

## ***Latest Market Development:-***

**Rice cash market traded weak on the back of higher** production prospects and better realized yield from early crop. Pressure is likely to continue. This year paddy arrivals in Haryana mandis are expected to touch 52 lakh tones. Procurement is scheduled to start from 1st of Oct.

**Bulk buyers are keeping off the market** as they are waiting for prices to drop further after the new crop begins arriving. In south India Tamil Nadu would give an additional Rs. 50 and Rs. 70 per quintal over the minimum support price of Rs. 1,310 (ordinary) and Rs. 1,345 (high quality) respectively to the farmers as announced by the Centre for kharif crops for this season.

**India's rice production in the main** (Kharif) crop in 2013-14 crop year (July - June) is expected to reach around 92.32 million tons, about 1.5% higher than the targeted 91 million tons, according to the government's first advance estimate for kharif season of 2013-14.

**As per USDA report, India is expected to** remain the world's largest rice exporter for the third consecutive year in calendar year 2014 based on adequate supplies and continued demand from Iran.

**Planting area under Kharif season, rice crop** planting has increased to around 37.2 million last week, up about 3% from 36.1 million hectares seen during the same time last year. India's total rice production (including Kharif and Rabi crops) in 2012-13 is estimated at around 104.2 million tons, slightly down from around 105.3 million tons produced in the previous year.

**Rice stocks in India's central pool as of September 1, 2013** stand at around 26.6 million tons (including milled equivalent of about 9.3 million tons of paddy), up almost 4% from around 25.6 million tons of rice with the government during the same time last year, according to the Food Corporation of India (FCI).

**Russia has revoked the temporary ban** on rice imports from India which was put in place earlier this year due to concerns over presence of Khapra beetles in some consignments. Russia has decided to lift the temporary ban on rice imports from India after Russia's delegation was assured that safety measures in processing of rice in India were up to Russian phyto-sanitary standards during a visit in June 2013.

**IGC expects India to produce 107 million tonnes of rice** in 2013-14 against the expected production of 104.4 million tonnes in 2012-13. Domestic consumption is forecasted at 97.9 million tonnes for 2013-14 and exports at 8.5 million tonnes.

### ***Rice Monthly Export:***

All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2011-12		Non Basmati	Basmati	Total Export 2012-13
11-Oct	4.29	1.77	6.06	12-Oct	6.65	1.95	8.6
11-Nov	6.39	2.14	8.53	12-Nov	6.49	2.08	8.57
11-Dec	7.68	3.57	11.25	12-Dec	7.5	2.85	10.35
12-Jan	7.23	3.07	10.3	13-Jan	5.65	3.18	8.83
12-Feb	8.9	2.76	11.66	13-Feb	4.9	3.34	8.24
12-Mar	3.5	3.93	7.43	13-Mar	5.7	3.87	9.57
12-Apr	2.75	2.79	5.54	13-Apr	3.93	3.93	7.86
12-May	7.16	3.23	10.39	13-May	4.67	3.45	8.12
12-Jun	5.92	3.46	9.38	13-Jun	5.56	3.78	9.34
12-Jul	4.85	3.01	7.86	13-Jul*	6.43	3.60	10.03
12-Aug	4.72	2.51	7.23	13-Aug*	6.57	2.68	9.25
12-Sep	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>64.05</b>	<b>34.71</b>	<b>98.76</b>

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

Total rice exports by India in the current Marketing Year (MY) October 2012 to August 2013, crossed 98 lakh tonnes, we expect total rice export in the end of this MY (Oct-2013) is likely to touch 10.6 million tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Basmati rice export from October 2012 to August 2013 reached 34.71 lakh tonnes which is 7.66% higher than previous year basmati export of 32.24 lakh tons last year same period.

### ***Rice Balance Sheet:-***

With good start of monsoon and above normal rainfall Agriwatch expects higher rice production in 2013-14 at 105 million T. With higher initial production estimate total availability would increase from 127.38 million T to 129.88 million T. Consumption is expected to increase by 1.5 million T. As export is expected to decrease by more than one million T due to lower demand in global market, total usage may increase slightly on back of increase in consumption due to cheaper rice available from Food Security Bill.

Figure in MMT	2010-11	2011-12	2012-13	2013-14* E
<b>Carry in</b>	<b>18.44</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>
Production	95.98	104.32	104	105
Imports	0	0	0	0
Total Availability	114.42	125.18	127.38	129.88
Consumption	90.78	91.6	92.5	94
Exports	2.78	10.2	10.5	9
Total Usage	93.56	101.8	103	103
<b>Carry out</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>	<b>26.38</b>
Av Monthly Consumption	7.57	7.63	7.71	7.83
Stock to Month Use	2.76	3.06	3.16	3.43
Stock to Consumption Ratio	0.23	0.26	0.26	0.29

(Source: Agriwatch Research, USDA)

### Progressive Procurement of Rice

(Fig. in Lakh tonnes)

States	Total procurement in marketing season 2011-12 (Oct. – Sept.)	As on 24.05.2013	
		In Marketing season 2012-13	In Marketing season 2011-12
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	<b>350.31</b>	<b>338.25</b>	<b>326.26</b>

Source: <http://dacnet.nic.in/>

Rice procurement by Government agencies has now going very slow due to lean season and procurement target of 400 lakh tonnes in this season (September-2013) is unlikely to achieve as stock of rice is not as much available in the markets, however procurement is likely to touch around 350 lakh tonnes same as last year in this season.

### Month-wise Rice Stock in Central Pool (As on 1st day of the month) Values in MMT

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>2010</b>	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
<b>2011</b>	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
<b>2012</b>	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
<b>2013</b>	32.22	35.4	35.8	35.46	34.72	33.3	31.50	29.23	20.57			

\*Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice.

Total rice stocks in India's central pool 20.57 million tons as of September 1, 2013.

### State wise Wholesale Prices Weekly Analysis for Rice fourth Week of September, 2013:

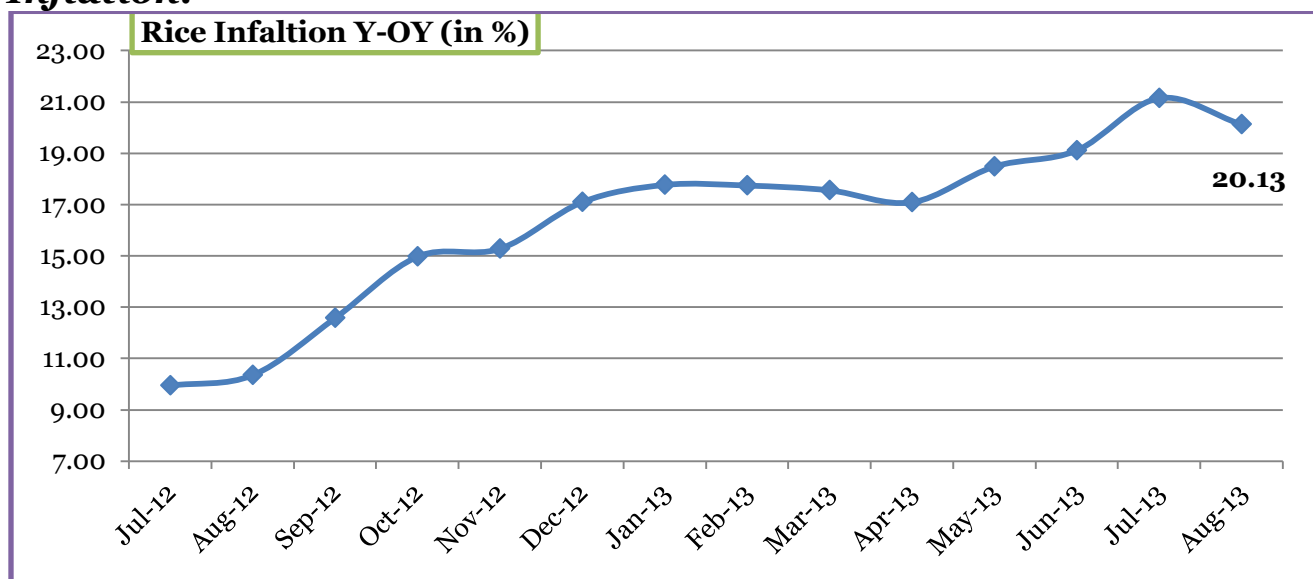
	24-29 Sep 2013	16-23 Sep 2013	09-15 Sep 2013	% Change(Over Previous Week)	% Change(Over Previous Year)
A.P	2954.29	3646.84	3729.7	-18.99	52.01
Assam	2845.44	2772.12	2632.2	2.64	17.3
Gujarat	2696.56	2436.24	2445.54	10.69	12.56
Jharkhand	2648.59	2675.83	2739.23	-1.02	12.99
Karnataka	3247.35	3469.87	1929.23	-6.41	19.66
Kerala	3290.59	3459.62	3439.71	-4.89	24.17
Manipur	2620.82	2795.79	2584.8	-6.26	—
Meghalaya	3500	3142.86	3500	11.36	8.68
Orissa	2504.91	2373.03	2448.09	5.56	69.09
Tripura	2801.52	2766.19	2651.12	1.28	—
Uttar Pradesh	1941.19	1934.22	1913.22	0.36	14.84
Uttrakhand	2116.32	2048.52	2022.02	3.31	11.8
West Bengal	2581.9	2541.79	2668.19	1.58	26.4
Average	<b>2749.96</b>	<b>2774.07</b>	<b>2669.47</b>		

Prices of rice have showed the downward movement in September 4<sup>th</sup> week from last week due to arrivals of non basmati and basmati rice new crop, and we expect market well be steady to weak in the week ahead.

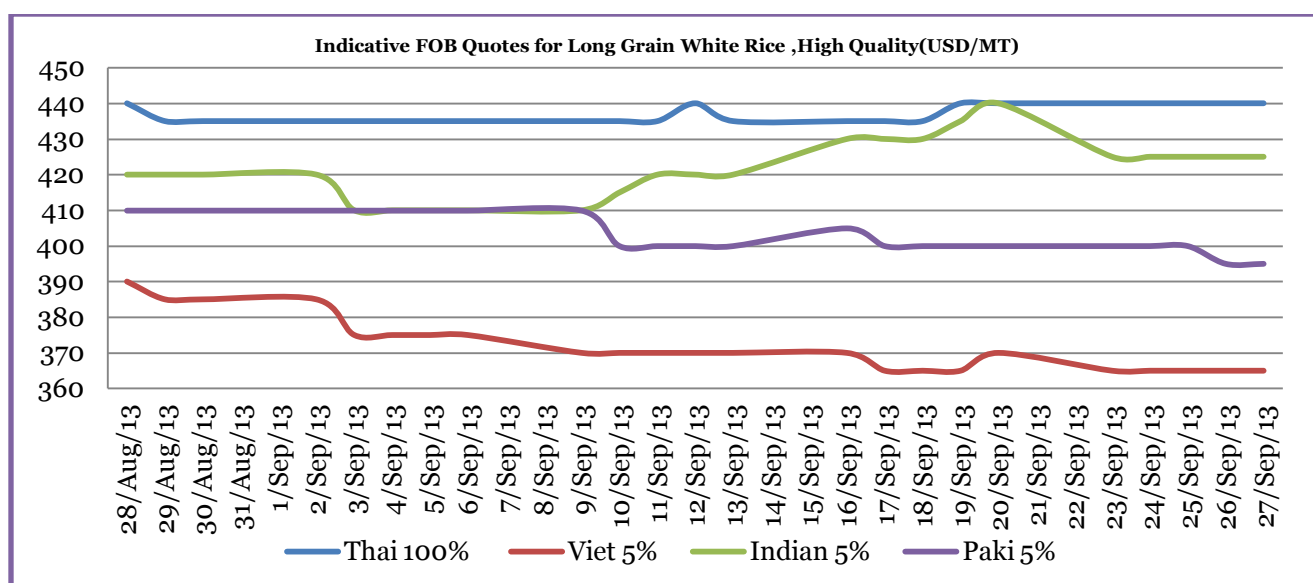
### Price Projection for October 1<sup>st</sup> Week in Domestic Market:

Duration	Trend	Average Price Range
1 <sup>st</sup> Week of Oct, 2013	Steady to Weak	Rs.2750-2700/Q

### Inflation:



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



**World Market Recap:**

**According to Thai Rice Exporters Association (TREA)**, Thailand has exported 3.6 million tonnes of rice in Jan-Jul 2013. In July 2013, Thailand exported around 675,064 tons of rice, the highest monthly rice exports in 2013 and up about 58% from around 427,058 tons exported in the previous month. White rice accounted for almost half of total rice exports in July 2013, according to the TREA

**As per USDA WASDE report, Global** rice production is projected at a record 476.8 million tons, down 1.2 million tons from last month, primarily due to smaller crops forecast for Brazil and China.

**Global rice production is expected to increase to a record 497 million tons in 2013-14**, up about 1.3% from around 491 million tons in 2012-13, most of the increase in rice production will be seen in Asia, FAO says.

**Pakistan's rice exports in August 2013 stand at** around 182,805 tons, down about 37% from the previous month, according to provisional data from the Pakistan Bureau of Statistics (PBS). However, Pakistan's August 2013 rice exports are up about 23% from around 149,146 tons of rice exported in August 2012.

**As per Latest FAO release average** Pakistani basmati rice export prices declined slightly in August 2013, reached around \$1,394 per ton, down around 1% from around \$1,405 per ton in the previous month, but are up around 22% from around \$1,142 per ton recorded in August 2012, according to the UN's Food and Agriculture Organization (FAO).

**Pakistan exported about 44,221 tons** of basmati rice in August 2013, down about 27% from around 60,455 tons exported in the previous month, and down about 13% from around 51,004 tons exported in August 2012.

**Offers for Vietnamese rice slipped to** a three-year low on weak demand, and prices could fall further as supply from major rice producing nations is set to rise substantially. Indicative prices for 5-percent broken rice eased to \$355-\$365 a tonne, on a free-on-board (FOB) basis, from last week's \$360-\$380.

**Vietnam has exported around 4.791 million tons** of rice in January 1 - September 12, 2013, at an average price of about \$429 per ton (FOB). As per VFA latest update average export price stand at around \$431 per ton (FOB) so far in September 2013, up about 1.17% from around \$426 per ton recorded in full month of August, but down about 2% from around \$440 per ton recorded in full month of September 2012.

**As per USDA WASDE report, Global** rice production is projected at a record 476.8 million tons, down 1.2 million tons from last month, primarily due to smaller crops forecast for Brazil and China.

Source: <http://oryza.com>



**IGC Rice Global Balance Sheet**
**(Fig. In Million Tonnes)**

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				01.08.2013	30.08.2013
<b>Production</b>	449	465	469	476	474
<b>Trade</b>	36	39	37	37	37
<b>Consumption</b>	445	458	469	474	473
<b>Carryover stocks</b>	99	107	107	109	108
<b>Y-O-Y change</b>	3	7	1	2	1
<b>Major Exporters</b>	30	37	40	43	43

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

**IGC Rice Balance sheet Highlights:-**

- The IGC GOI rice sub-Index declined by around 7% m/m, to its lowest in about three years.
- Global rice output is projected to rise by 1% to a new record in 2013/14, with larger outturns in China and India, and increases in those countries should boost world use by a similar amount.
- Aggregate end-season stocks are forecast to expand moderately, with further accumulation in leading exporters, notably Thailand.
- World trade is set to rise marginally in 2014 on small increases in sales to sub-Saharan Africa and Far East Asia, but prospects are tentative as China's import needs remain uncertain.

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

**(Prices in US\$/hundredweight)**

**Market Analysis:**

The CBOT November rough rice chart indicates sideward movement in previous sessions. We expect market will test the resistance at USD 15.80/ hundredweight in coming sessions.

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

Duration	Trend	Price Range
1 <sup>st</sup> Week of October, 2013	<b>Steady to firm</b>	15.80-15.20

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