Latest Market Development:-

The non basmati and aromatic rice market may continue to witness a downtrend in the coming days. After witnessing a steady trend over the last few days, aromatic and Sharbati varieties drop on lack of buying and ample availability of stocks. Lack of buying at all levels pulled rice prices down, only need-based buying is taking place in the market and situation of the market was expected.

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.

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	**June-13***	4.97	3.47	8.44
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**	**50.08**	**27.44**	**77.52**

Source: DGCIS and * IBIS (Revised export Figure)

Total rice exports by India in the current Marketing Year (MY) October, 2012 to June, 2013, crossed 77 lakh tonnes , we expect total rice export in the end of this MY (Oct-2013) is likely to touch 9.5 million tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Basmati rice export from October 2012 to June 2013 reached 27 lakh tonnes.

Revised Rice Balance Sheet:-

Figure in MMT	2010-11	2011-12	2012-13	2013-14 E
Carry in	18.44	20.86	21.53	18.53
Production	95.98	104.32	100	105
Imports	0	0	0	0
Total Availability	114.42	125.18	121.53	123.53
Consumption	90.78	93.45	94	95
Exports	2.78	10.2	9	8
Total Usage	93.56	103.65	103	103
Carry out	20.86	21.53	18.53	20.53
Av Monthly Consumption	7.57	7.79	7.83	7.92
Stock to Month Use	2.76	2.76	2.37	2.59
Stock to Consumption Ratio	0.23	0.23	0.20	0.22

(Source: #Agriwatch Research, *USDA)

With good start of monsoon and above normal rainfall Agriwatch expects higher rice production in 2013-14 at 105 million T. Higher export volume this year is expected to drag down carryout from 21.53 to 18.53 million T in 2013-14. With higher initial production estimate total availability would increase from 121.53 million T to 123.53 million T. Consumption would increase slightly by one million T. As export is expected to decrease by one million T due to lower demand in global market, total usage would remain same at 103 million T as last year.

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 First Week July, 2013:

State	Prices 01-08 Jul 2013	Prices 24-30 Jun 2013	Prices 16-23 Jun 2013	Prices 01-08 Jul 2012	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2276.56	2799.12	3221.88	1760.05	-18.67	-29.34	29.35
Assam	2430.19	2366.84	2370.35	2540.78	2.68	2.52	-4.35
Gujarat	2590.01	2598.67	2590.46	2384.59	-0.33	-0.02	8.61
Jharkhand	2507.8	2518.65	2472.6	2226.68	-0.43	1.42	12.63
Karnataka	3218.9	3130.39	3065.41	2413.8	2.83	5.01	33.35
Kerala	4561.32	4495.19	4351.87	2570.19	1.47	4.81	77.47

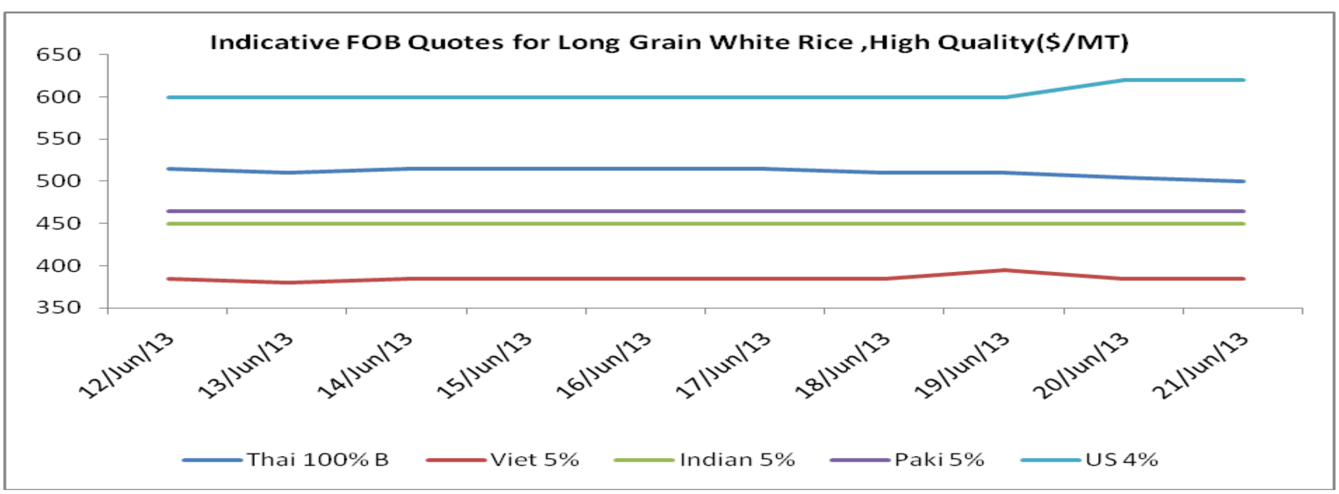
Maharashtra	5739.53	5744.96	5634.32	3934.37	-0.09	1.87	45.88
Manipur	2465.88	2487.86	2487.74		-0.88	-0.88	__
Meghalaya	3100	3036.36	3026.83	2783.56	2.1	2.42	11.37
NCT of Delhi	5700	1800	1800	1600	216.67	216.67	256.25
Orissa	2026.85	2388.39	2466.11	1888.55	-15.14	-17.81	7.32
Tripura	2026.1	2033.97	1968.59	1845.36	-0.39	2.92	9.79
UP	1824.73	1870.48	1770.87	1592.19	-2.45	3.04	14.61
Uttrakhand	2063.57	2044.43	2144.95	1605.4	0.94	-3.79	28.54
West Bengal	2442.08	2515.29	2493.91	1919.93	-2.91	-2.08	27.2
Average	2998.23	2788.7	2791.06	2218.96			
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 2nd t Week in Domestic Market:

Duration	Trend	Average Price Range
2nd Week of July, 2013	**Steady to Firm**	**Rs.2800-2900/Qtl**

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



IGC Balance Sheet: Updated on 01.07.2013 **(Fig. In Million Tonnes)**

IGC estimate released on 21.02.13	2010-11	2011-12	2012-13 estimated	2013-14 Forecast 31.05.2013	2013-14 Forecast 01.07.2013
Production	449	465	470	--	476
Trade	36	39	37	--	37
Consumption	445	458	469	--	474
Carry over St.	99	107	107	--	109
Year change	3	7	1	--	2
Major exporters	30	37	41	--	44

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

High Lights:-

- The IGC GOI rice sub-Index fell by 3% m/m to a 17-month low, led by declines in Thailand.
- The world 2012/13 carryover is expected to be broadly unchanged y/y, but is seen at a record of 41m t for the major exporters, exceeding global trade.
- Global 2013/14 output is tentatively projected to expand slightly to 476m t, with end-season stocks increasing for the ninth consecutive year, including an 8% rise in the major exporters.
- World trade is projected to increase marginally in calendar 2014, including larger deliveries to markets in Near East Asia and Africa.

World Market Recap:

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. According to USA Rice, Pakistan has exported about 16,000 tons of rice to Mexico during January – May 2013, up about 1,500% compared to the same period last year. The U.S. is the traditional rice supplier to Mexico and rice exports from the U.S. to Mexico during January – May 2013 stood at around 30,000 tons, said USA Rice. According to the USDA, Mexico's total rice import requirements in 2013-14 are projected at around 730,000 tons.

Thailand will regain its position as the world's number one exporter of parboiled rice from India within the next two years, the Commerce Ministry claimed yesterday - even as the government pushed forward with its rice-pledging scheme.

As part of its plans to boost rice exports, Commerce Minister Nivatthamrong Boonsongpaisal will lead a Thai delegation to six targeted countries next week. The delegation will first visit Indonesia and Malaysia, followed by the Philippines, China, Togo and Iran, where it will discuss government-to-government contracts for Thai rice with its counterparts.

Iraq is seeking to purchase 30,000 tons of rice from Thailand, U.S., Uruguay and Argentina, according to the Trade Ministry. The last date for submission of applications is July 15, 2013, and offers must be valid until July 19, 2013.

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.

Source :Oryza

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

(Prices in US$/hundredweight)

Market Analysis:

The U.S. cash rice market shows a downtrend in previous day session. We expect market will trade in the range of 15.00(support) to 16.00 (Resistant).

Price Projection (International-CBOT):-

Duration	Trend	Price Range
2nd Week of July, 2013	Steady	15.00-16.00