

Latest Market Development:-

The rice market is likely to rule around current levels without much fluctuation in the coming days. Despite restricted trading, the market witnessed a steady trend on last week with prices of non-basmati rice ruling unchanged from previous levels. However Basmati price is moving towards its previous level due to active buying in the market.

Indian government granted the MSP of paddy for 2013-14, at Rs. 1310 per quintal for common rice and Rs. 1345 for “A” grade, these MSP are almost 5% increase from last year of Rs.1250 and 1280 for common grade and A grade respectively. This year CACP recommended the lowest MSP for paddy due to huge stock with government.

As per data available from according to the Ministry of Agriculture ,India’s main (Kharif) rice crop planting area has increased sharply to around 3.9 million hectares so far, up about 32% from around 2.97 million hectares during same time last year,. Timely arrival of monsoon rains and its spread across the country last week helped planting conditions in most of India. Planting of other Kharif crops have also advanced significantly last week. Total area under Kharif crop planting (including rice and other crops) has increased to about 25.1 million hectare this week, up about 46% from around 13.6 million hectares at this time last year.

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.

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 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 Fifth Week June, 2013:

State	Prices 24-30 Jun 2013	Prices 16-23 Jun 2013	Prices 09-15 Jun 2013	Prices 24-30 Jun 2012	% Change(Over Previous Week)	% Change(Over Previous Week)	% Change(Over to Previous Year)
AP	2381.26	3220.31	3060.74	2070.14	-26.05	-22.2	15.03
Assam	2371.12	2370.35	2361.48	2546.5	0.03	0.41	-6.89
Gujarat	2603.97	2590.46	2599.23	2246.22	0.52	0.18	15.93
Jharkhand	2541.02	2473.4	2458.23	2273.66	2.73	3.37	11.76
Karnataka	3095.04	3065.41	3116.07	2398.18	0.97	-0.67	29.06
Kerala	4498.67	4351.87	4434.9	2550.04	3.37	1.44	76.42
Maharashtra	5688.59	5636.04	4678.47	3854.34	0.93	21.59	47.59
Manipur	2487.85	2487.74	2487.26		0	0.02	—

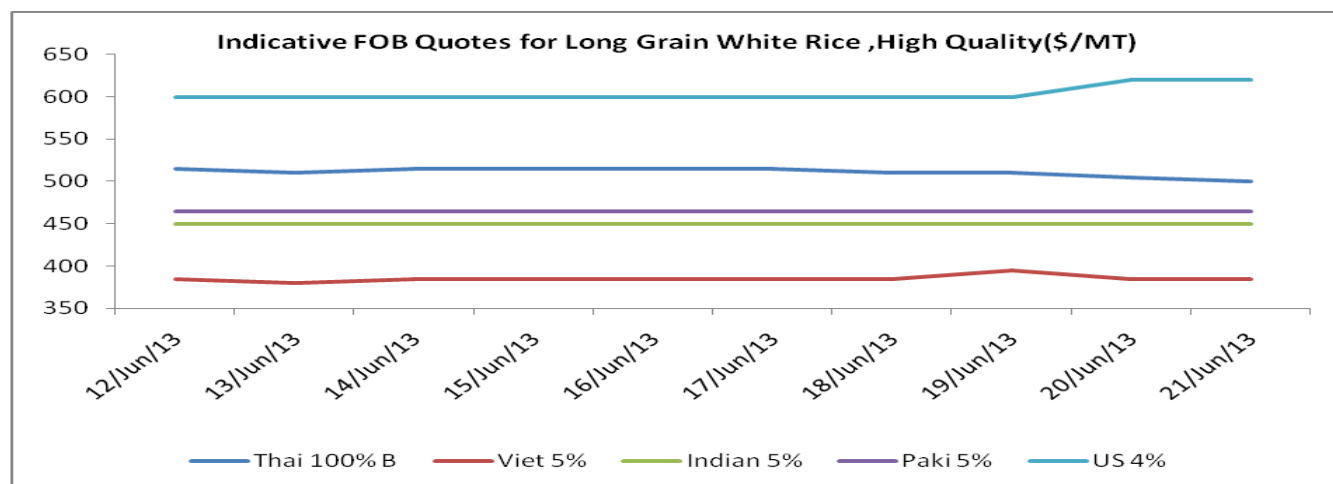
Meghalaya	3000	3026.83	2983.33	3146.88	-0.89	0.56	-4.67
Orissa	2418.86	2484.44	2562.21	1857.11	-2.64	-5.59	30.25
Tripura	2078.35	1941.05	2005.98	1859.75	7.07	3.61	11.75
U.P	1831.58	1777.3	1786.76	1589.83	3.05	2.51	15.21
Uttarakhand	2087.93	2144.95	1990.15	1472.57	-2.66	4.91	41.79
WB	2414.12	2491.71	2388.35	1891.12	-3.11	1.08	27.66
Average	2821.31	2861.56	2779.51	2288.94			
As per the data reported by APMCs							

Prices of rice have showed a steady to slightly firm of around Rs.40/Qtl from previous week due to active buyers in the markets for non basmati, and we expect market well move steady to slightly firm in the weeks ahead.

Price Projection for July 1st Week in Domestic Market:

Duration	Trend	Average Price Range
1 st Week of July, 2013	Steady to Slightly Firm	Rs.2750-2850/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:

India's Commerce Ministry has indicated that it anticipates Russia will lift the import ban on India rice soon. Local media reports that a Russian delegation is inspecting rice mills in India and is expected to release a report. In February 2013 Russia placed an import ban on Indian rice after detecting khapra beetle infestation.

Mexico has suspended rice imports from Pakistan following the detection of the Khapra beetle in some rice shipments from Pakistan, the USA Rice Federation said citing trade sources in Mexico. The 3,000 tons of Pakistan rice that was quarantined by the Mexico Customs this week has been returned to Pakistan, say reports. However, other Asian countries, including Vietnam and Thailand, are still permitted to export rice to Mexico.

Average paddy rice prices in Chile for the 2012/13 crop year are around \$1,710 per ton, up slightly from about \$1,707 per ton recorded during the same time last year, according to data from the Ministry of Agriculture. Chile is a minor rice consumer and importer. According to the USDA, rice consumption in Chile stands at around 215,000 tons, and the country imports about 135,000 tons of rice annually, mostly from Argentina. Data from Argentina's Ministry of Agriculture shows that Argentina has shipped 11,354 tons of rice to Chile January-March, 2013, down 42% from 19,413 tons in the same period last year.

Vietnam exported around 1.135 million tons of rice to China in January-May 2013, worth around \$472.4 million, which is up about 28% in volume and 24% in value compared with the same period in 2012, according to Vietnam's Ministry of Agriculture and Rural Development (MARD). Vietnam's rice exports to China in the first five months of 2013 account for around 40% of total Vietnam rice exports of around 2.8 million tons in the same period. According to MARD, rice exports to China will remain strong in the remaining months of this year as domestic prices in China continue to remain above imported rice prices. The USDA has projected total rice import demand by China in 2013 at 3 million tons. Vietnam accounted for over 1.5 million tons or around 66% of total rice imports by China in 2012.

Thai Prime Minister Yingluck Shinawatra says the government plans to promote the northeastern province of Yasothon as a model city for growing organic Hom Mali fragrant rice. Yingluck made the announcement on Sunday in Yasothon, where she promised support to farmers and urged them to consider making value added merchandise from their rice supplies, Thai News Agency (TNA) reported.

Source :Oryza

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



(Prices in US\$/hundredweight)

Market Analysis:

The U.S. cash rice market shows an uptrend 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
1 st Week of July, 2013	Steady	15.40-16.20

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