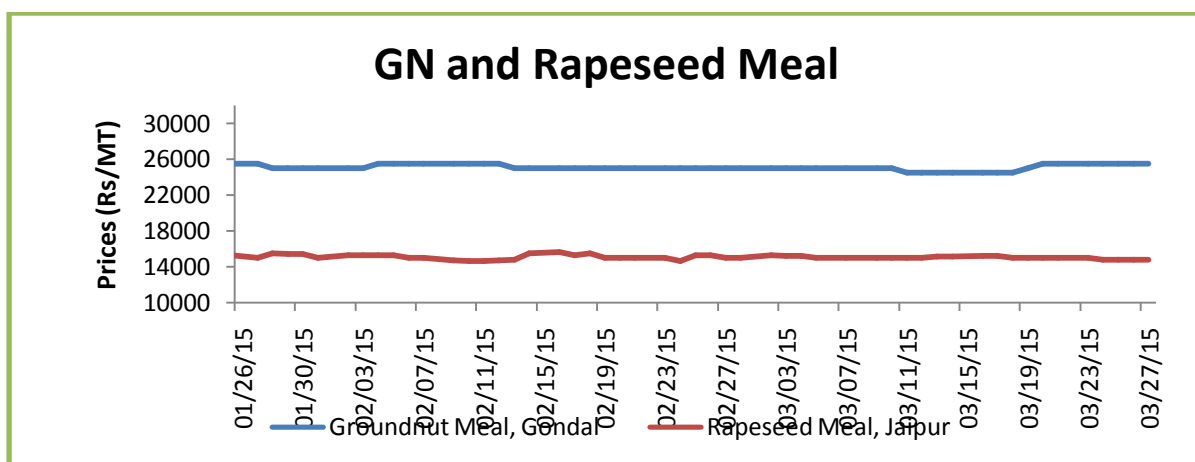
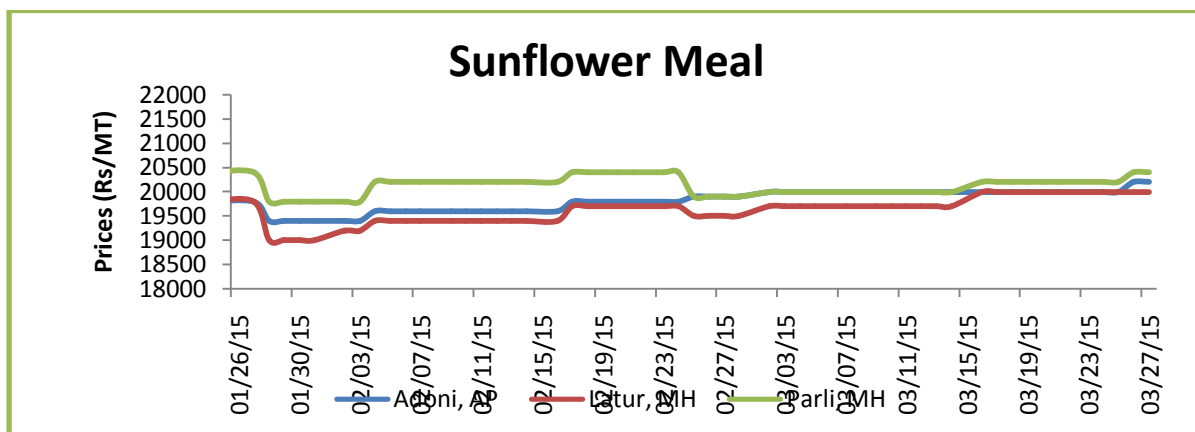
Soy meal witnessed gains in tandem with soybeans followed by renewed local demand in the cash market during the week under review.

Overall maize cash market traded firm during the week under review except Ahmadabad where poultry feed makers quoted maize down by Rs. 45 per quintal to Rs. 1400-1430 per quintal while starch feed makers quoted maize firm by Rs. 40 per quintal to Rs. 1420-1460 per quintal as compared to last week.

New crop arrivals have just started into the markets which are lower in quantity and are expected to increase from mid April. This week, market sentiments could remain steady due to end of financial year amid Good Friday and Hanuman Jayanti festival.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, rapeseed-mustard and soy meal posted gains on supportive buying in the physical market during the week under review. However, lower bearish supply scenario and lower crude remained limiting factors. The short and medium-term fundamentals continue to remain weak for soy and rapeseed-mustard.

Soybean:

- ❖ The soybean edged-up followed by renewed buying in the cash market during the week under review. This is despite fall in the benchmark, CBOT, soybeans during the period.
- ❖ The international benchmark, CBOT, prices continued downtrend and reached one-week low on increasing supply pressure from the expanding South American soybean harvest and reports of higher 2015/16 US soybean planting.
- ❖ Argentine growers have harvested about 5% of this year's soy, with high yields in the central farm belt compensating for flood damage in northern region - Rosario grains exchange. Argentina's crop range from 56 to 60 million tons v/s 53.4 million tons last season. Mixed soybean yield reported from Brazil and soybean harvesting have been 60 percent completed.
- ❖ Port workers at the Rosario, Argentina, which is the grain hub, will hold a 24-hour strike on Tuesday in solidarity with a general work stoppage throughout the country on the same day over tax policy.
- ❖ *The domestic soybean prices will continue to 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:

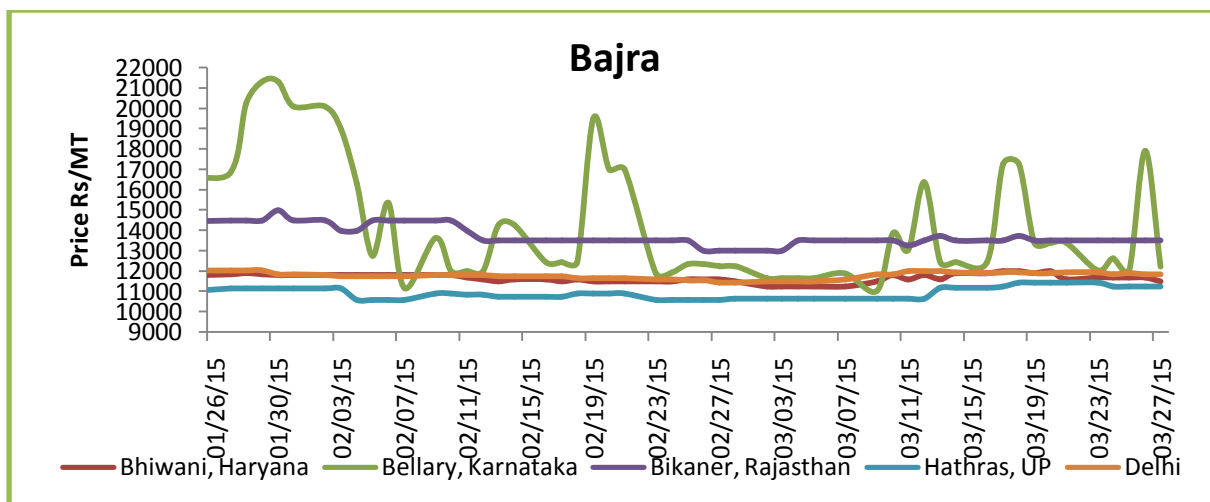
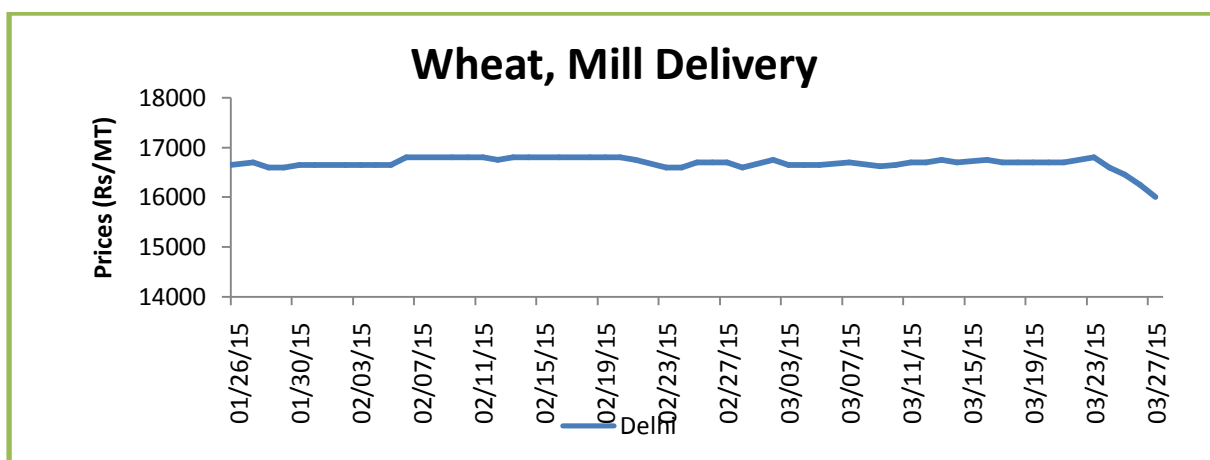
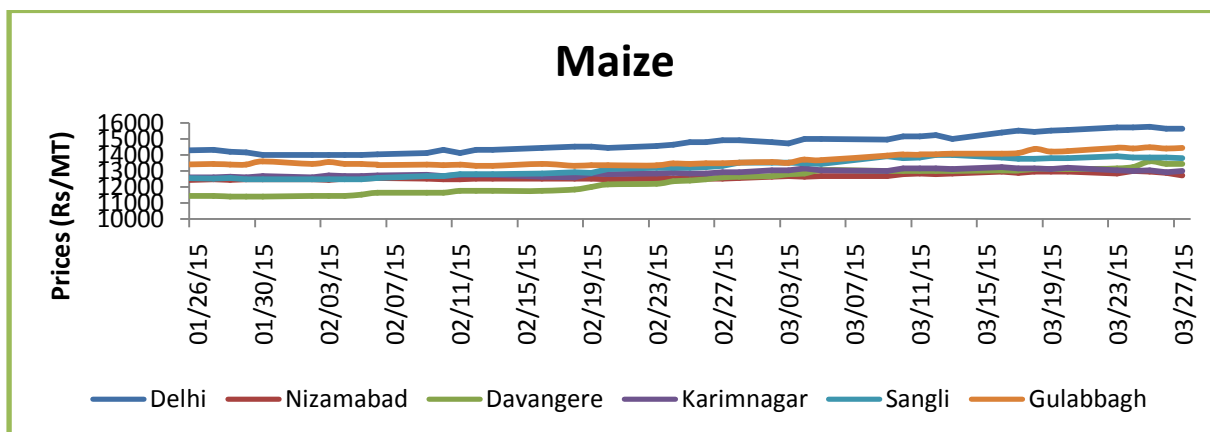
- ❖ Soy meal witnessed gains in tandem with soybeans followed by renewed local demand in the cash market during the week under review.
- ❖ Recent purchases in rapeseed-mustard oil cake and soy meal by the poultry units remained supportive for the meal market. The poultry units have shown interest in purchasing rapeseed-mustard oilcake as the prices are competitive with the newly harvested crushings of the mustard seed.
- ❖ India's 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.
- ❖ There are mixed views on the Argentina's soybean production and crop damage due to heavy rains recently. 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 - Agripac. While others feel higher yield will offset the flood damage.

- ❖ 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 mild gains in near-term.*

RM Seed:

- ❖ RM seed featured mild gains which were limited by heavy arrival pressure during the week under. The rapeseed-mustard cash market is under supply pressure with the ongoing harvesting in several growing regions.
- ❖ The harvesting in Uttar Pradesh is over and it is also complete in some parts of Rajasthan, it is progressing in Haryana and likely in Punjab.
- ❖ The all India seed arrivals were reported at 27,25,000 bags during the week under review compared to 18,25,000 bags previous week. In Rajasthan the supplies increased to 17,00,000 bags compared to 11,35,000 bags in the previous week.
- ❖ The seed supplies are rising week-on-week with the increase in harvesting pace, though the all India supplies could not reach the previous year's level of 7 lakh bags yet, which were witnessed at the end of March 2014.
- ❖ The Malaysian palm oil is weak since last several months and currently the prices are hovering below 2200 ringgits per ton. Indian rapeseed-mustard closely tracks Malaysian palm oil.
- ❖ The international fundamental for the palm oil continued to remain bearish with price sharply lower as it is reeling under supply pressure.
- ❖ As discussed above, Malaysia will impose 4.5% export tax on crude palm oil in April, ending the period of duty-free exports starting in Sept 2014. Malaysia and Indonesia had exempted export duty from palm oil making it much cheaper for India.
- ❖ But Malaysia's step will make the import slightly dearer for India, which had been importing at lower price since long, which may boost the soy prices to some extent.
- ❖ *Increasing seasonal arrivals of the rapeseed-mustard with harvesting in full swing and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term. However, renewed demand by the solvent extractors and Malaysia's decision on imposing export duty on palm oil may push up the seed price further.*



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

Overall maize cash market traded firm during the week under review except Ahmadabad where poultry feed makers quoted maize down by Rs. 45 per quintal to Rs. 1400-1430 per quintal while starch feed makers quoted maize firm by Rs. 40 per quintal to Rs. 1420-1460 per quintal as compared to last week.

New crop arrivals have just started into the markets which are **lower in quantity** and are expected to increase from mid April. This week, market sentiments could remain steady due to end of financial year amid Good Friday and Hanuman Jayanti festival.

As per IBIS data, exports of corn were reported around 0.019 million tons for the period of 16th Mar to 22nd Mar'15 mainly to Vietnam and Malaysia.

Maize is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1400 per quintal, Rs. 1420 per quintal, Rs. 1380 per quintal, Rs. 1420 per quintal and Rs. 1420 per quintal respectively, sourced from Davangere. As per trade sources, around 8-10% arrival is damaged and fungus affected. Market is likely to trade steady to slightly firm as crop is getting over in the market.

In Delhi, hybrid maize traded firm by Rs. 10 per quintal to Rs 1550 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 in the near term.

As per USDA, U.S accumulated corn export figures reached to 21,806,413 metric tons for the 2014-15 marketing year. Exports of 10,65,900 MT were up by 54 percent from the last week and 4 percent from the prior 4-week average; reported by U.S to Japan (310,500 MT), Mexico (295,700 MT, including 30,900 MT late reporting), Taiwan (80,000 MT), Colombia (68,900 MT), South Korea (67,900 MT), Saudi Arabia (54,100 MT), and Indonesia (32,600 MT) for the period March 13- 19, 2015.

As per official customs data, **China has imported 574,000 tons of corn from Ukraine** in the month of February, 198% higher than same month last year. (Source: Reuters)

Vietnam government said that it is allowing the development of genetically modified corn for the first time in order to raise yields and cut the import bill. (Source: Reuters)

Informa reduced its U.S corn planting forecast by 0.075 million acres to 88.537 million acres for 2015 from the previous forecast. (Source: Reuters)

Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 44.6% in the Jan'15 from 45.7% during the same month last year while users' reliance on alternatives such as wheat and barley also decreased but the use of Sorghum increased. (Source: Reuters)

IGC forecasted lower global corn output for 2015/16 by 49 million tons to 941 million tons from the last season.

Unseasonal rains and strong wind in major wheat growing regions during Feb end to March end have impacted standing rabi crops, particularly wheat crop adversely. Recent rains have delayed

harvesting and threshing activities in Rajasthan, Madhya Pradesh and Gujarat. Harvesting in Punjab, Haryana, Bihar and Rajasthan May be delayed by couple of weeks. Arrivals from newly harvested crop in M.P. and Rajasthan have decreased and pressure is expected from mid of April.

Harvesting in Gujarat is almost over. Concern over wheat quality has increased further as grains arriving in markets are of lower quality and traders/buyers offer lower price for the same. Traders say that grains are small and have lost its natural colour in Rajasthan and MP. Almost 25 percent grains are of inferior quality and it hints lower availability of quality crop this year. Overall loss is considered at around 4 to 5 percent this year.

Traders expect only 92 million tonne wheat crop this year against govt.'s estimate of around 96 million tonne. As arrivals in various markets have been delayed by a couple of weeks, wheat(old crop) may rule steady to slightly firm till the first week of April. However, with opening up of the weather pressure may build up and price would come down near MSP for quality crop.

There is no good news from Punjab and Haryana also where heavy rains and strong wind have damaged 8 to 10 percent crop. Quality problem is likely to emerge in these states too. Harvesting in these states may start by the end of the first week of April. Farmers in these states have started demanding compensation for emerging loss.

News of crop loss from Uttar Pradesh too is gaining ground in western Uttar Pradesh. As wheat crop in these states are in grain filling stage, quality of the crop is likely to be unaffected. However, flattening of crop may reduce yield in Western Uttar Pradesh. The loss may be 3 to 5 percent in these regions. There is no report of any loss from Bihar. Recent rains are said to be beneficial for the standing crop.

According to IBIS, export of Indian wheat in the second week of March (09-15 March) was around 1806 MT at an average FoB price of \$291.43/tonne. The major export destination of Indian wheat was UAE from Mundra port which accounted 700 MT at an average FOB price of \$304.77/Tn .Other major countries were Malaysia and Taiwan.

As crop size is expected to be lower, set procurement target would be difficult to materialize. To procure quality crop too would be a challenge this year. Govt may end up with 27.28 million tonne wheat procurement in 2015

Wheat stock in govt.'s granary on 16st March was recorded at 18.85 million tonne against 19.65 million tonne on 1st March, 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.

Global wheat market may trade steady to firm due to crop loss in wheat regions of USA. Recently market showed firmness due to weather concern in USA. Market may test the first support level of

485 cent per bushel & 550 cent per bushel resistance in the short term. We expect market to trade in the range of \$180 to \$205 per T.

Outlook

Feed prices are expected to trade steady to firm as feed ingredients prices were 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	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	338.0
4	158.0	20.0	-65.0	42.5	-0.8	63.0	154.0	182.5	139.0	244.0	320.0	361.0
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 down in bajra prices. We expect that maize could trade steady with the slightly down movement in bajra 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	16.0
3	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	31.0
4	-240.0	-1078.0	-	-727.5	-781.0	-795.0	-792.0	-228.0	-180.0	-50.0	-27.0	48.0
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 both could trade steady in the near term and keep maize spread with jowar firm for next 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	-27.5
4	208.0	87.0	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	-110.0	-200.0	-127.0	121.0
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 as barley could trade down due to new crop arrival pressure.

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	-79.0
4	-36.0	-169.0	-301.0	-252.0		-288.0	-302.5	-306.0	-292.0	-138.0	-132.0	-37.0
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 with the decrease in the the prices of wheat. We expect that maize could trade steady 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)		
	27-Mar-15	20-Mar-15	Parity To
Indore (MP)	29000	29000	Gujarat, MP
Kota	28700	28500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29700	29700	Mumbai, Maharashtra
Nagpur (42/46)	29500	29500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30400	29400	Andhra, AP, Kar ,TN
Latur	30300	29500	-
Sangli	30300	30300	Local and South
Sholapur	30800	30500	Local and South

Akola	29200	28800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	30000	29200	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	28500	28500	-

Soy DOC at Port

Centers	Port Price	
	27-Mar-15	20-Mar-15
Kandla (FOR) (INR/MT)	29750	29500
Kandla (FAS) (USD/MT)	475	472

International Soy DOC

Argentina FOB \$/MT	26-Mar-15	19-Mar-15	Change
Soybean Pellets	360	359	1
Soybean Cake Meal	360	359	1
Soybean Meal	368	367	1
Soy Expellers	368	367	1

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	27-Mar-15	20-Mar-15	Change
Adoni	20200	20000	200
Khamgaon	NA	NA	-
Parli	20400	20200	200
Latur	20000	20000	Unch

Groundnut Meal

Groundnut Meal	27-Mar-15	20-Mar-15	Change
Basis 45% O&A, Saurashtra	25000	25000	Unch
Basis 40% O&A, Saurashtra	22000	22000	Unch
GN Cake, Gondal	25500	25500	Unch

Mustard DOC/Meal

Mustard DOC/Meal	27-Mar-15	20-Mar-15	Change
Jaipur (Plant Delivery)	14800	15000	-200
Kandla (FOR)	15400	15300	100

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	27-Mar-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Hybrid	1550	1530	1470	1450	1500
Davangere	Loose	1350	1300	1270	1150	1250
Nizamabad	Bilty	NA	NA	1280	1250	1260
Ahmadabad	Feed	1410	1450	1430	1335	1350
	Starch	1460	1460	1450	1370	1360

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	170.96	167.05	180.83	247.25
Cost and Freight	221.0	222.1	240.8	282.3

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

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>27-Mar-15</u>	<u>20-Mar-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1277	1340	-63
		Hybrid	Bangalore	1550	1550	Unch
Jowar	Karnataka	White	Bangalore	2300	2450	-150
		White	Bellary	1716	1332	384
Maize	Karnataka	Yellow	Davangere	NA	1250	-
	Andhra Pradesh	Yellow	Nizamabad	NA	NA	-
Rice	Haryana	IR8	Karnal	1800	1800	Unch
		Parmal Raw	Karnal	2200	2200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2900	2900	Unch
	Maharashtra	DOC	Sangli	3030	3030	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2020	2000	20
	Maharashtra	Ex-factory	Latur	2000	2000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1480	1500	-20
Groundnut Meal	Gujarat	GN Cake	Gondal	2550	2550	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1697	1600	97
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1653	1577	76

Note: Prices Rs./ Qtl
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