

**Latest Market Development:-**

**As per traders sources last week market continue to rule around current levels with marginal fluctuations.** Rice market witnessed a mixed trend with reduced off take pulling aromatic and Sharbati rice varieties down by Rs 50-100 a quintal, while all other non-basmati varieties managed to rule firm at their previous levels.

**Likely as non basmati, aromatic rice variety also ruled in a steady tone** as market participants showed lethargic movement from high level, however demand from overseas coupled with restricted availability of stocks is limiting the fall in medium term.

**Preliminary reports of crop coverage in the Kharif season have started coming in.** As per data available from different States, rice has so far being planted in 1.88 lakh hectare. This is less as compared to rice planting at this time last year (2.26 lakh), mainly because of late sowing in Assam and Orissa.

**According to the UN's Food and Agriculture Organization (FAO), India** will become the top rice exporter for the year 2013 followed by Vietnam and Thailand with exportable rice of 7.8 million tons and 7.7 million tons respectively. FAO revised India's 2013 rice export forecast to around 8.3 million tons, up about 10% from January estimates of around 7.5 million tons.

**All-India progressive procurement of Rice** for the marketing season 2012-13 as on 26.04.2013 was 305.58 lakh tonnes against the procurement of 300.15 lakh tonnes up to the corresponding period of last year.

**Pakistan's Indus River System Authority (IRSA) announced that the supply of irrigation water for the Kharif** (summer) crops will improve from last year due to a rise in temperatures in the Himalayas, reducing the forecast shortage from 21 percent in 2012 to 10 percent in 2013. Post's rice production forecast for MY 2013/14 of 6.2 million tons remains unchanged. Rice exports in MY 2013/14 are still projected at 3.2 million tons, as the rice industry continues to be adversely affected by electricity shortages

**As per data available from the Food Corporation of India (FCI) Rice stocks in India's central pool as of May-1, 2013** stand at around 34.72 million tonnes, Current rice stocks are about 5.5% higher than rice stocks of around 32.92 million tons recorded during the same time last year.

**Weather watch:**

Rain/thundershowers would occur at a few places over Jammu & Kashmir during next 24 hours and at one or two places thereafter.

Rain/thundershowers would occur at many places over northeastern states and Andaman & Nicobar Islands.

Rain/thundershowers would occur at a few places over Sub-Himalayan West Bengal & Sikkim during next 24 hours and at one or two places thereafter.

Rain/thundershowers would occur at a few places over Tamilnadu and south Andhra Pradesh during next 48 hours and at one or two places thereafter.

Rain/thundershowers would occur at one or two places over Gangetic West Bengal, Bihar, Jharkhand, Odisha, Chhattisgarh, Kerala and south Karnataka.

Maximum temperature would rise by 2-4°C northwest and central India.

Weather would be mainly dry over rest parts of the country.

**Rice export through OGL as on 20.12.2012**

<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>Mar-2013</b>	5.1	3.7	8.8
<b>April-2012</b>	5.8	1.35	7.15	<b>April-2013</b>	4.2	3.1	7.3
<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>38.45</b>	<b>16.79</b>	<b>55.24</b>

**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 April, 2013, crossed 55 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.

### Domestic Supply And Demand:

Marketing Year January -December			
<b>Attributes</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13 E</b>
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.

**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
<b>All-India</b>	<b>350.31</b>	<b>305.58</b>	<b>300.15</b>

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	35.4	35.8	35.46	34.72							

Total rice stocks in India's central pool have increased to about 34.72 million tons as of May-1, 2013, up about 5.5% from about 32.92 million tons recorded on May -1, 2012.

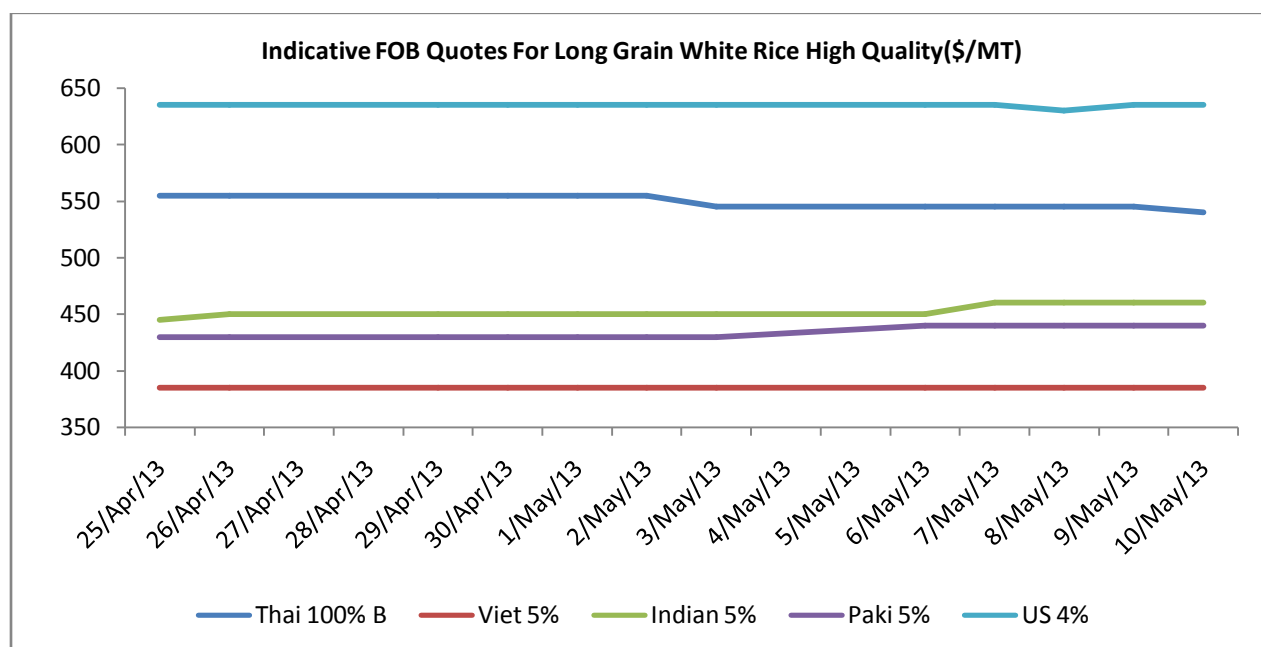
**State wise Wholesale Prices Weekly Analysis for Rice Second Week May, 2013:**

State	Prices 09-15 May 2013	Prices 01-08 May 2013	Prices 24-30 Apr 2013	Prices 09-15 May 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	2611.88	2534.58	2561.98	2273.95	3.05	1.95	14.86
Gujarat	2614.59	2557.68	2639.2	2161.33	2.23	-0.93	20.97
Jharkhand	2248.16	2440.7	2457.73	2149.65	-7.89	-8.53	4.58
Karnataka	3117.62	3070.36	3064.34	2341.98	1.54	1.74	33.12
Kerala	3780.5	3704.67	2650.55	2654.55	2.05	42.63	42.42
Maharashtra	4915.4	5302.55	5265.8	4215.66	-7.3	-6.65	16.6
Manipur	2200	2160.32	2134.67		1.84	3.06	—
Meghalaya	2820	2972.73	2976.47	3063.16	-5.14	-5.26	-7.94
Orissa	1698.97	2385.44	2320.02	2101.46	-28.78	-26.77	-19.15
Tripura	1916.67	1950	2064.29	1878.31	-1.71	-7.15	2.04
UP	1781.91	1769.39	1743.57	1529.17	0.71	2.2	16.53
Uttrakhand	1991.73	1892.68	2027.98	1600	5.23	-1.79	24.48
West Bengal	2304.35	2296.02	2262.2	1857.74	0.36	1.86	24.04
Average	2615.52	2695.16	2628.36	2318.91			
As per the data reported by APMCs							

Average Prices of rice have push northward in very little extent around Rs. 10/Qtl from last week, we expect market will trade in the range bound for short term.

**Price Projection for May 3<sup>rd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
3 <sup>rd</sup> Week of May, 2013	Steady	Rs.2650-2700/Qtl

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


FOB Quotes for long grain white rice high quality for India and Pakistan showed upward trend however other countries FOB Quotes witnessed almost unchanged from previous week.

**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.

### **World Market Recap:**

The Philippines paddy production during January - March 2013 has reached around 4.17 million tons, up about 4.45% from around 3.99 million tons produced in the same period last year, the Agriculture Secretary said today citing preliminary data from the Bureau of Agriculture Statistics (BAS).

Under the rice-sufficiency goal, the Philippines government is aiming to increase total rice production in 2013 to around 20 million tons, up about 11% from around 18 million tons produced in 2012. At the beginning of this year, the government targeted paddy rice production for the first three months to increase to about 4.27 million tons, up around 7% from around 3.99 million tons of paddy produced in the same period last year. But current estimates by the BAS fall short of the target by around 2%.

Turkey's paddy rice production in 2012 is estimated to decline to around 880,000 tons (about 528,000 tons, basis milled), down around 2% from around 900,000 tons (about 562,000 tons, basis milled) produced in the previous year, according to the Turkish Grain Board (TGB). The TGB estimates current rice consumption in the country at around 600,000 tons of milled rice per year, which suggests that Turkey's dependency on rice imports is likely to increase. The USDA Post in Ankara says that Turkey's rice imports started increasing in the third quarter of 2012 and are expected to reach an estimated 300,000 tons in MY 2012-13 (September to August). Recently, the TGB was given an import duty-free quota to purchase about 100,000 tons of rice until September 2015. According to the paddy intervention purchase prices announced in September 14, 2012, the government purchases long grain paddy at around lira 1,165 (about \$650) per ton, middle grain at lira 1,030 (about \$574) per ton, and short grain at around lira 960 (about \$535) per ton. As of May 7, 2013, the TGB has purchased has around 41,305 tons of paddy of the 2012-13 harvest which ended on November 6, 2012.

Myanmar's rice exports in the fiscal year 2012-13 (April – March) has reached around 2.1 million tons, up about 40% or around 600,000 tons from the targeted 1.5 million tons. Year-on-year, Myanmar's rice exports in FY 2012-13 are around 2.8 times the 750,000 tons exported in the previous fiscal year.

The Commerce Minister told local sources today that rice exports by Myanmar in the FY 2012-13 were the highest in 46 years, and are expected to grow to around 3 million tons in FY 2013-14, up around 43% from the previous year. The minister said that Myanmar has expanded its export market from mostly African countries during the military rule (that ended in 2008) to China, Japan, and European countries, including Russia, Spain, Portugal and Belgium. Recently, Myanmar signed an agreement with Indonesia to export up to 500,000 tons of rice per year to Indonesia if the need arises. Myanmar's rice production stands at around 13 to 14 million tons of milled rice, according to local sources. The country is aiming to increase rice production by introducing a third crop to help boost rice exports.

Sri Lanka's rice production in the MY 2012-13 (October - September) is estimated to decline to around 2.67 million tons, down around 14% from around 3.13 million tons of rice produced in the previous year, according to the USDA Post. The decline is mainly attributed to adverse weather conditions. The area under rice cultivation in the Yala (secondary) season declined to around 395,000 hectares in 2012-13, down around 2.5% from around 405,000 hectares in the previous year due to prolonged drought. The Post says that in addition to the decline in acreage, drought also damaged an estimated 47,000 hectares of rice crop, of which over 23,000 hectares experienced 100% losses.

The Philippines has become a rice exporter once again after decades, shipped around 35 tons of fancy rice (15 tons of organic black rice and 20 tons of aromatic long grain rice) to Dubai on May 6, 2013, according to the Philippines Rice Research Institute (PhilRice).

Source: Oryza



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


(Prices in US\$/hundredweight)

**Market Analysis:**

The U.S. cash rice market shows range bound in previous day session. We expect market will trade in the range of 14.00(support) to 15.80 (Resistant).

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

Duration	Trend	Price Range
3 <sup>rd</sup> Week of May, 2013	Steady to Week	14.00-15.80

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