

**Latest Market Development:-**

***Despite restricted trading, the rice market witnessed a steady trend with prices of aromatic and non-basmati rice ruling without much alteration from previous levels. The market has seen some buying over the last few weeks and prices of full grain aromatic and non basmati rice are likely to rule around current levels for the next few days (End of this month).***

***Traders expect that market may witness some need-based buying with marginal fluctuation in prices this week. Due to year-ending in March, buyers are placing smaller orders. Overseas demand especially from Africa, West Asia and South-East Asian countries is also supporting the market.***

***All-India progressive procurement of Rice for the marketing season 2012-13 as on 08.03.2013 was 278.85 lakh tonnes against the procurement of 269.11 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%.***

***The consistent production of over 100 mt of rice in the past four years has helped us boost our exports. About 80 per cent of our non-basmati shipments have been to Africa, where we compete heavily with the parboiled variety from Thailand. India had lifted the four-year ban on exports of non-basmati rice in September 2011.***

***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***

***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.***

**Weather watch:**

Rain/thundershowers would occur at 1 or 2 places over Jammu & Kashmir, Himachal Pradesh and Uttrakhand during next 24 hours.

Rain/thundershowers would occur at a few places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Sub-Himalayan West Bengal & Sikkim.

Mainly dry weather would prevail over rest parts of the country.

**Rice Export through OGL:**

<b>Rice Export Under OGL as on 30th September, 2012</b>							
<b>Units are in lakh tonnes</b>	<b>Non Basmati</b>	<b>Basmati</b>	<b>Total</b>	<b>2012-13</b>	<b>Non Basmati</b>	<b>Basmati</b>	<b>Total</b>
<b>2011-12</b>							
<b>Oct-2011</b>	4.5	3.4	7.9	<b>Oct-2012</b>	6.64	2.08	8.72
<b>Nov-2011</b>	5.5	4	9.5	<b>Nov-2012</b>	7.61	1.12	8.73
<b>Dec-2011</b>	5.9	2.5	8.4	<b>Dec-2012</b>	5.32	1.05	6.37
<b>Jan-2012</b>	5.45	2.75	8.2	<b>Jan-2013</b>	4.68	3.21	7.89
<b>Feb-2012</b>	5.75	1.76	7.51	<b>Feb-2013</b>	4.9	2.53	7.43
<b>Mar-2012</b>	5.6	2.25	7.85				
<b>April-2012</b>	5.8	1.35	7.15				
<b>May-2012</b>	5.3	1.9	7.2				
<b>June-2012</b>	5.5	1.75	7.25				
<b>July-2012</b>	5.25	2.25	7.5				
<b>Aug-2012</b>	3.75	1.71	5.46				
<b>Sept-2012</b>	2.25	1.25	3.5				
<b>Total</b>	<b>60.55</b>	<b>26.87</b>	<b>87.42</b>		<b>29.15</b>	<b>9.99</b>	<b>39.14</b>
<b>Note: - New season for paddy starts on Oct 2012.</b>							

Source: IBIS, and Traders (Revised Export Figure)

Total rice exports by India in the current Marketing Year (MY) October, 2012 to February, 2013, touched around 40 lakh tonnes, we expect total rice export in the end of this MY (Oct-2013) is likely to cross 8.5 Million ton 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.

#### **Domestic Supply And Demand:**

<b>Marketing Year January -December</b>			
<b>Value in MMT</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13 E</b>
<b>Beginning Stocks with govt.</b>	24.3	25.51	28.86
<b>Production</b>	95.98	104.32	99
<b>Total Availability</b>	120.28	129.83	127.86
<b>Domestic consumption</b>	48	50	52.5
<b>Govt. Procurement</b>	34.9	35.03	40
<b>Exports</b>	2.77	8.74	7.5
<b>Total Usage</b>	85.67	93.77	99.5
<b>stock with Millers /Stockiest</b>	9.1	7.2	7
<b>Ending Stocks</b>	25.51	28.86	28.36
<b>Av Monthly Consumption</b>	4	4.17	4.38
<b>Stock to Month Use</b>	6.38	6.93	6.48
<b>Stock to Consumption Ratio</b>	0.53	0.58	0.54

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 over 29 million T stock with smooth procurement under way despite lower Kharif production at around 85 to 86 million T. We expect 13 million T production Rabi season. Due to higher domestic prices and lower production in Kharif season export may dip this year to 7.5 million T. If export continues, carryout for next year may drop to around 28 million T.

#### **Progressive Procurement of Rice as on 08/03/2013:**

(Fig. in Lakh tonnes)

<b>States</b>	<b>Total procurement in marketing season 2011-12 (Oct. – Sept.)</b>	<b>In Marketing season 2012- 2013</b>	<b>In Marketing season 2011-2012</b>
<b>Andhra Pradesh</b>	75.38	36.79	41.11
<b>Chhattisgarh</b>	41.15	47.97	40.88
<b>Haryana</b>	20.07	25.99	19.99
<b>Kerala</b>	3.72	0.92	1.07
<b>Madhya Pradesh</b>	6.35	9.01	6.32
<b>Maharashtra</b>	1.78	1.70	1.33

<b>Orissa</b>	28.46	25.22	16.85
<b>Punjab</b>	77.31	85.57	77.31
<b>Tamil Nadu</b>	15.96	3.33	11.21
<b>Uttar Pradesh</b>	33.55	19.11	26.73
<b>Uttaranchal</b>	3.78	3.68	2.71
<b>West Bengal</b>	20.34	9.45	8.36
<b>All-India</b>	<b>350.25</b>	<b>278.85</b>	<b>269.11</b>

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

Rice procurement by Government agencies has crossed more than half of the targeted 40 million tonnes (mt) for the Kharif marketing season 2012-13 starting October. Procurement as on 08, March, 2013 stood at 27.85 mt, up around by 3.61 per cent over that in the corresponding period last year at 26.91 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***

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
<b>2010</b>	<b>24.35</b>	<b>25.65</b>	<b>26.95</b>	<b>26.71</b>	<b>23.26</b>	<b>25.26</b>	<b>24.26</b>	<b>22.87</b>	<b>20.48</b>	<b>18.44</b>	<b>23.17</b>	<b>24.52</b>
<b>2011</b>	<b>25.58</b>	<b>27.80</b>	<b>28.70</b>	<b>28.82</b>	<b>27.76</b>	<b>27.64</b>	<b>26.86</b>	<b>25.27</b>	<b>22.7</b>	<b>20.5</b>	<b>26.83</b>	<b>27.63</b>
<b>2012</b>	<b>29.71</b>	<b>31.8</b>	<b>33.17</b>	<b>33.35</b>	<b>32.92</b>	<b>32.14</b>	<b>30.70</b>	<b>28.50</b>	<b>25.59</b>	<b>23.4</b>	<b>28.95</b>	<b>30.67</b>
<b>2013</b>	<b>32.22</b>	<b>35.4</b>	<b>35.8</b>									

Total rice stocks in India's central pool have increased to about 35.8 million tons as of March 1, 2013, up about 8% from about 33.2 million tons recorded on March 1, 2012, and the highest ever on record for this time of the year.

**State wise Wholesale Prices Weekly Analysis for Rice Third Week March, 2013:**

<b>State</b>	<b>Prices 16-23 Mar 2013</b>	<b>Prices 09-15 Mar 2013</b>	<b>Prices 01-08 Mar 2013</b>	<b>Prices 16-23 Mar 2012</b>	<b>% Change(Over Previous Week)</b>	<b>% Change(Over Previous to Previous Week)</b>	<b>% Change(Over Previous Year)</b>
<b>AP</b>	3083.9	3035.53	3039.66	2060.75	1.59	1.46	49.65
<b>Assam</b>	2482.89	2429.94	2517.54	2301.52	2.18	-1.38	7.88
<b>Gujarat</b>	2620.92	2535.31	2595.65	2130.32	3.38	0.97	23.03
<b>Jharkhand</b>	2425.53	2379.62	2397.53	2161.02	1.93	1.17	12.24
<b>Karnataka</b>	3224.72	3217.26	3093.09	2268.6	0.23	4.26	42.15
<b>Kerala</b>	3345.96	3641.22	3540.56	2634.85	-8.11	-5.5	26.99

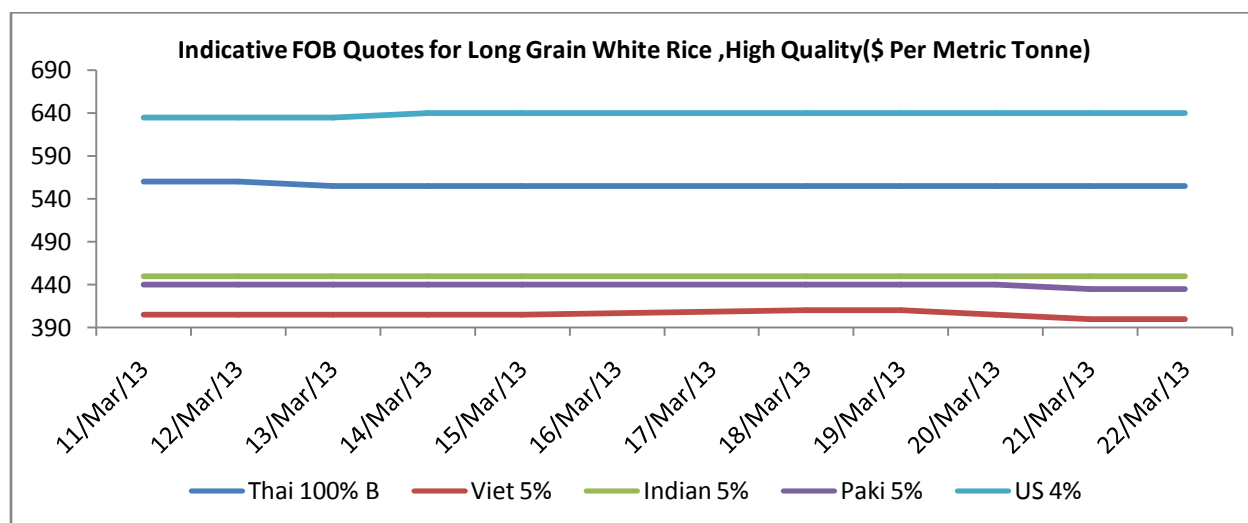
<b>Maharashtra</b>	5238.63	5201.73	5308.48	4241.22	0.71	-1.32	23.52
<b>Manipur</b>	2080.9	2043.75	1966.67		1.82	5.81	—
<b>Meghalaya</b>	2994.12	2938.46	3030.77	2805.13	1.89	-1.21	6.74
<b>Orissa</b>	2172.67	2004.75	1975.24	2014.18	8.38	10	7.87
<b>UP</b>	1706.46	1747.69	1697.59	1478.7	-2.36	0.52	15.4
<b>Uttrakhand</b>	2058.79	1945.32	1884.09	1700	5.83	9.27	21.11
<b>West Bengal</b>	2191.45	2181.51	2221.83	1934.77	0.46	-1.37	13.27
<b>Average</b>	2740.53	2715.54	2712.97	2310.92			
<b>As per the data reported by APMCs</b>							

Prices of rice have push northward around Rs.25/Qtl in comparison to last week and we market well move steady in the weeks ahead, however overall sentiments remains bullish.

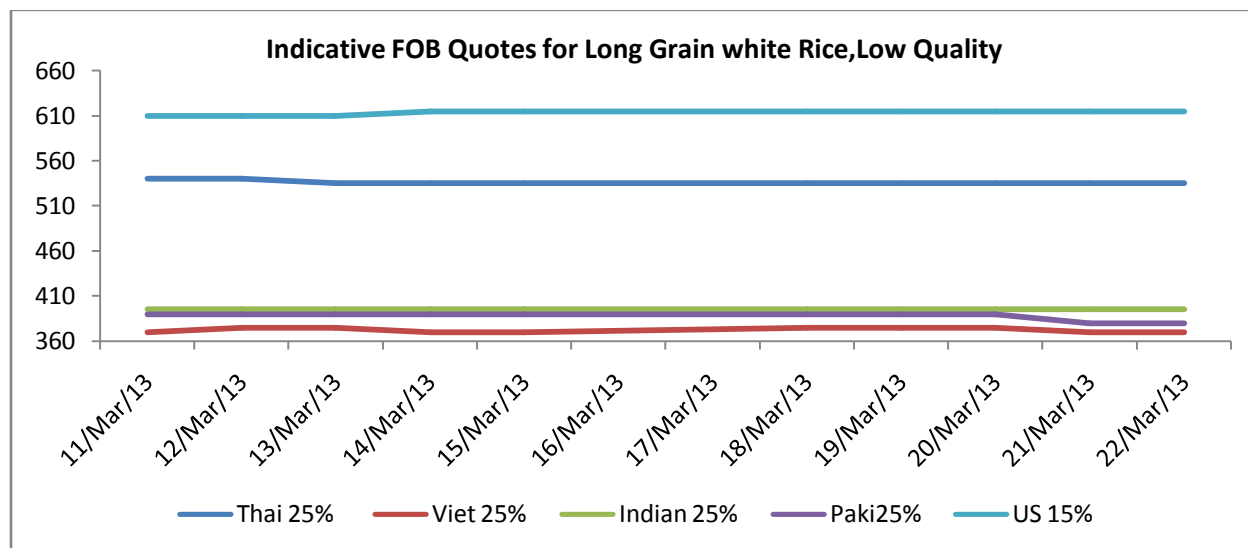
#### Price Projection for March 4<sup>th</sup> Week in domestic market:

Duration	Trend	Average Price Range
4 <sup>th</sup> Week of March, 2013	Steady	Rs.-2600-2700

#### FOB Quotes for Long Grain White Rice, High Quality:-



Rice FOB quotes for all major exporters are almost unchanged from previous week, however Pakistan and Vietnam FOB quotes are slightly

**FOB Quotes for Long Grain White Rice, Low Quality:-**

**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
<b>Production</b>	441	448	466	466	468
<b>Trade</b>	31	36	38	36	36
<b>Consumption</b>	437	446	459	468	468
<b>Carry over St.</b>	96	99	106	105	107
<b>Year change</b>	4	3	7		1
<b>Major exporters</b>	29	31	37	38	39

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

**High Lights:-**

- 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.

## World Market Recap:

Viet Nam had shipped overseas 906,173 tonnes of rice by March 14, worth almost US\$411 million, according to the Viet Nam Food Association. At present, the price of dry un-husked rice in the Mekong Delta ranged from VND5, 150 (\$0.25) to VND5, 450 (\$0.26) per kilo.

According to the Ministry of Industry and Trade, rice exports to some major markets in Africa, including the Ivory Coast, Ghana and Senegal were facing difficulties due to cheaper rice from India and Thailand.

According to the Rice Exporters Association of Pakistan (REAP), Pakistan exported rice to over 100 countries during July 2012 to February 2013, with non-basmati rice accounting for about 1.87 million tons and basmati rice exports accounting for the remaining 328,373 tons during the eight months. China's total rice imports in the first two months of 2013 stand at around 424,400 tons, up about 318% year to date. Rice imports increased 733% year-on-year (y-o-y) in January 2013 to 304,000 tons, while imports stood at about 120,400 tons in February 2013, up about 85% y-o-y.

In 2012, China was the second largest rice importer in the world, with about 2.3 million tons of rice imports. The country is expected to import about 2.2 million tons of rice in 2013, according to the USDA.

Nigeria has effectively postponed its plans to stop rice imports completely in 2015 under its goal to achieve rice-sufficiency in two years. 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.

South Korea has issued two separate tenders to buy a total of about 109,082 tons of rice from the U.S., Thailand, China, Australia and other origins.

In one tender, the state run Korea Agro-Fisheries & Food Trade is looking to buy 67,400 tons of non-glutinous rice, of which 9,062 tons will be from the U.S., 4,338 tons will be from Australia, 48,000 tons from China and the remaining with no restrictions on origin. The last date for submissions of applications is April 8, 2013, and delivery is expected to take place during July and August.

In another tender, South Korea is seeking to buy 41,682 tons of non-glutinous rice, of which 15,556 tons will be from Thailand, 9,000 tons will be from the U.S., 5,126 tons will be from Australia and the remaining with no restrictions on origin, according to the Korea Agro-Fisheries & Food Trade. The last date for submissions of applications for this tender is April 2, 2013, and delivery is expected to take place during July and August.

**Rice Price Trend @ CBOT (May- 13, Rough Rice):**



(Prices in US\$/hundredweight)

**Market analysis:**

The U.S. cash rice market was bullish trend in previous day session. We expect market will trade in the range of 14.20(support) to 15.60 (resistant). Though, Rice CBOT market is moving range bound and bearish tone is likely to continue on latest bearish outlook by IGC.

**Price Projection (International-CBOT):-**

Duration	Trend	Price Range
4 <sup>th</sup> week of March, 2013	Steady to Weak	14.20-15.60

**Weather Watch:**

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