

**Latest Market Development:-**

***Rice cash market is likely to rule around current level and unlikely to see any major variation in this week, the market may continue to rule around current levels with insignificant fluctuations as per market sources, however overall sentiments are highly positive supported by slant season and demand of Indian rice in overseas markets.***

***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.***

***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.***

***Among the food grains, inflation for Rice has decreased to 17.09% from the previous month's level of 17.90%, Wheat to 13.89% from the previous month's level of 19.87%, Cereals to 15.63% from the previous month's level of 18.36% and Pulses to 10.28% from the previous month's level of 10.51%.***

***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.***

**Weather watch:**

Rain/thundershowers would occur at many places over northeastern states and at a few places over Sub-Himalayan West Bengal & Sikkim.

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

Rain/thundershowers would occur at one or two places over Gangetic West Bengal and Odisha during next 24 hours and mainly dry thereafter.

Duststorm/ thunderstorm would occur at one or two places over Punjab, Haryana, west Uttar Pradesh, Rajasthan and Madhya Pradesh during next 24 hours.

Rain/thundershowers would occur at one or two places over Kerala, Karnataka, Rayalaseema, Lakshadweep and Tamilnadu.

Maximum temperature would rise by 1-2°C over northwest, central and east India during next 48 hours.

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>
<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 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.

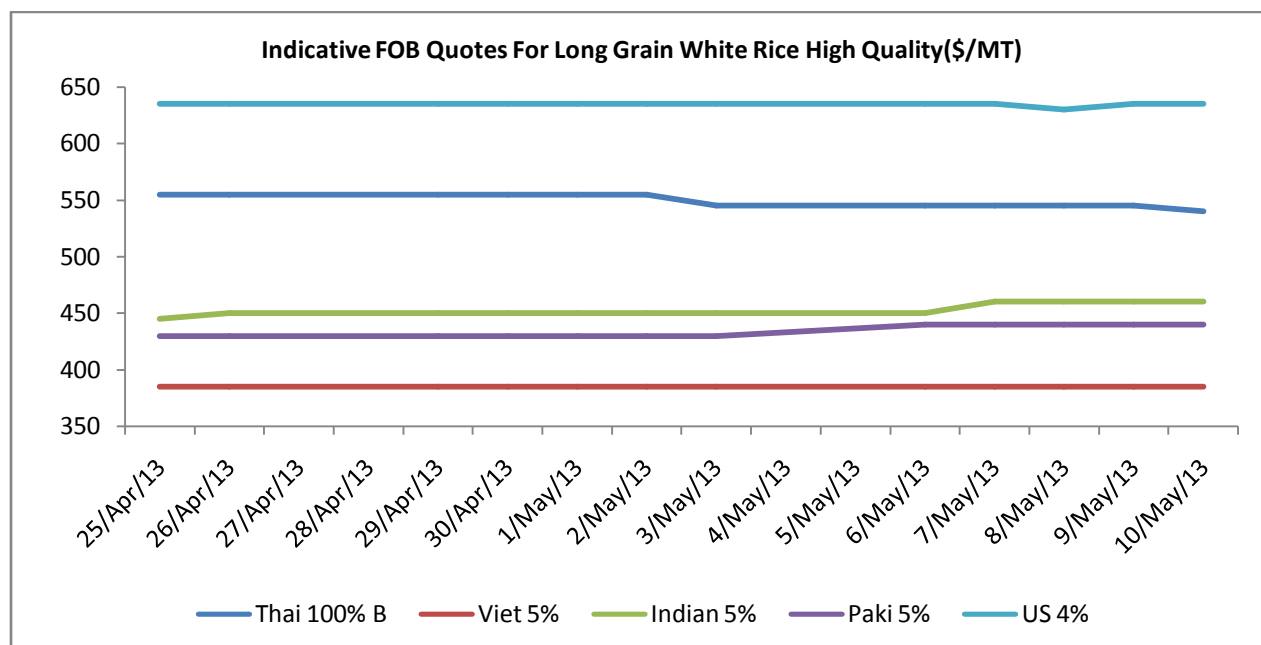
**State wise Wholesale Prices Weekly Analysis for Rice Third Week May, 2013:**

State	Prices 16-23 May 2013	Prices 09-15 May 2013	Prices 01-08 May 2013	Prices 16-23 May 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	2629.73	2511.97	2534.58	2264.06	4.69	3.75	16.15
Gujarat	2537.5	2577.94	2557.68	2158.16	-1.57	-0.79	17.58
Jharkhand	2242.09	2453.82	2441.1	2181.25	-8.63	-8.15	2.79
Karnataka	3087.86	3071.46	3070.36	2333.97	0.53	0.57	32.3
Kerala	3793.6	3703.42	3702.29	2673.61	2.44	2.47	41.89
Maharashtra	3843.18	4764.96	5300.01	4194.24	-19.34	-27.49	-8.37
Manipur	2271.79	2217.81	2160.32		2.43	5.16	—
Meghalaya	3100	2940	2972.73	3080.95	5.44	4.28	0.62
Orissa	2566.14	2432.95	2383.65	2096.66	5.47	7.66	22.39
Tripura	1850	1935.19	1950	1858.39	-4.4	-5.13	-0.45
U.P	1828.61	1774.56	1766.07	1544.94	3.05	3.54	18.36
Uttrakhand	1815.99	1939.84	1892.68		-6.38	-4.05	—
W. B	2429.13	2300.27	2294.48	1851.65	5.6	5.87	31.19
Average	2615.05	2663.39	2694.3	2385.26			

Prices of rice have push downward around Rs.50/Qtl in comparison to last week due to sluggish buying interest, however overall sentiments are bullish and we expect market well move steady to in the weeks ahead.

**Price Projection for May 4<sup>th</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
4 <sup>th</sup> Week of May, 2013	Steady	Rs.2600-2750/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:**

Thailand is unlikely to re-emerge as the world's top exporter of rice given its current high prices and the strengthening baht. Kobsuk lemsuree, chairwoman of the Thai Rice Exporters Association, said the appreciating baht has put Thai exporters in a grim situation as Thailand mainly exports premium rice while foreign consumers prefer rice at cheaper prices.

Thailand's total rice exports in the first quarter (Q1) of 2013 (January – March) declined to around 796,304 tons, down about 53% from around 1.68 million tons of rice exported during the same period last year, according to the Board of Trade of Thailand.

Most of the sharp decline in rice exports seen this year is due to the decline in white rice exports. According to the Board of Trade of Thailand, white rice exports in Q1 2013 stood at around 303,264 tons, down about 75% from around 1.2 million tons exported in Q1 2012.

Total rice stocks in the Philippines as of April 1, 2013 stood at around 2.33 million tons, down almost 12% from around 2.64 million tons recorded on April 1, 2012, according to the Bureau of Agriculture Statistics (BAS). Most of the decline in rice stocks in the country this year is due to low stocks with the rice buying agency National Food Authority (NFA).

South Korea bought 25,053 tons of rice via tenders that closed on May 6, according to the state-rice buying agency Korea Agro-Fisheries & Food Trade. 11,111 tons were bought at \$711.98 per ton CIF for arrival August 31 at Gwangyang Port 13,941 tons were bought at \$918.00 per ton CIF for arrival October 31 at Pyeongtaek Port South Korea passed on tenders to buy 41,319 tons, citing high prices.

China is likely to become the world's largest importer of rice in the calendar year 2014, importing a record 3 million tons, ahead of current top importer Nigeria which is expected to import around 2.9 million tons next year, according to the latest World Agricultural Supply and Demand Estimates (WASDE) report by the USDA.

From being almost self-sufficient in rice a few years ago, China's rice imports have increased sharply due to a combination of high production costs, shortfall in production and low international rice prices. According to the USDA WASDE report, China imported around 540,000 tons of rice in 2011, but rice imports surged to around 1.8 million tons in 2012, and are estimated to reach around 2.9 million tons in 2013.

China is the world's largest producer and consumer of rice. The country's rice production is expected to reach around 144 million tons against a domestic requirement of around 147 million tons of rice in calendar year 2014. China imports rice mostly from Vietnam and Pakistan.

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
4 <sup>th</sup> Week of May, 2013	Steady to Week	14.00-15.80

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