

**Latest Market Development:-**

**With continuous rains in major rice growing states and better prospects for good rainfall ahead amid increased trans-planting activities**, rice market traded almost steady during the week under review. As production prospects have improved market is unlikely to trade higher from current level in the short term. Demand from domestic and export markets remain normal.

**Agri experts have started estimating crop size well in advance and assume 100 million T production in 2013-14 under normal** weather condition. India produced 93 million T rice last year. The pace of sowing will pick up as the monsoon advances over the remaining parts of the country. By the end of second week, almost two-thirds of the country had been covered by the monsoon and the rest is expected to be covered by the end of June.

**According to the latest data by the department of agriculture, paddy had been sown in 0.79 million hectares till June 13, just 1.25 per cent less than last year.** This year rice production is likely to improve in Uttar Pradesh, Bihar, West Bengal and Jharkhand due to higher use of hybrid seeds.

**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.

**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.

**The timely arrival of monsoon and good rainfall distribution has resulted in 28 per cent more rains so far since June 1.** Of the 36 meteorological sub-divisions, 27 have received excess rains, while four have received normal and two are deficient so far. The latest forecast by the weather department of normal monsoon for July and August should augur well for kharif crops.

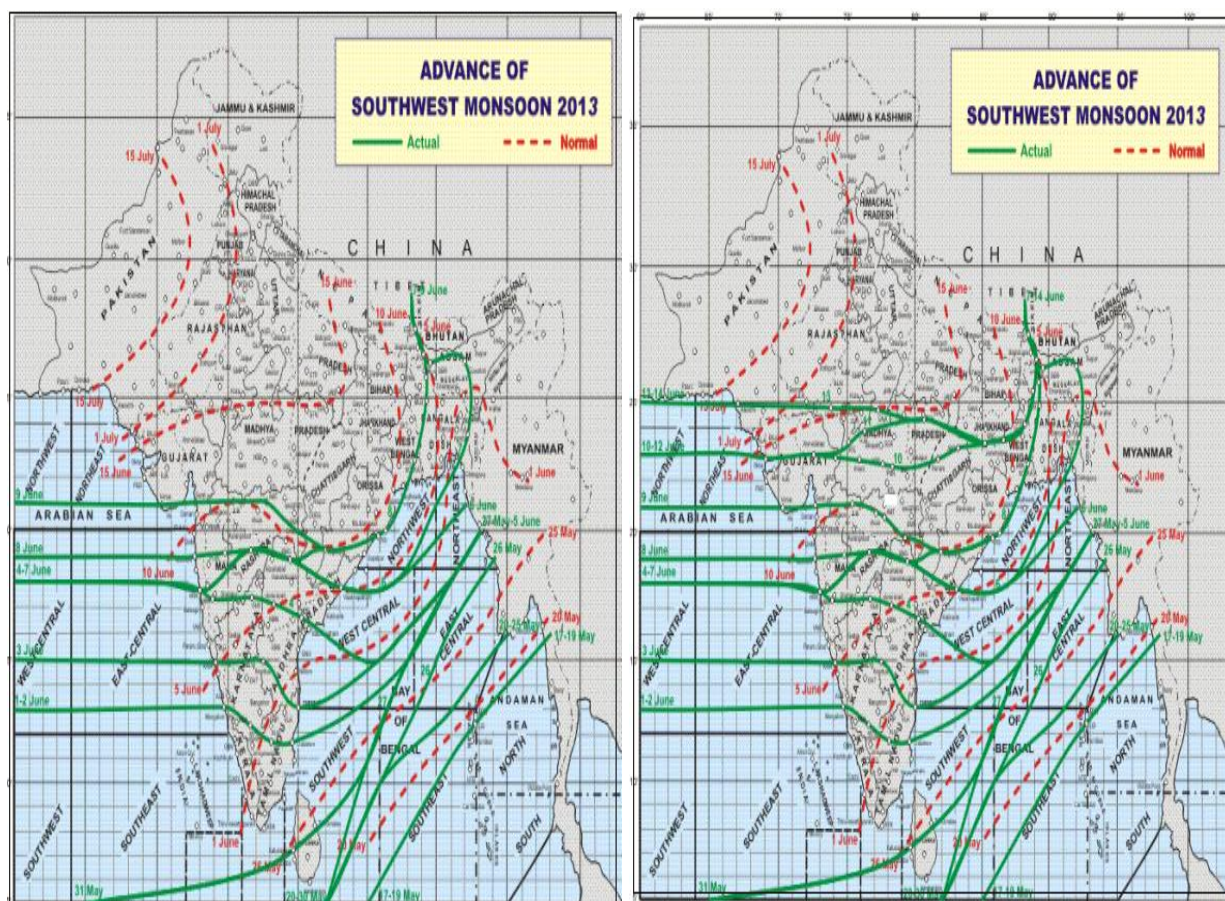
**State wise Area Coverage under Kharif Rice during 2013:-**

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
	<b>Total</b>	<b>392.05</b>	<b>5.327</b>	<b>3.533</b>	<b>4.197</b>

\*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:-

### Comparison of Previous and This Week (10 June, 2013- 17 June, 2013)



From Above graph we can see that monsoon is continuous maturing day by day and it is reached around 50% of all over India except Northern parts, we expect it will likely reach soon to major parts of rice growing in northern states like Punjab, Haryana etc, however pre monsoon shower has already reached in these parts.

**Rice Export under OGL:**

Units are in lakh tonnes				Units are in lakh tonnes	Non Basmati	Basmati	2012-13 Total
	Non Basmati	Basmati	2011-12				
2011-12			Total				Total
<b>Oct-11</b>	4.29	1.77	6.06	<b>Oct-12</b>	6.65	1.95	8.6
<b>Nov-11</b>	6.39	2.14	8.53	<b>Nov-12</b>	6.49	2.08	8.57
<b>Dec-11</b>	7.68	3.57	11.25	<b>Dec-12</b>	7.5	2.85	10.35
<b>Jan-12</b>	7.23	3.07	10.3	<b>Jan-13</b>	5.65	3.18	8.83
<b>Feb-12</b>	8.9	2.76	11.66	<b>Feb-13</b>	4.9	3.34	8.24
<b>Mar-12</b>	3.5	3.93	7.43	<b>Mar-13</b>	5.7	3.87	9.57
<b>Apr-12</b>	2.75	2.79	5.54	<b>Apr-13*</b>	4.2	3.1	7.3
<b>May-12</b>	7.16	3.23	10.39	<b>May-13*</b>	4.02	3.6	7.62
<b>Jun-12</b>	5.92	3.46	9.38				
<b>Jul-12</b>	4.85	3.01	7.86				
<b>Aug-12</b>	4.72	2.51	7.23				
<b>Sep-12</b>	4.46	2.31	6.77				
<b>Total</b>	<b>67.85</b>	<b>34.55</b>	<b>102.4</b>	<b>Total</b>	<b>45.11</b>	<b>23.97</b>	<b>69.08</b>

Source: DGCIS and \* IBIS (Revised export Figure)

Total rice exports by India in the current Marketing Year (MY) October, 2012 to May, 2013, crossed 69 lakh tonnes, we expect total rice export in the end of this MY (Oct-2013) is likely to touch 9 million tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Basmati rice export from October 2012 to May 2013 reached 23.97 lakh tonnes which is 3.05% higher than previous year basmati export of 23.26 lakh tons last year same period.

## 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 Second Week June, 2013:**

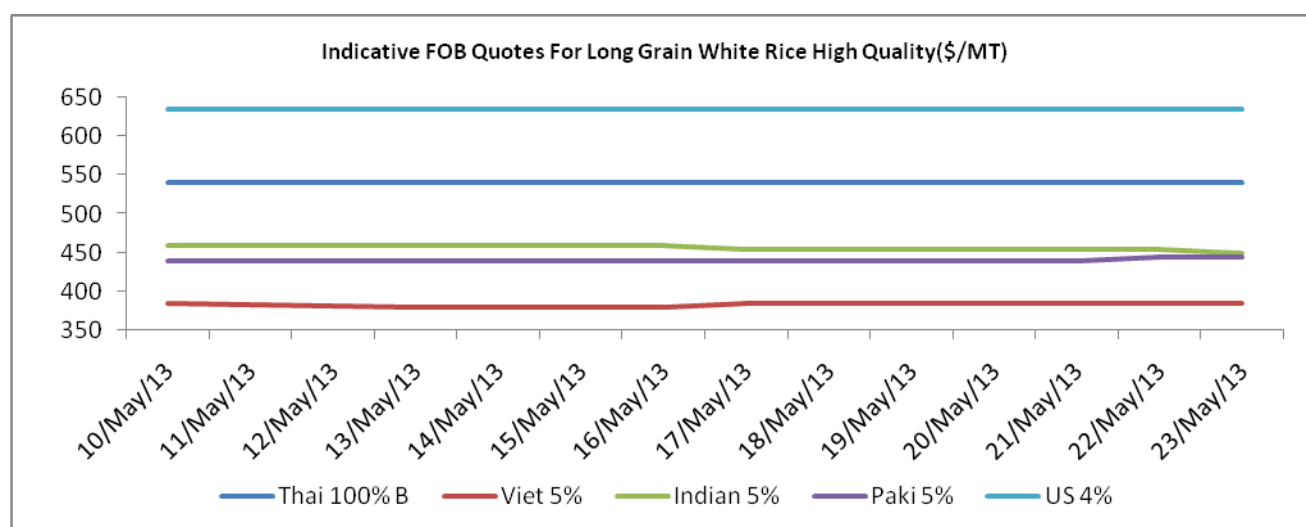
[illegible]

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

#### Price Projection for June 3<sup>rd</sup> Week in Domestic Market:

Duration	Trend	Average Price Range
3 <sup>rd</sup> 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

**World Market Recap:**

**Iran is targeting to increase rice production in the country to about 2.2 million tons in the** Iranian year (March 20, 2013 - March 21, 2014), up about 42% from around 1.55 million tons produced in the previous year, according to local sources. Achieving the target would make Iran about 68% rice-sufficient this year, as the consumption of rice in 2013-14 is estimated at around 3.2 million tons by the USDA. Iran is targeting to become completely self-sufficient in rice by 2016.

**Global rice production in 2013-14 is forecast to increase to a record high of around 499.1 million tons**, up around 2% from an estimated 489.9 million tons produced in the previous year, according to the UN's Food and Agriculture Organization (FAO). Rice consumption is also projected to increase to around 491.3 million tons in 2013-14, up about 3% from around 478.4 million tons in 2012-13. However, rice trade is expected to decline slightly from 37.6 million tons in 2012-13 to 37.2 million tons in 2013-14. Ending stocks in 2013-14 are projected to reach a record high of 182 million tons, up about 4% from around 173.7 million tons estimated for 2012-13.

**In its June 2013 World Agricultural Supply and Demand Estimates** Report (WASDE) report, the USDA lowered the 2013-14 rice export forecast for Thailand to 8 million tons, down about 6% from the previous forecast of 8.5 million tons. The forecast for 2012-13 rice exports by Thailand was also lowered to 7.5 million tons, down about 6% from the previous forecast of 8 million tons and about 10% lower than Thailand's official target of 8.5 million tons. "Thailand's 2012-13 export pace has been slow due to uncompetitive prices and expectations that the current situation will continue into the new marketing year which begins in January 2014," said the report.

**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 bullish trend in previous day session. We expect market will trade in the range of 15.80(support) to 16.80 (Resistant).

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

Duration	Trend	Price Range
2 <sup>nd</sup> Week of June, 2013	Steady to Firm	15.80-16.80

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2013 Indian Agribusiness Systems Pvt Ltd.