

Latest Market Development:-

Prices of non-basmati rice showed little bit higher at the wholesale grains market week under review on increased off take by stockiest to meet rising demand from local parties. Traders and millers are trying to fulfill their previous demand and so increased buying order support the rice price in markets. However normal monsoon prediction and higher area coverage will restrict the price in medium and long term.

As per Ministry of agriculture, India's main (Kharif) season rice crop planting area has increased to about 523,000 hectares, up about 48% from 353,000 hectares in last week. Total Kharif crop planting (including rice and other crops) in India has reached around 6.7 million hectares this week, up about 5% from around 6.4 million hectares planted area last week.

As per data available from the Food Corporation of India (FCI) Rice stocks in India's central pool as of June-1, 2013 stand at around 33.3 million tonnes, Current rice stocks are about 3.6% higher than rice stocks of around 32.1 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 24.05.2013 was 338.25 lakh tonnes against the procurement of 326.26 lakh tonnes up to the corresponding period of last year.

Preparations for the sowing of paddy, soybean, pulses and cotton are on full swing with the timely arrival of the monsoon, raising hopes of a bigger harvest of grains this year. Deficient and erratic rains in the previous season is expected to impact grain production in the 2012-13 crop year (July-June) to 252.36 million tonnes from 259.32 million tonnes in 2011-12.

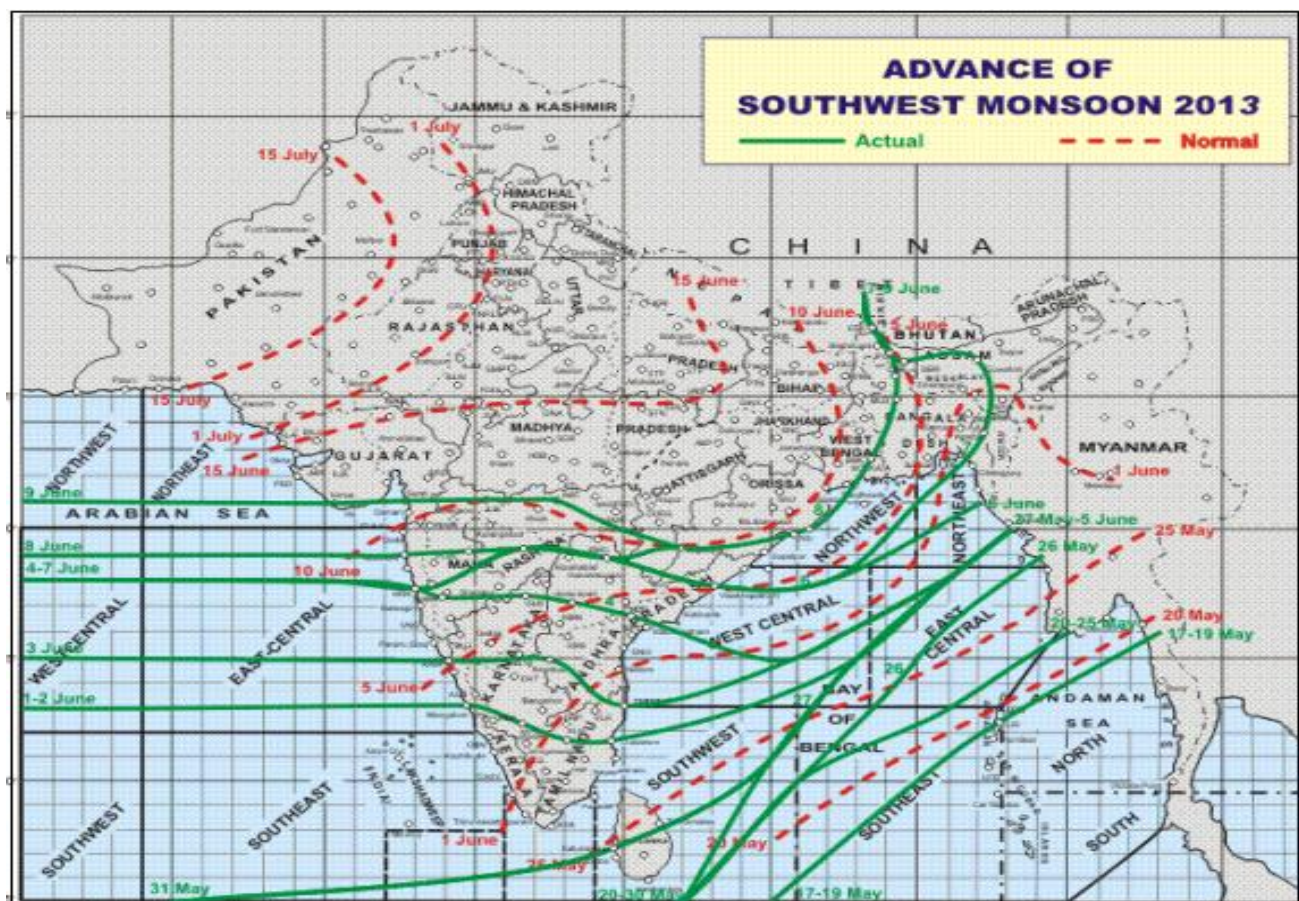
Given "more-than-sufficient and heavy" government rice stocks, and a forecast of normal 2013 monsoon rains, the GOI is unlikely to impose any export restrictions on non-Basmati rice in the near future. In any case, Indian rice exports have slowed since the beginning of CY 2013 on relatively weak demand for non-Basmati rice and firm domestic prices.

State wise Area Coverage under Kharif Rice during 2013:-

S.NO	State	Normal Area (DES)	Normal area of Correspond Week #	Area Covered (SDA)	
				Current Year 2013	2012
1	2	3	4	5	6
1	Andhra Pradesh	26.48	0.04	0.00	0.00
2	Arunachal Pradesh	1.23	0.17	0.00	0.00
3	Assam	21.17	3.18	1.96	2.35
4	Bihar	31.94	0.0	0.00	0.00
5	Chhattisgarh	37.27	0.0	0.00	0.00
6	Gujarat	7.17	0.0	0.00	0.00
7	Haryana	11.94	0.0	0.00	0.00
8	Himachal Pradesh	0.78	0.0	0.00	0.00
9	Jammu & Kashmir	2.61	0.03	0.027	0.044
10	Jharkhand	12.97	0.0	0.00	0.00
11	Karnataka	11.06	0.0	0.00	0.00
12	Kerala	1.75	0.1	0.00	0.00
13	Madhya Pradesh	15.9	0.0	0.00	0.00
14	Maharashtra	14.97	0.0	0.00	0.00
15	Manipur	1.88	0.0	0.00	0.00
16	Meghalaya	0.95	0.15	0.00	0.00
17	Mizoram	0.46	0.0	0.00	0.00
18	Nagaland	1.75	1.08	0.92	0.90
19	Odisha	40.09	0.11	0.001	0.069
20	Punjab	27.59	0.00	0.00	0.00
21	Rajasthan	1.35	0.00	0.00	0.00
22	Tamil Nadu	17.15	0.21	0.125	0.084
23	Tripura	1.82	0.00	0.00	0.00
24	Uttar Pradesh	56.91	0.00	0.00	0.00
24	Uttrakhand	2.75	0.15	0.5	0.75
25	West Bengal	41.15	0.13	0.00	0.00
26	Others*	0.95	0.00	0.00	0.00
	Total	392.05	5.327	3.533	4.197

*Others - Goa. Sikkim. A& N islands, D& N Haveli. Daman & Diu Delhi and Pondicherry
#area of corresponding week (average of 2008 to 2012)

Weather Watch:-



The Northern Limit of Monsoon (NLM) continues to pass through Veraval, Surat, Jalgoan, Amraoti, Chandrapur, Jagdalpur, Puri, Kolkata, Jalpaiguri and Gangtok.

Conditions are favourable for further advance of southwest monsoon into some more part of north Arabian Sea, Gujarat, Chhattisgarh and Odisha; remaining parts of Madhya Pradesh, Vidarbha, northwest Bay of Bengal, West Bengal & Sikkim and some parts of south Madhya Pradesh, Jharkhand and Bihar during next 48 hours.

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	May-2013	4.02	3.6	
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		42.47	20.39	62.84
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 May, 2013, crossed 62 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			
Attributes	2010-11	2011-12	2012-13 E
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 24/05/2013:

(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	59.05	65.83
Chhattisgarh	41.15	48.50	41.13
Haryana	20.07	26.58	20.07
Kerala	3.72	2.30	3.42
Madhya Pradesh	6.35	9.27	6.35
Maharashtra	1.78	1.78	1.90
Orissa	28.64	29.52	21.36
Punjab	77.31	88.71	77.31
Tamil Nadu	15.96	4.75	15.84
Uttar Pradesh	33.55	32.48	33.01
Uttaranchal	3.78	7.36	3.36

West Bengal	20.41	13.95	21.66
All-India	350.31	338.25	326.26

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 24, May, 2013 stood at 33.82 mt, up around by 3 per cent over that in the corresponding period last year at 32.26 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	33.3						

Total rice stocks in India's central pool have increased to about 33.3 million tons as of June-1, 2013, up about 3.6% from about 32.1 million tons recorded on June -1, 2012.

State wise Wholesale Prices Weekly Analysis for Rice First Week June, 2013:

State	Prices 01-08 Jun 2013	Prices 24-31 May 2013	Prices 16-23 May 2013	Prices 01-08 Jun 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	2479.22	2410.75	2551.52	2172.94	2.84	-2.83	14.1
Gujarat	3346.17	2637.59	2593.64	2116.17	26.86	29.01	58.12
Jharkhand	2260.98	2374.62	2462.69	2208.03	-4.79	-8.19	2.4
Karnataka	3172.89	3087.79	3038.94	2447.27	2.76	4.41	29.65
Kerala	3543.32	4408.53	3802.05	2376.57	-19.63	-6.81	49.09
Maharashtra	4568.56	4500.74	4765.01	4128.66	1.51	-4.12	10.65
Manipur	2240.99	2383.05	2286.55		-5.96	-1.99	—
Orissa	1880.46	2513.84	2340.62	2034.53	-25.2	-19.66	-7.57
Tripura	2100	1952.33	1976.39	1794.17	7.56	6.25	17.05
UP	1805.76	1771.31	1793.31	1556.63	1.94	0.69	16
Uttrakhand	2023.11	2047.25	1902.07		-1.18	6.36	—

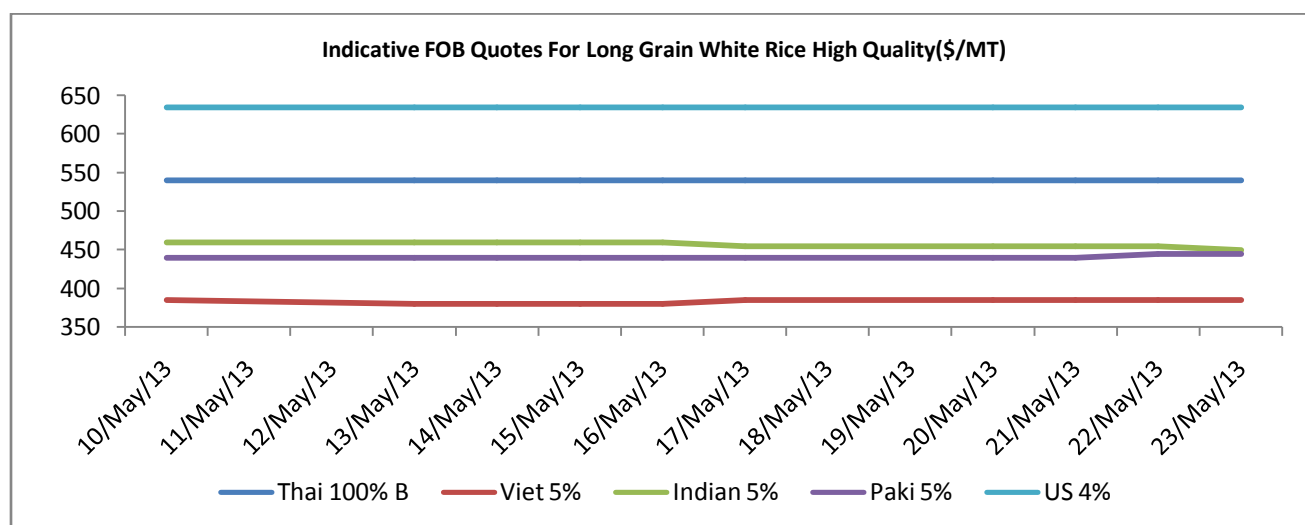
West Bengal	2279.63	2264.29	2281.24	1848.22	0.68	-0.07	23.34
Average	2641.76	2696	2649.5	2268.31			
As per the data reported by APMCs							

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

Price Projection for June 2nd Week in Domestic Market:

Duration	Trend	Average Price Range
2 nd Week of June, 2013	Steady	Rs.2650-2750/Qtl

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



IGC Balance Sheet: Updated on 31.05.2013
(Fig. In MMT)

IGC estimate released on 21.02.13	2009-10	2010-11	2011-12 estimated	2012-13 forecast 25.04.2013 (Milled basis)	31.05.2013
Production	441	449	466	467	470
Trade	31	36	39	37	37
Consumption	437	445	458	468	470
Carry over St.	96	99	107	107	107
Year change	4	3	8		0
Major exporters	29	31	37	39	40

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

High Lights:-

- The IGC GOI rice sub-Index is down by 1% m/m, led by declines in Thailand, where limited export demand weighed, despite support from continued government intervention buying.
- Global rice production is forecast to rise by 1% y/y in 2012/13, boosted by larger outturns in Asia, Africa and the Americas.
- The global rice carryover is forecast unchanged y/y, but well above average, with major exporters' inventories especially ample.
- Reduced buying by Asian and African importers is likely to result in a 4% y/y fall in world trade in 2013.

World Market Recap:

Rice farmers in Argentina are choosing to hold on to their crop rather than sell it, as they anticipate the paddy will be worth more in the future compared to the falling peso. In local currency, Argentina rice export quotes are up about 28% from 12 months ago, rising from about 2,601 pesos per ton in June 2012 to about 3,339 peso per today. However, due to the 20% decline in the value of the peso over that same period, in USD terms.

Cambodia shipped 28,350 tons of rice in May and 146,854 tons in the period January-May, up 127% from 64,581 tons the same period last year. If Cambodia continues at this pace, export shipments would reach about 350,000 tons by year end, up from 205,717 tons shipped in all of 2012. In May, jasmine rice export tonnage fell about 35% to 8,247 tons from 12,708 tons shipped in April while long grain white rice tonnage increased about 100% to 18,381 tons in May from 9,165 tons in April.

Taiwan's Hualien District Agricultural Research and Extension Station has developed colored rice to help increase the popularity of rice among children and young people. Rice occurs in different colors naturally, but the colored rice developed by Taiwan is of four different bright colors - red, yellow and green and purple. The developers hope the colored rice will be more attractive than white rice. The research station took seven years to develop colored rice and says the colored rice is both safe and tasty.

Russia is expected to import around 230,000 tons in 2013-14 (May to April), up about 15% from an estimated 200,000 tons imported in 2012-13, according to the USDA Post in Moscow. Most of the increase is due to an increase in consumption, projected at around 700,000 tons in 2013-14, which is up around 3% from about 680,000 tons in the previous year.

Rice exports in 2013-14 are also expected to grow to around 220,000 tons, up around 5% from about 210,000 tons of rice exported in 2012-13. However, rice production is expected to remain at around 690,000 tons in 2013-14, slightly higher than an estimated 684,000 tons in the previous year

Bangladesh is aiming to increase its rice storage capacity to around 3 million tons by 2020, up around 76% from the present capacity of 1.7 million tons. According to local sources, the government plans to increase the current rice storage capacity to 1.9 million tons by 2014 and 2 million tons by 2015. Officials say that increasing rice storage capacity will play an important role in ensuring food security in the country, ensuring good returns to farmers and also help the country become a rice exporter in future.

Source: Oryza

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



Market Analysis:

The U.S. cash rice market shows range bound trend in previous day session. We expect market will trade in the range of 15.40 (support) to 16.20 (Resistant).

Price Projection (International-CBOT):-

Duration	Trend	Price Range
2 nd Week of June, 2013	Steady to Firm	15.40-16.20

Disclaimer

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