

Market Highlights

With the onset of new paddy (Rabi Crop), rice price have come down mainly in south India. In retail market it moves down about Rs. 10/Kg. As per market sources recognized the decline to the arrivals from Odisha, West Bengal, besides Karnataka and Tamil Nadu. However on the other hand rice price of non-basmati in North India like Punjab, Haryana are rice ruled flat. In case of Basmati rice prices firmed up by Rs 100 per quintal on the wholesale grains market on fresh buying by stockiest and retailers to meet an improvement in demand in the beginning of new financial year.

In north Indian, Non Basmati rice (PR varieties) showed a steady trend for last couple of weeks due to limited trading in the market. Traders expect that stock position will improve in the market and so sellers will active participate in the market. According to the market experts, rice prices may rule around current levels for the next few days before witnessing any major alteration.

On the other hand arrival of Rabi rice in eastern and south India may push down rice price in coming days, however, market sentiments are largely positive and traders are expecting some good buying this month especially sona masoori and other fine varieties.

Demands of aromatic rice with constrained availability push basmati, Sharbati and Sugandha towards northward, this uptrend was likely as traders are getting good demand from the domestic as well as overseas market.

The Karnataka State government announced that rice would be made available at Rs. 2 a kg to below poverty the line families through the public distribution system. BPL card holders were till now eligible for rice at Rs. 3 a kg. There are nearly 88.5lakh BPL cards in the State, and the additional burden on the State exchequer is expected to be around Rs. 160 crore a year.

All-India progressive procurement of Rice for the marketing season 2012-13 as on 22.03.2013 was 290.47 lakh tonnes against the procurement of 282.51 lakh tonnes up to the corresponding period of last year. Total rice stocks in India's central pool stand at about 35.8 million tons as of March 1, 2013, up about 8% from around 33.17 million tons recorded on March 1, 2012, and the highest ever on record for this time of the year, according to data from the Food Corporation of India (FCI).

Among the food grains, inflation for Rice has increased to 18.84% from the previous month's level of 17.31% and Wheat also increased to 21.69% from the previous month's level of 21.63%.

Despite increasing domestic prices, the government is unlikely to oblige export controls on non Basmati and Basmati rice in the near future on sufficient domestic supplies, bumper production, record Procurement and "more-than-sufficient" government-held rice stocks. Based on the current pace of exports, MY 2012/13 rice exports are likely to reach 8.5 million tons (4.7million tons non-Basmati and 3.8 million tons of Basmati rice). An expected increase in the MSP for the upcoming season will likely further prop up domestic prices, and affect negatively MY 2013/14 export prospects.

Domestic Supply And Demand:

Marketing Year January -December			
Attributes	2010-11	2011-12	2012-13 E
Beginning Stocks with govt.	24.35	25.56	28.91
Production	95.98	104.32	100
Total Availability	120.33	129.88	128.91
Domestic consumption	48	50	52.5
Govt. Procurement	34.9	35.03	40
Exports	2.77	8.74	7.4
Total Usage	85.67	93.77	99.9
stock with Millers /Stockiest	9.1	7.2	7
Ending Stocks	25.56	28.91	22.01
Av Monthly Consumption	4	4.17	4.38
Stock to Month Use	6.39	6.94	5.03
Stock to Consumption Ratio	0.53	0.58	0.42
			Fig. in Million ton

India is in contented situation on the rice stock front with consecutive bumper productions and supported with higher carryout stock. We expect the new rice marketing season to begin with around 29 million T stock with smooth procurement under way despite lower Kharif production at around 86 to 87 million T. We expect 13 million T production Rabi season. Due to continuous overseas especially from African and gulf countries rice export may touch 9 million tonnes in this crop year. If export continues, carryout for next year may drop to around 28 million T.

Comparative Wholesale Price State wise, Monthly Analysis:

State	Prices March, 2013	Prices February, 2013	Prices March, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	3043.59	3055.43	2088.07	-0.39	45.76
Assam	2482.94	2514.9	2239.8	-1.27	10.86
Gujarat	2551.26	2587.07	2126.5	-1.38	19.97
Jharkhand	2358.88	2301.54	2150.32	2.49	9.7
Karnataka	3163.39	3076.04	2260.58	2.84	39.94
Kerala	3435.08	3321.51	2626.31	3.42	30.79
MP	1361	1500	1333.53	-9.27	2.06
Maharashtra	5242.71	5007.5	4161.4	4.7	25.98
Meghalaya	2986.54	2287.08	2923.89	30.58	2.14
NCT of Delhi	2033.33	1629.55	1548.57	24.78	31.3
Orissa	2020.44	2021.37	2051.73	-0.05	-1.53
UP	1700.59	1672.74	1459.27	1.66	16.54
Uttrakhand	1937.89	1897.04	1700	2.15	13.99
West Bengal	2207.28	2213.32	1927.5	-0.27	14.52
Average	2608.92	2506.07	2185.53		

***Report Generation: As per the data reported by APMCs**

Average Rice prices in the month of March, 2013 ruled high around Rs.100 per quintal compare to previous month; in most of the states prices are seems higher than the previous month. Overall sentiments for rice remain bullish in the month ahead supported by better demand prospects and also lower stock of aromatic rice.

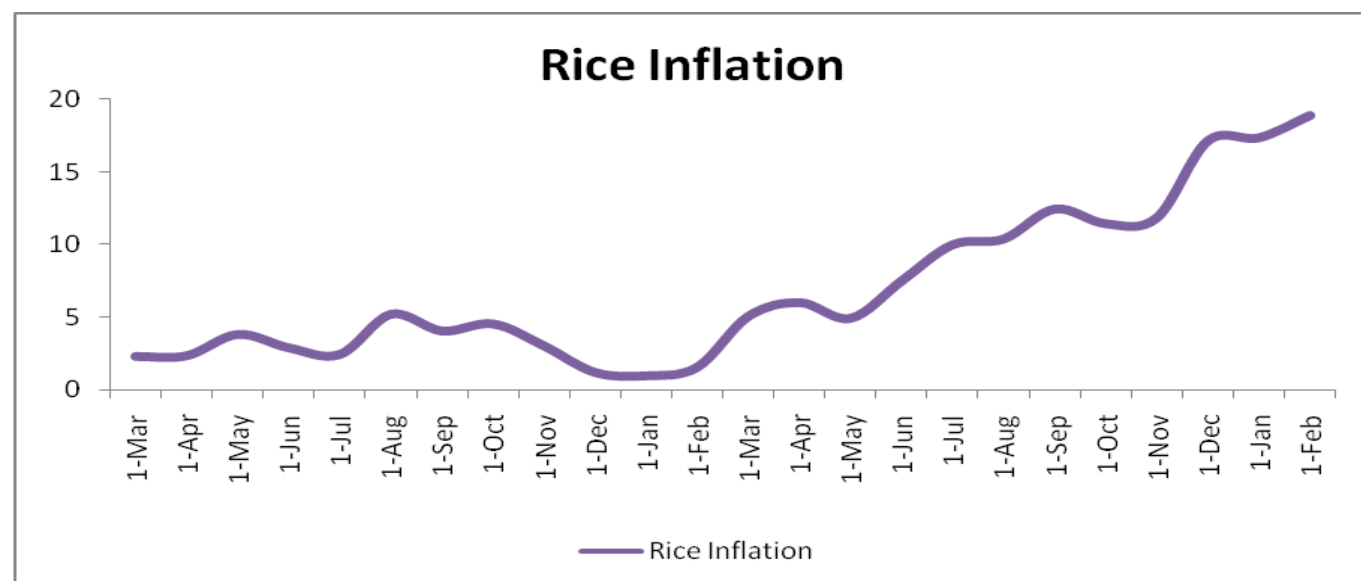
Monthly Average Price at various Centers:

Monthly Average Price for various Centers (Rs./Qtl)					
Months	Delhi (PR)	Haryana(PR)	WB (MOTA)	Amritsar(PR)	Karnataka (IR-64)
July	2112.53	2200	2400	2145	2410
August	2117.66	2187.5	2390.61	2225	2375.54
September	2067.39	2113.04	2395.91	2157.89	2360.22
October	2036	2120	2376	2100	2350
November	2057.29	2183	2380.66	2027.27	2300
December	1995	2192	2388	2000	2420
January	2046	2220	2384	1974	2480.76
February	2245	2313	2496	2155	2483.33
March-	2300	2383	2560	2200	2476

Source: Agriwatch

Average rice price in major markets like Delhi, Haryana, West Bengal, Amritsar and Karnataka are increased in comparison to previous month (February), due to better domestic and overseas demand along with lower Kharif production and increasing higher processing cost, freight cost and stock holding as stockiest expects even higher price in the month of April and May.

Rice Inflation:



Source: www.eaindustry.nic.in

Among the food grains, inflation for Rice has increased to 18.84% from the previous month's level of 17.31%, Wheat to 21.63% from the previous month's level of 21.39% and Cereals to 19.19% from the previous month's level of 18.09% and Pulses have decreased to 14.96% from the previous month's level of 16.89%.

Rice Export under OGL:

Rice Export Under OGL as on 30th September, 2012							
Units are in lakh tonnes 2011-12	Non Basmati	Basmati	2011-12 Total	2012-13	Non Basmati	Basmati	Total
Oct-2011	4.5	3.4	7.9	Oct-2012	6.64	2.08	8.72
Nov-2011	5.5	4	9.5	Nov-2012	7.61	1.12	8.73
Dec-2011	5.9	2.5	8.4	Dec-2012	5.32	1.05	6.37
Jan-2012	5.45	2.75	8.2	Jan-2013	4.68	3.21	7.89
Feb-2012	5.75	1.76	7.51	Feb-2013	4.9	2.53	7.43
Mar-2012	5.6	2.25	7.85	Mar-2013	5.1	3.7	8.8
April-2012	5.8	1.35	7.15				
May-2012	5.3	1.9	7.2				
June-2012	5.5	1.75	7.25				
July-2012	5.25	2.25	7.5				
Aug-2012	3.75	1.71	5.46				
Sept-2012	2.25	1.25	3.5				
Total	60.55	26.87	87.42		34.25	13.69	47.94

Note: - New season for paddy starts on Oct 2012.

Source: IBIS (Revised export Figure)

Total rice exports by India in the current Marketing Year (MY) October, 2012 to March 2013, crossed 45 lakh tonnes, we expect total rice export in the end of this MY (Oct-2013) is likely to touch 9 Million tonnes which is first time in history and it also helps for India to become top rice exporters in the world. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Rice export reached to 87.42 lakh tonnes for this MY 2012. Non-basmati rice export touched 60.55 lakh tonnes while basmati export touched 27 lakh tonnes. Africa, along with countries in the Middle East and Gulf, accounted for about 86% of total non-basmati rice exports by India in 2011-12. There were nine African nations among the top 15 importers of Indian non-basmati rice and together, Nigeria, Senegal, Côte d'Ivoire, Egypt, Benin, Somalia, Togo, Kenya, and Cameroon accounted for about 2.4 million tons or almost 60% of total non-basmati rice exports by India. Indonesia, the U.A.E., Bangladesh, Nepal, Singapore, Yemen and Iraq were also prominent importers of Indian non-basmati rice in 2011-12. India's basmati rice exports reach Saudi Arabia, the U.A.E., the U.K., and Kuwait in 2011-12.

Progressive Procurement of Rice as on 22/03/2013:

(Fig. in Lakh tonnes)

States	Total procurement in marketing season 2011-12 (Oct. – Sept.)	In Marketing season 2012- 2013	In Marketing season 2011-2012
Andhra Pradesh	75.38	39.16	44.50
Chhattisgarh	41.15	47.99	41.00
Haryana	20.07	26.02	20.01

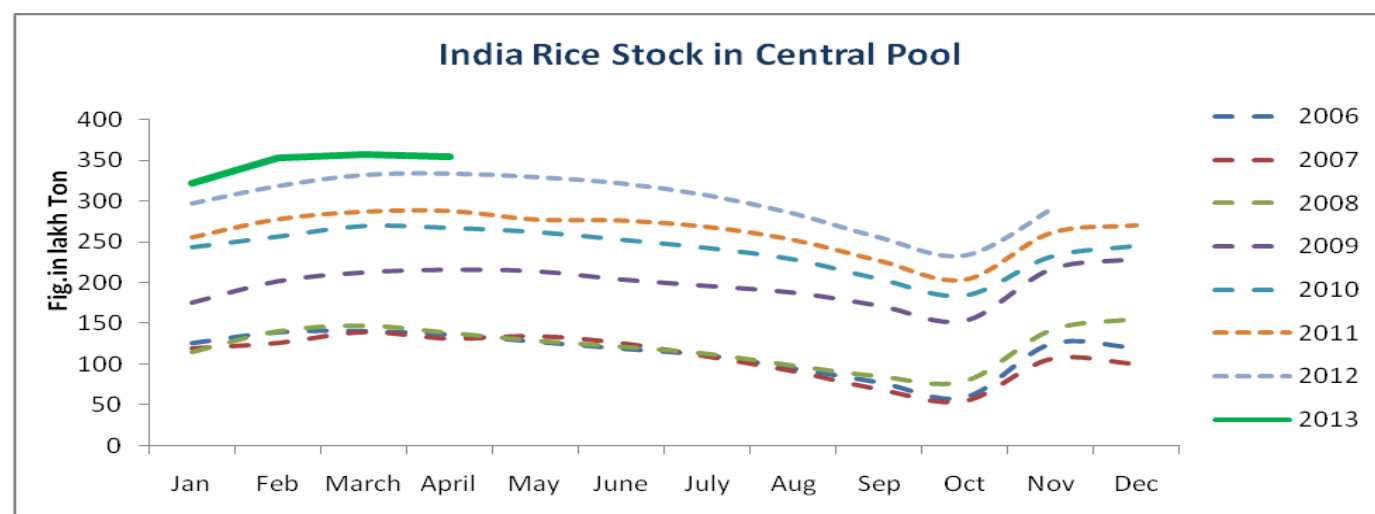
Kerala	3.72	0.92	1.07
Madhya Pradesh	6.35	9.08	6.32
Maharashtra	1.78	1.75	1.42
Orissa	28.46	26.83	18.77
Punjab	77.31	85.57	77.31
Tamil Nadu	15.96	4.22	12.83
Uttar Pradesh	33.55	21.57	29.34
Uttaranchal	3.78	4.12	2.91
West Bengal	20.34	11.00	9.59
All-India	350.25	290.47	282.51

Source: <http://dacnet.nic.in/>

Rice procurement by Government agencies has crossed around 70% the targeted of 40 million tonnes (mt) for the Kharif marketing season 2012-13 starting October. Procurement as on 22, March, 2013 stood at 29.04 mt, up around by 3 per cent over that in the corresponding period last year at 28.25 mt. Procurement has been higher in Punjab, Haryana, Chhattisgarh and Odisha, while States such as Andhra Pradesh and Uttar Pradesh have registered a decline due to late harvesting in this season. Procurement of paddy by the State agencies has been completed in the major rice growing States with the exception of Andhra Pradesh, Bihar and Odisha. The Government agencies had procured 35 mt of rice in the 2011-12 Kharif marketing season and are targeting 40 mt in the current season.

Month-wise Rice Stock in Central Pool (As on 1st day of the month) Values in MMT

Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2010	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
2011	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
2012	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
2013	32.22	35.38	35.8	35.46								

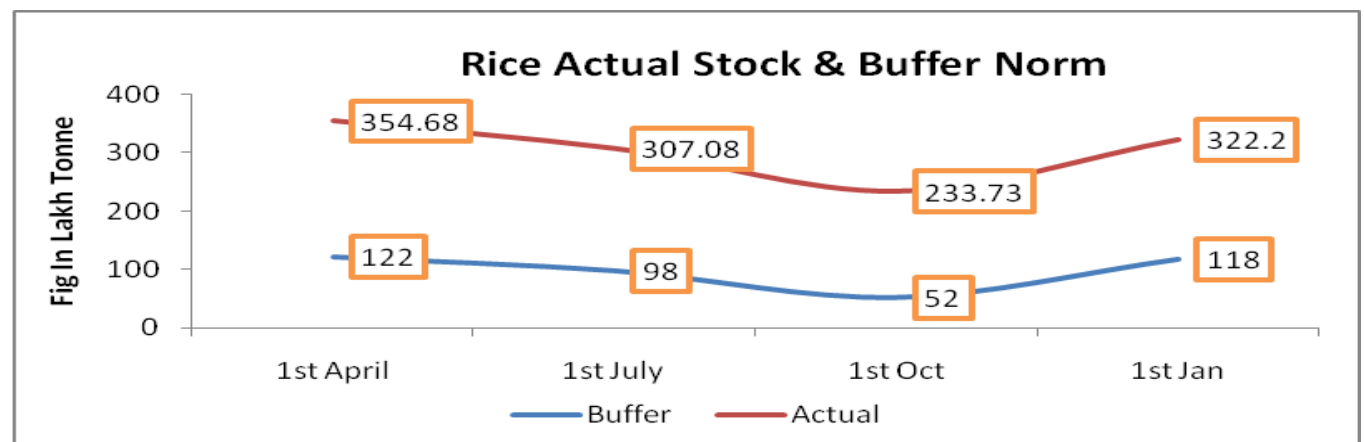


Source: FCI

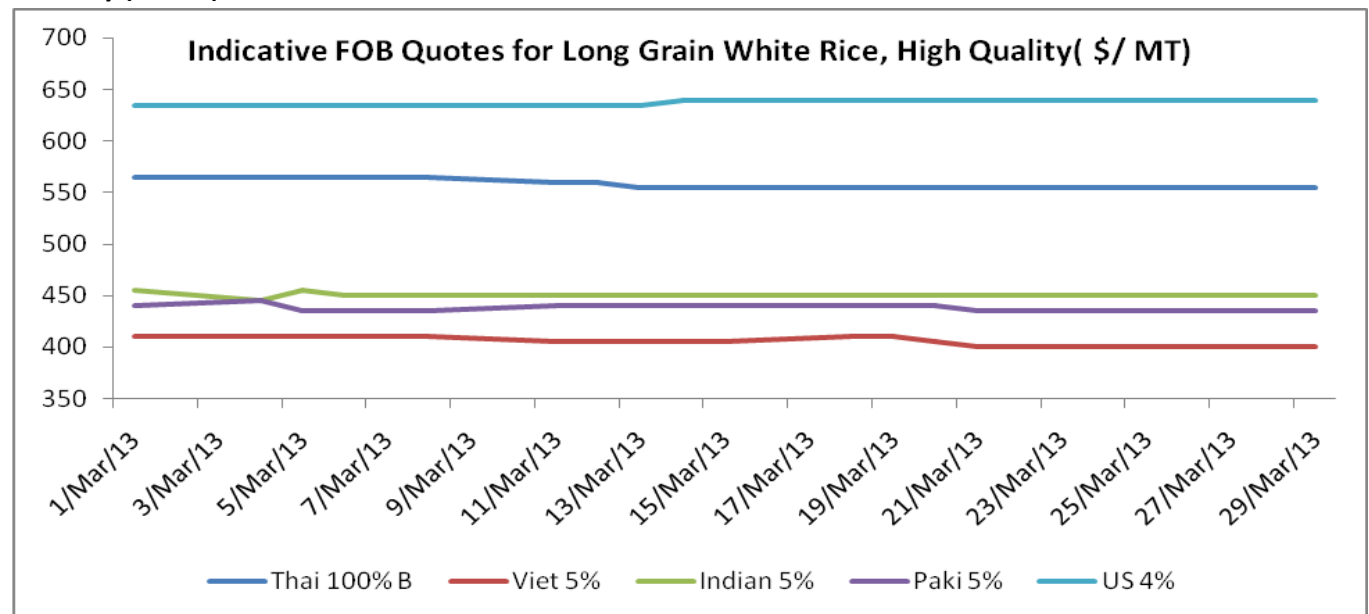
India's rice stock as of April-1, 2013 stood at around 35.46 million tonnes, much above the buffer and strategic requirements.

Buffer Norms and Strategic Reserve:

As on	Buffer Norms			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1st April	122	40	162	20	30	212
1st July	98	171	269	20	30	319
1st October	52	110	162	20	30	212
1st January	118	82	200	20	30	250



Monthly (March) FOB Quotes:



FOB Quotes for Thailand; and Vietnam are down about \$10 from beginning of March to end of this month, Vietnam removed the Minimum Export (MEP) Price in March this year for 5% broken rice which will directly

help to improve rice export and also Vietnam is targeting the china market which is already slack by Pakistan. On the other hand prices of US 4% broken, high quality seems higher by \$5 per ton.

World Market Recap

Higher production and decreasing consumption are likely to boost rice stocks in South Korea to about 850,000 tons by the end of MY 2013-14 (September to October), which is up about 18% from an estimated 722,000 tons of rice in ending stocks in 2012-13. According to the USDA Post in Seoul, the 2013-14 ending rice stocks in South Korea would be equivalent to about 19% of total rice consumption in the country. The Post also revised upwards earlier estimates for ending stocks in 2012-13 to around 722,000 tons, up about 56% from earlier forecast of around 461,000 tons, in anticipation of higher rice supplies this year.

Rice production in China is expected to increase to around 144 million tons in MY 2013-14 (July to June), slightly more than an estimated 143 million tons of rice produced in 2012-13. The USDA Post said that higher support prices will encourage farmers to grow more rice this year. Rice acreage is forecast to grow to around 30.6 million hectares, up around 1% from around 30.3 million hectares in 2012-13. However, the small increase in production will not help meet the domestic requirement for rice which is expected to grow about 3% from around 143 million tons in 2012-13 to around 147 million tons in 2013-14. Consequently, rice imports are estimated to grow about 4% from around 2.4 million tons in 2012-13 to about 2.5 million tons in 2013-14, placing China among top rice importers once again this year.

Iraq has awarded the tender announced last month seeking at least 30,000 tons of rice to Thailand. The Trade Ministry said that Iraq will buy 80,000 tons of rice from Thailand.

Cambodia shipped 95,228 tons of rice in the first three months of 2013, according to the Secretariat of One Window Service for Rice Export Formality (SOWS-REF); that's up nearly 3 fold from 36,430 tons shipped over the same period in 2012. About 60% of the rice was shipped to Poland, France, Thailand, and Malaysia. Nigeria has effectively postponed its plans to stop rice imports completely in 2015 under its goal to achieve rice-sufficiency in two years.

As per data available from Vietnam Food Association (VFA), Vietnam rice export in second quarter of this year will target about 2.2 million tonnes, which would boost up total volume of rice export for six months to 3.65 million tonnes. This year Vietnam will aim to export rice about 8 million tonnes. After removing the Minimum Export (MEP) Price in March this year for 5% broken rice which will directly help to improve rice export. The Nigerian government initially aimed to achieve rice sufficiency in 2015, and had implemented exorbitantly high tariffs on rice imports this year to encourage consumption of domestically produced rice. However, the President said yesterday that Nigeria will stop rice imports in 2016, which suggests that the country will continue to import rice in 2015.

Nigeria has vast agricultural lands suitable for rice farming, but achieving rice-sufficiency in two years is challenging for the country. To become self-reliant in rice, Nigeria has to effectively double its rice production from around 2.5 to 3 million tons to over 5 million tons. At present, Nigeria is the world's largest rice importer, with annual imports of about 2.5 to 3 million tons of rice.

Pakistan's total rice exports during the first eight months of the current fiscal year (July 2012 to June 2013) have reached around 1.79 million tons, about 1% higher than 1.77 million tons exported during the same period in the previous fiscal year. Basmati rice exports during July 2012 to February 2013 stand at around 324,567 tons, down about 27% compared to around 443,696 tons exported during the same period in 2011-12. However, non-basmati rice exports have surged to around 1.46 million tons, up almost 11% from around 1.32 million tons exported in the same period in 2011-12.

Australia's paddy rice production is expected to increase to around 1.08 million tons (about 778,000 tons, basis milled) in 2012-13, up almost 15% from an estimated 942,000 tons (about 678,000 tons, basis milled) produced in 2012-13, according to the USDA Post. The Post says that rice production in 2013-14 will be entirely dependent on the availability of water.

IGC Balance Sheet: Updated on 21.03.2013
(Fig. In MMT)

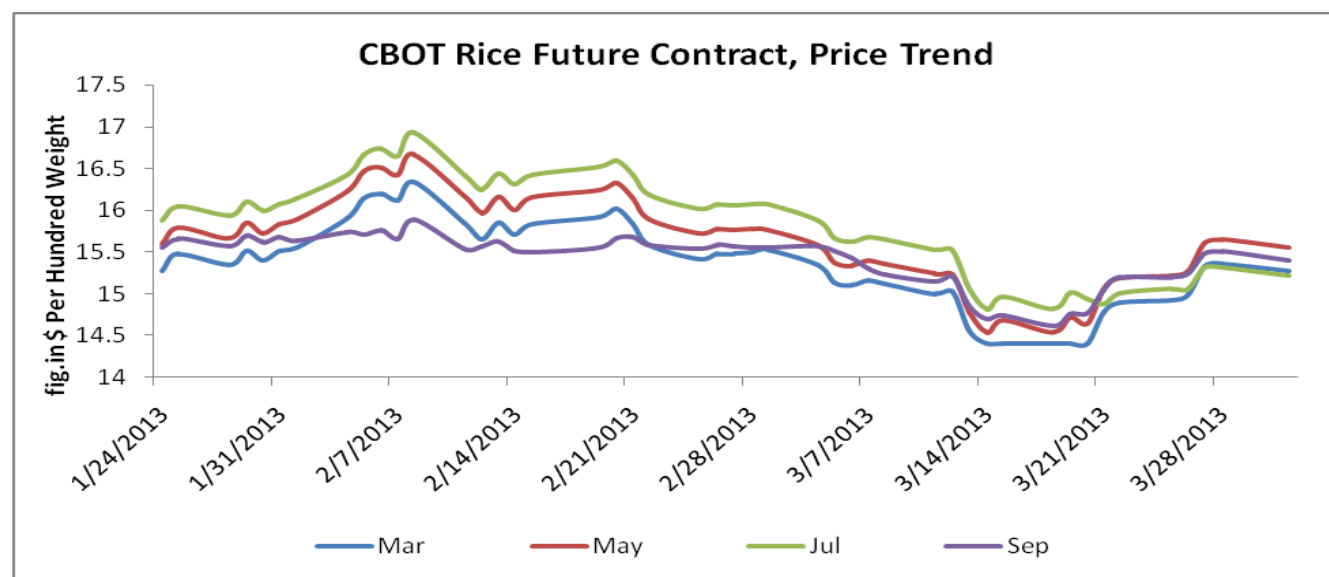
IGC estimate released on 21.02.13	2009-10	2010-11	2011-12 estimated	2012-13 forecast 29.10.12 (Milled basis)	17.01.13
Production	441	448	466	466	468
Trade	31	36	38	36	36
Consumption	437	446	459	468	468
Carry over St.	96	99	106	105	107
Year change	4	3	7		1
Major exporters	29	31	37	38	39

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

High Lights:-CBOT Rice Futures Contracts:

- The IGC GOI rice sub-Index fell 1% m/m but underlying trends were mixed, with prices easing to 13-month lows in Thailand, while being generally firmer elsewhere in Asia.
- World rice output in 2012/13 is forecast to edge up on larger crops in Africa and the Americas, and global use, driven by increases in Asia, is seen rising by 2% y/y, to an all-time high.
- The world carryover is set to rise marginally, with supplies in the major exporters of India and Thailand especially ample.
- Global trade in 2013 is projected to decline by 5% as importers in Asia and Africa buy less.

CBOT Rice Future Contract:-



The U.S. cash rice market shows bearish trend and bearish tone is likely to continue on latest bearish outlook given by IGC.

CBOT May Contract:



Global rice market shows a weak tone in previous trading session, CBOT future price closed higher from previous level. We expect market will trade in the range of 15.00(support) to 16.40 (resistant).

Price Projection (International-CBOT):-

Duration	Trend	Support	Resistance
April	Steady (Positive)	S1-15.00, S2- 14.80	R1-16.40 R2-16.80

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