

Latest Market Development:-

Average wholesale rice prices in India have surged to around Rs.2, 753/Q as of October 30, 2013, up about 2% from around Rs. 2,691/Q in the previous month, and up about 14% from around Rs.2, 408 per quintal seen a year ago in October 2012.

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 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.

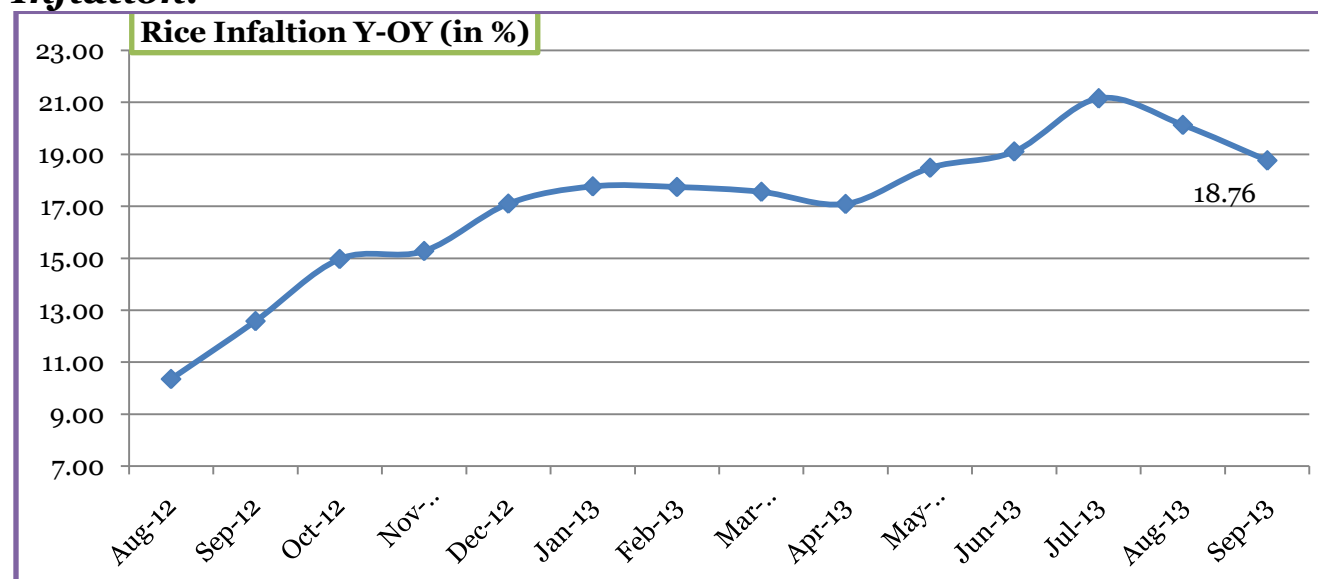
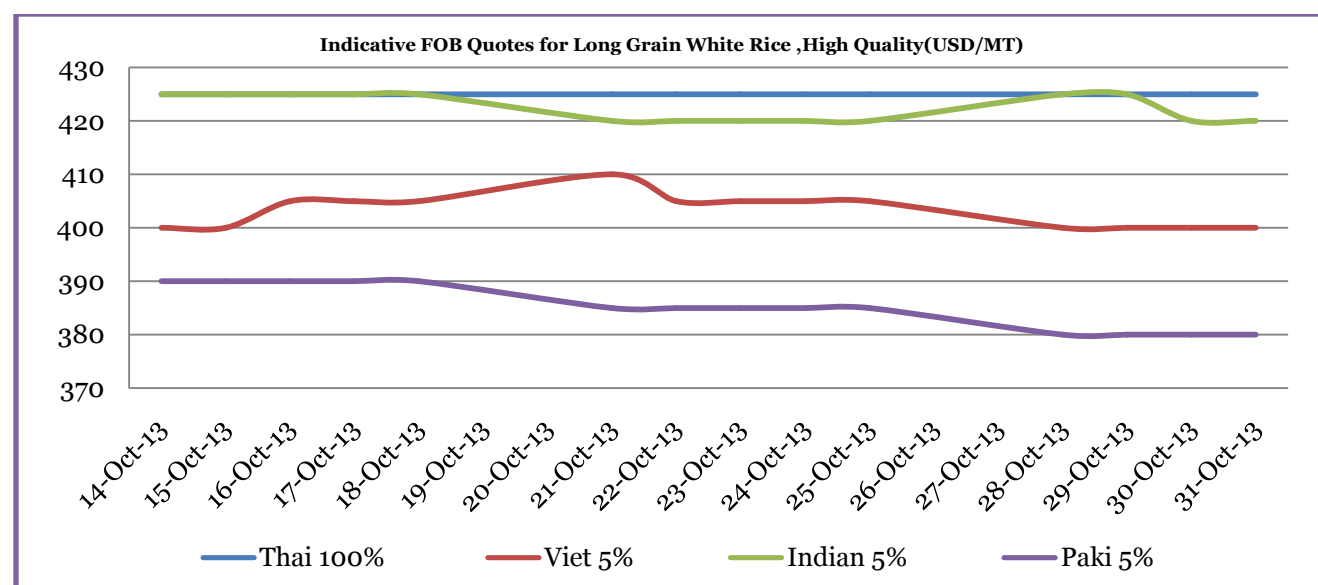
State wise Wholesale Prices Weekly Analysis for Rice Fourth Week of October, 2013:

State	24-31 Oct 2013	16-23 Oct 2013	09-15 Oct 2013	24-31 Oct 2012	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	1764.8	3820.4	3823.3	1908.3	-53.81	-7.52
Assam	2931.9	2874.3	2897.8	2491.3	2	17.68
Gujarat	2520.4	2498.9	2406.1	2362.2	0.86	6.7
Jammu and Kashmir	NA	NA	NA	4300	—	—
Jharkhand	2692.3	2673.8	2569	2404.3	0.69	11.98
Karnataka	3003.5	3101.1	2002.6	2462.3	-3.15	21.98
Kerala	3367.6	3359	3501	3042	0.26	10.7
Maharashtra	5944.3	2843.8	4002.5	4529.6	109.02	31.23
Manipur	2853.8	2803.7	2621.2		1.79	—
Meghalaya	3455.6	3271.4	3500	3228.6	5.63	7.03
Delhi	NA	NA	NA	1609.2	—	—
Orissa	2343.3	2388.1	2601.6	2025.4	-1.87	15.7
Punjab	NA	NA	2800	1883.7	—	—
Tripura	2780.8	2833.2	3048.9		-1.85	—
Uttar Pradesh	1894.7	1858.3	1875.7	1676.1	1.96	13.04
Uttarakhand	1948.6	2036.4	2222.1	1857.3	-4.31	4.91
West Bengal	2559.1	2550.7	2535.7	2060.1	0.33	24.22
Average	2861.5	2779.5	2827.2	2522.7		

Prices of rice have showed the upward movement in October 4th week from last week, as 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.2850-2950/Q

Inflation:

FOB Quotes for Long Grain White Rice, High Quality:


World Market Recap:

South Korea has purchased 6,700 tons of brown long-grain rice of Thailand origin for around USD 439.99/T in a tender that closed on October 22, 2013. The delivery is expected to take place by January 31, 2014, according to the state-run Korea Agro-Fisheries & Food Trade Corp.

Thai Rice Exporters Association (TREA) said rice exports in September of around 501,600 tons was down about 4% from the previous month but about 27.2% higher compared to the same period last year. According to TREA, rice exports are expected to increase to around 600,000 tons in October 2013 as prices have become more competitive, declining to the lowest in three years.

Thailand's Commerce Minister says that the government rice mortgage program could continue indefinitely as it improves the living of the rice farmers in the country

Flash floods in the Mekong River earlier this month have destroyed around 14% or about 369,346 hectares of rice crop in Cambodia, with severe damage seen in around 4.4% or about 113,260 hectares, according to local sources. Officials in the agriculture department estimate rice area this year at around 2.56 million hectares.

Taiwan awarded a contract to supply 10,034 tons of U.S. medium/short grain rice to a company in the U.S. for USD 704 per ton on duty paid delivered (DPD) terms, according to the USDA.

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).

Source: <http://oryza.com>

IGC Balance Sheet:
(Fig. In Million Tonnes)

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				26.09.2013	31.10.2013
Production	449	465	469	474	474
Trade	36	39	37	38	38
Consumption	445	458	469	473	472
Carryover stocks	99	107	107	110	109
Y-O-Y change	3	7	1	2	1
Major Exporters	30	37	40	43	42

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

IGC Rice Balance sheet Highlights:-

- While the IGC GOI rice sub-Index was broadly unchanged month on month basis, markets were again mixed, with values in Vietnam underpinned by export demand and crop worries, but weaker in Thailand on limited buying interest and heavy intervention reserves.
- World production is projected to expand by 1% year on year basis, to an all-time high in 2013-14, with larger crops in Far East Asia, notably India; global demand is set to rise by 1%, led by Asia.
- The 2013-14 world carryovers is likely to increase for the ninth consecutive year, with major exporters' stocks at a new record.
- Global trade is tentatively expected to rise in 2014, with higher sales to Far East Asia, though China's 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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