

Latest Market Development:-

Area under India's main (Kharif) season rice crop planting reached around 38.35 million hectares as of October 25, 2013, which is up about 2.4% from around 37.47 million hectares recorded during the same time in 2012, according to the Agriculture Ministry.

The UN's Food and Agriculture Organization (FAO) has increased India's rice exports forecast for 2013 to 9.5 million tons, up about 8% from the July forecast of 8.8 million tons. In 2012-13, India produced about 104.4 million tons of rice (milled basis), of which around 10.3 million tons were exported.

Despite ongoing harvesting activities rice market continues to rule firm and is unlikely to see any major alteration in the weeks to come. Arrivals in major bench mark markets are likely to increase. However, any steep fall at this point of time is a remote possibility due to good demand from bulk buyers.

Rice millers are offering high prices for 1121 against 1509 as broken percentage is higher in new aromatic varieties (1509) due to its thinness. As per current feedback from millers they are now unwilling to pay more for 1509 against pusa 1121. Agriwatch expects market to rule steady till Diwali. Prices of Pusa steam and 1121 have improved in the range of Rs 80 to Rs 100 /Q this week. Supply and demand side remains balanced.

The USDA has lowered the rice production forecast for India's rice production in 2013-14 to around 105 million tons, down about 3% from previous forecast of around 108 million tons, but slightly higher than an estimated 104.4 million tons produced in 2012-13. The downward revision in India's rice production by USDA is mainly due to deficient rains received in some eastern states of India during the sowing and growth stage.

1.9 million Tonnes of rice have been procured so far. 10.83 lakh tonnes of procurement has been made in Haryana and 8.74 lakh tonnes has been procured in Punjab.

Rice inflation has fallen to 18.76% in September 2013 as compared to 20.13% in August. Wholesale Price Index (WPI) has risen to 231.7 in September from 229.2 in August.

India's rice stocks in the central pool as of October 1, 2013 have declined to around 23 million tons (including milled equivalent of around 6.13 million tons of paddy), the lowest monthly levels so far this year and down about 1.5% from October 1, 2012, according to data from the Food Corporation of India (FCI) .

Rice production in eastern and central parts of India may be affected adversely by the impact of cyclone Phailin which is expected to make landfall on the south-eastern coast of India tomorrow. Accompanying rains floods could destroy thousands of hectares of rice land in Odisha, Andhra Pradesh, West Bengal and Chhattisgarh where the rice crop is almost ready for harvest.

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	4.86	2.99	7.85	13-Jul	6.51	3.34	9.85
12-Aug	4.72	2.51	7.23	13-Aug*	6.57	2.68	9.25
12-Sep	4.46	2.31	6.77	13-Sept*	6.81	3.61	10.42
Total	67.86	34.53	102.39	Total	70.94	38.06	109

Source: DGCIS and * IBIS (Revised export Figure)

Total rice exports by India in the current Marketing Year (MY) October 2012 to September 2013, has reached almost 11 million tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Basmati rice export from October 2012 to September 2013 reached 38.06 lakh tonnes which is 10.15% higher than previous year basmati export of 34.53 lakh tons last year for the 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
Carry in	18.44	20.86	23.38	24.38
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
Carry out	20.86	23.38	24.38	26.38
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	350.31	338.25	326.26

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
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	31.50	29.23	20.57	19.03		

*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 19.03 million tons as of October 1, 2013.

State wise Wholesale Prices Weekly Analysis for Rice Fourth Week of October, 2013:

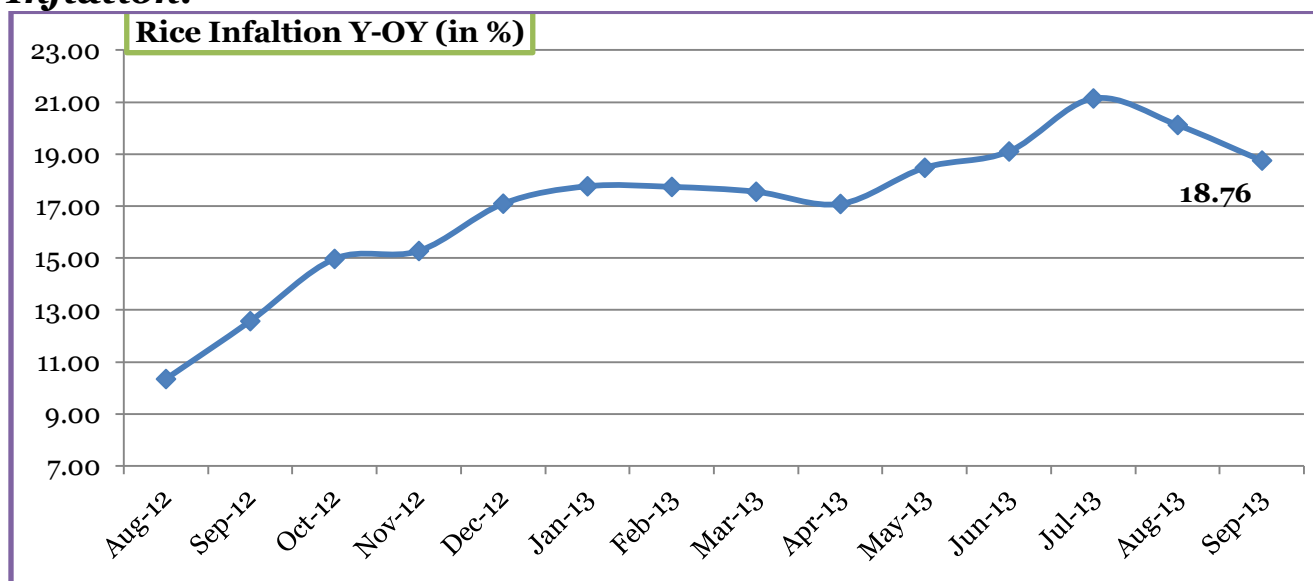
	24-28 Oct 2013	16-23 Oct 2013	09-15 Oct 2013	24-31 Oct 2012	% Change(Over Previous Week)	% Change(Over Previous Year)
A.P	1500	2100		2200	-28.57	-31.82
Gujarat	1976.53	1886.77	2003.3	1616.19	4.76	22.3
Haryana	1345.16	1347.77	1353.65	2179.59	-0.19	-38.28
Jharkhand	1745	1748.5	1707.61	1742.35	-0.2	0.15
Karnataka	2131.81	2056.38	1611.56	1685.21	3.67	26.5
Kerala	2800	2762.5	2716.67		1.36	—
M.P	1610.89	1633.08	1568.74	1503.3	-1.36	7.16
NCT of Delhi	1562.93	1600.69	1558.26	1556.19	-2.36	0.43
Punjab	1740	1703.07	1696.73	1281.9	2.17	35.74
Rajasthan	1597.31	1569.34	1555.44	1497.32	1.78	6.68
Uttar Pradesh	1467.99	1464.79	1455.99	1398.52	0.22	4.97
Uttrakhand	1550.36	1523.04	1491.29	1410.09	1.79	9.95
West Bengal	1607.01	1587.9	1564.41	1337.9	1.2	20.11
Average	1741.153	1767.987	1690.304	1617.38		

Prices of rice have showed the downward movement in October 4th week from last week, however market is expected to move upward due to damage caused by heavy rains to standing rice crop.

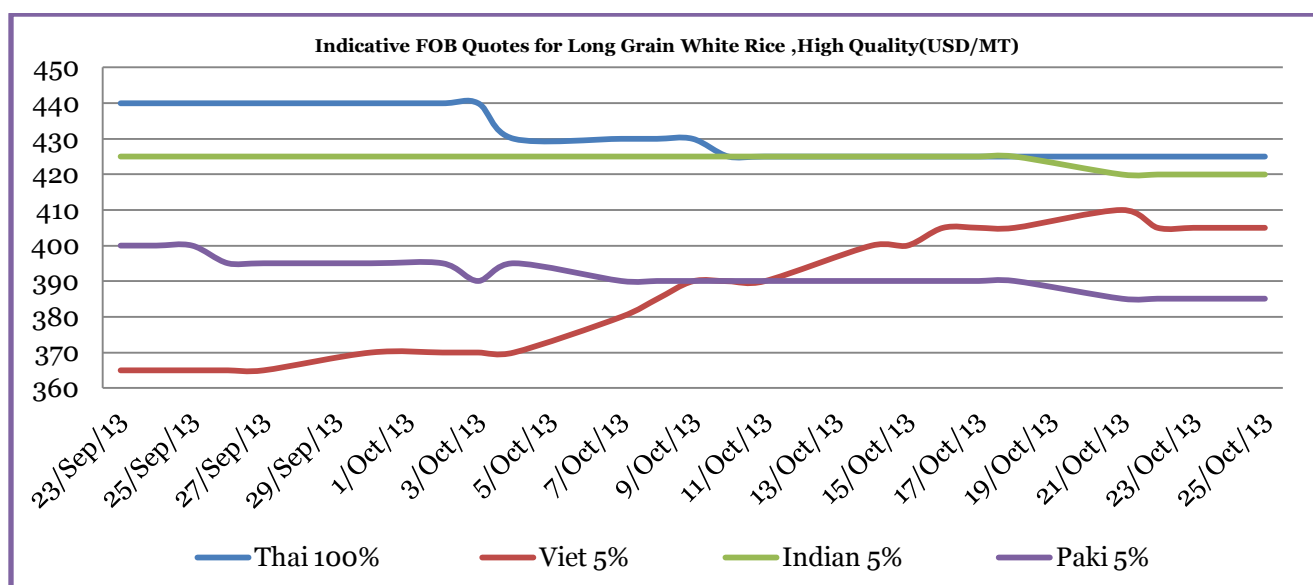
Price Projection for November 1st Week in Domestic Market:

Duration	Trend	Average Price Range
1 st Week of Nov, 2013	Steady to slightly firm	Rs.1700-1750/Q

Inflation:



FOB Quotes for Long Grain White Rice, High Quality:



World Market Recap:

Thailand's rice exports during January – August 2013 have reached around 4.1 million tons and worth about 86.4 billion baht (about USD 2.8 billion), according to the Thai Rice Exporters Association (TREA).

Egypt's General Authority for Supply Commodities (GASC) has raised purchase prices of rice for distribution in the country's Public Distribution System. According to local sources, GASC purchased an additional 113,000 tons of milled rice packed in 1-kg bags for delivery in November and December 2013 for prices of around USD 420/MT, up about 6% from around USD 397/MT in the beginning of October, 2013.

Pakistan's rice exports recovered in September 2013, reaching around 2.12 lakh tons in the month, up around 16% from about 1.82 lakh tons exported in August 2013, and up about 45% from around 1.46 lakh tons in September 2012, according to provisional data from the Pakistan Bureau of Statistics (PBS).

Vietnam has increased the minimum export price (MEP) for 25% broken rice to USD 375/MT, up about 4% from USD 360/MT in effect since September 2013, according to trade sources. The new MEP will come into effect on October 25, 2013.

Indonesia's paddy rice production is expected to reach around 69.3 million tons (about 43.6 million tons, milled basis) in 2013; down from previous forecasts due to adverse weather conditions but slightly above the last year's rice crop, according to the FAO.

Indonesia is expected to sustain its rice self-sufficiency in the remaining months of this year and in the coming years due to higher production and increasing government stocks, According to the deputy agriculture.

According to Indonesian government's first estimate, Indonesia's rice production in 2013 is expected to grow to around 34 million tons, up about 0.35% from last year. According to the USDA, Indonesia's rice consumption stands at around 37 million tons.

South Korea bought 5,126 tons of U.S No 1 rice for delivery by December 31 at Pyeongtaek Port, under a tender. The rice was non-glutinous rice bought for USD 734.70/MT.

Vietnam has exported 5.31 million tonnes of rice since January-10 October, 2013 at an average export price of USD 429/MT.

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
Production	449	465	469	476	474
Trade	36	39	37	37	37
Consumption	445	458	469	474	473
Carryover stocks	99	107	107	109	108
Y-O-Y change	3	7	1	2	1
Major Exporters	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 upward movement in previous sessions. We expect market will test previous resistance at USD 16.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
1 st Week of November, 2013	Steady to firm	15.80-16.20

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