

Latest Market Development:-

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 India Traders expect that market may witness some need-based buying with marginal fluctuation in prices this week. As the starting of new financial year, traders expect that demand from domestic and overseas market will boost up which will support the price of aromatic and non basmati rice firm in the medium term. 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 15.03.2013 was 283.96 lakh tonnes against the procurement of 276.28 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 few places over Jammu & Kashmir and one or two places over Himachal Pradesh and Uttrakhand during next 24 hours.

Rain/thundershowers would occur at one or two places over Kerala, interior Karnataka, Andhra Pradesh, Vidarbha, Chhattisgarh, Odisha and West Bengal & Sikkim during next 24 hours.

Rain/thundershowers would occur at few places over Arunachal Pradesh & Assam & Meghalaya and at one or two places over Nagaland, Manipur, Mizoram & Tripura.

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

Rice Export through OGL:

Rice Export Under OGL as on 30th September, 2012							
Units are in lakh tonnes	Non Basmati	Basmati	Total	2012-13	Non Basmati	Basmati	Total
2011-12							
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				
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		29.15	9.99	39.14
Note: - New season for paddy starts on Oct 2012.							

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:

Marketing Year January -December			
Value in MMT	2010-11	2011-12	2012-13 E
Beginning Stocks with govt.	24.3	25.51	28.86
Production	95.98	104.32	99
Total Availability	120.28	129.83	127.86
Domestic consumption	48	50	52.5
Govt. Procurement	34.9	35.03	40
Exports	2.77	8.74	7.5
Total Usage	85.67	93.77	99.5
stock with Millers /Stockiest	9.1	7.2	7
Ending Stocks	25.51	28.86	28.36
Av Monthly Consumption	4	4.17	4.38
Stock to Month Use	6.38	6.93	6.48
Stock to Consumption Ratio	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 15/03/2013:

(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	37.69	42.12
Chhattisgarh	41.15	47.98	40.94
Haryana	20.07	26.01	20.00

Kerala	3.72	0.92	1.07
Madhya Pradesh	6.35	9.08	6.32
Maharashtra	1.78	1.72	1.33
Orissa	28.46	25.27	18.31
Punjab	77.31	85.57	77.31
Tamil Nadu	15.96	3.90	12.26
Uttar Pradesh	33.55	20.92	28.37
Uttaranchal	3.78	3.85	2.82
West Bengal	20.34	9.99	9.11
All-India	350.25	283.96	276.28

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 15, March, 2013 stood at 28.39 mt, up around by 3 per cent over that in the corresponding period last year at 27.62 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	35.4	35.8									

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 Forth Week March, 2013:

State	Prices 24-31 Mar 2013	Prices 16-23 Mar 2013	Prices 09-15 Mar 2013	Prices 24-31 Mar 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2200	3081.74	3035.53	2109.96	-28.61	-27.53	4.27
Assam	2480.01	2479.21	2429.94	2287.94	0.03	2.06	8.39

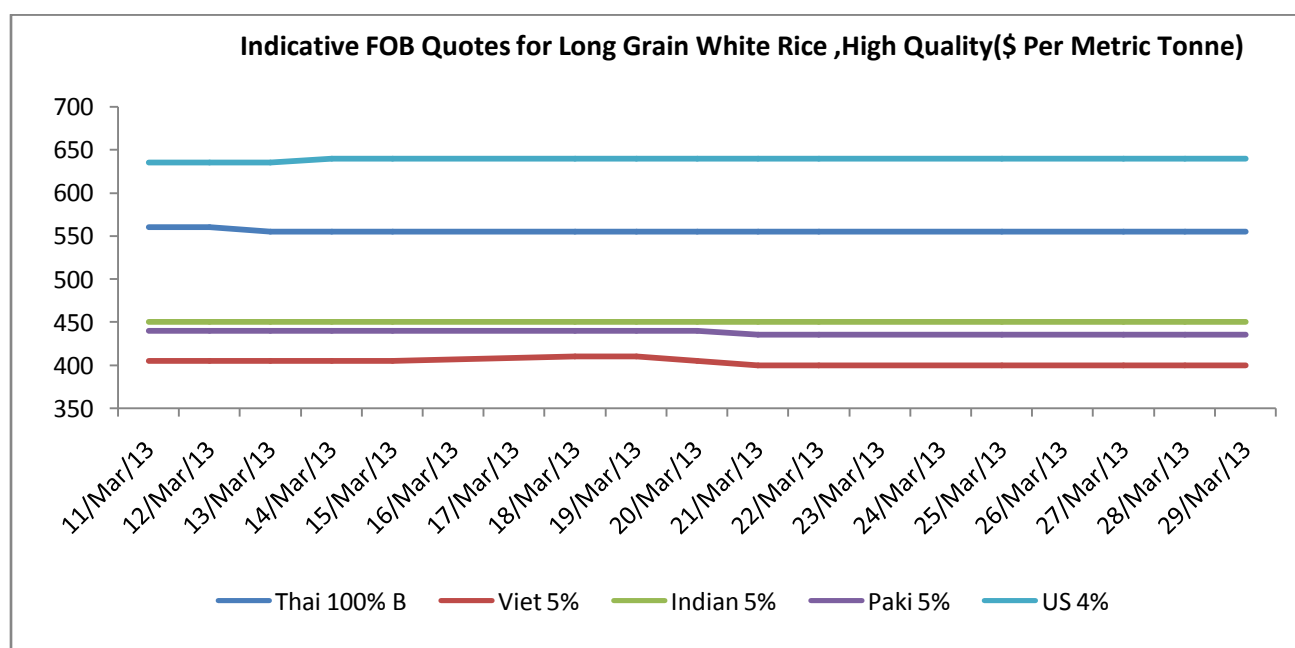
Gujarat	2542.37	2615.05	2537.44	2118.84	-2.78	0.19	19.99
Jharkhand	2427.52	2411.59	2379.62	2134.9	0.66	2.01	13.71
Karnataka	3171.9	3188.39	3217.26	2254.33	-0.52	-1.41	40.7
Kerala	3376.12	3305.11	3641.22	2577.48	2.15	-7.28	30.99
Maharashtra	5223.27	5214.12	5201.73	4142.93	0.18	0.41	26.08
Manipur	2100	2080.9	2043.75		0.92	2.75	—
Meghalaya	2964.52	2994.12	2938.46	2873.33	-0.99	0.89	3.17
Orissa	2190.37	2169.79	2004.71	2036.45	0.95	9.26	7.56
Uttar Pradesh	1708.43	1709.05	1746.36	1476.65	-0.04	-2.17	15.7
Uttarakhand	1983.86	2032.6	1945.32		-2.4	1.98	—
West Bengal	2209.89	2197.01	2181.77	1929.37	0.59	1.29	14.54
Average	2659.86	2729.12	2715.62	2358.38			

Prices of rice have push downward around Rs.70/Qtl in comparison to last week and we expect market well move steady to firm in the weeks ahead with the beginning of new financial year. On the other hand onset of Rabi rice crop price may dip slightly, however overall sentiments remain bullish.

Price Projection for April 1st Week in domestic market:

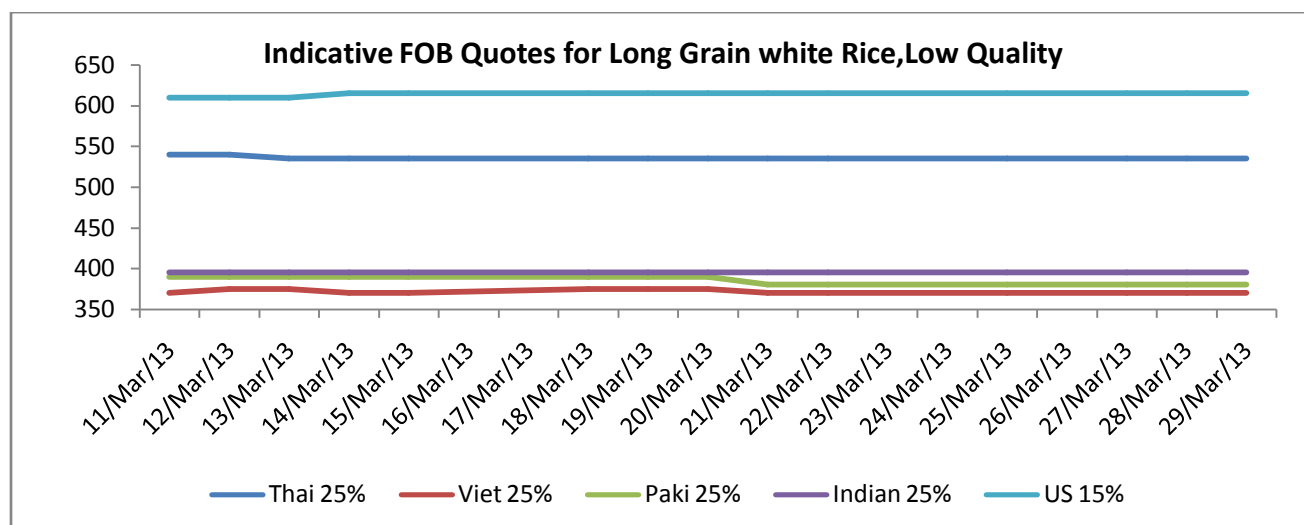
Duration	Trend	Average Price Range
1 st Week of April, 2013	Steady	Rs.-2650-2750

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 move down.

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
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:-

- 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:

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.

The Vietnam Food Association (VFA) has removed the Minimum Export Price (MEP) for exports of high quality 5% broken rice.

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.

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 14.60(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 th week of March, 2013	Steady to Weak	14.60-15.60

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