

Market Highlights

Month of April started with bearish tone in domestic rice market on the back of slack demand at higher level. Buyers for Indian non basmati rice preferred to wait for downward correction as other comparatively cheaper supply source like Vietnam remained intact for them. However, export pace continued with good pace as suppliers were engaged in fulfilling their previous deals.

Prices of basmati rice too have decreased slightly during the month under review. Sluggish demand against ample stock position forced basmati prices to trade lower. However, overall sentiments for basmati and non-basmati rice remain positive and we expect prices to touch previous level soon in the month of May. For domestic rice market lean season starts now and will continue till Sept. Generally, price appreciates in these months in domestic market.

Rice production in India is estimated to decline to around 101.80 million tonnes in 2012-13 as per the latest government estimate, down almost 3% from around 105.31 million tonnes produced in the previous year. However, production is expected to rebound to around 105 million tons in 2013-14 as weather is expected to be favorable (as per IMD latest update) for rice production this year.

India's position as a top rice exporter may soon be reversed by the end of 12th Five-Year-Plan (2012-17) when the country's domestic demand for rice of around 110 million tons is expected to exceed rice production by around 4 to 12 million tons, according to the Agriculture Minister.

India's Agriculture Minister said recently that total food grain production in the country in 2012-13 is likely to reach the targeted 254.23 million tonnes despite drought and deficient rainfall in some parts of the country last year. In 2011-12, India produced an estimated 259 million tons, including about 105 million tons of rice.

The Indian state of Bihar is planning a large scale campaign targeting millions of farmers to popularize the System of Rice Intensification (SRI) in its efforts to increase paddy rice production in the state by around 15% from around 8.7 million tons in 2012-13 to 10 million tons in 2013-14.

Harvesting of Rabi rice is nearing completion and supply from farmer's end is expected to contract in the months ahead. Domestic market will largely depend on govt./stockiest and miller's stock. This will remain supportive for rice market. However any major spike is unlikely as government has ample stock to check any unexpected uptrend at this point of time.

The Indian government has allowed the field trials of Genetically Modified (GM) plants, including rice, after the Genetic Engineering Appraisal Committee (GEAC) approved experimental field trials for the purpose of bio safety research and event selection, said the Minister of State for Environment.

CACP recommend to Indian government to increase the MSP of paddy in 2013-14 from Rs. 1250 to Rs. 1310 per quintal for common grade paddy and Rs. 1280 to Rs. 1340 per quintal for

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			

Note:-There is no change in balance sheet and Agriwatch is strict to its previous balance sheet estimate. Agriwatch will revise balance sheet during June when Kharif planting will commence.

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 April, 2013	Prices March, 2013	Prices April, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	2200	3043.59	2255.6	-27.72	-2.46
Assam	2538.56	2482.94	2260.86	2.24	12.28
Gujarat	2622.17	2551.26	2159.68	2.78	21.41
Jharkhand	2419.96	2368.71	2167.03	2.16	11.67
Karnataka	3010.83	3163.39	2331	-4.82	29.16
Kerala	3181.22	3435.08	2577.84	-7.39	23.41
Maharashtra	5263.55	5242.71	4148.48	0.4	26.88
Manipur	2119.03	2052.58	2020.85	3.24	4.86



Meghalaya	2996.72	2986.54	3088.41	0.34	-2.97
NCT of Delhi	1785	2033.33	1533.33	-12.21	16.41
Orissa	2186.85	2020.18	2146.75	8.25	1.87
Rajasthan	1875	2125.5	2504.4	-11.79	-25.13
UP	1715.16	1700.4	1503.04	0.87	14.11
Uttarakhand	1946.92	1937.89	1586.93	0.47	22.68
West Bengal	2244.92	2215.65	1932.09	1.32	16.19
Average	2540.39	2452.66	2374.99		

***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 except south Indian markets due to arrivals of Rabi crop . Overall sentiments for rice remain steady to firm in the month ahead supported by better demand prospects.

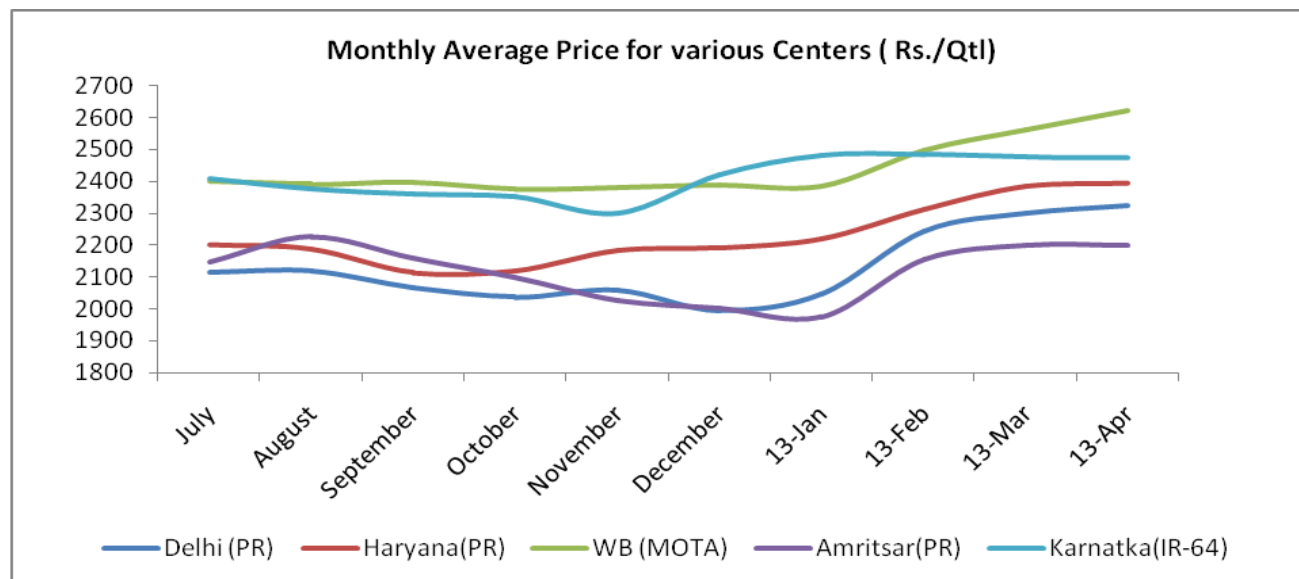
Monthly Average Price at various Centers:

Monthly Average Price for various Centers (Rs./Qtl)					
Months	Delhi (PR)	Haryana(PR)	WB (MOTA)	Amritsar(PR)	Karnataka (IR-64)
July-12	2112.53	2200	2400	2145	2410
August-12	2117.66	2187.5	2390.61	2225	2375.54
Sept-12	2067.39	2113.04	2395.91	2157.89	2360.22
Oct-12	2036	2120	2376	2100	2350
Nov-12	2057.29	2183	2380.66	2027.27	2300
Dec-12	1995	2192	2388	2000	2420
Jan-13	2046	2220	2384	1974	2480.76
Feb-13	2245	2313	2496	2155	2483.33
March-13	2300	2383	2560	2200	2476
April-13	2324	2394	2620	2200	2475

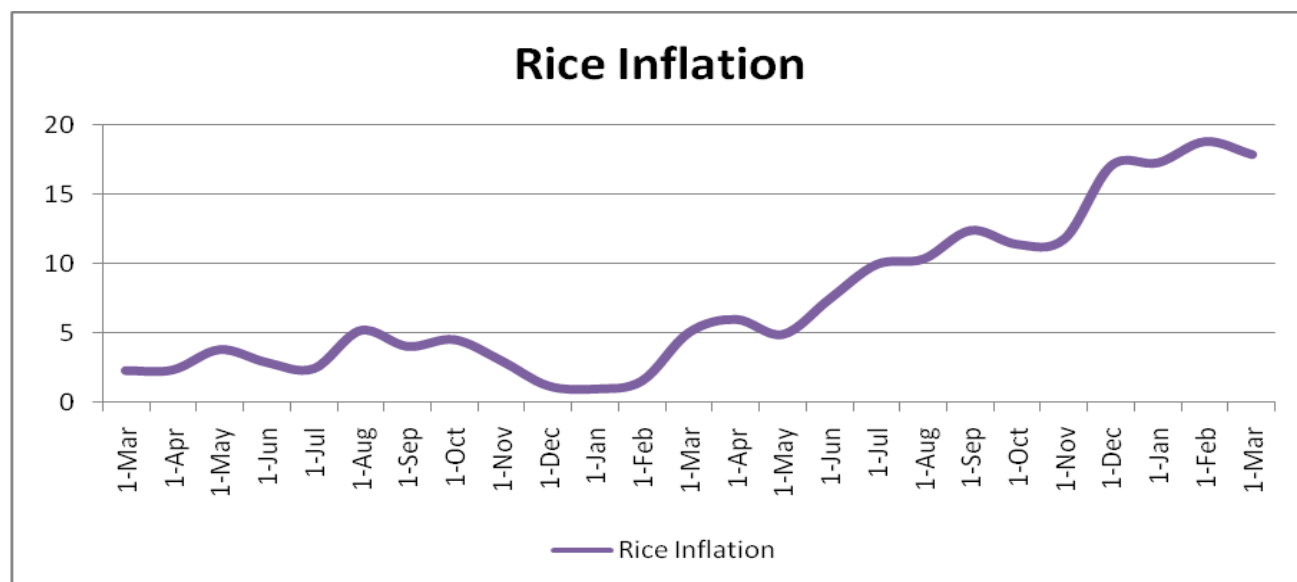
Source: Agriwatch

Average rice price in major markets like Delhi, Haryana, Amritsar and Karnataka witnessed steady trend from previous (April), however West Bengal's mota rice showed an uptrend of Rs.100/Qtl, overall market sentiments remain steady to firm in the months ahead.

Monthly Average Price Trend:-



Rice Inflation:



Source: www.eaindustry.nic.in

Among the food grains, inflation for Rice has decreased to 17.90% from the previous month's level of 18.84%, Wheat to 19.87% from the previous month's level of 21.63%, Cereals to 18.36% from the previous month's level of 19.19% and Pulses to 10.51% from the previous month's level of 14.96%.

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	April-13	4.2	3.1	7.3
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		38.45	16.79	55.24

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 April- 2013, crossed 55 lakh tonnes , we expect total rice export in the end of this MY (Oct-2013) is likely to touch 8.5-9 Million tonnes which is first time in history and it also helps for India to become top rice exporters in the world . However according to the UN's Food and Agriculture Organization (FAO) which revised upward India's 2013 rice export forecast to around 8.3 million tons,

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.

The FAO says that Vietnam with around 7.8 million tons of rice exports and Thailand with around 7.7 million tons of rice exports are likely to remain the second and third largest rice exporters in 2013.

Progressive Procurement of Rice as on 26/04/2013:
(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	75.40	45.81	53.06
Chhattisgarh	41.15	48.03	41.13
Haryana	20.07	26.03	20.05
Kerala	3.72	0.92	1.07
Madhya Pradesh	6.35	9.01	6.32
Maharashtra	1.78	1.77	1.90
Orissa	28.64	28.18	20.53
Punjab	77.31	85.57	77.31
Tamil Nadu	15.96	4.69	15.18
Uttar Pradesh	33.55	22.08	32.51
Uttaranchal	3.78	4.57	3.32
West Bengal	20.41	13.63	12.58
All-India	350.31	305.58	300.15

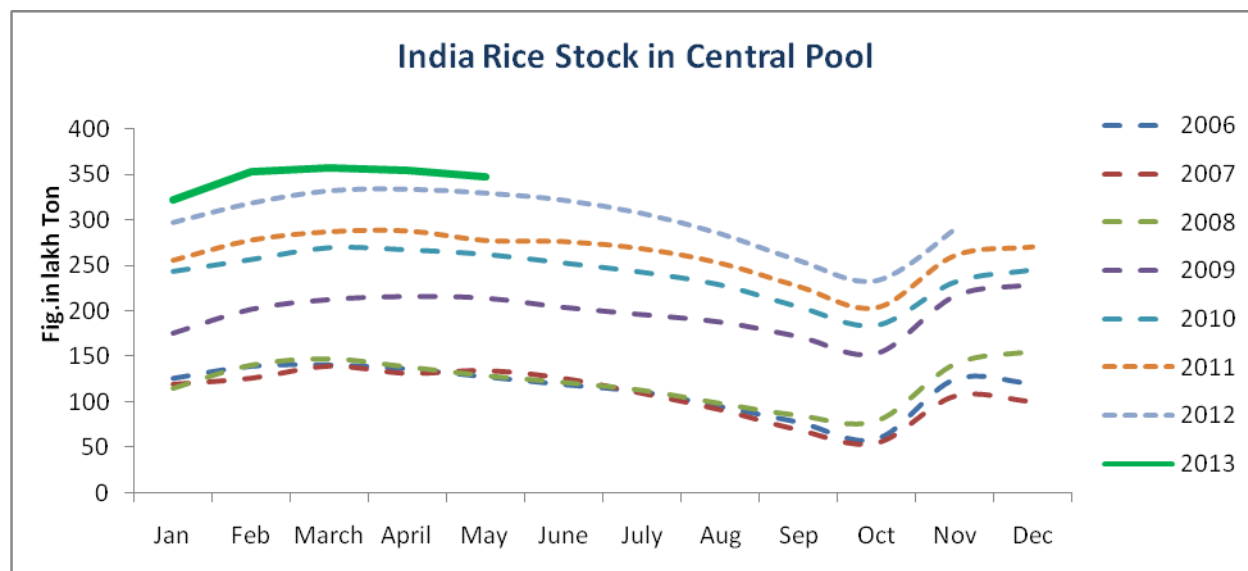
Source: <http://dacnet.nic.in/>

Rice procurement by Government agencies has crossed half of the targeted of 40 million tonnes (mt) for the Kharif marketing season 2012-13 starting October. Procurement as on 26, April, 2013 stood at 30.55 mt, up around by 1.8 per cent over that in the corresponding period last year at 30.01 mt. Procurement has been higher in Punjab, Haryana, Chhattisgarh 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	34.72							

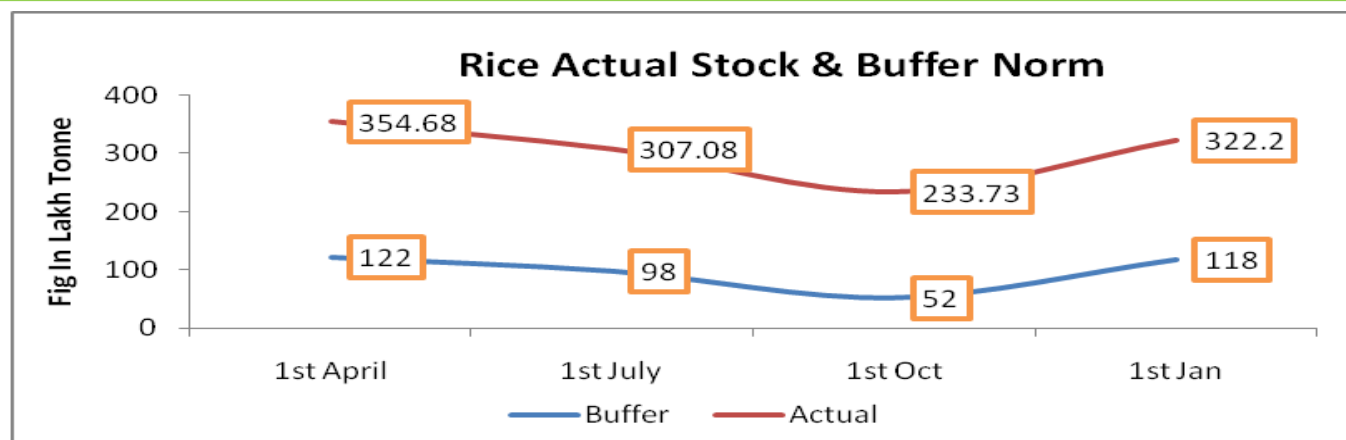
Rice Stock Trend in FCI:-



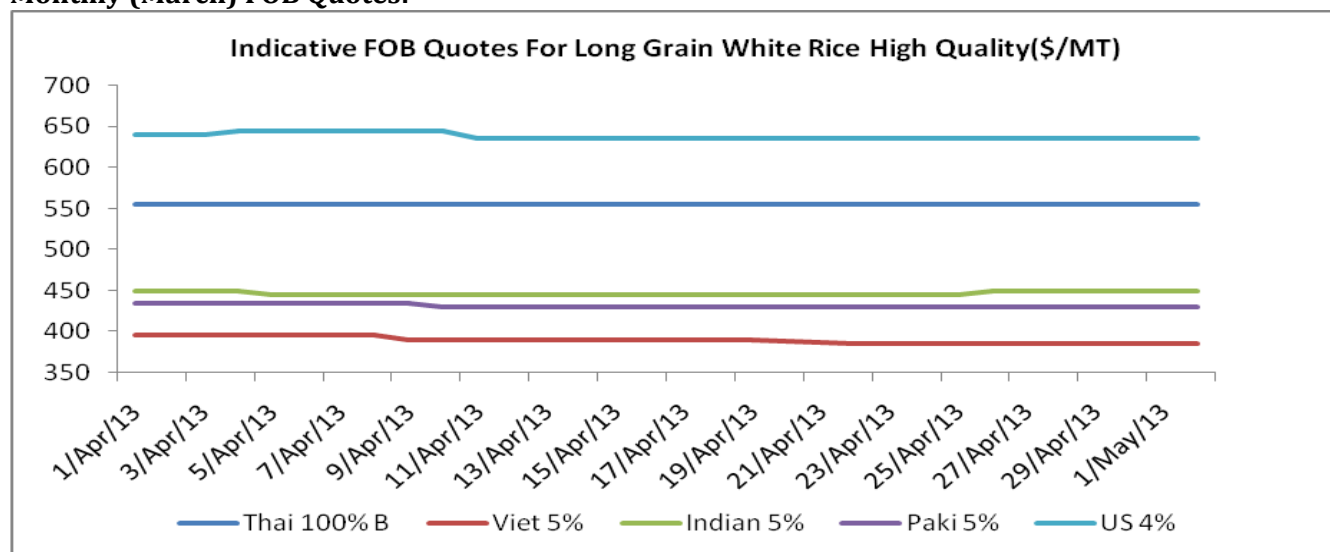
India's rice stock as of May-1, 2013 stood at around 34.72 million tonnes, much above the buffer and strategic requirements.

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 all major exporters except India are steady in the month under review. Thailand FoB quotes ruled almost steady and no major upheavals are expected at this point of time. Govt. will continue to procure paddy at higher prices market may rule steady in near term. Export volume is unlikely to improve and it will restrict market at current level. Vietnam remains the cheapest source of rice (white 5 percent broken. Pakistan too is offering lower price in comparison to India. As these three countries are selling aggressively, prices are unlikely to move up in the short and medium term.

World Market Recap

Vietnam rice market remains under pressure due to 4 percent higher output from winter spring rice in southern Vietnam. Production in this region touched nearly 12 million tonnes. Mekong Delta's contribution in total output registered at 10.6 million tonnes. Mainly larger planted area is attributed to higher production. As maximum (around 90 percent) crop in these areas are exported, higher export volume is expected once again supported by very competitive price. Stockpiling scheme (procurement) is now over and better supply side is weighing on market fundamentals. We expect prices to dip more as exporters/traders are trying to attract more buyers by offering lucrative price. Fresh new crop from summer autumn crop is due and harvesting is likely to start from middle of May. It will enhance supply further.

Thai Govt. may reduce selling prices of rice from its stockpile due to unsteady local currency against dollar. This year Thai baht appreciated unexpectedly and is impacting export volume adversely. Thailand's Commerce Ministry says that the government may cut 2013 overall export target by up to 9% due to the currency appreciation. The Thai baht has reached below the 29 to the dollar level for the first time since the Southeast Asia financial crisis of 1997-98. Thailand had fixed 7 million Tonnes rice export target for 2013. With appreciating local currency rice export pace has been slowed down considerably. Thailand has exported 7% less rice (from 1st Q last year) in the first Q to 1.5 million T.

Paddy rice production in Japan is expected to decline to around 10.6 million tons in 2013, down almost 1% from the previous year, according to the UN's Food and Agriculture Organization (FAO). However, production may be higher than the current estimates as the FAO says that early indications of the 2013 rice crop point to a slight increase in plantings due to high prices during 2012. Japan is mostly self-sufficient in rice and imports around 600,000 to 700,000 tons of rice (milled basis) annually under its WTO commitments.

South Korea has purchased about 32,314 tons of rice in tenders for delivery in August to September 2013, according to the state-run Korea Agro-Fisheries & Food Trade (KAFFT). The KAFFT purchased 8,650 tons of rice at \$703.99 per ton; 8,664 tons of rice at \$712.63 per ton; 6,000 tons of rice at \$795.24 per ton; and 9,000 tons of rice at \$797.24 per ton. South Korea imports around 400,000 tons of rice annually to meet its WTO commitments.

After the low production year in 2012, paddy production in Pakistan is expected to bounce back to around 9.23 million tons (about 6.27 million tons, basis milled) in 2013, up about 15% from 2012, according to the UN's Food and Agriculture Organization (FAO). The FAO said that a combination of deficient rainfall at the start of the 2012 Kharif season (May-July) and localized floods later in August - September caused Pakistan's rice production to decline to around 8 million tons (about 5.4 million tons, basis milled) in 2012, down about 13% from the previous year. However, rice production is likely to recover in 2013 following predictions of normal monsoon and higher supplies of irrigated water from the river Indus. Pakistan is one of the top five rice exporters in the world. Higher production may help Pakistan increase its rice exports in 2013-14 from around 2.6 - 2.9 million tons of rice exports in the previous year.

Source: Oryza

IGC Balance Sheet: Updated on 25.04.2013
(Fig. In MMT)

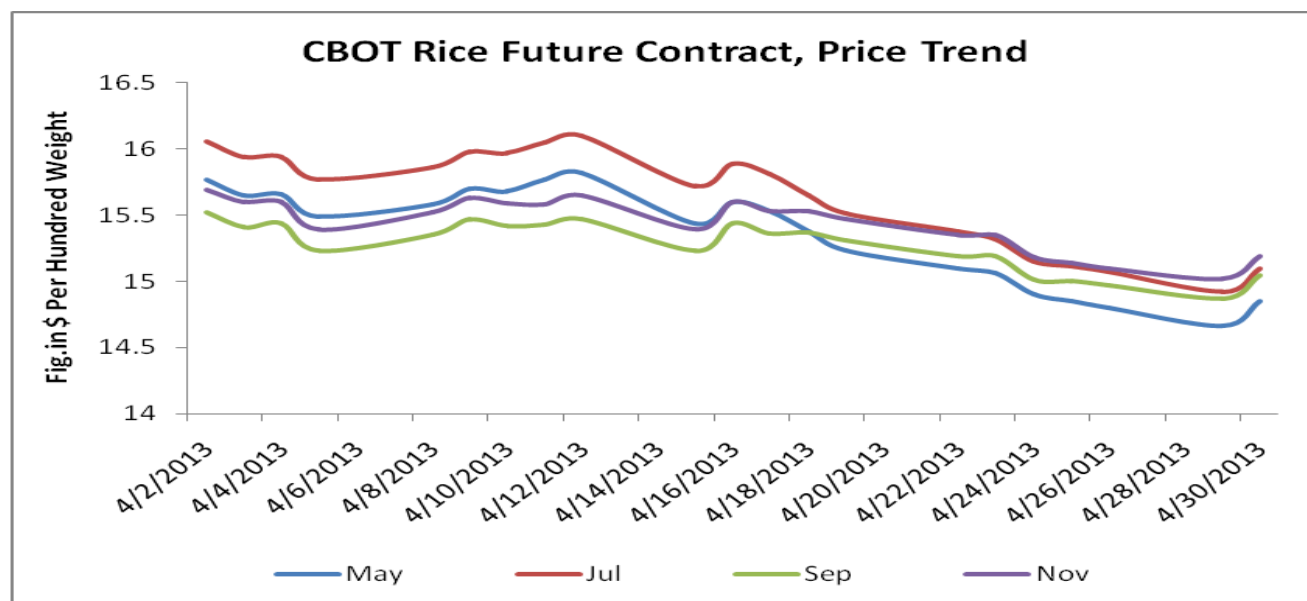
IGC estimate released on 21.02.13	2009-10	2010-11	2011-12 estimated	2012-13 forecast 21.03.13 (Milled basis)	25.04.2013
Production	441	448	466	468	467
Trade	31	36	38	36	37
Consumption	437	446	459	468	468
Carry over St.	96	99	106	107	107
Year change	4	3	8		0
Major exporters	29	31	37	39	39

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

High Lights:-

- With larger outturns in China and elsewhere more than offsetting smaller main and secondary crops in India, production is forecast to edge higher, to an all-time peak in 2012/13.
- Boosted by China and India, world consumption is expected to expand by 2%, but the world carryover is set to rise marginally.
- Smaller deliveries to sub-Saharan Africa and Far East Asia will result in a 5% fall in world trade in 2013, although China's imports are likely to remain above average.
- The IGC GOI rice sub-Index is fractionally lower m/m with firmness in Thailand but slight declines at other origins.

CBOT Rice Future Contract:-



The U.S. cash rice market shows recover from its previous level, however overall sentiments remain steady to downward as latest bearish outlook given by IGC.

CBOT July 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 14.90(support) to 15.80 (resistant).

Price Projection (International-CBOT):-

Duration	Trend	Support	Resistance
May	Steady (Positive)	S1-14.90, S2- 14.70	R1-15.80 R2-16.20

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