

**Contents:**

---

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

## Summary

---

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

Soybean, meal and rapeseed-mustard continued uptrend supported by gains in the international oils and fats benchmark and better buying in the domestic cash market during the week under review.

CBOT May soybean has hit highest at US \$ 9.57-1/4 since mid August and settled at US \$9.55-1/4 which lent spillover support to the domestic market, followed by multiple bullish factors. Besides, BMD CPO remained mostly strong during the week.

The rapeseed-mustard mustard supplies are in full swing and they are currently higher compared to the same period last year.

Higher crude, rains in Argentina and strength in Real may lent support to the oilseeds and meal in near-term. However, higher soybean supply scenario from South America, lower soy meal exports from India, higher edible oil stocks with India after huge imports will limit the gains in bean and meal, in near-term.

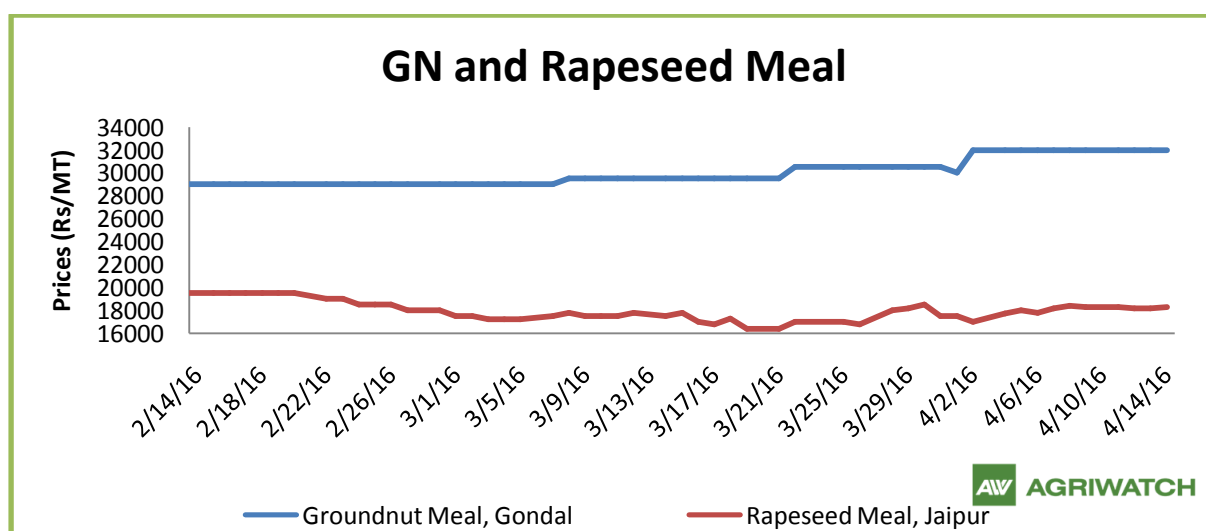
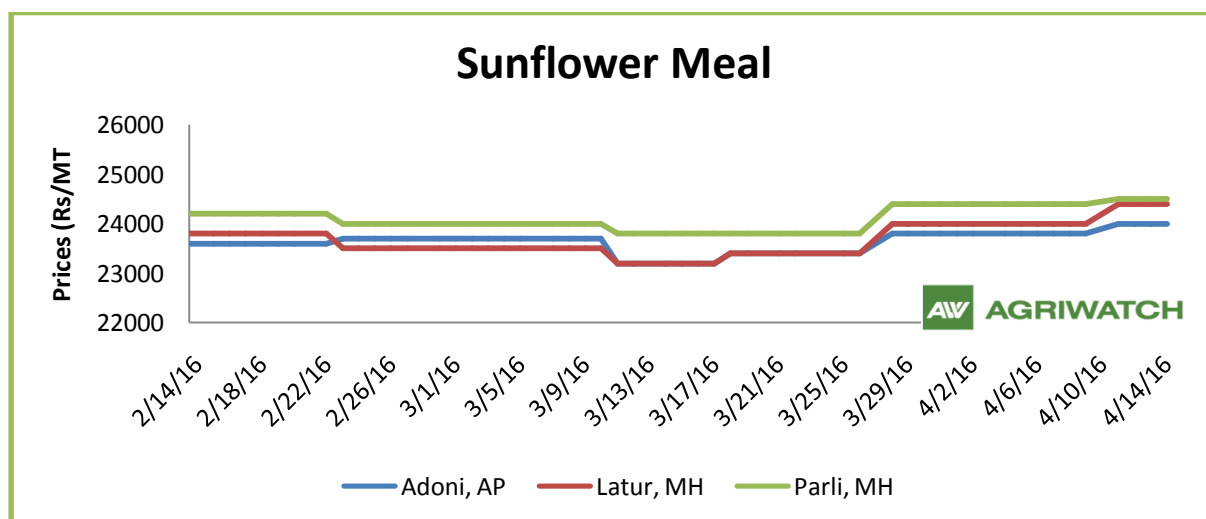
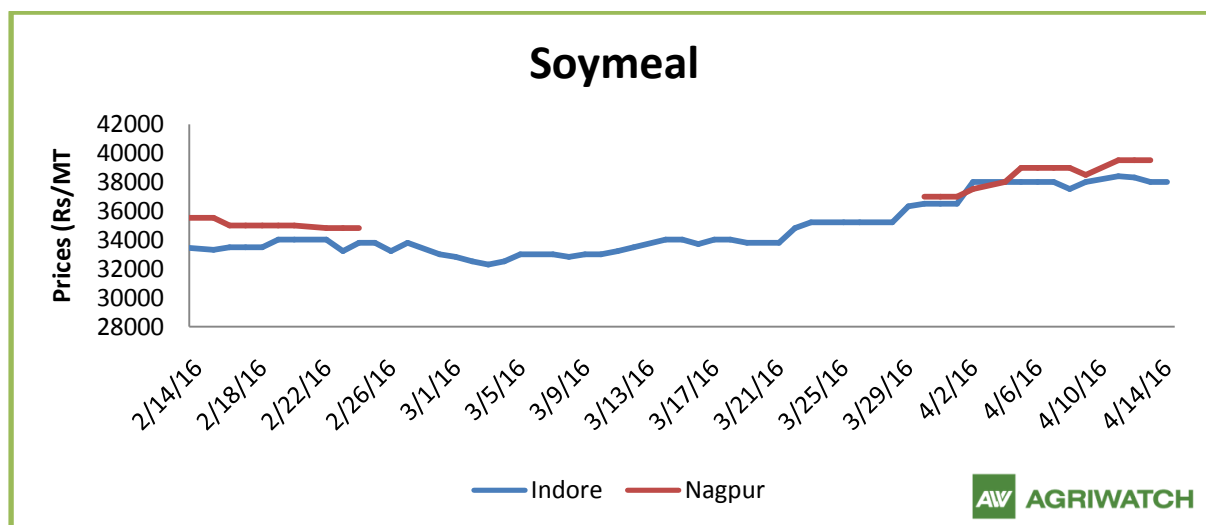
Maize cash markets are likely to trade steady with weak bias on the expectation of increase in supply of new crop.

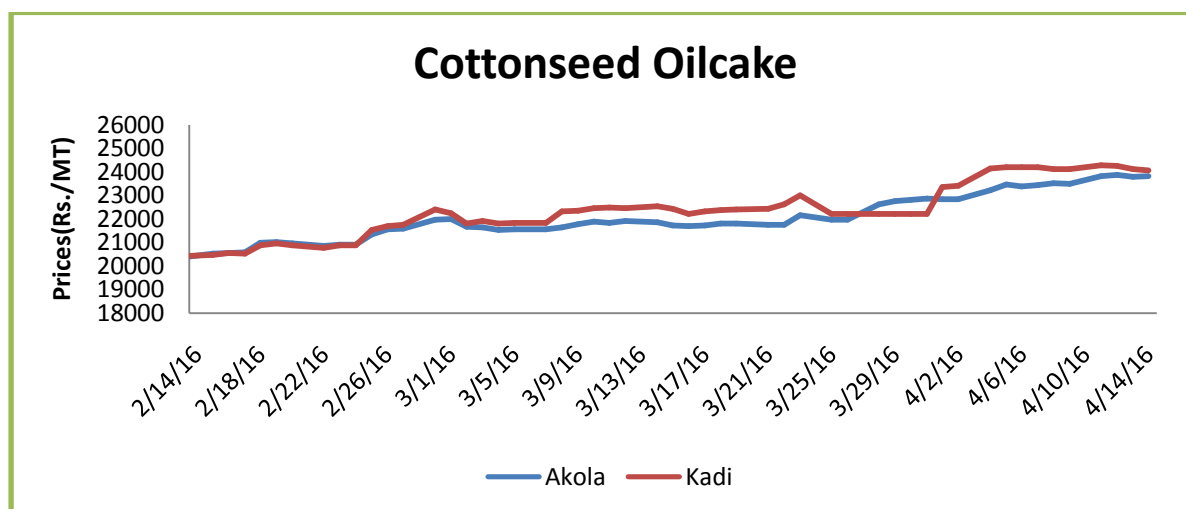
In Bihar, new crop contains 15-17% moisture and around 10% maize crop harvesting has been completed. Crop is in good condition while in A.P, new crop contains 14% moisture and around 50% has been harvested.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 40 per quintal to Rs. 1460 per quintal. Starch feed makers quoted it down by Rs. 35 per quintal at Rs.1465 per quintal compared to last week.

*All India average wheat price increased by 7.5 % from Rs 1726.8 to Rs 1856.35 per qtl. during the week ended 15<sup>th</sup> April-2016. Wheat. It is higher by 7.04 % from the average price registered in the fourth week of March-2015. Major increase was seen in States like Assam, Madhya Pradesh, Kerala and Rajasthan. However, Average price decreased in other major states including Delhi, Gujarat. Wheat procurement starts in Madhya Pradesh, MP, Punjab, Haryana and Uttar Pradesh. Slight decrease in average price seems on the cards as arrival from new crop is likely to increase in the weeks ahead in North India.*

**Trend – Raw Material, Feed**





Source: AgriWatch

## Soybean

The domestic soybean posted gains in line with the international benchmark, CBOT, on multiple factors, during the week under review.

The bean prices surged to 4200 levels at the domestic benchmark, Indore, during the week. The levels remained attractive for the sellers who were waiting for these levels since long.

The sellers are keen in offloading the beans at these levels surpassing the recent resistance of 4100 - 4200 levels.

However, few are awaiting prices to move up further at the time of seeding/planting, to offload the bean.

We feel that the Indian farmer's soybean planting intention for 2016/17 will be strong followed by the IMD's prediction/forecast for above normal monsoon this year.

According to the met department monsoon will be 106% of the long period average (LPA). There is a 94% probability that monsoon will be normal to excess this year. It is predicted, there will be fair distribution of monsoon across the country. But North-East India and South-East India, particularly Tamil Nadu, may get slightly less than normal rainfall.

Drought-hit Marathwada is also likely to receive "good" rainfall, said the met official.

However, we rule out any aggressive buying due to poor soy meal exports and cheaper edible imports leading to disparity on crushing the beans followed by lower bean production.

Record soybean production in G3 countries including US, Brazil and Argentina has made their soy product prices competitive in the market affecting India's meal exports, further negatively affecting the crush margin.

The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, ABIS Rajnandgaon, Laxmi Solvex, Sanwariya – Itarasi, SSA Mandideep, Adani, Cargill, Adani, Bansal, Khandwa Oil, Ruchi, Agrawal Neemuch, Betul Oil, Prakash, Bajrang, Prestige, Ambuja, Prakash, Sitashri, Divya Jyoti, AV Agro, Rama Sitashri Vippy, Kriti, Mahakali, Mahalaxmi, Dhanuka, Khyati, Premier, Dhan Laxmi,

Dhanuka Soy, Indian Solvent (ABIS) and Advantage Overseas (10-2-2 specification) for Dewas and Mandsaur delivery during the week.

***The domestic soybean prices will continue to feature range bound movement with firm bias, supported by short-term gains in the international soybeans. However, lower soy meal exports, increased edible oil imports at attractive prices, lower crude and bearish global supply scenario will limit the gains in coming days.***

#### **International:**

The international soybean at benchmark, CBOT, witnessed continued week-on-week gains and reached fresh eight-month high on technical buying and concerns about South American supplies.

US soybean processors crushed higher than expected soybean in March, the second-busiest March on record, said National Oilseed Processors Association. The association said its members processed 156.690 million bushels of soybean in March, up from 146.181 million during February.

In March 2015, the NOPA members crushed 162.822 million bushels.

The US soyoil stocks as of March 31 stood at 1.859 billion lbs, estimated by NOPA. The inventories were 1.420 billion lbs during the same period last year and 1.792 billion at the end of February.

US soy meal shipments increased to 779,100 tons in March from 686,999 in February. In March 2015, monthly soy meal exports totaled 757,165 tons.

The USDA has projected US 2016 soybean planting lower at 82.2 million acres slightly below from 82.7 million acres estimated planting in 2015.

This is in contrary to the Informa Economics estimates which had lowered its forecast for US 2016 soybean planting to 84.0 million acres from its previous estimate of 85.23 million acres. However, the area is higher compared to 82.7 million acres planted in 2015.

The USDA has also raised US soybean stocks. Soybeans stored in all positions on March 1, 2016 totaled 1.53 billion bushels, up 15 percent from March 1, 2015. Soybean stocks stored on farms are estimated at 728 million bushels, up 19 percent from a year ago.

Off farm stocks, at 803 million bushels, are up 12 percent from last March. Indicated disappearance for the December 2015 – February 2016 quarter totaled 1.18 billion bushels, down 1 percent from the same period a year earlier.

Further, heavy rains have damaged the harvest of around 5% of Argentina's soybean and could damage even more if rains extend into next few days as predicted.

Heavy rainfall in Argentina is delaying soybean harvesting, causing concern about crop losses and hurting inland transportation.

Argentina exported nearly 100 Thd T of biodiesel to the US in Jan/March 2016 which nearly doubled on the year, which will boost US imports of biomass-based diesel.

Global soybean crushings are increasing to compensate the production losses in palm oil, sending the soya oil share to an almost 4-year high of 39.3%, reports the Oil World.

Agroconsult has projected Brazil's 2016/17 area under soybean higher by 600,000 hectares. The consultant has projected Brazil's 2015/16 soybean production at 101.7 million tonnes in its final estimate.

Soybean production will probably have to be revised downward in Brazil and Argentina. This is due to the heavy rains in major Argentine growing areas.

China's March soybean imports were up 35.3% to 6.1 million tonnes vs 4.51 million tonnes in February. This is a record import for the March month of the year due on improved hog breeding margins.

China's soybean imports are estimated to set yet another record at 82 Mn T in 2015/16 and forecast to reach 84.5 Mn T in 206/17, reported by USDA attaché in China.

Oil World has said, that the global stocks of soybeans are seen increasing by 3 Mn T to a new high of around 90 Mn T this season, approximately 28.5% of annual consumption.

*Soybean prices are expected remain strong on technical buying, South American supply concern after heavy rains in Argentina, better US crushings, strength in soy and palm oils will push up the soybean prices for short-term. However, record South American soybean harvest, lower crude, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will limit the gains in near-term.*

## Soy meal

---

Steady to slightly firm tone featured in the domestic soy meal supported by surge in the international soy meal which hit highest since December. The May CBOT soy meal hit US \$ 2.954 per short ton and settled at US \$ 2.90 per short ton.

The domestic soy meal prices have rallied in recent days and have witnessed a substantial gain of about 10.5% in a month. The meal prices stood almost flat during the week in review.

Concerns of domestic poultry production with challenges like hot weather, lower wholesale egg prices may negatively hit the domestic soy meal demand.

However, India's soy meal exports continued to be multi-year low and registered a fall of about 99% in March, primarily on India's uncompetitive prices compared to the South American meal.

At Dhule, Maharashtra, soy meal was quoted at Rs 39,300/MT compared to Rs 38,000/MT in Indore, M P. and Rs 36,700/MT in Kota, Rajasthan in the weekend. The meal prices of the various centers of Maharashtra were at premium compared to the centers of Madhya Pradesh. This is due to the freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

**India exported 70,822 tons soy meal in FY 2015-16, registering a decline of 89% over previous FY 2014-15, when soy meal exports were 6,46,488 tons.**

**Exports of soy meal during March, 2016 were just 430 tons as compared to 46,670 tons in March, 2015, a fall by 99%.**

**The fall in exports is due to uncompetitive Indian soy meal prices, owing to bumper soybean production in USA, Brazil and Argentina, enabling them to offer soy meal at a much lower price than India.**

***During the first half of the current Oil year i.e. October'15 to March'16, total exports stood at 28,077 tons as against 5,49,627 tons last year, showing a decrease by 94.89%.***

Surprisingly, New Zealand was the only buyer of Indian soy meal in March.

Lower exports are mainly due to demand shift to South America. This is mainly due to the attractive offer price compared to India.

Oil world expects world production of soy meal to rise by about 6% to a record 163.8 Mn T in Jan/Sept 2016, allowing exports to improve by 3.2 Mn T or 7% under the lead of Argentina.

Oil World expects sharp increase in world exports of soy meal by 12% to 31.5 Mn T anticipated in Oct/March 2015/16.

*India may not be able to regain the market it lost last season due to competitive prices in South American and China's coupled with bearish factors.*

*Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal has lost the ground owing to much higher soy meal price of Indian origin compared to the South American meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea were the major destinations for Indian soy meal exports, whose demand shifted to South America.*

India's Y-o-Y soy meal prices, Indore, are higher. Soy meal export price, Indore was quoted higher between Rs 38,000 – 38,400/MT during the week compared to Rs 31,500 – 32,500/MT during the corresponding period last year.

*The soy meal prices will feature range-bound movement with firm bias on domestic demand but the gains will be limited due to the weak exports from India and overall bearish global supply scenario in near –term.*

### **Rapeseed - Mustard Seed**

---

Rapeseed-mustard continued uptrend primarily on supportive buying in cash market and in anticipation of higher palm oil in coming days.

The seed supplies are in full swing in the key market centers and aggressive buying is witnessed in the same. The solvent extractors are the major buyers followed by the stockists to cover their stock for the coming months.

Harvesting of the seed is almost complete in the key growing belts with exception in Sri Ganganagar.

The all India arrivals of the seed have been reported between 4.0 – 6.9 lakh bags compared to around 4.8 – 6.0 lakh bags during the corresponding period last month and 3.0 – 5.0 lakh bags during the corresponding period previous year. The highest recorded all India supplies of the seed last year stood at 5.8 lakh bags tested in the second half of April.

Agriwatch has kept its India's 2015/16 rapeseed-mustard production estimate between 5.5 – 6.0 million tonnes.

In the second advance estimate, the Ministry of Agriculture, GOI, has forecasted India's 2015/16 rapeseed-mustard production at 6.83 million tonnes, up from 6.3 million tonnes in 2014/15.

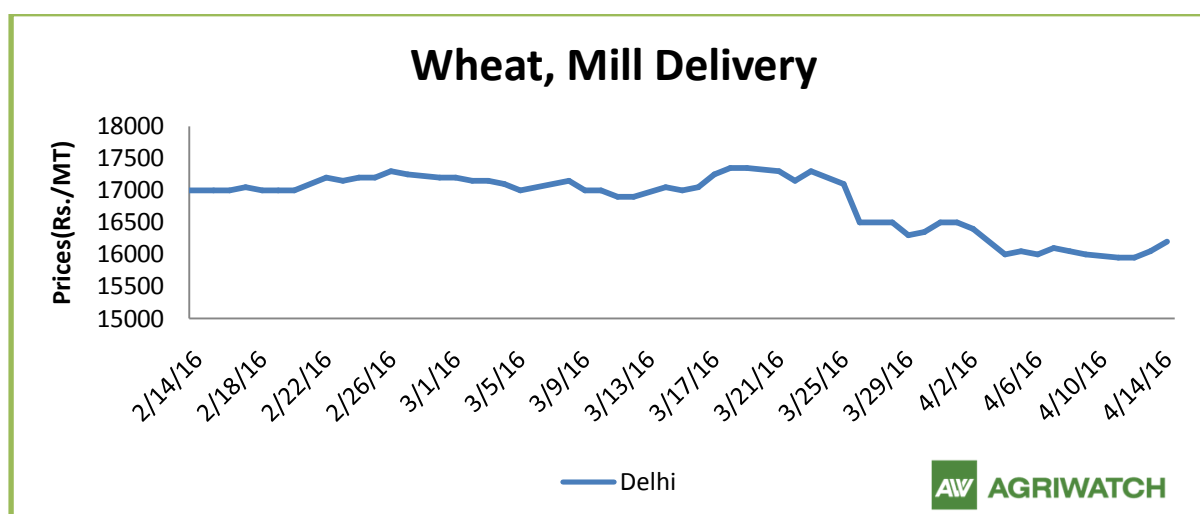
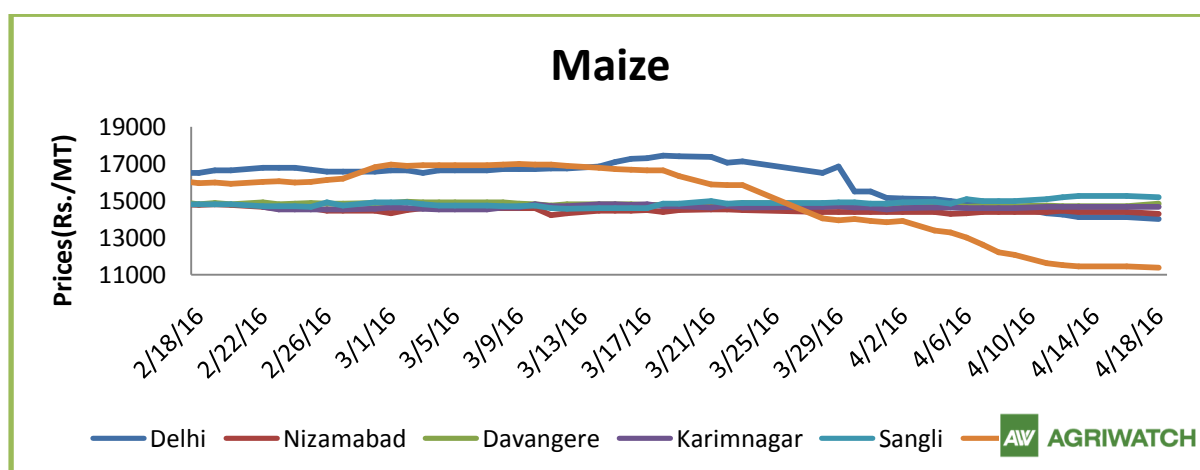
In the advance estimate by department of agriculture, Government of Rajasthan has forecasted Rajasthan's 2015/16 rapeseed-mustard production up by 22% at 3.5 million tonnes compared to 2.87 million tonnes in 2014/15. The department had estimated Rajasthan's 2015/16 RM seed production at 3.49 million tonnes.

BMD CPO (Malaysian palm oil) and edible oil imports determine domestic rapeseed-mustard prices.

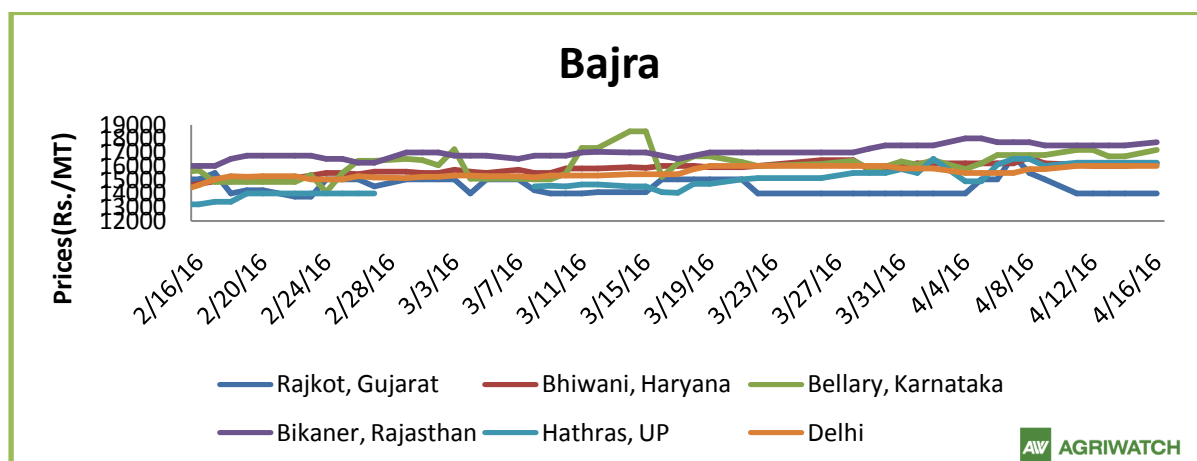
Malaysia April 1-15 palm oil exports rose by 20.3 percent to 499,918 tons from 415,686 tons in the corresponding period last month. Top buyers were India at 79,500 tons (68,950 tons), China at 62,618 tons (46,680 tons), European Union at 57,414 tons (64,303 tons), United States at 25,810 tons (30,550 tons) and Pakistan at 16,500 tons (10,000 tons). Values in brackets are figures of corresponding period last month, said the cargo surveyor Societe Generale de Surveillance (SGS).

Global palm oil production will fall by almost 3.00 million tons in September 2016. Indonesia's palm oil output estimate is cut by 1.2 million tons. Malaysia's palm oil production estimate is cut by 1.5 million tons to 18.4 million tons. Consumers will get relief from July 2016. Palm oil stock buildup will possibly start from September 2016.

*Outlook: rapeseed-mustard will remain strong in near-term on aggressive buying by the solvent extractors and the stockists to cover their stock.*







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

As per IBIS data, around 1185 MT was exported mainly to Nepal followed by Yemen for the period of 4 Apr'16 -10 Apr'16, mainly through JNPT Sea followed by Raxul LCS.

In A.P, maize is likely to trade in a range of Rs. 1400-1450 per quintal for the month of April amid sluggish demand. New crop contains 14% moisture and around 50% has been harvested.

Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1470 per quintal, Rs. 1470 per quintal, Rs. 1430 per quintal, Rs. 1460 per quintal and Rs. 1480 per quintal respectively. Market is expected to trade slightly firm in the near term due to high demand. As per trade sources, in Davangere, stock of maize could be around 200,000 MT in the hands of Private traders, which was 250,000 MT during the corresponding period of last year.

As per USDA, U.S corn exports reached 20.98 MMT in the 2015-16 marketing year. At 1.008 MMT (for the period 1<sup>st</sup> April- 7<sup>th</sup> April, 2016) exports were down 11 percent from the previous week and 3 percent from the prior 4-week average. The primary destinations were Mexico (357,400 MT), Japan (214,400 MT), South Korea (168,900 MT), Taiwan (144,200 MT), and Colombia (69,400 MT).

Indonesia is likely to limit maximum corn imports for feed mills to 1 million tons this year as domestic supply is likely to cover demand.

*All India average wheat price increased by 7.5 % from Rs 1726.8 to Rs 1856.35 per qtl. during the week ended 15<sup>th</sup> April-2016. Wheat. It is higher by 7.04 % from the average price registered in the fourth week of March-2015. Major increase was seen in States like Assam, Madhya Pradesh, Kerala and Rajasthan. However, Average price decreased in other major states including Delhi, Gujarat. Wheat procurement starts in Madhya Pradesh, MP, Punjab, Haryana and Uttar Pradesh. Slight decrease in average price seems on the cards as arrival from new crop is likely to increase in the weeks ahead in North India.*

*As per the latest update, wheat procurement has started in different districts of Punjab. Till Tuesday 264,361 metric tonnes have arrived in Patiala, Sangrur and Fatehgarh sahib districts. Out of the mentioned arrivals 188,488 metric tonnes have been procured by government agencies. The quality of wheat arriving is good.*

Agriwatch has revised wheat production estimate up by 3.96 MMT from 85.32 MMT to 89.28 MMT for 2016-17 MY starting from April-2016. Weather condition in April remains crucial and has potency to affect yield and normal quality of grain. Cloudy sky, likely rains/hailstorm is not a good sign in places where crop is inharvesting stage. Crop attaining maturity too, may be in danger of losing quality. Carryout for 2016-17 would decrease from 15.38 to 13.66 MMT including 1.0/1.5 MMT private stock too.

At export front, opportunity for Indian wheat exporters is not favorable due to cheaper availability of wheat in the global market. Price difference is wider, around \$50/60 per tonne. Russia, US, France and Argentina are offering wheat at \$178, \$192, \$164 and \$196 per tonne on FoB basis respectively. Australia is offering wheat at \$218 per tonne on FoB basis. Against it, India FoB quotes at current price come to \$242/245 per tonne when it is sourced from Saurashtra Region of Gujarat. Importers from south India have struck a 60,000 T wheat deal at CiF \$230 per T for April Delivery. Around 5 lakh tonne wheat import deal has been struck so far for forward months.

Despite disparity India exported 1422.16 tonne wheat during week ended 3<sup>rd</sup> April-2016 against 540 tonne previous week ending 20<sup>th</sup> March. Wheat has been exported at an average FoB of \$297.72 per tonne. Buyers of the Indian wheat are UAE, Kuwait, Malaysia and Somalia. As prices are ruling higher in domestic market, export pace would remain slow despite arrival from new crop. Global wheat markets are offering wheat at very attractive price. India imported 2750 Tonne wheat from Australia on CiF basis at \$257.08 per T in March third week. There is no import last week.

Wheat Procurement in Punjab and Haryana started from 1<sup>st</sup> April-2016. Punjab would procure 110 lakh tonne. FCI will procure 22 lakh tonne while State agencies would procure 88 lakh tonne. Total 120 lakh tonne wheat may hit Punjab's markets out of 160 lakh tonne production. Haryana would procure 68 lakh tonne this year. MP may contribute over 65 lakh tonne.

Govt. has extended Import tax (25%) on wheat till June and will review it after analyzing actual crop size. Wheat from new crop would be available by second week of April in bulk for procurement. India imposed an import tax of 10 percent in August last year, In October; the government had raised the import tax by 15 % to 25 percent.

Wheat WPI has decreased slightly to 221.6 in Feb, 2016 from 223.5 in Jan, 2016. Wheat prices may rule steady to slightly weak in the weeks ahead on increasing arrivals from new crop. Monthly wheat inflation increase is 2.78. It was 3.19 in Jan-2016.

Wheat cash market is expected to trade steady to slightly weak on arrival pressure.

Wheat global market is likely trade weak despite growing concern over winter wheat crop in US. There is plenty of wheat available in Black Sea Region, US, Australia, France and Canada. Russia, France and U.S are trying to offload their excess stock and all these developments put pressure on global wheat market. Russian wheat is very competitive and there is ample supply from other exporting countries. So stable to weak tone prevails in the market. Range bound movement in April is a seemingly possibility given the normal weather condition. Recovery in market is expected in second quarter of current MY.

Steady consumption growth for wheat in China and India would continue to put pressure on global wheat market in the near term.

## Outlook

---

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

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

Centres	Ex-factory rates (Rs/ton)		
	14-Apr-16	7-Apr-16	Parity To
Indore (MP)	38000	37500	Gujarat, MP
Kota	36700	37000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	39300	39000	Mumbai, Maharashtra
Nagpur (42/46)	3950	39000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	3870	39400	Andhra, AP, Kar, TN
Latur	3920	39700	-
Sangli	3900	39000	Local and South
Sholapur	39000	39500	Local and South
Akola	3910	38500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	NR	NR	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	36600	36500	-

#### Soy DOC at Port:

Centers	Port Price	
	13-Apr-16	6-Apr-16
Kandla (FOR) (INR/MT)	38500	38500
Kandla (FAS) (USD/MT)	580	579

International Soy DOC			
Argentina FOB USD/MT	13-Apr-16	6-Apr-16	Change
Soybean Pellets	328	295	33
Soybean Cake Flour	328	295	33
Soya Meal	336	303	33
Soy Expellers	336	303	33
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	14-Apr-16	7-Apr-16	Change
Adoni	24000	23800	200

Khamgaon	NA	NA	-
Parli	24500	24400	100
Latur	24400	24000	400
<b>Groundnut Meal (Rs/MT)</b>	<b>14-Apr-16</b>	<b>7-Apr-16</b>	<b>Change</b>
Basis 45%, Saurashtra	31000	31000	Unch
Basis 40%, Saurashtra	28000	26000	2000
GN Cake, Gondal	32000	32000	Unch
<b>Mustard DOC/Meal</b>	<b>14-Apr-16</b>	<b>7-Apr-16</b>	<b>Change</b>
Jaipur (Plant delivery)	18300	18400	-100
Kandla (FOR Rs/MT)	17700	17500	200
Sri Ganganagar	2160	2150	10

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

Market	Grade	14-Apr-16	7-Apr-16	14-Mar-16	14-Apr-15	14-Apr-14
Delhi	Hybrid	1350	1450	1710	1480	1460
Davangere	Loose	1400	1400	1400	1270	1350
Nizamabad	Bilty	1420	1410	1400	1280	1260
Ahmadabad	Feed	1460	1500	1570	1430	1310
	Starch	1465	1510	1580	1460	1380

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

	Argentina	Brazil	US	India (Bihar Origin)
<b>FOB</b>	168.90	149.58	168.47	225.61
<b>Cost and Freight</b>	218.90	204.58	228.47	260.61

**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	46670
Apr	305033	313832	100311	75884	18017
May	176819	142588	97546	8226	14046
Jun	117600	180987	213564	2636	2098

Jul	139547	168341	107038	6682	928
Aug	165510	10005	183555	2778	768
Sep	225921	6525	173381	868	6886
Oct	223594	49840	182724	29071	4237
Nov	397659	517103	503269	110806	8909
Dec	798041	510698	451314	193832	
<b>Total</b>	<b>4075617</b>	<b>2668918</b>	<b>3512217</b>	<b>1210954</b>	<b>271008</b>

Feed Ingredient Prices at a Glance						
<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>14-Apr-16</u>	<u>7-Apr-16</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1668	1681	-13
		Hybrid	Bangalore	2100	2100	Unch
Jowar	Karnataka	White	Bangalore	2300	2300	Unch
		White	Bellary	1391	1397	-6
Maize	Karnataka	Yellow	Davanger e	1360	1360	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1360	1360	Unch
Rice	Haryana	IR8	Karnal	2150	2100	50
		Parmal Raw	Karnal	2600	2650	-50
Soy meal	Madhya Pradesh	DOC	Indore	3800	3750	50
	Maharashtra	DOC	Sangli	3900	3900	Unch
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2400	2380	20
	Maharashtra	Ex-factory	Latur	2440	2400	40
Mustard	Rajasthan	Plant delivery	Jaipur	1830	1840	-10
Groundnut Meal	Gujarat	GN Cake	Gondal	3200	3200	Unch
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2407	2412	-5
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2381	2351	30
<b>Note: Prices Rs./Qtl</b>						

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>  
© 2016 Indian Agribusiness Systems Pvt. Ltd.