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## Summary

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

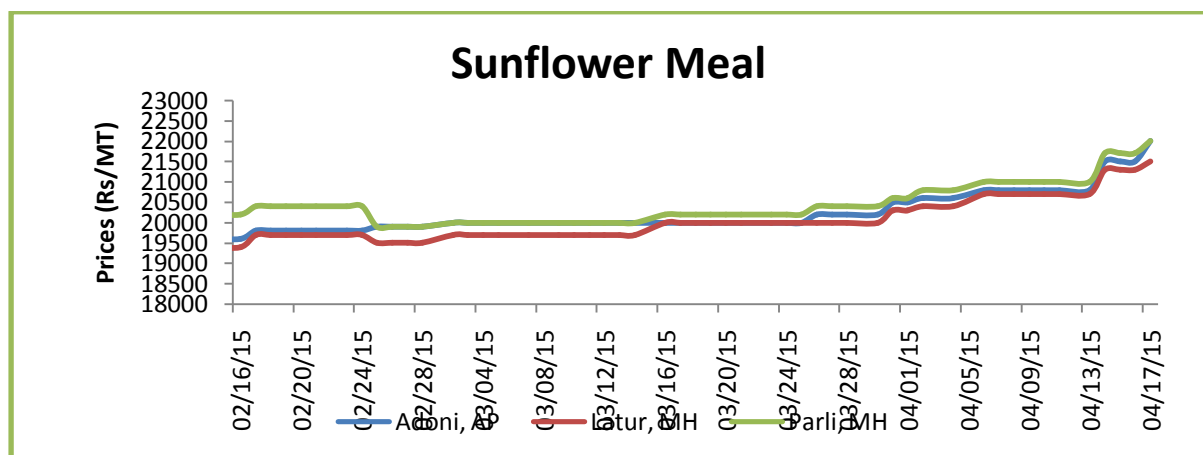
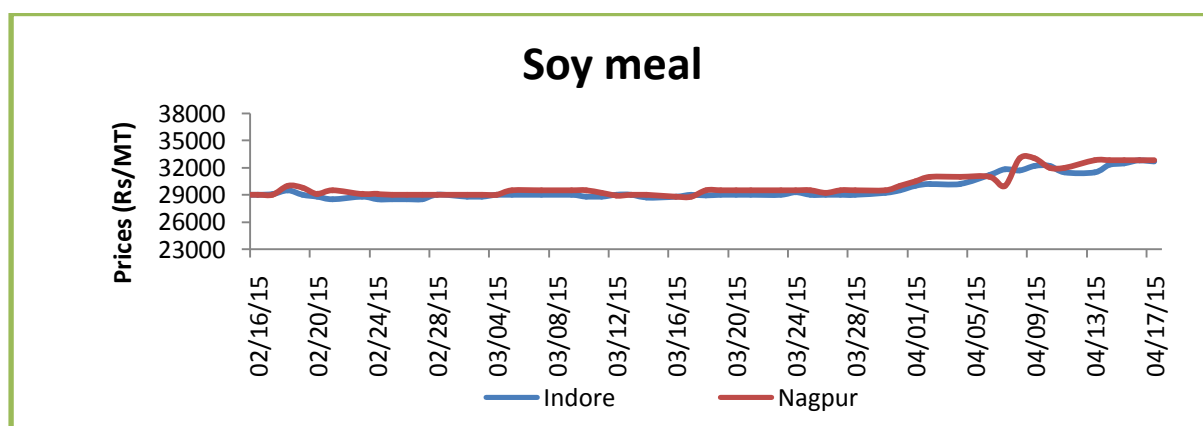
The soybean continued uptrend followed by good buying interest in the cash market, gains in the international benchmark and surge in crude during the week under review.

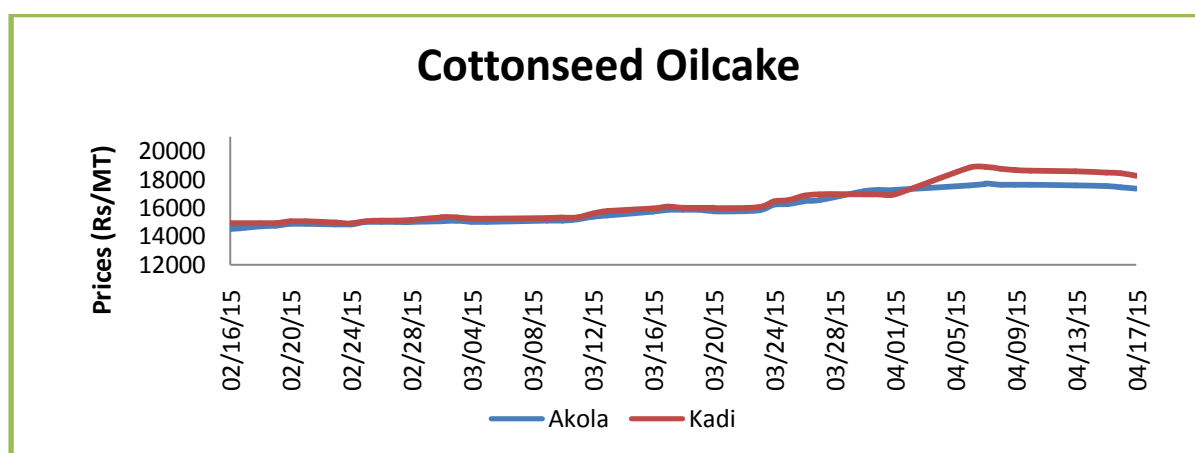
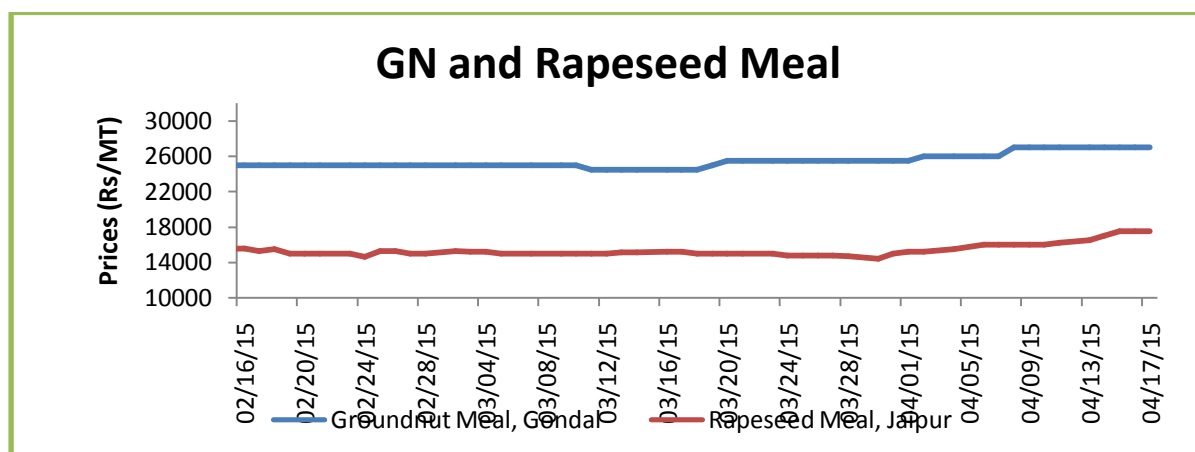
Soy meal posted gains in tandem with soybean followed by renewed buying activity in the local cash market during the week under review.

The poultry unit owners are still covering their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.

Overall maize cash market traded weak except Shimoga, Nizamabad and Khanna market during the week under review. Maize prices are likely to trade down in the coming weeks due to arrival pressure.

## Trend – Raw Material, Feed





Source: AgriWatch

## Executive Summary

Soybean, meal and rapeseed-mustard extended gains altogether consecutive second week on improved buying in the local cash market and gains in crude during the week under review. Again crushers/solvent extractors and stockists are covering their stocks in rapeseed-mustard for near and medium-term.

### Soybean:

- ❖ The soybean continued uptrend followed by good buying interest in the cash market, gains in the international benchmark and surge in crude during the week under review.
- ❖ The soy prices were under pressure for long, but renewed buying in the beans in the cash markets by the crushers remained supportive.
- ❖ As discussed earlier, that most of the traders will divert their trade activities towards wheat in near-term with the commencement of wheat harvesting in major wheat growing states. Hence, several stockists and solvent extractors have showed buying interest in soybean before the availability fall in coming days.

- ❖ At the international front, rains in Argentina have slowed the ongoing soybean harvesting, as of Thursday of last week, Argentina's farmers had harvested 20% of this season's soybean crop, the farm ministry said.
- ❖ Rosario Grains Exchange has raised Argentina's 2014/15 soy harvest estimate to 59 million tonnes in the second week of April, up from March estimate of 58 million tonnes.
- ❖ *The domestic soybean prices will witness gain on buying renewed buy interest in the cash market but global supply pressure, lower crude and India's weak soy meal export sales with disparity on crushing the bean will limit the gains.*

#### **Soy meal:**

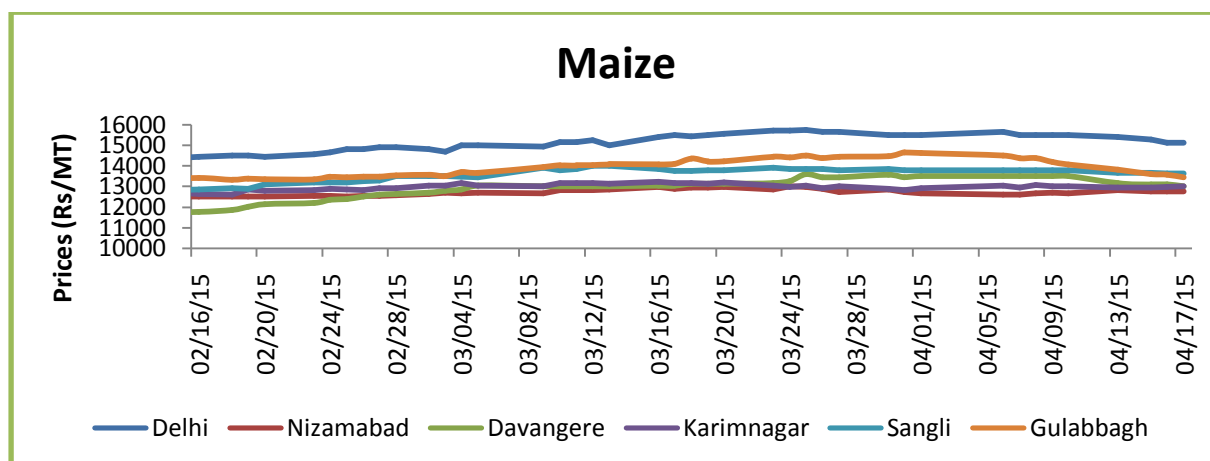
- ❖ Soy meal posted gains in tandem with soybean followed by renewed buying activity in the local cash market during the week under review.
- ❖ The poultry unit owners are still covering their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.
- ❖ However, India's soy meal exports continued to remain weak and it was recorded 80% lower y-o-y in the month of March'15.
- ❖ The South American soybean harvesting is underway. The global soybean and meal supplies are expected to spurt in near-term with Brazilian soybean harvesting over by 80% and 10% in Argentina's where crushing is at full swing.
- ❖ The overseas soy meal exports eased m-o-m as well as y-o-y this season primarily due to the competitive international meal prices, including the meal of US, Brazil and Argentine origin compared the meal of Indian origin. India's soy meal exports this season are sharply lower as compared to the previous years.
- ❖ India exported 6.46 lac tons soy meal in FY 2014-15, registering a decline of 77.25% over previous FY 2013-14, when soybean meal exports were 28.41 lac tons.
- ❖ *The soy meal prices are likely to feature further gains in near-term.*

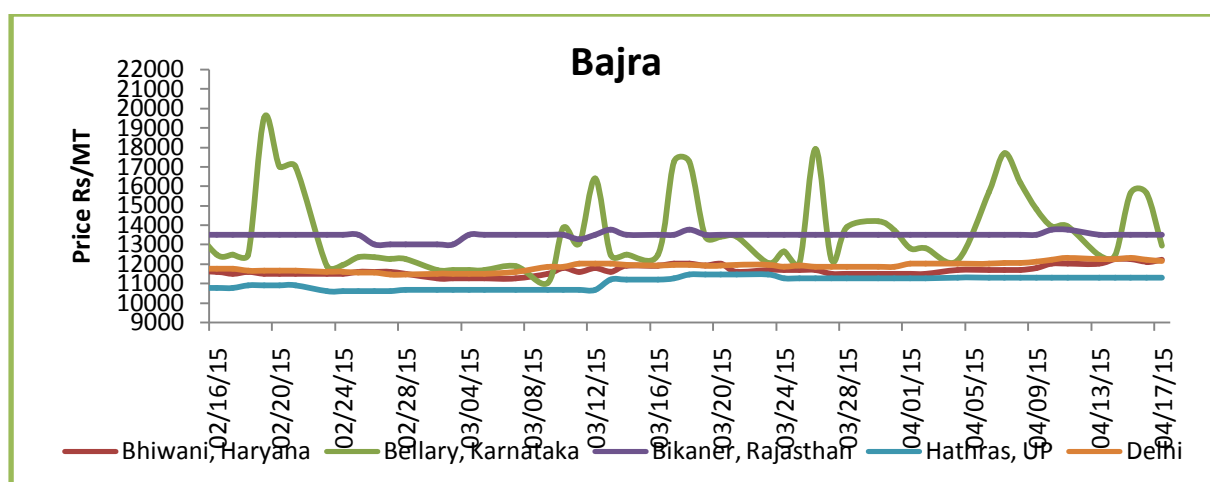
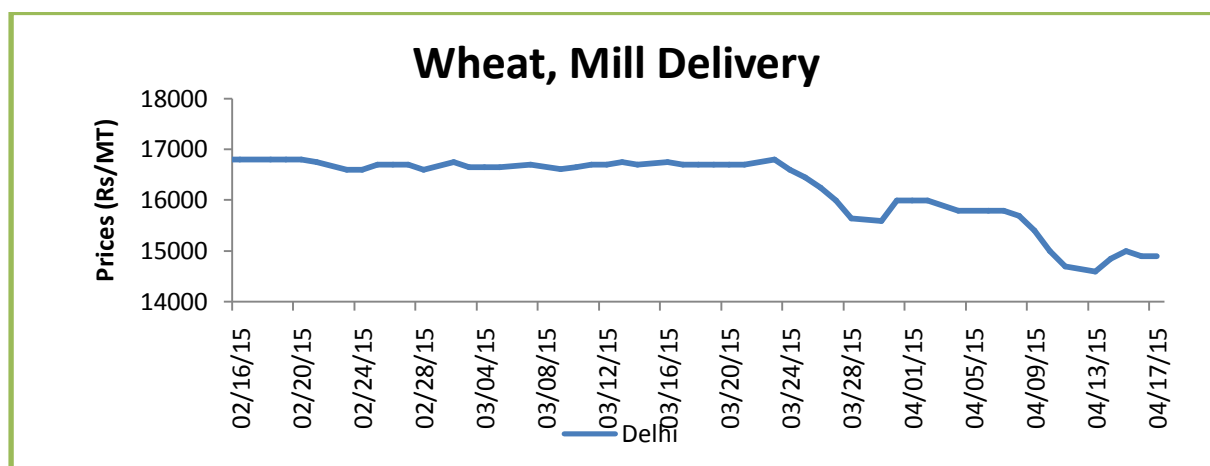
#### **RM Seed:**

- ❖ RM seed extended gains on increased buying in the cash markets with addition support from higher BMD CPO after Malaysia's decision to cancel the export tax once again in May. Indian RM seed will continue to follow the Malaysian palm oil.
- ❖ The domestic RM seed crop harvesting in key producing region is over while it is underway in some parts of Rajasthan like Sri Ganganagar and Hanumangarh, it is also nearing completion in Haryana and Punjab.
- ❖ The seed supplies across the major mandis are at its peak with progressive harvesting and the daily all India arrivals have reached above 5.0-6.0 lakh bags a day. However, the all India supplies could not reach the previous year's level of 7 lakh bags a day yet, which were witnessed at the end of March 2014.
- ❖ The all India seed arrivals slightly fell and reported total of about 23,50,00 bags during the week under review compared to about 27,50,000 bags previous week. In Rajasthan the

supplies were too reported lower at about 11,40,000 bags compared to about 15,90,000 bags previous week.

- ❖ Again, the millers and the stockists are the major buyers who are covering their stocks for future. The medium and long-term outlook for rapeseed-mustard remains stronger owing to the lower seed production this season. Fall in planted area under seed his season and unprecedented rains in February and March which negatively hit the potential yield potential.
- ❖ Agriwatch has pegged India's rapeseed-mustard 2015/16 production at 5.9 million tonnes, down by 24% at 7.7 million tonne last season.
- ❖ Malaysia will once again slash its crude palm oil export tax to zero for the month of May against 4.5 percent in April. Malaysia had imposed 4.5% export tax on crude palm oil for April, ending the period of duty-free exports starting in Sept 2014.
- ❖ The step will give Malaysian producers and exporters a good advantage over their Indonesian counterparts. Once again the exemption of export duty by Malaysia and Indonesia will make the availability of palm oil cheaper for India.
- ❖ Exports of Malaysian palm oil products for Apr. 1-15 fell 3.0 percent to 470,058 tons from 484,453 tons shipped during Mar. 1-15 - cargo surveyor Societe Generale de Surveillance said on Wednesday..
- ❖ *Aggressive new crop seed buying by the millers and the stockists in near-term will boost the seed prices. However, Malaysia's decision of cancellation on imposing export duty on palm oil may weigh on the seed prices.*





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

Overall maize cash market traded weak except Shimoga, Nizamabad and Khanna market during the week under review. Maize prices are likely to trade down in the coming weeks due to arrival pressure.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1400-1430 per quintal. Starch feed makers also quoted maize down by Rs. 25 per quintal to Rs. 1420-1475 per quintal as compared to last week. Around 60% maize harvesting has done till the week.

In A.P., as per trade sources, around 10% crop quality has been affected due to recent rainfall and 15% maize harvesting has done till the week.

In Bihar, around 10% maize harvesting has done till date. Maize is moving towards Kolkata at Rs. 1450 per quintal.

As per IBIS data, exports of corn were reported around 0.004 million tons for the period of 6-12 Apr'15 mainly to Singapore and Malaysia.

Maize is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1360 per quintal, Rs. 1380 per quintal, Rs. 1300 per quintal, Rs. 1360 per quintal and Rs. 1380 per quintal respectively, sourced from Davangere. Market is likely to trade range bound in the near term.

In Delhi, maize traded down by Rs. 100 per quintal to Rs 1470-1490 per quintal as compared to last week as arrivals from Bihar has started into the market. Sources revealed that stock of maize could be around 2500 quintal.

As per USDA, U.S accumulated corn export figures reached to 24,531,488 metric tons for the 2014-15 marketing year. Exports of 8,70,900 MT were down 26 percent from the last week and 4 percent from the prior 4-week average; reported by U.S to Japan (276,100 MT), South Korea (255,900 MT), Mexico (178,900 MT), Colombia (63,300 MT), Guatemala (46,800 MT), El Salvador (20,800 MT), and Morocco (17,500 MT) for the period Apr 03- 09, 2015.

As per National Bureau of Statistics, Chinese farmers are likely to grow 1.9 percent more corn this year as they are reducing cotton acreage by 11.2 percent compared with last year. (Source: Reuters)

As per the latest crop progress report released by USDA, corn has been planted 2% as of 12th April, 2015, lower by 1% from the last year and 3% from the last 5 year average period.

Major wheat producing states like Punjab and Haryana got respite of moderate to heavy rains by the end of the last week and with the opening of weather harvesting activities commenced once again. Unseasonal rain during March and mid April accompanied by strong winds at some places coming as a blow for the peasants whose crops had already suffered damage owing to earlier spells. Over all weight loss is considered at 5 to 6 percent while 25 percent quality of grains has suffered.

Wheat arrivals in the markets of western Uttar Pradesh have started increasing with improvement in weather. Major players like ITC , LD, Sun Star are not active in Uttar Pradesh as quality arriving in mandis are below their expectation. These companies are sourcing wheat from Rajasthan and Madhya Pradesh and offers 1505 to Rs 1510 per qtl having moisture level up to 12 percent.

Tukri in Rajasthan is being quoted at Rs 1550 per qtl. Around 5000 to 6000 tonnes are being purchased by private companies in M.P. and Rajasthan. Rake loading from Kota region of Rajasthan to South India has been reported Rs 1660/70 per qtl. for ordinary wheat. Prices of various quality are hovering in the range of Rs 1350 to Rs 1750 per qtl. The fine varieties are being offered at Rs1450 to Rs 1475 per qtl. in Baran.

Lackluster wheat is being delivered to Bangalore at 1650 oer qtl while colored is being offered at Rs1690 to Rs 1700 per qtl. Light quality having moisture level up to 12 to 13 perecnt is being offered at Rs 1350 per qtl. while fine varieties are being offered at Rs1450 to Rs 1475 per qtl. in Baran.

With opening of weather arrival of better quality is expected to increase and private trade may offer Rs 1460 to Rs1485 per qtl for fine varieties from this week. Quality wheat price would continue to rule between Rs 1450 to Rs 1650 per qtl in Madhya Pradesh market.

Wheat arrivals in Bulandshahar in Uttar Pradesh have increased from 2000 qtl. to 3500 qtl this week, having moisture content of 17 percent and 13 percent, fetching price of Rs 1350 and Rs 1400 per qtl respectively. Local millers are buying wheat at this price to meet their immediate requirement. No arrivals have been reported from old crop.

According to IBIS, export of Indian wheat in the last week of March (23-29 March) was around 2876 MT at an average FoB price of \$299.58/tonne. The major export destination of Indian wheat was Taiwan from Pipavav port which accounted 1249 MT at an average FOB price of \$259.39/Tn. Other major countries were Malaysia and UAE.

Traders expect below 90 million tonne wheat crop this year against govt.'s estimate of around 96 million tonne. Agriwatch estimates 91.14 million tonne wheat production this year. Out of them 25 to 30 percent quality of the crop is expected to be below normal grade. It may push fine grade wheat price up from the start of July. Generally procurement continues till June.

Global wheat market is likely to trade steady to slightly weak due to eased weather concern in US and Australia. Black sea region crop too would put pressure on global wheat market. Higher supply in importing countries too would continue to put pressure on international wheat market.

## 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	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15
1	109.0	-0.83	-17.0	27.0	0.00	59.0	144.0	180.0	180.00	252.0	332.0	356.0
2	83.0	-20.0	25.0	20.0	-3.00	62.0	202.0	164.0	227.0	247.0	322.0	352.0
3	28.0	-62.0	30.0	8.0	6.00	93.0	207.0	119.0	237.0	269.0	338.0	261.0
4	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 down as maize traded down with the firm movement in bajra prices. We expect that maize could trade weak as compared to last week as both are likely to trade down in the near term.



**Maize Average Weekly spread with Jowar**

Week	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15
1	-604.0	-	-	-785.0	-781.6	-669.0	-532.0	-230.0	-19.0	-72.0	-16.0	50.0
2	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0	-198.0	-253.0	-53.0	-75.0	16.0	63.0
3	-966.0	-	-902.0	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	31.0	-17.0
4	-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 down during last week as maize traded down with the steady price movement in jowar. We expect trend could continue in the near term and keep maize spread with jowar down for next week.

**Maize Average Weekly spread with Barley**

Week	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15
1	144.0	47.0	-95.0	-128.0	-112.0	-122.5	-166.0	-155.0	-29.0	-174.0	-116.0	340.0
2	85.0	0.0	-88.0	-102.0	-117.0	-100.0	-40.0	-149.0	20.0	-175.0	-84.0	390.0
3	61.0	-68.0	-71.0	-112.0	-109.0	-147.0	-52.0	-137.0	-178.0	-164.0	-27.5	383.0
4	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 down during last week and is expected to be steady in next week as both could trade down due to arrival pressure.

**Maize Average Weekly spread with Wheat**

Week	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15
1	-57.5	-182.5	-277.0	-240.0		-309.0	-324.0	-296.0	-212.0	-240.0	-117.0	-43.0
2	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0	-297.5	-297.5	-160.0	-192.5	-97.0	167.5
3	-173.0	-306.0	-302.0		-312.5	-318.0	-307.0	-290.0	-156.0	-176.0	-79.0	75.0
4	-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 down as wheat traded firm during last week. We expect that wheat could trade down and keep maize spread with wheat steady to firm as compared to last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	17-Apr-15	10-Apr-15	Parity To
Indore (MP)	32700	32000-32200	Gujarat, MP
Kota	33000	31500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	32500	32500	Mumbai, Maharashtra
Nagpur (42/46)	32400-32800	31500-32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	33400	33400	Andhra, AP, Kar, TN
Latur	32700	32900	-
Sangli	33200	33400	Local and South
Sholapur	32800	33100	Local and South
Akola	32100	31700	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	33000	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	32400-32500	31200-31300	-

#### Soy DOC at Port

Centers	Port Price	
	17-Apr-15	10-Apr-15
Kandla (FOR) (INR/MT)	33500	32500
Kandla (FAS) (USD/MT)	537	521

#### International Soy DOC

Argentina FOB \$/MT	16-Apr-15	9-Apr-15	Change
Soybean Pellets	352	351	1
Soybean Cake Meal	352	351	1
Soybean Meal	360	359	1
Soy Expellers	360	359	1

#### Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	17-Apr-15	10-Apr-15	Change
Adoni	22000	20800	1200
Khamgaon	NA	NA	-
Parli	22000	21000	1000
Latur	21500	20700	800

#### Groundnut Meal

Groundnut Meal	17-Apr-15	10-Apr-15	Change
Basis 45% O&A, Saurashtra	27500	27000	500
Basis 40% O&A, Saurashtra	24500	24000	500
GN Cake, Gondal	27000	27000	Unch

#### Mustard DOC/Meal

Mustard DOC/Meal	17-Apr-15	10-Apr-15	Change
Jaipur (Plant Delivery)	17500	16000	1500
Kandla (FOR)	18500	16700	1800

#### Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	17-Apr-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Hybrid	1480	1500	NA	1450	1500
Davangere	Loose	1270	1300	1300	1350	1360
Nizamabad	Bilty	1275	1270	NA	1285	1250
Ahmadabad	Feed	1410	1440	1475	1270	1400
	Starch	1450	1480	1500	1275	1480

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	172.54	153.64	176.69	232.00
Cost and Freight	222.54	208.64	236.69	267.00

**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	
<b>Total</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>1210954</b>	<b>168449</b>

**Feed Ingredient Prices at a Glance**

Commodity	State	Variety	Centre	17-Apr-15	10-Apr-15	Change
Bajra	Karnataka	Hybrid	Bellary	1295	1393	-98
		Hybrid	Bangalore	1550	1650	-100
Jowar	Karnataka	White	Bangalore	2050	2000	50
		White	Bellary	1415	1383	32
Maize	Karnataka	Yellow	Davangere	1220	1250	-30
	Andhra Pradesh	Yellow	Nizamabad	1240	1240	Unch
Rice	Haryana	IR8	Karnal	2050	1950	100
		Parmal Raw	Karnal	2100	2400	-300
Soy meal	Madhya Pradesh	DOC	Indore	3270	3220	50
	Maharashtra	DOC	Sangli	3320	3340	-20
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2200	2080	120
	Maharashtra	Ex-factory	Latur	2150	2070	80
Mustard	Rajasthan	Plant delivery	Jaipur	1750	1600	150
Groundnut Meal	Gujarat	GN Cake	Gondal	2700	2700	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1826	1862	-36
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1734	1764	-30

**Note: Prices Rs./Qtl**
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