

Latest Market Development:-

Rice stock in central pool as on 1st November was 28.58 million tonnes.

According to India's Central Rice Research Institute (CRRI) scientist, crop damage due to cyclone Phailin is estimated at around one million tons in Odisha state alone. Losses could be significantly higher due to heavy rains that followed the cyclone and unseasonal rainfall in key rice producing states of Punjab and Haryana.

The Indian government has accepted a proposal to supply rice and other food grains in 5-kilogram packs under the Public Distribution System (PDS) to prevent corruption in the implementation of the Food Security Law and to help control soaring rice prices in the country.

The USDA Post has increased the estimates for India's rice exports in the marketing year 2012-13 (October – September) to a record 11 million tons, up about 6% from around 10.38 million tons exported in MY 2011-12, and up about 10% from USDA official estimates of around 10 million tons.

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.

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	26.78	23.13	28.58	

*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 28.58 million tons as of November 1, 2013.

State wise Wholesale Prices Weekly Analysis for Rice First Week of November, 2013:

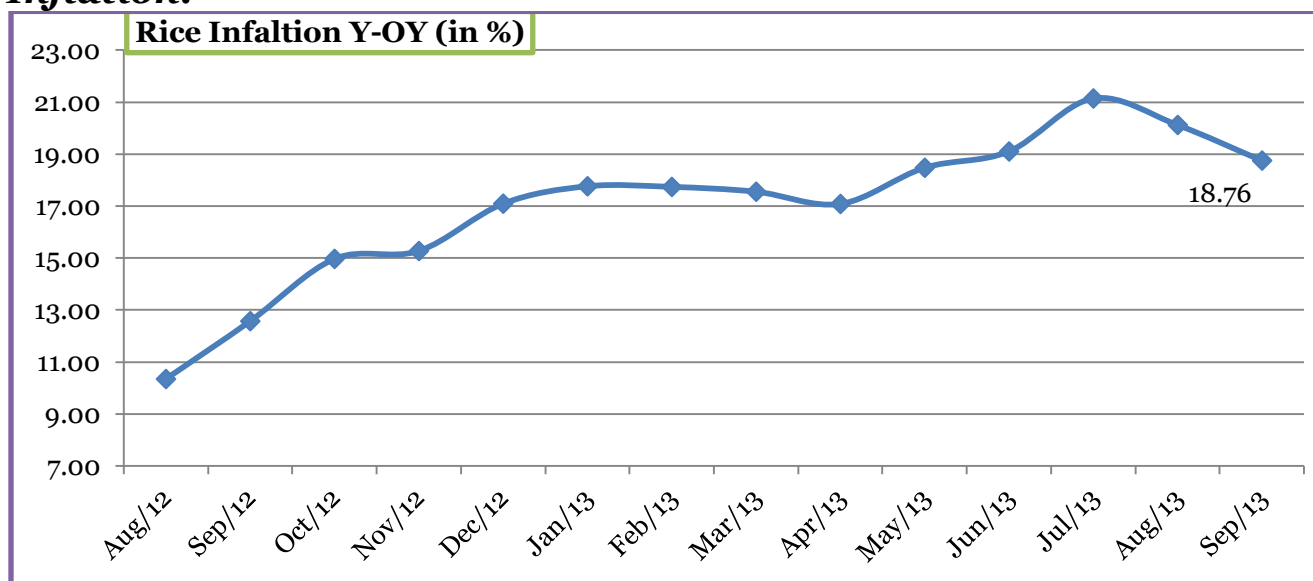
State	01-08 Nov 2013	24-31 Oct 2013	16-23 Oct 2013	01-08 Nov 2012	% Change(Over Previous Week)	% Change(Over Previous Year)
A.P	2735.16	1771.07	3791.47	2643.45	54.44	3.47
Assam	2938.04	2931.88	2874.34	2478.11	0.21	18.56
Gujarat	2816.29	2477.61	2498.9	2258.59	13.67	24.69
Jharkhand	2593.44	2692.49	2642.15	2348.65	-3.68	10.42
Karnataka	1927.37	3003.46	3101.08	2642.61	-35.83	-27.07
Kerala	3354.22	3365.37	3358.98	2846.18	-0.33	17.85
Maharashtra	4455.86	6779.47	2843.83	4628.39	-34.27	-3.73
Manipur	2822.35	2853.82	2803.7	NA	-1.1	—
Meghalaya	3341.67	3496.43	3271.43	3285.71	-4.43	1.7
Orissa	2185.86	2386.81	2390.99	1665.22	-8.42	31.27
Punjab	3811.78	NA	NA	2127.11	—	79.2
Tripura	2733.97	2760.31	2833.23	NA	-0.95	—
U.P	1890.48	1893.31	1858.56	1678.01	-0.15	12.66
Uttarakhand	1936.27	1948.62	2036.36	1760.54	-0.63	9.98
West Bengal	2553.32	2562.75	2550.72	2074.24	-0.37	23.1
Average	2806.40	2923.1	2775.41	2495.13		

Prices of rice have showed the downward movement in November 1st week from last week and market is expected to move downward due to harvesting pressure.

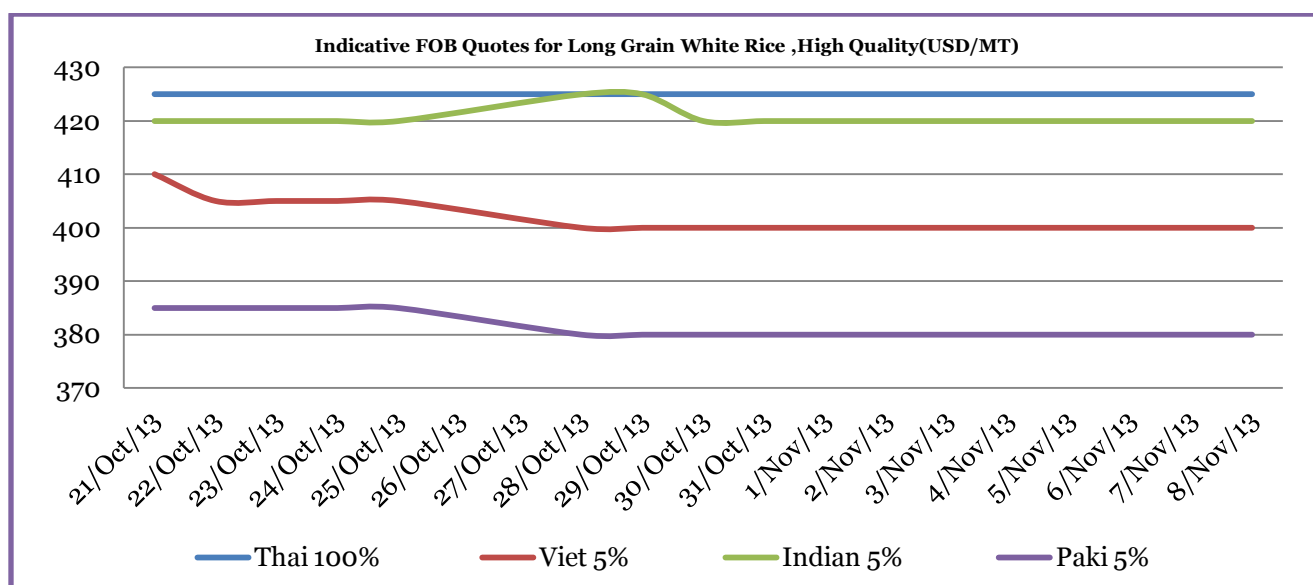
Price Projection for November 2nd Week in Domestic Market:

Duration	Trend	Average Price Range
2 nd Week of Nov, 2013	Steady to slightly Weak	Rs.2750-2800/Q

Inflation:



FOB Quotes for Long Grain White Rice, High Quality:



World Market Recap:

As per USDA latest report global rice production is expected to fall to 473.18 million tonnes as compared to 476.77 million tonnes. Production is expected to fall due to adverse weather condition in India, Pakistan and US.

Rice imports by the countries in the European Union (EU) reached a record 1.23 million tons in MY 2012-13 (October to September), up about 10.6% from around 1.11 million tons in the previous marketing year 2011-12, according to the European Commission.

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) will issue a tender to buy a total of 43,000 tons of rice on November 8, 2013, under the Global Minimum Access quota under WTO obligations.

Indonesia's Statistics Bureau says that the country's paddy rice production is expected to reach around 70.87 million tons in 2013, up about 2% from around 69.3 million tons forecast in July 2013, but down about 2% from the 72.1 million tons of paddy rice required to make Indonesia self-sufficient in rice this year

Vietnam's rice exports in January – October 2013 stand at around 5.73 million tons, down about 12% from around 6.5 million tons exported during the same period in 2012, according to the Vietnam Food Association (VFA).

Pakistan rice traders hope that exports to Iran will improve with the soon to be implemented currency swap arrangement with Iran. The State Minister for Commerce & Privatization told the Rice Exporters Association of Pakistan (REAP) that the government is planning to sign a currency swap arrangement deal with Iran to improve rice exports which were adversely affected due to U.S. sanctions on Iran.

Rice production in the Philippines is expected to increase to around 11.7 million tons (milled basis) in MY 2013-14 (May to April), up about 2.6% from around 11.4 million tons produced in the previous year, according to the USDA Post in Manila. The slight increase production will bring rice imports down, but self-sufficiency in rice may not be possible for the Philippines this year.

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.

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 January- 14, Rough Rice):


(Prices in US\$/hundredweight)

Market Analysis:

The CBOT January 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
2 nd Week of November, 2013	Steady to firm	16.00-16.20

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