AGRIWATCH

Rice Weekly Research Report
June 24th, 2013

Latest Market Development:-

Prices of Aromatic rice varieties turned lower from previous week due to sluggish buying interest; buyers were not active in the market. Non-basmati prices hovered in the same range as last week. As per market sources, basmati price is likely to rebound towards its previous level of Rs.8000 per qtl supported by lower stock and steady demand from overseas market. On the other hand expectations of better monsoon and higher basmati acreage are bearish factors in the longer term.

Punjab CM has urged farmers to stop non-basmati paddy cultivation as much as possible and shift to other lucrative crops including basmati. Decreasing Ground water level remains major concern in Punjab and non-basmati paddy requires large amounts of irrigation.

According to the latest data by the department of agriculture, paddy had been sown in 1.64 million hectares till June 21, 2013.Rice planting area has increased by around 106% in the past week, up from around 794,000 hectares covered in the previous week. However, rice planting in the coming weeks may be delayed due to floods in northern and eastern India last week.

As per Karnataka Government scheme for below poverty line families, govt. is planning to grant rice at Rs. 1per Kg to state's BPL families from 10th of July.

As per data received from FCI, rice stock in central pool kitty as on 15th June 2013 reached at 32.30 million tons, down about -0.01% from around 33.3 million tons recorded from 1st June 2013.

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.

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.

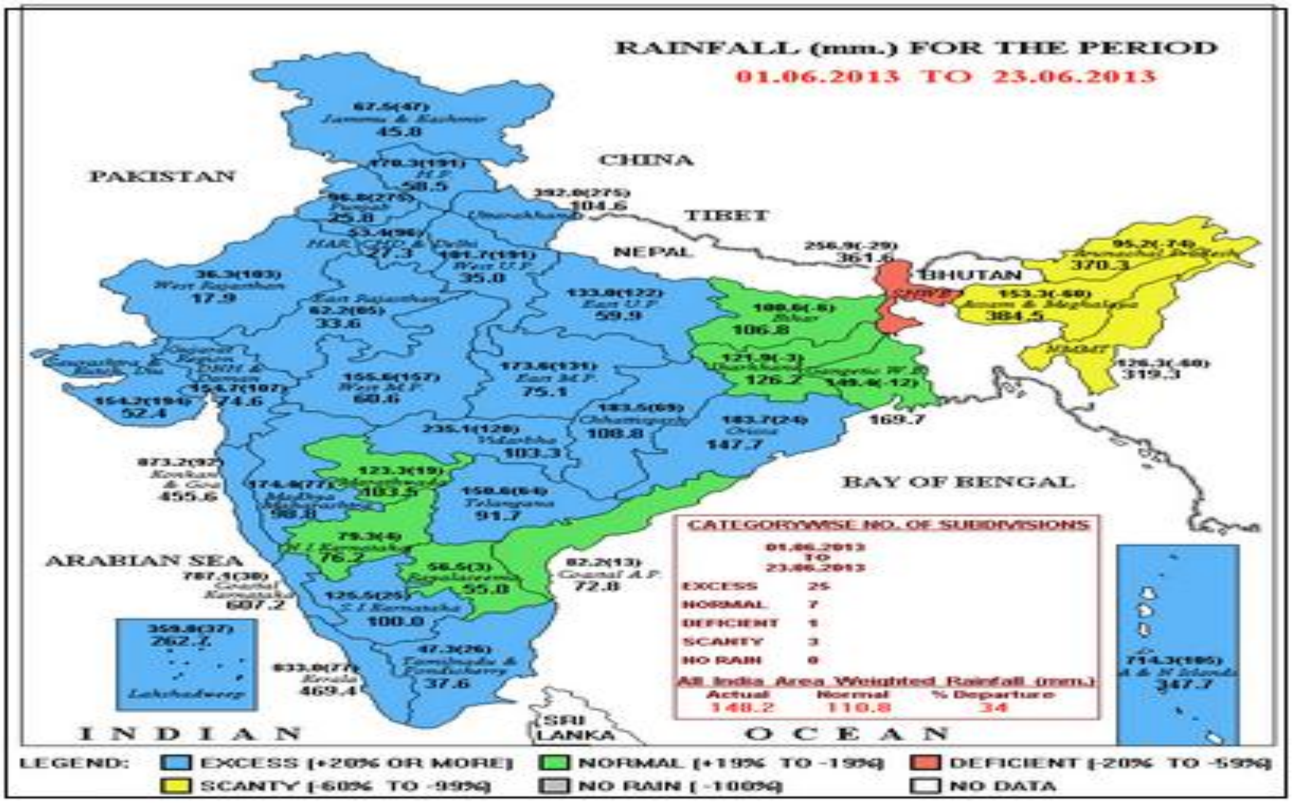
The timely arrival of monsoon and good rainfall distribution has resulted in 28 per cent more rains so far since June 1.Of the 36 meteorological sub-divisions, 27 have received excess rains, while four have received normal and two are deficient so far. The latest forecast by the weather department of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



Excess rainfall occurred in most part of the country especially in rice growing region which helps to boost the nursery planting in major growing states.

Rice Export under OGL:

Units are in lakh tonnes	Non Basmati	Basmati	2011-12	Units are in lakh tonnes	Non Basmati	Basmati	2012-13 Total
2011-12			Total				Total
Oct-11	4.29	1.77	6.06	**Oct-12**	6.65	1.95	8.6
Nov-11	6.39	2.14	8.53	**Nov-12**	6.49	2.08	8.57
Dec-11	7.68	3.57	11.25	**Dec-12**	7.5	2.85	10.35
Jan-12	7.23	3.07	10.3	**Jan-13**	5.65	3.18	8.83
Feb-12	8.9	2.76	11.66	**Feb-13**	4.9	3.34	8.24

Mar-12	3.5	3.93	7.43	**Mar-13**	5.7	3.87	9.57
Apr-12	2.75	2.79	5.54	**Apr-13***	4.2	3.1	7.3
May-12	7.16	3.23	10.39	**May-13***	4.02	3.6	7.62
Jun-12	5.92	3.46	9.38				
Jul-12	4.85	3.01	7.86				
Aug-12	4.72	2.51	7.23				
Sep-12	4.46	2.31	6.77				
Total	**67.85**	**34.55**	**102.4**	**Total**	**45.11**	**23.97**	**69.08**

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 season2011-12 (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 Third Week June, 2013:

State	Prices 16-23 Jun 2013	Prices 09-15 Jun 2013	Prices 01-08 Jun 2013	Prices 16-23 Jun 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3216.78	3060.74	3310.79	2229.1	5.1	-2.84	44.31
Assam	2345.56	2361.48	2402.12	2175.2	-0.67	-2.35	7.83
Gujarat	2607.71	2599.23	2609.1	2181.39	0.33	-0.05	19.54
Jharkhand	2471.67	2458.23	2448.72	2235.73	0.55	0.94	10.55
Karnataka	3094.02	3116.07	3117.4	2389.24	-0.71	-0.75	29.5
Kerala	4356.55	4434.9	4527.65	2509.13	-1.77	-3.78	73.63
Maharashtra	5522.64	4678.47	4537.84	4248.17	18.04	21.7	30
Manipur	2487.74	2487.26	2495.66		0.02	-0.32	__
Meghalaya	3026.83	2983.33	2973.24	3134.09	1.46	1.8	-3.42
Orissa	2121.83	2059.85	2386.42	1918.52	3.01	-11.09	10.6
Tripura	1817.7	2002.23	1987.11	1794.7	-9.22	-8.53	1.28
UP	1777.75	1786.8	1764.37	1596.94	-0.51	0.76	11.32
Uttrakhand	2172.37	1990.15	2046.65	1301	9.16	6.14	66.98
West Bengal	2318.51	2371.43	2338.06	1868.76	-2.23	-0.84	24.07
Average	2809.83	2742.16	278179	2341.51			
As per the data reported by APMCs							

Prices of rice have up from previous week due to lean season and lower arrival from growing states supported by normal buying interest, and we expect market well move steady to slightly up in the weeks ahead.

Price Projection for June 4th Week in Domestic Market:

Duration	Trend	Average Price Range
4th Week of June, 2013	Steady to Firm	Rs.2750-2850/Qtl

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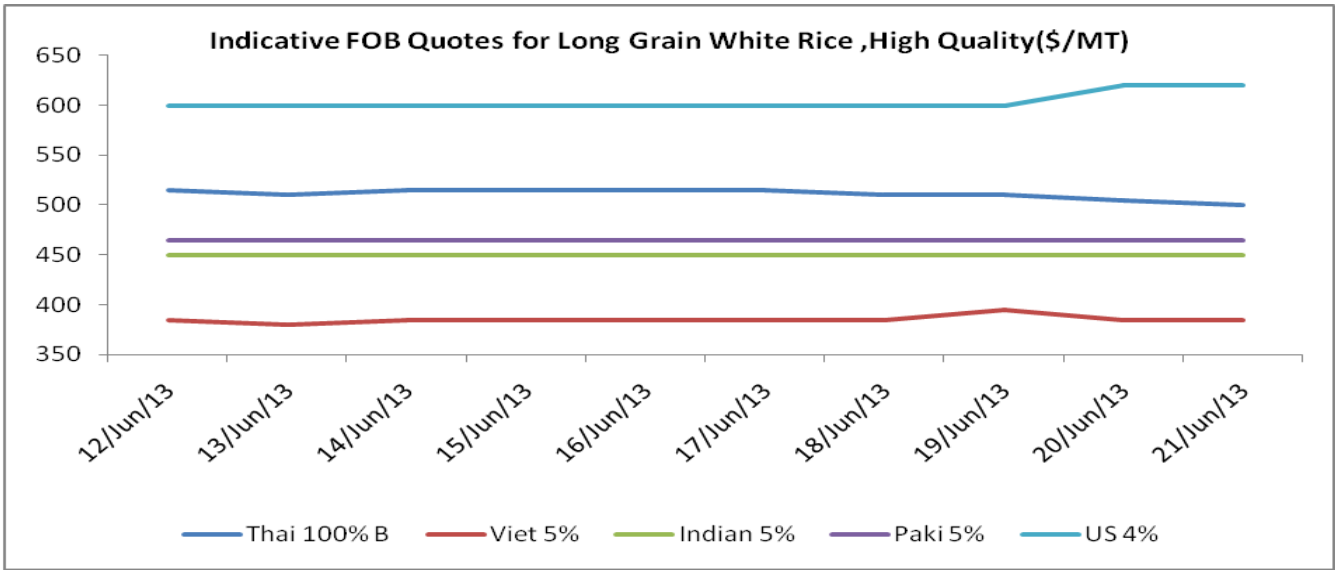
FOB Quotes for Long Grain White Rice, High Quality:-



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:

Pakistan's total rice exports during July 2012 – May 2013 of the fiscal year 2012-13 (July – June) stand at around 2.83 million tons, down about 16% from around 3.37 million tons exported during the same period in the previous fiscal 2011-12. According to provisional data from Pakistan Bureau of Statistics (PBS), the country has earned about $1.82 billion from rice exports during July 2012 – May 2013, which is down about 4% from around $1.9 billion earned during the same period in the previous fiscal year. Pakistan is targeting $2 billion worth of rice exports in the full fiscal year 2012-13.

South Korea has purchased 78,019 tons of rice of China origin in tenders that closed on June 13, 2013 for prices around $864 - $867 per ton, according to the state-run Korea Agro-Fisheries & Food Trade Corp. Delivery is expected to take place during August to December 2013.

Nigeria's rice production in 2013-14 is expected to reach a record 3.1 million tons, up about 31% from an estimated 2.37 million tons produced in 2012-13, according to the USDA. The surge in rice production is based mainly on expected higher acreage and yields compared to the flood-affected 2012-13. The USDA said in its June 2013 forecast that rice acreage in 2013-14 is seen at around 2.5 million hectares, up about 25% from around 2 million hectares in the previous year, while rice yield in 2013-14 is expected to increase to a record 1.97 tons per hectare, up about 5% from an estimated 1.88 tons per hectare estimated in 2012-13.

The president of Gambia said the nation will ban rice imports from 2016 onwards. However, unclear how realistic this goal is considering the nation now produces about 30,000 tons of rice and consumes about 140,000 tons of rice each year . "Come 2016, we will ban the importation of rice into this country in order to strengthen local food industries as well as promote food self-sufficiency and good health," the president said in a speech transmitted by public broadcaster GRTS. In order to be self-sufficient, the nation would need to raise domestic production by about 5 fold or lower consumption. Any ban on rice imports would more likely result in higher rice price and smuggled rice imports, as is the case in Nigeria.

Source :Oryza

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

(Prices in US$/hundredweight)

Market Analysis:

The U.S. cash rice market shows bearish trend in previous day session. We expect market will trade in the range of 15.60(support) to 16.60 (Resistant).

Price Projection (International-CBOT):-

Duration	Trend	Price Range
4th Week of June, 2013	Steady	15.60-16.60