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Summary

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

The domestic soybean continued uptrend primarily on buying support and bullish near-term global factors during the week under review.

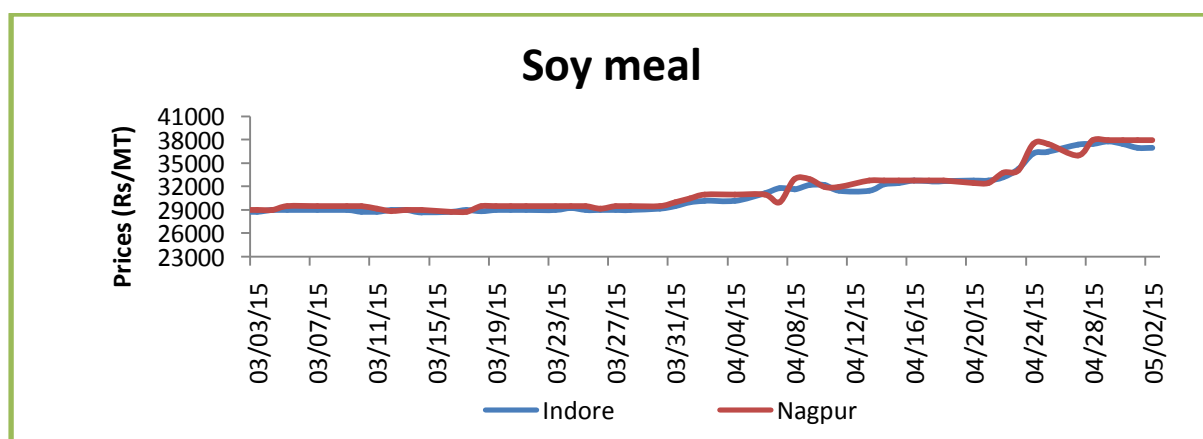
Strengthening crude, which eventually pushed up the benchmark, CBOT, remained bullish factors for the domestic beans too.

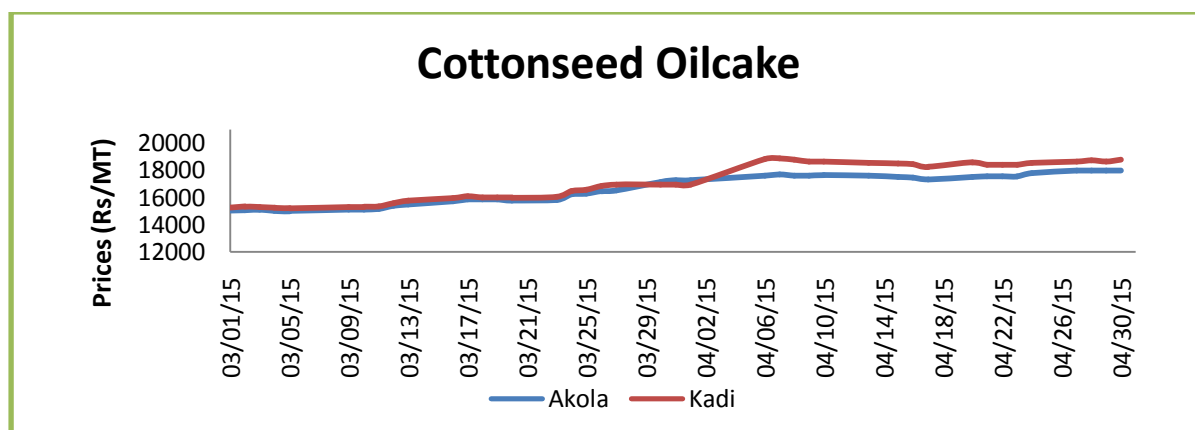
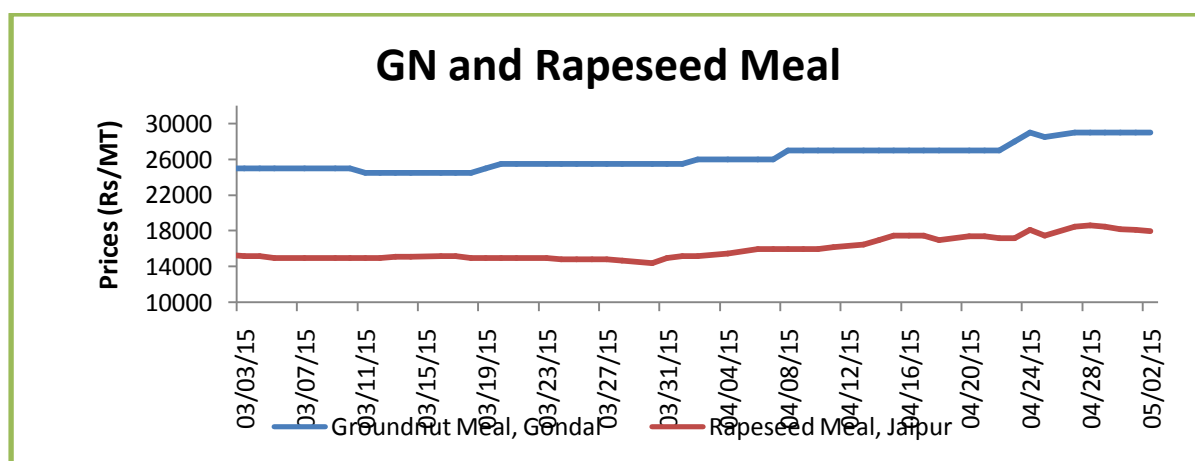
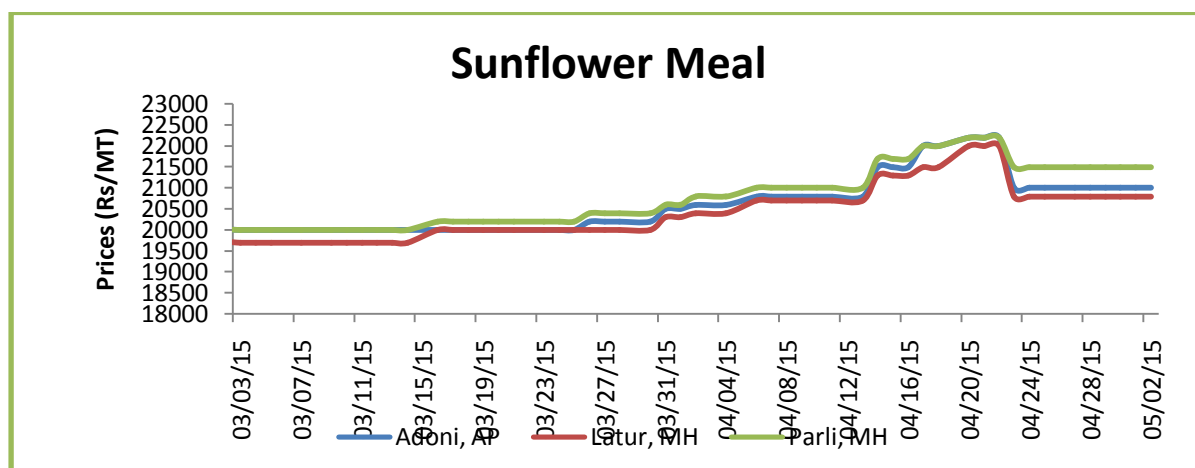
Forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.

Soy meal moved up in tandem with soybean with buying support in anticipation of further rise in the meal prices during the week under review. Stronger crude and supply disruptions from South America will continue to lend support to the meal prices at higher levels.

Maize cash markets trades under pressure as arrivals from newly harvested crop in Bihar starts increasing. As moisture level is higher in newly harvested crop exporters and bulk users are not active in Bihar. From mid may dry maize would be available and by then fresh buying interest could be seen.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

Soybean, meal and rapeseed-mustard extended previous gains on better buying in cash market and recent gains in international crude during the week under review. The market participants are anticipating prices to get stronger in coming days after they remained lower for quite a long time in recent months. Continued buying in rapeseed-mustard, by millers and the stockists, is witnessed in the cash market.

Soybean:

- ❖ The domestic soybean continued uptrend primarily on buying support and bullish near-term global factors during the week under review.
- ❖ Strengthening crude, which eventually pushed up the benchmark, CBOT, remained bullish factors for the domestic beans too.
- ❖ Forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.
- ❖ The domestic soybean prices jumped in last couple of weeks in cash market during the week, which is a big gain witnessed in a week, since last several weeks.
- ❖ The buyers are ready to cover their stocks at higher quotes in anticipation of further rise in the bean prices in coming days.
- ❖ Farmers in China could reduce the soybean acreage in 2015/16 by 15% due to uncertainty over the new subsidy.
- ❖ This is the sixth straight annual drop in China's soybean acreage which will subsequently increase the China's soybean imports which already accounts for 65% of the world traded volume.
- ❖ The soybean harvesting in Argentina is underway and dry weather is leading to the increase in the harvesting pace. About 45% of the Argentine soybean is expected to have been harvested this week.
- ❖ *Rising crude, better Chinese buying and good buying support in the domestic market will push up the bean prices. But improved edible oil imports and disparity in soybean crushings and lower soy meal export sales of Indian origin will limit the gains.*

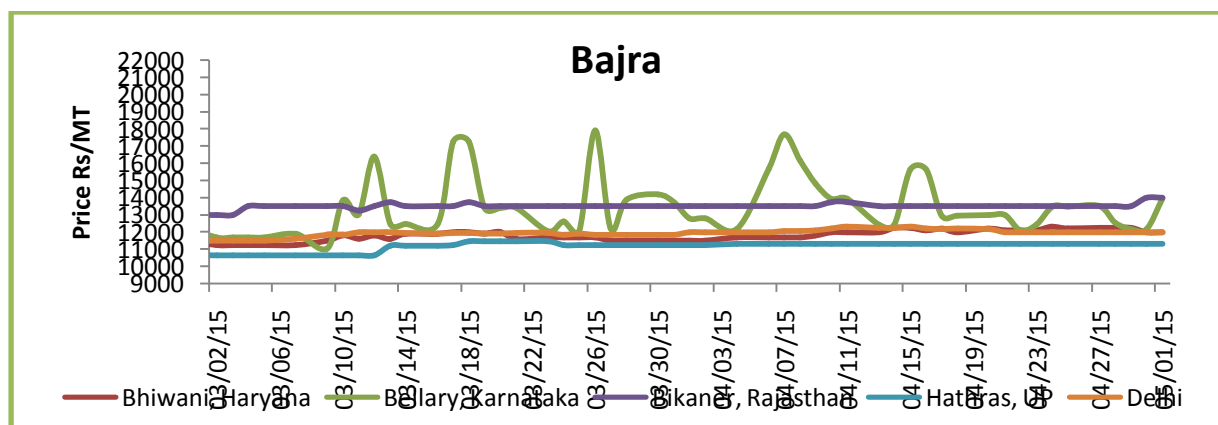
Soy meal:

- ❖ Soy meal moved up in tandem with soybean with buying support in anticipation of further rise in the meal prices during the week under review. Stronger crude and supply disruptions from South America will continue to lend support to the meal prices at higher levels.
- ❖ Though CBOT soy complex has surged in recent days, supporting the domestic soy complex but reports of bird flu in Iowa, US, has lead to uncertainty in their soy meal usage. The event is reported to have strike nearly 10 million bird in the state. If the gains in the CBOT soy meal are limited, it will negatively affect the Indian meal prices.
- ❖ Further, the ban on poultry products from Kerala is expected to be lifted in a week. Tamil Nadu had imposed the poultry ban in November last year, sourced from Kerala, due to outbreak of bird flu in three districts of the state including Alappuzha, Kottayam and Pathanamthitta, when several thousand birds were culled t the time of outbreak in the state.
- ❖ The decision will boost the poultry production, thus leading to increase in the soy meal demand for poultry feed production.
- ❖ But, the reports of return of bird flu in India mainly in Telangana and Manipur have hit the poultry consumption mainly in urban areas. The consumption has been largely affected in urban areas but it is stable in rural areas.

- ❖ The poultry unit owners continued to cover 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.
- ❖ 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.
- ❖ *The soy meal prices will continue to gain in near-term tracking firmness in crude and domestic buying.*

RM Seed:

- ❖ RM seed witnessed uptrend, successive fourth week, on supportive buying. Lower than expected domestic rapeseed-mustard crop and strength crude in the international market remained supportive factor for the seed market.
- ❖ The millers and the stockists continued to remain 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.
The harvesting of the seed is complete and the arrivals across the key market centers have rose.
- ❖ The seed supplies across the major mandis are at its peak with most of the farmers offloading their produce aggressively and the daily all India arrivals is reported around 5.0 lakh bags a day. However, the all India seed arrivals remained lower compared to previous season during the corresponding period last year-2014.
- ❖ However, 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 which will subsequently weigh on the RM seed prices.
- ❖ Shipments of Malaysian palm oil products for April fell 5.5% to 1,077,114 tonnes from 1,140,355 tonnes shipped during March, cargo surveyor Societe Generale de Surveillance reported at the end of the month April.
- ❖ *Aggressive buying in newly harvested seed by the millers and the stockists in will boost the seed prices in near to medium-term. However, Malaysia's decision of cancellation on imposing export duty on palm oil may weigh on the seed prices.*



In A.P., as per trade sources, around 15% crop quality is affected due to bad weather condition and around 45% maize harvesting has done till date.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 50 per quintal to Rs. 1350 per quintal. Starch feed makers also quoted maize down by Rs. 40 per quintal to Rs. 1350 per quintal as compared to last week.

As per IBIS data, exports of corn were reported around 0.013 million tons for the period of 20-26 Apr'15 mainly to Indonesia and Singapore.

Maize is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1350 per quintal, Rs. 1380 per quintal, Rs. 1280 per quintal, Rs. 1300 per quintal and Rs. 1350 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 1300 per quintal as compared to last week as arrivals from Bihar has started into the market. Maize could trade steady to weak in the near term also due to arrival pressure.

As per USDA, U.S accumulated corn export figures reached to 26,841,835 metric tons for the 2014-15 marketing year. Exports of 12,69,300 MT were up 22 percent from the last week and 35 percent from the prior 4-week average; reported by U.S to Mexico (341,000 MT), Japan (179,200 MT), Saudi Arabia (146,000 MT), South Korea (132,300 MT), and Colombia (119,500 MT) for the period Apr 17-23, 2015.

South Korea's largest feedmaker Nonghyup Feed Inc. purchased up to 65,000 tons of optional-origin yellow corn from trading house Concordia. Some 30,000 tons of the corn was purchased at a premium of 96.60 cents a bushel c&f over the Chicago December corn contract with the remainder purchased at the flat price of \$188.23 a ton c&f. The purchase also has an additional \$1.50 a ton surcharge for additional port unloading. (Source: Reuters)

Indonesian poultry prices are set to climb as the government curbs corn imports in a drive for greater self-sufficiency in food production. (Source: Reuters)

South Korea's Major Feedmill Group (MFG) bought up to 132,000 tons of yellow corn in private non-tender deals late on Monday. One purchase of 69,000 tons will be sourced from the United States or South America at \$188.65 a ton c&f plus a \$1.50 a ton surcharge for additional port unloading for arrival in South Korea around Nov. 18 and can be shipped from the U.S. Gulf, the U.S. Pacific North West coast or South America and another purchase of up to 63,000 tons can be sourced from any worldwide origin at \$189.40 a ton c&f plus a \$1.50 a ton surcharge for additional port unloading, and is for arrival in South Korea around Nov. 28. (Source: Reuters)

As per the latest crop progress report released by USDA, corn has been planted 19% as of 26th April, 2015, higher by 2% from the last year but lower by 6% from the last 5 year average period. Crop of corn has emerged 2% as of 26th April, 2015, lower by 1% from last year and 4% from the last 5 year average period.

Cash wheat market traded firm despite improved arrivals during the week under review. Procurement operations are running smooth in Punjab , Haryana, M.P. and Uttar Pradesh. However, it has not been up to the mark in Rajasthan so far.

Rake loading continues from Kota region for J&K, Odissa, and Karnataka at Rs 1600, Rs 1620, Rs 1685 per qtl respectively on delivered basis. FAQ and other fine varieties are ruling higher as short supply of quality grain is being felt in all mandis. Millers are not ready to pay higher price for poor quality wheat. Coloured wheat fine variety from Rajasthan and M.P is being traded at Rs 1760 to Rs 1785 for South India.

Private trades are active in Rajasthan and Madhya Pradesh and they buy Tukra, Lok-1 and milling quality offering higher price than MSP. FCI and other state agencies are buying wheat as per specification fixed by the govt. So they are unable to get quality wheat this year.

Lok-1 premium grade wheat in M.P. is being traded at Rs 1750 to Rs 2000 per qtl. Arrivals too have increased from 25000 qtl to 35000 qtl. in Indore. Mill delivery faq is being traded at Rs 1480/1500 per qtl. Mill delivery wheat in Kota is being traded at Rs 1450 per qtl. while arrival have increased to 45,000 qtl. Lok-1 bulity is being traded at Rs 1750 per qtl.

In a latest development, the Centre has decided to reimburse the amount of value cut from the minimum support price (MSP) for wheat to the procurement agencies in six states. This assistance from Centre has come after easing the quality norms for wheat procurement in six states including Punjab and Haryana. Other states are Madhya Pradesh, Rajasthan, Uttar Pradesh and Gujarat.

Wheat procurement gets momentum after considerable delay due to quality issue and slower pace of procurement in major growing states. Total wheat procurement was registered at 158.6 lakh tonne as on 29.04.15 against 169.29 lakh tonne till date last year. Punjab has contributed 56 lakh tonne so far, followed by Haryana 52.80 lakh tonne. M.P. contribution stands at around 42 lakh tonne. Rajasthan have procured 4.13 lakh tonne.

According to IBIS, export of Indian wheat in 20 th to 26 th April 2015 was around 12131 MT at an average FoB price of \$267.09./tonne. The major export destination of Indian wheat was UAE from Pipavav/Kandla port which accounted 9561 MT at an average FOB price of \$271.91/Tn .Other major countries were Taiwan and Nepal.

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	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15
1	-0.83	-17.0	27.0	0.00	59.0	144.0	180.0	180.00	252.0	332.0	356.0	119.0
2	-20.0	25.0	20.0	-3.00	62.0	202.0	164.0	227.0	247.0	322.0	352.0	
3	-62.0	30.0	8.0	6.00	93.0	207.0	119.0	237.0	269.0	338.0	261.0	
4	-65.0	42.5	-0.8	63.0	154.0	182.5	139.0	244.0	320.0	361.0	225.0	
5		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 vs. bajra. We expect that maize could trade weak as compared to last week and keep maize spread with bajra down for the next week.

Maize Average Weekly spread with Jowar

Week	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15
1	-	-	-785.0	-781.6	-669.0	-532.0	-230.0	-19.0	-72.0	-16.0	50.0	-181.0
2	1032.0	1037.0										
3	-940.0	-902.0	-768.0	-773.0	-760.0	-198.0	-253.0	-53.0	-75.0	16.0	63.0	
4	-	-902.0	-896.0	-873.0	-547.0	-200.0	-207.0	-53.0	-84.0	31.0	-17.0	
5	1012.0											
6	-	-727.5	-781.0	-795.0	-792.0	-228.0	-180.0	-50.0	-27.0	48.0	-72.5	
7	1120.0											
8	-	-740.0		-770.0				-61.0				
9	1172.0											

*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	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15
1	47.0	-95.0	-128.0	-112.0	-122.5	-166.0	-155.0	-29.0	-174.0	-116.0	340.0	219.0
2	0.0	-88.0	-102.0	-117.0	-100.0	-40.0	-149.0	20.0	-175.0	-84.0	390.0	
3	-68.0	-71.0	-112.0	-109.0	-147.0	-52.0	-137.0	-178.0	-164.0	-27.5	383.0	
4	-80.0	-107.5	-109.0	-105.0	-90.0	-154.0	-110.0	-200.0	-127.0	121.0	327.5	
5		-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 down in next week also.

Maize Average Weekly spread with Wheat

Week	Jun'14	July'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15
1	-182.5	-277.0	-240.0		-309.0	-324.0	-296.0	-212.0	-240.0	-117.0	-43.0	-134.0
2	-222.5	-246.0	-270.0	-269.0	-306.0	-297.5	-297.5	-160.0	-192.5	-97.0	167.5	
3	-306.0	-302.0		-312.5	-318.0	-307.0	-290.0	-156.0	-176.0	-79.0	75.0	
4	-301.0	-252.0		-288.0	-302.5	-306.0	-292.0	-138.0	-132.0	-37.0	37.0	
5		-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 maize traded down with the firm movement in wheat during last week. We expect that wheat could trade firm and keep maize spread with wheat down 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)		
	1-May-15	24-Apr-15	Parity To
Indore (MP)	37000	36000-36300	Gujarat, MP
Kota	37500	36000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	39000	37500	Mumbai, Maharashtra
Nagpur (42/46)	38000	37500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	38400	38000	Andhra, AP, Kar, TN
Latur	38000	38000	-
Sangli	38400	37000	Local and South
Sholapur	38500	37000	Local and South

Akola	37500	36800-37000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	37500	41200	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	37500	35700	-

Soy DOC at Port

Centers	Port Price	
	1-May-15	24-Apr-15
Kandla (FOR) (INR/MT)	38000	36500
Kandla (FAS) (USD/MT)	598	576

International Soy DOC

Argentina FOB \$/MT	30-Apr-15	23-Apr-15	Change
Soybean Pellets	371	361	10
Soybean Cake Meal	371	361	10
Soybean Meal	379	369	10
Soy Expellers	379	369	10

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	1-May-15	24-Apr-15	Change
Adoni	21000	21000	Unch
Khamgaon	NA	NA	-
Parli	21500	21500	Unch
Latur	20800	20800	Unch

Groundnut Meal

Groundnut Meal	1-May-15	24-Apr-15	Change
Basis 45% O&A, Saurashtra	30000	29000	1000
Basis 40% O&A, Saurashtra	27000	26000	1000
GN Cake, Gondal	29000	29000	Unch

Mustard DOC/Meal

Mustard DOC/Meal	1-May-15	24-Apr-15	Change
Jaipur (Plant Delivery)	18100	18100	Unch
Kandla (FOR)	18800	18800	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	1-May-15	Week Ago	Month Ago	1 Year Ago	2 Year Ago
Delhi	Hybrid	1300	1400	1550	1430	1500
Davangere	Loose	1250	1250	1350	1260	NA
Nizamabad	Bilty	NA	1285	NA	NA	1260
Ahmadabad	Feed	1350	1400	1400	1300	1350
	Starch	1350	1425	1420	1355	1400

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

	Argentina	Brazil	US	India (Bihar Origin)
FOB	168.41	151.79	174.9	223.79
Cost and Freight	218.41	206.79	234.90	258.79

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>01-May-15</u>	<u>24-Apr-15</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1395	1347	48
		Hybrid	Bangalore	1600	1550	50
Jowar	Karnataka	White	Bangalore	2400	NA	-
		White	Bellary	1217	1262	-45
Maize	Karnataka	Yellow	Davangere	1200	1225	-25
	Andhra Pradesh	Yellow	Nizamabad	1240	NA	-
Rice	Haryana	IR8	Karnal	2000	1900	100
		Parmal Raw	Karnal	1900	1950	-50
Soy meal	Madhya Pradesh	DOC	Indore	3700	3630	70
	Maharashtra	DOC	Sangli	3840	3700	140
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2100	2100	Unch
	Maharashtra	Ex-factory	Latur	2080	2080	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1810	1810	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2900	2900	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1878	1854	24
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1800	1779	21

Note: Prices Rs./Qtl

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