

Latest Market Development:-

Uptrend in the rice market continued on last week with prices of aromatic rice moving up by Rs 50-100 a quintal. Non basmati varieties also firm despite on reasonable buying. The domestic demand for aromatic and non-basmati rice is good currently and the market may continue to rule firm around current levels for the next few days. Markets sentiments are still largely affirmative and traders expect that market may witness some good buying in next few weeks.

Although arrival of Rabi rice crop is currently hitting in the south Indian market especially in Karnataka, Tamilnadu, Odisha, Andhra Pradesh however prices of Sharbati, Sona Masuri and Sugandha are still hover in positive trend.

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%.

As per data available from the Food Corporation of India (FCI) Rice stocks in India's central pool as of April 1, 2013 stand at around 35.46 million tonnes, the highest ever for this time of the year, Current rice stocks are about 6% higher than rice stocks of around 33.35 million tons recorded during the same time last year, and about 2.5 times the buffer and strategic norms of around 14.2 million tons required as on April 1, 2013.

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

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 Grade A. This could be the lowest increase in paddy MSP in recent years, if it will approve.

Weather watch:

- i. Rain/thundershowers would occur at a few places over Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram and Tripura.
- ii. Rain/thundershowers would occur at one or two places over Jammu & Kashmir, Himachal Pradesh, Uttrakhand.
- iii. Rain/thundershowers would occur at one or two places over south interior Karnataka, south Tamilnadu, Kerala and Lakshadweep.
- iv. Rain/thundershowers would occur at few places over Andaman & Nicobar Islands during next 48 hours and decrease thereafter.
- v. Rain/thundershowers would occur at one or two places over Vidarbha, east Madhya Pradesh, Chhattisgarh, Jharkhand, Odisha and Gangetic West Bengal during next 48 hours.
- vi. No significant change in maximum temperatures over of northwest, central India and adjoining eastern states.
- Vii. Mainly dry weather would prevail over rest parts of the country.

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	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, and Traders (Revised Export Figure)

Total rice exports by India in the current Marketing Year (MY) October, 2012 to February, 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.

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 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 more than half of the targeted 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	35.4	35.8	35.46								

Total rice stocks in India's central pool have increased to about 35.46 million tons as of April 1, 2013, up about 5% from about 33.35 million tons recorded on April 1, 2012, and the highest ever on record for this time of the year.

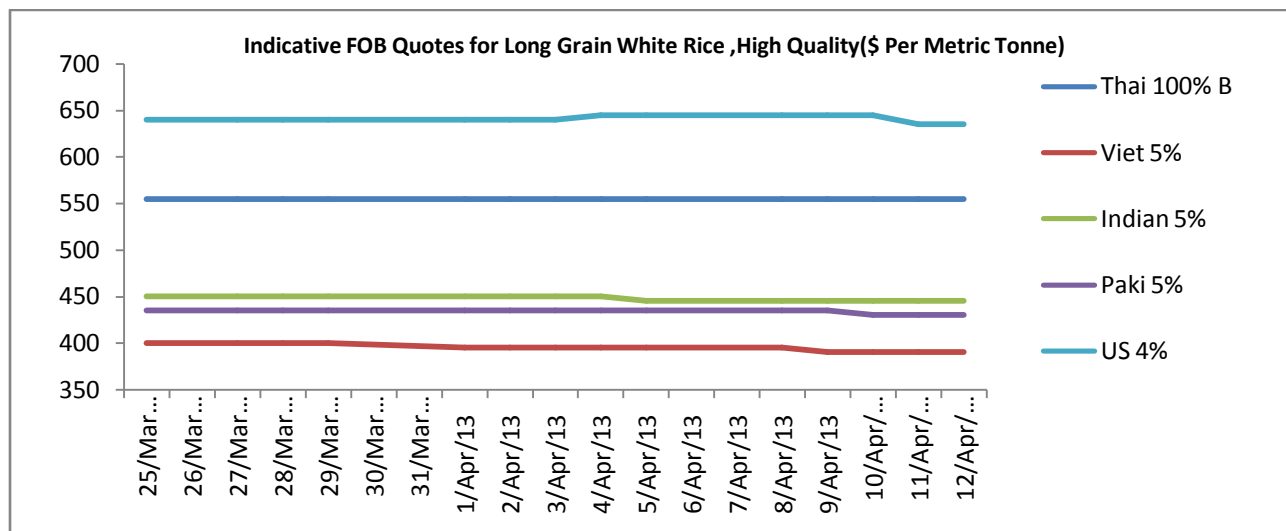
State wise Wholesale Prices Weekly Analysis for Rice Second Week April, 2013:

State	Prices 09-15 Apr 2013	Prices 01-08 Apr 2013	Prices 24-31 Mar 2013	Prices 09-15 Apr 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2200	2200	2200	2171.64	0	0	1.31
Assam	2517.69	2522.54	2480.01	2224.79	-0.19	1.52	13.17
Gujarat	2883.13	2612.82	2542.5	2184.99	10.35	13.4	31.95
Jharkhand	2522	2490.8	2435.59	2138.17	1.25	3.55	17.95
Karnataka	3011.42	3086.47	3166.52	2286.63	-2.43	-4.9	31.7
Kerala	3455.46	3595.34	3371.19	2626.29	-3.89	2.5	31.57
Maharashtra	5236.54	5258.12	5255.33	4148.79	-0.41	-0.36	26.22
Manipur	2100	2100	2100		0	0	—
Meghalaya	3100	2972.73	2964.52	3027.03	4.28	4.57	2.41
Orissa	2095.33	2212.86	1937.68	2189.64	-5.31	8.14	-4.31
Uttar Pradesh	1753.18	1731.87	1664.71	1492.66	1.23	5.31	17.45
Uttarakhand	2045.89	1940.05	1885.3	1500	5.46	8.52	36.39
West Bengal	2211.53	2233.03	2220.34	1922.33	-0.96	-0.4	15.04
Average	2702.47	2688.97	2632.59	2326.08			
As per the data reported by APMCs							

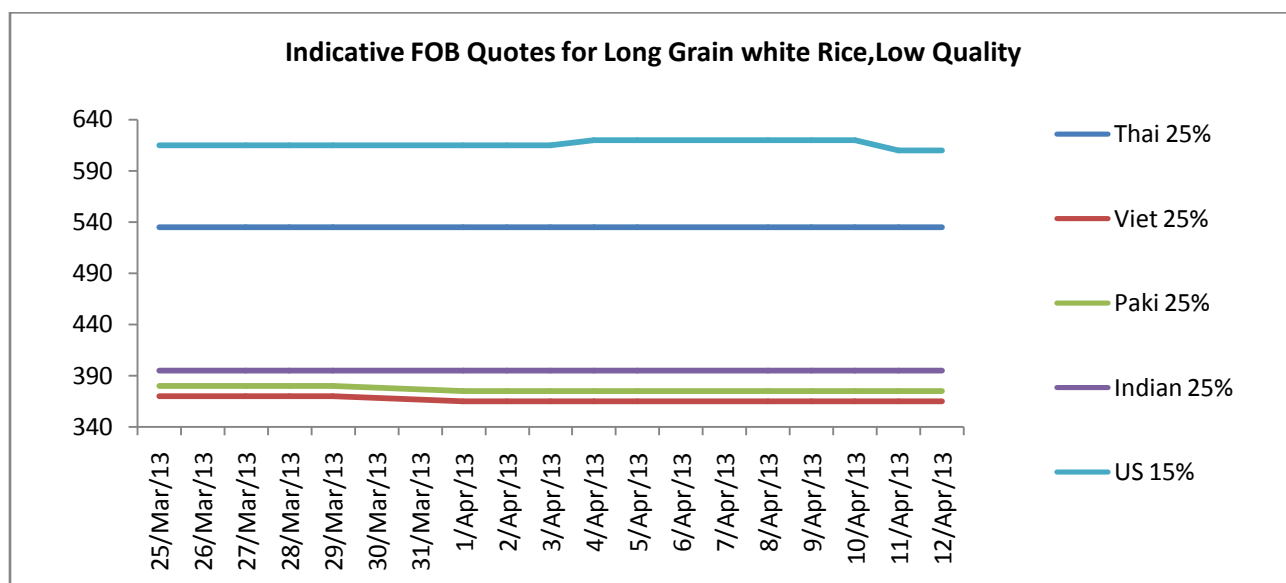
Average Prices of rice have slightly firm in comparison to last week despite arrival of rabi rice in southern states due to active participation by bulk buyers to meet the ongoing demand has pushed into a positive territory and we expect market well move steady to firm in the weeks ahead .On the other hand onset of Rabi rice crop price may dip slightly, however overall sentiments remain bullish.

Price Projection for April 3rd Week in domestic market:

Duration	Trend	Average Price Range
3 rd Week of April, 2013	Steady	2700-2800

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


Rice FOB quotes for all major exporters are quote lower from previous week; however Thai 5% is unchanged.

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:

Rice plantings in the U.S. are forecast to decline to around 2.61 million acres (about 1.05 million hectares) in 2013-14, down about 3% from the previous year's 2.67 million acres (about 1.08 million hectares), according to the March 2013 Prospective Plantings report. The decline means that rice plantings in 2013-14 would be the smallest since 1987-88, and down almost 25% from around 3.64 million acres (about 1.47 million hectares) recorded in 2010-11.

The USDA said that the year-to-year decline in rice plantings is mainly due to better returns from soybeans and corn compared to rice this year. Rice plantings are expected to decline the most in the Delta region, where most of the country's rice is grown.

Thailand's rice exports (excluding Hommali rice and exports through border) from the beginning of the year to April 10, 2013 stand at around 1.17 million tons, down about 13% from around 1.36 million tons exported in the same period last year, the Thailand Rice Exporters Association (TREA) reported citing the Thai Chamber of Commerce and Board of Trade of Thailand. In April 1- 10, 2013, the country's exports have reached around 119,311 tons of rice, down about 22% from 152,439 tons exported during the same period last year.

The FAO said today that global rice consumption is likely to increase by around 7 million tons from last year to 478 million tons in 2012-13. However, despite a comparatively small increase of around 4.3 million tons this year, global rice production is estimated to reach around 489.5 million tons in 2012-13, about 11.5 million tons more than consumption.

Meanwhile, global rice trade is forecast at around 37 million tons, down about 2% from the previous year. This means that the rice stock-to-use ratio would reach 36% this year, up from 33.8% in 2011-12, and the highest in at least 10 years, said the FAO.

Vietnam has successfully bid for selling 187,000 tons of rice to the Philippines at a bidding round held early this month with the participation of Vietnam and Thailand, according to the Vietnam Food Association (VFA).

Sri Lanka's Batalagoda Paddy Research Station has developed two new rice varieties (BG 369 and BG3R) that can grow in high saline land, have high yield and are resistant to insect and pest attacks. The Additional Director of Batalagoda Paddy Research Station told local sources that BG369 is a white rice variety while BG 3R is a red samba strain. Both are resistant to diseases and pest attacks and can be grown in brackish land found all around the country, which could boost rice production in the country.

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 15.20(support) to 16.20 (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
3 rd Week of April, 2013	Steady	15.20-16.20

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