

### Latest Market Development:-

**Rice market may perhaps rule range-bound in the coming days as bulks buyers are not participate in the market,** Rice prices remained flat amid moderate selling in the week under review. Due to lack of trading, prices of almost all rice varieties remained unchanged, said. There is no bulk buying in the market at present as traders have adopted a wait-and-watch mood which was lead by too much volatility in the market in the recent past.

**Traders do not taking fresh positions at current levels as aromatic varieties are ruling at their highest levels of the season** and they are looking for some downward correction in the upcoming days. Only need-based buying is taking place in the market and it may continue to rule around current levels for the next few days. Price outlook for coming weeks may remain in the range bound.

**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 2.44 lakh hectare, Sugarcane 41.24 lakh Hectare, and Cotton 9.35 lakh hectare. Total Area under Kharif sowing crossed 60 lakh hectares till now.

**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 17.05.2013 was 329.65 lakh tonnes against the procurement of 321.45 lakh tonnes up to the corresponding period of last year.

### Weather watch:

Duststoms/thunderstorms would occur at one or two places over Punjab, Haryana, Delhi, north Rajasthan and west Uttar Pradesh during next 24 hours.

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

Rain/thundershowers would occur at a few places over coastal areas of Odisha and West Bengal and at one or two places over rest east India, northeastern states and Chhattisgarh.

Rain/thundershowers would occur at many places over Andaman & Nicobar Islands, Kerala and Lakshadweep and at one or two places over Karnataka, south Konkan Goa, Andhra Pradesh and Tamilnadu.

Maximum temperature would fall by about 2°C over northwest, west and adjoining central India till today and it would rise by 1-2°C from tomorrow onwards.

Weather would be mainly dry over rest parts of the country

### Rice export through OGL as on 20.12.2012

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	April-2013	4.2	3.1	7.3
May-2012	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 17/05/2013:

(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	54.31	61.90
Chhattisgarh	41.15	45.50	41.13
Haryana	20.07	26.58	20.07
Kerala	3.72	2.24	3.37
Madhya Pradesh	6.35	9.27	6.35
Maharashtra	1.78	1.77	1.90
Orissa	28.64	29.11	21.23
Punjab	77.31	88.71	77.31
Tamil Nadu	15.96	4.74	15.72
Uttar Pradesh	33.55	32.48	32.95
Uttaranchal	3.78	7.36	3.36
West Bengal	20.41	13.95	21.66
<b>All-India</b>	<b>350.31</b>	<b>329.65</b>	<b>321.45</b>

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

Rice procurement by Government agencies has near to the targeted of 40 million tonnes (mt) for the Kharif marketing season 2012-13 starting October. Procurement as on 17, May, 2013 stood at 32.96 mt, up around by 2.55 per cent over that in the corresponding period last year at 32.14 mt.

#### 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.

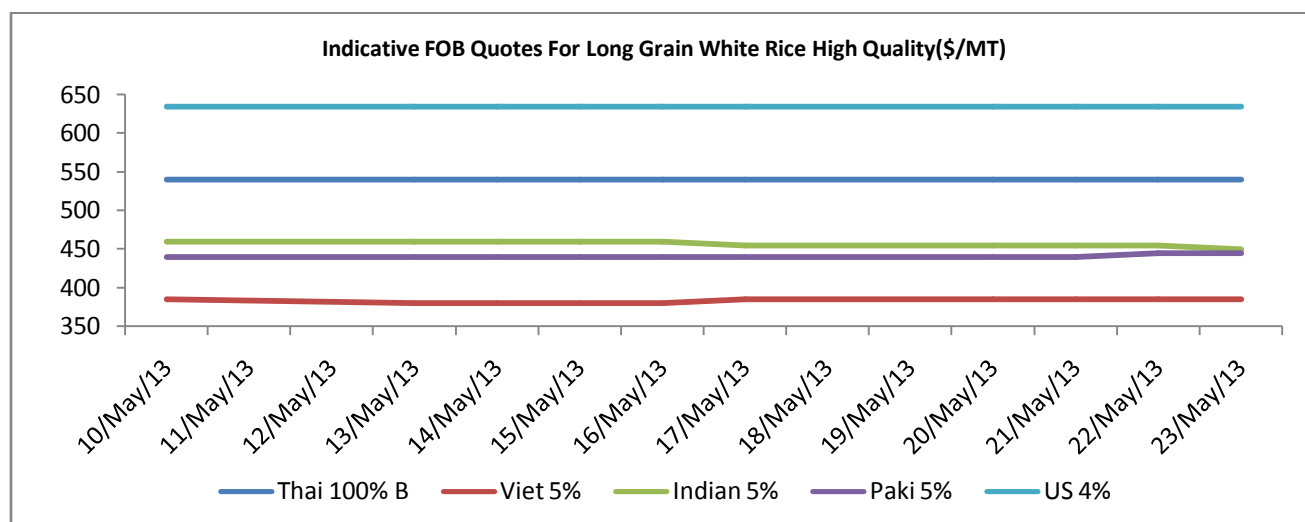
**State wise Wholesale Prices Weekly Analysis for Rice Forth Week May, 2013:**

State	Prices 24-31 May 2013	Prices 16-23 May 2013	Prices 09-15 May 2013	Prices 24-31 May 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	2322.51	2551.52	2511.97	2240.98	-8.98	-7.54	3.64
Gujarat	2673.11	2588.92	2577.94	2117.17	3.25	3.69	26.26
Jharkhand	2449.93	2387.55	2457.41	2196.01	2.61	-0.3	11.56
Karnataka	3062.87	3038.94	3071.45	2397.08	0.79	-0.28	27.78
Kerala	4362.86	3818.04	3707.91	2468.02	14.27	17.66	76.78
Maharashtra	4853.22	4769.78	4733.71	4294.55	1.75	2.52	13.01
Manipur	2383.04	2286.55	2217.81		4.22	7.45	—
Meghalaya	3100	2932.56	2940	3134.78	5.71	5.44	-1.11
Orissa	1419.46	2312.1	2306.57	1275.29	-38.61	-38.46	11.3
U.P	1819.94	1793.65	1781.92	1540.16	1.47	2.13	18.17
Uttrakhand	2000.79	1902.07	1939.84	1600	5.19	3.14	25.05
West Bengal	2341.7	2280.8	2274.82	1847.06	2.67	2.94	26.78
Average	2732.45	2721.87	2710.11	2282.82			
As per the data reported by APMCs							

Prices of rice have almost range bound from previous week due to sluggish buying interest, and we expect market well move steady to in the weeks ahead.

**Price Projection for June 1<sup>st</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
1 <sup>st</sup> Week of June, 2013	Steady	Rs.2650-2750/Qtl

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

**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:**

**Saudi Arabia's rice imports are expected to reach above average levels of around 1.3 million tons in 2012-13** (July-June), according to a report by the UN's Food and Agriculture Organization (FAO). It is estimated that Saudi Arabia imported around 1.2 million tons of rice in 2011-12, including around 860,000 tons of basmati rice from India.

**Rice exports by Argentina in the first two month of 2013 stand at around 66,575 tons, down about 20% from around 83,269 tons** exported during the same period in 2012, according to data from the Ministry of Agriculture. Rice exports by the South American country peaked to around 785,224 tons in 2011, but declined by about 20% to around 635,938 tons in 2012. This year, the average monthly rice exports in January – February 2013 stand at around 33,287 tons. If the same pace continues, total rice exports in 2013 may decline to about 400,000 tons, down about 37% from the previous year.

**Rice imports by Bangladesh are expected to decline to around 27,700 tons in the fiscal year 2012-13** (July – June), down about 94% from around 515,000 tons of rice imported in the previous year, the Food Ministry told local sources. Bangladesh is one of the top five producers of rice in the world, but the country used to be a top rice importer a few years ago due to steady population growth and rice consumption. The South Asian country imported around 1.5 million tons of rice in 2010-11. However, continuous bumper harvests after 2011 have helped Bangladesh become almost rice-sufficient this year, with most of the 27,700 tons of imports carried out by private traders and comprising mostly specialty fragrant rice.

**India will soon export about 30,000 tons of non-basmati rice to the Philippines under the Southeast Asian country's Tariff Rate Quota (TRQ).** According to local sources in India, this the first time the Philippines is allowing the import of non-basmati rice from India. Sources also say that the Philippines agreed to buy rice from India because of competitive pricing (of around \$350 per ton) compared to Thailand and Vietnam.

**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 bullish trend in previous day session. We expect market will trade in the range of 14.80(support) to 16.10 (Resistant).

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

Duration	Trend	Price Range
1 <sup>st</sup> Week of June, 2013	Steady to Firm	14.80-16.10

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